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(Original Signature of Member)

114TH CONGRESS  
2ND SESSION

# H. R.

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To amend the Internal Revenue Code of 1986 to lower the corporate rate of income tax to the OECD average, and for other purposes

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## IN THE HOUSE OF REPRESENTATIVES

Mr. EMMER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To amend the Internal Revenue Code of 1986 to lower the corporate rate of income tax to the OECD average, and for other purposes

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Corporate Rate Equal-  
5 ity and Trade Empowerment Jobs Act of 2016” or the  
6 “Create Jobs Act”.

1 **SEC. 2. OECD RATE OF CORPORATE INCOME TAX.**

2 (a) IN GENERAL.—Section 11(b) of the Internal Rev-  
3 enue Code of 1986 is amended to read as follows:

4 “(b) AMOUNT OF TAX.—

5 “(1) IN GENERAL.—The amount of the tax im-  
6 posed by subsection (a) shall be an amount equal to  
7 the applicable percentage of the taxable income.

8 “(2) APPLICABLE PERCENTAGE.—For purposes  
9 of this section—

10 “(A) IN GENERAL.—Subject to section 3 of  
11 the Corporate Rate Equality and Trade Em-  
12 powerment Jobs Act of 2016, the applicable  
13 percentage for taxable years beginning in any  
14 calendar year shall be the greater of—

15 “(i) 10 percent, or

16 “(ii) the percentage determined by the  
17 Secretary under subparagraph (B) for the  
18 taxable year.

19 “(B) DETERMINATION BY SECRETARY.—  
20 Not later than November 1, 2016, and every 5  
21 years thereafter, the Secretary shall determine  
22 the percentage that is 5 percentage points less  
23 than the mean of the central government cor-  
24 porate income tax rates most recently published  
25 as of November 1 of the preceding calendar  
26 year by the Organisation for Economic Co-oper-

1           ation and Development (hereinafter referred to  
2           as ‘OECD’) for OECD countries other than the  
3           United States. The percentage determined  
4           under the preceding sentence shall apply to tax-  
5           able years beginning in the subsequent calendar  
6           year and each of the 4 calendar years there-  
7           after.”.

8           (b) CONFORMING AMENDMENTS.—

9           (1) Paragraphs (2)(B) and (6)(A)(ii) of section  
10          860E(e) of such Code are each amended by striking  
11          “the highest rate of tax specified in section  
12          11(b)(1)” and inserting “the rate of tax in effect for  
13          the taxable year under section 11(b)”.

14          (2)(A) Section 1445(e)(1) of such Code is  
15          amended—

16                  (i) by striking “35 percent” and in-  
17                  serting “the rate of tax in effect for the  
18                  taxable year under section 11(b)”, and

19                  (ii) by striking “of the gain” and in-  
20                  serting “multiplied by the gain”.

21          (B) Section 1445(e)(2) of such Code is  
22          amended by striking “35 percent of the  
23          amount” and inserting “the rate of tax in effect  
24          for the taxable year under section 11(b) multi-  
25          plied by the amount”.

1 (C) Section 1445(e)(6) of such Code is  
2 amended—

3 (i) by striking “35 percent” and in-  
4 sserting “the rate of tax in effect for the  
5 taxable year under section 11(b)”, and

6 (ii) by striking “of the amount” and  
7 inserting “multiplied by the amount”.

8 (D) Section 1446(b)(2)(B) of such Code is  
9 amended by striking “the highest rate of tax  
10 specified in section 11(b)(1)” and inserting  
11 “the rate of tax in effect for the taxable year  
12 under section 11(b)”.

13 (3) Section 852(b)(1) of such Code is amended  
14 by striking the last sentence.

15 (4) Section 7874(e)(1)(B) of such Code is  
16 amended by striking “the highest rate of tax speci-  
17 fied in section 11(b)(1)” and inserting “the rate of  
18 tax in effect for the taxable year under section  
19 11(b)”.

20 (c) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as otherwise pro-  
22 vided in this subsection, the amendments made by  
23 this section shall apply to taxable years beginning  
24 after December 31, 2016.

1           (2) WITHHOLDING.—The amendments made by  
2           subsection (b)(2) shall apply to distributions made  
3           after December 31, 2016.

4   **SEC. 3. PROCEDURE IN CASE SECRETARY DETERMINES IN-**  
5                           **CREASE IN CORPORATE INCOME TAX.**

6           (a) IN GENERAL.—In the case of any taxable years  
7           beginning during a calendar year (“current taxable  
8           years”) for which the rate of tax determined by the Sec-  
9           retary of the Treasury under section 11(b)(2) of the Inter-  
10          nal Revenue Code of 1986 is higher than the rate of tax  
11          for taxable years beginning during the preceding calendar  
12          year (“preceding taxable years”)—

13                   (1) if not later than 60 days after the date of  
14                   any such determination Congress enacts into law a  
15                   joint resolution approving such higher rate of tax,  
16                   then the rate of tax for the current taxable years  
17                   shall be the rate of tax so determined by the Sec-  
18                   retary, or

19                   (2) if after the expiration of such 60-day period  
20                   no such joint resolution has been enacted, then the  
21                   rate of tax for the current taxable years shall be the  
22                   rate of tax that was in effect for such preceding tax-  
23                   able years.

1 (b) CONTENT OF JOINT RESOLUTION.—The joint  
2 resolution considered under this section shall meet the fol-  
3 lowing requirements:

4 (1) Such resolution shall not have a preamble.

5 (2) The title of such resolution shall be as fol-  
6 lows: “Joint resolution relating to the approval of an  
7 increased rate of corporate income tax determined  
8 under section 11(b)(2) of the Internal Revenue Code  
9 of 1986, as submitted under section 3 of the Cor-  
10 porate Rate Equality and Trade Empowerment Jobs  
11 Act of 2016.”.

12 (3) The only matter after the resolving clause  
13 shall be as follows: “That Congress approves of the  
14 increased rate of corporate income tax determined  
15 under section 11(b)(2) of the Internal Revenue Code  
16 of 1986 for taxable years beginning during the next  
17 5 calendar years.”.