

.....
(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to impose an income tax
on excess profits of certain corporations.

IN THE HOUSE OF REPRESENTATIVES

Mr. BOWMAN introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to impose
an income tax on excess profits of certain corporations.

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.**

4 This Act may be cited as the “Ending Corporate
5 Greed Act”.

1 **SEC. 2. TAX ON EXCESS BUSINESS PROFITS OF CERTAIN**
2 **CORPORATIONS.**

3 (a) IN GENERAL.—Subchapter A of chapter 1 of the
4 Internal Revenue Code of 1986 is amended by adding at
5 the end the following new part:

6 **“PART VIII—EXCESS BUSINESS PROFITS**

“Sec. 59B. Tax on excess business profits of taxpayers with substantial gross receipts.

7 **“SEC. 59B. TAX ON EXCESS BUSINESS PROFITS OF TAX-**
8 **PAYERS WITH SUBSTANTIAL GROSS RE-**
9 **CEIPTS.**

10 “(a) IMPOSITION OF TAX.—There is hereby imposed
11 on each applicable taxpayer for any taxable year a tax
12 equal to 95 percent of the excess profits for the taxable
13 year. Such tax shall be in addition to any other tax im-
14 posed by this subtitle.

15 “(b) LIMITATION.—The amount of tax imposed
16 under subsection (a) for any taxable year shall not exceed
17 75 percent of the modified taxable income of the taxpayer
18 for such taxable year.

19 “(c) EXCESS PROFITS.—For purposes of this sec-
20 tion—

21 “(1) IN GENERAL.—The term ‘excess profits’
22 means, with respect to any applicable taxpayer for
23 any taxable year, the excess of—

1 “(A) the modified taxable income of the
2 taxpayer for the taxable year, over

3 “(B) the average of the inflation adjusted
4 modified taxable income of the taxpayer for tax-
5 able years beginning in 2015, 2016, 2017,
6 2018, and 2019.

7 “(2) INFLATION ADJUSTED MODIFIED TAXABLE
8 INCOME.—

9 “(A) IN GENERAL.—The term ‘inflation
10 adjusted modified taxable income’ means, with
11 respect to any taxable year described in para-
12 graph (1)(B), the modified adjusted gross in-
13 come for such taxable year increased by an
14 amount equal to—

15 “(i) such modified adjusted gross in-
16 come, multiplied by

17 “(ii) the cost-of-living adjustment de-
18 termined under section 1(f)(3) for the cal-
19 endar year in which the taxable year de-
20 scribed in paragraph (1)(A) begins, cal-
21 culated by using in section 1(f)(3)(A)(ii)
22 the CPI for the calendar year immediately
23 before the calendar year in which the tax-
24 able year for which the increase under this

1 paragraph is determined in lieu of the CPI
2 for calendar year 2016.

3 “(B) ROUNDING.—Any increase deter-
4 mined under subparagraph (A) shall be rounded
5 to the nearest multiple of \$500.

6 “(d) MODIFIED TAXABLE INCOME.—For purposes of
7 this section, the term ‘modified taxable income’ means,
8 with respect to any taxable year, the taxable income of
9 the taxpayer computed under this chapter for such taxable
10 year, determined with the following modifications:

11 “(1) GLOBAL INTANGIBLE LOW-TAXED IN-
12 COME.—In determining the amount of global intan-
13 gible low-taxed income included in income for the
14 taxable year, the taxpayer’s net deemed tangible in-
15 come return for the taxable year under section
16 951A(b)(1)(B) shall be zero.

17 “(2) DEDUCTIONS FOR FDII AND GILTI.—No
18 deduction shall be allowed under section 250.

19 “(3) DEPRECIATION SYSTEM.—In the case of
20 tangible property, the depreciation deduction allow-
21 able under section 167 shall be determined under
22 the alternative depreciation system of section
23 168(g).

24 “(4) RESEARCH AND EXPERIMENTAL EX-
25 PENSES.—Section 174 shall be applied to amounts

1 paid or incurred in any taxable year beginning on or
2 before December 31, 2021, in the same manner as
3 it is applied to amounts paid or incurred in taxable
4 years beginning after such date.

5 “(5) DEDUCTIONS FOR EMPLOYEE REMUNERA-
6 TION.—

7 “(A) IN GENERAL.—Section 162(m) shall
8 be applied—

9 “(i) by substituting ‘covered individual
10 (as defined in section 59B(d)(5)(B))’ for
11 ‘covered employee’ each place it appears in
12 paragraphs (1) and (4) thereof,

13 “(ii) by treating any reference to an
14 ‘employee’ in paragraphs (1) and (4)
15 thereof as a reference to an ‘individual’,
16 and

17 “(iii) by substituting ‘was required to
18 file reports under section 15(d) of such Act
19 (15 U.S.C. 78o(d)) at any time during the
20 3-taxable year period ending with the tax-
21 able year’ for ‘is required to file reports
22 under section 15(d) of such Act (15 U.S.C.
23 78o(d))’ in paragraph (2) thereof.

24 “(B) COVERED INDIVIDUAL.—For pur-
25 poses of applying this paragraph to section

1 162(m), the term ‘covered individual’ means
2 any individual who performs services (directly
3 or indirectly) for the taxpayer (or any prede-
4 cessor) for any taxable year beginning after De-
5 cember 31, 2021.

6 “(e) APPLICABLE TAXPAYER.—For purposes of this
7 section—

8 “(1) IN GENERAL.—The term ‘applicable tax-
9 payer’ means, with respect to any taxable year, a
10 taxpayer—

11 “(A) which is a corporation other than a
12 regulated investment company, a real estate in-
13 vestment trust, or an S corporation, and

14 “(B) the average annual gross receipts of
15 which for the 3-taxable-year period ending with
16 the preceding taxable year are at least
17 \$500,000,000.

18 “(2) GROSS RECEIPTS.—

19 “(A) SPECIAL RULE FOR FOREIGN PER-
20 SONS.—In the case of a foreign person the
21 gross receipts of which are taken into account
22 for purposes of paragraph (1)(B), only gross re-
23 ceipts which are taken into account in deter-
24 mining income which is effectively connected
25 with the conduct of a trade or business within

1 the United States shall be taken into account.
2 In the case of a taxpayer which is a foreign per-
3 son, the preceding sentence shall not apply to
4 the gross receipts of any United States person
5 which are aggregated with the taxpayer's gross
6 receipts by reason of paragraph (3).

7 “(B) OTHER RULES MADE APPLICABLE.—
8 Rules similar to the rules of section 448(c)(3)
9 shall apply in determining gross receipts for
10 purposes of this section.

11 “(3) AGGREGATION RULES.—All persons treat-
12 ed as a single employer under subsection (a) of sec-
13 tion 52 shall be treated as 1 person for purposes of
14 this subsection, except that in applying section 1563
15 for purposes of section 52, the exception for foreign
16 corporations under section 1563(b)(2)(C) shall be
17 disregarded.

18 “(f) TERMINATION.—This section shall not apply to
19 any taxable year beginning after December 31, 2024.”.

20 (b) CONFORMING AMENDMENT.—The table of sub-
21 chapters for subchapter A of chapter 1 of the Internal
22 Revenue Code of 1986 is amended by adding at the end
23 the following new item:

“PART VIII—EXCESS BUSINESS PROFITS”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.