

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6416
OFFERED BY MR. MEEKS OF NEW YORK**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Russian War Crimes
3 in Ukraine Tax Act”.

**4 SEC. 2. TAXATION OF INCOME ON FROZEN ASSETS OF RUS-
5 SIA AND BELARUS.**

6 (a) IN GENERAL.—Subpart D of part II of sub-
7 chapter N of chapter 1 of the Internal Revenue Code of
8 1986 is amended by inserting after section 892 the fol-
9 lowing new section:

**10 “SEC. 892A. TAXATION OF INCOME ON FROZEN ASSETS OF
11 RUSSIA AND BELARUS.**

12 “(a) IN GENERAL.—Notwithstanding sections 892
13 and 895 (or any other provision of law), there is hereby
14 imposed for each taxable year on the disqualified income
15 of any specified foreign government a tax equal to 100
16 percent thereof.

17 “(b) WITHHOLDING.—

1 “(1) IN GENERAL.—Notwithstanding section
2 203 of the International Emergency Economic Pow-
3 ers Act (or any other provision of law), any person
4 having control, receipt, custody, disposal, or pay-
5 ment of disqualified income with respect to which
6 tax is imposed under subsection (a) shall deduct and
7 withhold from such income a tax equal to 100 per-
8 cent thereof.

9 “(2) APPLICATION OF CERTAIN RULES.—For
10 purposes of subchapter B of chapter 3, section 33,
11 and such other provisions as the Secretary may pro-
12 vide, paragraph (1) shall be treated as part of sub-
13 chapter A of chapter 3.

14 “(c) DISQUALIFIED INCOME.—For purposes of this
15 section, the term ‘disqualified income’ means any interest
16 or dividends payable with respect to assets which are
17 blocked using the authorities provided by section 203 of
18 the International Emergency Economic Powers Act.

19 “(d) SPECIFIED FOREIGN GOVERNMENT.—For pur-
20 poses of this section, the term ‘specified foreign govern-
21 ment’ means the foreign governments (within the meaning
22 of section 892 and the regulations issued thereunder) of
23 Russia and Belarus.”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 for subpart D of part II of subchapter N of chapter 1

1 of such Code is amended by inserting after the item relat-
2 ing to section 892 the following new item:

“Sec. 892A. Taxation of income on frozen assets of Russia and Belarus.”.

3 (c) **OVERRIDE OF TREATY OBLIGATIONS.**—Notwith-
4 standing any other provision of law, this section (and the
5 amendments made by this section) shall apply without re-
6 gard to any treaty obligation of the United States.

7 (d) **EFFECTIVE DATE.**—The amendments made by
8 this section shall apply to interest and dividends received
9 after the date of the enactment of this Act.

10 **SEC. 3. ESTABLISHMENT OF UKRAINE RECONSTRUCTION**
11 **TRUST FUND.**

12 (a) **IN GENERAL.**—Subchapter A of chapter 98 of the
13 Internal Revenue Code of 1986 is amended by adding at
14 the end the following new section:

15 **“SEC. 9512. UKRAINE RECONSTRUCTION TRUST FUND.**

16 “(a) **CREATION OF TRUST FUND.**—There is estab-
17 lished in the Treasury of the United States a trust fund
18 to be known as the ‘Ukraine Reconstruction Trust Fund’,
19 consisting of such amounts as may be appropriated to
20 such fund as provided in this section.

21 “(b) **TRANSFERS TO TRUST FUND.**—There are here-
22 by appropriated to the Ukraine Reconstruction Trust
23 Fund amounts equivalent to the net revenues received in
24 the Treasury from the taxes imposed under section 892A.

1 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
2 in the Ukraine Reconstruction Trust Fund shall be avail-
3 able, as provided in appropriations Acts, only to the Sec-
4 retary of State for purposes that include the following—

5 “(1) reconstruction, rebuilding, and recovery ef-
6 forts in Ukraine,

7 “(2) providing economic and humanitarian as-
8 sistance to the people of Ukraine,

9 “(3) fostering long-term economic growth and
10 private sector development in Ukraine,

11 “(4) bolstering transparent and accountable
12 governance of the Ukrainian economy, and

13 “(5) such other purposes as the Secretary of
14 State determines directly and effectively support the
15 recovery of Ukraine and the welfare of the people of
16 Ukraine.

17 “(d) TRUST FUND NOT INTEREST-BEARING.—Sec-
18 tion 9602(b) shall not apply to the Ukraine Reconstruc-
19 tion Trust Fund.

20 “(e) REQUIREMENTS UNDER FOREIGN ASSISTANCE
21 ACT OF 1961.—Any assistance made available from
22 amounts in the Ukraine Reconstruction Trust Fund shall
23 be subject to all applicable requirements for the provision
24 of such assistance for the same or similar purpose author-
25 ized by the Foreign Assistance Act of 1961 (22 U.S.C.

1 2151 et seq.), including requirements under such Act re-
2 lating to administrative authorities, congressional notifica-
3 tions, and reporting.

4 “(f) NOTIFICATION.—

5 “(1) IN GENERAL.—The Secretary of State
6 shall notify the appropriate congressional committees
7 not fewer than 15 days before providing any funds
8 from the Ukraine Reconstruction Trust Fund to any
9 entity for the purposes described in subparagraph
10 (c).

11 “(2) ELEMENTS.—A notification under sub-
12 paragraph (1) with respect to the transfer of funds
13 to an entity pursuant to paragraph (c) shall speci-
14 fy—

15 “(A) the amount of funds to be provided;

16 “(B) the purpose for which such funds are
17 provided; and

18 “(C) the recipient.

19 “(g) LIMITATION ON TRANSFER OF FUNDS.—No
20 funds may be transferred pursuant to this section unless
21 the President certifies to the appropriate congressional
22 committees that—

23 “(1) a plan exists to ensure transparency and
24 accountability for all funds transferred to the entity
25 receiving the funds; and

1 “(2) the President has transmitted the plan re-
2 quired under paragraph (1) to the appropriate con-
3 gressional committees in writing.

4 “(h) REPORT.—Not later than 180 days after the
5 date of enactment of this Act, and not less frequently than
6 annually thereafter for 5 years, the Secretary of State
7 shall submit to the appropriate congressional committees
8 a report detailing the use of any funds made available
9 from the Ukrainian Reconstruction Trust Fund.

10 “(j) APPROPRIATE CONGRESSIONAL COMMITTEES.—
11 In this section, the term ‘appropriate congressional com-
12 mittees’ means—

13 “(1) the Committee on Foreign Affairs, the
14 Committee on Ways and Means, and the Committee
15 on Appropriations of the House of Representatives;
16 and

17 “(2) the Committee on Foreign Relations, the
18 Committee on Finance, and the Committee on Ap-
19 propriations of the Senate.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for subchapter A of chapter 98 of such Code is amended
22 by adding at the end the following new item:

 “Sec. 9512. Ukraine Reconstruction Trust Fund.”.

23 **SEC. 4. FINDINGS; STATEMENT OF POLICY.**

24 (a) FINDINGS.—Congress makes the following find-
25 ings:

1 (1) Since 2014, Russia has been engaged an il-
2 legal, unjustifiable, and unprovoked war against
3 Ukraine.

4 (2) On February 24, 2022, Russia escalated its
5 unprovoked war against Ukraine with a full-scale in-
6 vasion that has killed thousands of Ukrainians and
7 devastated Ukraine's economy.

8 (3) Russia's full-scale invasion of Ukraine has
9 been accompanied by horrific crimes against human-
10 ity and war crimes committed by Russian forces
11 against the people of Ukraine.

12 (4) On November 14, 2022, the United Nations
13 adopted a resolution recognizing that Russia must
14 bear the international legal consequences for its vio-
15 lations of international law and Ukrainian sov-
16 ereignty.

17 (5) On December 23, 2022, Congress passed
18 H.R. 2617, the Consolidated Appropriations Act
19 2023, which was signed into law by the President on
20 December 29, 2022, and authorized the United
21 States Government to transfer assets of Russian
22 oligarchs to Ukraine.

23 (5) As of October 2023, nearly
24 \$300,000,000,000 of Russian sovereign assets are
25 immobilized in countries around the world but less

1 than 2 percent of those funds are in held in the
2 United States.

3 (6) The European Union has sought to develop
4 a legal pathway to transfer the proceeds and inter-
5 ests accrued from immobilized Russian sovereign as-
6 sets as well as such assets to the Government of
7 Ukraine.

8 (b) STATEMENT OF POLICY.—It is the policy of the
9 United States that:

10 (1) Russian sovereign assets immobilized by the
11 United States and it's allies and partners around the
12 world, and any proceeds and interests accrued from
13 such assets, should be transferred to Ukraine to
14 support that country's immediate needs and future
15 recovery.

16 (2) The United States should transfer any im-
17 mobilized Russian sovereign assets, and proceeds
18 and interests accrued from such assets, to Ukraine,
19 thereby encouraging allies and partners of the
20 United States around the world to follow suit.

21 **SEC. 5. SUPPORT AMONG THE EUROPEAN UNION AND**
22 **OTHER GROUP OF SEVEN COUNTRIES.**

23 (a) IN GENERAL.—The Secretary of State shall work
24 with the European Union, Member States of the European
25 Union, member countries of the Group of Seven, and other

1 allies and partners around the world to develop mecha-
2 nisms to transfer any Russian sovereign assets immo-
3 bilized in these countries, and any proceeds and interests
4 accrued from such assets, to Ukraine.

5 (b) REPORT.—Not later than 1 year after the date
6 of enactment of this Act, the Secretary of State shall sub-
7 mit a report to the Committee on Foreign Affairs of the
8 House of Representatives and the Committee on Foreign
9 Relations of the Senate a report detailing efforts and ac-
10 tions of the Secretary as directed by subsection (a).

