

**AMENDMENT TO H.R. 8038**

**OFFERED BY MR. MOOLENAAR OF MICHIGAN**

At the end, add the following:

1                   **DIVISION Q—FOREIGN**  
2                   **COUNTRIES OF CONCERN**

3 **SEC. 1. DENIAL OF TAX CREDITS TO ENTITIES CONNECTED**  
4                   **TO FOREIGN COUNTRIES OF CONCERN.**

5           (a) **IN GENERAL.**—Part IV of subchapter A of chap-  
6 ter 1 of the Internal Revenue Code of 1986 is amended  
7 by adding at the end the following new subpart:

8           **“Subpart H—Denial of Credits to Certain Entities**

          “Sec. 54. Denial of credits to certain entities connected to foreign countries of  
          concern.

9 **“SEC. 54. DENIAL OF CREDITS TO CERTAIN ENTITIES CON-**  
10                   **NECTED TO FOREIGN COUNTRIES OF CON-**  
11                   **CERN.**

12           “(a) **IN GENERAL.**—No credit shall be allowed or de-  
13 termined under subpart B or D with respect to any dis-  
14 qualified entity.

15           “(b) **DISQUALIFIED ENTITY.**—For purposes of this  
16 section, the term ‘disqualified entity’ means—

1           “(1) any entity which is incorporated, is domi-  
2           ciled, or has its principal place of business, in a for-  
3           eign country of concern, and

4           “(2) any entity 10 percent or more of the cap-  
5           ital interests, profits interests, voting rights, or  
6           board seats are owned or controlled (directly or indi-  
7           rectly) in the aggregate by 1 or more entities de-  
8           scribed in paragraph (1).

9           “(c) FOREIGN COUNTRY OF CONCERN.—For pur-  
10          poses of this section, the term ‘foreign country of concern’  
11          has the meaning given such term by section 9901(7) of  
12          the William M. (Mac) Thornberry National Defense Au-  
13          thorization Act for Fiscal Year 2021 (15 U.S.C.  
14          4651(7)).”.

15          (b) CLERICAL AMENDMENT.—The table of subparts  
16          for part IV of subchapter A of chapter 1 of the Internal  
17          Revenue Code of 1986 is amended by adding at the end  
18          the following new item:

                  “SUBPART H—DENIAL OF CREDITS TO CERTAIN ENTITIES”.

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

