

Working American Competitiveness Act (Introduced in Senate)

S 1140 IS

110th CONGRESS
1st Session
S. 1140

To amend the Internal Revenue Code of 1986 to eliminate the limitation on the foreign earned income exclusion, and for other purposes.

IN THE SENATE OF THE UNITED STATES

April 18, 2007

Mr. DEMINT 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 eliminate the limitation on the foreign earned income exclusion, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Working American Competitiveness Act'.

SEC. 2. ELIMINATION OF LIMITATION ON FOREIGN EARNED INCOME EXCLUSION.

(a) In General- Subsections (a) and (b) of section 911 of the Internal Revenue Code of 1986 (relating to citizens or residents of the United States living abroad) are amended to read as follows:

`(a) Exclusion From Gross Income- At the election of a qualified individual, there shall be excluded from the gross income of such individual, and exempt from taxation under this subtitle, for any taxable year, the foreign earned income of such individual.

`(b) Foreign Earned Income- For purposes of this section--

`(1) IN GENERAL- The term `foreign earned income' with respect to any individual means the amount received by such individual from sources within a foreign country or countries which constitute earned income attributable to services

performed by such individual during the period described in subparagraph (A) or (B) of subsection (d)(1), whichever is applicable.

`(2) CERTAIN AMOUNTS NOT INCLUDED IN FOREIGN EARNED INCOME- The foreign earned income for an individual shall not include amounts--

`(A) received as a pension or annuity,

`(B) paid by the United States or an agency thereof to an employee of the United States or an agency thereof,

`(C) included in gross income by reason of section 402(b) (relating to taxability of beneficiary of nonexempt trust) or section 403(c) (relating to taxability of beneficiary under a nonqualified annuity), or

`(D) received after the close of the taxable year following the taxable year in which the services to which the amounts are attributable are performed.'.

(b) Conforming Amendments-

(1) Section 911 of the Internal Revenue Code of 1986 is amended by striking subsection (c) and by redesignating subsections (e), (f), and (g) as subsections (c), (e), and (f), respectively.

(2) Section 911(d) of such Code is amended by striking paragraph (7) and by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(3) Section 1402(a)(11) of such Code is amended by striking `section 911(a)(1)' and inserting `section 911(a)'.

(c) Effective Date- The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.