

104TH CONGRESS  
2D SESSION

# S. 1928

To amend the Internal Revenue Code of 1986 to eliminate tax incentives for exporting jobs outside of the United States, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 28, 1996

Mr. LEVIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to eliminate tax incentives for exporting jobs outside of the United States, and for other purposes.

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. DISALLOWANCE OF DEDUCTION FOR COSTS**  
4 **INCURRED IN MOVING EQUIPMENT OUTSIDE**  
5 **THE UNITED STATES.**

6 (a) DISALLOWANCE.—Part IX of subchapter B of  
7 chapter 1 of the Internal Revenue Code of 1986 (relating  
8 to items not deductible) is amended by adding at the end  
9 the following new section:

1 **“SEC. 280I. COSTS INCURRED IN MOVING CERTAIN**  
 2 **PROPERTY OUTSIDE THE UNITED STATES.**

3 “(a) **GENERAL RULE.**—No deduction shall be allowed  
 4 under this chapter for amounts paid or incurred directly  
 5 or indirectly for costs of transporting tangible property  
 6 outside the United States if, during the 2-year period pre-  
 7 ceding the transportation—

8 “(1) the property was used, or purchased for  
 9 use, in the active conduct of a trade or business by  
 10 the taxpayer within the United States, and

11 “(2) there has been a reduction by the taxpayer  
 12 in production or operations within the United States  
 13 in which such property is capable of being used.

14 “(b) **EXCEPTION.**—The Secretary may by regulation  
 15 exempt from the application of this section property which  
 16 by its nature, or by the nature of the trade or business  
 17 within which it is used, is used on a regular basis both  
 18 within and without the United States.”

19 (b) **CONFORMING AMENDMENT.**—The table of sec-  
 20 tions for part IX of subchapter B of chapter 1 of such  
 21 Code is amended by adding at the end the following new  
 22 item:

“Sec. 280I. Costs incurred in moving certain property outside the  
 United States.”

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred on  
3 or after the date of the enactment of this Act.

4 **SEC. 3. TRANSFERS IN REORGANIZATION.**

5           (a) IN GENERAL.—Section 367(a) of the Internal  
6 Revenue Code of 1986 is amended by striking paragraph  
7 (3) and by redesignating paragraphs (4), (5), and (6) as  
8 paragraphs (3), (4), and (5), respectively.

9           (b) CONFORMING AMENDMENTS.—Paragraph (4) of  
10 section 367(a) of such Code, as redesignated by subsection  
11 (a), is amended by striking “Paragraphs (2) and (3)” in  
12 the text and heading and inserting “Paragraph (2)”.

13           (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to transfers on or after the date  
15 of the enactment of this Act.

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