

S 2704

No Federal Contracts for Corporate Deserters Act of 2014

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Government Operations and Politics

Introduced: Jul 30, 2014

Current Status: Read twice and referred to the Committee on Homeland Security and Governmental Affairs.

Latest Action: Read twice and referred to the Committee on Homeland Security and Governmental Affairs. (Jul 30, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/2704>

Sponsor

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

Party: Democratic • **State:** MI • **Chamber:** Senate

Cosponsors (3 total)

| Cosponsor | Party / State | Role | Date Joined |
|---------------------------------|---------------|------|--------------|
| Sen. Durbin, Richard J. [D-IL] | D · IL | | Jul 30, 2014 |
| Sen. Reed, Jack [D-RI] | D · RI | | Jul 30, 2014 |
| Sen. Whitehouse, Sheldon [D-RI] | D · RI | | Sep 8, 2014 |

Committee Activity

| Committee | Chamber | Activity | Date |
|--|---------|-------------|--------------|
| Homeland Security and Governmental Affairs Committee | Senate | Referred To | Jul 30, 2014 |

Subjects & Policy Tags

Policy Area:

Government Operations and Politics

Related Bills

| Bill | Relationship | Last Action |
|-------------|--------------|--|
| 113 HR 5278 | Related bill | Jul 30, 2014: Referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. |

No Federal Contracts for Corporate Deserters Act of 2014 - Prohibits an executive agency from awarding a contract (including a defense contract) for the procurement of property or services to: (1) any foreign incorporated entity determined to be an inverted domestic corporation or any subsidiary of such entity, or (2) any joint venture more than 10% of which is held by such an entity or subsidiary.

Directs each agency to include in each contract awarded with a value in excess of \$10 million, other than a contract for exclusively commercial items, a clause that prohibits the prime contractor from: (1) awarding a first-tier subcontract with a value greater than 10% of the total prime contract to such an entity or joint venture, or (2) structuring subcontract tiers enabling such entity or joint venture to perform more than 10% of the total value of the prime contract.

Authorizes an agency to waive such requirements for a contract in the interest of national security or if necessary for the efficient or effective administration of federal or federally-funded programs that provide health benefits to individuals. Provides for termination of a contract or suspension or debarment of a contractor in violation of this Act.

Requires a foreign incorporated entity to be treated as an inverted domestic corporation if: (1) the entity acquires, on or after May 8, 2014, substantially all of the properties held by a domestic corporation or substantially all of the assets of, or substantially all of the properties constituting a trade or business of, a domestic partnership; and (2) after the acquisition, either more than 50% of the stock of the entity is held by former shareholders of the domestic corporation or former partners of the domestic partnership, or the management and control of the expanded affiliated group which includes the entity occurs primarily within the United States and such expanded affiliated group has significant domestic business activities. Sets forth an exception for an entity within an expanded affiliated group with substantial business activities in the foreign country in which the entity is created.

Requires the Secretary of the Treasury to prescribe regulations for determining cases in which the management and control of an expanded affiliated group is to be treated as occurring primarily within the United States.

Actions Timeline

- **Jul 30, 2014:** Introduced in Senate
- **Jul 30, 2014:** Sponsor introductory remarks on measure. (CR S5142-5143)
- **Jul 30, 2014:** Read twice and referred to the Committee on Homeland Security and Governmental Affairs.