January 2, 2019

Tax Technical and Clerical Corrections Act
Discussion Draft

Overview

This discussion draft contains the legislative text of technical and clerical corrections with respect to enacted tax law that are needed to properly reflect the original Congressional intent or that provide clarifications consistent with such intent.

The provisions in the discussion draft have been developed by the Joint Committee on Taxation staff working with staff of the Committee on Ways and Means, Committee on Finance, and Department of the Treasury.

The technical correction provisions with respect to the Tax Cuts and Jobs Act generally are referenced in the Joint Committee on Taxation staff’s General Explanation of Public Law 115-97 (JCS-1-18), which was released on December 20, 2018.

A detailed description of the discussion draft prepared by the Joint Committee on Taxation staff is provided in the Technical Explanation of the House Ways and Means Committee Chairman’s Discussion Draft of the “Tax Technical and Clerical Corrections Act” (JCX-1-19).

The discussion draft contains technical corrections that have been developed to date. The staff work on identifying, considering, and developing technical corrections is ongoing.

The release of the discussion draft is intended to provide information to stakeholders and to give stakeholders an opportunity to provide feedback on the provisions included in the draft and on potential additional technical corrections that should be considered.
[DISCUSSION DRAFT]

115TH CONGRESS  
2D SESSION

H. R. ________

To amend the Internal Revenue Code of 1986 to make certain technical and clerical corrections.

__________________________________________

IN THE HOUSE OF REPRESENTATIVES

Mr. Brady of Texas introduced the following bill; which was referred to the Committee on ____________________________

__________________________________________

A BILL

To amend the Internal Revenue Code of 1986 to make certain technical and clerical corrections.

1  Be it enacted by the Senate and House of Representa-
2  tives of the United States of America in Congress assembled,

3  SECTION 1. SHORT TITLE, ETC.

4  (a) Short Title.—This Act may be cited as the
5  “Tax Technical and Clerical Corrections Act”.

6  (b) Amendment of 1986 Code.—Except as other-
7  wise expressly provided, whenever in this Act an amend-
8  ment or repeal is expressed in terms of an amendment
9  to, or repeal of, a section or other provision, the reference
shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title, etc.
Sec. 2. Amendment relating to Consolidated Appropriations Act, 2018.
Sec. 3. Amendment relating to Bipartisan Budget Act of 2018.
Sec. 4. Amendments relating to Public Law 115–97.
Sec. 5. Amendment relating to Working Families Tax Relief Act of 2004.
Sec. 6. Other clerical amendments.

SEC. 2. AMENDMENT RELATING TO CONSOLIDATED APPROPRIATIONS ACT, 2018.

(a) Amendment Relating to Section 101 of Division T.—Section 199A(b)(7)(A) is amended by inserting “(but not less than zero)” after “9 percent of so much”.

(b) Effective Date.—The amendment made by this section shall take effect as if included in section 101(b) of division T of the Consolidated Appropriations Act, 2018.

SEC. 3. AMENDMENT RELATING TO BIPARTISAN BUDGET ACT OF 2018.

(a) Amendment Relating to Section 41119.—Section 45Q(f)(6)(A) is amended by striking “the person described in paragraph (3)(A)(ii) may elect” and inserting “the person that owns the carbon capture equipment and physically or contractually ensures the capture and dis-
posal, utilization, or use as a tertiary injectant of such
qualified carbon oxide may elect”.

(b) Effective Date.—The amendment made by
this section shall take effect as if included in section

SEC. 4. AMENDMENTS RELATING TO PUBLIC LAW 115–97.

(a) Amendments Relating to Section 11001.—

(1) Section 1(j) is amended by striking all that
precedes paragraph (2) and inserting the following:
“(j) Modifications for Taxable Years 2018
Through 2025.—In the case of a taxable year beginning
after December 31, 2017, and before January 1, 2026—
“(1) In General.—Subsection (i) shall not
apply and this section (other than subsection (i))
shall be applied as provided in paragraphs (2)
through (6).”.

(2) Section 1(j)(3)(B)(ii) is amended by strik-
ing “or head of household”.

(3) Section 1(j)(4) is amended to read as fol-
lows:
“(4) Special Rules for Certain Children
With Unearned Income.—In the case of a child
described in subsection (g)(2) for the taxable year—
“(A) In General.—Subsection (g) shall
not apply (except as otherwise provided in this
paragraph) and the tax imposed by this section shall not be less than the sum of—

“(i) the tax which would be imposed by this section if the taxable income of such child were reduced by the net unearned income, plus

“(ii) the tax which would be imposed by this section on a trust if the taxable income of the trust were the net unearned income of such child.

“(B) Definition of Net Unearned Income.—For purposes of this paragraph, the term ‘net unearned income’ has the meaning given such term in subsection (g)(4) if—

“(i) ‘the deductions allowed under section 199A for the taxable year attributable to the production of such portion of the adjusted gross income’ were substituted for ‘the amount in effect for the taxable year under section 63(c)(5)(A) (relating to limitation on standard deduction in the case of certain dependents)’ in subparagraph (A)(ii)(I) thereof, and

“(ii) ‘the amount in effect for the taxable year under section 63(c)(5)(A)’ were
substituted for ‘the amount described in subclause (I)’ in subparagraph (A)(ii)(II) thereof.

“(C) TREATMENT OF NET CAPITAL GAIN.—

“(i) IN GENERAL.—If a child has a net capital gain (as defined in subsection (h)(11)) for any taxable year, so much of the net capital gain of the child as does not exceed the child’s net unearned income shall be taken into account in determining tax for purposes of subparagraph (A)(ii) and the remainder (if any) shall be taken into account in determining tax for purposes of subparagraph (A)(i).

“(ii) APPLICATION TO UNRECAPTURED SECTION 1250 GAIN, 28 PERCENT RATE GAIN, ETC.—For purposes of clause (i), each item taken into account in determining the net capital gain of the child shall be taken into account under clauses (i) and (ii) of subparagraph (A), respectively, in the same proportion that the net capital gain is so taken into account.”.
(b) Amendments Relating to Section 11011.—

(1)(A) Section 163(d)(4)(B) is amended in the last sentence—

(i) by inserting “and qualified REIT dividends (as defined in section 199A(e)(3)(A))” after “qualified dividend income (as defined in section 1(h)(11)(B))”, and

(ii) by inserting “or dividends” after “such income”.

(B) Section 199A(e)(3) is amended to read as follows:

“(3) Qualified REIT Dividend.—

“(A) In General.—The term ‘qualified REIT dividend’ means any dividend from a real estate investment trust received during the taxable year which—

“(i) is not a capital gain dividend, as defined in section 857(b)(3), and

“(ii) is not qualified dividend income, as defined in section 1(h)(11).

“(B) Amounts Taken into Account as Investment Income.—Qualified REIT dividends shall not include any amount which the taxpayer takes into account as investment income under section 163(d)(4)(B).”.
(C) Section 199A(e)(4)(B) is amended by striking “to the extent” and all that follows and inserting “to the extent such gain—

“(i) is treated as ordinary income by reason of section 751(a), and

“(ii) is not taken into account as investment income under section 163(d)(4)(B)(iii).”.

(2) Section 199A(b)(1)(A) is amended by inserting “(but not less than zero)” after “the sum”.

(3) Section 199A(e)(3)(A), as amended by paragraph (1)(B), is amended by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, and”, and by adding at the end the following new clause:

“(iii) is not a dividend described in section 1(h)(11)(B)(iii).”.

(4) Section 199A(f)(2) is amended to read as follows:

“(2) COORDINATION WITH MINIMUM TAX.—For purposes of determining the tentative minimum tax under section 55(b)—

“(A) the amount of the deductions allowable under this section for a taxable year in determining alternative minimum taxable income
shall be the same as the amount allowable under this section in determining taxable income for such taxable year, and

“(B) alternative minimum taxable income for purposes of section 55(d)(2) shall be computed without regard to the deductions allowable under this section.”.

(5) Section 852(b) is amended by adding at the end the following:

“(10) Treatment by Shareholders of Qualified REIT Dividends and Qualified Publicly Traded Partnership Income.—

“(A) In general.—A shareholder of a regulated investment company shall take into account for purposes of section 199A(b)(1)(B)—

“(i) as a qualified REIT dividend the amount which is reported by the company (in written statements furnished to its shareholders) as being attributable to qualified REIT dividends received by the company, and

“(ii) as qualified publicly traded partnership income the amount which is reported by the company (in written state-
ments furnished to its shareholders) as being attributable to qualified publicly traded partnership income of the company.

“(B) Excess reported amounts.—Rules similar to the rules of clauses (ii) and (iii) of paragraph (5)(A) shall apply for purposes of this paragraph.

“(C) Negative qualified publicly traded partnership income required to be taken into account.—If the qualified publicly traded partnership income of the company is less than zero, such income shall be reported by the company under subparagraph (A)(ii).

“(D) Regulations.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph.”.

(6) Section 11011 of Public Law 115-97 is amended by adding at the end the following new subsection:

“(f) Transitional Coordination With Deduction for Income Attributable to Domestic Production Activities.—Any item taken into account in determining the combined qualified business income
amount of the taxpayer for any taxable year under section 199A of the Internal Revenue Code of 1986 (as added by this section) shall not be taken into account in determining the qualified production activities income of such taxpayer for such taxable year under section 199 of such Code (as in effect before its repeal).”

(e) Amendments Relating to Section 11012.—

(1) Section 461(l)(2) is amended by striking “a net operating loss carryover to the following taxable year under section 172” and inserting “a net operating loss for the taxable year for purposes of determining any net operating loss carryover under section 172(b) for subsequent taxable years”.

(2) Section 461(l)(3)(A) is amended—

(A) in clause (i), by inserting “and without regard to any deduction allowable under section 172 or 199A” after “under paragraph (1)”;

and

(B) by adding at the end the following flush sentence:

“Such excess shall be determined without regard to any deductions, gross income, or gains attributable to any trade or business of performing services as an employee.”.

(d) Amendments Relating to Section 11022.—
(1) Section 24(h)(4) is amended by adding at the end the following new subparagraph:

“(D) IDENTIFICATION REQUIREMENT.—No increase shall be allowed under subparagraph (A) to a taxpayer with respect to any dependent unless the taxpayer includes the name and taxpayer identification number of such dependent on the return of tax for the taxable year.”.

(2) Section 24(h)(7)(B) is amended to read as follows:

“(B) on or before the due date for filing such return.”.

(e) Amendments Relating to Section 11023.—

(1) Section 170(b)(1)(G)(i) is amended to read as follows:

“(i) IN GENERAL.—For taxable years beginning after December 31, 2017, and beginning before January 1, 2026, any contribution of cash to an organization described in subparagraph (A) shall be allowed to the extent that the aggregate of such contributions does not exceed the excess of—
“(I) 60 percent of the taxpayer’s contribution base for the taxable year, over
“(II) the aggregate amount of contributions allowable under subparagraph (A) for such taxpayer for such year.”.

(2) Section 170(b)(1)(G)(iii)(II) is amended to read as follows:

“(II) COORDINATION WITH 30-PERCENT LIMITATION.—Subparagraph (B) shall be applied by treating any reference to subparagraph (A) as a reference to subparagraph (A) or (G), and for purposes of subparagraph (B)(ii) the amount of charitable contributions treated as allowable under subparagraph (A) or (G) shall be reduced by so much of the contributions taken into account under this subparagraph as does not exceed 10 percent of the taxpayer’s contribution base.”.

(f) AMENDMENT RELATING TO SECTION 11031.—
Section 108(f)(5)(B)(i) is amended by inserting “, deter-
mined by substituting ‘to assist an individual in attending’
for ‘to an individual to assist the individual in attending’”
after “paragraph (2)”.

(g) Amendments Relating to Section 11041.—

1. Section 152(d)(1)(B) is amended by inserting after “section 151(d)” the following: “or, in the
case of a taxable year for which the exemption
amount is zero, the dollar amount in effect for the
taxable year under section 6334(d)(4)(B)”.

2. The second sentence of section
6334(d)(4)(C) is amended by striking “$100” each
place it appears and inserting “$50”.

(h) Amendments Relating to Section 11042.—

1. Subparagraphs (A) and (B) of section
164(b)(6) are amended to read as follows:

“(A) no deduction shall be allowed under
this chapter for foreign real property taxes, and

“(B) the aggregate amount of the deduc-
tion allowed to a taxpayer under this chapter on
account of taxes described in paragraph (1),
(2), or (3) of subsection (a) or paragraph (5)
of this subsection shall not exceed $10,000
($5,000 in the case of a married individual fil-
ing a separate return).”.

(2) Section 164(b) is amended by striking “For purposes of subparagraph (B)” in the third sentence of paragraph (6) and inserting the following:

“(7) LIMITATION ON PREPAYMENT.—For purposes of this section”.

(i) Amendment relating to Section 11047.—

Section 132(f)(8) is amended by striking “Paragraph (1)(D) shall not apply to” and inserting “Subsection (a)(5) shall not apply with respect to any qualified bicycle commuting reimbursement for”.

(j) Amendment relating to Section 12002.—

(1) Section 383(a) is amended to read as follows:

“(a) Excess General Business Credit.—Under regulations, if an ownership change occurs with respect to a corporation, the amount of any unused general business credit of the corporation under section 39 for any taxable year in any post-change year shall be limited to an amount determined on the basis of the tax liability which is attributable to so much of the taxable income as does not exceed the section 382 limitation for such post-change year to the extent available after the application of section 382 and subsections (b) and (e) of this section.”.
(2) Section 381(c) is amended by striking paragraph (25) and by redesignating paragraph (26) as paragraph (25).

(3) Section 12002(d)(1) of Public Law 115-97 is amended by striking “The amendments” and inserting “Except as provided in paragraph (2), the amendments”.

(4) The amendments made by paragraphs (1) and (2) shall take effect as if included in section 12002(e) of Public Law 115-97.

(k) Amendment Relating to Section 13101.—Section 179(e)(2), as amended by section 401 of division U of the Consolidated Appropriations Act, 2018, is amended by striking “to nonresidential real property” and inserting “made by the taxpayer to nonresidential real property if such improvements are”.

(l) Amendments Relating to Section 13201.—

(1) Section 168(k)(10)(A) is amended by inserting “and beginning before January 1, 2018,” after “first taxable year ending after September 27, 2017,”.

(2) Section 13201(h) of Public Law 115-97 is amended—

(A) in paragraph (1), by striking “provided by paragraph (2)” in the matter preceding sub-
paragraph (A) and inserting “otherwise pro-
vided by this subsection”, and

(B) by adding at the end the following new
paragraph:

“(3) PHASE DOWN.—The amendment made by
subsection (a)(3)(B) shall apply to property which is
acquired before September 28, 2017, and placed in
service after September 27, 2017. For purposes of
the preceding sentence, property shall not be treated
as acquired after the date on which a written bind-
ing contract is entered into for such acquisition.”.

(3) Section 13201(h) of Public Law 115-97, as
amended by paragraph (2), is amended by adding at
the end the following new paragraph:

“(4) SPECIAL RULE FOR CERTAIN PROPERTY.—
The amendment made by subsection (d) shall apply
to property placed in service in taxable years begin-
ning after December 31, 2017.”.

(m) AMENDMENTS RELATING TO SECTION 13204.—

(1) Section 168(e)(3)(E) is amended by striking
“and” at the end of clause (v), by striking the pe-
period at the end of clause (vi) and inserting “, and”,
and by adding at the end the following new clause:

“(vii) any qualified improvement prop-
erty.”.
(2) Section 168(e)(6)(A) is amended by inserting “made by the taxpayer” after “any improvement”.

(3) The table contained in subparagraph (B) of section 168(g)(3) is amended—

(A) by striking the item relating to subparagraph (D)(v), and

(B) by inserting after the item relating to subparagraph (E)(vi) the following new item:

“(E)(vii) ......................................... 20”.

(4)(A) Section 168(g)(8) is amended to read as follows:

“(8) ELECTING REAL PROPERTY TRADE OR BUSINESS.—Property is described in this paragraph if such property is held by an electing real property trade or business (as defined in section 163(j)(7)(B)) and is—

“(i) nonresidential real property, residential rental property, or qualified improvement property, or

“(ii) qualified leasehold improvement property, qualified restaurant property, or qualified retail improvement property (as such terms are defined in subsection (e) (as in effect before the enactment of Public Law 115-97)).”.
(B) The amendment made by this paragraph shall take effect as if included in section 13204(a)(3)(A) of Public Law 115-97.

(n) AMENDMENTS RELATING TO SECTION 13206.—

(1) Section 56(b)(2)(A) is amended to read as follows:

“(A) IN GENERAL.—The amount allowable as a deduction under section 173 shall be capitalized and amortized ratably over the 3-year period beginning with the taxable year in which the expenditures are made.”.

(2) Section 56(b)(2) is amended by striking subparagraph (C).

(3) The heading for section 56(b)(2) is amended by striking “AND RESEARCH AND EXPERIMENTAL”.

(4)(A) Section 59(e)(2) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E), as subparagraphs (B), (C), and (D), respectively.

(B) Section 59(e)(1) is amended by striking “paragraph (2)(C)” and inserting “paragraph (2)(B)”.

(C) Section 263A(c)(6) is amended by striking "subparagraphs (B), (C), (D), and (E)" and inserting "subparagraphs (B), (C), and (D)".

(5) Section 1016(a)(14) is amended by striking "for amounts allowed" and all that follows through "expenditures)" and inserting "for amounts allowed as an amortization deduction under section 174(a) (relating to amortization of research and experimental expenditures)".

(o) Amendments Relating to Section 13301.—

(1) Section 163(j)(4) is amended to read as follows:

"(4) Application to partnerships, etc.—

"(A) In general.—In the case of any partnership—

"(i) this subsection shall be applied at the partnership level,

"(ii) the business interest income of each partner of such partnership shall be increased by the sum of—

"(I) such partner’s distributive share of such partnership’s excess business interest income, plus"
“(II) 30 percent of such partner’s distributive share of such partnership’s excess taxable income, and

“(iii) the business interest income and adjusted taxable income of each partner of such partnership shall be determined without regard to such partner’s distributive share of any items of income, gain, deduction, or loss of such partnership.

“(B) BUSINESS INTEREST DISALLOWED AT PARTNERSHIP LEVEL CARRIED FORWARD BY PARTNERS.—

“(i) DISALLOWED PARTNERSHIP BUSINESS INTEREST ALLOWED ONLY TO EXTENT OF CERTAIN PARTNERSHIP INCOME.—In the case of any partner in a partnership, the limitation under paragraph (1) for any taxable year of such partner shall be increased by the lesser of—

“(I) such partner’s aggregate disallowed business interest with respect to such partnership for such taxable year, or
“(II) the partner’s increase described in subparagraph (A)(ii) with respect to such partnership for such taxable year (determined without regard to clause (iii) and subparagraph (C)).

“(ii) Aggregate disallowed business interest.—The term ‘aggregate disallowed business interest’ means, with respect to any partner in a partnership for any taxable year, the excess (if any) of—

“(I) the aggregate of such partner’s distributive share of disallowed business interest of such partnership for all taxable years preceding such taxable year, over

“(II) the aggregate of such partner’s increases under clause (i) with respect to such partnership for all such preceding taxable years.

“(iii) Coordination with pass-through of limitation to extent of certain partnership income.—In the case of any partner in a partnership, the amount of the increase otherwise deter-
mined under subparagraph (A)(ii) with respect to such partnership shall be reduced by the amount of any increase determined under clause (i) with respect to such partnership.

“(iv) Carryforward not allowed at partnership level.—Paragraph (2) shall not apply with respect to any business interest not allowed as a deduction at the partnership level.

“(C) Special rule for partners with adjusted taxable income less than zero.—

“(i) In general.—If the adjusted taxable income of any partner in 1 or more partnerships is less than zero for any taxable year—

“(I) the aggregate amount of such partner’s distributive shares of excess taxable income of all such partnerships otherwise taken into account under subparagraph (A)(ii)(II) (determined after taking into account any reduction under subparagraph (B)(iii)) for such taxable year shall be
reduced (but not below zero) by the amount by which such partner’s adjusted taxable income is less than zero, and

“(II) the amount of such reduction shall, for purposes of subparagraph (A)(ii)(II), be allocated to the partner’s distributive share of excess taxable income from each such partnership on the basis of the ratio which such distributive share bears to all such distributive shares of excess taxable income for such taxable year.

“(ii) COORDINATION WITH REDUCTION IN CONNECTION WITH USE OF CARRYFORWARD.—For purposes of clause (i)(I), any reduction under subparagraph (B)(iii) shall be treated as first reducing excess business interest income described in subparagraph (A)(ii)(I) to the extent thereof and then by reducing excess taxable income described in subparagraph (A)(ii)(II). The amount of the reduction of excess taxable income under the preceding sentence shall be appropriately adjusted to
take into account the percentage described in subparagraph (A)(ii)(II).

“(D) BASIS ADJUSTMENTS.—

“(i) IN GENERAL.—A partner’s adjusted basis in a partnership interest shall be reduced (but not below zero) by such partner’s distributive share of the disallowed business interest of such partnership.

“(ii) SPECIAL RULE FOR DISPOSITIONS.—If a partner disposes of a partnership interest, the partner’s adjusted basis in the partnership interest shall be increased immediately before the disposition by the amount of the excess (if any) of the aggregate basis reduction under clause (i) over the aggregate increases under subparagraph (B)(i). The preceding sentence shall also apply to transfers of the partnership interest (including by reason of death) in a transaction in which gain is not recognized in whole or in part. No deduction shall be allowed to the transferor or transferee under this chapter for any disallowed
business interest resulting in a basis increase under this subclause.

“(E) Excess taxable income.—The term ‘excess taxable income’ means, with respect to any partnership for any taxable year, the amount which bears the same ratio to the partnership’s adjusted taxable income for such taxable year as—

“(i) the excess (if any) of—

“(I) the amount determined for the partnership under paragraph (1)(B) for such taxable year, over

“(II) the amount (if any) by which the business interest of the partnership, reduced by the floor plan financing interest, exceeds the business interest income of the partnership for such taxable year, bears to

“(ii) the amount determined for the partnership under paragraph (1)(B) for such taxable year.

“(F) Excess business interest income.—The term ‘excess business interest income’ means, with respect to any partnership for any taxable year, the amount (if any) by
which the business interest income of such partnership for such taxable year exceeds the business interest, reduced by floor plan financing interest, of such partnership for such taxable year.

“(G) DISALLOWED BUSINESS INTEREST.—
The term ‘disallowed business interest’ means, with respect to any partnership for any taxable year, the amount (if any) by which business interest of such partnership for such taxable year exceeds the amount allowed as a deduction under paragraph (1) with respect to such partnership for such taxable year.

“(H) ALLOCATION RULES.—For purposes of this subsection, with respect to any partnership, a partner’s distributive share of such partnership’s disallowed business interest, excess business interest income, and excess taxable income, shall be determined—

“(i) in the case of disallowed business interest, in the same manner as the items of interest expense of the partnership,

“(ii) in the case of excess business interest income, in the same manner as the
items of interest income of the partnership,

and

“(iii) in the case of excess taxable income, in the same manner as the items that comprise taxable income or loss of the partnership.

“(I) Application to S Corporations.—

Rules similar to the rules of subparagraphs (A), (E), (F), and (G) shall apply with respect to any S corporation and its shareholders.”.

(2) Section 163(j) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

“(10) Coordination with Sections 465 and 469.—This subsection shall be applied before the application of sections 465 and 469.”.

(p) Amendments Relating to Section 13302.—

(1) Section 172(a)(2) is amended by striking “deduction allowable under this section” and inserting “deductions allowable under this section and sections 199A and 250”.

(2) Section 172(b)(1)(A) is amended to read as follows:

“(A) General Rule.—A net operating loss for any taxable year—
“(i) shall be a net operating loss carryback to the extent provided in sub-
paragraphs (B) and (C)(i), and “(ii) except as provided in subpara-
graph (C)(ii), shall be a net operating loss carryover—

“(I) in the case of a net oper-
ating loss arising in a taxable year be-
eginning before January 1, 2018, to
each of the 20 taxable years following
the taxable year of the loss, and

“(II) in the case of a net oper-
ating loss arising in a taxable year be-
eginning after December 31, 2017, to
each taxable year following the tax-
able year of the loss.”.

(3)(A) Section 172 is amended by redesignating
subsection (g) as subsection (h) and by inserting
after subsection (f) the following new subsection:

“(g) Special Rule for Losses From Taxable
Years Beginning Before January 1, 2018.—In the
case of a taxable year (hereafter in this subsection referred
to as the ‘current year’) to which is carried a net operating
loss arising in a taxable year beginning before January
1, 2018, the amount determined under subsection (a) for
the current taxable year shall be an amount equal to the sum of—

“(1) the aggregate amount of such net operating losses carried to the current taxable year, and

“(2) the lesser of—

“(A) the aggregate amount of net operating losses arising in taxable years beginning after December 31, 2017, which are carried to the current taxable year, or

“(B) 80 percent of the excess (if any) of—

“(i) taxable income computed without regard to the deductions allowable under this section and sections 199A and 250, over

“(ii) the amount determined under paragraph (1).”.

(B) Section 172(b)(2)(C) is amended to read as follows:

“(C) be reduced by 20 percent of taxable income computed under section (a)(2) for such prior taxable year (or if subsection (g) applies to such prior taxable year, 20 percent of the excess described in subsection (g)(2)(B) for such year).”.
(4) Section 860E(a)(3)(B) is amended by striking all that follows “for purposes of” and inserting “subsection (a)(2), and the second sentence of subsection (b)(2), of section 172.”.

(5) Section 13302(e) of Public Law 115-97 is amended—

(A) by striking all that follows “shall apply to” in paragraph (1) and inserting “taxable years to which losses arising in taxable years beginning after December 31, 2017, may be carried.”, and

(B) by striking “ending” in paragraph (2) and inserting “beginning”.

(q) Amendments Relating to Section 13304.—

(1) Section 274(a)(1) is amended by adding at the end the following new subparagraph:

“(C) Certain transportation benefits.—With respect to any qualified transportation fringe (as defined in section 132(f)) or any parking facility used in connection with qualified parking (as defined in section 132(f)(5)(C)).”.

(2) Section 274(a)(4) is amended to read as follows:
(4) Regulations relating to certain transportation benefits.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of paragraph (1)(C), including regulations or other guidance providing for the appropriate allocation of depreciation and other costs with respect to facilities used for parking.”.

(3) Section 274(e)(2)(A) is amended by striking “entertainment, amusement, or recreation,” and inserting “entertainment, amusement, recreation, or qualified transportation fringes,“.

(4) Section 274(e)(5) is amended by striking “Expenses” and inserting “Expenses for food and beverages”.

(5) Section 274(e)(6) amended by striking “Expenses” and inserting “Expenses for food and beverages”.

(r) Amendment relating to Section 13307.—

Section 162(q)(2) is amended by inserting “in the case of the taxpayer for whom a deduction is disallowed by reason of paragraph (1),” before “attorney’s fees”.

(s) Amendment relating to Section 13309.—

Section 1061(c) is amended by adding at the end the following new paragraph:
“(6) RELATED PERSONS.—

“(A) IN GENERAL.—A person shall be treated as related to another person if the relationship between such persons is described in section 267(b) or 707(b).

“(B) ATTRIBUTION OF PARTNER SERVICES.—Any service described in paragraph (1) which is provided by a partner of a partnership shall be treated as also provided by such partnership.”.

(t) AMENDMENTS RELATING TO SECTION 13403.—

(1) Section 45S(b)(1) is amended by striking “credit allowed” and inserting “wages taken into account”.

(2) Section 45S(c)(3) is amended—

(A) by striking “a single taxpayer” and inserting “single employer”, and

(B) by adding at the end the following: “If some but not all employers treated as a single employer under the preceding sentence maintain a written policy otherwise meeting the requirements of paragraphs (1) and (2), then, notwithstanding the preceding sentence, any employer who does maintain such a policy shall be treated as an eligible employer if the terms
of the paid family and medical leave of such
employer are nondiscriminatory taking into ac-
count all employees of all employers otherwise
so treated as a single employer.”.

(u) Amendments Relating to Section 13511.—

(1) Section 805(a)(4)(B) is amended—

(A) by striking clause (i) and redesignating
clauses (ii) and (iii) as clauses (i) and (ii), re-
spectively, and

(B) by striking “loss from operations” and
inserting “net operating loss”.

(2) Section 805(b)(2)(A) is amended by insert-
ing “and” at the end of clause (ii), by striking
clause (iii), and by redesignating clause (iv) as
clause (iii).

(v) Amendments Relating to Section 13512.—

(1) Section 453B(e) is amended—

(A) in paragraph (2)(B), by inserting “(as
defined in section 801(b)(2)(B))” after “non-
insurance business”, and

(B) by striking paragraph (3).

(2) Section 801(b) is amended to read as fol-
lows:

“(b) Life Insurance Company Taxable In-
come.—For purposes of this part—
“(1) IN GENERAL.—The term ‘life insurance company taxable income’ means—

“(A) life insurance gross income, reduced by

“(B) life insurance deductions.

“(2) LIMITATION ON AMOUNT OF LOSS FROM NONINSURANCE BUSINESS WHICH MAY OFFSET INCOME FROM INSURANCE BUSINESS.—

“(A) IN GENERAL.—In computing life insurance company taxable income, any loss from a noninsurance business shall be limited under the principles of section 1503(c).

“(B) NONINSURANCE BUSINESS.—

“(i) IN GENERAL.—The term ‘noninsurance business’ means any activity which is not an insurance business.

“(ii) CERTAIN ACTIVITIES TREATED AS INSURANCE BUSINESS.—For purposes of clause (i), any activity which is not an insurance business shall be treated as an insurance business if—

“(I) it is of a type traditionally carried on by life insurance companies for investment purposes, but only if the carrying on of such activity (other
than in the case of real estate) does not constitute the active conduct of a trade or business, or

“(II) it involves the performance of administrative services in connection with plans providing life insurance, pension, or accident and health benefits.”.

(3) Section 814(e)(2) is amended by adding at the end the following new subparagraph:

“(D) TENTATIVE LICTI.—

“(i) IN GENERAL.—For purposes of subparagraph (B), the term ‘tentative LICTI’ means life insurance company taxable income determined without regard to all items attributable to noninsurance businesses (as defined in section 801(b)(2)(B)).

“(ii) ITEMS OF COMPANIES OTHER THAN LIFE INSURANCE COMPANIES.—If an election under section 1504(c)(2) is in effect with respect to an affiliated group for the taxable year, all items of the members of such group which are not life insurance companies shall not be taken into account
in determining the amount of the tentative
LICTI of members of such group which
are life insurance companies.”.

(4) Section 818(e) is amended by striking all
that precedes “In the case of a life insurance com-
pany” and inserting the following:
“(e) SPECIAL RULE FOR DIVIDENDS WITHIN CON-
solidated GROUP.—”.

(w) AMENDMENT RELATING TO SECTION 13517.—
Section 817A(e)(2) is amended by striking
“807(d)(2)(B)” and inserting “808(g)”.

(x) AMENDMENTS RELATING TO SECTION 13519.—
(1) Section 848(c)(1) is amended—
(A) by striking “2.05 percent” in subpara-
graph (B) and inserting “2.45 percent”, and
(B) by striking “7.7 percent” in subpara-
graph (C) and inserting “9.2 percent”.
(2) Section 13519(c)(2) of Public Law 115-97
is amended by striking “the 120-month period” and
inserting “the 120-month or 60-month period, as the
case may be,”.

(y) AMENDMENTS RELATING TO SECTION 13523.—
(1) Section 846(d)(3) is amended by adding at
the end the following new subparagraph:
“(C) Special rule for international and reinsurance lines of business.—Except as otherwise provided by regulations, any determination made under subsection (a) with respect to unpaid losses relating to the international or reinsurance lines of business shall be made using, in lieu of the loss payment pattern applicable to the respective lines of business, a pattern determined by the Secretary under paragraphs (1) and (2) based on the combined losses for all lines of business described in subparagraph (A)(ii).”.

(2) Section 846(c)(6)(A) is amended—

(A) by striking “the general rules prescribed under section 807(d)” and inserting “the rules prescribed under section 807(d)(3)(A)(iii)”, and

(B) by striking “and using a mortality or morbidity table reflecting the taxpayer’s experience;” and inserting a comma.

(z) Amendment Relating to Section 13543.—Section 1371(f) is amended by adding at the end the following: “A corporation may elect that the preceding sentence shall not apply to distributions made after the post-termination transition period. Such election shall apply to
all such distributions and shall be made at such time and 
in such form and manner as the Secretary may provide. 
The Secretary may prescribe rules for allocating distribu-
tions under this subsection in the case of current earnings 
and profits.”.

(aa) Amendments relating to section 13602.—
Section 4960(c)(1) is amended by striking “or” at the end 
of subparagraph (C), by redesignating subparagraph (D) 
as subparagraph (E), and by inserting after subparagraph 
(C) the following new subparagraph:

“(D) is described in section 511(a)(2)(B), 
or’’.

(bb) Amendments relating to section 13703.—
Section 512(a)(7) is amended to read as follows:

“(7) Increase in unrelated business taxable income by disallowed fringe.—Unrelated 
business taxable income of an organization shall be 
increased to the extent that a deduction is not allow-
able under this chapter by reason of section 274 for 
any item with respect to any qualified transportation 
fringe (as defined in section 132(f)) or any parking 
facility used in connection with qualified parking (as 
defined in section 132(f)(5)(C)). The preceding sen-
tence shall not apply to any such item directly con-
ected with an unrelated trade or business which is
regularly carried on by the organization. The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing for the appropriate allocation of depreciation and other costs with respect to facilities used for parking.”

(cc) Amendment Relating to Section 13804.—

Section 5041(c)(8) is amended by adding at the end the following new subparagraph:

“(C) Application of Certain Rules.—

Rules similar to the rules of paragraphs (3) and (6) shall apply with respect to the credit allowable under this paragraph.”.

(dd) Amendments Relating to Section 13823.—

(1) Section 1400Z-2(a)(1) is amended by adding at the end the following new sentence:

“The preceding sentence shall not apply in the case of any gain which is treated under this chapter as ordinary income.”.

(2) Section 1400Z-2(d)(2)(D)(i)(II) is amended by striking “in the qualified opportunity zone”.

(ee) Amendments Relating to Section 14101.—

(1) For purposes of section 56(g)(4)(C) of the Internal Revenue Code of 1986, as in effect on the
day before the enactment of Public Law 115-97, clause (i) of such section shall not apply to any amount allowable as a deduction under section 245A of such Code.

(2) Section 245A(e)(4) is amended by striking “an amount received” and all that follows through “for which the controlled foreign corporation received a deduction” and inserting “any dividend received from a controlled foreign corporation for which such controlled foreign corporation received a deduction”.

(3) Section 245A is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

“(g) Application to Certain Dividends Received by Controlled Foreign Corporations From Specified 10-percent Owned Foreign Corporations.—Except as otherwise provided by the Secretary in regulations or other guidance, if a controlled foreign corporation with respect to which a domestic corporation is a United States shareholder receives a dividend (other than a hybrid dividend) from a specified 10-percent owned foreign corporation with respect to which such domestic corporation is also a United States shareholder, the amount includible in the gross income of such United
States shareholder under section 951(a)(1)(A) by reason of the foreign-source portion of such dividend shall be treated for purposes of this section in the same manner as if such amount were the foreign-source portion of a dividend received by such United States shareholder from such specified 10-percent owned foreign corporation.”.

(4)(A) Section 951(a)(1) is amended—

(i) by striking “the last day” in the matter preceding subparagraph (A) and inserting “any day”,

(ii) by striking “his” each place it appears and inserting “such shareholder’s”, and

(iii) by inserting “if such shareholder owns (within the meaning of section 958(a)) stock of such foreign corporation as of the close of the last relevant day of such foreign corporation’s taxable year,” before “the amount” in subparagraph (B).

(B) Section 951(a) is amended by striking paragraph (2) and inserting the following new paragraphs:

“(2) PRO RATA SHARE OF SUBPART F INCOME.—In the case of any United States shareholder with respect to a foreign corporation, the pro
rata share referred to in paragraph (1)(A) is the sum of—

“(A) if such shareholder owns (within the meaning of section 958(a)) stock of such foreign corporation as of the close of the last relevant day of such foreign corporation’s taxable year, such shareholder’s general pro rata share determined under paragraph (3), plus

“(B) if such shareholder owns (within the meaning of section 958(a)) stock of such foreign corporation during such taxable year but does not own (within the meaning of section 958(a)) such stock as of the close of such last relevant day, such shareholder’s nontaxed current dividend share determined under paragraph (4).

“(3) General pro rata share.—

“(A) In general.—In the case of any United States shareholder with respect to a foreign corporation, the general pro rata share determined under this paragraph is the excess (if any) of—

“(i) the pro rata current earnings percentage of the amount which bears the same ratio to such corporation’s subpart F
income for the taxable year (reduced by the aggregate nontaxed current dividend shares determined under paragraph (4) with respect to such shareholder or any other United States shareholder) as the part of such year during which such corporation is a controlled foreign corporation bears to the entire year, over

“(ii) the lesser of—

“(I) the amount of any pre-holding period dividends with respect to stock of such foreign corporation which such shareholder owns (within the meaning of section 958(a)) as of the close of the last relevant day of such foreign corporation’s taxable year, or

“(II) the amount which bears the same ratio to the subpart F income of such corporation for the taxable year (reduced by the aggregate nontaxed current dividend shares determined under paragraph (4) with respect to such shareholder or any other United States shareholder) as the part of
such year during which such shareholder did not own (within the meaning of section 958(a)) such stock bears to the entire year.

“(B) **Pro Rata Current Earnings Percentage.**—For purposes of subparagraph (A)(i), the term ‘pro rata current earnings percentage’ means, in the case of any United States shareholder with respect to a foreign corporation for any taxable year of such foreign corporation, the ratio (expressed as a percentage) of—

“(i) the amount which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 958(a)) in such corporation if on the last relevant day of such taxable year it had distributed its earnings and profits for such taxable year (computed as of the close of such taxable year without diminution by reason of any distributions made during such taxable year), divided by
“(ii) such corporation’s earnings and profits for such taxable year (as so computed).

“(C) Pre-holding period dividends.—

For purposes of subparagraph (A)(ii)(I), the term ‘pre-holding period dividends’ means, in the case of any United States shareholder with respect to a foreign corporation for any taxable year of such foreign corporation, dividends which are—

“(i) made out of such corporation’s earnings and profits for the taxable year (other than nontaxed current dividends as defined in paragraph (4)(C)), and

“(ii) received—

“(I) by any other United States person with respect to stock of such foreign corporation which such shareholder owns (within the meaning of section 958(a)) as of the close of the last relevant day of such foreign corporation’s taxable year, and

“(II) while such foreign corporation was a controlled foreign corporation and before such shareholder
owned (within the meaning of section 958(a)) such stock.

“(4) NONTAXED CURRENT DIVIDEND SHARE.—

“(A) IN GENERAL.—In the case of any United States shareholder with respect to a foreign corporation, the nontaxed current dividend share determined under this paragraph is the nontaxed current dividend percentage of the subpart F income of such foreign corporation for the taxable year.

“(B) NONTAXED CURRENT DIVIDEND PERCENTAGE.—For purposes of this paragraph, the term ‘nontaxed current dividend percentage’ means, in the case of any United States shareholder with respect to a foreign corporation for any taxable year of such foreign corporation, the ratio (expressed as a percentage) of—

“(i) the amount of nontaxed current dividends with respect to such taxable year received with respect to the stock of such foreign corporation which such shareholder owns (within the meaning of section 958(a)) at the time of the dividend on a day in which such corporation is a controlled foreign corporation, divided by
“(ii) such foreign corporation’s earnings and profits for such taxable year (computed as of the close of such taxable year without diminution by reason of any distributions made during such taxable year).

“(C) NONTAXED CURRENT DIVIDENDS.—

For purposes of this paragraph, the term ‘nontaxed current dividends’ means the portion of any amount received with respect to stock to the extent such amount (without regard to amounts included in the gross income of a United States shareholder for the taxable year by reason of this subpart)—

“(i) would result in a dividend out of the corporation’s earnings and profits for the taxable year (including a dividend under section 1248 attributable to earnings and profits for the taxable year), and

“(ii) either—

“(I) would give rise to a deduction under section 245A(a), or

“(II) in the case of a dividend paid directly or indirectly to a controlled foreign corporation with re-
spect to stock owned by the share-
holder within the meaning of section
958(a)(2), would not result in subpart
F income with respect to such con-
trolled foreign corporation by reason
of subsection (b)(4), (c)(3), or (c)(6)
of section 954.

Any amount treated as the foreign-source
portion of a dividend under section
245A(g) shall be treated as nontaxed cur-
rent dividends for purposes of this para-
graph.

“(5) LAST RELEVANT DAY OF TAXABLE YEAR
OF A CONTROLLED FOREIGN CORPORATION.—For
purposes of this subsection, the term ‘last relevant
day’ means, with respect to any taxable year of a
foreign corporation, the last day of such taxable year
on which such corporation is a controlled foreign
corporation.

“(6) REGULATIONS.—The Secretary may pre-
scribe such regulations or other guidance as may be
necessary or appropriate to carry out the purposes
of this subsection, including regulations or other
guidance—
“(A) to treat a partnership as an aggregate of its partners,

“(B) to provide rules allowing a foreign corporation to close its taxable year upon a change in ownership, and

“(C) to treat a distribution followed by an issuance of stock to a shareholder not subject to tax under this chapter in the same manner as an acquisition of stock.”.

(C) Section 951A(e)(1) is amended by striking “determined under the rules of section 951(a)(2) in the same manner as such section applies to subpart F income” and inserting “determined under rules similar to the rules of section 951(a)(2)”.

(D) Section 953(c)(5)(A)(i) is amended—

(i) in subclause (I), by adding “and” at the end,

(ii) in subclause (II)—

(I) by striking “on the last day of the taxable year” and inserting “during the taxable year”, and

(II) by striking “and” at the end and inserting “or”, and

(iii) by striking subclause (III).

(ff) AMENDMENTS RELATING TO SECTION 14102.—
(1) Section 964(e)(4)(A)(iii) is amended to read as follows:

“(iii) the amount includible in the gross income of the United States shareholder under clause (ii) shall be treated as a dividend to which section 245A applies.”.

(2) Section 964(e)(4) is amended by adding at the end the following new subparagraph:

“(D) Exception for hybrid dividends.—Subparagraph (A) shall not apply to any amount treated as a dividend under paragraph (1) if such dividend is a hybrid dividend (as defined in section 245A(e)(4)).”.

(gg) Amendments relating to section 14103.—

(1) Section 965(b)(4)(B) is amended by inserting “(other than section 902)” after “For purposes of this title”.

(2) Section 965(c)(1) is amended by adding at the end the following flush matter:

“In the case of an individual, the deduction allowed by the preceding sentence shall be allowed in determining the individual’s adjusted gross income.”.

(3) Section 965(g) is amended—

(A) in paragraph (3), by inserting “or (5)” after “paragraph (1)”, and
(B) by adding at the end the following new paragraph:

“(5) **Denial of foreign tax credit with respect to certain amounts treated as previously taxed income.**—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to any amount described in subsection (b)(4)(A).”.

(4) Section 965(h)(6)(A)(ii)(II) is amended by striking “or deduction” and inserting “, deduction, or credit”.

(5) Section 965(h)(6)(B) is amended by inserting “(as defined in section 26(b))” after “regular tax liability”.

(6)(A) Section 965(h) is amended by adding at the end the following new paragraph:

“(7) **Installments not to prevent credit or refund of overpayments or increase estimated taxes.**—If an election is made under paragraph (1) to pay the net tax liability under this section in installments—

“(A) no installment of such net tax liability shall—

“(i) in the case of a request for credit or refund, be taken into account as a li-
ability for purposes of determining whether
an overpayment exists for purposes of sec-
tion 6402 before the date on which such
installment is due, or

“(ii) for purposes of sections 6425, 6654, and 6655, be treated as a tax im-
posed by section 1, section 11, or sub-
chapter L of chapter 1, and

“(B) the first sentence of section 6403
shall not apply with respect to any such install-
ment.”.

(B) In the case of the portion of any overpay-
ment which exists by reason of the application of
section 965(h)(7) of the Internal Revenue Code of
1986 (as added by this paragraph)—

(i) if credit or refund of such portion is
made on or before the date which is 45 days
after the date of the enactment of this Act, no
interest shall be allowed or paid under section
6611 of such Code with respect to such portion,
and

(ii) if credit or refund of such portion is
made after the date which is 45 days after the
date of the enactment of this Act, no interest
shall be allowed or paid under section 6611 of
such Code with respect to such portion for any period before the date of the enactment of this Act.

(7) Section 965(k) is amended—

(A) by striking “Notwithstanding section 6501, the limitation” and inserting “The limitation under section 6235 or 6501”, and

(B) by striking “the assessment of the net tax liability” and inserting “an adjustment with respect to, or the assessment of, the net tax liability”.

(8) Section 965(m)(2)(B) is amended—

(A) in clause (i)—

(i) by adding “and” at the end of subclause (I), and

(ii) by striking subclause (III),

(B) by redesignating clause (ii) as clause (iii), and

(C) by inserting after clause (i) the following new clause:

“(ii) NO INSTALLMENT PAYMENTS.—

The real estate investment trust may not make an election under subsection (h) for any taxable year described in paragraph (1)(B).”
(9) Section 965(n)(1) is amended by striking “then the amount” and all that follows and inserting the following: “then—

“(A) the taxable income of such shareholder for such taxable year shall not be less than the amount described in paragraph (2), and

“(B) the amount described in paragraph (2) shall not be taken into account—

“(i) in determining the amount of any net operating loss under section 172 of such shareholder for such taxable year, or

“(ii) in determining taxable income for such taxable year for purposes of subsection (a)(2), the second sentence of subsection (b)(2), and subsection (g)(2), of section 172.”.

(10) Section 965(n)(2)(B) is amended by striking “subsections (a) and (b) of section 960” and inserting “section 960”.

(11) Section 965 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:
“(o) Special Rule Applicable to Period Before Inclusion of Global Intangible Low-Taxed Income by United States Shareholders.—

“(1) Certain extraordinary earnings and profits during transition period treated as subpart F income.—In the case of the last taxable year of a controlled foreign corporation which begins before January 1, 2018, and ends after December 31, 2017, the subpart F income of such foreign corporation (as otherwise determined for such taxable year under section 952 and after any increase under subsection (a)) shall be increased by the extraordinary earnings and profits of such controlled foreign corporation.

“(2) Application only with respect to United States shareholders which are domestic corporations.—In the case of any United States shareholder which is not a domestic corporation, the amount taken into account under section 951(a)(1) by reason of this subsection shall be zero.

“(3) Reduction in amounts included in gross income of United States shareholders with overall foreign earnings and profits deficits.—Rules similar to the rules of subsection (b) shall apply for purposes of this subsection to the
extent the amount described in subclause (I) of subsection (b)(3)(A)(i) with respect to the United States shareholder exceeds the amount described in subclause (II) thereof.

“(4) **Deduction for included income; disallowance of foreign tax credit; etc.**—

Amounts included in the gross income of a United States shareholder under section 951(a)(1) by reason of this subsection shall be treated in the same manner for purposes of subsections (c) and (g) as amounts so included by reason of subsection (a).

“(5) **Extraordinary earnings and profits.**—For purposes of this subsection—

“(A) **In general.**—The term ‘extraordinary earnings and profits’ means, with respect to any controlled foreign corporation, the amount of earnings and profits (but not less than zero) which accrue during the transition period and are attributable to one or more extraordinary dispositions.

“(B) **Transition period.**—The term ‘transition period’ means the period consisting of the portion of the taxable year referred to in paragraph (1) occurring after December 31, 2017.
“(C) EXTRAORDINARY DISPOSITION.—

“(i) IN GENERAL.—The term ‘extraordinary disposition’ means any disposition of assets by a controlled foreign corporation during the transition period if such disposition is—

“(I) outside the ordinary course of such controlled foreign corporation’s activities, and

“(II) made to a related party (within the meaning of section 267(b) or 707(b)) or an intermediary.

“(ii) DE MINIMIS EXCEPTION.—The Secretary may provide that certain dispositions of assets shall not be treated as extraordinary dispositions on the basis that they do not, in the aggregate, exceed a threshold that the Secretary may prescribe. Such threshold may be a specified dollar amount, a percentage of the value of the total assets of the controlled foreign corporation, or such other measure, or combination of measures, as the Secretary may prescribe.

“(6) ELECTION TO DEFER LIABILITY.—
“(A) IN GENERAL.—In the case of a United States shareholder which takes into account any amount under section 951(a)(1) by reason of this subsection with respect to any controlled foreign corporation, such United States shareholder may elect (at such time and in such form and manner as the Secretary may provide) to defer payment of such shareholder’s net tax liability under this subsection with respect to such controlled foreign corporation until such shareholder’s taxable year which includes the triggering event with respect to such liability. Any net tax liability payment of which is deferred under the preceding sentence shall be assessed on the return of tax as an addition to tax in the shareholder’s taxable year which includes such triggering event.

“(B) TRIGGERING EVENT.—In the case of any shareholder’s net tax liability under this section with respect to any controlled foreign corporation, the triggering event with respect to such liability is whichever of the following occurs first:

“(i) Such shareholder's ownership percentage in such controlled foreign corpora-
tion as of the close of the taxable year described in paragraph (1) decreases at any time thereafter by more than 10 percent (as determined under regulations or other guidance prescribed by the Secretary).

“(ii) Such controlled foreign corporation ceases to be a controlled foreign corporation.

“(iii) Such shareholder becomes subject to the increase in tax described in subsection (l)(1).

“(iv) Any other transaction or event identified by the Secretary in regulations or other guidance as a triggering event for purposes of this paragraph, including—

“(I) the depreciation or amortization in the hands of the transferee of an asset transferred as part of an extraordinary disposition,

“(II) a significant reduction, in the form of distributions, of the controlled foreign corporation’s earnings and profits which are attributable to extraordinary earnings and profits,
“(III) such other transactions or events as the Secretary may provide.

“(C) Application of Certain Rules.—

Rules similar to the rules of paragraphs (3), (4), (6), (7), and (8) of subsection (i) shall apply for purposes of this paragraph.

“(D) Limitation on Election to Pay Liability in Installments.—Notwithstanding subparagraph (C), the rules of subsection (i)(4) shall not apply with respect to any liability the triggering event with respect to which is—

“(i) described in subparagraph (B)(iii), or

“(ii) described in subparagraph (B)(iv) and identified by the Secretary as a triggering event to which this subparagraph applies.

“(7) Application of Certain Other Rules.—Rules similar to the rules of subsections (f), (h), (k), (l), (m), and (n) shall apply for purposes of this subsection.

“(8) Separate Application of This Subsection.—References in this section to ‘this section’ shall not include this subsection, and the provisions
of this section (other than this subsection) shall not apply for purposes of this subsection except to the extent provided in this subsection.

“(9) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance—

“(A) to prevent earnings and profits from being treated as extraordinary earnings and profits to the extent that—

“(i) such earning and profits are subject to tax under this chapter, or

“(ii) such earning and profits were generated in connection with the transfer of property to the United States shareholder and such United States shareholder irrevocably agrees (as such time and in such form and manner as the Secretary may provide) to forgo any future tax benefits associated with the tax basis created in connection with such earnings and profits,

“(B) to properly coordinate this subsection with the other provisions of this section,
“(C) to prevent the avoidance of the purposes of this subsection,

“(D) to provide appropriate basis adjustments, including modifications to the timing of such adjustments,

“(E) to provide for the proper treatment of passthrough entities, and

“(F) to provide for the application of this subsection to a controlled foreign corporation for a taxable year which ends after December 31, 2017, but which would (but for this subparagraph) be treated for purposes of paragraph (1) as ending on such date by reason of section 441(f)(2).”.

(hh) AMENDMENTS RELATING TO SECTION 14201.—

(1) Section 907(f)(1) is amended by adding at the end the following: “This subsection shall not apply to taxes paid or accrued with respect to amounts described in section 904(d)(1)(A).”.

(2) Section 951A(d)(2)(B) is amended by striking “subsection (c)(1)(A)” and inserting “subsection (c)(2)(A)(i)”.

(3) Section 951A is amended—

(A) by striking subsection (d)(4), and
(B) by adding at the end the following new subsection:

“(g) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines appropriate to carry out the purposes of this section, including regulations or other guidance which provide for—

“(1) the treatment of property if such property is transferred, or held, temporarily,

“(2) the treatment of property if the avoidance of the purposes of this section is a factor in the transfer or holding of such property, and

“(3) appropriate adjustments to the basis of stock and other ownership interests, and to earnings and profits, to reflect tested losses.”.

(4) Section 951A(f)(1)(A) is amended by inserting “960(c),” after “959,”.

(5) Section 960(d) is amended by adding at the end the following new paragraph:

“(4) DISALLOWANCE OF FOREIGN TAX CREDIT AND DEDUCTION WITH RESPECT TO DISTRIBUTIONS OF PREVIOUSLY TAXED GLOBAL INTANGIBLE LOW-TAXED INCOME.—

“(A) IN GENERAL.—No credit shall be allowed under section 901 for 20 percent of any foreign income taxes paid or accrued (or treated
as paid or accrued) with respect to any amount
excluded from gross income under section
959(a) by reason of an inclusion in gross in-
come under section 951A(a).

“(B) Denial of deduction.—No deduc-
tion shall be allowed under this chapter for any
tax for which a credit is not allowable under
section 901 by reason of subparagraph (A) (de-
determined by treating the taxpayer as having
elected the benefits of subpart A of part III of
subchapter N).”.

(6) Section 961 is amended—

(A) in subsection (b), by inserting “AND
TREATMENT AS GAIN” after “BASIS” in the
heading of such subsection, and

(B) in subsection (c)—

(i) by striking “BASIS ADJUSTMENTS
IN” in the heading of such subsection and
inserting “APPLICATION OF RULES TO”,
and

(ii) by striking “then adjustments
similar to” and all that follows in such
subsection and inserting “then rules simi-
lar to the rules of subsections (a) and (b)
shall apply to—
“(1) such stock,
“(2) stock in any other controlled foreign corporation by reason of which the United States shareholder is considered under section 958(a)(2) as owning the stock described in paragraph (1), and
“(3) property by reason of which the United States shareholder is considered as owning stock described in paragraph (1) or (2).

The preceding sentence shall not apply with respect to any stock or property to which subsection (a) or (b) applies.”.

(ii) AMENDMENTS RELATING TO SECTION 14202.—

(1)(A) Section 250(a)(2)(A) is amended—

(i) by striking “and the global intangible low-taxed income amount” each place it appears and inserting “, and the amounts described in clauses (i) and (ii) of paragraph (1)(B),” , and

(ii) by inserting “(but not below zero)” after “shall be reduced” in the matter following clause (ii).

(B) Section 250(a)(2)(B)(ii) is amended by striking “the global intangible low-taxed income amount” and inserting “the sum of the amounts taken into account under clauses (i) and (ii) of paragraph (1)(B)”.

(2) Section 250(b)(3) is amended—
(A) in subparagraph (A)(i)—

(i) by striking “and” at the end of subclause (V),

(ii) by striking “over” at the end of subclause (VI), and

(iii) by adding at the end the following new subclauses:

“(VII) any income received or accrued which is of a kind which would be foreign personal holding company income (as defined in section 954(c)),

“(VIII) any amount included in the gross income of such corporation under section 1293, and

“(IX) any disqualified extraterritorial income, over”, and

(B) by adding at the end the following new subparagraph:

“(C) DISQUALIFIED EXTRATERRITORIAL INCOME.—

“(i) IN GENERAL.—For purposes of subparagraph (A)(i)(IX), the term ‘disqualified extraterritorial income’ means any amount included in the gross income of the corporation with respect to any
transaction for any taxable year if any amount could (determined after application of clause (ii) but without regard to any election under section 942(a)(3) as in effect before its repeal) be excluded from the gross income of the corporation with respect to such transaction for such taxable year by reason of section 114 pursuant to the application of subsection (d) or (f) of section 101 of the American Jobs Creation Act of 2004.

“(ii) Election out of extraterritorial income benefits.—

“(I) In general.—Except as provided in subclause (II), the corporation referred to in clause (i) may make an irrevocable election (at such time and in such form and manner as the Secretary may provide) to have subsections (d) and (f) of section 101 of the American Jobs Creation Act of 2004 not apply with respect to such corporation for the taxable year for which such election is made and all succeeding taxable years (applicable
with respect to all transactions, in-
cluding transactions occurring before
such taxable year).

“(II) EXPANDED AFFILIATED
GROUPS.—In the case of any corpora-
tion which is a member of an ex-
panded affiliated group, the election
described in subclause (I) may be
made only by the common parent of
such group and shall apply with re-
spect to all members of such group.
For purposes of the preceding sen-
tence, the term ‘expanded affiliated
group’ means an affiliated group as
defined in section 1504(a), determined
without regard to section 1504(b)(3)
and by substituting ‘more than 50
percent’ for ‘at least 80 percent’ each
place it appears.”.

(3) Section 613A(d)(1) is amended by striking
“and” at the end of subparagraph (D), by striking
the period at the end of subparagraph (E) and in-
serting “, and”, and by inserting after subparagraph
(E) the following new subparagraph:
“(F) any deduction allowable under section 250.”.

(jj) AMENDMENTS RELATING TO SECTION 14213.—

(1) Section 958(b) is amended—

(A) by inserting after paragraph (3) the following:

“(4) Subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.”, and

(B) by striking “Paragraph (1)” in the last sentence and inserting “Paragraphs (1) and (4)”.

(2) Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951A the following new section:

“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF FOREIGN CONTROLLED UNITED STATES SHAREHOLDERS.

“(a) IN GENERAL.—In the case of any foreign controlled United States shareholder of a foreign controlled foreign corporation—

“(1) this subpart (other than sections 951A, 951(b), 957, and 965) shall be applied with respect
to such shareholder (separately from, and in addi-
tion to, the application of this subpart without re-
gard to this section)—

“(A) by substituting ‘foreign controlled
United States shareholder’ for ‘United States
shareholder’ each place it appears therein, and

“(B) by substituting ‘foreign controlled
foreign corporation’ for ‘controlled foreign cor-
poration’ each place it appears therein, and

“(2) sections 951A and 965 shall be applied
with respect to such shareholder —

“(A) by treating each reference to ‘United
States shareholder’ in such sections as includ-
ing a reference to such shareholder, and

“(B) by treating each reference to ‘con-
trolled foreign corporation’ in such sections as
including a reference to such foreign controlled
foreign corporation.

“(b) FOREIGN CONTROLLED UNITED STATES
SHAREHOLDER.—For purposes of this section, the term
‘foreign controlled United States shareholder’ means, with
respect to any foreign corporation, any United States per-
son which would be a United States shareholder with re-
spect to such foreign corporation if—
“(1) section 951(b) were applied by substituting ‘more than 50 percent’ for ‘10 percent or more’, and

“(2) section 958(b) were applied without regard to paragraph (4) thereof.

“(c) FOREIGN CONTROLLED FOREIGN CORPORATION.—For purposes of this section, the term ‘foreign controlled foreign corporation’ means a foreign corporation, other than a controlled foreign corporation, which would be a controlled foreign corporation if section 957(a) were applied—

“(1) by substituting ‘foreign controlled United States shareholders’ for ‘United States shareholders’, and

“(2) by substituting ‘section 958(b) (other than paragraph (4) thereof)’ for ‘section 958(b)’.

“(d) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance—

“(1) to treat a foreign controlled United States shareholder or a foreign controlled foreign corporation as a United States shareholder or as a controlled foreign corporation, respectively, for purposes of provisions of this title other than this subpart,
“(2) to prevent the avoidance of the purposes of this section.”.

(3) The amendments made by paragraphs (1) and (2) shall apply to—

(A) the last taxable year of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and

(B) taxable years of United States persons in which or with which such taxable years of foreign corporations end.

(kk) **AMENDMENTS RELATING TO SECTION 14214.**—

(1) Section 1248(a)(2) is amended by striking “such person owns” and all that follows through “at any time” and inserting “such person is a United States shareholder with respect to such foreign corporation at any time”.

(2) Section 1248(c)(2)(B) is amended by striking “such person owned” and all that follows through “at any time” and inserting “such person was a United States shareholder with respect to such other foreign corporation at any time”.

(3) If the 5-year period described in subsection (a)(2) or (c)(2)(B) of section 1248 of the Internal Revenue Code of 1986 includes any period before
the amendments made by this subsection take effect,
the determination of whether any person is a United
States shareholder with respect to any foreign cor-
poration at any time during such 5-year period shall
be determined on the basis of the definition of
United States shareholder under section 951(b) of
such Code which is in effect as of such time.

(II) Amendments Relating to Section 14301.—

(1) Section 78 is amended by striking “, (b),”.

(2) For purposes of section 78 of the Internal
Revenue Code of 1986, as in effect on the day before
the enactment of Public Law 115-97, with respect to
taxable years of foreign corporations beginning be-
fore January 1, 2018, and ending after December
31, 2017, any reference to section 245 of such Code
shall be treated as including a reference to section
245A of such Code (as added by such Public Law).

(3) Section 904(d)(2)(C)(i) is amended by
striking “shall be treated as general category in-
come” and inserting “shall not be treated as passive
category income”.

(4)(A) Section 904(d)(2) is amended by redes-
ignating subparagraph (K) as subparagraph (L) and
by inserting after subparagraph (J) the following
new subparagraph:
“(K) AMOUNTS INCLUDIBLE UNDER SECTION 78.—Any amount includible in gross income under section 78 shall be treated as income in the same separate category as the related foreign taxes deemed paid.”.

(B) Section 904(d)(3)(G) is amended by striking the second sentence and inserting the following:

“Any amount included in gross income under section 78 shall not be treated as a dividend.”.

(5) Section 953(c)(1)(A) is amended to read as follows:

“(A) the term ‘United States shareholder’ means, with respect to any foreign corporation—

“(i) except as provided in clause (ii), a United States person (as defined in section 957(c)) who owns (within the meaning of section 958(a)) any stock of the foreign corporation, and

“(ii) for purposes of section 960, a United States person (as so defined) who owns (within the meaning of section 958(a)) 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign cor-
poration, or 10 percent or more of the

total value of shares of all classes of stock
of such foreign corporation,”.

(6) Section 958(a)(1) is amended by striking
“(other than section 960)”.

(mm) CLERICAL AMENDMENTS.—

(1) Title I of Public Law 115-97 may be cited
as the “Tax Cuts and Jobs Act”.

(2) Section 13001(c)(3) of Public Law 115-97
is amended by striking “subsection (b)(6)” and in-
serting “subsection (b)(5)”.

(3)(A) The heading for section 55(b)(3) is
amended by striking “OF NONCORPORATE TAX-
PAYERS”.

(B) Section 55(d)(1) is amended by striking so
much as precedes “term ‘exemption amount’
means—” and inserting the following: “(1) IN GEN-
eral.—The”.

(C) The heading for section 56(a) is amended
to read as follows: “IN GENERAL.—”.

(D) Section 56(a)(2)(A) is amended by striking
“(determined without regard to section 291(b))”.

(E) Section 56(a)(5) is amended by striking
“(without regard to section 291)”.

(F) Section 56(b) is amended—
(i) by striking the heading thereof and inserting the following: “ADDITIONAL ADJUSTMENTS.—”, and
(ii) by striking “(other than a corporation)”.

(G) Section 57(a)(2)(B)(i) is amended by striking “or 291(b)”.
(H) Section 58(a)(1) is amended by striking “of a taxpayer other than a corporation”.
(I) Section 59(a)(1)(C) is amended by striking “applicable rate” and inserting “highest rate”.
(4) Section 56(d)(1)(A) is amended by striking “section 199” each place it appears and inserting “section 199A”.
(5) Section 59A(b)(3)(B)(ii) is amended by striking “registered securities dealer” and inserting “securities dealer registered”.
(6) Section 59A(h)(2)(B) is amended by striking “section 6038B(b)(2)” and inserting “section 6038A(b)(2)”.
(7) Section 59A(i)(2) is amended by striking “subsection (g)(3)” and inserting “subsection (h)(3)”.
(8) Section 67 is amended by striking subsection (f) and redesignating subsection (g) as subsection (f).

(9) Section 168(k)(2)(A)(i)(III) is amended by striking “or”.

(10)(A) Section 168(k) is amended by redesignating paragraphs (5), (6), (7), (8), (9), and (10) as paragraphs (3), (4), (5), (6), (7), and (8).

(B) Section 168(k)(4)(C) (as so redesignated) is amended by striking “paragraph (5)” and inserting “paragraph (3)”.

(C) Section 168(k)(6) (as so redesignated) is amended by striking “paragraph (6)” and inserting “paragraph (4)”.

(D) Section 168(k)(8) (as so redesignated) is amended by striking “(5)(A)(i)” and inserting “(3)(A)(i)”.

(E) Section 263A(c)(7) is amended by striking “section 168(k)(5)” and inserting “section 168(k)(3)”.

(F) Section 1324(b)(2) of title 31, United States Code, is amended by striking “168(k)(4)(F),”.
(11) Section 168(m)(2)(B)(i) is amended by striking “(determined without regard to paragraph (4) thereof)”.

(12) Section 170(b)(2)(D)(iv) is amended by adding “, and” at the end thereof.

(13) The heading for section 172(d)(9) is amended by inserting “AND GLOBAL INTANGIBLE LOW-TAXED INCOME” after “INCOME”.

(14) Section 199A(b)(3)(A) is amended by striking “without regard to subparagraph (B)” and inserting “without regard to subparagraph (B) thereof”.

(15) Section 199A(c)(3)(A) is amended—

(A) by striking “determined by substituting” and all that follows in clause (i) and inserting “determined by treating the taxpayer as a nonresident alien individual), and”, and

(B) by striking “included or allowed” in clause (ii) and inserting “taken into account”.

(16) Section 199A(e)(4)(A) is amended—

(A) by striking “section 7704(a)” and inserting “section 7704(b)”, and

(B) by striking “section 7704(c)” and inserting “section 7704(a)”.

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(17) Section 245A(b)(1) is amended by striking “with respect to such corporation”.

(18) Section 245A(e)(1) is amended—

(A) by striking “any dividend” and inserting “any hybrid dividend”, and

(B) by striking “if the dividend is a hybrid dividend”.

(19) Section 245A(h), as redesignated by the preceding provisions of this Act, is amended by striking “10 percent” and inserting “10-percent”.

(20) Section 246(b)(1) is amended to read as follows:

“(1) GENERAL RULE.—Except as provided in paragraph (2), the aggregate amount of the deductions allowed by section 243(a)(1) and subsection (a) and (b) of section 245 shall not exceed the percentage determined under paragraph (3) of the taxable income computed without regard to the deductions allowed by section 172, section 243(a)(1), subsections (a) and (b) of section 245, and section 250, without regard to any adjustment under section 1059, and without regard to any capital loss carryback to the taxable year under section 1212(a)(1).”.
(21) Section 246(c)(1) is amended by striking “section 243” and all that follows through “245A” and inserting “section 243, 245, or 245A”.

(22) Section 250(b)(5)(C)(ii) is amended—

(A) by striking “subparagraph (A)(ii)” and inserting “paragraph (4)(B)”,

(B) by striking “treated described” and inserting “treated as described”, and

(C) by striking “established” and inserting “establishes”.

(23) Section 382(l) is amended by striking paragraph (7) and by redesignating paragraph (8) as paragraph (7).

(24) Section 527(b) is amended by striking “highest”.

(25) Section 641(c)(2)(E)(ii) is amended by striking “section 170(b)(1)(G)” and inserting “section 170(b)(1)(H)”.

(26)(A) Section 805(a) is amended by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

(B) Section 805(b) is amended by striking “subsection (a)(8)” and inserting “subsection (a)(7)”. 
(C) Section 817(a) is amended by striking “and (6)” in the matter following paragraph (2) and inserting “and (5)”.

(D) Section 953(b)(1)(A) is amended by striking “section 805(a)(8)” and inserting “section 805(a)(7)”.

(27) Section 853A(e) is amended by adding at the end the following new paragraph:

“(3) REFERENCES.—Any reference in this section to a provision of part IV of subchapter A, or part IV of subchapter U, of this chapter (as in effect before the enactment of the Tax Cuts and Jobs Act) shall be treated as a reference to such provisions as in effect before their repeal by such Act.”.

(28) Section 857(b)(3)(B) is amended by striking “subparagraph (A)(ii)” and inserting “subparagraph (F)”.

(29) Section 857(b)(4)(A) is amended by striking “highest”.

(30) Section 860E(e)(2)(B) is amended by striking “highest”.

(31) Section 877(a)(2) is amended by striking “by substituting ‘2003’ for ‘1992’ in subparagraph (B) thereof” and inserting “by substituting ‘cal-
endar year 2003’ for ‘calendar year 2016’ in sub-
paragraph (A)(ii) thereof’.

(32) Section 882(a)(1) is amended by striking
“as provided in” and all that follows through “on its
taxable income” and inserting “as provided in sec-
tions 11 and 59A on its taxable income”.

(33) Section 904(b)(3)(E)(ii) is amended by in-
serting “of clause (i)” after “subclause (I)”.

(34) The heading for section 904(b)(4) is
amended by striking “DIVIDENDS FOR WHICH DE-
DUCTION IS ALLOWED UNDER SECTION 245A” and
inserting “CERTAIN INCOME AND DEDUCTIONS WITH
RESPECT TO STOCK OF SPECIFIED 10-PERCENT
OWNED FOREIGN CORPORATIONS”.

(35) Section 904(d)(2)(J)(i) is amended by
striking “such United States person” and inserting
“a United States person”.

(36) Section 904(d)(4)(C)(ii) is amended by
striking “paragraph (1)(A)” and inserting “para-
graph (1)(C)”.

(37) Paragraphs (1) and (2) of section 907(e)
are each amended in the flush matter at the end by
striking “section 904(d)(2)(A)” and inserting “sec-
tion 904(d)(2)(B)”.
(38)(A) Each of the following sections is amended by striking “(as defined in section 951(b))”: 304(b)(5)(A)(i)(I), 543(a)(1)(C), 864(d)(4)(B), 877(d)(4)(B)(ii), 956(c)(2)(F), 956(c)(2)(L)(ii)(I), 1293(c), 1293(g)(1)(A), 1297(d)(2)(B), and 1297(d)(4).

(B) Section 958(b) is amended by striking “within the meaning of section 951(b)”.

(C) Section 999(a)(1) is amended in the matter following subparagraph (B)—

(i) by striking “that person or shareholder (within the meaning of section 951(b))” and inserting “that person or United States shareholder”, and

(ii) by striking “(within the meaning of such section)”.

(39) Section 951A(d), as amended by the preceding provisions of this Act, is amended by redesignating the second paragraph (3) (relating to partnership property) as paragraph (4).

(40)(A) Each of the following sections is amended by striking “(as defined in section 957)”:

(B) Each of the following sections is amended by striking “(as defined in section 957(a))”:

543(a)(1)(C), 679(c)(2)(A), 864(d)(6), 883(c)(2),
1291(d)(2)(B)(i)(III), 1293(c), and 1293(g)(1)(A).

(C) Section 304(b)(5)(B)(ii) is amended by striking “as defined in section 957 and” and inserting “determined”.

(D) Section 312(m) is amended by striking “(within the meaning of section 957)”.

(E) Section 881(c)(5) is amended to read as follows:

“(5) SPECIAL RULES FOR CONTROLLED FOREIGN CORPORATIONS.—In the case of any portfolio interest received by a controlled foreign corporation, the following provisions shall not apply:

“(A) Subparagraph (A) of section 954(b)(3) (relating to exception where foreign base company income is less than 5 percent or $1,000,000).

“(B) Paragraph (4) of section 954(b) (relating to exception for certain income subject to high foreign taxes).

“(C) Clause (i) of section 954(e)(3)(A) (relating to certain income received from related persons).”.
(F) Section 1298(e) is amended by striking paragraph (3).

(41) The heading for section 960 (and the item relating to such section in the table of sections of subpart F of part III of subchapter N of chapter 1) is amended by striking “FOR SUBPART F INCLUSIONS”.

(42) Section 960(b)(1)(B) is amended by striking “to have to been”.

(43)(A) Section 962 is amended by striking subsection (c) and by redesignating subsection (d) as subsection (c).

(B) Section 961(b)(1) is amended by striking “section 962(d)” and inserting “section 962(e)”.

(44) Section 965(n)(2)(B) is amended by striking “dividends” and inserting “dividend”.

(45) Section 1059(b)(2)(B) is amended by inserting a comma after “section 243”.

(46) Section 1061(a)(2) is amended by striking “sections” and inserting “section”.

(47) Section 1061(d)(2) is amended by striking “paragraph” and inserting “subsection”.

(48) Section 1352(2)(A) is amended by striking “highest”.

(A) Section 1400Z-2(b)(1) is amended by inserting “gross” before “income”.

(B) Section 1400Z-2(b)(2)(A) is amended by striking “subsection (a)(1)(A)” and inserting “subsection (a)(1)(B)”.

(C) Section 1400Z-2(b)(2)(A)(i) is amended by striking “under paragraph (1)” and inserting “under subsection (a)(1)(A)”.

(D) Section 1400Z-2(b)(2)(B)(i) is amended by striking “this clause” and inserting “this subparagraph”.

(E) Subsections (b)(2)(B)(ii) and (c) of section 1400Z-2 are each amended by striking “such property” and inserting “such investment”.

(F) Section 1400Z-2(c) is amended by striking “this clause” and inserting “this subsection”.

(G) Section 1400Z-2(d)(2)(D)(ii) is amended by striking “subparagraph (A)(ii)” and inserting “clause (i)(II)”.

(H) Section 1400Z-2(d)(2)(D)(iii) is amended to read as follows:

“(iii) RELATED PARTY.—For purposes of clause (i)(I)—

“(I) property shall not be treated as acquired by purchase if acquired
from a related person (within the
meaning of subsection (e)(2)), and

“(II) section 179(d)(2) shall be
applied without regard to subpara-
graph (A) thereof.”.

(I) Section 1400Z-2(e)(3) is amended by strik-
ing “recognized” and inserting “includible in gross
income”.

(J) Section 1400Z-2(f)(1) is amended by strik-
ing “subsection (e)(1)” and inserting “subsection
(d)(1)”.

(50) Section 1402(a) is amended by inserting
“and” at the end of paragraph (15), by striking
paragraph (16), and by redesignating paragraph
(17) as paragraph (16).

(51) Section 4968(d)(1) is amended by striking
“(b)(1)(C)” and inserting “(b)(1)(D)”.

(52) Section 6211(b)(4)(A) is amended by
striking “, 168(k)(4)”.

(53) The second sentence of section 6655(g)(1)
is amended by striking “section 1201(a), or under”.

(nn) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise pro-
vided in this section, the amendments made by this
section shall take effect as if included in the provi-
sion of Public Law 115-97 to which they relate.

(2) Special rules for certain children
with unearned income.—The amendment made
by subsection (a)(3) shall apply to taxable years be-
inning after December 31, 2018.

SEC. 5. AMENDMENT RELATING TO WORKING FAMILIES

(a) Amendment Relating to Section 204.—Sec-
tion 24(c)(1) is amended by inserting “as of the close of
the calendar year in which the taxable year of the taxpayer
begins” after “attained age 17”.

(b) Effective Date.—The amendment made by
this section shall take effect as if included in section 204

SEC. 6. OTHER CLERICAL AMENDMENTS.

(a) In General.—

(1) Section 55(c)(1) is amended by striking
“section 27(a)” and inserting “section 27”.

(2) Section 108(f)(5)(B)(ii) is amended by
striking “section 140(7) of the Consumer Credit
Protection Act (15 U.S.C. 1650(7))” and inserting
“section 140(a)(8) of the Consumer Credit Protec-
tion Act”.

(3) Section 163(j)(7)(C)(ii) is amended by striking “section 199A(g)(2)” and inserting “section 199A(g)(4)”.

(4) Section 857(b)(8)(A)(i) is amended by striking “subparagraph (B) or (D)” and inserting “subparagraph (A) or (C)”.

(5) Section 871(g)(2) is amended by striking “(or the corresponding provisions of prior law)”.

(6) section 1271(a)(2)(A)(ii) is amended by striking “(or the corresponding provisions of prior law)”.

(7) Section 1271(b)(2) is amended by striking “1272(d)(1)” and inserting “1272(e)(1)”.

(8) Section 1286(d)(6) is amended by striking “1272(d)(1)” and inserting “1272(e)(1)”.

(9) Section 6213(h) is amended by striking paragraph (3).

(10) Section 6225(c)(2) is amended by redesignating the second subparagraph (F) (relating to adjustments not treated as amended return) as subparagraph (G).

(11) Section 6724(d)(2) is amended—

   (A) by striking “or” at the end of subparagraph (II),
(B) by striking the period at the end of the first subparagraph (JJ) (relating to statements relating to alternative to payment of imputed underpayment by partnership) and inserting “, or”, and

(C) by redesignating the second subparagraph (JJ) (relating to returns relating to certain life insurance contract transactions) as subparagraph (KK).

(b) DEADWOOD.—

(1) Section 243(b)(3)(A) is amended by striking the second sentence.

(2) Section 864(f)(2) is amended by striking “by section 1504” and all that follows and inserting “by section 1504.”.

(3) Section 904(d)(2)(H) is amended to read as follows:

“(H) TREATMENT OF INCOME TAX BASE DIFFERENCES.—Tax imposed under the law of a foreign country or possession of the United States on an amount which does not constitute income under United States tax principles shall be treated as imposed on income described in paragraph (1)(D).”.