

AMENDMENT

OFFERED BY Mr. Rice

At the end of section 21(g) of the Internal Revenue Code of 1986, as proposed to be added by section 301(a) of the bill, add the following:

1 “(5) REFUNDABILITY RESTRICTION ON TAX-
2 PAYERS WHO IMPROPERLY CLAIMED CREDIT IN
3 PRIOR YEAR.—

4 “(A) TAXPAYERS MAKING PRIOR FRAUDU-
5 LENT OR RECKLESS CLAIMS.—

6 “(i) IN GENERAL.—Paragraph (1)
7 shall not apply for any taxable year in the
8 disallowance period.

9 “(ii) DISALLOWANCE PERIOD.—For
10 purposes of clause (i), the disallowance pe-
11 riod is—

12 “(I) the period of 10 taxable
13 years after the most recent taxable
14 year for which there was a final deter-
15 mination that the taxpayer’s claim of
16 credit under this section was due to
17 fraud, and

1 “(II) the period of 2 taxable
2 years after the most recent taxable
3 year for which there was a final deter-
4 ^{9.1.8}mination that the taxpayer’s claim of
5 credit under this section was due to
6 reckless or intentional disregard of
7 rules and regulations (but not due to
8 fraud).

9 “(B) TAXPAYERS MAKING IMPROPER
10 PRIOR CLAIMS.—In the case of a taxpayer who
11 is denied credit under this section for any tax-
12 able year as a result of the deficiency proce-
13 dures under subchapter B of chapter 63, para-
14 graph (1) shall not apply for any subsequent
15 taxable year unless the taxpayer provides such
16 information as the Secretary may require to
17 demonstrate eligibility for such credit.”.