To amend the Internal Revenue Code of 1986 to jumpstart the sluggish economy, finance critical infrastructure investments, fight income inequality and create jobs, and for other purposes.

A BILL

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Invest in United States Act of 2014”.
(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—AMERICAN INFRASTRUCTURE FINANCING AUTHORITY**

Sec. 101. Findings and purpose.
Sec. 102. Definitions.

Subtitle A—American Infrastructure Financing Authority

Sec. 111. Establishment and general authority of AIFA.
Sec. 112. Voting members of the Board of Directors.
Sec. 113. Chief Executive Officer of AIFA.
Sec. 114. Powers and duties of the Board of Directors.
Sec. 115. Senior management.
Sec. 116. Special Inspector General for AIFA.
Sec. 117. Other personnel.
Sec. 118. Compliance.

Subtitle B—Terms and Limitations on Direct Loans and Loan Guarantees

Sec. 121. Eligibility criteria for assistance from AIFA and terms and limitations of loans.
Sec. 122. Loan terms and repayment.
Sec. 123. Compliance and enforcement.
Sec. 124. Audits; reports to the President and Congress.

Subtitle C—Funding of AIFA

Sec. 131. Fees.
Sec. 132. Self-sufficiency of AIFA.
Sec. 133. Funding.
Sec. 134. Contract authority.

**TITLE II—TAX CREDIT EXTENSIONS**

Sec. 201. Permanent extension of new markets tax credit.
Sec. 203. Permanent extension of research credit; increase in alternative simplified research credit.
Sec. 204. Exempt-facility bonds for sewage and water supply facilities.
Sec. 205. Repeal of alternative minimum tax on private activity bonds.

**TITLE III—SKILLS TRAINING**

Sec. 301. Job training tax credit.
Sec. 302. Qualified Job Training Partnerships credit.

**TITLE IV—TRADE PROVISIONS**

Sec. 401. Findings; sense of Congress on applicability of trade authorities procedures to a bill implementing a trade and investment agreement with the European Union.
Sec. 402. Extension of trade adjustment assistance program.
TITLE V—MINIMUM WAGE INCREASE AND BUSINESS TAX RELIEF

Sec. 501. Minimum wage increases.
Sec. 502. Work Opportunity Credit made permanent.
Sec. 503. Increased expensing limitations and treatment of certain real property as section 179 property made permanent.
Sec. 504. Permanent extension of treatment of qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property as 15-year property for purposes of depreciation deduction.

TITLE I—AMERICAN INFRASTRUCTURE FINANCING AUTHORITY

SEC. 101. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) infrastructure has always been a vital element of the economic strength of the United States and a key indicator of the international leadership of the United States;

(2) the Erie Canal, the Hoover Dam, the railroads, and the interstate highway system are all testaments to American ingenuity and have helped propel and maintain the United States as the world’s largest economy;

(3) according to the World Economic Forum’s Global Competitiveness Report, the United States fell to second place in 2009, and dropped to fourth place overall in 2010, however, in the “Quality of overall infrastructure” category of the same report, the United States ranked twenty-third in the world;
(4) according to the World Bank’s 2010 Logistic Performance Index, the capacity of countries to efficiently move goods and connect manufacturers and consumers with international markets is improving around the world, and the United States now ranks seventh in the world in logistics-related infrastructure behind countries from both Europe and Asia;

(5) according to a January 2009 report from the University of Massachusetts/Alliance for American Manufacturing entitled “Employment, Productivity and Growth,” infrastructure investment is a “highly effective engine of job creation” such that $1,000,000,000 in new investment in infrastructure results in 18,000 total jobs;

(6) according to the American Society of Civil Engineers, the current condition of the infrastructure in the United States earns a grade point average of D, and an estimated $2,200,000,000,000 investment is needed over the next 5 years to bring American infrastructure up to adequate condition;

(7) according to the National Surface Transportation Policy and Revenue Study Commission, $225,000,000,000 is needed annually from all sources for the next 50 years to upgrade the United
States surface transportation system to a state of
good repair and create a more advanced system;

(8) the current infrastructure financing mecha-

isms of the United States, both on the Federal and
State level, will fail to meet current and foreseeable
demands and will create large funding gaps;

(9) traditional municipal bonds issued by State
and local governments are proven to work and have
been a part of the tax code for over 100 years, and
additional infrastructure financing options can be
created at the Federal level to complement the cur-
rent system to best meet infrastructure needs;

(10) new, additional financing mechanisms
should be targeted and quickly implemented to—

(A) serve large in-State or cross jurisdic-
tion infrastructure projects, projects of regional
or national significance, or projects that cross
sector silos;

(B) sufficiently catalyze private sector in-
vestment; or

(C) ensure the optimal return on public re-
sources;

(11) although grant programs of the United
States Government must continue to play a central
role in financing the transportation, environment,
and energy infrastructure needs of the United States, current and foreseeable demands on existing Federal, State, and local funding for infrastructure expansion clearly exceed the resources to support these programs by margins wide enough to prompt serious concerns about the United States ability to sustain long-term economic development, productivity, and international competitiveness;

(12) the capital markets, including pension funds, private equity funds, mutual funds, sovereign wealth funds, and other investors, have a growing interest in infrastructure investment and represent hundreds of billions of dollars of potential investment; and

(13) the establishment of a United States Government-owned, independent, professionally managed institution that could provide credit support to qualified infrastructure projects of regional and national significance, making transparent merit-based investment decisions based on the commercial viability of infrastructure projects, would catalyze the participation of significant private investment capital.

(b) PURPOSE.—The purpose of this title is to facilitate investment in, and long-term financing of, economically viable infrastructure projects of regional or national
significance in a manner that both complements existing Federal, State, local, and private funding sources for these projects and introduces a merit-based system for financing such projects, in order to mobilize significant private sector investment, create jobs, and ensure United States competitiveness through a self-sustaining institution that limits the need for ongoing Federal funding.

SEC. 102. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) AIFA.—The term “AIFA” means the American Infrastructure Financing Authority established under this title.

(2) Blind Trust.—The term “blind trust” means a trust in which the beneficiary has no knowledge of the specific holdings and no rights over how those holdings are managed by the fiduciary of the trust prior to the dissolution of the trust.

(3) Board of Directors.—The term “Board of Directors” means Board of Directors of AIFA.

(4) Chairperson.—The term “Chairperson” means the Chairperson of the Board of Directors of AIFA.
(5) CHIEF EXECUTIVE OFFICER.—The term “Chief Executive Officer’’ means the Chief Executive Officer of AIFA, appointed under section 113.

(6) COST.—The term “cost’’ has the same meaning as in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

(7) DIRECT LOAN.—The term “direct loan’’ has the same meaning as in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

(8) ELIGIBLE ENTITY.—The term “eligible entity’’ means an individual, corporation, partnership (including a public-private partnership), joint venture, trust, State, or other governmental entity, including a political subdivision or any other instrumentality of a State, or a revolving fund.

(9) INFRASTRUCTURE PROJECT.—

(A) IN GENERAL.—The term “eligible infrastructure project’’ means any transportation, water, or energy infrastructure project, or an aggregation of such infrastructure projects, as provided in this title.

(B) TRANSPORTATION INFRASTRUCTURE PROJECT.—The term “transportation infrastructure project’’ means the construction, al
teration, or repair, including the facilitation of intermodal transit, of the following subsectors:

(i) Highway or road.

(ii) Bridge.

(iii) Mass transit.

(iv) Inland waterways.

(v) Commercial ports.

(vi) Airports.

(vii) Air traffic control systems.

(viii) Passenger rail, including high-speed rail.

(ix) Freight rail systems.

(C) WATER INFRASTRUCTURE PROJECT.—

The term “water infrastructure project” means the construction, consolidation, alteration, or repair of the following subsectors:

(i) Water waste treatment facility.

(ii) Storm water management system.

(iii) Dam.

(iv) Solid waste disposal facility.

(v) Levee.

(vi) Open space management system.

(D) ENERGY INFRASTRUCTURE PROJECT.—The term “energy infrastructure
project” means the construction, alteration, or repair of the following subsectors:

(i) Pollution reduced energy generation.

(ii) Transmission and distribution.

(iii) Storage.

(iv) Energy efficiency enhancements for buildings, including public and commercial buildings.

(E) BOARD AUTHORITY TO MODIFY SUBSECTORS.—The Board of Directors may make modifications, at the discretion of the Board, to the subsectors described in this paragraph by a vote of not fewer than 5 of the voting members of the Board of Directors.

(10) INVESTMENT-GRADE RATING.—The term “investment-grade rating” means a rating of BBB minus, Baa3, or higher assigned to an infrastructure project by a ratings agency.

(11) LOAN GUARANTEE.—The term “loan guarantee” has the same meaning as in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).
(12) **Public-Private Partnership.**—The term “public-private partnership” means any eligible entity—

(A)(i) which is undertaking the development of all or part of an infrastructure project that will have a public benefit, pursuant to requirements established in one or more contracts between the entity and a State or an instrumentality of a State; or

(ii) the activities of which, with respect to such an infrastructure project, are subject to regulation by a State or any instrumentality of a State;

(B) which owns, leases, or operates or will own, lease, or operate, the project in whole or in part; and

(C) the participants in which include not fewer than 1 nongovernmental entity with significant investment and some control over the project or project vehicle.

(13) **Rural Infrastructure Project.**—The term “rural infrastructure project” means an infrastructure project in a rural area, as that term is defined in section 343(a)(13)(A) of the Consolidated


Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)).

(14) SECRETARY.—Unless the context otherwise requires, the term “Secretary” means the Secretary of the Treasury or the designee thereof.

(15) SENIOR MANAGEMENT.—The term “senior management” means the Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, General Counsel, Chief Lending Officer, and Chief Operations Officer of AIFA established under section 115, and such other officers as the Board of Directors may, by majority vote, add to senior management.

(16) STATE.—The term “State” includes the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of Northern Mariana Islands, and any other territory of the United States.

Subtitle A—American Infrastructure Financing Authority

SEC. 111. ESTABLISHMENT AND GENERAL AUTHORITY OF AIFA.

(a) ESTABLISHMENT OF AIFA.—The American Infrastructure Financing Authority is established as a wholly owned Government corporation.
(b) **General Authority of AIFA.**—AIFA shall provide direct loans and loan guarantees to facilitate infrastructure projects that are both economically viable and of regional or national significance, and shall have such other authority as is provided under this title.

(e) **Incorporation.**—

(1) **In General.**—The Board of Directors first appointed shall be deemed the incorporator of AIFA, and the incorporation shall be held to have been effected from the date of the first meeting of the Board of Directors.

(2) **Corporate Office.**—AIFA shall—

(A) maintain an office in Washington, DC; and

(B) for purposes of venue in civil actions, be considered to be a resident of Washington, DC.

(d) **Responsibility of the Secretary.**—The Secretary shall take such actions as may be necessary to assist in implementing AIFA, and in carrying out the purpose of this title.

(e) **Rule of Construction.**—Chapter 91 of title 31, United States Code, does not apply to AIFA, unless otherwise specifically provided in this title.
SEC. 112. VOTING MEMBERS OF THE BOARD OF DIRECTORS.

(a) Voting Membership of the Board of Directors.—

(1) In general.—AIFA shall have a Board of Directors consisting of 7 voting members appointed by the President, by and with the advice and consent of the Senate, not more than 4 of whom shall be from the same political party.

(2) Chairperson.—One of the voting members of the Board of Directors shall be designated by the President to serve as Chairperson thereof.

(3) Congressional recommendations.—Not later than 30 days after the date of enactment of this Act, the majority leader of the Senate, the minority leader of the Senate, the Speaker of the House of Representatives, and the minority leader of the House of Representatives shall each submit a recommendation to the President for appointment of a member of the Board of Directors, after consultation with the appropriate committees of Congress.

(b) Voting Rights.—Each voting member of the Board of Directors shall have an equal vote in all decisions of the Board of Directors.

(c) Qualifications of Voting Members.—Each voting member of the Board of Directors shall—
(1) be a citizen of the United States; and

(2) have significant demonstrated expertise in—

(A) the management and administration of

a financial institution relevant to the operation

of AIFA; or

(B) the financing, development, or opera-

tion of infrastructure projects.

(d) Terms.—

(1) In general.—Except as otherwise pro-

vided in this title, each voting member of the Board

of Directors shall be appointed for a term of 4 years.

(2) Initial staggered terms.—Of the voting

members first appointed to the Board of Directors—

(A) the initial Chairperson and 3 of the

other voting members shall each be appointed

for a term of 4 years; and

(B) the remaining 3 voting members shall

each be appointed for a term of 2 years.

(3) Date of initial nominations.—The ini-

tial nominations for the appointment of all voting

members of the Board of Directors shall be made

not later than 60 days after the date of enactment

of this Act.

(4) Beginning of term.—The term of each of

the initial voting members appointed under this sec-
tion shall commence immediately upon the date of appointment, except that, for purposes of calculating the term limits specified in this subsection, the initial terms shall each be construed as beginning on January 22 of the year following the date of the initial appointment.

(5) VACANCIES.—A vacancy in the position of a voting member of the Board of Directors shall be filled by the President, and a member appointed to fill a vacancy on the Board of Directors occurring before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of that term.

(e) MEETINGS.—

(1) OPEN TO THE PUBLIC; NOTICE.—Except as provided in paragraph (3), all meetings of the Board of Directors shall be—

(A) open to the public; and

(B) preceded by reasonable public notice.

(2) FREQUENCY.—The Board of Directors shall meet not later than 60 days after the date on which all members of the Board of Directors are first appointed, at least quarterly thereafter, and otherwise at the call of either the Chairperson or 5 voting members of the Board of Directors.
(3) **Exception for closed meetings.**—The voting members of the Board of Directors may, by majority vote, close a meeting to the public if, during the meeting to be closed, there is likely to be disclosed proprietary or sensitive information regarding an infrastructure project under consideration for assistance under this title. The Board of Directors shall prepare minutes of any meeting that is closed to the public, and shall make such minutes available as soon as practicable, not later than 1 year after the date of the closed meeting, with any necessary redactions to protect any proprietary or sensitive information.

(4) **Quorum.**—For purposes of meetings of the Board of Directors, 5 voting members of the Board of Directors shall constitute a quorum.

(f) **Compensation of Members.**—Each voting member of the Board of Directors shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Board of Directors.
(g) CONFLICTS OF INTEREST.—A voting member of
the Board of Directors may not participate in any review
or decision affecting an infrastructure project under con-
sideration for assistance under this title, if the member
has or is affiliated with an entity who has a financial inter-
est in such project.

SEC. 113. CHIEF EXECUTIVE OFFICER OF AIFA.

(a) IN GENERAL.—The Chief Executive Officer of
AIFA shall be a nonvoting member of the Board of Direc-
tors, who shall be responsible for all activities of AIFA,
and shall support the Board of Directors as set forth in
this title and as the Board of Directors deems necessary
or appropriate.

(b) APPOINTMENT AND TENURE OF THE CHIEF EX-
ECUTIVE OFFICER.—

(1) IN GENERAL.—The President shall appoint
the Chief Executive Officer, by and with the advice
and consent of the Senate.

(2) TERM.—The Chief Executive Officer shall
be appointed for a term of 6 years.

(3) VACANCIES.—Any vacancy in the office of
the Chief Executive Officer shall be filled by the
President, and the person appointed to fill a vacancy
in that position occurring before the expiration of
the term for which the predecessor was appointed
shall be appointed only for the remainder of that term.

(c) Qualifications.—The Chief Executive Officer—

(1) shall have significant expertise in management and administration of a financial institution, or significant expertise in the financing and development of infrastructure projects; and

(2) may not—

(A) hold any other public office;

(B) have any financial interest in an infrastructure project then being considered by the Board of Directors, unless that interest is placed in a blind trust; or

(C) have any financial interest in an investment institution or its affiliates or any other entity seeking or likely to seek financial assistance for any infrastructure project from AIFA, unless any such interest is placed in a blind trust for the tenure of the service of the Chief Executive Officer plus 2 additional years.

(d) Responsibilities.—The Chief Executive Officer shall have such executive functions, powers, and duties as may be prescribed by this title, the bylaws of AIFA, or the Board of Directors, including—
(1) responsibility for the development and implementation of the strategy of AIFA, including—

(A) the development and submission to the Board of Directors of the annual business plans and budget;

(B) the development and submission to the Board of Directors of a long-term strategic plan; and

(C) the development, revision, and submission to the Board of Directors of internal policies; and

(2) responsibility for the management and oversight of the daily activities, decisions, operations, and personnel of AIFA, including—

(A) the appointment of senior management, subject to approval by the voting members of the Board of Directors, and the hiring and termination of all other AIFA personnel;

(B) requesting the detail, on a reimbursable basis, of personnel from any Federal agency having specific expertise not available from within AIFA, following which request the head of the Federal agency may detail, on a reimbursable basis, any personnel of such agency
reasonably requested by the Chief Executive Officer;

(C) assessing and recommending in the first instance, for ultimate approval or disapproval by the Board of Directors, compensation and adjustments to compensation of senior management and other personnel of AIFA as may be necessary for carrying out the functions of AIFA;

(D) ensuring, in conjunction with the general counsel of AIFA, that all activities of AIFA are carried out in compliance with applicable law;

(E) overseeing the involvement of AIFA in all projects, including—

(i) developing eligible projects for AIFA financial assistance;

(ii) determining the terms and conditions of all financial assistance packages;

(iii) monitoring all infrastructure projects assisted by AIFA, including responsibility for ensuring that the proceeds of any loan made, guaranteed, or participated in are used only for the purposes for which the loan or guarantee was made;
(iv) preparing and submitting for approval by the Board of Directors the documents required under paragraph (1); and

(v) ensuring the implementation of decisions of the Board of Directors; and

(F) such other activities as may be necessary or appropriate in carrying out this title.

(c) COMPENSATION.—

(1) IN GENERAL.—Any compensation assessment or recommendation by the Chief Executive Officer under this section shall be without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

(2) CONSIDERATIONS.—The compensation assessment or recommendation required under this subsection shall take into account merit principles, where applicable, as well as the education, experience, level of responsibility, geographic differences, and retention and recruitment needs in determining compensation of personnel.

SEC. 114. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

The Board of Directors shall—

(1) as soon as is practicable after the date on which all members are appointed, approve or dis-
approve senior management appointed by the Chief Executive Officer;

(2) not later than 180 days after the date on which all members are appointed—

(A) develop and approve the bylaws of AIFA, including bylaws for the regulation of the affairs and conduct of the business of AIFA, consistent with the purpose, goals, objectives, and policies set forth in this title;

(B) establish subcommittees, including an audit committee that is composed solely of members of the Board of Directors who are independent of the senior management of AIFA;

(C) develop and approve, in consultation with senior management, a conflict-of-interest policy for the Board of Directors and for senior management;

(D) approve or disapprove internal policies that the Chief Executive Officer shall submit to the Board of Directors, including—

(i) policies regarding the loan application and approval process, including—

(I) disclosure and application procedures to be followed by entities
in the course of nominating infrastructure projects for assistance under this title;

(II) guidelines for the selection and approval of projects;

(III) specific criteria for determining eligibility for project selection, consistent with subtitle B; and

(IV) standardized terms and conditions, fee schedules, or legal requirements of a contract or program, so as to carry out this title; and

(ii) operational guidelines; and

(E) approve or disapprove a 1-year business plan and budget for AIFA;

(3) ensure that AIFA is at all times operated in a manner that is consistent with this title, by—

(A) monitoring and assessing the effectiveness of AIFA in achieving its strategic goals;

(B) periodically reviewing internal policies;

(C) reviewing and approving annual business plans, annual budgets, and long-term strategies submitted by the Chief Executive Officer;
(D) reviewing and approving annual reports submitted by the Chief Executive Officer;

(E) engaging one or more external auditors, as set forth in this title; and

(F) reviewing and approving all changes to the organization of senior management;

(4) appoint and fix, by a vote of not fewer than 5 voting members of the Board of Directors, and without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code, the compensation and adjustments to compensation of all AIFA personnel, provided that in appointing and fixing any compensation or adjustments to compensation under this paragraph, the Board shall—

(A) consult with, and seek to maintain comparability with, other comparable Federal personnel, as the Secretary may deem appropriate;

(B) consult with the Office of Personnel Management; and

(C) carry out such duties consistent with merit principles, where applicable, as well as the education, experience, level of responsibility, geographic differences, and retention and recruit-
ment needs in determining compensation of per-
sonnel;

(5) establish such other criteria, requirements, or procedures as the Board of Directors may con-
sider to be appropriate in carrying out this title;

(6) serve as the primary liaison for AIFA in interactions with Congress, the Executive Branch, and State and local governments, and to represent the interests of AIFA in such interactions and oth-
ers;

(7) approve by a vote of not fewer than 5 voting members of the Board of Directors any changes to the bylaws or internal policies of AIFA;

(8) have the authority and responsibility—

(A) to oversee entering into and carry out such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out this title with—

(i) any Federal department or agency;

(ii) any State, territory, or possession (or any political subdivision thereof, includ-
ing State infrastructure banks) of the United States; and
(iii) any individual, public-private partnership, firm, association, or corporation;

(B) to approve of the acquisition, lease, pledge, exchange, and disposal of real and personal property by AIFA and otherwise approve the exercise by AIFA of all of the usual incidents of ownership of property, to the extent that the exercise of such powers is appropriate to and consistent with the purposes of AIFA;

(C) to determine the character of, and the necessity for, the obligations and expenditures of AIFA, and the manner in which the obligations and expenditures will be incurred, allowed, and paid, subject to this title and other Federal law specifically applicable to wholly owned Federal corporations;

(D) to execute, in accordance with applicable bylaws and regulations, appropriate instruments;

(E) to approve other forms of credit enhancement that AIFA may provide to eligible projects, as long as the forms of credit enhancements are consistent with the purposes of this title and terms set forth in subtitle B;
(F) to exercise all other lawful powers that are necessary or appropriate to carry out, and are consistent with, the purposes of AIFA;

(G) to sue or be sued in the corporate capacity of AIFA in any court of competent jurisdiction;

(H) to indemnify the members of the Board of Directors and officers of AIFA for any liabilities arising out of the actions of the members and officers in such capacity, in accordance with, and subject to the limitations contained in this title;

(I) to review all financial assistance packages to all eligible infrastructure projects, as submitted by the Chief Executive Officer and to approve, postpone, or deny the same by majority vote;

(J) to review all restructuring proposals submitted by the Chief Executive Officer, including assignation, pledging, or disposal of the interest of AIFA in a project, including payment or income from any interest owned or held by AIFA, and to approve, postpone, or deny the same by majority vote; and
(K) to enter into binding commitments, as specified in approved financial assistance packages;

(9) delegate to the Chief Executive Officer those duties that the Board of Directors deems appropriate, to better carry out the powers and purposes of the Board of Directors under this section; and

(10) to approve a maximum aggregate amount of principal exposure of AIFA at any given time.

SEC. 115. SENIOR MANAGEMENT.

(a) IN GENERAL.—Senior management shall support the Chief Executive Officer in the discharge of the responsibilities of the Chief Executive Officer.

(b) APPOINTMENT OF SENIOR MANAGEMENT.—The Chief Executive Officer shall appoint such senior managers as are necessary to carry out the purpose of AIFA, as approved by a majority vote of the voting members of the Board of Directors.

(c) TERM.—Each member of senior management shall serve at the pleasure of the Chief Executive Officer and the Board of Directors.

(d) REMOVAL OF SENIOR MANAGEMENT.—Any member of senior management may be removed, either by a majority of the voting members of the Board of Directors
upon request by the Chief Executive Officer, or otherwise by vote of not fewer than 5 voting members of the Board of Directors.

(e) Senior Management.—

(1) In general.—Each member of senior management shall report directly to the Chief Executive Officer, other than the Chief Risk Officer, who shall report directly to the Board of Directors.

(2) Duties and responsibilities.—

(A) Chief Financial Officer.—The Chief Financial Officer shall be responsible for all financial functions of AIFA, provided that, at the discretion of the Board of Directors, specific functions of the Chief Financial Officer may be delegated externally.

(B) Chief Risk Officer.—The Chief Risk Officer shall be responsible for all functions of AIFA relating to—

(i) the creation of financial, credit, and operational risk management guidelines and policies;

(ii) the establishment of guidelines to ensure diversification of lending activities by region, infrastructure project type, and project size;
(iii) the creation of conforming standards for infrastructure finance agreements;

(iv) the monitoring of the financial, credit, and operational exposure of AIFA; and

(v) risk management and mitigation actions, including by reporting such actions, or recommendations of such actions to be taken, directly to the Board of Directors.

(C) CHIEF COMPLIANCE OFFICER.—The Chief Compliance Officer shall be responsible for all functions of AIFA relating to internal audits, accounting safeguards, and the enforcement of such safeguards and other applicable requirements.

(D) GENERAL COUNSEL.—The General Counsel shall be responsible for all functions of AIFA relating to legal matters and, in consultation with the Chief Executive Officer, shall be responsible for ensuring that AIFA complies with all applicable law.

(E) CHIEF OPERATIONS OFFICER.—The Chief Operations Officer shall be responsible for all operational functions of AIFA, including
those relating to the continuing operations and
performance of all infrastructure projects in
which AIFA retains an interest and for all
AIFA functions related to human resources.

(F) CHIEF LENDING OFFICER.—The Chief
Lending Officer shall be responsible for—

(i) all functions of AIFA relating to
the development of project pipeline, finan-
cial structuring of projects, credit analysis
of infrastructure projects, selection of in-
frastructure projects to be reviewed by the
Board of Directors, preparation of infra-
structure projects to be presented to the
Board of Directors, and set aside for rural
infrastructure projects; and

(ii) the creation and management of—

(I) a Center for Excellence to
provide technical assistance to public
sector borrowers in the development
and financing of infrastructure
projects; and

(II) an Office of Rural Assistance
to provide technical assistance in the
development and financing of rural in-
frastructure projects.
(f) **Changes to Senior Management.**—The Board of Directors, in consultation with the Chief Executive Officer, may alter the structure of the senior management of AIFA at any time to better accomplish the goals, objectives, and purposes of AIFA, provided that the functions of the Chief Financial Officer set forth in subsection (e) remain separate from the functions of the Chief Risk Officer set forth in subsection (e).

(g) **Conflicts of Interest.**—No individual appointed to senior management may—

(1) hold any other public office;

(2) have any financial interest in an infrastructure project then being considered by the Board of Directors, unless that interest is placed in a blind trust; or

(3) have any financial interest in an investment institution or its affiliates, AIFA or its affiliates, or other entity then seeking or likely to seek financial assistance for any infrastructure project from AIFA, unless any such interest is placed in a blind trust during the term of service of that individual in a senior management position, and for a period of 2 years thereafter.
SEC. 116. SPECIAL INSPECTOR GENERAL FOR AIFA.

(a) In General.—During the first 5 operating years of AIFA, the Office of the Inspector General of the Department of the Treasury shall have responsibility for AIFA.

(b) Office of the Special Inspector General.—Effective 5 years after the date of enactment of the commencement of the operations of AIFA, there is established the Office of the Special Inspector General for AIFA.

(c) Appointment of Inspector General; Removal.—

(1) Head of Office.—The head of the Office of the Special Inspector General for AIFA shall be the Special Inspector General for AIFA (in this title referred to as the “Special Inspector General”), who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) Basis of Appointment.—The appointment of the Special Inspector General shall be made on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

(3) Timing of Nomination.—The nomination of an individual as Special Inspector General shall
be made as soon as is practicable after the effective
date under subsection (b).

(4) REMOVAL.—The Special Inspector General
shall be removable from office in accordance with
the provisions of section 3(b) of the Inspector Gen-

(5) RULE OF CONSTRUCTION.—For purposes of
section 7324 of title 5, United States Code, the Spe-
cial Inspector General shall not be considered an em-
ployee who determines policies to be pursued by the
United States in the nationwide administration of
Federal law.

(6) RATE OF PAY.—The annual rate of basic
pay of the Special Inspector General shall be the an-
nual rate of basic pay for an Inspector General
under section 3(e) of the Inspector General Act of
1978 (5 U.S.C. App.).

(d) DUTIES.—

(1) IN GENERAL.—It shall be the duty of the
Special Inspector General to conduct, supervise, and
coordinate audits and investigations of the business
activities of AIFA.

(2) OTHER SYSTEMS, PROCEDURES, AND CON-
tROLS.—The Special Inspector General shall estab-
lish, maintain, and oversee such systems, procedures,
and controls as the Special Inspector General considers appropriate to discharge the duty under paragraph (1).

(3) **Additional duties.**—In addition to the duties specified in paragraphs (1) and (2), the Inspector General shall also have the duties and responsibilities of inspectors general under the Inspector General Act of 1978.

(e) **Powers and Authorities.**—

(1) **In general.**—In carrying out the duties specified in subsection (c), the Special Inspector General shall have the authorities provided in section 6 of the Inspector General Act of 1978.

(2) **Additional authority.**—The Special Inspector General shall carry out the duties specified in subsection (c)(1) in accordance with section 4(b)(1) of the Inspector General Act of 1978.

(f) **Personnel, Facilities, and Other Resources.**—

(1) **Additional officers.**—

(A) The Special Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Special Inspector General, subject to the provisions of title 5, United
States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(B) The Special Inspector General may exercise the authorities of subsections (b) through (i) of section 3161 of title 5, United States Code (without regard to subsection (a) of that section).

(2) RETENTION OF SERVICES.—The Special Inspector General may obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS–15 of the General Schedule by section 5332 of such title.

(3) ABILITY TO CONTRACT FOR AUDITS, STUDIES, AND OTHER SERVICES.—The Special Inspector General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and make such payments as may be necessary to carry out the duties of the Special Inspector General.

(4) REQUEST FOR INFORMATION.—
(A) IN GENERAL.—Upon request of the Special Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of such entity shall, insofar as is practicable and not in contravention of any existing law, furnish such information or assistance to the Special Inspector General, or an authorized designee.

(B) REFUSAL TO COMPLY.—Whenever information or assistance requested by the Special Inspector General is, in the judgment of the Special Inspector General, unreasonably refused or not provided, the Special Inspector General shall report the circumstances to the Secretary of the Treasury, without delay.

(g) REPORTS.—

(1) ANNUAL REPORT.—Not later than 1 year after the confirmation of the Special Inspector General, and every calendar year thereafter, the Special Inspector General shall submit to the President a report summarizing the activities of the Special Inspector General during the previous 1-year period ending on the date of such report.
(2) Public disclosures.—Nothing in this subsection shall be construed to authorize the public disclosure of information that is—

(A) specifically prohibited from disclosure by any other provision of law;

(B) specifically required by Executive order to be protected from disclosure in the interest of national defense or national security or in the conduct of foreign affairs; or

(C) a part of an ongoing criminal investigation.

SEC. 117. OTHER PERSONNEL.

Except as otherwise provided in the bylaws of AIFA, the Chief Executive Officer, in consultation with the Board of Directors, shall appoint, remove, and define the duties of such qualified personnel as are necessary to carry out the powers, duties, and purpose of AIFA, other than senior management, who shall be appointed in accordance with section 124.

SEC. 118. COMPLIANCE.

The provision of assistance by the Board of Directors pursuant to this title shall not be construed as superseding any provision of State law or regulation otherwise applicable to an infrastructure project.
Subtitle B—Terms and Limitations
on Direct Loans and Loan Guarantees

SEC. 121. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM AIFA AND TERMS AND LIMITATIONS OF LOANS.

(a) IN GENERAL.—Any project whose use or purpose is private and for which no public benefit is created shall not be eligible for financial assistance from AIFA under this title. Financial assistance under this title shall only be made available if the applicant for such assistance has demonstrated to the satisfaction of the Board of Directors that the infrastructure project for which such assistance is being sought—

(1) is not for the refinancing of an existing infrastructure project; and

(2) meets—

(A) any pertinent requirements set forth in this title;

(B) any criteria established by the Board of Directors or Chief Executive Officer in accordance with this title; and

(C) the definition of a transportation infrastructure project, water infrastructure project, or energy infrastructure project.
(b) CONSIDERATIONS.—The criteria established by the Board of Directors pursuant to this title shall provide adequate consideration of—

(1) the economic, financial, technical, environmental, and public benefits and costs of each infrastructure project under consideration for financial assistance under this title, prioritizing infrastructure projects that—

(A) contribute to regional or national economic growth;

(B) offer value for money to taxpayers;

(C) demonstrate a clear public benefit;

(D) lead to job creation; and

(E) mitigate environmental concerns;

(2) the means by which development of the infrastructure project under consideration is being financed, including—

(A) the terms, conditions, and structure of the proposed financing;

(B) the credit worthiness and standing of the project sponsors, providers of equity, and cofinanciers;

(C) the financial assumptions and projections on which the infrastructure project is based; and
(D) whether there is sufficient State or municipal political support for the successful completion of the infrastructure project;

(3) the likelihood that the provision of assistance by AIFA will cause such development to proceed more promptly and with lower costs for financing than would be the case without such assistance;

(4) the extent to which the provision of assistance by AIFA maximizes the level of private investment in the infrastructure project or supports a public-private partnership, while providing a significant public benefit;

(5) the extent to which the provision of assistance by AIFA can mobilize the participation of other financing partners in the infrastructure project;

(6) the technical and operational viability of the infrastructure project;

(7) the proportion of financial assistance from AIFA;

(8) the geographic location of the project in an effort to have geographic diversity of projects funded by AIFA;

(9) the size of the project and its impact on the resources of AIFA; and
(10) the infrastructure sector of the project, in an effort to have projects from more than one sector funded by AIFA.

(c) APPLICATION.—

(1) IN GENERAL.—Any eligible entity seeking assistance from AIFA under this title for an eligible infrastructure project shall submit an application to AIFA at such time, in such manner, and containing such information as the Board of Directors or the Chief Executive Officer may require.

(2) REVIEW OF APPLICATIONS.—AIFA shall review applications for assistance under this title on an ongoing basis. The Chief Executive Officer, working with the senior management, shall prepare eligible infrastructure projects for review and approval by the Board of Directors.

(3) DEDICATED REVENUE SOURCES.—The Federal credit instrument shall be repayable, in whole or in part, from tolls, user fees, or other dedicated revenue sources that also secure the infrastructure project obligations.

(d) ELIGIBLE INFRASTRUCTURE PROJECT COSTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), to be eligible for assistance under this title, an infrastructure project shall have project
costs that are reasonably anticipated to equal or exceed $100,000,000.

(2) Rural infrastructure projects.—To be eligible for assistance under this title, a rural infrastructure project shall have project costs that are reasonably anticipated to equal or exceed $25,000,000.

(c) Loan eligibility and maximum amounts.—

(1) In general.—The amount of a direct loan or loan guarantee under this title shall not exceed the lesser of 50 percent of the reasonably anticipated eligible infrastructure project costs or, if the direct loan or loan guarantee does not receive an investment grade rating, the amount of the senior project obligations.

(2) Maximum annual loan and loan guarantee volume.—The aggregate amount of direct loans and loan guarantees made by AIFA in any single fiscal year may not exceed—

(A) during the first 2 fiscal years of the operations of AIFA, $10,000,000,000;

(B) during fiscal years 3 through 9 of the operations of AIFA, $20,000,000,000; or

(C) during any fiscal year thereafter, $50,000,000,000.
(f) STATE AND LOCAL PERMITS REQUIRED.—The provision of assistance by the Board of Directors pursuant to this title shall not be deemed to relieve any recipient of such assistance, or the related infrastructure project, of any obligation to obtain required State and local permits and approvals.

SEC. 122. LOAN TERMS AND REPAYMENT.

(a) IN GENERAL.—A direct loan or loan guarantee under this title with respect to an eligible infrastructure project shall be on such terms, subject to such conditions, and contain such covenants, representations, warranties, and requirements (including requirements for audits) as the Chief Executive Officer determines appropriate.

(b) TERMS.—A direct loan or loan guarantee under this title—

(1) shall—

(A) be payable, in whole or in part, from tolls, user fees, or other dedicated revenue sources that also secure the senior project obligations (such as availability payments and dedicated State or local revenues); and

(B) include a rate covenant, coverage requirement, or similar security feature supporting the project obligations; and
(2) may have a lien on revenues described in paragraph (1), subject to any lien securing project obligations.

(c) Base Interest Rate.—The base interest rate on a direct loan under this title shall be not less than the yield on United States Treasury obligations of a similar maturity to the maturity of the direct loan on the date of execution of the loan agreement.

(d) Risk Assessment.—Before entering into an agreement for assistance under this title, the Chief Executive Officer, in consultation with the Director of the Office of Management and Budget and each rating agency providing a preliminary rating opinion letter under this section, shall determine an appropriate Federal credit subsidy amount for each direct loan and loan guarantee, taking into account such letter, as well as any comparable market rates available for such a loan or loan guarantee, should any exist.

(e) Credit Fee.—With respect to each agreement for assistance under this title, the Chief Executive Officer shall charge a credit fee to the recipient of such assistance to pay for, over time, all or a portion of the Federal credit subsidy determined under subsection (d), with the remainder paid by the account established for AIFA. In the case
of a direct loan, such credit fee shall be in addition to
the base interest rate established under subsection (c).

(f) Maturity Date.—The final maturity date of a
direct loan or loan guaranteed by AIFA under this title
shall be not later than 35 years after the date of substan-
tial completion of the infrastructure project, as determined
by the Chief Executive Officer.

(g) Preliminary Rating Opinion Letter.—

(1) In General.—The Chief Executive Officer
shall require each applicant for assistance under this
title to provide a preliminary rating opinion letter
from at least 1 ratings agency, indicating that the
senior obligations of the infrastructure project,
which may be the Federal credit instrument, have
the potential to achieve an investment-grade rating.

(2) Rural Infrastructure Projects.—With
respect to a rural infrastructure project, a rating
agency opinion letter described in paragraph (1)
shall not be required, except that the loan or loan
guarantee shall receive an internal rating score,
using methods similar to the ratings agencies gen-
erated by AIFA, measuring the proposed direct loan
or loan guarantee against comparable direct loans or
loan guarantees of similar credit quality in a similar
sector.
(h) INVESTMENT- GRADE RATING REQUIREMENT.—

(1) LOANS AND LOAN GUARANTEES.—The execution of a direct loan or loan guarantee under this title shall be contingent on the senior obligations of the infrastructure project receiving an investment-grade rating.

(2) RATING OF AIFA OVERALL PORTFOLIO.—The average rating of the overall portfolio of AIFA shall be not less than investment grade after 5 years of operation.

(i) TERMS AND REPAYMENT OF DIRECT LOANS.—

(1) SCHEDULE.—The Chief Executive Officer shall establish a repayment schedule for each direct loan under this title, based on the projected cash flow from infrastructure project revenues and other repayment sources.

(2) COMMENCEMENT.—Scheduled loan repayments of principal or interest on a direct loan under this title shall commence not later than 5 years after the date of substantial completion of the infrastructure project, as determined by the Chief Executive Officer of AIFA.

(3) DEFERRED PAYMENTS OF DIRECT LOANS.—
(A) Authorization.—If, at any time after the date of substantial completion of an infrastructure project assisted under this title, the infrastructure project is unable to generate sufficient revenues to pay the scheduled loan repayments of principal and interest on the direct loan under this title, the Chief Executive Officer may allow the obligor to add unpaid principal and interest to the outstanding balance of the direct loan, if the result would benefit the taxpayer.

(B) Interest.—Any payment deferred under subparagraph (A) shall—

(i) continue to accrue interest, in accordance with the terms of the obligation, until fully repaid; and

(ii) be scheduled to be amortized over the remaining term of the loan.

(C) Criteria.—

(i) In general.—Any payment deferral under subparagraph (A) shall be contingent on the infrastructure project meeting criteria established by the Board of Directors.
(ii) Repayment standards.—The criteria established under clause (i) shall include standards for reasonable assurance of repayment.

(4) Prepayment of direct loans.—

(A) Use of excess revenues.—Any excess revenues that remain after satisfying scheduled debt service requirements on the infrastructure project obligations and direct loan and all deposit requirements under the terms of any trust agreement, bond resolution, or similar agreement securing project obligations under this title may be applied annually to prepay the direct loan, without penalty.

(B) Use of proceeds of refinancing.—A direct loan under this title may be prepaid at any time, without penalty, from the proceeds of refinancing from non-Federal funding sources.

(5) Sale of direct loans.—

(A) In general.—As soon as is practicable after substantial completion of an infrastructure project assisted under this title, and after notifying the obligor, the Chief Executive Officer may sell to another entity, or reoffer
into the capital markets, a direct loan for the
infrastructure project, if the Chief Executive
Officer determines that the sale or reoffering
can be made on favorable terms for the tax-
payer.

(B) CONSENT OF OBLIGOR.—In making a
sale or reoffering under subparagraph (A), the
Chief Executive Officer may not change the
original terms and conditions of the direct loan,
without the written consent of the obligor.

(j) LOAN GUARANTEES.—

(1) TERMS.—The terms of a loan guaranteed
by AIFA under this title shall be consistent with the
terms set forth in this section for a direct loan, ex-
cept that the rate on the guaranteed loan and any
payment, pre-payment, or refinancing features shall
be negotiated between the obligor and the lender,
with the consent of the Chief Executive Officer.

(2) GUARANTEED LENDER.—A guaranteed
lender shall be limited to those lenders meeting the
definition of that term in section 601(a) of title 23,
United States Code.

(k) COMPLIANCE WITH FCRA.—

(1) IN GENERAL.—Except as provided in para-
graph (2), direct loans and loan guarantees author-
ized by this title shall be subject to the provisions of
the Federal Credit Reform Act of 1990 (2 U.S.C.
661 et seq.).

(2) EXCEPTION.—Section 504(b) of the Federal
Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall
not apply to a loan or loan guarantee under this
title.

SEC. 123. COMPLIANCE AND ENFORCEMENT.

(a) CREDIT AGREEMENT.—Notwithstanding any
other provision of law, each eligible entity that receives
assistance under this title from AIFA shall enter into a
credit agreement that requires such entity to comply with
all applicable policies and procedures of AIFA, in addition
to all other provisions of the loan agreement.

(b) AIFA AUTHORITY ON NONCOMPLIANCE.—In any
case in which a recipient of assistance under this title is
materially out of compliance with the loan agreement, or
any applicable policy or procedure of AIFA, the Board of
Directors may take action to cancel unutilized loan
amounts, or to accelerate the repayment terms of any out-
standing obligation.

SEC. 124. AUDITS; REPORTS TO THE PRESIDENT AND CON-
GRESS.

(a) ACCOUNTING.—The books of account of AIFA
shall be maintained in accordance with generally accepted
accounting principles, and shall be subject to an annual audit by independent public accountants of nationally recognized standing appointed by the Board of Directors.

(b) Reports.—

(1) Board of Directors.—Not later than 90 days after the last day of each fiscal year, the Board of Directors shall submit to the President and Congress a complete and detailed report with respect to the preceding fiscal year, setting forth—

(A) a summary of the operations of AIFA, for such fiscal year;

(B) a schedule of the obligations of AIFA and capital securities outstanding at the end of such fiscal year, with a statement of the amounts issued and redeemed or paid during such fiscal year;

(C) the status of infrastructure projects receiving funding or other assistance pursuant to this title during such fiscal year, including all nonperforming loans, and including disclosure of all entities with a development, ownership, or operational interest in such infrastructure projects;

(D) a description of the successes and challenges encountered in lending to rural com-
munities, including the role of the Center for Excellence and the Office of Rural Assistance established under this title; and

(E) an assessment of the risks of the portfolio of AIFA, prepared by an independent source.

(2) GAO.—Not later than 5 years after the date of enactment of this title, the Comptroller General of the United States shall conduct an evaluation of, and shall submit to Congress a report on, activities of AIFA for the fiscal years covered by the report that includes an assessment of the impact and benefits of each funded infrastructure project, including a review of how effectively each such infrastructure project accomplished the goals prioritized by the infrastructure project criteria of AIFA.

(c) Books and Records.—

(1) In general.—AIFA shall maintain adequate books and records to support the financial transactions of AIFA, with a description of financial transactions and infrastructure projects receiving funding, and the amount of funding for each such project maintained on a publically accessible database.
The books and records of AIFA shall at all times be open to inspection by the Secretary of the Treasury, the Special Inspector General, and the Comptroller General of the United States.

Subtitle C—Funding of AIFA

SEC. 131. FEES.

(a) IN GENERAL.—The Chief Executive Officer shall establish fees with respect to loans and loan guarantees under this title that—

(1) are sufficient to cover all the administrative costs to the Federal Government for the operations of AIFA;

(2) may be in the form of an application or transaction fee, or interest rate adjustment; and

(3) may be based on the risk premium associated with the loan or loan guarantee, taking into consideration—

(A) the price of United States Treasury obligations of a similar maturity;

(B) prevailing market conditions;

(C) the ability of the infrastructure project to support the loan or loan guarantee; and

(D) the total amount of the loan or loan guarantee.
(b) Treasury Receipts.—AIFA shall annually de-
posit amounts of fees collected under this section that are
not used for the expenses of AIFA as miscellaneous re-
ceipts with the Treasury.

SEC. 132. SELF-SUFFICIENCY OF AIFA.

The Chief Executive Officer shall, to the extent pos-
sible, take actions consistent with this title to make AIFA
a self-sustaining entity, with administrative costs and Fed-
eral credit subsidy costs fully funded by fees and risk pre-
miums on loans and loan guarantees.

SEC. 133. FUNDING.

There is authorized to be appropriated to AIFA to
carry out this title, to make direct loans and loan guaran-
tees under this title, not more than $10,000,000,000, to
remain available until expended, of which amount, not
more than $25,000,000 for each of fiscal years 2014
through 2015, and not more than $50,000,000 for fiscal
year 2016 may be used for administrative costs of AIFA.
Such amount shall earn interest. Not more than 5 percent
of such amount shall be used to offset subsidy costs associ-
ated with rural infrastructure projects.

SEC. 134. CONTRACT AUTHORITY.

Notwithstanding any other provision of law, approval
by the Board of Directors of a Federal credit instrument
that uses funds made available under this title shall im-
pose upon the United States a contractual obligation to
fund the Federal credit investment.

**TITLE II—TAX CREDIT
EXTENSIONS**

**SEC. 201. PERMANENT EXTENSION OF NEW MARKETS TAX CREDIT.**

(a) Extension.—

(1) In general.—Subparagraph (G) of section 45D(f)(1) of the Internal Revenue Code of 1986 is amended by striking “, 2011, 2012, and 2013” and inserting “and each calendar year thereafter”.

(2) Conforming amendment.—Section 45D(f)(3) of such Code is amended by striking the last sentence.

(b) Inflation adjustment.—Subsection (f) of section 45D of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) Inflation adjustment.—

“(A) In general.—In the case of any calendar year beginning after 2013, the dollar amount in paragraph (1)(G) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the cal-
endar year, determined by substituting ‘calendar year 2000’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDING RULE.—Any increase under subparagraph (A) which is not a multiple of $1,000,000 shall be rounded to the nearest multiple of $1,000,000.”.

(c) ALTERNATIVE MINIMUM TAX RELIEF.—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating clauses (v) through (ix) as clauses (vi) through (x), respectively, and

(2) by inserting after clause (iv) the following new clause:

“(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made before January 1, 2014,”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.
(2) ALTERNATIVE MINIMUM TAX RELIEF.—The amendments made by subsection (c) shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after the date of the enactment of this Act.

SEC. 202. BUILD AMERICA BONDS MADE PERMANENT.

(a) SHORT TITLE.—This section may be cited as the “Build America Bonds Act of 2014”.

(b) BUILD AMERICA BONDS MADE PERMANENT.—

(1) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) of the Internal Revenue Code of 1986 is amended by inserting “or on or after the date of the enactment of the Build America Bonds Act of 2014,” after “January 1, 2011,”.

(2) REDUCTION IN CREDIT PERCENTAGE TO BONDHOLDERS.—Subsection (b) of section 54AA of such Code is amended to read as follows:

“(b) AMOUNT OF CREDIT.—

“(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any interest payment date for a build America bond is the applicable percentage of the amount of interest payable by the issuer with respect to such date.
“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined under the following table:

<table>
<thead>
<tr>
<th>“In the case of a bond issued during calendar year:”</th>
<th>The applicable percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 or 2010 ..........................................................</td>
<td>35</td>
</tr>
<tr>
<td>2013 ......................................................................</td>
<td>32</td>
</tr>
<tr>
<td>2014 ......................................................................</td>
<td>31</td>
</tr>
<tr>
<td>2015 ......................................................................</td>
<td>30</td>
</tr>
<tr>
<td>2016 ......................................................................</td>
<td>29</td>
</tr>
<tr>
<td>2017 and thereafter .............................................</td>
<td>28</td>
</tr>
</tbody>
</table>

(3) EXTENSION OF PAYMENTS TO ISSUERS.—

(A) IN GENERAL.—Section 6431 of such Code is amended—

(i) by inserting “or on or after the date of the enactment of the Build America Bonds Act of 2014,” after “January 1, 2011,” in subsection (a), and

(ii) by striking “before January 1, 2011” in subsection (f)(1)(B) and inserting “during a particular period”.

(B) CONFORMING AMENDMENTS.—Subsection (g) of section 54AA of such Code is amended—

(i) by inserting “or during a period beginning on or after the date of the enactment of the Build America Bonds Act of 2014,” after “January 1, 2011,” and
(ii) by striking "QUALIFIED BONDS ISSUED BEFORE 2011" in the heading and inserting "CERTAIN QUALIFIED BONDS".

(4) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 of such Code is amended—

(A) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary",

(B) by striking "35 percent" and inserting "the applicable percentage", and

(C) by adding at the end the following new paragraph:

"(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term ‘applicable percentage’ means the percentage determined in accordance with the following table:

<table>
<thead>
<tr>
<th>In the case of a qualified bond issued during calendar year:</th>
<th>The applicable percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 or 2010</td>
<td>35</td>
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<td>2013</td>
<td>32</td>
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<tr>
<td>2016</td>
<td>29</td>
</tr>
<tr>
<td>2017 and thereafter</td>
<td>28,&quot;.</td>
</tr>
</tbody>
</table>

(5) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA of such Code is amended by adding at the end the following new paragraph:
“(3) Treatment of current refunding bonds.—

“(A) In general.—For purposes of this subsection, the term ‘qualified bond’ includes any bond (or series of bonds) issued to refund a qualified bond if—

“(i) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

“(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

“(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

“(B) Applicable percentage.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

“(C) Determination of average maturity.—For purposes of subparagraph (A)(i),
average maturity shall be determined in accordance with section 147(b)(2)(A).”.

(6) Clarification related to levees and flood control projects.—Subparagraph (A) of section 54AA(g)(2) of such Code is amended by inserting “(including capital expenditures for levees and other flood control projects)” after “capital expenditures”.

(7) Gross-up of payment to issuers in case of sequestration.—In the case of any payment under section 6431(b) of the Internal Revenue Code of 1986 made after the date of the enactment of this Act to which sequestration applies, the amount of such payment shall be increased to an amount equal to—

(A) such payment (determined before such sequestration), multiplied by

(B) the quotient obtained by dividing one by the amount by which one exceeds the percentage reduction in such payment pursuant to such sequestration.

For purposes of this subsection, the term “sequestration” means any reduction in direct spending ordered in accordance with a sequestration report prepared by the Director of the Office and Management and Budget.
and Budget pursuant to the Balanced Budget and

(c) Effective Date.—The amendments made by this section shall apply to obligations issued on or after the date of the enactment of this Act.

SEC. 203. PERMANENT EXTENSION OF RESEARCH CREDIT;
INCREASE IN ALTERNATIVE SIMPLIFIED RE-
SEARCH CREDIT.

(a) Permanent Extension.—

(1) In general.—Section 41 of the Internal Revenue Code of 1986 is amended by striking sub-section (h).

(2) Conforming Amendments.—Such Code is amended—

(A) in section 41(c) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(B) in section 41(c)(4), as so redesignated, by striking the second sentence of subparagraph (C); and

(C) in paragraph (1) of section 45C(b) by striking subparagraph (D).
(3) **Effective date.**—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2013.

(b) **Increase in Alternative Simplified Research Credit.**—

(1) **In general.**—Subparagraph (A) of section 41(c)(4) of such Code, as redesignated by subsection (a), is amended by striking “14 percent (12 percent in the case of taxable years ending before January 1, 2009)” and inserting “17 percent”.

(2) **Effective date.**—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

**SEC. 204. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.**

(a) **Bonds for Water and Sewage Facilities Exempt From Volume Cap on Private Activity Bonds.**—

(1) **In general.**—Paragraph (3) of section 146(g) of the Internal Revenue Code of 1986 is amended by inserting “(4), (5),” after “(2),”.

(2) **Conforming amendment.**—Paragraphs (2) and (3)(B) of section 146(k) are both amended by striking “(4), (5), (6), or” and inserting “(6)”. 
(b) Tax-Exempt Issuance by Indian Tribal Governments.—

(1) IN GENERAL.—Subsection (c) of section 7871 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) Exception for Bonds for Water and Sewage Facilities.—Paragraph (2) shall not apply to an exempt facility bond 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide facilities described in paragraph (4) or (5) of section 142(a).”.

(2) Conforming Amendment.—Paragraph (2) of section 7871(e) is amended by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”.

(e) Effective Date.—The amendments made by this section shall apply to obligations issued on or after the date of the enactment of this Act.

SEC. 205. REPEAL OF ALTERNATIVE MINIMUM TAX ON PRIVATE ACTIVITY BONDS.

(a) In General.—Subsection (a) of section 57 of the Internal Revenue Code of 1986 is amended by striking paragraph (5).

(b) Conforming Amendments.—
(1) Subparagraph (B) of section 1(g)(7) of such Code is amended by adding “and” at the end of clause (i), by striking “, and” at the end of clause (ii) and inserting a period, and by striking clause (iii).

(2) Subclause (II) of section 53(d)(1)(B)(ii) of such Code is amended by striking “(5)”.

(3) Subparagraph (C) of section 56(b)(1) of such Code is amended by striking clause (iii) and redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(4) Paragraph (3) of section 148(b) of such Code is amended to read as follows:

“(3) EXCEPTION FOR TAX-EXEMPT BONDS.—The term ‘investment property’ does not include any tax-exempt bond.”.

(5) Subparagraph (B)(i) of section 149(g)(3) of such Code is amended to read as follows:

“(i) IN GENERAL.—Such term shall not include any bond issued as part of an issue 95 percent of the net proceeds of which are invested in bonds the interest on which is not includible in gross income under section 103.”.
(6) Paragraph (5) of section 1400L(d) of such Code is amended by striking subparagraph (E).

(7) Paragraph (5) of section 1400N(a) of such Code is amended by striking subparagraph (G).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE III—SKILLS TRAINING

SEC. 301. JOB TRAINING TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 45S. JOB TRAINING CREDIT.

“(a) IN GENERAL.—For the purposes of section 38, the job training credit determined under this section for the taxable year is an amount equal to 100 percent of the qualified training expenses paid by the qualifying taxpayer during the taxable year.

“(b) LIMITATION.—The credit allowed under subsection (a) with respect to any eligible trainee of the qualifying taxpayer shall not exceed the excess (if any) of $4,000 over the aggregate credit allowed to such taxpayer under this section with respect to such eligible trainee for all prior taxable years.
“(c) DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED TRAINING EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified training expenses’ means, with respect to any eligible trainee of the qualifying taxpayer, expenses paid or incurred by such taxpayer for qualified tuition costs of such eligible trainee.

“(B) QUALIFIED TUITION COSTS.—The term ‘qualified tuition costs’ means costs for books and enrollment in a training program at a qualified educational organization, the outcome of which, if completed, will provide the eligible trainee a certificate or credential recognized by a State accrediting body, Federal Apprenticeship Agency, or any other national accrediting body recognized by the Department of Education as an independent, third-party accrediting body. Such training program—

“(i) may include a single course, multiple courses, or a combination of work training and study, and

“(ii) must be reasonably necessary for employment in a position based in the United States for which the qualifying taxpayer is currently hiring.
“(C) QUALIFIED EDUCATIONAL ORGANIZATION.—The term ‘qualified educational organization’ means any educational organization described in section 101 of the Higher Education Act of 1965.

“(2) QUALIFYING TAXPAYER.—The term ‘qualifying taxpayer’ means any taxpayer who provides, with respect to any eligible trainee, such documentation as required by the Secretary regarding qualified training expenses and proof of unemployment status as described in paragraph (3)(A).

“(3) ELIGIBLE TRAINEE.—The term ‘eligible trainee’ means any individual who—

“(A) has been unemployed for at least 90 days immediately preceding the date of enrollment in a training program described in paragraph (1)(B), and

“(B) had not been employed by the qualifying taxpayer at any time prior to such enrollment date.

“(d) SPECIAL RULES.—

“(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for the portion of the expenses otherwise allowable as a deduc-
tion that are taken into account in determining the credit under this section for the taxable year.

“(2) AGGREGATION.—For purposes of this section, all persons treated as a single employer under subsection (a) or (b) or section 52, or subsection (m) or (o) of section 414, shall be treated as one person.

“(3) TREATMENT OF EXPENSES AS EDUCATIONAL ASSISTANCE PROGRAM.—Qualified training expenses shall be treated as an educational assistance program for purposes of section 127.

“(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect (at such time and in such manner as the Secretary may by regulations prescribe) to have this section not apply for any taxable year.

“(f) TERMINATION.—This section shall not apply to expenses paid after December 31, 2016.”.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 is amended by striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting “, plus”, and by adding at the end the following new paragraph:

“(37) the job training credit determined under section 45S(a).”.
(c) Credit Allowed Against Alternative Minimum Tax.—Section 38(c)(4)(B) of the Internal Revenue Code of 1986, as amended by section 206, is amended by redesignating clauses (viii), (ix), and (x) as clauses (ix), (x), and (xi), respectively, and by inserting after clause (vii) the following new clause:

“(viii) the credit determined under section 45S,”.

(d) Technical Amendment.—Section 6501(m) of the Internal Revenue Code of 1986 is amended by inserting “45S(e),” after “45H(g),”.

(e) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 45S. Job training credit.”.

(f) Effective Dates.—

(1) In General.—The amendments made by this section shall apply to expenses paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

(2) Minimum Tax.—The amendments made by subsection (c) shall apply to credits determined under section 45S of the Internal Revenue Code of 1986 in taxable years ending after the date of the
enactment of this Act, and to carrybacks of such credits.

SEC. 302. QUALIFIED JOB TRAINING PARTNERSHIPS CREDIT.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 48D the following new section:

"SEC. 48E. QUALIFIED JOB TRAINING PARTNERSHIPS CREDIT."

"(a) IN GENERAL.—For purposes of section 46, the Qualified Job Training Partnership credit for any taxable year is an amount equal to the percentage determined by the Secretary (not to exceed 100 percent) of the qualified investment for such taxable year with respect to any Qualified Job Training Partnership.

(b) QUALIFIED INVESTMENT.—

"(1) IN GENERAL.—For purposes of subsection (a), the qualified investment for any taxable year is the aggregate amount of the costs paid or incurred in such taxable year by one or more eligible private business employers for expenses necessary for and directly related to the conduct of a Qualified Job Training Partnership in the form of contributions of cash, cash equivalent, equipment, or any combina-"
tion of the three where 100 percent of the invest-
ment is used for the planning, implementation, or
operation of a Qualified Job Training Partnership
and the training financed through the investment
must result in a type of certificate or credential rec-
ognized by a State accrediting body, Federal Ap-
prenticeship Agency, or any other national accred-
iting body recognized by the Department of Edu-
cation as an independent, third-party accrediting
body.

“(2) LIMITATION.—The amount which is treat-
ed as qualified investment for all taxable years with
respect to any Qualified Job Training Partnership
shall not exceed the amount certified by the Sec-
retary as eligible for the credit under this section.

“(3) EXCLUSIONS.—The qualified investment
for any taxable year with respect to any Qualified
Job Training Partnership shall not take into account
any cost for student tuition or for any other expense
as determined by the Secretary as appropriate to
carry out the purposes of this section.

“(4) CERTAIN PROGRESS EXPENDITURE RULES
MADE APPLICABLE.—In the case of costs described
in paragraph (1) that are paid for property of a
character subject to an allowance for depreciation,
rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

“(c) QUALIFIED JOB TRAINING PARTNERSHIP.—

“(1) IN GENERAL.—The term ‘Qualified Job Training Partnership’ means a formal or informal partnership between at least 1 eligible private business employer and—

“(A) 1 qualified educational institution, or

“(B) 1 labor organization (as defined in section 2(5) of the National Labor Relations Act),

where the stated goal of the partnership is to train students in job-ready skills.

“(2) ELIGIBLE PRIVATE BUSINESS EMPLOYER.—The term ‘eligible private business employer’ means—

“(A) a business entity at least 50 percent of the gross income of which is derived from qualified production activities (within the meaning of section 199(c)), or

“(B) any type of domestic business entity the average number of full-time employees of
which for the taxable year is not more than
500.

“(3) QUALIFIED EDUCATIONAL INSTITUTION.—
The term ‘qualified educational institution’ means
any institution of higher education described in sec-
tion 101 of the Higher Education Act of 1965 which
provides a 2-year program that culminates in an as-

“(d) QUALIFIED JOB TRAINING PARTNERSHIP PRO-

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—Not later than 60
days after the date of the enactment of this sec-
tion, the Secretary, in consultation with the
Secretary of Labor, shall establish a Qualified
Job Training Partnership program to consider
and award certifications for qualified invest-
ments eligible for credits under this section to
Qualified Job Training Partnerships.

“(B) LIMITATION.—The total amount of
credits that may be allocated under the pro-
gram shall not exceed $1,000,000,000.

“(2) CERTIFICATION.—

“(A) APPLICATION PERIOD.—Each appli-
cant for certification under this paragraph shall
submit an application containing such information as the Secretary may require during the period beginning on the date the Secretary establishes the program under paragraph (1).

“(B) Time for review of applications.—The Secretary shall take action to approve or deny any application under subparagraph (A) within 30 days of the submission of such application.

“(C) Multi-year applications.—An application for certification under subparagraph (A) may include a request for an allocation of credits for more than 1 year.

“(3) Selection criteria.—In determining the Qualified Job Training Partnerships with respect to which qualified investments may be certified under this section, the Secretary—

“(A) shall give priority to those applications which demonstrate—

“(i) the greatest probability that those who complete the program will secure employment;

“(ii) the greatest potential for providing workers who complete the program
with skills that can provide long-term job
and income security;

“(iii) the strongest market demand
for the type of training offered;

“(iv) the greatest probability that the
program would create a net increase in job
training opportunities;

“(v) a strong need in the community
for skills training;

“(vi) the ability to allow nontraditional learners to complete the training; and

“(vii) the ability and capacity to im-
plement the program in a reasonable pe-
riod of time; and

“(B) shall take into additional consider-
ation which applications show—

“(i) the ability to leverage additional
sources of capital; and

“(ii) the greatest ability to offer train-
ing programs that result in a certificate or
credential (within the meaning of sub-
section (b)(1)) that is stackable or portable
or both.

“(4) REVIEW AND ADDITIONAL ALLOCATION.—
“(A) REVIEW.—Not later than 1 year after the date of enactment of this section, the Secretary shall review the credits allocated under this section as of such date.

“(B) ADDITIONAL ALLOCATION.—If the Secretary determines at the time of the review that credits under this section are available for allocation pursuant to the requirements set forth in paragraph (2), the Secretary is authorized to allocate such available credits through the conduct of an additional program or programs for applications for certification.

“(5) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon making a certification under this subsection, publicly disclose the identity of the applicant and the amount of the credit with respect to such applicant.

“(e) SPECIAL RULES.—

“(1) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for an expenditure related to property of a character subject to an allowance for depreciation, the basis of such property shall be reduced by the amount of such credit.

“(2) DENIAL OF DOUBLE BENEFIT.—
“(A) BONUS DEPRECIATION.—A credit shall not be allowed under this section for any investment for which bonus depreciation is allowed under section 168(k), 1400L(b)(1), or 1400N(d)(1).

“(B) DEDUCTIONS.—No deduction under this subtitle shall be allowed for the portion of the expenses otherwise allowable as a deduction taken into account in determining the credit under this section for the taxable year which is equal to the amount of the credit determined for such taxable year under subsection (a) attributable to such portion. This subparagraph shall not apply to expenses related to property of a character subject to an allowance for depreciation the basis of which is reduced under paragraph (1).”.

(b) INCLUSION AS PART OF INVESTMENT CREDIT.—Section 46 of the Internal Revenue Code of 1986 is amended—

(1) by adding a comma at the end of paragraph (4),

(2) by striking “and” at the end of paragraph (5),
(3) by striking the period at the end of paragraph (6) and inserting “, and”, and
(4) by adding at the end the following new paragraph:

“(7) the Qualified Job Training Partnerships credit.”.

(e) CONFORMING AMENDMENT.—Section 49(a)(1)(C) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (v), by striking the period at the end of clause (vi) and inserting “, and”, and by adding at the end the following new clause:

“(vii) the basis of any property to which paragraph (1) of section 48E(e) applies which is part of a Qualified Job Training Partnership under such section 48E.”.

(d) CLERICAL AMENDMENT.—The table of sections for subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 48D the following new item:

“Sec. 48E. Qualified Job Training Partnership credit.”.

(e) GRANTS FOR QUALIFIED INVESTMENTS IN QUALIFIED JOB TRAINING PARTNERSHIPS IN LIEU OF TAX CREDITS.—
(1) IN GENERAL.—Upon application, the Secretary of the Treasury shall, subject to the requirements of this subsection, provide a grant to each person who makes a qualified investment in a Qualified Job Training Partnership in an amount not to exceed 100 percent of such investment.

(2) APPLICATION.—

(A) IN GENERAL.—At the stated election of the applicant, an application for certification under section 48E(d)(2) of the Internal Revenue Code of 1986 for a credit under such section for any taxable year shall be considered to be an application for a grant under paragraph (1) for such taxable year.

(B) SUBMISSION DATE.—An application for a grant under paragraph (1) for any taxable year shall be submitted—

(i) not earlier than the day after the last day of such taxable year, and

(ii) not later than the due date (including extensions) for filing the return of tax for such taxable year.

(C) INFORMATION TO BE SUBMITTED.—An application for a grant under paragraph (1) shall include such information and be in such
form as the Secretary of the Treasury may re-
quire to state the amount of the credit allow-
able (but for the receipt of a grant under this 
subsection) under section 48E for the taxable 
year for the qualified investment with respect to 
which such application is made.

(3) TIME FOR PAYMENT OF GRANT.—

(A) IN GENERAL.—The Secretary of the 
Treasury shall make payment of the amount of 
any grant under paragraph (1) during the 30-
day period beginning on the later of—

(i) the date of the application for such 
grant, or

(ii) the date the qualified investment 
for which the grant is being made is made.

(B) REGULATIONS.—In the case of invest-
ments of an ongoing nature, the Secretary of 
the Treasury shall issue regulations to deter-
mine the date on which a qualified investment 
shall be deemed to have been made for purposes 
of this paragraph.

(4) QUALIFIED INVESTMENT.—For purposes of 
this subsection, the term “qualified investment” 
means a qualified investment that is certified under 
section 48E(d) of the Internal Revenue Code of
1986 for purposes of the credit under such section 48E.

(5) Application of certain rules.—

(A) In general.—In making grants under this subsection, the Secretary of the Treasury shall apply rules similar to the rules of section 50 of the Internal Revenue Code of 1986. In applying such rules, any increase in tax under chapter 1 of such Code by reason of an investment ceasing to be a qualified investment shall be imposed on the person to whom the grant was made.

(B) Special rules.—

(i) Recapture of excessive grant amounts.—If the amount of a grant made under this subsection exceeds the amount allowable as a grant under this subsection, such excess shall be recaptured under subparagraph (A) as if the investment to which such excess portion of the grant relates had ceased to be a qualified investment immediately after such grant was made.

(ii) Grant information not treated as return information.—In no
event shall the amount of a grant made
under paragraph (1), the identity of the
person to whom such grant was made, or
a description of the investment with re-
spect to which such grant was made be
treated as return information for purposes
of section 6103 of the Internal Revenue

(6) SECRETARY.—Any reference in this sub-
section to the Secretary of the Treasury shall be
treated as including the Secretary’s delegate.

(7) OTHER TERMS.—Any term used in this sub-
section which is also used in section 48E of the In-
ternal Revenue Code of 1986 shall have the same
meaning for purposes of this subsection as when
used in such section.

(8) DENIAL OF DOUBLE BENEFIT.—No credit
shall be allowed under section 46(7) of the Internal
Revenue Code of 1986 by reason of section 48E of
such Code for any investment for which a grant is
awarded under this subsection.

(9) APPROPRIATIONS.—There is hereby appro-
priated to the Secretary of the Treasury such sums
as may be necessary to carry out this subsection.
(f) **Effective Date.**—The amendments made by subsections (a) through (d) of this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years beginning after such date.

**TITLE IV—Trade Provisions**

**SEC. 401. Findings; Sense of Congress on applicability of trade authorities procedures to a bill implementing a trade and investment agreement with the European Union.**

(a) Findings.—Congress finds the following:

(1) The United States and the European Union (EU) maintain a very strong and beneficial commercial relationship.

(2) The United States-EU relationship supports a combined 13 million jobs, and nearly $4 trillion in investment.

(3) The economies of the United States and the EU each generate more than $16 trillion, which represents 45 percent of global gross domestic product, and over one-third of global trade and investment flows.

(4) The United States-EU single commercial relationship is the world’s largest and the EU remains the largest market for United States exports...
and the largest source of imports into the United States.

(5) Congress welcomes the work of the High Level Working Group report and the decision of President Obama to launch negotiations for a potential bilateral trade agreement.

(6) The Transatlantic Trade and Investment Partnership (TTIP) represents a key strategic opportunity for the United States and the EU.

(7) The groundbreaking TTIP will deepen ties between the United States and the EU, increase exports, grow both economies, and support hundreds of thousands of jobs on both sides of the Atlantic Ocean.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the applicability of section 151 of the Trade Act of 1974 (19 U.S.C. 2191; relating to trade authorities procedures) to a bill implementing a trade and investment agreement with the European Union (EU) resulting from negotiations with the EU, as notified to the United States Congress on March 20, 2013, should be determined without regard to any prenegotiation notification and consultation requirements that would otherwise be applicable; and
(2) the Administration should press for a quick conclusion of this comprehensive and ambitious agreement.

SEC. 402. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) Extension of Termination Provisions.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by striking “2013” each place it appears and inserting “2020”.

(b) Training Funds.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amended—

(1) in clause (i), by striking “and 2013” and inserting “through 2020”; and

(2) in clause (ii), by striking “2013” each place it appears and inserting “2020”.

(c) Reemployment Trade Adjustment Assistance.—Section 246(b)(1) of the Trade Act of 1974 (19 U.S.C. 2318(b)(1)) is amended by striking “2013” and inserting “2020”.

(d) Authorizations of Appropriations.—

(1) Trade Adjustment Assistance for Workers.—Section 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a)) is amended by striking “2013” and inserting “2020”.
(2) Trade Adjustment Assistance for firms.—Section 255(a) of the Trade Act of 1974 (19 U.S.C. 2345(a)) is amended—

   (A) by striking “and 2013” and inserting “through 2020”; and

   (B) by striking “October 1, 2013, and ending on December 31, 2013” and inserting “October 1, 2020, and ending on December 31, 2020”.

(3) Trade Adjustment Assistance for farmers.—Section 298(a) of the Trade Act of 1974 (19 U.S.C. 2401g(a)) is amended—

   (A) by striking “and 2013” and inserting “through 2020”; and

   (B) by striking “October 1, 2013, and ending on December 31, 2013” and inserting “October 1, 2020, and ending on December 31, 2020”.

(e) Amendments to Trade Adjustment Assistance Extension Act of 2011.—

   (1) Application of prior law.—Section 233(a) of the Trade Adjustment Assistance Extension Act of 2011 (title II of Public Law 112–40; 125 Stat. 416; 19 U.S.C. 2271 note prec.) is amended—
(A) in the matter preceding paragraph (1),
by striking “2014” and inserting “2021”; and

(B) by striking paragraphs (3) through (7)
and inserting the following:

“(3) section 245(a) of that Act shall be applied
and administered by substituting ‘2021’ for ‘2007’;

“(4) section 246(b)(1) of that Act shall be ap-
plied and administered by substituting ‘December
31, 2021’ for ‘the date that is 5 years’ and all that
follows through ‘State’;

“(5) section 256(b) of that Act shall be applied
and administered by substituting ‘the 1-year period
beginning on January 1, 2021’ for ‘each of fiscal
years 2003 through 2007, and $4,000,000 for the 3-
month period beginning on October 1, 2007’;

“(6) section 298(a) of that Act shall be applied
and administered by substituting ‘the 1-year period
beginning on January 1, 2021’ for ‘each of the fiscal
years’ and all that follows through ‘October 1,
2007’; and

“(7) section 285 of that Act shall be applied
and administered—

“(A) in subsection (a), by substituting
‘2021’ for ‘2007’ each place it appears; and
“(B) by applying and administering sub-
section (b) as if it read as follows:

‘‘(b) OTHER ASSISTANCE.—
‘‘(1) ASSISTANCE FOR FIRMS.—
‘‘(A) IN GENERAL.—Except as provided
in subparagraph (B), assistance may not be
provided under chapter 3 after December 31,
2021.

‘‘(B) EXCEPTION.—Notwithstanding sub-
paragraph (A), any assistance approved under
chapter 3 on or before December 31, 2021, may
be provided—

‘‘(i) to the extent funds are available
pursuant to such chapter for such purpose;
and

‘‘(ii) to the extent the recipient of the
assistance is otherwise eligible to receive
such assistance.

‘‘(2) FARMERS.—
‘‘(A) IN GENERAL.—Except as provided
in subparagraph (B), assistance may not be
provided under chapter 6 after December 31,
2021.

‘‘(B) EXCEPTION.—Notwithstanding sub-
paragraph (A), any assistance approved under
chapter 6 on or before December 31, 2021, may be provided—

“(i) to the extent funds are available pursuant to such chapter for such purpose; and

“(ii) to the extent the recipient of the assistance is otherwise eligible to receive such assistance.”.

(2) Continuation of Benefits.—Section 233(b) of the Trade Adjustment Assistance Extension Act of 2011 is amended by striking “2014” each place it appears and inserting “2021”.

TITLE V—MINIMUM WAGE INCREASE AND BUSINESS TAX RELIEF

SEC. 501. MINIMUM WAGE INCREASES.

(a) Minimum Wage.—

(1) In General.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) $8.20 an hour, beginning on the first day of the first month that begins 1 year after
the date of enactment of the Invest in United States Act of 2014;

“(B) $9.15 an hour, beginning 1 year after that first day;

“(C) $10.10 an hour, beginning 2 years after that first day; and

“(D) beginning on the date that is 3 years after that first day, and annually thereafter, the amount determined by the Secretary pursuant to subsection (h);”.

(2) Determination based on increase in the Consumer Price Index.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

“(h)(1) Each year, by not later than the date that is 90 days before a new minimum wage determined under subsection (a)(1)(D) is to take effect, the Secretary shall determine the minimum wage to be in effect pursuant to this subsection for the subsequent 1-year period. The wage determined pursuant to this subsection for a year shall be—

“(A) not less than the amount in effect under subsection (a)(1) on the date of such determination;

“(B) increased from such amount by the annual percentage increase in the Consumer Price Index for
Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication, as determined by the Bureau of Labor Statistics; and

“(C) rounded to the nearest multiple of $0.05.

“(2) In calculating the annual percentage increase in the Consumer Price Index for purposes of paragraph (1)(B), the Secretary shall compare such Consumer Price Index for the most recent month, quarter, or year available (as selected by the Secretary prior to the first year for which a minimum wage is in effect pursuant to this subsection) with the Consumer Price Index for the same month in the preceding year, the same quarter in the preceding year, or the preceding year, respectively.”.

(b) Base Minimum Wage for Tipped Employees.—Section 3(m)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(1)) is amended to read as follows:

“(1) the cash wage paid such employee, which for purposes of such determination shall be not less than—

“(A) for the 1-year period beginning on the first day of the third month that begins after the date of enactment of the Fair Min-
imum Wage and Business Tax Relief Act of 2013, $3.00 an hour;

“(B) for each succeeding 1-year period until the hourly wage under this paragraph equals 50 percent of the wage in effect under section 6(a)(1) for such period, an hourly wage equal to the amount determined under this paragraph for the preceding year, increased by the lesser of—

“(i) $0.50; or

“(ii) the amount necessary for the wage in effect under this paragraph to equal 50 percent of the wage in effect under section 6(a)(1) for such period, rounded to the nearest multiple of $0.05; and

“(C) for each succeeding 1-year period after the year in which the hourly wage under this paragraph first equals 50 percent of the wage in effect under section 6(a)(1) for the same period, the amount necessary to ensure that the wage in effect under this paragraph remains equal to 50 percent of the wage in effect under section 6(a)(1), rounded to the nearest multiple of $0.05; and”.
(c) PUBLICATION OF NOTICE.—Section 6 of the Fair Labor Standards Act of 1938 (as amended by subsection (a)) (29 U.S.C. 206) is further amended by adding at the end the following:

“(i) Not later than 60 days prior to the effective date of any increase in the minimum wage determined under subsection (h) or required for tipped employees in accord-ance with subparagraph (B) or (C) of section 3(m)(1), as amended by the Fair Minimum Wage and Business Tax Relief Act of 2013, the Secretary shall publish in the Fed-eral Register and on the website of the Department of Labor a notice announcing the adjusted required wage.”.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the first day of the first month that begins 1 year after the date of enactment of this Act.

SEC. 502. WORK OPPORTUNITY CREDIT MADE PERMANENT.

(a) IN GENERAL.—Section 51(c) of the Internal Revenue Code of 1986 is amended by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2013.
SEC. 503. INCREASED EXPensing LIMITATIONS AND TREATMENT OF CERTAIN REAL PROPERTY AS SECTION 179 PROPERTY MADE PERMANENT.

(a) In General.—Subsection (b) of section 179 of the Internal Revenue Code of 1986 is amended—

(1) by striking "shall not exceed—" and all that follows in paragraph (1) and inserting "shall not exceed $500,000.", and

(2) by striking "exceeds—" and all that follows in paragraph (2) and inserting "exceeds $2,000,000."

(b) Computer Software.—Clause (ii) of section 179(d)(1)(A) of such Code is amended by striking "and which is placed in service in a taxable year beginning after 2002 and before 2014,"

(c) Special Rules for Treatment of Qualified Real Property.—Subsection (f) of section 179 of such Code is amended—

(1) by striking "beginning in 2010, 2011, 2012, or 2013" in paragraph (1), and

(2) by striking paragraph (4).

(d) Election.—Paragraph (2) of section 179(c) of such Code is amended to read as follows:

"(2) Revocation of election.—Any election made under this section, and any specification con-
tained in any such election, may be revoked by the
taxpayer with respect to any property, and such rev-
ocation, once made, shall be irrevocable.”.

(e) Effective Date.—The amendments made by
this section shall apply to taxable years beginning after
December 31, 2013.

SEC. 504. PERMANENT EXTENSION OF TREATMENT OF
QUALIFIED LEASEHOLD IMPROVEMENT
PROPERTY, QUALIFIED RESTAURANT PROP-
ERTY, AND QUALIFIED RETAIL IMPROVE-
MENT PROPERTY AS 15-YEAR PROPERTY FOR
PURPOSES OF DEPRECIATION DEDUCTION.

(a) Qualified Leasehold Improvement Property.—Clause (iv) of section 168(e)(3)(E) of the Internal
Revenue Code of 1986 is amended by striking “placed in
service before January 1, 2014”.

(b) Qualified Restaurant Property.—Clause
(v) of section 168(e)(3)(E) of the Internal Revenue Code
of 1986 is amended by striking “placed in service before
January 1, 2014”.

(c) Qualified Retail Improvement Property.—
Clause (ix) of section 168(e)(3)(E) of the Internal Rev-

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(d) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2013.