

117TH CONGRESS  
1ST SESSION

# H. R. 1428

To amend the Internal Revenue Code of 1986 to modify the source rules to provide for economic recovery in the possessions of the United States.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2021

MS. PLASKETT introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the source rules to provide for economic recovery in the possessions of the United States.

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 “Territorial Tax Parity  
5       Act of 2021”.

6       **SEC. 2. MODIFICATION TO SOURCE RULES INVOLVING POS-**  
7       **SESSIONS.**

8       (a) IN GENERAL.—Section 937(b)(2) of the Internal  
9       Revenue Code of 1986 is amended by inserting “, but only  
10      to the extent such income is attributable to an office or

1 fixed place of business within the United States (deter-  
2 mined under the rules of section 864(c)(5))” before the  
3 period at the end.

4 (b) SOURCE RULES FOR PERSONAL PROPERTY  
5 SALES.—Section 865(j)(3) of such Code is amended by  
6 inserting “, 932,” after “931”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2020.

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