DESCRIPTION OF THE CHAIRMAN'S MODIFCATIONS TO THE CHAIRMAN'S MARK PROPOSALS RELATING TO REAL ESTATE INVESTMENT TRUSTS (REITS), REGULATED INVESTMENT COMPANIES (RICS), AND THE FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)

(a) Required notification of FIRPTA status as a USRPHC, presumption of foreign control of qualified investment entities, and penalty for failure to disclose FIRPTA status

The modification clarifies that the required disclosures of USRPHC status on an income tax return and on forms 1099 shall be made in such form and manner as the Secretary may prescribe, including electronic filing. The modification also makes clear that in addition to notification to the Internal Revenue Service, and to shareholders through 1099's, the company must provide notice to the public. Notice to the public shall require disclosure in the company's annual reports available on its website, or such other media as the Secretary determines are appropriate in the interests of tax administration.

The modification provides that the penalty amount may be adjusted for inflation.

(b) Require FIRPTA withholding by brokers

The modification clarifies that the proposal requiring withholding by a broker in the case of any disposition of stock of a USRPHC involving a broker (as defined in section 6045(c)) shall apply only to the broker of the seller, not the purchaser.

(c) Cleansing rule

The modification clarifies that the proposal applies to dispositions on or after the date of enactment.

(d) Estimated revenue effects of the chairman's mark proposals as modified

					Fiscal Years [Millions of Dollars]							
2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2015-20**	**2015-25**
-9	-7	-6	-5	-9	-4	1	1	[1]	1	[2]	-41	-38

NOTE: Details do not add to totals due to rounding.
[1] Gain of less than $500,000.
[2] Loss of less than $500,000.