

117TH CONGRESS
1ST SESSION

H. R. 840

To amend the Internal Revenue Code of 1986 to modify rules related to rents received by real estate investment trusts from related parties.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2021

Mr. SCHNEIDER (for himself, Mr. LAHOOD, Ms. SEWELL, Mr. SUOZZI, Mr. BUCHANAN, Ms. SÁNCHEZ, Mrs. WALORSKI, and Mr. BEYER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify rules related to rents received by real estate investment trusts from related parties.

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 “Retail Revitalization
5 Act of 2021”.

1 **SEC. 2. MODIFICATION OF RULES RELATED TO RENTS RE-**
 2 **CEIVED BY REAL ESTATE INVESTMENT**
 3 **TRUSTS FROM RELATED PARTIES.**

4 (a) INCREASE IN PERMISSIBLE OWNERSHIP PER-
 5 CENTAGE.—Section 856(d)(2)(B) of the Internal Revenue
 6 Code of 1986 is amended by striking “10 percent or
 7 more” each place it appears and inserting “more than 50
 8 percent”.

9 (b) MODIFICATION OF RULES FOR CONSTRUCTIVE
 10 OWNERSHIP OF STOCK.—Section 856(d)(5) of such Code
 11 is amended—

12 (1) by striking “‘10 percent’ shall be sub-
 13 stituted for ‘50 percent’” in subparagraph (A) and
 14 inserting “‘more than 50 percent’ shall be sub-
 15 stituted for ‘50 percent or more’”,

16 (2) by striking “25 percent or more” in sub-
 17 paragraph (B) and inserting “more than 50 per-
 18 cent”, and

19 (3) by striking “and” at the end of subpara-
 20 graph (A), by striking the period at the end of sub-
 21 paragraph (B) and inserting “, and”, and by adding
 22 at the end the following new subparagraph:

23 “(C) section 318(a)(5)(C) shall be applied
 24 by substituting ‘paragraph (2) or (3)’ for ‘para-
 25 graph (2)’.”.

1 (c) MODIFICATION OF RULES FOR TAXABLE REIT
2 SUBSIDIARIES.—Section 856(d)(8)(A)(i) of such Code is
3 amended by striking “90 percent” and inserting “50 per-
4 cent”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years ending after the
7 date of the enactment of this Act.

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