

S 1346

Stop Tax Haven Abuse Act

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jul 12, 2011

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Jul 12, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/1346>

Sponsor

Name: Sen. Levin, Carl [D-MI]

Party: Democratic • State: MI • Chamber: Senate

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Conrad, Kent [D-ND]	D · ND		Jul 12, 2011
Sen. Nelson, Bill [D-FL]	D · FL		Jul 12, 2011
Sen. Sanders, Bernard [I-VT]	I · VT		Jul 12, 2011
Sen. Shaheen, Jeanne [D-NH]	D · NH		Jul 12, 2011
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Jul 12, 2011
Sen. Durbin, Richard J. [D-IL]	D · IL		Jul 22, 2011
Sen. Begich, Mark [D-AK]	D · AK		Jul 25, 2011

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jul 12, 2011

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
112 S 2075	Related bill	Feb 7, 2012: Read twice and referred to the Committee on Finance.
112 HR 2669	Identical bill	Aug 22, 2011: Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.

Stop Tax Haven Abuse Act - Authorizes the Secretary of the Treasury to impose restrictions on foreign jurisdictions or financial institutions operating in the United States that are of prime money laundering concern or that impede U.S. tax enforcement.

Amends the Internal Revenue Code to: (1) establish a rebuttable presumption against the validity of transactions by institutions that do not comply with reporting requirements under the Foreign Account Tax Compliance Act (FATCA), (2) treat certain foreign corporations managed and controlled primarily in the United States as domestic corporations for tax purposes, (3) require tax withholding agents and financial institutions to report certain information about beneficial owners of foreign-owned financial accounts, (4) treat credit default swap payments sent offshore as taxable U.S. source income, (5) allow the use of tax return information to evaluate foreign financial account reports, (6) increase penalties for promoting abusive tax shelters and for aiding and abetting the understatement of tax liability, (7) prohibit tax advisor contingent fee agreements for obtaining a tax savings or benefit, and (8) impose additional requirements for third party summonses used to obtain information in tax investigations that do not identify the person with respect to whose liability the summons is issued (i.e., John Doe summons).

Amends the Securities Exchange Act of 1934 to: (1) require corporations registered with the Securities and Exchange Commission (SEC) to report annually, on a country-by country basis, on employees, sales, financing, tax obligations, and tax payments; and (2) authorize a fine of up to \$1 million for failure to disclose any holding or transaction involving equity or debt instruments known to involve a foreign entity that would otherwise be subject to disclosure requirements.

Requires the Secretary to publish a proposed rule in the Federal Register requiring unregistered investment companies, including hedge funds or private equity funds, to establish anti-money laundering programs and submit suspicious activity reports.

Extends anti-money laundering requirements to persons engaged in the business of forming new businesses or other legal entities.

Requires federal banking agencies and the SEC to develop examination techniques to detect and prevent abusive tax shelter activities or the aiding or abetting of tax evasion by financial institutions.

Requires the Secretary to: (1) disclose tax return information to federal financial regulators for purposes of tax shelter investigations; (2) disclose to Congress documents relating to a determination to grant, deny, revoke, or restore the tax-exempt status of an organization; and (3) expand the standards applicable to tax practitioners for issuing written advice on transactions which have a potential for tax avoidance or evasion.

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## **Actions Timeline**

- **Jul 12, 2011:** Introduced in Senate
- **Jul 12, 2011:** Sponsor introductory remarks on measure. (CR S4518-4527)
- **Jul 12, 2011:** Read twice and referred to the Committee on Finance.