.....

(Original Signature of Member)

111TH CONGRESS
1ST SESSION

H. R. _____

To impose an additional tax on bonuses received from certain TARP recipients.

IN THE HOUSE OF REPRESENTATIVES

Mr. RANGEL (for himself and [see ATTACHED LIST of cosponsors]) introduced the following bill; which was referred to the Committee on _____

A BILL

To impose an additional tax on bonuses received from certain TARP recipients.

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. BONUSES RECEIVED FROM CERTAIN TARP RE-**
4 **CIPIENTS.**
5 (a) IN GENERAL.—In the case of an employee or
6 former employee of a covered TARP recipient, the tax im-
7 posed by chapter 1 of the Internal Revenue Code of 1986
8 for any taxable year shall not be less than the sum of—

(1) the tax that would be determined under such chapter if the taxable income of the taxpayer for such taxable year were reduced (but not below zero) by the TARP bonus received by the taxpayer during such taxable year, plus

(2) 90 percent of the TARP bonus received by the taxpayer during such taxable year.

(b) TARP BONUS.—For purposes of this section—

(1) IN GENERAL.—The term "TARP bonus" means, with respect to any individual for any taxable year, the lesser of—

(A) the aggregate disqualified bonus payments received from covered TARP recipients during such taxable year, or

(B) the excess of—

(i) the adjusted gross income of the taxpayer for such taxable year, over

(ii) $250,000 ($125,000 in the case of a married individual filing a separate return).

(2) DISQUALIFIED BONUS PAYMENT.—

(A) IN GENERAL.—The term "disqualified bonus payment" means any retention payment, incentive payment, or other bonus which is in addition to any amount payable to such indi-

1 vidual for service performed by such individual
2 at a regular hourly, daily, weekly, monthly, or
3 similar periodic rate.
4 (B) EXCEPTIONS.—Such term shall not in-
5 clude commissions, welfare or fringe benefits, or
6 expense reimbursements.
7 (C) WAIVER OR RETURN OF PAYMENTS.—
8 Such term shall not include any amount if the
9 employee irrevocably waives the employee's enti-
10 tlement to such payment, or the employee re-
11 turns such payment to the employer, before the
12 close of the taxable year in which such payment
13 is due. The preceding sentence shall not apply
14 if the employee receives any benefit from the
15 employer in connection with the waiver or re-
16 turn of such payment.
17 (3) REIMBURSEMENT OF TAX TREATED AS
18 TARP BONUS.—Any reimbursement by a covered
19 TARP recipient of the tax imposed under subsection
20 (a) shall be treated as a disqualified bonus payment
21 to the taxpayer liable for such tax.
22 (c) COVERED TARP RECIPIENT.—For purposes of
23 this section—
24 (1) IN GENERAL.—The term "covered TARP
25 recipient" means—

1 (A) any person who receives after Decem-
2 ber 31, 2007, capital infusions under the Emer-
3 gency Economic Stabilization Act of 2008
4 which, in the aggregate, exceed $5,000,000,000,
5 (B) the Federal National Mortgage Asso-
6 ciation and the Federal Home Loan Mortgage
7 Corporation,
8 (C) any person who is a member of the
9 same affiliated group (as defined in section
10 1504 of the Internal Revenue Code of 1986, de-
11 termined without regard to paragraphs (2) and
12 (3) of subsection (b)) as a person described in
13 subparagraph (A) or (B), and
14 (D) any partnership if more than 50 per-
15 cent of the capital or profits interests of such
16 partnership are owned directly or indirectly by
17 one or more persons described in subparagraph
18 (A), (B), or (C).
19 (2) EXCEPTION FOR TARP RECIPIENTS WHO
20 REPAY ASSISTANCE.—A person shall be treated as
21 described in paragraph (1)(A) for any period only
22 if—
23 (A) the excess of the aggregate amount of
24 capital infusions described in paragraph (1)(A)
25 with respect to such person over the amounts

1 repaid by such person to the Federal Govern-
2 ment with respect to such capital infusions, ex-
3 ceeds
4 (B) $5,000,000,000.
5 (d) OTHER DEFINITIONS.—Terms used in this sec-
6 tion which are also used in the Internal Revenue Code of
7 1986 shall have the same meaning when used in this sec-
8 tion as when used in such Code.
9 (e) COORDINATION WITH INTERNAL REVENUE CODE
10 OF 1986.—Any increase in the tax imposed under chapter
11 1 of the Internal Revenue Code of 1986 by reason of sub-
12 section (a) shall not be treated as a tax imposed by such
13 chapter for purposes of determining the amount of any
14 credit under such chapter or for purposes of section 55
15 of such Code.
16 (f) REGULATIONS.—The Secretary of the Treasury,
17 or the Secretary's delegate, shall prescribe such regula-
18 tions or other guidance as may be necessary or appro-
19 priate to carry out the purposes of this section.
20 (g) EFFECTIVE DATE.—This section shall apply to
21 disqualified bonus payments received after December 31,
22 2008, in taxable years ending after such date.

Original CoSponsor List—HR1586

Israel
Peters
Maloney
Stark
Levin
John Lewis
Tanner
Pomeroy
Mike Thompson
Larson
Blumenauer
Pascrell
Berkley
Van Hollen
Meek
Artur Davis
Danny Davis
Etheridge
Linda Sanchez
Higgins
Yarmuth
Dingell
Connelly
Fudge
Lujan
Maffei
Perriello
Carney
Castor
Clarke
Cohen
Ellison
John Hall
Hare
Hill
Klein
Loebsack
Schakowsky
Sires
Welch
Charles Wilson
Wu