

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.*



111<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.