

118TH CONGRESS  
1ST SESSION

# H. R. 6416

To amend the Internal Revenue Code of 1986 to impose certain tax penalties in connection with the invasion of Ukraine.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2023

Mr. DOGGETT (for himself, Mr. WILSON of South Carolina, Mr. BACON, Mr. FITZPATRICK, Mrs. RADEWAGEN, Ms. SALAZAR, Mr. SMITH of New Jersey, Mr. BLUMENAUER, Mr. BOYLE of Pennsylvania, Ms. CHU, Mr. CLEAVER, Mr. COHEN, Mr. COSTA, Mr. CUELLAR, Mr. DAVIS of Illinois, Mr. GARAMENDI, Mr. GOLDMAN of New York, Mr. GOTTHEIMER, Mr. GREEN of Texas, Mr. GRIJALVA, Mr. JOHNSON of Georgia, Ms. KAPTUR, Mr. KEATING, Mr. KHANNA, Mr. KILDEE, Mr. LANDSMAN, Mr. LIEU, Mr. LYNCH, Mr. MAGAZINER, Mr. MCGOVERN, Mr. MEEKS, Mr. MORELLE, Ms. NORTON, Mr. PALLONE, Mr. PANETTA, Mr. PASCRELL, Mr. PAYNE, Mr. RUPPERSBERGER, Ms. SCHAKOWSKY, Mr. SCHIFF, Mr. SCHNEIDER, Mr. SHERMAN, Mr. SWALWELL, Ms. TITUS, Mr. TRONE, Mr. VARGAS, Mr. QUIGLEY, Mr. LAMBORN, Ms. STEVENS, Ms. MENG, Mr. NADLER, and Mr. TONKO) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to impose certain tax penalties in connection with the invasion of Ukraine.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Russian War Crimes  
3 in Ukraine Tax Act”.

4 **SEC. 2. TAXATION OF INCOME ON FROZEN ASSETS OF RUS-**  
5 **SIA AND BELARUS.**

6 (a) IN GENERAL.—Subpart D of part II of sub-  
7 chapter N of chapter 1 of the Internal Revenue Code of  
8 1986 is amended by inserting after section 892 the fol-  
9 lowing new section:

10 **“SEC. 892A. TAXATION OF INCOME ON FROZEN ASSETS OF**  
11 **RUSSIA AND BELARUS.**

12 “(a) IN GENERAL.—Notwithstanding sections 892  
13 and 895 (or any other provision of law), there is hereby  
14 imposed for each taxable year on the disqualified income  
15 of any specified foreign government a tax equal to 100  
16 percent thereof.

17 “(b) WITHHOLDING.—

18 “(1) IN GENERAL.—Notwithstanding section  
19 203 of the International Emergency Economic Pow-  
20 ers Act (or any other provision of law), any person  
21 having control, receipt, custody, disposal, or pay-  
22 ment of disqualified income with respect to which  
23 tax is imposed under subsection (a) shall deduct and  
24 withhold from such income a tax equal to 100 per-  
25 cent thereof.

1           “(2) APPLICATION OF CERTAIN RULES.—For  
2           purposes of subchapter B of chapter 3, section 33,  
3           and such other provisions as the Secretary may pro-  
4           vide, paragraph (1) shall be treated as part of sub-  
5           chapter A of chapter 3.

6           “(c) DISQUALIFIED INCOME.—For purposes of this  
7           section, the term ‘disqualified income’ means any interest  
8           or dividends payable with respect to assets which are  
9           blocked using the authorities provided by section 203 of  
10          the International Emergency Economic Powers Act.

11          “(d) SPECIFIED FOREIGN GOVERNMENT.—For pur-  
12          poses of this section, the term ‘specified foreign govern-  
13          ment’ means the foreign governments (within the meaning  
14          of section 892 and the regulations issued thereunder) of  
15          Russia and Belarus.”.

16          (b) CLERICAL AMENDMENT.—The table of sections  
17          for subpart D of part II of subchapter N of chapter 1  
18          of such Code is amended by inserting after the item relat-  
19          ing to section 892 the following new item:

          “Sec. 892A. Taxation of income on frozen assets of Russia and Belarus.”.

20          (c) OVERRIDE OF TREATY OBLIGATIONS.—Notwith-  
21          standing any other provision of law, this section (and the  
22          amendments made by this section) shall apply without re-  
23          gard to any treaty obligation of the United States.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to interest and dividends received  
3 after the date of the enactment of this Act.

4 **SEC. 3. ESTABLISHMENT OF UKRAINE RECONSTRUCTION**  
5 **TRUST FUND.**

6 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
7 Internal Revenue Code of 1986 is amended by adding at  
8 the end the following new section:

9 **“SEC. 9512. UKRAINE RECONSTRUCTION TRUST FUND.**

10 “(a) CREATION OF TRUST FUND.—There is estab-  
11 lished in the Treasury of the United States a trust fund  
12 to be known as the ‘Ukraine Reconstruction Trust Fund’,  
13 consisting of such amounts as may be appropriated to  
14 such fund as provided in this section.

15 “(b) TRANSFERS TO TRUST FUND.—There are here-  
16 by appropriated to the Ukraine Reconstruction Trust  
17 Fund amounts equivalent to the net revenues received in  
18 the Treasury from the taxes imposed under section 892A.

19 “(c) EXPENDITURES FROM TRUST FUND.—Amounts  
20 in the Ukraine Reconstruction Trust Fund shall be avail-  
21 able, as provided in appropriations Acts, only to the Sec-  
22 retary of State for purposes of—

23 “(1) reconstruction and rebuilding efforts in  
24 Ukraine,

1           “(2) humanitarian assistance to the people of  
2           Ukraine,

3           “(3) fostering long-term economic growth and  
4           private sector development in Ukraine, and

5           “(4) bolstering transparent and accountable  
6           governance of the Ukrainian economy.

7           “(d) TRUST FUND NOT INTEREST-BEARING.—Sec-  
8           tion 9602(b) shall not apply to the Ukraine Reconstruc-  
9           tion Trust Fund.

10          “(e) REQUIREMENTS UNDER FOREIGN ASSISTANCE  
11          ACT OF 1961.—Any assistance made available from  
12          amounts in the Ukraine Reconstruction Trust Fund shall  
13          be subject to all applicable requirements for the provision  
14          of such assistance for the same or similar purpose author-  
15          ized by the Foreign Assistance Act of 1961 (22 U.S.C.  
16          2151 et seq.), including requirements under such Act re-  
17          lating to administrative authorities, congressional notifica-  
18          tions, and reporting.”.

19          (b) CLERICAL AMENDMENT.—The table of sections  
20          for subchapter A of chapter 98 of such Code is amended  
21          by adding at the end the following new item:

          “Sec. 9512. Ukraine Reconstruction Trust Fund.”.

22          (c) REPORT.—

23                 (1) IN GENERAL.—Not later than 1 year after  
24                 the date of the enactment of this Act, and annually  
25                 thereafter for 3 years, the Secretary of State shall

1 submit to the appropriate congressional committees  
2 a report detailing the use of any funds made avail-  
3 able from the Ukrainian Reconstruction Trust Fund.

4 (2) APPROPRIATE CONGRESSIONAL COMMIT-  
5 TEES.—In this subsection, the term “appropriate  
6 congressional committees” means—

7 (A) the Committee on Foreign Affairs, the  
8 Committee on Ways and Means, and the Com-  
9 mittee on Appropriations of the House of Rep-  
10 resentatives; and

11 (B) the Committee on Foreign Relations,  
12 the Committee on Finance, and the Committee  
13 on Appropriations of the Senate.

14 **SEC. 4. DIPLOMATIC ASSISTANCE AUTHORIZATION.**

15 (a) FINDINGS.—Congress makes the following find-  
16 ings:

17 (1) Since February 24, 2022, Russia has been  
18 engaged an illegal, unjustifiable, and unprovoked  
19 war against Ukraine.

20 (2) On November 14, 2022, the United Nations  
21 adopted a resolution recognizing that Russia must  
22 bear the international legal consequences for its vio-  
23 lations of international law and Ukrainian sov-  
24 ereignty.

1           (3) On December 23, 2022, Congress passed  
2           H.R. 2617, the Consolidated Appropriations Act  
3           2023, which was signed by the President of the  
4           United States on December 29, 2022, and author-  
5           ized the United States Government to transfer the  
6           illegally begotten assets of Russian oligarchs to  
7           Ukraine.

8           (4) In October 2023, nearly \$300,000,000,000  
9           of Russian sovereign assets are frozen in countries  
10          around the world but less than 2 percent of those  
11          funds are in held in the United States.

12          (5) The transfer of a 3 percent capital gain on  
13          the Russian sovereign assets frozen around the  
14          world would exceed a transfer of 100 percent of all  
15          of the Russian sovereign assets currently within the  
16          United States.

17          (b) STATEMENT OF POLICY.—It is the policy of the  
18          United States that:

19               (1) Any interest or return on Russian sovereign  
20               assets frozen by allies and partners around the world  
21               should be transferred to Ukraine.

22               (2) The United States should make it a diplo-  
23               matic priority to encourage allies and partners in  
24               Europe, Asia, and around the world to transfer any  
25               return on Russian sovereign assets to Ukraine.

1           (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated \$25,000,000 for the United  
3 States Special Representative for Ukraine’s Economic Re-  
4 covery to advance the policies set forth in subsection (b).

5 **SEC. 5. SUPPORT AT THE UNITED NATIONS.**

6           (a) IN GENERAL.—The Secretary of State shall di-  
7 rect the United States Permanent Representative to the  
8 United Nations to use the voice, vote, and influence of the  
9 United States to encourage other countries to develop  
10 mechanisms to transfer any capital gains on Russian sov-  
11 ereign assets to Ukraine.

12           (b) REPORT.—Not later than one year after the date  
13 of the enactment of this Act, the Secretary of State shall  
14 submit a report to the Committee on Foreign Affairs of  
15 the House of Representatives and the Committee on For-  
16 eign Relations of the Senate a report detailing efforts and  
17 actions of the Permanent Representative as directed by  
18 subsection (a).

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