

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Appropriations.

HB26-1289 be amended as follows:

1 Amend the Finance Committee Report, dated March 23, 2026, page 11,  
2 line 29, after "(12)(b)(III)" insert "and (16)".

3 Page 12, after line 21 insert:

4 "(16) (a) DURING THE STATE FISCAL YEAR BEGINNING JULY 1,  
5 2027, AND EVERY FOURTH STATE FISCAL YEAR THEREAFTER, THE  
6 DEPARTMENT SHALL ENGAGE A CONTRACTOR TO EXAMINE WHETHER A  
7 COUNTRY THAT IS IDENTIFIED AS A LISTED JURISDICTION SHOULD REMAIN  
8 A LISTED JURISDICTION.

9 (b) THE DEPARTMENT SHALL REQUIRE THE CONTRACTOR TO  
10 EXAMINE EACH LISTED JURISDICTION AND TO MAKE RECOMMENDATIONS  
11 ABOUT THE STATUS OF A LISTED JURISDICTION IN A WRITTEN REPORT  
12 SUBMITTED TO THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL  
13 AND THE GOVERNOR NO LATER THAN ONE HUNDRED EIGHTY CALENDAR  
14 DAYS AFTER THE EFFECTIVE DATE OF THE CONTRACT ENGAGING THE  
15 CONTRACTOR TO CONDUCT THE STUDY.

16 (c) WHEN EXAMINING A LISTED JURISDICTION, THE DEPARTMENT  
17 SHALL REQUIRE THE CONTRACTOR TO RECOMMEND WHETHER A LISTED  
18 JURISDICTION SHOULD CONTINUE TO BE A LISTED JURISDICTION BASED ON  
19 WHETHER THE LISTED JURISDICTION:

20 (I) ASSESSES A CORPORATE TAX RATE OF LESS THAN FIFTEEN  
21 PERCENT;

22 (II) ALLOWS TAX DEDUCTIONS, INCENTIVES, OR CREDITS THAT  
23 LOWER EFFECTIVE TAX RATES ARTIFICIALLY, WITH SPECIAL  
24 CONSIDERATION GIVEN TO INTELLECTUAL PROPERTY AND  
25 FOREIGN-SOURCE ROYALTIES;

26 (III) TARGETS PROFIT-SHIFTING OF FOREIGN-CONTROLLED  
27 CORPORATIONS;

28 (IV) LACKS TRANSPARENCY AND DOES NOT ENGAGE IN DATA  
29 SHARING OR COOPERATE WITH OTHER COUNTRIES' REVENUE AGENCIES  
30 DURING AUDITS AND INVESTIGATIONS OR DOES NOT PARTICIPATE IN  
31 COUNTRY-BY-COUNTRY REPORTING;

32 (V) DOES NOT REQUIRE A CORPORATION TO ENGAGE IN  
33 SUBSTANTIAL ACTIVITY OR DELIVER ECONOMIC SUBSTANCE IN THE LISTED  
34 JURISDICTION IN ORDER TO BE INCORPORATED IN THAT JURISDICTION;

35 (VI) DOES NOT MAINTAIN A BENEFICIAL OWNERSHIP REGISTRY OR  
36 DOES NOT PROVIDE THE PUBLIC WITH ACCESS TO COMPANY INFORMATION;

37 (VII) ALLOWS HYBRID-MISMATCH RELATIONSHIPS;

38 (VIII) ALLOWS OVERLY LENIENT TRANSFER PRICING;

39 (IX) ALLOWS INCOME-SHIFTING BETWEEN CORPORATE AFFILIATES  
40 OR OTHER INDICATORS OF PROFIT-SHIFTING;

1           (X) HAS NOT UNDERTAKEN REFORMS TO ADDRESS ALLEGATIONS  
2 THAT IT IS A TAX HAVEN AND THAT IT SHOULD NOT BE A LISTED  
3 JURISDICTION;  
4           (XI) PROVIDES CERTAIN TAX OR OTHER BENEFITS EXCLUSIVELY  
5 FOR FOREIGN FIRMS AND NOT TO DOMESTIC ENTITIES;  
6           (XII) ENGAGES IN OTHER TAX EVASION INDICATORS; OR  
7           (XIII) ISSUES CORPORATE PROFIT OR FOREIGN DIRECT INVESTMENT  
8 STATISTICS THAT ARE SIGNIFICANTLY OUT OF PROPORTION TO LOCAL  
9 ECONOMIC DEVELOPMENT OR THE LOCAL WORKFORCE.  
10          (d) A COUNTRY MAY SUBMIT TO THE CONTRACTOR OR THE  
11 DEPARTMENT INFORMATION ABOUT INTERNATIONAL TAX REFORM AND  
12 EVOLVING BEST PRACTICES.  
13          (e) THE CONTRACTOR MAY RECOMMEND THAT A COUNTRY BE  
14 DEEMED A LISTED JURISDICTION OR RECOMMEND THAT A COUNTRY NO  
15 LONGER BE A LISTED JURISDICTION."

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