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**H. R. 4154**

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IN THE SENATE OF THE UNITED STATES

DECEMBER 3, 2009

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**AN ACT**

To amend the Internal Revenue Code of 1986 to repeal the new carryover basis rules in order to prevent tax increases and the imposition of compliance burdens on many more estates than would benefit from repeal, to retain the estate tax with a \$3,500,000 exemption, to reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **DIVISION A—PERMANENT ES-**  
 4 **TATE TAX RELIEF FOR FAMI-**  
 5 **LIES, FARMERS, AND SMALL**  
 6 **BUSINESSES ACT OF 2009**

7 **SECTION 1. SHORT TITLE; TABEL OF CONTENTS.**

8 (a) SHORT TITLE.—This division may be cited as the  
 9 “Permanent Estate Tax Relief for Families, Farmers, and  
 10 Small Businesses Act of 2009”.

11 (b) TABLE OF CONTENTS.—The table of contents for  
 12 this Act is as follows:

DIVISION A—PERMANENT ESTATE TAX RELIEF FOR FAMILIES,  
 FARMERS, AND SMALL BUSINESSES ACT OF 2009

- Sec. 1. Short title; tabel of contents.
- Sec. 2. Retention of estate tax; repeal of carryover basis.
- Sec. 3. Modifications to estate and gift taxes.

DIVISION B—STATUTORY PAY-AS-YOU-GO ACT OF 2009

- Sec. 101. Short Title.
- Sec. 102. Purpose.
- Sec. 103. Definitions.
- Sec. 104. PAYGO estimates and PAYGO scorecards.
- Sec. 105. Annual report and sequestration order.
- Sec. 106. Calculating a sequestration.
- Sec. 107. Current policy adjustment to the CBO estimates.
- Sec. 108. Application of BBEDCA.
- Sec. 109. Technical corrections.
- Sec. 110. Conforming amendments.
- Sec. 111. Exempt programs and activities.

13 **SEC. 2. RETENTION OF ESTATE TAX; REPEAL OF CARRY-**  
 14 **OVER BASIS.**

15 (a) IN GENERAL.—Subtitles A and E of title V of  
 16 the Economic Growth and Tax Relief Reconciliation Act

1 of 2001, and the amendments made by such subtitles, are  
2 hereby repealed; and the Internal Revenue Code of 1986  
3 shall be applied as if such subtitles, and amendments, had  
4 never been enacted.

5 (b) SUNSET NOT TO APPLY.—Section 901 of the  
6 Economic Growth and Tax Relief Reconciliation Act of  
7 2001 shall not apply to title V of such Act.

8 (c) CONFORMING AMENDMENTS.—

9 (1) Sections 511(d) and 521(b)(2) of the Eco-  
10 nomic Growth and Tax Relief Reconciliation Act of  
11 2001, and the amendments made by such sections,  
12 are hereby repealed; and the Internal Revenue Code  
13 of 1986 shall be applied as if such sections, and  
14 amendments, had never been enacted.

15 (2) Subsection (c) of section 2511 of the Inter-  
16 nal Revenue Code of 1986 is hereby repealed.

17 **SEC. 3. MODIFICATIONS TO ESTATE AND GIFT TAXES.**

18 (a) \$3,500,000 APPLICABLE EXCLUSION AMOUNT.—  
19 Subsection (c) of section 2010 of the Internal Revenue  
20 Code of 1986 (relating to applicable credit amount) is  
21 amended by striking all that follows “the applicable exclu-  
22 sion amount” and inserting “. For purposes of the pre-  
23 ceding sentence, the applicable exclusion amount is  
24 \$3,500,000.”.

1 (b) FREEZE MAXIMUM ESTATE AND GIFT TAX  
 2 RATES AT 45 PERCENT.—Subsection (c) of section 2001  
 3 of such Code is amended—

4 (1) by striking paragraph (2);

5 (2) by striking so much of paragraph (1) as  
 6 precedes the table contained therein; and

7 (3) by striking the last 2 items in the table and  
 8 inserting the following new item:

“Over \$1,500,000 ..... \$555,800, plus 45 percent of the ex-  
 cess of such amount over  
 \$1,500,000.”.

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply to estates of decedents dying, and  
 11 gifts made, after December 31, 2009.

12 **DIVISION B—STATUTORY PAY-**  
 13 **AS-YOU-GO ACT OF 2009**

14 **SEC. 101. SHORT TITLE.**

15 This division may be cited as the “Statutory Pay-As-  
 16 You-Go Act of 2009”.

17 **SEC. 102. PURPOSE.**

18 The purpose of this division is to reestablish a statu-  
 19 tory procedure to enforce a rule of budget neutrality on  
 20 new revenue and direct spending legislation.

21 **SEC. 103. DEFINITIONS.**

22 As used in this division—

1           (1) The term “BBEDCA” means the Balanced  
2 Budget and Emergency Deficit Control Act of 1985.

3           (2) The definitions set forth in section 3 of the  
4 Congressional Budget and Impoundment Control  
5 Act of 1974 and in section 250 of BBEDCA shall  
6 apply to this division, except to the extent that they  
7 are specifically modified as follows:

8           (A) The term “outyear” means a fiscal  
9 year that occurs one or more years after the  
10 budget year.

11           (B) In section 250(c)(8)(C), the reference  
12 to the food stamp program shall be deemed to  
13 be a reference to the Supplemental Nutrition  
14 Assistance Program.

15           (3) The term “AMT” means the Alternative  
16 Minimum Tax for individuals under sections 55–59  
17 of the Internal Revenue Code of 1986, the term  
18 “EGTRRA” means the Economic Growth and Tax  
19 Relief Reconciliation Act of 2001 (Public Law 107–  
20 16), and the term “JGTRRA” means the Jobs and  
21 Growth Tax Relief and Reconciliation Act of 2003  
22 (Public Law 108–27).

23           (4)(A) The term “budgetary effects” means the  
24 amounts by which PAYGO legislation changes direct  
25 spending or revenues relative to the baseline and

1 shall be determined on the basis of estimates in-  
2 cluded by reference in the PAYGO Act or prepared  
3 under section 104(d)(3), as applicable. Budgetary  
4 effects that increase direct spending or decrease rev-  
5 enues are termed “costs” and budgetary effects that  
6 increase revenues or decrease direct spending are  
7 termed “savings”.

8 (B) For purposes of these definitions, off-budg-  
9 et effects shall be counted as budgetary effects un-  
10 less such changes flow directly from amendments to  
11 title II of the Social Security Act and related provi-  
12 sions of the Internal Revenue Code of 1986 and debt  
13 service effects shall not be counted as budgetary ef-  
14 fects.

15 (C) Solely for purposes of recording entries on  
16 a PAYGO scorecard, provisions in appropriations  
17 Acts are also considered to be budgetary effects for  
18 purposes of this division if such provisions make out-  
19 year modifications to substantive law, except that  
20 provisions for which the outlay effects net to zero  
21 over a period consisting of the current year, the  
22 budget year, and the 4 subsequent years shall not be  
23 considered budgetary effects. For purposes of this  
24 paragraph, the term, “modifications to substantive  
25 law” refers to changes to or restrictions on entitle-

1       ment law or other mandatory spending contained in  
2       appropriations Acts, notwithstanding section  
3       250(c)(8) of BBEDCA. Provisions in appropriations  
4       Acts that are neither outyear modifications to sub-  
5       stantive law nor changes in revenues have no budg-  
6       etary effects for purposes of this division.

7           (D) If a provision is designated as an emer-  
8       gency requirement under this division and is also  
9       designated as an emergency requirement under the  
10      applicable rules of the House of Representatives,  
11      CBO shall not include the cost of such a provision  
12      in its estimate of the PAYGO legislation’s budgetary  
13      effects.

14          (5) The term “debit” refers to the net total  
15      amount, when positive, by which costs recorded on  
16      the PAYGO scorecards for a fiscal year exceed sav-  
17      ings recorded on those scorecards for that year.

18          (6) The term “entitlement law” refers to a sec-  
19      tion of law which provides entitlement authority.

20          (7) The term “PAYGO legislation” or a  
21      “PAYGO Act” refers to a bill or joint resolution  
22      that affects direct spending or revenue relative to  
23      the baseline. The budgetary effects of changes in  
24      revenues and outyear modifications to substantive  
25      law included in appropriation Acts as defined in

1 paragraph (4) shall be treated as if they were con-  
2 tained in PAYGO legislation.

3 (8) The term “timing shift” refers to a delay of  
4 the date on which direct spending would otherwise  
5 occur from the ninth outyear to the tenth outyear or  
6 an acceleration of the date on which revenues would  
7 otherwise occur from the tenth outyear to the ninth  
8 outyear.

9 **SEC. 104. PAYGO ESTIMATES AND PAYGO SCORECARDS.**

10 (a) PAYGO ESTIMATES.—(1) A PAYGO Act shall in-  
11 clude by reference an estimate of its budgetary effects as  
12 determined under section 308(a)(3) of the Congressional  
13 Budget Act of 1974, if timely submitted for printing in  
14 the Congressional Record by the chairs of the Committees  
15 on the Budget of the House of Representatives and the  
16 Senate, as applicable, before the vote on the PAYGO legis-  
17 lation. The Clerk of the House or the Secretary of the  
18 Senate, as applicable, shall also incorporate by reference  
19 such estimate printed in the relevant portion of the Con-  
20 gressional Record under section 308(a)(3) of the Congres-  
21 sional Budget Act of 1974 into the enrollment of a  
22 PAYGO Act. Budgetary effects that are not so included  
23 shall be determined under section 104(d)(3).



1       (2)(A) Section 308(a) of the Congressional Budget  
2 Act of 1974 is amended by adding at the end the following  
3 new paragraph:

4               “(3) CBO PAYGO ESTIMATES.—Before a vote in  
5 either House on a PAYGO Act that, if determined  
6 in the affirmative, would clear such Act for enroll-  
7 ment, the chairs of the Committees on the Budget  
8 of the House and Senate, as applicable, shall request  
9 from the Director of the Congressional Budget Of-  
10 fice an estimate of the budgetary effects of such Act  
11 under the Statutory Pay-As-You-Go Act of 2009. If  
12 such an estimate is timely provided, the chairs of the  
13 Committees on the Budget of the House of Rep-  
14 resentatives and the Senate shall post such estimate  
15 on their respective committee websites and cause it  
16 to be printed in the Congressional Record under the  
17 heading ‘PAYGO ESTIMATE’. For purposes of this  
18 section, the Director of the Congressional Budget  
19 Office shall not count timing shifts in his estimates  
20 of the budgetary effects of PAYGO legislation (as  
21 defined in section 103 of the Statutory Pay-As-You-  
22 Go Act of 2009).”.

23       (B) The side heading of section 308(a) of the Con-  
24 gressional Budget Act of 1974 is amended by striking  
25 “REPORTS ON”.

1 (b) Section 308 of the Congressional Budget Act of  
2 1974 is amended by adding at the end the following new  
3 subsection:

4 “(d) SCOREKEEPING GUIDELINES.—The Director of  
5 the Congressional Budget Office shall provide estimates  
6 under this section in accordance with the scorekeeping  
7 guidelines determined under section 252(d)(5) of the Bal-  
8 anced Budget and Emergency Deficit Control Act of 1985.  
9 Upon agreement, the chairs of the Committees on the  
10 Budget of the House of Representatives and the Senate  
11 shall submit updates to such guidelines for printing in the  
12 Congressional Record.”.

13 (c) CURRENT POLICY ADJUSTMENTS FOR CERTAIN  
14 LEGISLATION.—For purposes of calculating budgetary ef-  
15 fects under this division, CBO shall adjust its estimates  
16 as described below for any provision of legislation des-  
17 igned as meeting the criteria in subsection (b), (c), or  
18 (d) of section 107 and which the chairman of the Com-  
19 mittee on the Budget of the House of Representatives or  
20 the Senate, as applicable, designates as meeting those cri-  
21 teria. A single piece of legislation may contain provisions  
22 designated as meeting criteria in more than one of the  
23 subsections listed above. For appropriately designated pro-  
24 visions, CBO shall exclude from its estimates for purposes  
25 of this division any costs of a provision to the extent that

1 those costs, when combined with all other excluded costs  
2 of any other previously designated provisions of enacted  
3 legislation under the same subsection of section 107, do  
4 not exceed the maximum applicable current policy adjust-  
5 ment defined under the applicable subsection of section  
6 107 for the applicable 10-year period, using the most re-  
7 cent baseline estimates supplied by the Congressional  
8 Budget Office consistent with section 257 of the Balanced  
9 Budget and Emergency Deficit Control Act of 1985 used  
10 in considering a concurrent resolution on the budget; or,  
11 after the beginning of a new calendar year and before con-  
12 sideration of a concurrent resolution on the budget, using  
13 the most recent baseline estimates supplied by the Con-  
14 gressional Budget Office consistent with section 257 of the  
15 Balanced Budget and Emergency Deficit Control Act of  
16 1985. CBO estimates of legislation containing a current  
17 policy designation under this subsection shall include a  
18 separate presentation of costs excluded from the calcula-  
19 tion of budgetary effects for the legislation, as well as an  
20 updated total of all excluded costs of provisions within the  
21 same subsection of section 107.

22 (d) OMB PAYGO SCORECARDS.—

23 (1) IN GENERAL.—OMB shall maintain and  
24 make publicly available a continuously updated docu-  
25 ment containing two PAYGO scorecards displaying

1 the budgetary effects of PAYGO legislation as deter-  
2 mined under section 308 of the Congressional Budg-  
3 et Act of 1974, applying the look-back requirement  
4 in subsection (e) and the averaging requirement in  
5 subsection (f), and a separate addendum displaying  
6 the estimates of the costs of provisions designated in  
7 statute as emergency requirements.

8 (2) ESTIMATES IN LEGISLATION.—Except as  
9 provided in paragraph (3), in making the calcula-  
10 tions for the PAYGO scorecards, OMB shall use the  
11 budgetary effects included by reference in the appli-  
12 cable legislation.

13 (3) OMB ESTIMATES.—If legislation does not  
14 contain the estimate of budgetary effects under  
15 paragraph (2), then OMB shall score the budgetary  
16 effects of that legislation upon its enactment, based  
17 on the approaches to scorekeeping set forth in this  
18 division.

19 (4) 5-YEAR SCORECARD.—The first scorecard  
20 shall display the budgetary effects of PAYGO legis-  
21 lation in each year over the 5-year period beginning  
22 in the budget year.

23 (5) 10-YEAR SCORECARD.—The second score-  
24 card shall display the budgetary effects of PAYGO

1 legislation in each year over the 10-year period be-  
2 ginning in the budget year.

3 (e) LOOK-BACK TO CAPTURE CURRENT-YEAR EF-  
4 FECTS.—For purposes of this section, OMB shall treat the  
5 budgetary effects of PAYGO legislation enacted during a  
6 session of Congress that occur during the current year as  
7 though they occurred in the budget year.

8 (f) AVERAGING USED TO MEASURE COMPLIANCE  
9 OVER 5-YEAR AND 10-YEAR PERIODS.—OMB shall cumu-  
10 late the budgetary effects of a PAYGO Act over the budg-  
11 et year (which includes any look-back effects under sub-  
12 section (e)) and—

13 (1) for purposes of the 5-year scorecard re-  
14 ferred to in subsection (d)(4), the four subsequent  
15 outyears, divide that cumulative total by five, and  
16 enter the quotient in the budget-year column and in  
17 each subsequent column of the 5-year PAYGO score-  
18 card; and

19 (2) for purposes of the 10-year scorecard re-  
20 ferred to in subsection (d)(5), the nine subsequent  
21 outyears, divide that cumulative total by ten, and  
22 enter the quotient in the budget-year column and in  
23 each subsequent column of the 10-year PAYGO  
24 scorecard.

1 **SEC. 105. ANNUAL REPORT AND SEQUESTRATION ORDER.**

2 (a) ANNUAL REPORT.—Not later than 14 days (ex-  
3 cluding weekends and holidays) after Congress adjourns  
4 to end a session, OMB shall make publicly available and  
5 cause to be printed in the Federal Register an annual  
6 PAYGO report. The report shall include an up-to-date  
7 document containing the PAYGO scorecards, a description  
8 of any current policy adjustments made under section  
9 104(c), information about emergency legislation (if any)  
10 designated under section 103(4)(D), information about  
11 any sequestration if required by subsection (b), and other  
12 data and explanations that enhance public understanding  
13 of this division and actions taken under it.

14 (b) SEQUESTRATION ORDER.—If the annual report  
15 issued at the end of a session of Congress under sub-  
16 section (a) shows a debit on either PAYGO scorecard for  
17 the budget year, OMB shall prepare and the President  
18 shall issue and include in that report a sequestration order  
19 that, upon issuance, shall reduce budgetary resources of  
20 direct spending programs by enough to offset that debit  
21 as prescribed in section 106. If there is a debit on both  
22 scorecards, the order shall fully offset the larger of the  
23 two debits. OMB shall include that order in the annual  
24 report and transmit it to the House of Representatives  
25 and the Senate. If the President issues a sequestration  
26 order, the annual report shall contain, for each budget ac-

1 count to be sequestered, estimates of the baseline level of  
2 budgetary resources subject to sequestration, the amount  
3 of budgetary resources to be sequestered, and the outlay  
4 reductions that will occur in the budget year and the sub-  
5 sequent fiscal year because of that sequestration.

6 **SEC. 106. CALCULATING A SEQUESTRATION.**

7 (a) REDUCING NONEXEMPT BUDGETARY RE-  
8 SOURCES BY A UNIFORM PERCENTAGE.—OMB shall cal-  
9 culate the uniform percentage by which the budgetary re-  
10 sources of nonexempt direct spending programs are to be  
11 sequestered such that the outlay savings resulting from  
12 that sequestration, as calculated under subsection (b),  
13 shall offset the budget-year debit, if any on the applicable  
14 PAYGO scorecard. If the uniform percentage calculated  
15 under the prior sentence exceeds 4 percent, the Medicare  
16 programs described in section 256(d) of BBEDCA shall  
17 be reduced by 4 percent and the uniform percentage by  
18 which the budgetary resources of all other nonexempt di-  
19 rect spending programs are to be sequestered shall be in-  
20 creased, as necessary, so that the sequestration of Medi-  
21 care and of all other nonexempt direct spending programs  
22 together produce the required outlay savings.

23 (b) OUTLAY SAVINGS.—In determining the amount  
24 by which a sequestration offsets a budget-year debit, OMB  
25 shall count—

1           (1) the amount by which the sequestration in a  
2 crop year of crop support payments, pursuant to  
3 section 256(j) of BBEDCA, reduces outlays in the  
4 budget year and the subsequent fiscal year;

5           (2) the amount by which the sequestration of  
6 Medicare payments in the 12-month period following  
7 the sequestration order, pursuant to section 256(d)  
8 of BBEDCA, reduces outlays in the budget year and  
9 the subsequent fiscal year; and

10           (3) the amount by which the sequestration in  
11 the budget year of the budgetary resources of other  
12 nonexempt mandatory programs reduces outlays in  
13 the budget year and in the subsequent fiscal year.

14 **SEC. 107. CURRENT POLICY ADJUSTMENT TO THE CBO ES-**  
15 **TIMATES.**

16           (a) **PURPOSE.**—The purpose of this section is to pro-  
17 vide for adjustments of estimates of budgetary effects of  
18 PAYGO legislation for legislation affecting four areas of  
19 the budget—

20           (1) payments made under section 1848 of the  
21 Social Security Act (titled Payment for Physicians’  
22 Services);

23           (2) the Estate and Gift Tax under subtitle B of  
24 the Internal Revenue Code of 1986;

25           (3) the AMT; and



1 (4) provisions of EGTRRA or JGTRRA that  
2 amended the Internal Revenue Code of 1986 (or  
3 provisions in later statutes further amending the  
4 amendments made by EGTRRA or JGTRRA), other  
5 than—

6 (A) the provisions of those two Acts that  
7 were made permanent by the Pension Protec-  
8 tion Act of 2006 (Public Law 109–280);

9 (B) amendments to the estate and gift tax  
10 referred to in paragraph (2);

11 (C) the AMT referred to in paragraph (3);

12 (D) the 35 percent bracket and that por-  
13 tion of the 33 percent bracket that applies to  
14 taxable income greater than \$200,000 for an  
15 individual and \$250,000 for a couple; and

16 (E) provisions in those two Acts relating to  
17 taxes rates on capital gains and dividends.

18 (b) MEDICARE PAYMENTS TO PHYSICIANS.—

19 (1) CRITERIA.—Legislation that includes provi-  
20 sions amending or superseding the system of pay-  
21 ments under section 1848 of the Social Security Act  
22 shall trigger the current policy adjustment required  
23 by this division.

1           (2) ADJUSTMENT.—The amount of the max-  
2           imum current policy adjustment shall be the dif-  
3           ference between—

4                   (A) estimated net outlays attributable to  
5           the payments made to physicians under that  
6           section of the Social Security Act (as scheduled  
7           on July 15, 2009, to be in effect); and

8                   (B) what those net outlays would have  
9           been if the nominal payment rates and related  
10          parameters in effect for 2009 had been in effect  
11          thereafter without change.

12          (c) ESTATE AND GIFT TAX.—

13               (1) CRITERIA.—Legislation that includes provi-  
14           sions amending the Estate and Gift Tax under sub-  
15           title B of the Internal Revenue Code of 1986 shall  
16           trigger the current policy adjustment required by  
17           this division.

18               (2) ADJUSTMENT.—The amount of the max-  
19           imum current policy adjustment shall be the dif-  
20           ference between—

21                   (A) total revenues projected to be collected  
22           under the Internal Revenue Code of 1986 (as  
23           scheduled on July 15, 2009, to be in effect);  
24           and

1           (B) what those revenue collections would  
2           have been if, on the date of enactment of the  
3           legislation meeting the criteria in paragraph  
4           (1), estate and gift tax law had instead been  
5           amended so that the tax rates, nominal exemp-  
6           tion amounts, and related parameters in effect  
7           for tax year 2009 had remained in effect there-  
8           after without change.

9           (d) PERMANENT EXTENSION OF MIDDLE-CLASS TAX  
10 CUTS AND AMT RELIEF.—

11           (1) CRITERIA.—Legislation that includes provi-  
12           sions extending middle-class tax cuts or AMT relief  
13           shall trigger the current policy adjustment required  
14           by this division if those provisions extend one or  
15           more of the following provisions—

16           (A) AMT relief for calendar year 2010 and  
17           subsequent years in such a manner that the  
18           number of AMT taxpayers is not estimated to  
19           exceed the number of AMT taxpayers in tax  
20           year 2008 in any year through the tenth year  
21           after enactment;

22           (B) the 10 percent bracket as in effect for  
23           tax year 2010, as provided for under section  
24           101(a) of the Economic Growth and Tax Relief

1 Reconciliation Act of 2001 and any later  
2 amendments through July 15, 2009;

3 (C) the child tax credit as in effect for tax  
4 year 2010, as provided for under section 201 of  
5 the Economic Growth and Tax Relief Reconcili-  
6 ation Act and any later amendments through  
7 July 15, 2009;

8 (D) tax benefits for married couples as in  
9 effect for tax year 2010, as provided for under  
10 title III of the Economic Growth and Tax Relief  
11 Reconciliation Act and any later amendments  
12 through July 15, 2009;

13 (E) the adoption credit as in effect in tax  
14 year 2010, as provided for under section 202 of  
15 the Economic Growth and Tax Relief Reconcili-  
16 ation Act of 2001 and any later amendments  
17 through July 15, 2009;

18 (F) the dependent care credit as in effect  
19 in tax year 2010, as provided for under section  
20 204 of the Economic Growth and Tax Relief  
21 Reconciliation Act of 2001 and any later  
22 amendments through July 15, 2009;

23 (G) the employer-provided child care credit  
24 as in effect in tax year 2010, as provided for  
25 under section 205 of the Economic Growth and

1 Tax Relief Reconciliation Act of 2001 and any  
2 later amendments through July 15, 2009;

3 (H) the education tax benefits as in effect  
4 in tax year 2010, as provided for under title IV  
5 of the Economic Growth and Tax Relief Rec-  
6 onciliation Act of 2001 and any later amend-  
7 ments through July 15, 2009;

8 (I) the 25 and 28 percent brackets as in  
9 effect for tax year 2010, as provided for under  
10 section 101(a) of the Economic Growth and  
11 Tax Relief Reconciliation Act of 2001 and any  
12 later amendments through July 15, 2009; and

13 (J) the 33 percent brackets as in effect for  
14 tax year 2010, as provided for under section  
15 101(a) of the Economic Growth and Tax Relief  
16 Reconciliation Act of 2001 and any later  
17 amendment affecting taxpayers with taxable in-  
18 come of \$200,000 or less for individuals and  
19 \$250,000 or less for couples in calendar year  
20 2010 and increased in each subsequent year by  
21 an amount equal to the cost of living adjust-  
22 ment determined under section 1(f)(3) of the  
23 Internal Revenue Code of 1986 for the calendar  
24 year in which the taxable year begins, deter-  
25 mined by substituting “calendar year 2008” for

1 “calendar year 1992” in subparagraph (B)  
2 thereof.

3 (2) ADJUSTMENT.—The amount of the max-  
4 imum current policy adjustment shall be the dif-  
5 ference between what total revenues would have been  
6 under the Internal Revenue Code of 1986 (as sched-  
7 uled on July 15, 2009, to be in effect) and what rev-  
8 enues would be if legislation—

9 (A) permanently extending the AMT ex-  
10 emption and brackets in effect in tax year 2009  
11 but increased in tax year 2010 and each subse-  
12 quent tax year as indicated under subsection  
13 (d)(2)(B), along with any additional amount  
14 necessary to prevent the number of taxpayers  
15 who must pay AMT from increasing; and

16 (B) permanently extending the provisions  
17 identified in paragraph (1),  
18 were enacted on the same day as the legislation re-  
19 ferred to in paragraph (1).

20 **SEC. 108. APPLICATION OF BBEDCA.**

21 For purposes of this division—

22 (1) notwithstanding section 275 of BBEDCA,  
23 the provisions of sections 255, 256, 257, and 274 of  
24 BBEDCA, as amended by this division, shall apply  
25 to the provisions of this division;

1           (2) references in sections 255, 256, 257, and  
2           274 to “this part” or “this title” shall be interpreted  
3           as applying to this division;

4           (3) references in sections 255, 256, 257, and  
5           274 of BBEDCA to “section 254” shall be inter-  
6           preted as referencing section 105 of this division;

7           (4) the reference in section 256(b) of BBEDCA  
8           to “section 252 or 253” shall be interpreted as ref-  
9           erencing section 105 of this division;

10          (5) the reference in section 256(d)(1) of  
11          BBEDCA to “section 252 or 253” shall be inter-  
12          preted as referencing section 106 of this division;

13          (6) the reference in section 256(d)(4) of  
14          BBEDCA to “section 252 or 253” shall be inter-  
15          preted as referencing section 105 of this division;

16          (7) section 256(k) of BBEDCA shall apply to  
17          a sequestration, if any, under this division; and

18          (8) references in section 257(e) of BBEDCA to  
19          “section 251, 252, or 253” shall be interpreted as  
20          referencing section 104 of this division.

21 **SEC. 109. TECHNICAL CORRECTIONS.**

22          (a) Section 250(c)(18) of BBEDCA is amended by  
23          striking “the expenses the Federal deposit insurance agen-  
24          cies” and inserting “the expenses of the Federal deposit  
25          insurance agencies”.

1 (b) Section 256(k)(1) of BBEDCA is amended by  
2 striking “in paragraph (5)” and inserting “in paragraph  
3 (6)”.

4 **SEC. 110. CONFORMING AMENDMENTS.**

5 (a) Section 256(a) of BBEDCA is repealed.

6 (b) Section 256(b) of BBEDCA is amended by strik-  
7 ing “origination fees under sections 438(c)(2) and 455(c)  
8 of that Act shall each be increased by 0.50 percentage  
9 point.” and inserting in lieu thereof “origination fees  
10 under sections 438(c)(2) and (6) and 455(c) and loan  
11 processing and issuance fees under section  
12 428(f)(1)(A)(ii) of that Act shall each be increased by the  
13 uniform percentage specified in that sequestration order,  
14 and, for student loans originated during the period of the  
15 sequestration, special allowance payments under section  
16 438(b) of that Act accruing during the period of the se-  
17 questration shall be reduced by the uniform percentage  
18 specified in that sequestration order.”.

19 (c) Section 256(c) of BBEDCA is repealed.

20 (d) Section 256(d) of BBEDCA is amended—

21 (1) by redesignating paragraphs (2), (3), and  
22 (4) as paragraphs (3), (5), and (6);

23 (2) by amending paragraph (1) to read as fol-  
24 lows:



1           “(1) CALCULATION OF REDUCTION IN PAYMENT  
2 AMOUNTS.—To achieve the total percentage reduc-  
3 tion in those programs required by section 252 or  
4 253, subject to paragraph (2), and notwithstanding  
5 section 710 of the Social Security Act, OMB shall  
6 determine, and the applicable Presidential order  
7 under section 254 shall implement, the percentage  
8 reduction that shall apply, with respect to the health  
9 insurance programs under title XVIII of the Social  
10 Security Act—

11           “(A) in the case of parts A and B of such  
12 title, to individual payments for services fur-  
13 nished during the one-year period beginning on  
14 the first day of the first month beginning after  
15 the date the order is issued (or, if later, the  
16 date specified in paragraph (4)); and

17           “(B) in the case of parts C and D, to  
18 monthly payments under contracts under such  
19 parts for the same one-year period;  
20 such that the reduction made in payments under  
21 that order shall achieve the required total percentage  
22 reduction in those payments for that period.”;

23           (3) by inserting after paragraph (1) the fol-  
24 lowing:

1           “(2) UNIFORM REDUCTION RATE; MAXIMUM  
2           PERMISSIBLE REDUCTION.—Reductions in payments  
3           for programs and activities under such title XVIII  
4           pursuant to a sequestration order under section 254  
5           shall be at a uniform rate, which shall not exceed 4  
6           percent, across all such programs and activities sub-  
7           ject to such order.”;

8           (4) by inserting after paragraph (3), as redesign-  
9           nated, the following:

10           “(4) TIMING OF SUBSEQUENT SEQUESTRATION  
11           ORDER.—A sequestration order required by section  
12           252 or 253 with respect to programs under such  
13           title XVIII shall not take effect until the first month  
14           beginning after the end of the effective period of any  
15           prior sequestration order with respect to such pro-  
16           grams, as determined in accordance with paragraph  
17           (1).”;

18           (5) in paragraph (6), as redesignated, to read  
19           as follows:

20           “(6) SEQUESTRATION DISREGARDED IN COM-  
21           PUTING PAYMENT AMOUNTS.—The Secretary of  
22           Health and Human Services shall not take into ac-  
23           count any reductions in payment amounts which  
24           have been or may be effected under this part, for

1 purposes of computing any adjustments to payment  
2 rates under such title XVIII, specifically including—

3 “(A) the part C growth percentage under  
4 section 1853(e)(6);

5 “(B) the part D annual growth rate under  
6 section 1860D–2(b)(6); and

7 “(C) application of risk corridors to part D  
8 payment rates under section 1860D–15(e).”;  
9 and

10 (6) by adding after paragraph (6), as redesign-  
11 nated, the following:

12 “(7) EXEMPTIONS FROM SEQUESTRATION.—In  
13 addition to the programs and activities specified in  
14 section 255, the following shall be exempt from se-  
15 questration under this part:

16 “(A) PART D LOW-INCOME SUBSIDIES.—  
17 Premium and cost-sharing subsidies under sec-  
18 tion 1860D–14 of the Social Security Act.

19 “(B) PART D CATASTROPHIC SUBSIDY.—  
20 Payments under section 1860D–15(b) and  
21 (e)(2)(B) of the Social Security Act.

22 “(C) QUALIFIED INDIVIDUAL (QI) PRE-  
23 MIUMS.—Payments to States for coverage of  
24 Medicare cost-sharing for certain low-income

1 Medicare beneficiaries under section 1933 of  
2 the Social Security Act.”.

3 **SEC. 111. EXEMPT PROGRAMS AND ACTIVITIES.**

4 (a) DESIGNATIONS.—Section 255 of BBEDCA is  
5 amended by redesignating subsection (i) as (j) and strik-  
6 ing “1998” and inserting in lieu thereof “2010”.

7 (b) SOCIAL SECURITY, VETERANS PROGRAMS, NET  
8 INTEREST, AND TAX CREDITS.—Subsections (a) through  
9 (d) of section 255 of BBEDCA are amended to read as  
10 follows:

11 “(a) SOCIAL SECURITY BENEFITS AND TIER I RAIL-  
12 ROAD RETIREMENT BENEFITS.—Benefits payable under  
13 the old-age, survivors, and disability insurance program  
14 established under title II of the Social Security Act (42  
15 U.S.C. 401 et seq.), and benefits payable under section  
16 231b(a), 231b(f)(2), 231c(a), and 231c(f) of title 45,  
17 United States Code, shall be exempt from reduction under  
18 any order issued under this part.

19 “(b) VETERANS PROGRAMS.—The following program  
20 shall be exempt from reduction under any order issued  
21 under this part—

22 “All programs administered by the Department  
23 of Veterans Affairs.

24 “Special Benefits for Certain World War II  
25 Veterans (28–0401–0–1–701).

1       “(c) NET INTEREST.—No reduction of payments for  
2 net interest (all of major functional category 900) shall  
3 be made under any order issued under this part.

4       “(d) REFUNDABLE INCOME TAX CREDITS.—Pay-  
5 ments to individuals made pursuant to provisions of the  
6 Internal Revenue Code of 1986 establishing refundable  
7 tax credits shall be exempt from reduction under any order  
8 issued under this part.”.

9       (c) OTHER PROGRAMS AND ACTIVITIES, LOW-IN-  
10 COME PROGRAMS, AND ECONOMIC RECOVERY PRO-  
11 GRAMS.—Subsections (g) and (h) of section 255 of  
12 BBEDCA are amended to read as follows:

13       “(g) OTHER PROGRAMS AND ACTIVITIES.—

14               “(1)(A) The following budget accounts and ac-  
15 tivities shall be exempt from reduction under any  
16 order issued under this part:

17                       “Activities resulting from private dona-  
18 tions, bequests, or voluntary contributions to  
19 the Government.

20                       “Activities financed by voluntary payments  
21 to the Government for goods or services to be  
22 provided for such payments.

23                       “Administration of Territories, Northern  
24 Mariana Islands Covenant grants (14-0412-0-  
25 1-808).

1           “Advances to the Unemployment Trust  
2 Fund and Other Funds (16-0327-0-1-600).

3           “Black Lung Disability Trust Fund Refi-  
4 nancing (16-0329-0-1-601).

5           “Bonneville Power Administration Fund  
6 and borrowing authority established pursuant  
7 to section 13 of Public Law 93-454 (1974), as  
8 amended (89-4045-0-3-271).

9           “Claims, Judgments, and Relief Acts (20-  
10 1895-0-1-808).

11           “Compact of Free Association (14-0415-  
12 0-1-808).

13           “Compensation of the President (11-  
14 0209-01-1-802).

15           “Comptroller of the Currency, Assessment  
16 Funds (20-8413-0-8-373).

17           “Continuing Fund, Southeastern Power  
18 Administration (89-5653-0-2-271).

19           “Continuing Fund, Southwestern Power  
20 Administration (89-5649-0-2-271).

21           “Dual Benefits Payments Account (60-  
22 0111-0-1-601).

23           “Emergency Fund, Western Area Power  
24 Administration (89-5069-0-2-271).

1           “Exchange Stabilization Fund (20-4444-  
2           0-3-155).

3           “Federal Deposit Insurance Corporation,  
4           Deposit Insurance Fund (51-4596-4-4-373).

5           “Federal Deposit Insurance Corporation,  
6           FSLIC Resolution Fund (51-4065-0-3-373).

7           “Federal Deposit Insurance Corporation,  
8           Noninterest Bearing Transaction Account  
9           Guarantee (51-4458-0-3-373).

10          “Federal Deposit Insurance Corporation,  
11          Senior Unsecured Debt Guarantee (51-4457-  
12          0-3-373).

13          “Federal Housing Finance Agency, Admin-  
14          istrative Expenses (95-5532-0-2-371).

15          “Federal Payment to the District of Co-  
16          lumbia Judicial Retirement and Survivors An-  
17          nuity Fund (20-1713-0-1-752).

18          “Federal Payment to the District of Co-  
19          lumbia Pension Fund (20-1714-0-1-601).

20          “Federal Payments to the Railroad Retire-  
21          ment Accounts (60-0113-0-1-601).

22          “Federal Reserve Bank Reimbursement  
23          Fund (20-1884-0-1-803).

24          “Financial Agent Services (20-1802-0-1-  
25          803).

1           “Foreign Military Sales Trust Fund (11–  
2           8242–0–7–155).

3           “Hazardous Waste Management, Con-  
4           servation Reserve Program (12–4336–0–3–  
5           999).

6           “Host Nation Support Fund for Relocation  
7           (97–8337–0–7–051).

8           “Internal Revenue Collections for Puerto  
9           Rico (20–5737–0–2–806).

10          “Intragovernmental funds, including those  
11          from which the outlays are derived primarily  
12          from resources paid in from other government  
13          accounts, except to the extent such funds are  
14          augmented by direct appropriations for the fis-  
15          cal year during which an order is in effect.

16          “Medical Facilities Guarantee and Loan  
17          Fund (75–9931–0–3–551).

18          “National Credit Union Administration,  
19          Central Liquidity Facility (25–4470–0–3–373).

20          “National Credit Union Administration,  
21          Corporate Credit Union Share Guarantee Pro-  
22          gram (25–4476–0–3–376).

23          “National Credit Union Administration,  
24          Credit Union Homeowners Affordability Relief  
25          Program (25–4473–0–3–371).



1           “National Credit Union Administration,  
2           Credit Union Share Insurance Fund (25-4468-  
3           0-3-373).

4           “National Credit Union Administration,  
5           Credit Union System Investment Program (25-  
6           4474-0-3-376).

7           “National Credit Union Administration,  
8           Operating fund (25-4056-0-3-373).

9           “National Credit Union Administration,  
10          Share Insurance Fund Corporate Debt Guar-  
11          antee Program (25-4469-0-3-376).

12          “National Credit Union Administration,  
13          U.S. Central Federal Credit Union Capital Pro-  
14          gram (25-4475-0-3-376).

15          “Office of Thrift Supervision (20-4108-0-  
16          3-373).

17          “Panama Canal Commission Compensation  
18          Fund (16-5155-0-2-602).

19          “Payment of Vietnam and USS Pueblo  
20          prisoner-of-war claims within the Salaries and  
21          Expenses, Foreign Claims Settlement account  
22          (15-0100-0-1-153).

23          “Payment to Civil Service Retirement and  
24          Disability Fund (24-0200-0-1-805).

1           “Payment to Department of Defense Medi-  
2           care-Eligible Retiree Health Care Fund (97-  
3           0850-0-1-054).

4           “Payment to Judiciary Trust Funds (10-  
5           0941-0-1-752).

6           “Payment to Military Retirement Fund  
7           (97-0040-0-1-054).

8           “Payment to the Foreign Service Retire-  
9           ment and Disability Fund (19-0540-0-1-153).

10          “Payments to Copyright Owners (03-  
11          5175-0-2-376).

12          “Payments to Health Care Trust Funds  
13          (75-0580-0-1-571).

14          “Payment to Radiation Exposure Com-  
15          pensation Trust Fund (15-0333-0-1-054).

16          “Payments to Social Security Trust Funds  
17          (28-0404-0-1-651).

18          “Payments to the United States Terri-  
19          tories, Fiscal Assistance (14-0418-0-1-806).

20          “Payments to trust funds from excise  
21          taxes or other receipts properly creditable to  
22          such trust funds.

23          “Payments to widows and heirs of de-  
24          ceased Members of Congress (00-0215-0-1-  
25          801).

1           “Postal Service Fund (18–4020–0–3–372).

2           “Radiation Exposure Compensation Trust  
3 Fund (15–8116–0–1–054).

4           “Reimbursement to Federal Reserve Banks  
5 (20–0562–0–1–803).

6           “Salaries of Article III judges.

7           “Soldiers and Airmen’s Home, payment of  
8 claims (84–8930–0–7–705).

9           “Tennessee Valley Authority Fund, except  
10 nonpower programs and activities (64–4110–0–  
11 3–999).

12           “Tribal and Indian trust accounts within  
13 the Department of the Interior which fund  
14 prior legal obligations of the Government or  
15 which are established pursuant to Acts of Con-  
16 gress regarding Federal management of tribal  
17 real property or other fiduciary responsibilities,  
18 including but not limited to Tribal Special  
19 Fund (14–5265–0–2–452), Tribal Trust Fund  
20 (14–8030–0–7–452), White Earth Settlement  
21 (14–2204–0–1–452), and Indian Water Rights  
22 and Habitat Acquisition (14–5505–0–2–303).

23           “United Mine Workers of America 1992  
24 Benefit Plan (95–8260–0–7–551).

1           “United Mine Workers of America 1993  
2           Benefit Plan (95–8535–0–7–551).

3           “United Mine Workers of America Com-  
4           bined Benefit Fund (95–8295–0–7–551).

5           “United States Enrichment Corporation  
6           Fund (95–4054–0–3–271).

7           “Universal Service Fund (27–5183–0–2–  
8           376).

9           “Vaccine Injury Compensation (75–0320–  
10          0–1–551).

11          “Vaccine Injury Compensation Program  
12          Trust Fund (20–8175–0–7–551).

13          “(B) The following Federal retirement and dis-  
14          ability accounts and activities shall be exempt from  
15          reduction under any order issued under this part:

16          “Black Lung Disability Trust Fund (20–  
17          8144–0–7–601).

18          “Central Intelligence Agency Retirement  
19          and Disability System Fund (56–3400–0–1–  
20          054).

21          “Civil Service Retirement and Disability  
22          Fund (24–8135–0–7–602).

23          “Comptrollers general retirement system  
24          (05–0107–0–1–801).

1           “Contributions to U.S. Park Police annu-  
2           ity benefits, Other Permanent Appropriations  
3           (14-9924-0-2-303).

4           “Court of Appeals for Veterans Claims Re-  
5           tirement Fund (95-8290-0-7-705).

6           “Department of Defense Medicare-Eligible  
7           Retiree Health Care Fund (97-5472-0-2-551).

8           “District of Columbia Federal Pension  
9           Fund (20-5511-0-2-601).

10          “District of Columbia Judicial Retirement  
11          and Survivors Annuity Fund (20-8212-0-7-  
12          602).

13          “Energy Employees Occupational Illness  
14          Compensation Fund (16-1523-0-1-053).

15          “Foreign National Employees Separation  
16          Pay (97-8165-0-7-051).

17          “Foreign Service National Defined Con-  
18          tributions Retirement Fund (19-5497-0-2-  
19          602).

20          “Foreign Service National Separation Li-  
21          ability Trust Fund (19-8340-0-7-602).

22          “Foreign Service Retirement and Dis-  
23          ability Fund(19-8186-0-7-602).

1           “Government Payment for Annuitants,  
2           Employees Health Benefits (24-0206-0-1-  
3           551).

4           “Government Payment for Annuitants,  
5           Employee Life Insurance (24-0500-0-1-602).

6           “Judicial Officers’ Retirement Fund (10-  
7           8122-0-7-602).

8           “Judicial Survivors’ Annuities Fund (10-  
9           8110-0-7-602).

10          “Military Retirement Fund (97-8097-0-  
11          7-602).

12          “National Railroad Retirement Investment  
13          Trust (60-8118-0-7-601).

14          “National Oceanic and Atmospheric Ad-  
15          ministration retirement (13-1450-0-1-306).

16          “Pensions for former Presidents (47-  
17          0105-0-1-802).

18          “Postal Service Retiree Health Benefits  
19          Fund (24-5391-0-2-551).

20          “Public Safety Officer Benefits (15-0403-  
21          0-1-754).

22          “Rail Industry Pension Fund (60-8011-  
23          0-7-601).

24          “Retired Pay, Coast Guard (70-0602-0-  
25          1-403).

1           “Retirement Pay and Medical Benefits for  
2           Commissioned Officers, Public Health Service  
3           (75-0379-0-1-551).

4           “Special Benefits for Disabled Coal Miners  
5           (16-0169-0-1-601).

6           “Special Benefits, Federal Employees’  
7           Compensation Act (16-1521-0-1-600).

8           “Special Workers Compensation Expenses  
9           (16-9971-0-7-601).

10          “Tax Court Judges Survivors Annuity  
11          Fund (23-8115-0-7-602).

12          “United States Court of Federal Claims  
13          Judges’ Retirement Fund (10-8124-0-7-602).

14          “United States Secret Service, DC Annuity  
15          (70-0400-0-1-751).

16          “Voluntary Separation Incentive Fund  
17          (97-8335-0-7-051).

18          “(2) Prior legal obligations of the Government  
19          in the following budget accounts and activities shall  
20          be exempt from any order issued under this part:

21                 “Biomass Energy Development (20-0114-  
22                 0-1-271).

23                 “Check Forgery Insurance Fund (20-  
24                 4109-0-3-803).

25                 “Credit liquidating accounts.

1           “Credit reestimates.

2           “Employees Life Insurance Fund (24–  
3 8424–0–8–602).

4           “Federal Aviation Insurance Revolving  
5 Fund (69–4120–0–3–402).

6           “Federal Crop Insurance Corporation  
7 Fund (12–4085–0–3–351).

8           “Federal Emergency Management Agency,  
9 National Flood Insurance Fund (58–4236–0–  
10 3–453).

11          “Federal Home Loan Mortgage Corpora-  
12 tion (Freddie Mac).

13          “Federal National Mortgage Corporation  
14 (Fannie Mae).

15          “Geothermal resources development fund  
16 (89–0206–0–1–271).

17          “Low-Rent Public Housing—Loans and  
18 Other Expenses (86–4098–0–3–604).

19          “Maritime Administration, War Risk In-  
20 surance Revolving Fund (69–4302–0–3–403).

21          “Natural Resource Damage Assessment  
22 Fund (14–1618–0–1–302).

23          “Overseas Private Investment Corporation,  
24 Noncredit Account (71–4184–0–3–151).



1           “Pension Benefit Guaranty Corporation  
2 Fund (16-4204-0-3-601).

3           “San Joaquin Restoration Fund (14-  
4 5537-0-2-301).

5           “Servicemembers’ Group Life Insurance  
6 Fund (36-4009-0-3-701).

7           “Terrorism Insurance Program (20-0123-  
8 0-1-376).

9           “(h) LOW-INCOME PROGRAMS.—The following pro-  
10 grams shall be exempt from reduction under any order  
11 issued under this part:

12           “Academic Competitiveness/Smart Grant Pro-  
13 gram (91-0205-0-1-502).

14           “Child Care Entitlement to States (75-1550-  
15 0-1-609).

16           “Child Enrollment Contingency Fund (75-  
17 5551-0-2-551).

18           “Child Nutrition Programs (with the exception  
19 of special milk programs) (12-3539-0-1-605).

20           “Children’s Health Insurance Fund (75-0515-  
21 0-1-551).

22           “Commodity Supplemental Food Program (12-  
23 3507-0-1-605).

24           “Contingency Fund (75-1522-0-1-609).

1           “Family Support Programs (75–1501–0–1–  
2           609).

3           “Federal Pell Grants under section 401 Title  
4           IV of the Higher Education Act.

5           “Grants to States for Medicaid (75–0512–0–1–  
6           551).

7           “Payments for Foster Care and Permanency  
8           (75–1545–0–1–609).

9           “Supplemental Nutrition Assistance Program  
10          (12–3505–0–1–605).

11          “Supplemental Security Income Program (28–  
12          0406–0–1–609).

13          “Temporary Assistance for Needy Families  
14          (75–1552–0–1–609).”.

15          (d) ECONOMIC RECOVERY PROGRAMS.—Section 255  
16 of BBEDCA is amended by adding the following after  
17 subsection (h):

18          “(i) ECONOMIC RECOVERY PROGRAMS.—The fol-  
19 lowing programs shall be exempt from reduction under  
20 any order issued under this part:

21                 “All programs enacted in, or increases in pro-  
22 grams provided by, the American Recovery and Re-  
23 investment Act of 2009.

1           “Exchange Stabilization Fund-Money Market  
2           Mutual Fund Guaranty Facility (20–4274–0–3–  
3           376).

4           “Financial Stabilization Reserve (20–0131–4–  
5           1–376).

6           “GSE Mortgage-Backed Securities Purchase  
7           Program Account (20–0126–0–1–371).

8           “GSE Preferred Stock Purchase Agreements  
9           (20–0125–0–1–371).

10           “Office of Financial Stability (20–0128–0–1–  
11           376).

12           “Special Inspector General for the Troubled  
13           Asset Relief Program (20–0133–0–1–376).

14           “Troubled Asset Relief Program Account (20–  
15           0132–0–1–376).

16           “Troubled Asset Relief Program Equity Pur-  
17           chase Program (20–0134–0–1–376).

18           “Troubled Asset Relief Program, Home Afford-  
19           able Modification Program (20–0136–0–1–604).”.

            Passed the House of Representatives December 3,  
2009.

Attest:

LORRAINE C. MILLER,

*Clerk.*

Calendar No. 253

11<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION  
**H. R. 4154**

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## **AN ACT**

To amend the Internal Revenue Code of 1986 to repeal the new carryover basis rules in order to prevent tax increases and the imposition of compliance burdens on many more estates than would benefit from repeal, to retain the estate tax with a \$3,500,000 exemption, to reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration, and for other purposes.

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JANUARY 20, 2010

Read the second time and placed on the calendar