

AMENDMENT TO RULES COMM. PRINT 115-39

OFFERED BY MR. MEEKS OF NEW YORK

At the end, add the following:

1 **TITLE VI—ENDING TAX BREAKS**
2 **FOR PRIVATE PRISONS ACT**

3 **SEC. 6001. EXCLUSION OF CORPORATIONS OPERATING**
4 **PRISON FACILITIES FROM DEFINITION OF**
5 **TAXABLE REIT FACILITY.**

6 (a) IN GENERAL.—Section 856(l)(3) is amended—

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

9 “(A) any corporation which—

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

13 “(ii) directly or indirectly operates or
14 manages a prison facility or provides serv-
15 ices at or in connection with a prison facil-
16 ity, and”;

17 (2) in subparagraph (B), by striking “any lodg-
18 ing facility or health care facility” and inserting
19 “any lodging facility, health care facility, or prison
20 facility”; and

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

11 (b) DEFINITION OF PRISON FACILITY.—Section
12 856(l)(4) of the Internal Revenue Code of 1986 is amend-
13 ed by adding at the end the following new subparagraph:

14 “(C) PRISON FACILITY.—The term ‘prison
15 facility’ means any correctional, detention, or
16 penal facility.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 the date of the enactment of this Act.

20 **SEC. 6002. CORPORATE RATE INCREASE TO ACHIEVE REV-**
21 **ENUE NEUTRALITY.**

22 (a) IN GENERAL.—The rate of tax specified in sec-
23 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
24 the amendment made by section 3001(a)) shall be in-
25 creased by such number of percentage points as is nec-

1 essary to fully offset the aggregate reduction in Federal
2 revenues which results from the amendments made by sec-
3 tion 6001.

4 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
5 if such provision were an amendment made by section
6 3001(a).

