

HR 4581

Stop Corporate Earnings Stripping Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Feb 23, 2016

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Feb 23, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/4581>

Sponsor

Name: Rep. Levin, Sander M. [D-MI-9]

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

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Pascrell, Bill, Jr. [D-NJ-9]	D · NJ		Feb 23, 2016
Rep. Rangel, Charles B. [D-NY-13]	D · NY		Feb 23, 2016
Rep. Thompson, Mike [D-CA-5]	D · CA		Feb 23, 2016
Rep. Van Hollen, Chris [D-MD-8]	D · MD		Feb 23, 2016

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Feb 23, 2016

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
114 S 2666	Related bill	Mar 10, 2016: Read twice and referred to the Committee on Finance.

Summary (as of Feb 23, 2016)

Stop Corporate Earnings Stripping Act of 2016

This bill amends the Internal Revenue Code to limit the tax deduction available to certain foreign-controlled U.S. multinational corporations for excess interest on debt incurred by such corporation (i.e., earnings stripping) by: (1) repealing the debt-to-equity ratio threshold required for such deduction, (2) reducing the permitted net interest expense threshold from 50% to 25% of the corporation's adjusted taxable income, (3) repealing the carryforward of excess amounts of interest, and (4) limiting to five years the carryforward of disallowed interest expense.

Actions Timeline

- **Feb 23, 2016:** Introduced in House
- **Feb 23, 2016:** Referred to the House Committee on Ways and Means.