

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3007  
OFFERED BY MRS. AXNE OF IOWA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Disclosure of Tax Ha-  
3 vens and Offshoring Act”.

**4 SEC. 2. COUNTRY-BY-COUNTRY REPORTING.**

5 (a) COUNTRY-BY-COUNTRY REPORTING.—Section 13  
6 of the Securities Exchange Act of 1934 (15 U.S.C. 78m)  
7 is amended by adding at the end the following new sub-  
8 section:

9 “(s) DISCLOSURE OF FINANCIAL PERFORMANCE ON  
10 A COUNTRY-BY-COUNTRY BASIS.—

11 “(1) DEFINITIONS.—In this subsection—

12 “(A) the term ‘constituent entity’ means,  
13 with respect to a covered issuer, any separate  
14 business entity of the covered issuer;

15 “(B) the term ‘covered issuer’ means an  
16 issuer who—

17 “(i) is a member of a multinational  
18 enterprise group; and

1           “(ii) the multinational enterprise  
2           group of which the issuer is a member has  
3           annual revenue for the preceding calendar  
4           year of not less than an amount deter-  
5           mined by the Commission to conform to  
6           United States or international standards  
7           for country-by-country reporting; and

8           “(C) the term ‘tax jurisdiction’—

9           “(i) means a country or a jurisdiction  
10          that is not a country but that has fiscal  
11          autonomy; and

12          “(ii) includes a territory or possession  
13          of the United States that has fiscal auton-  
14          omy.

15          “(2) DISCLOSURE.—

16          “(A) IN GENERAL.—Each covered issuer  
17          shall file a report with the Commission that in-  
18          cludes information described in subparagraph  
19          (B), and any other information required by the  
20          Commission, with respect to the reporting pe-  
21          riod described in subparagraph (C).

22          “(B) INFORMATION REQUIRED.—The in-  
23          formation described in this subparagraph is as  
24          follows:

1                   “(i) CONSTITUENT ENTITY INFORMA-  
2                   TION.—Information on the constituent en-  
3                   tity, including the following:

4                               “(I) The complete legal name of  
5                               the constituent entity.

6                               “(II) The tax jurisdiction, if any,  
7                               in which the constituent entity is resi-  
8                               dent for tax purposes.

9                               “(III) The tax jurisdiction in  
10                              which the constituent entity is orga-  
11                              nized or incorporated (if different  
12                              from the tax jurisdiction of residence).

13                              “(IV) The tax identification num-  
14                              ber, if any, used for the constituent  
15                              entity by the tax administration of the  
16                              constituent entity’s tax jurisdiction of  
17                              residence.

18                              “(V) The main business activity  
19                              or activities of the constituent entity.

20                              “(ii) TAX JURISDICTION.—Informa-  
21                              tion on each tax jurisdiction in which one  
22                              or more constituent entities is resident,  
23                              presented as an aggregated or consolidated  
24                              form of the information for the constituent

1 entities resident in each tax jurisdiction,  
2 including the following:

3 “(I) Revenues generated from  
4 transactions with other constituent  
5 entities.

6 “(II) Revenues not generated  
7 from transactions with other con-  
8 stituent entities.

9 “(III) Profit or loss before in-  
10 come tax.

11 “(IV) Total income tax paid on a  
12 cash basis to all tax jurisdictions.

13 “(V) Total accrued tax expense  
14 recorded on taxable profits or losses.

15 “(VI) Stated capital.

16 “(VII) Total accumulated earn-  
17 ings.

18 “(VIII) Total number of employ-  
19 ees on a full-time equivalent basis.

20 “(IX) Net book value of tangible  
21 assets, which, for purposes of this sec-  
22 tion, does not include cash or cash  
23 equivalents, intangibles, or financial  
24 assets.

1           “(iii) SPECIAL RULES.—The informa-  
2           tion listed in clause (ii) shall be provided,  
3           in aggregated or consolidated form, for any  
4           constituent entity or entities that have no  
5           tax jurisdiction of residence. In addition, if  
6           a constituent entity is an owner of a con-  
7           stituent entity that does not have a juris-  
8           diction of tax residence, then the owner’s  
9           share of such entity’s revenues and profits  
10          will be aggregated or consolidated with the  
11          information for the owner’s tax jurisdiction  
12          of residence.

13          “(C) REPORTING PERIOD.—The reporting  
14          period covered by this paragraph is the period  
15          of the covered entity’s applicable financial state-  
16          ment prepared for the 12-month period that  
17          ends with or within the taxable year of the cov-  
18          ered issuer. If the covered issuer does not pre-  
19          pare an annual applicable financial statement,  
20          then the reporting period covered by this para-  
21          graph is the 12-month period that ends on the  
22          last day of the taxable year of the covered  
23          issuer.

24          “(D) FILING DEADLINE.—Each covered  
25          issuer shall submit to the Commission a report

1 required under this section on or before the due  
2 date (including extensions) for filing that cov-  
3 ered issuer's tax return in the tax jurisdiction  
4 in which the covered issuer's multinational en-  
5 terprise group is resident.

6 “(E) REGULATION.—The Commission  
7 shall, in consultation with the Commissioner of  
8 the Internal Revenue Service and Secretary of  
9 the Treasury—

10 “(i) promulgate regulations carrying  
11 out this subsection that conform to United  
12 States or international standards for coun-  
13 try-by-country reporting, including regula-  
14 tions promulgated by the Internal Revenue  
15 Service; and

16 “(ii) require disclosure of the account-  
17 ing methods used in calculating the infor-  
18 mation contained in each report filed pur-  
19 suant to this subsection.”.

20 (b) RULEMAKING.—

21 (1) DEADLINES.—The Securities and Exchange  
22 Commission (in this section referred to as the “Com-  
23 mission”) shall—

24 (A) not later than 1 year after the date of  
25 enactment of this Act, issue a proposed rule to

1 carry out this section and the amendment made  
2 by this section; and

3 (B) not later than 18 months after the  
4 date of enactment of this Act, issue a final rule  
5 to carry out this section and the amendment  
6 made by this section.

7 (2) DATA FORMAT.—The information required  
8 to be provided by this section shall be provided by  
9 the issuer in a report in a machine readable format  
10 prescribed by the Commission, and such report shall  
11 be made available to the public online, in such ma-  
12 chine readable format as the Commission shall pre-  
13 scribe.

14 (3) EFFECTIVE DATE.—Subsection (s) of sec-  
15 tion 13 of the Securities Exchange Act of 1934, as  
16 added by this section, shall become effective 1 year  
17 after the date on which the Commission issues a  
18 final rule under this section.

