

115TH CONGRESS
1ST SESSION

H. R. 533

To amend the Internal Revenue Code of 1986 to lower the corporate rate of income tax to the OECD average, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2017

Mr. EMMER (for himself and Mrs. LOVE) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to lower the corporate rate of income tax to the OECD average, 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. SHORT TITLE.**

4 This Act may be cited as the “Corporate Rate Equal-
5 ity and Trade Empowerment Jobs Act of 2017” or the
6 “Create Jobs Act”.

7 **SEC. 2. OECD RATE OF CORPORATE INCOME TAX.**

8 (a) IN GENERAL.—Section 11(b) of the Internal Rev-
9 enue Code of 1986 is amended to read as follows:

10 “(b) AMOUNT OF TAX.—

1 “(1) IN GENERAL.—The amount of the tax im-
2 posed by subsection (a) shall be an amount equal to
3 the applicable percentage of the taxable income.

4 “(2) APPLICABLE PERCENTAGE.—For purposes
5 of this section—

6 “(A) IN GENERAL.—Subject to section 3 of
7 the Corporate Rate Equality and Trade Em-
8 powerment Jobs Act of 2017, the applicable
9 percentage for taxable years beginning in any
10 calendar year shall be the greater of—

11 “(i) 10 percent, or

12 “(ii) the percentage determined by the
13 Secretary under subparagraph (B) for the
14 taxable year.

15 “(B) DETERMINATION BY SECRETARY.—
16 Not later than November 1, 2017, and every 5
17 years thereafter, the Secretary shall determine
18 the percentage that is 5 percentage points less
19 than the mean of the central government cor-
20 porate income tax rates most recently published
21 as of November 1 of the preceding calendar
22 year by the Organisation for Economic Co-oper-
23 ation and Development (hereinafter referred to
24 as ‘OECD’) for OECD countries other than the
25 United States. The percentage determined

1 under the preceding sentence shall apply to tax-
2 able years beginning in the subsequent calendar
3 year and each of the 4 calendar years there-
4 after.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Paragraphs (2)(B) and (6)(A)(ii) of section
7 860E(e) of such Code are each amended by striking
8 “the highest rate of tax specified in section
9 11(b)(1)” and inserting “the rate of tax in effect for
10 the taxable year under section 11(b)”.

11 (2)(A) Section 1445(e)(1) of such Code is
12 amended—

13 (i) by striking “35 percent” and in-
14 serting “the rate of tax in effect for the
15 taxable year under section 11(b)”, and

16 (ii) by striking “of the gain” and in-
17 serting “multiplied by the gain”.

18 (B) Section 1445(e)(2) of such Code is
19 amended by striking “35 percent of the
20 amount” and inserting “the rate of tax in effect
21 for the taxable year under section 11(b) multi-
22 plied by the amount”.

23 (C) Section 1445(e)(6) of such Code is
24 amended—

1 (i) by striking “35 percent” and in-
2 sserting “the rate of tax in effect for the
3 taxable year under section 11(b)”, and

4 (ii) by striking “of the amount” and
5 inserting “multiplied by the amount”.

6 (D) Section 1446(b)(2)(B) of such Code is
7 amended by striking “the highest rate of tax
8 specified in section 11(b)(1)” and inserting
9 “the rate of tax in effect for the taxable year
10 under section 11(b)”.

11 (3) Section 852(b)(1) of such Code is amended
12 by striking the last sentence.

13 (4) Section 7874(e)(1)(B) of such Code is
14 amended by striking “the highest rate of tax speci-
15 fied in section 11(b)(1)” and inserting “the rate of
16 tax in effect for the taxable year under section
17 11(b)”.

18 (c) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Except as otherwise pro-
20 vided in this subsection, the amendments made by
21 this section shall apply to taxable years beginning
22 after December 31, 2017.

23 (2) WITHHOLDING.—The amendments made by
24 subsection (b)(2) shall apply to distributions made
25 after December 31, 2017.

1 **SEC. 3. PROCEDURE IN CASE SECRETARY DETERMINES IN-**
2 **CREASE IN CORPORATE INCOME TAX.**

3 (a) IN GENERAL.—In the case of any taxable years
4 beginning during a calendar year (“current taxable
5 years”) for which the rate of tax determined by the Sec-
6 retary of the Treasury under section 11(b)(2) of the Inter-
7 nal Revenue Code of 1986 is higher than the rate of tax
8 for taxable years beginning during the preceding calendar
9 year (“preceding taxable years”)—

10 (1) if not later than 60 days after the date of
11 any such determination Congress enacts into law a
12 joint resolution approving such higher rate of tax,
13 then the rate of tax for the current taxable years
14 shall be the rate of tax so determined by the Sec-
15 retary, or

16 (2) if after the expiration of such 60-day period
17 no such joint resolution has been enacted, then the
18 rate of tax for the current taxable years shall be the
19 rate of tax that was in effect for such preceding tax-
20 able years.

21 (b) CONTENT OF JOINT RESOLUTION.—The joint
22 resolution considered under this section shall meet the fol-
23 lowing requirements:

24 (1) Such resolution shall not have a preamble.

25 (2) The title of such resolution shall be as fol-
26 lows: “Joint resolution relating to the approval of an

1 increased rate of corporate income tax determined
2 under section 11(b)(2) of the Internal Revenue Code
3 of 1986, as submitted under section 3 of the Cor-
4 porate Rate Equality and Trade Empowerment Jobs
5 Act of 2017.”.

6 (3) The only matter after the resolving clause
7 shall be as follows: “That Congress approves of the
8 increased rate of corporate income tax determined
9 under section 11(b)(2) of the Internal Revenue Code
10 of 1986 for taxable years beginning during the next
11 5 calendar years.”.

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