

AMENDMENT TO RULES COMMITTEE PRINT 117-
54
OFFERED BY MRS. CAROLYN B. MALONEY OF
NEW YORK

At the end of title LVIII, add the following:

1 **SEC. 5806. MODIFICATION OF CERTAIN INTERNAL REV-**
2 **ENUE SERVICE REPORTING REQUIREMENTS**
3 **WITH RESPECT TO CERTAIN INDIVIDUALS**
4 **WHO LIVE ABROAD.**

5 (a) EXCEPTION TO CERTAIN REPORTING REQUIRE-
6 MENTS APPLICABLE TO FOREIGN FINANCIAL INSTITU-
7 TIONS WITH RESPECT TO CERTAIN INDIVIDUALS WHO
8 LIVE ABROAD.—

9 (1) IN GENERAL.—Section 1471(d)(1) of the
10 Internal Revenue Code of 1986 is amended by redesi-
11 gnating subparagraph (C) as subparagraph (D) and
12 by inserting after subparagraph (B) the following
13 new subparagraph:

14 “(C) EXCEPTION FOR CERTAIN INDIVID-
15 UALS WHO LIVE ABROAD.—

16 “(i) IN GENERAL.—Unless the foreign
17 financial institution elects to not have this
18 subparagraph apply, such term shall not

1 include any depository account maintained
2 by such financial institution if each holder
3 of such account is—

4 “(I) a natural person, and

5 “(II) a qualified individual with
6 respect to a foreign country in which
7 such foreign financial institution is li-
8 censed to conduct business.

9 “(ii) QUALIFIED INDIVIDUAL.—For
10 purposes of this subparagraph, an indi-
11 vidual is a qualified individual with respect
12 to any foreign country if such individual
13 would be a qualified individual under sec-
14 tion 911(d) if the only foreign country
15 taken into account under such section were
16 such foreign country.”.

17 (2) EFFECTIVE DATE.—

18 (A) IN GENERAL.—The amendments made
19 by this subsection shall take effect on the date
20 of the enactment of this Act.

21 (B) MODIFICATION OF AGREEMENTS.—At
22 the request of any foreign financial institution,
23 the Secretary of the Treasury (or the Sec-
24 retary’s delegate) shall, as promptly as is prac-
25 ticable, modify any agreement which is in effect

1 between the Secretary and such foreign finan-
2 cial institution under section 1471 of the Inter-
3 nal Revenue Code of 1986 to take into account
4 the amendments made by this subsection.

5 (b) EXCEPTION FOR CERTAIN INDIVIDUALS WHO
6 LIVE ABROAD TO CERTAIN REPORTING REQUIREMENTS
7 APPLICABLE TO INDIVIDUALS WITH FOREIGN FINANCIAL
8 ASSETS.—

9 (1) IN GENERAL.—Section 6038D of the Inter-
10 nal Revenue Code of 1986 is amended by redesignig-
11 nating subsection (h) as subsection (i) and by insert-
12 ing after subsection (g) the following new subsection:

13 “(h) EXCEPTION FOR CERTAIN FINANCIAL AC-
14 COUNTS OF INDIVIDUALS LIVING ABROAD.—

15 “(1) IN GENERAL.—In the case of a qualified
16 individual with respect to any foreign country, sub-
17 section (a) shall not apply to such individual for any
18 taxable year if such individual would not be required
19 to provide any information under such subsection for
20 such taxable year if the qualified foreign accounts in
21 which such individual holds an interest were not
22 taken into account as specified foreign financial as-
23 sets for purposes of this section.

24 “(2) QUALIFIED FOREIGN ACCOUNT.—For pur-
25 poses of this subsection, the term ‘qualified foreign

1 account' means, with respect to any qualified indi-
2 vidual, any account described in subsection (b)(1)
3 which is maintained by a financial institution which
4 is licensed to conduct business in the foreign country
5 with respect to which such individual is a qualified
6 individual.

7 “(3) QUALIFIED INDIVIDUAL.—For purposes of
8 this subsection, an individual is a qualified indi-
9 vidual with respect to any foreign country if such in-
10 dividual would be a qualified individual under sec-
11 tion 911(d) if the only foreign country taken into ac-
12 count under such section were such foreign coun-
13 try.”.

14 (2) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to taxable years begin-
16 ning after the date of the enactment of this Act.

