

## HR 412

Territorial Tax Equity and Economic Growth Act of 2019

**Congress:** 116 (2019–2021, Ended)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Jan 9, 2019

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

**Latest Action:** Referred to the House Committee on Ways and Means. (Jan 9, 2019)

**Official Text:** <https://www.congress.gov/bill/116th-congress/house-bill/412>

### Sponsor

**Name:** Del. Plaskett, Stacey E. [D-VI-At Large]

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

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Jan 9, 2019

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

Bill	Relationship	Last Action
116 HR 411	Related bill	<b>Jan 9, 2019:</b> Referred to the House Committee on Ways and Means.

## **Territorial Tax Equity and Economic Growth Act of 2019**

This bill modifies the residence and income source rules that apply with respect to the taxation of income from U.S. possessions (Guam, American Samoa, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands).

The bill specifies that a bona fide resident of a possession must have a substantial presence in the possession for at least 122 days during the year. Under current law, the person must be present for at least 183 days during the year.

Under current law, income is not possession source income if it is treated as (1) income from sources within the United States, or (2) as effectively connected with the conduct of a trade or business within the United States. The bill amends this rule to:

- specify that it applies only to the extent that the income is attributable to an office or fixed place of business within the United States,
- specify principles that must be used to determine whether income from sources without a possession is effectively connected with the conduct of a trade or business within the possession, and
- prohibit income from activities within the United States which are of a preparatory or auxiliary character from being treated as income from sources within the United States or as effectively connected with the conduct of a trade or business within the United States.

The bill also modifies the income source rules that apply to certain personal property sales in the Virgin Islands.

## **Actions Timeline**

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- **Jan 9, 2019:** Introduced in House
- **Jan 9, 2019:** Referred to the House Committee on Ways and Means.

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