



Joint Committee on Taxation
June 12, 2002
JCX-62-02

**DESCRIPTION OF CHAIRMAN’S MODIFICATIONS TO THE PROPOSALS IN THE
“REVERSING THE EXPATRIATION OF PROFITS OFFSHORE ACT”**

Scheduled for a Markup by the Senate Committee on Finance, June 13, 2002

The proposals in the “Reversing the Expatriation of Profits Offshore Act” (as described in JCX-55-02) would be modified as follows:

Certain acquisitions by U.S. corporate groups

In cases in which a U.S. corporate group acquires subsidiaries or other assets from an unrelated inverted corporate group, the provisions of the bill generally would not apply to the acquiring U.S. corporate group or its related parties (including the newly acquired subsidiaries or assets) by reason of acquiring the subsidiaries or assets that were connected with the inversion transaction. The Treasury Secretary would be given authority to issue regulations appropriate to carry out the purposes of this provision and to prevent its abuse.

Information reporting

Inverting entities would be required to provide information to shareholders or partners and the IRS with respect to the inversion transaction.