AMENDMENT TO RULES COMM. PRINT 115–39
OFFERED BY MR. MEEKS OF NEW YORK

At the end, add the following:

TITLE VI—ENDING TAX BREAKS FOR PRIVATE PRISONS ACT

SEC. 6001. EXCLUSION OF CORPORATIONS OPERATING PRISON FACILITIES FROM DEFINITION OF TAXABLE REIT FACILITY.

(a) In General.—Section 856(l)(3) is amended—

(1) by striking subparagraph (A) and inserting the following:

“(A) any corporation which—

“(i) directly or indirectly operates or manages a lodging facility or a health care facility, or

“(ii) directly or indirectly operates or manages a prison facility or provides services at or in connection with a prison facility, and’’;

(2) in subparagraph (B), by striking “any lodging facility or health care facility” and inserting “any lodging facility, health care facility, or prison facility”; and
(3) by striking the last sentence and inserting the following: “Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility, a health care facility, or a prison facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility, health care facility, or prison facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.”.

(b) Definition of Prison Facility.—Section 856(l)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(C) Prison facility.—The term ‘prison facility’ means any correctional, detention, or penal facility.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 6002. CORPORATE RATE INCREASE TO ACHIEVE REVENUE NEUTRALITY.

(a) In General.—The rate of tax specified in section 11(b)(1) of the Internal Revenue Code of 1986 (after the amendment made by section 3001(a)) shall be increased by such number of percentage points as is nec-
necessary to fully offset the aggregate reduction in Federal revenues which results from the amendments made by section 6001.

(b) EFFECTIVE DATE.—Subsection (a) shall apply as if such provision were an amendment made by section 3001(a).