

111TH CONGRESS
2^D SESSION

H. R. 5901

AN ACT

To amend the Internal Revenue Code of 1986 to exempt certain stock of real estate investment trusts from the tax on foreign investment in United States real property interests, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Real Estate Jobs and
3 Investment Act of 2010”.

4 **SEC. 2. EXCEPTION FROM FIRPTA FOR CERTAIN STOCK OF**
5 **REAL ESTATE INVESTMENT TRUSTS.**

6 (a) IN GENERAL.—Paragraph (3) of section 897(c)
7 of the Internal Revenue Code of 1986 is amended—

8 (1) by striking all that precedes “If any class”
9 and inserting the following:

10 “(3) EXCEPTIONS FOR CERTAIN STOCK DIS-
11 POSITIONS.—

12 “(A) EXCEPTION FOR STOCK REGULARLY
13 TRADED ON ESTABLISHED SECURITIES MAR-
14 KETS.—”,

15 (2) by adding at the end of subparagraph (A)
16 (as added by paragraph (1)) the following: “In the
17 case of any class of stock of a real estate investment
18 trust, the preceding sentence shall be applied by sub-
19 stituting ‘10 percent’ for ‘5 percent.’”, and

20 (3) by adding at the end the following new sub-
21 paragraph:

22 “(B) EXCEPTION FOR CERTAIN STOCK IN
23 REAL ESTATE INVESTMENT TRUSTS.—

24 “(i) IN GENERAL.—Stock of a real es-
25 tate investment trust held by a qualified
26 shareholder shall not be treated as a

1 United States real property interest except
2 to the extent that an investor in the quali-
3 fied shareholder holds (directly or indi-
4 rectly through the qualified shareholder)
5 more than 10 percent of the stock of such
6 real estate investment trust.

7 “(ii) QUALIFIED SHAREHOLDER.—
8 For purposes of this subparagraph, the
9 term ‘qualified shareholder’ means a share-
10 holder—

11 “(I) which would be eligible for a
12 reduced rate of withholding under any
13 income tax treaty of the United States
14 with respect to ordinary dividends
15 paid by the real estate investment
16 trust even if such shareholder holds
17 more than 10 percent of the stock of
18 such real estate investment trust, and

19 “(II) whose principal class of in-
20 terests is listed and regularly traded
21 on one or more recognized stock ex-
22 changes (as defined in the relevant in-
23 come tax treaty referred to in sub-
24 clause (I)).”.

1 (b) DISTRIBUTIONS OF REAL ESTATE INVESTMENT
2 TRUSTS.—Paragraph (1) of section 897(h) of such Code
3 is amended—

4 (1) by inserting “(10 percent in the case of
5 stock of a real estate investment trust)” after “5
6 percent of such class of stock”, and

7 (2) by inserting “, and any distribution to a
8 qualified shareholder (as defined in subsection
9 (c)(3)(B)(ii)) shall not be treated as gain recognized
10 from the sale or exchange of a United States real
11 property interest to the extent that the stock of the
12 real estate investment trust held by such qualified
13 shareholder is not treated as a United States real
14 property interest under subsection (c)(3)(B)” before
15 the period at the end.

16 (c) CONFORMING AMENDMENT.—Subparagraph (C)
17 of section 897(c)(6) of such Code is amended by striking
18 “more than 5 percent” and inserting “more than a par-
19 ticular percentage”.

20 (d) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the amendments made by this section
23 shall apply to dispositions made after the date of the
24 enactment of this Act.

1 (2) DISTRIBUTIONS OF REAL ESTATE INVEST-
2 MENT TRUSTS.—The amendments made by sub-
3 section (b) shall apply to distributions made after
4 the date of the enactment of this Act.

5 **SEC. 3. APPLICATION OF CONTINUOUS LEVY TO TAX LI-**
6 **ABILITIES OF CERTAIN FEDERAL CONTRAC-**
7 **TORS.**

8 (a) IN GENERAL.—Subsection (f) of section 6330 of
9 the Internal Revenue Code of 1986 is amended by striking
10 “or” at the end of paragraph (2), by inserting “or” at
11 the end of paragraph (3), and by inserting after paragraph
12 (3) the following new paragraph:

13 “(4) the Secretary has served a Federal con-
14 tractor levy,”.

15 (b) FEDERAL CONTRACTOR LEVY.—Subsection (h)
16 of section 6330 of such Code is amended—

17 (1) by striking all that precedes “any levy in
18 connection with the collection” and inserting the fol-
19 lowing:

20 “(h) DEFINITIONS RELATED TO EXCEPTIONS.—For
21 purposes of subsection (f)—

22 “(1) DISQUALIFIED EMPLOYMENT TAX LEVY.—
23 A disqualified employment tax levy is”; and

24 (2) by adding at the end the following new
25 paragraph:

1 “(2) FEDERAL CONTRACTOR LEVY.—A Federal
2 contractor levy is any levy if the person whose prop-
3 erty is subject to the levy (or any predecessor of
4 such person) is a Federal contractor.”.

5 (c) CONFORMING AMENDMENT.—The heading of
6 subsection (f) of section 6330 of such Code is amended
7 by striking “JEOPARDY AND STATE REFUND COLLEC-
8 TION” and inserting “EXCEPTIONS”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to levies issued after December 31,
11 2010.

12 **SEC. 4. PAYGO COMPLIANCE.**

13 The budgetary effects of this Act, for the purpose of
14 complying with the Statutory Pay-As-You-Go Act of 2010,
15 shall be determined by reference to the latest statement
16 titled “Budgetary Effects of PAYGO Legislation” for this
17 Act, submitted for printing in the Congressional Record
18 by the Chairman of the House Budget Committee, pro-
19 vided that such statement has been submitted prior to the
20 vote on passage.

 Passed the House of Representatives July 30, 2010.

 Attest:

Clerk.

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