

Calendar No. 18

113TH CONGRESS
1ST SESSION

S. 388

To appropriately limit sequestration, to eliminate tax loopholes, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 26, 2013

Mr. REID (for Ms. MIKULSKI (for herself, Mrs. MURRAY, and Mr. REID)) introduced the following bill; which was read twice and placed on the calendar pursuant to the order of February 14, 2013

A BILL

To appropriately limit sequestration, to eliminate tax loopholes, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Family Eco-
5 nomic Protection Act of 2013”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—BUDGET PROVISIONS

- Sec. 101. Adjustments to discretionary spending limits.
 Sec. 102. Treatment of sequester.
 Sec. 103. Budgetary effects.

TITLE II—AGRICULTURAL PROGRAMS

- Sec. 201. Extension of agricultural programs.
 Sec. 202. Supplemental agricultural disaster assistance programs.
 Sec. 203. Noninsured crop assistance program.
 Sec. 204. Exemption of agriculture, nutrition, and forestry from BCA sequestration.
 Sec. 205. Effective date.

TITLE III—REVENUE PROVISIONS

- Sec. 301. Reference.
 Sec. 302. Fair share tax on high-income taxpayers.
 Sec. 303. Denial of deduction for outsourcing expenses.
 Sec. 304. Modifications to the tax on petroleum.

1 **TITLE I—BUDGET PROVISIONS**2 **SEC. 101. ADJUSTMENTS TO DISCRETIONARY SPENDING**3 **LIMITS.**

4 (a) IN GENERAL.—Section 251(c) of the Balanced
 5 Budget and Emergency Deficit Control Act of 1985 (2
 6 U.S.C. 901(c)) is amended by striking paragraphs (2)
 7 through (10) and inserting the following:

8 “(2) For fiscal year 2013—

9 “(A) for the security category,
 10 \$684,000,000,000 in new budget authority; and

11 “(B) for the nonsecurity category,
 12 \$359,000,000,000 in new budget authority;

13 “(3) for fiscal year 2014—

14 “(A) for the revised security category,
 15 \$552,000,000,000 in new budget authority; and

1 “(B) for the revised nonsecurity category,
2 \$506,000,000,000 in new budget authority;

3 “(4) for fiscal year 2015—

4 “(A) for the revised security category,
5 \$563,040,000,000 in new budget authority; and

6 “(B) for the revised nonsecurity category,
7 \$520,000,000,000 in new budget authority;

8 “(5) for fiscal year 2016—

9 “(A) for the revised security category,
10 \$574,301,000,000 in new budget authority; and

11 “(B) for the revised nonsecurity category,
12 \$530,000,000,000 in new budget authority;

13 “(6) for fiscal year 2017—

14 “(A) for the revised security category,
15 \$586,361,000,000 in new budget authority; and

16 “(B) for the revised nonsecurity category,
17 \$541,000,000,000 in new budget authority;

18 “(7) for fiscal year 2018—

19 “(A) for the revised security category,
20 \$598,675,000,000 in new budget authority; and

21 “(B) for the revised nonsecurity category,
22 \$553,000,000,000 in new budget authority;

23 “(8) for fiscal year 2019—

24 “(A) for the revised security category,
25 \$611,846,000,000 in new budget authority; and

1 “(B) for the revised nonsecurity category,
2 \$566,000,000,000 in new budget authority;

3 “(9) for fiscal year 2020—

4 “(A) for the revised security category,
5 \$625,306,000,000 in new budget authority; and

6 “(B) for the revised nonsecurity category,
7 \$578,000,000,000 in new budget authority; and

8 “(10) for fiscal year 2021—

9 “(A) for the revised security category,
10 \$638,972,000,000 in new budget authority; and

11 “(B) for the revised nonsecurity category,
12 \$590,000,000,000 in new budget authority;”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
14 Part C of title II of the Balanced Budget and Emergency
15 Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is
16 amended—

17 (1) in section 250(c)(4) (2 U.S.C. 900(c)(4)),
18 by adding at the end the following:

19 “(D) The term ‘revised security category’
20 means discretionary appropriations in budget func-
21 tion 050.

22 “(E) The term ‘revised nonsecurity category’
23 means discretionary appropriations other than in
24 budget function 050.”; and

25 (2) in section 251A (2 U.S.C. 901A)—

1 (A) by striking the matter preceding para-
2 graph (1) and inserting the following: “The dis-
3 cretionary spending caps under section 251(c)
4 shall be applied in accordance with this section
5 as follows:”;

6 (B) by striking paragraphs (1) and (2);

7 (C) by redesignating paragraphs (3)
8 through (11) as paragraphs (1) through (9), re-
9 spectively;

10 (D) in paragraph (2), as redesignated, by
11 striking “paragraph (3)” and inserting “para-
12 graph (1)”;

13 (E) in paragraph (3), as redesignated, by
14 striking “paragraph (4)” each place it appears
15 and inserting “paragraph (2)”;

16 (F) in paragraph (4), as redesignated, by
17 striking “paragraph (4)” each place it appears
18 and inserting “paragraph (2)”;

19 (G) in paragraph (5), as redesignated—

20 (i) by striking “paragraph (5)” each
21 place it appears and inserting “paragraph
22 (3)”;

23 (ii) by striking “paragraph (6)” each
24 place it appears and inserting “paragraph
25 (4)”;

1 (H) in paragraph (6), as redesignated—

2 (i) by striking “paragraph (4)” and
3 inserting “paragraph (2)”; and

4 (ii) by striking “paragraphs (5) and
5 (6)” and inserting “paragraphs (3) and
6 (4)”;

7 (I) in paragraph (7), as redesignated—

8 (i) by striking “paragraph (8)” and
9 inserting “paragraph (6)”; and

10 (ii) by striking “paragraph (6)” each
11 place it appears and inserting “paragraph
12 (4)”; and

13 (J) in paragraph (9), as redesignated, by
14 striking “paragraph (4)” and inserting “para-
15 graph (2)”.

16 **SEC. 102. TREATMENT OF SEQUESTER.**

17 (a) ADJUSTMENT.—Section 251A(1) of the Balanced
18 Budget and Emergency Deficit Control Act of 1985 (2
19 U.S.C. 901a(1)), as redesignated by section 101 of this
20 Act, is amended—

21 (1) in subparagraph (D), by striking “and” at
22 the end;

23 (2) in subparagraph (E)—

24 (A) by striking “\$24,000,000,000” and in-
25 serting “\$109,333,000,000”; and

1 (B) by striking the period at the end and
2 inserting “; and”; and

3 (C) by adding at the end the following:

4 “(F) for fiscal year 2014, reducing the
5 amount calculated under subparagraphs (A)
6 through (D) by \$25,500,000,000.”.

7 (b) POSTPONEMENT OF BUDGET CONTROL ACT SE-
8 QUESTER FOR CALENDAR YEAR 2013.—

9 (1) REPEAL.—Section 901(e) of the American
10 Taxpayer Relief Act of 2012 (Public Law 112–240)
11 is repealed.

12 (2) BBEDCA.—Section 251A of the Balanced
13 Budget and Emergency Deficit Control Act (2
14 U.S.C. 901a) is amended—

15 (A) in paragraph (2), as redesignated by
16 section 101 of this Act, by striking “On March
17 1, 2013, for fiscal year 2013, and in its seques-
18 tration preview report for fiscal years 2014”
19 and inserting “On January 2, 2014, for fiscal
20 year 2014, and in its sequestration preview re-
21 port for fiscal years 2015”;

22 (B) in paragraph (3), as redesignated by
23 section 101 of this Act, by striking “2013” and
24 inserting “2014”;

1 (C) in paragraph (4), as redesignated by
2 section 101 of this Act, by striking “2013” and
3 inserting “2014”; and

4 (D) in paragraph (5), as redesignated by
5 section 101 of this Act—

6 (i) in subparagraph (A), by striking
7 “FISCAL YEAR 2013.—On March 1, 2013,
8 for fiscal year 2013” and inserting “FIS-
9 CAL YEAR 2014.—On January 2, 2014, for
10 fiscal year 2014”; and

11 (ii) in subparagraph (B)—

12 (I) by striking “FISCAL YEARS
13 2014–2021” and inserting “FISCAL
14 YEARS 2015–2021”; and

15 (II) by striking “2014” each
16 place it appears and inserting “2015”.

17 **SEC. 103. BUDGETARY EFFECTS.**

18 (a) PAYGO SCORECARD.—The budgetary effects of
19 this Act shall not be entered on either PAYGO scorecard
20 maintained pursuant to section 4(d) of the Statutory Pay-
21 As-You-Go Act of 2010 (2 U.S.C. 933(d)).

22 (b) SENATE PAYGO SCORECARD.—The budgetary
23 effects of this Act shall not be entered on any PAYGO
24 scorecard maintained for purposes of section 201 of S.
25 Con. Res. 21 (110th Congress).

TITLE II—AGRICULTURAL PROGRAMS

3 SEC. 201. EXTENSION OF AGRICULTURAL PROGRAMS.

4 (a) COMMODITY PROGRAMS.—Section 701(b) of the
5 American Taxpayer Relief Act of 2012 (Public Law 112–
6 240; 126 Stat. 2362) is amended—

7 (1) by striking “(1) IN GENERAL.—The terms”
8 and inserting the following:

9 “(1) COVERED AND LOAN COMMODITIES.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), the terms”; and

12 (2) by adding at the end the following:

13 “(B) PAYMENT ACRES.—Notwithstanding
14 any other provision of law, in the case of direct
15 payments for the 2013 crop year, the payment
16 acres in section 1001(11) and section 1301(5)
17 of the Food, Conservation, and Energy Act of
18 2008 (7 U.S.C. 8702(11), 8751(5)) shall be 0
19 percent of the base acres for the covered com-
20 modities and peanuts on a farm on which direct
21 payments are made.”.

22 (b) CONSERVATION PROGRAMS.—

23 (1) CONSERVATION STEWARDSHIP PROGRAM.—

24 Notwithstanding section 726 of the Consolidated
25 and Further Continuing Appropriations Act, 2012

1 (Public Law 112–55; 125 Stat. 584) and section
2 101(a)(1) of the Continuing Appropriations Resolu-
3 tion, 2013 (Public Law 112–175; 126 Stat. 1313),
4 the acreage enrollment requirement in section
5 1238G(d)(1) of the Food Security Act of 1985 (16
6 U.S.C. 3838g(d)(1)) shall apply for fiscal year 2013.

7 (2) VOLUNTARY PUBLIC ACCESS.—Section
8 1240R(f)(1) of the Food Security Act of 1985 (16
9 U.S.C. 3839bb–5) is amended—

10 (A) in the heading, by striking “FISCAL
11 YEARS 2009 THROUGH 2012” and inserting
12 “MANDATORY FUNDING”; and

13 (B) by inserting “, and \$5,000,000 for fis-
14 cal year 2013” before the period at the end.

15 (3) DESERT TERMINAL LAKES.—Section 2507
16 of the Farm Security and Rural Investment Act of
17 2002 (43 U.S.C. 2211 note; Public Law 107–171)
18 is amended by adding at the end the following:

19 “(c) MANDATORY FUNDING.—Of the funds of the
20 Commodity Credit Corporation, the Secretary of Agri-
21 culture shall use to carry out this section \$35,000,000 for
22 fiscal year 2013, to remain available until expended.”.

23 (c) SUPPLEMENTAL NUTRITION ASSISTANCE PRO-
24 GRAM.—

1 (1) EMPLOYMENT AND TRAINING PROGRAM.—
2 Section 16(h)(1)(A) of the Food and Nutrition Act
3 of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by
4 striking “, except that for fiscal year 2013, the
5 amount shall be \$79,000,000”.

6 (2) NUTRITION EDUCATION.—Section 28(d)(1)
7 of the Food and Nutrition Act of 2008 (7 U.S.C.
8 2036a(d)(1)) is amended—

9 (A) in subparagraph (A), by adding “and”
10 after the semicolon at the end; and

11 (B) by striking subparagraphs (B) through
12 (F) and inserting the following:

13 “(B) for fiscal year 2012 and each subse-
14 quent fiscal year, the applicable amount during
15 the preceding fiscal year, as adjusted to reflect
16 any increases for the 12-month period ending
17 the preceding June 30 in the Consumer Price
18 Index for All Urban Consumers published by
19 the Bureau of Labor Statistics of the Depart-
20 ment of Labor.”.

21 (d) RESEARCH PROGRAMS.—

22 (1) ORGANIC AGRICULTURE RESEARCH AND EX-
23 TENSION INITIATIVE.—Section 1672B(f) of the
24 Food, Agriculture, Conservation, and Trade Act of
25 1990 (7 U.S.C. 5925b(f)) is amended—

1 (A) in paragraph (1)—

2 (i) in the heading, by striking “FOR
3 FISCAL YEARS 2009 THROUGH 2012”; and

4 (ii) in subparagraph (B), by striking
5 “2012” and inserting “2013”;

6 (B) in paragraph (2)—

7 (i) in the heading, by striking “FOR
8 FISCAL YEARS 2009 THROUGH 2012”; and

9 (ii) by striking “2012” and inserting
10 “2013”; and

11 (C) by striking paragraph (3).

12 (2) SPECIALTY CROP RESEARCH INITIATIVE.—

13 Section 412(h) of the Agricultural Research, Exten-
14 sion, and Education Reform Act of 1998 (7 U.S.C.
15 7632(h)) is amended—

16 (A) in paragraph (1)—

17 (i) in the heading, by striking “FOR
18 FISCAL YEARS 2008 THROUGH 2012”; and

19 (ii) by striking “2012” and inserting
20 “2013”;

21 (B) in paragraph (2)—

22 (i) in the heading, by striking “FOR
23 FISCAL YEARS 2008 THROUGH 2012”; and

24 (ii) by striking “2012” and inserting
25 “2013”;

1 (C) by striking paragraph (3); and

2 (D) by redesignating paragraphs (4) and
3 (5) as paragraphs (3) and (4), respectively.

4 (3) BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.—Section 7405(h) of the Farm
5 Security and Rural Investment Act of 2002 (7
6 U.S.C. 3319f(h)) is amended—

8 (A) in paragraph (1)—

9 (i) in the heading, by striking “FOR
10 FISCAL YEARS 2009 THROUGH 2012”; and

11 (ii) in subparagraph (B), by striking
12 “2012” and inserting “2013”;

13 (B) in paragraph (2)—

14 (i) in the heading, by striking “FOR
15 FISCAL YEARS 2008 THROUGH 2012”; and

16 (ii) by striking “2012” and inserting
17 “2013”; and

18 (C) by striking paragraph (3).

19 (e) ENERGY PROGRAMS.—

20 (1) BIOBASED MARKETS PROGRAM.—Section
21 9002(h)(1)(B) of the Farm Security and Rural In-
22 vestment Act of 2002 (7 U.S.C. 8102(h)(1)(B)) is
23 amended by striking “2012” and inserting “2013”.

24 (2) BIOREFINERY ASSISTANCE.—Section
25 9003(h)(1) of the Farm Security and Rural Invest-

1 ment Act of 2002 (7 U.S.C. 8103(h)(1)) is amend-
2 ed—

3 (A) in subparagraph (A), by striking
4 “and” at the end;

5 (B) in subparagraph (B), by striking the
6 period at the end and inserting “; and”; and

7 (C) by adding at the end the following:

8 “(C) \$100,000,000 for fiscal year 2013.”.

9 (3) BIOENERGY PROGRAM FOR ADVANCED
10 BIOFUELS.—Section 9005(g)(1) of the Farm Secu-
11 rity and Rural Investment Act of 2002 (7 U.S.C.
12 8105(g)(1)) is amended—

13 (A) in subparagraph (C), by striking
14 “and” at the end;

15 (B) in subparagraph (D), by striking the
16 period at the end and inserting “; and”; and

17 (C) by adding at the end the following:

18 “(E) \$55,000,000 for fiscal year 2013.”.

19 (4) BIODIESEL FUEL EDUCATION PROGRAM.—
20 Section 9006(d)(1) of the Farm Security and Rural
21 Investment Act of 2002 (7 U.S.C. 8106(d)(1)) is
22 amended—

23 (A) in the heading, by striking “FISCAL
24 YEARS 2009 THROUGH 2012.—” and inserting
25 “MANDATORY FUNDING.—”; and

1 (B) by striking “2012” and inserting
2 “2013.”

3 (5) RURAL ENERGY FOR AMERICA PROGRAM.—
4 Section 9007(g)(1) of the Farm Security and Rural
5 Investment Act of 2002 (7 U.S.C. 8107(g)(1)) is
6 amended—

7 (A) in subparagraph (C), by striking
8 “and” at the end;

9 (B) in subparagraph (D), by striking the
10 period at the end and inserting “; and”; and

11 (C) by adding at the end the following:

12 “(E) \$51,000,000 for fiscal year 2013.”.

13 (6) BIOMASS RESEARCH AND DEVELOPMENT.—
14 Section 9008(h)(1) of the Farm Security and Rural
15 Investment Act of 2002 (7 U.S.C. 8108(h)(1)) is
16 amended—

17 (A) in subparagraph (C), by striking
18 “and” at the end;

19 (B) in subparagraph (D), by striking the
20 period at the end and inserting “; and”; and

21 (C) by adding at the end the following:

22 “(E) \$33,600,000 for fiscal year 2013.”.

23 (7) BIOMASS CROP ASSISTANCE PROGRAM.—
24 Section 9011(f)(1) of the Farm Security and Rural

1 Investment Act of 2002 (7 U.S.C. 8111(f)) is
2 amended—

3 (A) in the heading, by striking “FISCAL
4 YEARS 2008 THROUGH 2012” and inserting
5 “MANDATORY FUNDING”; and

6 (B) by inserting “, and not more than
7 \$38,600,000 for fiscal year 2013” after
8 “2012”.

9 (f) HORTICULTURE AND ORGANIC AGRICULTURE
10 PROGRAMS.—

11 (1) FARMERS MARKET PROMOTION PROGRAM.—
12 Section 6(e)(1) of the Farmer-to-Consumer Direct
13 Marketing Act of 1976 (7 U.S.C. 3005(e)(1)) is
14 amended—

15 (A) in the heading, by striking “FISCAL
16 YEARS 2008 THROUGH 2012.—” and inserting
17 “MANDATORY FUNDING.—”; and

18 (B) subparagraph (C), by striking “and
19 2012” and inserting “through 2013”.

20 (2) NATIONAL CLEAN PLANT NETWORK.—Sec-
21 tion 10202(e)(1) of the Food, Conservation, and En-
22 ergy Act of 2008 (7 U.S.C. 7761(e)(1)) is amend-
23 ed—

1 (A) in the heading, by striking “FISCAL
2 YEARS 2009 THROUGH 2012.—” and inserting
3 “MANDATORY FUNDING.—”; and

4 (B) by striking “2012” and inserting
5 “2013”.

6 (3) NATIONAL ORGANIC CERTIFICATION COST-
7 SHARE PROGRAM.—Section 10606(d)(1) of the Farm
8 Security and Rural Investment Act of 2002 (7
9 U.S.C. 6523(d)(1)) is amended by—

10 (A) in the heading, by striking “FOR FIS-
11 CAL YEARS 2008 THROUGH 2012”; and

12 (B) by inserting “, and \$5,000,000 for fis-
13 cal year 2013” after “2012”.

14 (4) ORGANIC PRODUCTION AND MARKET DATA
15 INITIATIVES.—Section 7407(d) of the Farm Security
16 and Rural Investment Act of 2002 (7 U.S.C.
17 5925c(d)) is amended by striking paragraph (1) and
18 inserting the following:

19 “(1) MANDATORY FUNDING.—Of the funds of
20 the Commodity Credit Corporation, the Secretary
21 shall use to carry out this section, to remain avail-
22 able until expended—

23 “(A) \$5,000,000 for each fiscal year
24 through fiscal year 2012; and

25 “(B) \$1,000,000 for fiscal year 2013.”.

1 (g) OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-
2 ADVANTAGED FARMERS AND RANCHERS.—Section
3 2501(a)(4)(A) of the Food, Agriculture, Conservation, and
4 Trade Act of 1990 (7 U.S.C. 2279(a)(4)(A)) is amend-
5 ed—

6 (1) in the heading, by striking “FISCAL YEARS
7 2009 THROUGH 2012.—” and inserting “MANDATORY
8 FUNDING.—”;

9 (2) in clause (i), by striking “and” at the end;

10 (3) in clause (ii), by striking the period at the
11 end and inserting “; and”; and

12 (4) by adding at the end the following:

13 “(iii) \$15,000,000 for fiscal year
14 2013.”.

15 (h) RURAL DEVELOPMENT.—

16 (1) RURAL MICROENTREPRENEUR ASSISTANCE
17 PROGRAM.—Section 379E(d) of the Consolidated
18 Farm and Rural Development Act (7 U.S.C.
19 2008s(d)) is amended—

20 (A) in paragraph (1)(B), by striking “fis-
21 cal year 2012” and inserting “for each of fiscal
22 years 2012 and 2013”; and

23 (B) in paragraph (2), by striking “2012”
24 and inserting “2013”.

1 (2) VALUE-ADDED AGRICULTURAL PRODUCT
2 MARKET DEVELOPMENT GRANTS.—Section
3 231(b)(7) of the Agricultural Risk Protection Act of
4 2000 (7 U.S.C. 1632a(b)(7)) is amended—

5 (A) by striking subparagraph (A) and in-
6 serting the following:

7 “(A) MANDATORY FUNDING.—Of the
8 funds of the Commodity Credit Corporation, the
9 Secretary shall make available to carry out this
10 subsection, to remain available until ex-
11 pended—

12 “(i) on October 1, 2008, \$15,000,000;

13 and

14 “(ii) on October 1, 2012,
15 \$3,000,000.”; and

16 (B) in subparagraph (B), by striking
17 “2012” and inserting “2013”.

18 **SEC. 202. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**
19 **SISTANCE PROGRAMS.**

20 (a) IN GENERAL.—Section 531 of the Federal Crop
21 Insurance Act (7 U.S.C. 1531) is amended—

22 (1) in subsection (b)—

23 (A) in paragraph (1)(A), by striking “The
24 Secretary shall use such sums as are necessary
25 from the Trust Fund” and inserting “Of the

1 funds of the Commodity Credit Corporation, the
2 Secretary shall use such sums as are necessary
3 for fiscal year 2012”;

4 (B) in paragraph (2)(A), in the matter
5 preceding clause (i), by striking “60 percent”
6 and inserting “52 percent”; and

7 (C) in paragraph (4)(A)(ii), by striking
8 “15 percent” and inserting “100 percent”;

9 (2) in subsection (c), by adding at the end the
10 following:

11 “(4) MANDATORY FUNDING.—Of the funds of
12 the Commodity Credit Corporation, the Secretary
13 shall use such sums as are necessary to carry out
14 this subsection for each of fiscal years 2012 and
15 2013.”;

16 (3) in subsection (d), by adding at the end the
17 following:

18 “(8) MANDATORY FUNDING.—Of the funds of
19 the Commodity Credit Corporation, the Secretary
20 shall use such sums as are necessary to carry out
21 this subsection for each of fiscal years 2012 and
22 2013.”;

23 (4) in subsection (e), by adding at the end the
24 following:

1 “(4) MANDATORY FUNDING.—Of the funds of
2 the Commodity Credit Corporation, the Secretary
3 shall use up to \$5,000,000 to carry out this sub-
4 section for each of fiscal years 2012 and 2013.”;

5 (5) in subsection (f), by adding at the end the
6 following:

7 “(6) MANDATORY FUNDING.—Of the funds of
8 the Commodity Credit Corporation, the Secretary
9 shall use such sums as are necessary to carry out
10 this subsection for each of fiscal years 2012 and
11 2013.”; and

12 (6) in subsection (i), by striking “September
13 30, 2011” and inserting “September 30, 2012”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 subsection (a) take effect on October 1, 2011.

16 **SEC. 203. NONINSURED CROP ASSISTANCE PROGRAM.**

17 (a) IN GENERAL.—Section 196 of the Federal Agri-
18 culture Improvement and Reform Act of 1996 (7 U.S.C.
19 7333) is amended—

20 (1) in subsection (a)—

21 (A) by striking paragraph (1) and insert-
22 ing the following:

23 “(1) IN GENERAL.—

24 “(A) COVERAGES.—In the case of an eligi-
25 ble crop described in paragraph (2), the Sec-

1 retary of Agriculture shall operate a noninsured
2 crop disaster assistance program to provide cov-
3 erages based on individual yields (other than
4 for value-loss crops) equivalent to—

5 “(i) catastrophic risk protection avail-
6 able under section 508(b) of the Federal
7 Crop Insurance Act (7 U.S.C. 1508(b)); or

8 “(ii) additional coverage available
9 under subsections (c) and (h) of section
10 508 of that Act (7 U.S.C. 1508) that does
11 not exceed 65 percent.

12 “(B) ADMINISTRATION.—The Secretary
13 shall carry out this section through the Farm
14 Service Agency (referred to in this section as
15 the ‘Agency’).”; and

16 (B) in paragraph (2)—

17 (i) in subparagraph (A)—

18 (I) in clause (i), by striking
19 “and” after the semicolon at the end;

20 (II) by redesignating clause (ii)
21 as clause (iii); and

22 (III) by inserting after clause (i)
23 the following:

24 “(ii) for which additional
25 coverage under subsections (c)

1 and (h) of section 508 of that
2 Act (7 U.S.C. 1508) is not avail-
3 able; and”; and

4 (ii) in subparagraph (B)—

5 (I) by inserting “(except ferns)”
6 after “floricultural”;

7 (II) by inserting “(except ferns)”
8 after “ornamental nursery”; and

9 (III) by striking “(including or-
10 namental fish)” and inserting “(in-
11 cluding ornamental fish, but excluding
12 tropical fish)”;

13 (2) in subsection (d), by striking “The Sec-
14 retary” and inserting “Subject to subsection (l), the
15 Secretary”;

16 (3) in subsection (k)(1)—

17 (A) in subparagraph (A), by striking
18 “\$250” and inserting “\$260”; and

19 (B) in subparagraph (B)—

20 (i) by striking “\$750” and inserting
21 “\$780”; and

22 (ii) by striking “\$1,875” and insert-
23 ing “\$1,950”; and

24 (4) by adding at the end the following:

1 “(1) PAYMENT EQUIVALENT TO ADDITIONAL COV-
2 ERAGE.—

3 “(1) IN GENERAL.—The Secretary shall make
4 available to a producer eligible for noninsured assist-
5 ance under this section a payment equivalent to an
6 indemnity for additional coverage under subsections
7 (c) and (h) of section 508 of the Federal Crop In-
8 surance Act (7 U.S.C. 1508) that does not exceed
9 65 percent, computed by multiplying—

10 “(A) the quantity that is less than 50 to
11 65 percent of the established yield for the crop,
12 as determined by the Secretary, specified in in-
13 crements of 5 percent;

14 “(B) 100 percent of the average market
15 price for the crop, as determined by the Sec-
16 retary; and

17 “(C) a payment rate for the type of crop,
18 as determined by the Secretary, that reflects—

19 “(i) in the case of a crop that is pro-
20 duced with a significant and variable har-
21 vesting expense, the decreasing cost in-
22 curred in the production cycle for the crop
23 that is, as applicable—

24 “(I) harvested;

1 “(II) planted but not harvested;

2 or

3 “(III) prevented from being

4 planted because of drought, flood, or

5 other natural disaster, as determined

6 by the Secretary; or

7 “(ii) in the case of a crop that is pro-

8 duced without a significant and variable

9 harvesting expense, such rate as shall be

10 determined by the Secretary.

11 “(2) PREMIUM.—To be eligible to receive a pay-

12 ment under this subsection, a producer shall pay—

13 “(A) the service fee required by subsection

14 (k); and

15 “(B) a premium for the applicable crop

16 year that is equal to—

17 “(i) the product obtained by multi-

18 plying—

19 “(I) the number of acres devoted

20 to the eligible crop;

21 “(II) the yield, as determined by

22 the Secretary under subsection (e);

23 “(III) the coverage level elected

24 by the producer;

1 “(IV) the average market price,
2 as determined by the Secretary; and

3 “(ii) 5.25-percent premium fee.

4 “(3) LIMITED RESOURCE, BEGINNING, AND SO-
5 CIALLY DISADVANTAGED FARMERS.—The additional
6 coverage made available under this subsection shall
7 be available to limited resource, beginning, and so-
8 cially disadvantaged producers, as determined by the
9 Secretary, in exchange for a premium that is 50 per-
10 cent of the premium determined for a producer
11 under paragraph (2).

12 “(4) ADDITIONAL AVAILABILITY.—

13 “(A) IN GENERAL.—As soon as prac-
14 ticable, the Secretary shall make assistance
15 available to producers of an otherwise eligible
16 crop described in subsection (a)(2) that suffered
17 losses—

18 “(i) to a 2012 annual fruit crop
19 grown on a bush or tree; and

20 “(ii) in a county covered by a declara-
21 tion by the Secretary of a natural disaster
22 for production losses due to a freeze or
23 frost.

24 “(B) ASSISTANCE.—The Secretary shall
25 make assistance available under subparagraph

1 (A) in an amount equivalent to assistance avail-
2 able under paragraph (1), less any fees not pre-
3 viously paid under paragraph (2).”.

4 (b) TERMINATION DATE.—

5 (1) IN GENERAL.—Effective October 1, 2017,
6 subsection (a) and the amendments made by sub-
7 section (a) (other than the amendments made by
8 clauses (i)(I) and (ii) of subsection (a)(1)(B)) are re-
9 pealed

10 (2) ADMINISTRATION.—Effective October 1,
11 2017, section 196 of the Federal Agriculture Im-
12 provement and Reform Act of 1996 (7 U.S.C. 7333)
13 shall be applied and administered as if subsection
14 (a) and the amendments made by subsection (a)
15 (other than the amendments made by clauses (i)(I)
16 and (ii) of subsection (a)(1)(B)) had not been en-
17 acted.

18 **SEC. 204. EXEMPTION OF AGRICULTURE, NUTRITION, AND**
19 **FORESTRY FROM BCA SEQUESTRATION.**

20 Section 251A(6) of the Balanced Budget and Emer-
21 gency Deficit Control Act of 1985 (2 U.S.C. 901a(6)), as
22 redesignated by section 101 of this Act, is amended—

23 (1) by striking “On the date” and inserting the
24 following:

25 “(A) IN GENERAL.—On the date”;

1 (2) in subparagraph (A), as so designated, in
2 the second sentence, by inserting “subparagraph (B)
3 of this paragraph and” after “the exemptions speci-
4 fied in”; and

5 (3) by adding at the end the following:

6 “(B) EXEMPTION OF AGRICULTURE, NU-
7 TRITION, AND FORESTRY.—The following shall
8 be exempt from reduction under any order
9 issued pursuant to this paragraph:

10 “(i) All programs, projects, and activi-
11 ties of the Commodity Credit Corporation.

12 “(ii) All programs, projects, and ac-
13 tivities of the Federal Crop Insurance Cor-
14 poration.

15 “(iii) All programs, projects, and ac-
16 tivities carried out under section 32 of the
17 Act of August 24, 1935 (7 U.S.C. 612c).

18 “(iv) All other direct spending ac-
19 counts of the Department of Agriculture.”.

20 **SEC. 205. EFFECTIVE DATE.**

21 Except as otherwise provided in this title, this title
22 and the amendments made by this title take effect on the
23 date of enactment of, and as if included in, the American
24 Taxpayer Relief Act of 2012 (Public Law 112–240; 126
25 Stat. 2313).

1 **TITLE III—REVENUE**
 2 **PROVISIONS**

3 **SEC. 301. REFERENCE.**

4 Except as otherwise expressly provided, whenever in
 5 this title an amendment or repeal is expressed in terms
 6 of an amendment to, or repeal of, a section or other provi-
 7 sion, the reference shall be considered to be made to a
 8 section or other provision of the Internal Revenue Code
 9 of 1986.

10 **SEC. 302. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.**

11 (a) IN GENERAL.—Subchapter A of chapter 1 is
 12 amended by adding at the end the following new part:

13 **“PART VIII—FAIR SHARE TAX ON HIGH-INCOME**
 14 **TAXPAYERS**

 “Sec. 59B. Fair share tax.

15 **“SEC. 59B. FAIR SHARE TAX.**

16 “(a) GENERAL RULE.—

17 “(1) PHASE-IN OF TAX.—In the case of any
 18 high-income taxpayer, there is hereby imposed for a
 19 taxable year (in addition to any other tax imposed
 20 by this subtitle) a tax equal to the product of—

21 “(A) the amount determined under para-
 22 graph (2), and

23 “(B) a fraction (not to exceed 1)—

1 “(i) the numerator of which is the ex-
2 cess of—

3 “(I) the taxpayer’s adjusted
4 gross income, over

5 “(II) the dollar amount in effect
6 under subsection (c)(1), and

7 “(ii) the denominator of which is
8 \$4,000,000 (\$2,000,000 in the case of a
9 married individual who files a separate re-
10 turn).

11 “(2) AMOUNT OF TAX.—The amount of tax de-
12 termined under this paragraph is an amount equal
13 to the excess (if any) of—

14 “(A) the tentative fair share tax for the
15 taxable year, over

16 “(B) the excess of—

17 “(i) the sum of—

18 “(I) the regular tax liability (as
19 defined in section 26(b)) for the tax-
20 able year, determined without regard
21 to any tax liability determined under
22 this section,

23 “(II) the tax imposed by section
24 55 for the taxable year, plus

1 “(III) the payroll tax for the tax-
2 able year, over

3 “(ii) the credits allowable under part
4 IV of subchapter A (other than sections
5 27(a), 31, and 34).

6 “(b) TENTATIVE FAIR SHARE TAX.—For purposes
7 of this section—

8 “(1) IN GENERAL.—The tentative fair share tax
9 for the taxable year is 30 percent of the excess of—

10 “(A) the adjusted gross income of the tax-
11 payer, over

12 “(B) the modified charitable contribution
13 deduction for the taxable year.

14 “(2) MODIFIED CHARITABLE CONTRIBUTION
15 DEDUCTION.—For purposes of paragraph (1)—

16 “(A) IN GENERAL.—The modified chari-
17 table contribution deduction for any taxable
18 year is an amount equal to the amount which
19 bears the same ratio to the deduction allowable
20 under section 170 (section 642(c) in the case of
21 a trust or estate) for such taxable year as—

22 “(i) the amount of itemized deduc-
23 tions allowable under the regular tax (as
24 defined in section 55) for such taxable

1 year, determined after the application of
2 section 68, bears to

3 “(ii) such amount, determined before
4 the application of section 68.

5 “(B) TAXPAYER MUST ITEMIZE.—In the
6 case of any individual who does not elect to
7 itemize deductions for the taxable year, the
8 modified charitable contribution deduction shall
9 be zero.

10 “(c) HIGH-INCOME TAXPAYER.—For purposes of this
11 section—

12 “(1) IN GENERAL.—The term ‘high-income tax-
13 payer’ means, with respect to any taxable year, any
14 taxpayer (other than a corporation) with an adjusted
15 gross income for such taxable year in excess of
16 \$1,000,000 (50 percent of such amount in the case
17 of a married individual who files a separate return).

18 “(2) INFLATION ADJUSTMENT.—

19 “(A) IN GENERAL.—In the case of a tax-
20 able year beginning after 2013, the \$1,000,000
21 amount under paragraph (1) shall be increased
22 by an amount equal to—

23 “(i) such dollar amount, multiplied by

24 “(ii) the cost-of-living adjustment de-
25 termined under section 1(f)(3) for the cal-

1 endar year in which the taxable year be-
2 gins, determined by substituting ‘calendar
3 year 2012’ for ‘calendar year 1992’ in sub-
4 paragraph (B) thereof.

5 “(B) ROUNDING.—If any amount as ad-
6 justed under subparagraph (A) is not a multiple
7 of \$10,000, such amount shall be rounded to
8 the next lowest multiple of \$10,000.

9 “(d) PAYROLL TAX.—For purposes of this section,
10 the payroll tax for any taxable year is an amount equal
11 to the excess of—

12 “(1) the taxes imposed on the taxpayer under
13 sections 1401, 1411, 3101, 3201, and 3211(a) (to
14 the extent such tax is attributable to the rate of tax
15 in effect under section 3101) with respect to such
16 taxable year or wages or compensation received dur-
17 ing such taxable year, over

18 “(2) the deduction allowable under section
19 164(f) for such taxable year.

20 “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—
21 For purposes of this section, in the case of an estate or
22 trust, adjusted gross income shall be computed in the
23 manner described in section 67(e).

24 “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
25 TER FOR CERTAIN PURPOSES.—The tax imposed under

1 this section shall not be treated as tax imposed by this
 2 chapter for purposes of determining the amount of any
 3 credit under this chapter (other than the credit allowed
 4 under section 27(a)) or for purposes of section 55.”.

5 (b) CLERICAL AMENDMENT.—The table of parts for
 6 subchapter A of chapter 1 is amended by adding at the
 7 end the following new item:

“PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS”.

8 (c) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to taxable years beginning after
 10 December 31, 2013.

11 **SEC. 303. DENIAL OF DEDUCTION FOR OUTSOURCING EX-**
 12 **PENSES.**

13 (a) IN GENERAL.—Part IX of subchapter B of chap-
 14 ter 1 is amended by adding at the end the following new
 15 section:

16 **“SEC. 280I. OUTSOURCING EXPENSES.**

17 “(a) IN GENERAL.—No deduction otherwise allow-
 18 able under this chapter shall be allowed for any specified
 19 outsourcing expense.

20 “(b) SPECIFIED OUTSOURCING EXPENSE.—For pur-
 21 poses of this section—

22 “(1) IN GENERAL.—The term ‘specified out-
 23 sourcing expense’ means—

24 “(A) any eligible expense paid or incurred
 25 by the taxpayer in connection with the elimi-

1 nation of any business unit of the taxpayer (or
2 of any member of any expanded affiliated group
3 in which the taxpayer is also a member) located
4 within the United States, and

5 “(B) any eligible expense paid or incurred
6 by the taxpayer in connection with the estab-
7 lishment of any business unit of the taxpayer
8 (or of any member of any expanded affiliated
9 group in which the taxpayer is also a member)
10 located outside the United States,

11 if such establishment constitutes the relocation of
12 the business unit so eliminated. For purposes of the
13 preceding sentence, a relocation shall not be treated
14 as failing to occur merely because such elimination
15 occurs in a different taxable year than such estab-
16 lishment.

17 “(2) ELIGIBLE EXPENSES.—The term ‘eligible
18 expenses’ means—

19 “(A) any amount for which a deduction is
20 allowed to the taxpayer under section 162, and

21 “(B) permit and license fees, lease broker-
22 age fees, equipment installation costs, and, to
23 the extent provided by the Secretary, other
24 similar expenses.

1 Such term does not include any compensation which
2 is paid or incurred in connection with severance
3 from employment and, to the extent provided by the
4 Secretary, any similar amount.

5 “(3) BUSINESS UNIT.—The term ‘business unit’
6 means—

7 “(A) any trade or business, and

8 “(B) any line of business, or functional
9 unit, which is part of any trade or business.

10 “(4) EXPANDED AFFILIATED GROUP.—The
11 term ‘expanded affiliated group’ means an affiliated
12 group as defined in section 1504(a), determined
13 without regard to section 1504(b)(3) and by sub-
14 stituting ‘more than 50 percent’ for ‘at least 80 per-
15 cent’ each place it appears in section 1504(a). A
16 partnership or any other entity (other than a cor-
17 poration) shall be treated as a member of an ex-
18 panded affiliated group if such entity is controlled
19 (within the meaning of section 954(d)(3)) by mem-
20 bers of such group (including any entity treated as
21 a member of such group by reason of this para-
22 graph).

23 “(5) OPERATING EXPENSES NOT TAKEN INTO
24 ACCOUNT.—Any amount paid or incurred in connec-
25 tion with the on-going operation of a business unit

1 shall not be treated as an amount paid or incurred
2 in connection with the establishment or elimination
3 of such business unit.

4 “(c) SPECIAL RULES.—

5 “(1) APPLICATION TO DEDUCTIONS FOR DE-
6 PRECIATION AND AMORTIZATION.—In the case of
7 any portion of a specified outsourcing expense which
8 is not deductible in the taxable year in which paid
9 or incurred, such portion shall neither be chargeable
10 to capital account nor amortizable.

11 “(2) POSSESSIONS TREATED AS PART OF THE
12 UNITED STATES.—For purposes of this section, the
13 term ‘United States’ shall be treated as including
14 each possession of the United States (including the
15 Commonwealth of Puerto Rico and the Common-
16 wealth of the Northern Mariana Islands).

17 “(d) REGULATIONS.—The Secretary shall prescribe
18 such regulations or other guidance as may be necessary
19 or appropriate to carry out the purposes of this section,
20 including regulations which provide (or create a rebuttable
21 presumption) that certain establishments of business units
22 outside the United States will be treated as relocations
23 (based on timing or such other factors as the Secretary
24 may provide) of business units eliminated within the
25 United States.”.

1 (b) LIMITATION ON SUBPART F INCOME OF CON-
 2 TROLLED FOREIGN CORPORATIONS DETERMINED WITH-
 3 OUT REGARD TO SPECIFIED OUTSOURCING EXPENSES.—

4 Subsection (c) of section 952 is amended by adding at the
 5 end the following new paragraph:

6 “(4) EARNINGS AND PROFITS DETERMINED
 7 WITHOUT REGARD TO SPECIFIED OUTSOURCING EX-
 8 PENSES.—For purposes of this subsection, earnings
 9 and profits of any controlled foreign corporation
 10 shall be determined without regard to any specified
 11 outsourcing expense (as defined in section
 12 280I(b)).”.

13 (c) CLERICAL AMENDMENT.—The table of sections
 14 for part IX of subchapter B of chapter 1 is amended by
 15 adding at the end the following new item:

“Sec. 280I. Outsourcing expenses.”.

16 (d) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to amounts paid or incurred after
 18 the date of the enactment of this Act.

19 **SEC. 304. MODIFICATIONS TO THE TAX ON PETROLEUM.**

20 (a) DEFINITION OF CRUDE OIL.—Paragraph (1) of
 21 section 4612(a) is amended to read as follows:

22 “(1) CRUDE OIL.—The term ‘crude oil’ includes
 23 crude oil condensates, natural gasoline, any bitumen
 24 or bituminous mixture, and any oil derived from a
 25 bitumen or bituminous mixture.”.

1 (b) REMOVING RESTRICTIONS RELATING TO OIL
2 WELLS AND EXTRACTION METHODS.—Paragraph (2) of
3 section 4612(a) is amended by striking “from a well lo-
4 cated”.

5 (c) CLERICAL AMENDMENT.—Subclause (I) of sec-
6 tion 4612(e)(2)(B)(ii) is amended by striking “tranferred”
7 and inserting “transferred”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 subsections (a) and (b) shall apply to oil and petroleum
10 products received or entered during calendar quarters be-
11 ginning more than 60 days after the date of the enactment
12 of this Act.

Calendar No. 18

113TH CONGRESS
1ST Session

S. 388

A BILL

To appropriately limit sequestration, to eliminate tax loopholes, and for other purposes.

FEBRUARY 26, 2013

Read twice and placed on the calendar pursuant to the order of February 14, 2013