

119TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to deny certain green energy tax benefits to companies associated with foreign adversaries.

IN THE SENATE OF THE UNITED STATES

Mr. SCOTT of Florida 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 deny certain green energy tax benefits to companies associated with foreign adversaries.

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 “No Official Giveaways
5 Of Taxpayers’ Income to Oppressive Nations Act” or the
6 “NO GOTION Act”.

1 **SEC. 2. DENIAL OF GREEN ENERGY TAX BENEFITS TO COM-**
2 **PANIES ASSOCIATED WITH FOREIGN ADVER-**
3 **SARIES.**

4 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new section:

7 **“SEC. 7531. DENIAL OF GREEN ENERGY TAX BENEFITS TO**
8 **COMPANIES ASSOCIATED WITH FOREIGN AD-**
9 **VERSARIES.**

10 “(a) IN GENERAL.—In the case of any disqualified
11 company, this title shall be applied without regard to sec-
12 tions 30C, 40, 40A, 40B, 45, 45Q, 45U, 45V, 45W, 45X,
13 45Y, 45Z, 48, 48C, 48E, 179D, 6426(c), 6426(d),
14 6426(e), and 6427(e).

15 “(b) DISQUALIFIED COMPANY.—

16 “(1) IN GENERAL.—

17 “(A) DEFINITION.—For purposes of this
18 section, the term ‘disqualified company’ means
19 any entity described in subparagraphs (B)
20 through (D).

21 “(B) FOREIGN ADVERSARY PARTIES.—The
22 entities described in this subparagraph consist
23 of the following:

24 “(i) The government of a foreign ad-
25 versary, any agency or government instru-
26 mentality of a foreign adversary, or any

1 entity which is directly or indirectly owned,
2 controlled, or directed by any such govern-
3 ment, agency, or government instrumen-
4 tality.

5 “(ii) Any entity organized under the
6 laws of a foreign adversary (or any polit-
7 ical subdivision thereof) or whose head-
8 quarters is located within a foreign adver-
9 sary.

10 “(C) OWNED, CONTROLLED, DIRECTED, OR
11 INFLUENCED BY FOREIGN ADVERSARY PAR-
12 TIES.—The entities described in this subpara-
13 graph consist of the following:

14 “(i) Any entity for which, on any date
15 during the taxable year, not less than 10
16 percent of the outstanding equity interests
17 (by value, voting, governance, board ap-
18 pointment, or similar rights or influence)
19 are held directly or indirectly by, or on be-
20 half of, 1 or more of the entities described
21 in subparagraph (B), including through in-
22 terests in co-investment vehicles, joint ven-
23 tures, or similar arrangements.

24 “(ii) Any entity which is directly or
25 indirectly controlled, directed, or materially

1 influenced by any entity described in sub-
2 paragraph (B).

3 “(iii) Any entity for which the actions,
4 management, ownership, or operations of
5 such entity are subject to the direct influ-
6 ence of an entity described in subpara-
7 graph (B).

8 “(iv) Any entity for which an interest
9 in such entity is held by an entity de-
10 scribed in subparagraph (B) (referred to in
11 this clause as the ‘beneficiary firm’) as a
12 derivative financial instrument or through
13 a contractual arrangement between the
14 beneficiary firm and such entity, including
15 any financial instrument or other contract
16 between the beneficiary firm and the entity
17 which seeks to replicate any financial re-
18 turn with respect to such entity or interest
19 in such entity.

20 “(D) DEBT OR OTHER ARRANGEMENTS
21 WITH FOREIGN ADVERSARY PARTIES.—

22 “(i) IN GENERAL.—An entity is de-
23 scribed in this subparagraph if, as a result
24 of any prohibited obligation or arrange-
25 ment—

1 equipment or manufacturing inputs in
2 an arm’s length transaction shall not,
3 in and of itself, be deemed to provide
4 a substantial benefit.

5 “(II) ARM’S LENGTH.—For pur-
6 poses of this clause, the term ‘arm’s
7 length’ has the meaning given in sec-
8 tion 1.482–1 of title 26, Code of Fed-
9 eral Regulations.

10 “(E) OTHER DEFINITIONS.—For purposes
11 of this paragraph—

12 “(i) CONTROL.—The term ‘control’
13 has the meaning given in section 800.208
14 of title 31, Code of Federal Regulations
15 (as in effect on the date of enactment of
16 the No Official Giveaways Of Taxpayers’
17 Income to Oppressive Nations Act).

18 “(ii) FOREIGN ADVERSARY.—The
19 term ‘foreign adversary’ has the meaning
20 given the term ‘covered nation’ in section
21 4872(d)(2) of title 10, United States Code,
22 except that such term shall also include—

23 “(I) the Republic of Cuba, and

24 “(II) the Boliverian Republic of
25 Venezuela during any period of time

