

## S 2666

### Corporate Inverters Earnings Stripping Reform Act of 2016

**Congress:** 114 (2015–2017, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Mar 10, 2016

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

**Latest Action:** Read twice and referred to the Committee on Finance. (Mar 10, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/senate-bill/2666>

## Sponsor

**Name:** Sen. Schumer, Charles E. [D-NY]

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

## Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Brown, Sherrod [D-OH]	D · OH		Mar 10, 2016
Sen. Cardin, Benjamin L. [D-MD]	D · MD		Mar 10, 2016
Sen. Durbin, Richard J. [D-IL]	D · IL		Mar 10, 2016
Sen. Menendez, Robert [D-NJ]	D · NJ		Mar 10, 2016
Sen. Nelson, Bill [D-FL]	D · FL		Mar 10, 2016
Sen. Stabenow, Debbie [D-MI]	D · MI		Mar 10, 2016
Sen. Warren, Elizabeth [D-MA]	D · MA		Mar 10, 2016
Sen. Feinstein, Dianne [D-CA]	D · CA		Apr 6, 2016

## Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Mar 10, 2016

## Subjects & Policy Tags

### Policy Area:

Taxation

## Related Bills

Bill	Relationship	Last Action
114 HR 4581	Related bill	Feb 23, 2016: Referred to the House Committee on Ways and Means.

## **Corporate Inverters Earnings Stripping Reform Act of 2016**

This bill amends the Internal Revenue Code to impose limitations on the tax deduction for interest paid by corporations which are designated as applicable entities (i.e., members of an expanded affiliated group which includes a surrogate foreign corporation which is not treated as a domestic corporation). Such an entity may not claim a tax deduction for interest that exceeds 25% of its adjusted taxable income and may not carry forward interest which is paid or accrued during the first year in which such entity becomes an applicable entity.

The bill requires an applicable entity to file an annual application for an approval agreement (i.e., a prefiling, advance pricing, or other agreement involving a related-party transaction) with the Internal Revenue Service during the 10-year period after it becomes an applicable entity.

### **Actions Timeline**

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- **Mar 10, 2016:** Introduced in Senate
- **Mar 10, 2016:** Read twice and referred to the Committee on Finance.