

118TH CONGRESS  
2D SESSION

# H. R. 8274

To amend the Internal Revenue Code of 1986 to encourage the transfer of intangible property from controlled foreign corporations to United States shareholders.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2024

Mr. LAHOOD (for himself, Mr. FERGUSON, Mr. SMITH of Nebraska, Mrs. MILLER of West Virginia, Ms. TENNEY, and Mr. FEENSTRA) 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 encourage the transfer of intangible property from controlled foreign corporations to United States shareholders.

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 “Bringing Back Amer-  
5 ican Jobs Through Intellectual Property Repatriation  
6 Act”.

1 **SEC. 2. SPECIAL RULES FOR TRANSFERS OF INTANGIBLE**  
2 **PROPERTY FROM CONTROLLED FOREIGN**  
3 **CORPORATIONS TO UNITED STATES SHARE-**  
4 **HOLDERS.**

5 (a) IN GENERAL.—Subpart F of part III of sub-  
6 chapter N of chapter 1 of the Internal Revenue Code of  
7 1986 is amended by adding at the end the following new  
8 section:

9 **“SEC. 966. TRANSFERS OF INTANGIBLE PROPERTY TO**  
10 **UNITED STATES SHAREHOLDERS.**

11 “(a) IN GENERAL.—If a controlled foreign corpora-  
12 tion holds intangible property on the date of the enact-  
13 ment of this section and thereafter distributes such prop-  
14 erty to a domestic corporation which is a United States  
15 shareholder with respect to such controlled foreign cor-  
16 poration—

17 “(1) for purposes of part I of subchapter C and  
18 any other provision of this title specified by the Sec-  
19 retary, the fair market value of such property on the  
20 date of such distribution shall be treated as not ex-  
21 ceeding the adjusted basis of such property imme-  
22 diately before such distribution, and

23 “(2) if any portion of such distribution is not  
24 a dividend—

1           “(A) no gain shall be recognized by such  
2           United States shareholder with respect to such  
3           distribution, and

4           “(B) the adjusted basis of such property in  
5           the hands of such United States shareholder  
6           immediately after such distribution shall be the  
7           adjusted basis of such property in the hands of  
8           such controlled foreign corporation immediately  
9           before such distribution reduced by the amount  
10          (if any) of gain not recognized by reason of  
11          subparagraph (A) (determined after the appli-  
12          cation of paragraph (1)).

13          “(b) INTANGIBLE PROPERTY.—For purposes of this  
14          section, the term ‘intangible property’ means any—

15                 “(1) patent, copyright, license, invention, for-  
16                 mula, process, design, pattern, know-how, or format,

17                 “(2) method, program, system, procedure, cam-  
18                 paign, survey, study, forecast, estimate, or technical  
19                 data,

20                 “(3) computer software (as defined in section  
21                 197(e)(3)(B)), or

22                 “(4) any similar item, which has substantial  
23                 value independent of the services of any individual.

24          “(c) APPLICATION TO TRANSFERS OF INTANGIBLE  
25          PROPERTY TO A UNITED STATES SHAREHOLDER

1 THROUGH A CHAIN OF CONTROLLED FOREIGN CORPORA-  
2 TIONS.—In the case of intangible property which is held  
3 by a controlled foreign corporation on the date of the en-  
4 actment of this section and is thereafter distributed to an-  
5 other controlled foreign corporation, the rules of sub-  
6 section (a) shall apply with respect to such distribution  
7 (and any subsequent distribution of such property by a  
8 controlled foreign corporation to another controlled for-  
9 eign corporation or United States shareholder) if, not later  
10 than 180 days after the date of such first distribution,  
11 such property is distributed to a domestic corporation  
12 which is a United States shareholder with respect to each  
13 such controlled foreign corporation.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 197(f)(2)(B)(i) of such Code is  
16 amended by inserting “966(a),” after “731,”.

17 (2) The table of sections for subpart F of part  
18 III of subchapter N of chapter 1 of such Code is  
19 amended by adding at the end the following new  
20 item:

“Sec. 966. Transfers of intangible property to United States shareholders.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to distributions made in taxable  
23 years of foreign corporations beginning after December  
24 31, 2023, and to taxable years of United States share-

1 holders in which or with which such taxable years of for-  
2 eign corporations end.

○