118TH 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Ending Corporate Greed Act”.

SEC. 2. TAX ON EXCESS BUSINESS PROFITS OF CERTAIN CORPORATIONS.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:
"PART VIII—EXCESS BUSINESS PROFITS"

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

"SEC. 59B. TAX ON EXCESS BUSINESS PROFITS OF TAXPAYERS WITH SUBSTANTIAL GROSS RECEIPTS.

"(a) IMPOSITION OF TAX.—There is hereby imposed on each applicable taxpayer for any taxable year a tax equal to 95 percent of the excess profits for the taxable year. Such tax shall be in addition to any other tax imposed by this subtitle.

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

"(c) EXCESS PROFITS.—For purposes of this section—

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

"(A) the modified taxable income of the taxpayer for the taxable year, over

"(B) the average of the inflation adjusted modified taxable income of the taxpayer for taxable years beginning in 2015, 2016, 2017, 2018, and 2019."
“(2) Inflation Adjusted Modified Taxable Income.—

“(A) In General.—The term ‘inflation adjusted modified taxable income’ means, with respect to any taxable year described in paragraph (1)(B), the modified adjusted gross income for such taxable year increased by an amount equal to—

“(i) such modified adjusted gross income, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year described in paragraph (1)(A) begins, calculated by using in section 1(f)(3)(A)(ii) the CPI for the calendar year immediately before the calendar year in which the taxable year for which the increase under this paragraph is determined in lieu of the CPI for calendar year 2016.

“(B) Rounding.—Any increase determined under subparagraph (A) shall be rounded to the nearest multiple of $500.

“(d) Modified Taxable Income.—For purposes of this section, the term ‘modified taxable income’ means,
with respect to any taxable year, the taxable income of
the taxpayer computed under this chapter for such taxable
year, determined with the following modifications:

“(1) Global Intangible Low-Taxed Income.—In determining the amount of global intangible low-taxed income included in income for the taxable year, the taxpayer’s net deemed tangible income return for the taxable year under section 951A(b)(1)(B) shall be zero.

“(2) Deductions for FDII and GILTI.—No deduction shall be allowed under section 250.

“(3) Depreciation System.—In the case of tangible property, the depreciation deduction allowable under section 167 shall be determined under the alternative depreciation system of section 168(g).

“(4) Research and Experimental Expenses.—Section 174 shall be applied to amounts paid or incurred in any taxable year beginning on or before December 31, 2021, in the same manner as it is applied to amounts paid or incurred in taxable years beginning after such date.

“(5) Deductions for Employee Remunera-

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

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

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

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

“(B) COVERED INDIVIDUAL.—For purposes of applying this paragraph to section 162(m), the term ‘covered individual’ means any individual who performs services (directly or indirectly) for the taxpayer (or any predecessor) for any taxable year beginning after December 31, 2023.
“(e) APPLICABLE TAXPAYER.—For purposes of this section—

“(1) IN GENERAL.—The term ‘applicable taxpayer’ means, with respect to any taxable year, a taxpayer—

“(A) which is a corporation other than a regulated investment company, a real estate investment trust, or an S corporation, and

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

“(2) GROSS RECEIPTS.—

“(A) SPECIAL RULE FOR FOREIGN PERSONS.—In the case of a foreign person the gross receipts of which are taken into account for purposes of paragraph (1)(B), only gross receipts which are taken into account in determining income which is effectively connected with the conduct of a trade or business within the United States shall be taken into account. In the case of a taxpayer which is a foreign person, the preceding sentence shall not apply to the gross receipts of any United States person...
which are aggregated with the taxpayer’s gross receipts by reason of paragraph (3).

“(B) Other rules made applicable.—

Rules similar to the rules of section 448(c)(3) shall apply in determining gross receipts for purposes of this section.

“(3) Aggregation rules.—All persons treated as a single employer under subsection (a) of section 52 shall be treated as 1 person for purposes of this subsection, except that in applying section 1563 for purposes of section 52, the exception for foreign corporations under section 1563(b)(2)(C) shall be disregarded.

“(f) Termination.—This section shall not apply to any taxable year beginning after December 31, 2026.”.

(b) Conforming Amendment.—The table of subchapters for subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“PART VIII—Excess Business Profits”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2023.