

1 riod as compared to the first day of the testing pe-
2 riod and has an increase in the full-time equivalent
3 employees outside the United States on the last day
4 of the testing period as compared to the first day of
5 the testing period.

6 (3) DEFINITIONS AND SPECIAL RULES.—For
7 purposes of this subsection—

8 (A) TESTING PERIOD.—The testing period
9 with respect to a sale is the calendar year in
10 which the date of sale occurs.

11 (B) EMPLOYEES OUTSIDE THE UNITED
12 STATES.—An employee shall be treated as em-
13 ployed by the employer outside the United
14 States whether employed directly or indirectly
15 through a controlled foreign corporation (as de-
16 fined in section 957) or a pass-through entity
17 in which the taxpayer holds at least 50 percent
18 of the capital or profits interest.

19 (C) EXCEPTION FOR EMPLOYEES SEPA-
20 RATED VOLUNTARILY OR FOR CAUSE.—The
21 number of full-time equivalent employees shall
22 be determined without regard to any employee
23 separated from employment voluntarily or for
24 cause.

1 (4) REGULATIONS.—The Secretary shall pre-
2 scribe such regulations or other guidance as may be
3 necessary or appropriate to carry out this sub-
4 section, including regulations or guidance on em-
5 ployer aggregation, mergers and acquisitions, and
6 dispositions of an employer and rules regarding the
7 payment date for taxes owed if the offshoring occurs
8 after the date of a sale.

Page 1, line 9, strike “(b)” and insert “(c)”.

Page 2, line 1, strike “(c)” and insert “(d)”.

