AMENDMENT TO THE RULES COMMITTEE PRINT
FOR H.R. 1735
OFFERED BY MR. POCAN OF WISCONSIN

At the end of title VIII, insert the following new section:

SEC. 865. STUDY ON DEPARTMENT OF DEFENSE CONTRACTS WITH INVERTED DOMESTIC CORPORATIONS.

(a) IN GENERAL.—The Comptroller General of the United States shall carry out a study on Department of Defense contracts with inverted domestic corporations.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the congressional defense committees a report on the study under paragraph (1), including—

(1) a description of each Department of Defense contract with an inverted domestic corporation; and

(2) the amount of taxpayer dollars expended on all such contracts.

(c) DEFINITION.—For purposes of this section, a foreign incorporated entity shall be treated as an inverted
domestic corporation if, pursuant to a plan (or a series of related transactions)—

(1) the entity has completed the direct or indirect acquisition of—

(A) substantially all of the properties held directly or indirectly by a domestic corporation; or

(B) substantially all of the assets of, or substantially all of the properties constituting a trade or business of, a domestic partnership; and

(2) after the acquisition, either—

(A) more than 50 percent of the stock (by vote or value) of the entity is held—

(i) in the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation; or

(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership; or
(B) the management and control of the expanded affiliated group which includes the entity occurs, directly or indirectly, primarily within the United States, and such expanded affiliated group has significant domestic business activities.