

109TH CONGRESS
1ST SESSION

S. 1816

To amend the Internal Revenue Code of 1986 to allow the manufacturing deduction provided by the American Jobs Creation Act of 2004 with respect to income attributable to domestic production activities in Puerto Rico.

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2005

Mr. SANTORUM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow the manufacturing deduction provided by the American Jobs Creation Act of 2004 with respect to income attributable to domestic production activities in Puerto Rico.

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. DEDUCTION ALLOWABLE WITH RESPECT TO IN-
4 COME ATTRIBUTABLE TO DOMESTIC PRO-
5 DUCTION ACTIVITIES IN PUERTO RICO.

6 (a) IN GENERAL.—Subsection (d) of section 199 of
7 the Internal Revenue Code of 1986 (relating to definitions
8 and special rules) is amended by redesignating paragraph

1 (7) as paragraph (8) and by inserting after paragraph (6)
2 the following new paragraph:

3 “(7) TREATMENT OF ACTIVITIES IN PUERTO
4 RICO.—In the case of any taxpayer with gross re-
5 ceipts for any taxable year from sources within the
6 Commonwealth of Puerto Rico, if all of such receipts
7 are taxable under section 1 or 11 for such taxable
8 year, then for purposes of determining the domestic
9 production gross receipts of such taxpayer for such
10 taxable year under subsection (c)(4), the term
11 ‘United States’ shall include the Commonwealth of
12 Puerto Rico.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall apply to taxable years beginning after
15 December 31, 2005.

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