

117TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to impose an income tax on excess profits of certain corporations.

IN THE SENATE OF THE UNITED STATES

Mr. SANDERS (for himself and Mr. MARKEY) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to impose an income tax on excess profits of certain corporations.

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 “Ending Corporate
5 Greed Act”.

6 **SEC. 2. TAX ON EXCESS BUSINESS PROFITS OF CERTAIN**
7 **CORPORATIONS.**

8 (a) IN GENERAL.—Subchapter A of chapter 1 of the
9 Internal Revenue Code of 1986 is amended by adding at
10 the end the following new part:

1 **“PART VIII—EXCESS BUSINESS PROFITS**

 “Sec. 59B. Tax on excess business profits of taxpayers with substantial gross receipts.

2 **“SEC. 59B. TAX ON EXCESS BUSINESS PROFITS OF TAX-**
3 **PAYERS WITH SUBSTANTIAL GROSS RE-**
4 **CEIPTS.**

5 “(a) IMPOSITION OF TAX.—There is hereby imposed
6 on each applicable taxpayer for any taxable year a tax
7 equal to 95 percent of the excess profits for the taxable
8 year. Such tax shall be in addition to any other tax im-
9 posed by this subtitle.

10 “(b) LIMITATION.—The amount of tax imposed
11 under subsection (a) for any taxable year shall not exceed
12 75 percent of the modified taxable income of the taxpayer
13 for such taxable year.

14 “(c) EXCESS PROFITS.—For purposes of this sec-
15 tion—

16 “(1) IN GENERAL.—The term ‘excess profits’
17 means, with respect to any applicable taxpayer for
18 any taxable year, the excess of—

19 “(A) the modified taxable income of the
20 taxpayer for the taxable year, over

21 “(B) the average of the inflation adjusted
22 modified taxable income of the taxpayer for tax-
23 able years beginning in 2015, 2016, 2017,
24 2018, and 2019.

1 “(2) INFLATION ADJUSTED MODIFIED TAXABLE
2 INCOME.—

3 “(A) IN GENERAL.—The term ‘inflation
4 adjusted modified taxable income’ means, with
5 respect to any taxable year described in para-
6 graph (1)(B), the modified adjusted gross in-
7 come for such taxable year increased by an
8 amount equal to—

9 “(i) such modified adjusted gross in-
10 come, multiplied by

11 “(ii) the cost-of-living adjustment de-
12 termined under section 1(f)(3) for the cal-
13 endar year in which the taxable year de-
14 scribed in paragraph (1)(A) begins, cal-
15 culated by using in section 1(f)(3)(A)(ii)
16 the CPI for the calendar year immediately
17 before the calendar year in which the tax-
18 able year for which the increase under this
19 paragraph is determined in lieu of the CPI
20 for calendar year 2016.

21 “(B) ROUNDING.—Any increase deter-
22 mined under subparagraph (A) shall be rounded
23 to the nearest multiple of \$500.

24 “(d) MODIFIED TAXABLE INCOME.—For purposes of
25 this section, the term ‘modified taxable income’ means,

1 with respect to any taxable year, the taxable income of
2 the taxpayer computed under this chapter for such taxable
3 year, determined with the following modifications:

4 “(1) GLOBAL INTANGIBLE LOW-TAXED IN-
5 COME.—In determining the amount of global intan-
6 gible low-taxed income included in income for the
7 taxable year, the taxpayer’s net deemed tangible in-
8 come return for the taxable year under section
9 951A(b)(1)(B) shall be zero.

10 “(2) DEDUCTIONS FOR FDII AND GILTI.—No
11 deduction shall be allowed under section 250.

12 “(3) DEPRECIATION SYSTEM.—In the case of
13 tangible property, the depreciation deduction allow-
14 able under section 167 shall be determined under
15 the alternative depreciation system of section
16 168(g).

17 “(4) RESEARCH AND EXPERIMENTAL EX-
18 PENSES.—Section 174 shall be applied to amounts
19 paid or incurred in any taxable year beginning on or
20 before December 31, 2021, in the same manner as
21 it is applied to amounts paid or incurred in taxable
22 years beginning after such date.

23 “(5) DEDUCTIONS FOR EMPLOYEE REMUNERA-
24 TION.—

1 “(A) IN GENERAL.—Section 162(m) shall
2 be applied—

3 “(i) by substituting ‘covered individual
4 (as defined in section 59B(d)(5)(B))’ for
5 ‘covered employee’ each place it appears in
6 paragraphs (1) and (4) thereof,

7 “(ii) by treating any reference to an
8 ‘employee’ in paragraphs (1) and (4)
9 thereof as a reference to an ‘individual’,
10 and

11 “(iii) by substituting ‘was required to
12 file reports under section 15(d) of such Act
13 (15 U.S.C. 78o(d)) at any time during the
14 3-taxable year period ending with the tax-
15 able year’ for ‘is required to file reports
16 under section 15(d) of such Act (15 U.S.C.
17 78o(d))’ in paragraph (2) thereof.

18 “(B) COVERED INDIVIDUAL.—For pur-
19 poses of applying this paragraph to section
20 162(m), the term ‘covered individual’ means
21 any individual who performs services (directly
22 or indirectly) for the taxpayer (or any prede-
23 cessor) for any taxable year beginning after De-
24 cember 31, 2021.

1 “(e) APPLICABLE TAXPAYER.—For purposes of this
2 section—

3 “(1) IN GENERAL.—The term ‘applicable tax-
4 payer’ means, with respect to any taxable year, a
5 taxpayer—

6 “(A) which is a corporation other than a
7 regulated investment company, a real estate in-
8 vestment trust, or an S corporation, and

9 “(B) the average annual gross receipts of
10 which for the 3-taxable-year period ending with
11 the preceding taxable year are at least
12 \$500,000,000.

13 “(2) GROSS RECEIPTS.—

14 “(A) SPECIAL RULE FOR FOREIGN PER-
15 SONS.—In the case of a foreign person the
16 gross receipts of which are taken into account
17 for purposes of paragraph (1)(B), only gross re-
18 cepts which are taken into account in deter-
19 mining income which is effectively connected
20 with the conduct of a trade or business within
21 the United States shall be taken into account.
22 In the case of a taxpayer which is a foreign per-
23 son, the preceding sentence shall not apply to
24 the gross receipts of any United States person

1 which are aggregated with the taxpayer’s gross
2 receipts by reason of paragraph (3).

3 “(B) OTHER RULES MADE APPLICABLE.—
4 Rules similar to the rules of section 448(e)(3)
5 shall apply in determining gross receipts for
6 purposes of this section.

7 “(3) AGGREGATION RULES.—All persons treat-
8 ed as a single employer under subsection (a) of sec-
9 tion 52 shall be treated as 1 person for purposes of
10 this subsection, except that in applying section 1563
11 for purposes of section 52, the exception for foreign
12 corporations under section 1563(b)(2)(C) shall be
13 disregarded.

14 “(f) TERMINATION.—This section shall not apply to
15 any taxable year beginning after December 31, 2024.”.

16 (b) CONFORMING AMENDMENT.—The table of sub-
17 chapters for subchapter A of chapter 1 of the Internal
18 Revenue Code of 1986 is amended by adding at the end
19 the following new item:

 “PART VIII—EXCESS BUSINESS PROFITS”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2021.