

SB-17

To amend Customs Requirements relating to small business exports, create a Small Business Foreign Derived Income tax deduction, and expand the Foreign Derived Intangible Income incentive to be claimed by small businesses.

IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Fallis of Vermont introduced the following bill;

A BILL

To amend Customs Requirements relating to small business exports, create a Small Business Foreign Derived Income tax deduction, and expand the Foreign Derived Intangible Income incentive to be claimed by small businesses.

Be it enacted by The American Legion Boys Nation Senate assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Globalization Act".

SECTION 2. RETOOLING CUSTOMS REQUIREMENTS

The United States shall amend customs requirements pertaining to export regulations for small businesses in compliance with the US Small Business Administration in order to make the exportation process easier for small businesses, particularly in regard to digital e-commerce platforms-

(1) Such that the US Small Business Administration expands the "Export Compliance Program" in

order to make it easier for small businesses to comply with Export Administration Regulations.

(2) Such that Customs Requirements pertaining to exports with non-militaristic implications are retooled in order to make commercial small business exports with no militaristic implications less restricted and more applicable with consideration for the benefits of e-commerce platforms.

SECTION 3: INCENTIVISING SMALL BUSINESSES TO EXPORT PRODUCTS

The United States shall appropriate monetary incentives to be claimed by small businesses in order to promote export sales-

(1) Such that the Small Business Foreign Derived Income (SBFDI) deduction shall be created to allow small businesses to claim a deduction on any taxes on income accrued by way of exported goods

(a) The SBFDI deduction would entitle small businesses to a deduction equal to the sum of 40% of their taxable income on sales of exported goods and services.

(2) Such that the Foreign-Derived Intangible Income (FDII) Incentive shall be extended to include small businesses in regards to foreign income generated from Intellectual property.

(a) Small businesses will be entitled to a deduction equal to the sum of 37.5% of FDII but they shall not be entitled to the additional deduction of up to 50% of a businesses Global Intangible Low-Tax Income (GILTI), the GILTI deduction is denied to any small business in order to incentivize exports from businesses both owned and operated in the US.

(3) A committee shall be established to measure the effectiveness of the FDII Incentive on:

(a) Increase in products exported by small businesses following the creation of the SBFDI deduction.

(i) Further, the use of the deduction by small businesses who increase their share of exported products.

(b) Innovation within small businesses following the expansion of the FDII incentive.

SECTION 4: START DATES FOLLOWING APPROVALS OF CUSTOM REQUIREMENTS AND TAX INCENTIVES

The United States shall approve the official starting dates of amended customs requirements as well as the FDII Incentive-

(1) Such that Customs requirements shall go into effect immediately upon the enactment of the bill.

(2) Such that the SBFDI Deduction shall be created, and available to be claimed, at the start of January 1st, 2024.

(3) Such that the FDII Incentive, with the exceptions specified in section 3, shall be expanded to small businesses at the start of January 1st, 2024.

SECTION 5: ENACTMENT OF THE BILL

This bill shall go into effect 91 days after passage.

SECTION 6. DEFINITIONS

(1) A small business in this section shall be defined as a small business by the Small Business Administration.