



Tax

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Boustany, Neal release ‘innovation box’ discussion draft for public comment

House Ways and Means Committee members Charles Boustany, R-La., and Richard Neal, D-Mass., on July 29 released for public comment a discussion draft proposal, in legislative language, for a US innovation box that would provide a deduction for income generated from patents and a broad range of other intellectual property.

URL: <http://waysandmeans.house.gov/wp-content/uploads/2015/07/Innovation-Box-2015-Bill-Text.pdf>

In conjunction with the draft proposal, Boustany and Neal also released a technical explanation and a section-by-section summary as well as a list of questions to stakeholders that is intended to elicit “detailed feedback on the discussion draft and how it affects specific taxpayers.”

URL: <http://waysandmeans.house.gov/wp-content/uploads/2015/07/FINAL-TE-Innovation-Promotion-Act.pdf>

URL: <http://waysandmeans.house.gov/wp-content/uploads/2015/07/Boustany-Neal-IP-box-section-by-section-FINAL.pdf>

URL: <http://waysandmeans.house.gov/wp-content/uploads/2015/07/2015-07-29-Boustany-Neal-Innovation-Box-Questions.pdf>

Boustany and Neal did not release a revenue estimate for the proposal, however. (In remarks to reporters on July 28, Boustany indicated that he did not yet know how much the proposal would cost in its current form.)

An innovation box is expected to be a significant component of the international-only tax reform plan that Ways and Means Committee Chairman Paul Ryan, R-Wis., hopes to advance this fall to help finance a long-term extension of spending authority for the Highway Trust Fund. Boustany has been leading the committee’s efforts to develop international tax reform legislation and it has been widely reported that he and Neal worked with Ways and Means staff, the Joint Committee on Taxation staff, and the Treasury Department in developing the innovation box proposal.

Additional details on the discussion draft and the potential for near-term action on international-only tax reform legislation will be provided in an upcoming edition of *Tax News & Views*.

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Have a question?

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