

HR 4770

To amend the Internal Revenue Code of 1986 to provide appropriate rules for the application of the deduction for income attributable to domestic production activities with respect to certain contract manufacturing or production arrangements.

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Mar 16, 2016

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

Latest Action: Referred to the House Committee on Ways and Means. (Mar 16, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/4770>

Sponsor

Name: Rep. Tiberi, Patrick J. [R-OH-12]

Party: Republican • **State:** OH • **Chamber:** House

Cosponsors (20 total)

| Cosponsor | Party / State | Role | Date Joined |
|---|---------------|------|--------------|
| Rep. Beatty, Joyce [D-OH-3] | D · OH | | Mar 16, 2016 |
| Rep. Neal, Richard E. [D-MA-1] | D · MA | | Mar 16, 2016 |
| Rep. Stivers, Steve [R-OH-15] | R · OH | | Mar 16, 2016 |
| Rep. Roskam, Peter J. [R-IL-6] | R · IL | | Mar 23, 2016 |
| Rep. Renacci, James B. [R-OH-16] | R · OH | | Apr 13, 2016 |
| Rep. Boustany, Charles W., Jr. [R-LA-3] | R · LA | | May 11, 2016 |
| Rep. Smith, Jason [R-MO-8] | R · MO | | May 18, 2016 |
| Rep. Larson, John B. [D-CT-1] | D · CT | | May 26, 2016 |
| Rep. McDermott, Jim [D-WA-7] | D · WA | | Jun 7, 2016 |
| Rep. Kind, Ron [D-WI-3] | D · WI | | Jun 13, 2016 |
| Rep. Dold, Robert J. [R-IL-10] | R · IL | | Jun 16, 2016 |
| Rep. Black, Diane [R-TN-6] | R · TN | | Jun 21, 2016 |
| Rep. Crowley, Joseph [D-NY-14] | D · NY | | Jun 21, 2016 |
| Rep. Young, Todd [R-IN-9] | R · IN | | Jun 21, 2016 |
| Rep. Noem, Kristi L. [R-SD-At Large] | R · SD | | Jul 6, 2016 |
| Rep. Paulsen, Erik [R-MN-3] | R · MN | | Jul 18, 2016 |
| Rep. Reed, Tom [R-NY-23] | R · NY | | Sep 26, 2016 |
| Rep. Joyce, David P. [R-OH-14] | R · OH | | Sep 28, 2016 |
| Rep. Jenkins, Lynn [R-KS-2] | R · KS | | Nov 16, 2016 |
| Rep. Jordan, Jim [R-OH-4] | R · OH | | Dec 2, 2016 |

Committee Activity

| Committee | Chamber | Activity | Date |
|--------------------------|---------|-------------|--------------|
| Ways and Means Committee | House | Referred To | Mar 16, 2016 |

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

| Bill | Relationship | Last Action |
|------------|--------------|---|
| 114 S 3517 | Related bill | Dec 7, 2016: Read twice and referred to the Committee on Finance. |

Summary (as of Mar 16, 2016)

This bill amends the Internal Revenue Code to specify rules for applying the deduction for income from domestic production activities to contract manufacturing or production arrangements.

In a contract manufacturing or production arrangement, a person contracts with one or more unrelated persons for the manufacture, production, growth, or extraction of an item of qualifying production property (tangible personal property, computer software, and sound recordings) or film. The qualifying production property must be manufactured, produced, grown, or extracted in whole or significant part within the United States.

In an arrangement in which any person makes a substantial contribution through the activities of its employees within the United States to the manufacture, production, growth, or extraction of qualifying production property: (1) the person shall be treated as engaging in the activity, and (2) the domestic production gross receipts of the person shall include the gross receipts received under the arrangement for the activities.

The Internal Revenue Service must prescribe regulations that include specified factors for determining a substantial contribution.

A person with an economic risk of loss of more than 50% of the direct material costs necessary to the manufacture, production, growth, or extraction of the qualifying production is deemed to make a substantial contribution.

The parties to an arrangement may agree in writing to: (1) make only one person eligible for the deduction, or (2) apply the rules retroactively to tax years in which only one person claimed the deduction.

Actions Timeline

- **Mar 16, 2016:** Introduced in House
- **Mar 16, 2016:** Referred to the House Committee on Ways and Means.