AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3007
OFFERED BY MRS. AXNE OF IOWA

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Disclosure of Tax Havens and Offshoring Act”.

SEC. 2. COUNTRY-BY-COUNTRY REPORTING.

(a) COUNTRY-BY-COUNTRY REPORTING.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

“(s) DISCLOSURE OF FINANCIAL PERFORMANCE ON A COUNTRY-BY-COUNTRY BASIS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘constituent entity’ means,

with respect to a covered issuer, any separate business entity of the covered issuer;

“(B) the term ‘covered issuer’ means an issuer who—

“(i) is a member of a multinational enterprise group; and
“(ii) the multinational enterprise group of which the issuer is a member has annual revenue for the preceding calendar year of not less than an amount determined by the Commission to conform to United States or international standards for country-by-country reporting; and

“(C) the term ‘tax jurisdiction’—

“(i) means a country or a jurisdiction that is not a country but that has fiscal autonomy; and

“(ii) includes a territory or possession of the United States that has fiscal autonomy.

“(2) DISCLOSURE.—

“(A) IN GENERAL.—Each covered issuer shall file a report with the Commission that includes information described in subparagraph (B), and any other information required by the Commission, with respect to the reporting period described in subparagraph (C).

“(B) INFORMATION REQUIRED.—The information described in this subparagraph is as follows:
“(i) CONSTITUENT ENTITY INFORMATION.—Information on the constituent entity, including the following:

“(I) The complete legal name of the constituent entity.

“(II) The tax jurisdiction, if any, in which the constituent entity is resident for tax purposes.

“(III) The tax jurisdiction in which the constituent entity is organized or incorporated (if different from the tax jurisdiction of residence).

“(IV) The tax identification number, if any, used for the constituent entity by the tax administration of the constituent entity’s tax jurisdiction of residence.

“(V) The main business activity or activities of the constituent entity.

“(ii) TAX JURISDICTION.—Information on each tax jurisdiction in which one or more constituent entities is resident, presented as an aggregated or consolidated form of the information for the constituent
entities resident in each tax jurisdiction, including the following:

“(I) Revenues generated from transactions with other constituent entities.

“(II) Revenues not generated from transactions with other constituent entities.

“(III) Profit or loss before income tax.

“(IV) Total income tax paid on a cash basis to all tax jurisdictions.

“(V) Total accrued tax expense recorded on taxable profits or losses.

“(VI) Stated capital.

“(VII) Total accumulated earnings.

“(VIII) Total number of employees on a full-time equivalent basis.

“(IX) Net book value of tangible assets, which, for purposes of this section, does not include cash or cash equivalents, intangibles, or financial assets.
“(iii) SPECIAL RULES.—The information listed in clause (ii) shall be provided, in aggregated or consolidated form, for any constituent entity or entities that have no tax jurisdiction of residence. In addition, if a constituent entity is an owner of a constituent entity that does not have a jurisdiction of tax residence, then the owner’s share of such entity’s revenues and profits will be aggregated or consolidated with the information for the owner’s tax jurisdiction of residence.

“(C) REPORTING PERIOD.—The reporting period covered by this paragraph is the period of the covered entity’s applicable financial statement prepared for the 12-month period that ends with or within the taxable year of the covered issuer. If the covered issuer does not prepare an annual applicable financial statement, then the reporting period covered by this paragraph is the 12-month period that ends on the last day of the taxable year of the covered issuer.

“(D) FILING DEADLINE.—Each covered issuer shall submit to the Commission a report
required under this section on or before the due date (including extensions) for filing that covered issuer’s tax return in the tax jurisdiction in which the covered issuer’s multinational enterprise group is resident.

“(E) REGULATION.—The Commission shall, in consultation with the Commissioner of the Internal Revenue Service and Secretary of the Treasury—

“(i) promulgate regulations carrying out this subsection that conform to United States or international standards for country-by-country reporting, including regulations promulgated by the Internal Revenue Service; and

“(ii) require disclosure of the accounting methods used in calculating the information contained in each report filed pursuant to this subsection.”.

(b) RULEMAKING.—

(1) DEADLINES.—The Securities and Exchange Commission (in this section referred to as the “Commission”) shall—

(A) not later than 1 year after the date of enactment of this Act, issue a proposed rule to
carry out this section and the amendment made by this section; and

(B) not later than 18 months after the date of enactment of this Act, issue a final rule to carry out this section and the amendment made by this section.

(2) Data Format.—The information required to be provided by this section shall be provided by the issuer in a report in a machine readable format prescribed by the Commission, and such report shall be made available to the public online, in such machine readable format as the Commission shall prescribe.

(3) Effective Date.—Subsection (s) of section 13 of the Securities Exchange Act of 1934, as added by this section, shall become effective 1 year after the date on which the Commission issues a final rule under this section.