

Bipartisan Budget Act of 2015

[Public Law 114–74]

[As Amended Through P.L. 117–328, Enacted December 29, 2022]

【Currency: This publication is a compilation of the text of Public Law 114-74. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations.

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) 【26 U.S.C. 1 note】 SHORT TITLE.—This Act may be cited as the “Bipartisan Budget Act of 2015”.

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

Sec. 1. Short title; table of contents.

TITLE I—BUDGET ENFORCEMENT

Sec. 101. Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 102. Authority for fiscal year 2017 budget resolution in the Senate.

TITLE II—AGRICULTURE

Sec. 201. Standard Reinsurance Agreement.

TITLE III—COMMERCE

Sec. 301. Debt collection improvements.

TITLE IV—STRATEGIC PETROLEUM RESERVE

Sec. 401. Strategic Petroleum Reserve test drawdown and sale notification and definition change.

Sec. 402. Strategic Petroleum Reserve mission readiness optimization.

Sec. 403. Strategic Petroleum Reserve drawdown and sale.

Sec. 404. Energy Security and Infrastructure Modernization Fund.

TITLE V—PENSIONS

Sec. 501. Single employer plan annual premium rates.

Sec. 502. Pension Payment Acceleration.

Sec. 503. Mortality tables.

Sec. 504. Extension of current funding stabilization percentages to 2018, 2019, and 2020.

TITLE VI—HEALTH CARE

- Sec. 601. Maintaining 2016 Medicare part B premium and deductible levels consistent with actuarially fair rates.
- Sec. 602. Applying the Medicaid additional rebate requirement to generic drugs.
- Sec. 603. Treatment of off-campus outpatient departments of a provider.
- Sec. 604. Repeal of automatic enrollment requirement.

TITLE VII—JUDICIARY

- Sec. 701. Civil monetary penalty inflation adjustments.
- Sec. 702. Crime Victims Fund.
- Sec. 703. Assets Forfeiture Fund.

TITLE VIII—SOCIAL SECURITY

- Sec. 801. Short title.

Subtitle A—Ensuring Correct Payments and Reducing Fraud

- Sec. 811. Expansion of cooperative disability investigations units.
- Sec. 812. Exclusion of certain medical sources of evidence.
- Sec. 813. New and stronger penalties.
- Sec. 814. References to Social Security and Medicare in electronic communications.
- Sec. 815. Change to cap adjustment authority.

Subtitle B—Promoting Opportunity for Disability Beneficiaries

- Sec. 821. Temporary reauthorization of disability insurance demonstration project authority.
- Sec. 822. Modification of demonstration project authority.
- Sec. 823. Promoting opportunity demonstration project.
- Sec. 824. Use of electronic payroll data to improve program administration.
- Sec. 825. Treatment of earnings derived from services.
- Sec. 826. Electronic reporting of earnings.

Subtitle C—Protecting Social Security Benefits

- Sec. 831. Closure of unintended loopholes.
- Sec. 832. Requirement for medical review.
- Sec. 833. Reallocation of payroll tax revenue.
- Sec. 834. Access to financial information for waivers and adjustments of recovery.

Subtitle D—Relieving Administrative Burdens and Miscellaneous Provisions

- Sec. 841. Interagency coordination to improve program administration.
- Sec. 842. Elimination of quinquennial determinations relating to wage credits for military service prior to 1957.
- Sec. 843. Certification of benefits payable to a divorced spouse of a railroad worker to the Railroad Retirement Board.
- Sec. 844. Technical amendments to eliminate obsolete provisions.
- Sec. 845. Reporting requirements to Congress.
- Sec. 846. Expedited examination of administrative law judges.

TITLE IX—TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT

- Sec. 901. Temporary extension of public debt limit.
- Sec. 902. Restoring congressional authority over the national debt.

TITLE X—SPECTRUM PIPELINE

- Sec. 1001. Short title.
- Sec. 1002. Definitions.
- Sec. 1003. Rule of construction.
- Sec. 1004. Identification, reallocation, and auction of Federal spectrum.
- Sec. 1005. Additional uses of Spectrum Relocation Fund.
- Sec. 1006. Plans for auction of certain spectrum.
- Sec. 1007. FCC auction authority.
- Sec. 1008. Reports to Congress.

TITLE XI—REVENUE PROVISIONS RELATED TO TAX COMPLIANCE

- Sec. 1101. Partnership audits and adjustments.
- Sec. 1102. Partnership interests created by gift.

TITLE XII—DESIGNATION OF SMALL HOUSE ROTUNDA

Sec. 1201. Designating small House rotunda as “Freedom Foyer”.

TITLE I—BUDGET ENFORCEMENT**SEC. 101. AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.**

(a) REVISED DISCRETIONARY SPENDING LIMITS.—Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) is amended by striking paragraphs (3) and (4) and inserting the following:

“(3) for fiscal year 2016—

“(A) for the revised security category, \$548,091,000,000 in new budget authority; and

“(B) for the revised nonsecurity category \$518,491,000,000 in new budget authority;

“(4) for fiscal year 2017—

“(A) for the revised security category, \$551,068,000,000 in new budget authority; and

“(B) for the revised nonsecurity category, \$518,531,000,000 in new budget authority;”.

(b) DIRECT SPENDING ADJUSTMENTS FOR FISCAL YEARS 2016 AND 2017.—Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901a), is amended—

(1) in paragraph (5)(B), by striking “paragraph (10)” and inserting “paragraphs (10) and (11)”; and

(2) by adding at the end the following:

“(11) IMPLEMENTING DIRECT SPENDING REDUCTIONS FOR FISCAL YEARS 2016 AND 2017.—(A) OMB shall make the calculations necessary to implement the direct spending reductions calculated pursuant to paragraphs (3) and (4) without regard to the amendment made to section 251(c) revising the discretionary spending limits for fiscal years 2016 and 2017 by the Bipartisan Budget Act of 2015.

“(B) Paragraph (5)(B) shall not be implemented for fiscal years 2016 and 2017.”.

(c) EXTENSION OF DIRECT SPENDING REDUCTIONS FOR FISCAL YEAR 2025.—Section 251A(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901a(6)) is amended—

(1) in subparagraph (B), in the matter preceding clause (i), by striking “and for fiscal year 2024” and by inserting “for fiscal year 2024, and for fiscal year 2025”;

(2) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C); and

(3) in subparagraph (C) (as so redesignated), by striking “fiscal year 2024” and inserting “fiscal year 2025”.

(d) OVERSEAS CONTINGENCY OPERATIONS AMOUNTS.—In fiscal years 2016 and 2017, the adjustments under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)) for Overseas Contingency Operations/Global War on Terrorism appropriations will be as follows:

(1) For budget function 150—

(A) for fiscal year 2016, \$14,895,000,000; and

(B) for fiscal year 2017, \$14,895,000,000.

(2) For budget function 050—

(A) for fiscal year 2016, \$58,798,000,000; and

(B) for fiscal year 2017, \$58,798,000,000.

This subsection shall not affect the applicability of section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 102. AUTHORITY FOR FISCAL YEAR 2017 BUDGET RESOLUTION IN THE SENATE.

(a) FISCAL YEAR 2017.—For the purpose of enforcing the Congressional Budget Act of 1974, after April 15, 2016, and enforcing budgetary points of order in prior concurrent resolutions on the budget, the allocations, aggregates, and levels provided for in subsection (b) shall apply in the Senate in the same manner as for a concurrent resolution on the budget for fiscal year 2017 with appropriate budgetary levels for fiscal years 2018 through 2026.

(b) COMMITTEE ALLOCATIONS, AGGREGATES, AND LEVELS.—After April 15, 2016, but not later than May 15, 2016, the Chairman of the Committee on the Budget of the Senate shall file—

(1) for the Committee on Appropriations, committee allocations for fiscal year 2017 consistent with discretionary spending limits set forth in section 251(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by this Act, for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(2) for all committees other than the Committee on Appropriations, committee allocations for fiscal years 2017, 2017 through 2021, and 2017 through 2026 consistent with the most recent baseline of the Congressional Budget Office, as adjusted for the budgetary effects of any provision of law enacted during the period beginning on the date such baseline is issued and ending on the date of submission of such statement, for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(3) aggregate spending levels for fiscal year 2017 in accordance with the allocations established under paragraphs (1) and (2), for the purpose of enforcing section 311 of the Congressional Budget Act of 1974;

(4) aggregate revenue levels for fiscal years 2017, 2017 through 2021, and 2017 through 2026 consistent with the most recent baseline of the Congressional Budget Office, as adjusted for the budgetary effects of any provision of law enacted during the period beginning on the date such baseline is issued and ending on the date of submission of such statement, for the purpose of enforcing section 311 of the Congressional Budget Act of 1974; and

(5) levels of Social Security revenues and outlays for fiscal years 2017, 2017 through 2021, and 2017 through 2026 consistent with the most recent baseline of the Congressional Budget Office, as adjusted for the budgetary effects of any provision of law enacted during the period beginning on the date such baseline is issued and ending on the date of submission of such statement, for the purpose of enforcing sections 302 and 311 of the Congressional Budget Act of 1974.

(c) **ADDITIONAL MATTER.**—The filing referred to in subsection (b) may also include for fiscal year 2017 the matter contained in subtitles A and B of title IV of S. Con. Res. 11 (114th Congress) updated by 1 fiscal year.

(d) **EXPIRATION.**—This section shall expire if a concurrent resolution on the budget for fiscal year 2017 is agreed to by the Senate and the House of Representatives pursuant to section 301 of the Congressional Budget Act of 1974.

TITLE II—AGRICULTURE

SEC. 201. STANDARD REINSURANCE AGREEMENT.

Section 508(k)(8) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(8)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i), by striking “may renegotiate” and all that follows through the end of clause (ii) and inserting the following: “ shall renegotiate the financial terms and conditions of each Standard Reinsurance Agreement—

“(i) not later than December 31, 2016; and

“(ii) not less than once during each period of 5 reinsurance years thereafter.”; and

(2) by striking subparagraph (E) and inserting the following:

“(E) **CAP ON OVERALL RATE OF RETURN.**—Notwithstanding subparagraph (F), the Board shall ensure that the Standard Reinsurance Agreement renegotiated under subparagraph (A)(i) establishes a target rate of return for the approved insurance providers, taken as a whole, that does not exceed 8.9 percent of retained premium for each of the 2017 through 2026 reinsurance years.”.

TITLE III—COMMERCE

SEC. 301. DEBT COLLECTION IMPROVEMENTS.

(a) **IN GENERAL.**—Section 227(b) of the Communications Act of 1934 (47 U.S.C. 227(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(iii), by inserting “, unless such call is made solely to collect a debt owed to or guaranteed by the United States” after “charged for the call”; and

(B) in subparagraph (B), by inserting “, is made solely pursuant to the collection of a debt owed to or guaranteed by the United States,” after “purposes”; and

(2) in paragraph (2)—

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

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

(C) by adding at the end the following:

“(H) may restrict or limit the number and duration of calls made to a telephone number assigned to a cellular

telephone service to collect a debt owed to or guaranteed by the United States.”.

(b) [47 U.S.C. 227 note] DEADLINE FOR REGULATIONS.—Not later than 9 months after the date of enactment of this Act, the Federal Communications Commission, in consultation with the Department of the Treasury, shall prescribe regulations to implement the amendments made by this section.

TITLE IV—STRATEGIC PETROLEUM RESERVE

SEC. 401. STRATEGIC PETROLEUM RESERVE TEST DRAWDOWN AND SALE NOTIFICATION AND DEFINITION CHANGE.

(a) NOTICE TO CONGRESS.—Section 161(g) of the Energy Policy and Conservation Act (42 U.S.C. 6241(g)) is amended by striking paragraph (8) and inserting the following:

“(8) NOTICE TO CONGRESS.—

“(A) PRIOR NOTICE.—Not less than 14 days before the date on which a test is carried out under this subsection, the Secretary shall notify both Houses of Congress of the test.

“(B) EMERGENCY.—The prior notice requirement in subparagraph (A) shall not apply if the Secretary determines that an emergency exists which requires a test to be carried out, in which case the Secretary shall notify both Houses of Congress of the test as soon as possible.

“(C) DETAILED DESCRIPTION.—

“(i) IN GENERAL.—Not later than 180 days after the date on which a test is completed under this subsection, the Secretary shall submit to both Houses of Congress a detailed description of the test.

“(ii) REPORT.—A detailed description submitted under clause (i) may be included as part of a report made to the President and Congress under section 165.”.

(b) DEFINITION CHANGE.—Section 3(8)(C)(iii) of the Energy Policy and Conservation Act (42 U.S.C. 6202(8)(C)(iii)) is amended by striking “sabotage or an act of God” and inserting “sabotage, an act of terrorism, or an act of God”.

SEC. 402. STRATEGIC PETROLEUM RESERVE MISSION READINESS OPTIMIZATION.

Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(1) complete a long-range strategic review of the Strategic Petroleum Reserve; and

(2) develop and submit to Congress a proposed action plan, including a proposed implementation schedule, that—

(A) specifies near- and long-term roles of the Strategic Petroleum Reserve relative to the energy and economic security goals and objectives of the United States;

(B) describes whether existing legal authorities that govern the policies, configuration, and capabilities of the Strategic Petroleum Reserve are adequate to ensure that

the Strategic Petroleum Reserve can meet the current and future energy and economic security goals and objectives of the United States;

(C) identifies the configuration and performance capabilities of the Strategic Petroleum Reserve and recommends an action plan to achieve the optimal—

(i) capacity, location, and composition of petroleum products in the Strategic Petroleum Reserve; and

(ii) storage and distributional capabilities; and

(D) estimates the resources required to attain and maintain the long-term sustainability and operational effectiveness of the Strategic Petroleum Reserve.

SEC. 403. [42 U.S.C. 6241 note] STRATEGIC PETROLEUM RESERVE DRAWDOWN AND SALE.

(a) DRAWDOWN AND SALE.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), except as provided in subsection (b), the Secretary of Energy shall draw down and sell—

(1) 5,000,000 barrels of crude oil from the Strategic Petroleum Reserve during fiscal year 2018;

(2) 5,000,000 barrels of crude oil from the Strategic Petroleum Reserve during fiscal year 2019;

(3) 5,000,000 barrels of crude oil from the Strategic Petroleum Reserve during fiscal year 2020;

(4) 5,000,000 barrels of crude oil from the Strategic Petroleum Reserve during fiscal year 2021;

(5) 8,000,000 barrels of crude oil from the Strategic Petroleum Reserve during fiscal year 2022; and

(6) 10,000,000 barrels of crude oil from the Strategic Petroleum Reserve during fiscal year 2023.

(b) EMERGENCY PROTECTION.—The Secretary shall not draw down and sell crude oil under this section in amounts that would limit the authority to sell petroleum products under section 161(h) of the Energy Policy and Conservation Act (42 U.S.C. 6241(h)) in the full amount authorized by that subsection.

(c) PROCEEDS.—Proceeds from a sale under this section shall be deposited into the general fund of the Treasury during the fiscal year in which the sale occurs.

SEC. 404. [42 U.S.C. 6239 note] ENERGY SECURITY AND INFRASTRUCTURE MODERNIZATION FUND.

(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund to be known as the Energy Security and Infrastructure Modernization Fund (referred to in this section as the “Fund”), consisting of—

(1) collections deposited in the Fund under subsection (c); and

(2) amounts otherwise appropriated to the Fund.

(b) PURPOSE.—The purpose of the Fund is to provide for the construction, maintenance, repair, and replacement of Strategic Petroleum Reserve facilities.

(c) COLLECTION AND DEPOSIT OF SALE PROCEEDS IN FUND.—

(1) DRAWDOWN AND SALE.—Notwithstanding section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241), to

the extent provided in advance in appropriation Acts, the Secretary of Energy shall draw down and sell crude oil from the Strategic Petroleum Reserve in amounts as authorized under subsection (e), except as provided in paragraph (2). Amounts received for a sale under this paragraph shall be deposited into the Fund during the fiscal year in which the sale occurs. Such amounts shall remain available in the Fund without fiscal year limitation.

(2) EMERGENCY PROTECTION.—The Secretary shall not draw down and sell crude oil under this subsection in amounts that would limit the authority to sell petroleum products under section 161(h) of the Energy Policy and Conservation Act (42 U.S.C. 6241(h)) in the full amount authorized by that subsection.

(d) AUTHORIZED USES OF FUND.—

(1) IN GENERAL.—Amounts in the Fund may be used for, or may be credited as offsetting collections for amounts used for, carrying out the program described in paragraph (2)(B), to the extent provided in advance in appropriation Acts.

(2) PROGRAM TO MODERNIZE THE STRATEGIC PETROLEUM RESERVE.—

(A) FINDINGS.—Congress finds the following:

(i) The Strategic Petroleum Reserve is one of the Nation's most valuable energy security assets.

(ii) The age and condition of the Strategic Petroleum Reserve have diminished its value as a Federal energy security asset.

(iii) Global oil markets and the location and amount of United States oil production and refining capacity have dramatically changed in the 40 years since the establishment of the Strategic Petroleum Reserve.

(iv) Maximizing the energy security value of the Strategic Petroleum Reserve requires a modernized infrastructure that meets the drawdown and distribution needs of changed domestic and international oil and refining market conditions.

(B) PROGRAM.—The Secretary of Energy shall establish a Strategic Petroleum Reserve modernization program to protect the United States economy from the impacts of emergency product supply disruptions. The program may include—

(i) operational improvements to extend the useful life of surface and subsurface infrastructure;

(ii) maintenance of cavern storage integrity; and

(iii) addition of infrastructure and facilities to optimize the drawdown and incremental distribution capacity of the Strategic Petroleum Reserve.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated (and drawdowns and sales under subsection (c) in an equal amount are authorized) for carrying out subsection (d)(2)(B), \$2,000,000,000 for the period encompassing fiscal years 2017 through 2022.

(f) TRANSMISSION OF DEPARTMENT BUDGET REQUESTS.—The Secretary of Energy shall prepare and submit in the Department’s annual budget request to Congress—

(1) an itemization of the amounts of funds necessary to carry out subsection (d); and

(2) a designation of any activities thereunder for which a multiyear budget authority would be appropriate.

(g) SUNSET.—The authority of the Secretary to draw down and sell crude oil from the Strategic Petroleum Reserve under this section shall expire at the end of fiscal year 2022.

TITLE V—PENSIONS

SEC. 501. SINGLE EMPLOYER PLAN ANNUAL PREMIUM RATES.

(a) FLAT-RATE PREMIUM.—

(1) IN GENERAL.—Section 4006(a)(3)(A)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)(i)) is amended by striking “and” at the end of subclause (IV), by striking the period at the end of subclause (V) and inserting a semicolon, and by inserting after subclause (V) the following:

“(VI) for plan years beginning after December 31, 2016, and before January 1, 2018, \$69;

“(VII) for plan years beginning after December 31, 2017, and before January 1, 2019, \$74; and

“(VIII) for plan years beginning after December 31, 2018, \$80.”

(2) PREMIUM RATES AFTER 2019.—Section 4006(a)(3)(G) of such Act (29 U.S.C. 1306(a)(3)(G)) is amended—

(A) in the matter preceding clause (i), by striking “2016” and inserting “2019”; and

(B) in clause (i)(II) by striking “2014” and inserting “2017”.

(b) VARIABLE-RATE PREMIUM INCREASES.—

(1) IN GENERAL.—Section 4006(a)(8)(C) of such Act (29 U.S.C. 1306(a)(8)(C)) is amended—

(A) in the subparagraph heading, by striking “increase in 2014 and 2015” and inserting “increases”;

(B) in clause (ii), by striking “and” at the end;

(C) in clause (iii), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

“(iv) in the case of plan years beginning in calendar year 2017, by \$3;

“(v) in the case of plan years beginning in calendar year 2018, by \$4; and

“(vi) in the case of plan years beginning in calendar year 2019, by \$4.”

(2) CONFORMING AMENDMENTS.—Section 4006(a)(8) of such Act (29 U.S.C. 1306(a)(8)) is amended—

(A) in subparagraph (A)—

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

(ii) in clause (iv), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

“(v) for plan years beginning after calendar year 2017, the amount in effect for plan years beginning in 2017 (determined after application of subparagraph (C));

“(vi) for plan years beginning after calendar year 2018, the amount in effect for plan years beginning in 2018 (determined after application of subparagraph (C)); and

“(vii) for plan years beginning after calendar year 2019, the amount in effect for plan years beginning in 2019 (determined after application of subparagraph (C)).”; and

(B) in subparagraph (D)—

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

(ii) in clause (iv), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

“(v) 2015, in the case of plan years beginning after calendar year 2017;

“(vi) 2016, in the case of plan years beginning after calendar year 2018; and

“(vii) 2017, in the case of plan years beginning after calendar year 2019.”.

(3) **[29 U.S.C. 1306 note] EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2016.

SEC. 502. [29 U.S.C. 1307 note] PENSION PAYMENT ACCELERATION.

Notwithstanding section 4007(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1307(a)) and section 4007.11 of title 29, Code of Federal Regulations, for plan years commencing after December 31, 2024, and before January 1, 2026, the premium due date for such plan years shall be the fifteenth day of the ninth calendar month that begins on or after the first day of the premium payment year.

SEC. 503. MORTALITY TABLES.

(a) **[26 U.S.C. 430 note] CREDIBILITY.**—For purposes of subclause (I) of section 430(h)(3)(C)(iii) of the Internal Revenue Code of 1986 and subclause (I) of section 303(h)(3)(C)(iii) of the Employee Retirement Income Security Act of 1974, the determination of whether plans have credible information shall be made in accordance with established actuarial credibility theory, which—

(1) is materially different from rules under such section of such Code, including Revenue Procedure 2007-37, that are in effect on the date of the enactment of this Act; and

(2) permits the use of tables that reflect adjustments to the tables described in subparagraphs (A) and (B) of section 430(h)(3) of such Code, and subparagraphs (A) and (B) of section 303(h)(3) of such Act, if such adjustments are based on the experience described in subclause (II) of section 430(h)(3)(C)(iii)

of such Code and in subclause (II) of section 303(h)(3)(C)(iii) of such Act.

(b) EFFECTIVE DATE.—This section shall apply to plan years beginning after December 31, 2015.

SEC. 504. EXTENSION OF CURRENT FUNDING STABILIZATION PERCENTAGES TO 2018, 2019, AND 2020.

(a) [26 U.S.C. 430] FUNDING STABILIZATION UNDER THE INTERNAL REVENUE CODE OF 1986.—The table in subclause (II) of section 430(h)(2)(C)(iv) of the Internal Revenue Code of 1986 is amended to read as follows:

“If the calendar year is:	The applicable minimum percentage is:	The applicable maximum percentage is:
2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, or 2020.	90%	110%
2021	85%	115%
2022	80%	120%
2023	75%	125%
After 2023	70%	130%”.

(b) FUNDING STABILIZATION UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—The table in subclause (II) of section 303(h)(2)(C)(iv) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(h)(2)(C)(iv)) is amended to read as follows:

“If the calendar year is:	The applicable minimum percentage is:	The applicable maximum percentage is:
2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, or 2020.	90%	110%
2021	85%	115%
2022	80%	120%
2023	75%	125%
After 2023	70%	130%”.

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 101(f)(2)(D) of such Act (29 U.S.C. 1021(f)(2)(D)) is amended—

(i) in clause (i) by striking “and the Highway and Transportation Funding Act of 2014” both places it appears and inserting “, the Highway and Transportation Funding Act of 2014, and the Bipartisan Budget Act of 2015”; and

(ii) in clause (ii) by striking “2020” and inserting “2023”.

(B) STATEMENTS.—The Secretary of Labor shall modify the statements required under subclauses (I) and (II) of section 101(f)(2)(D)(i) of such Act to conform to the amendments made by this section.

(c) [26 U.S.C. 430 note] EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2015.

TITLE VI—HEALTH CARE

SEC. 601. MAINTAINING 2016 MEDICARE PART B PREMIUM AND DEDUCTIBLE LEVELS CONSISTENT WITH ACTUARIALLY FAIR RATES.

(a) 2016 PREMIUM AND DEDUCTIBLE AND REPAYMENT THROUGH FUTURE PREMIUMS.—Section 1839(a) of the Social Security Act (42 U.S.C. 1395r(a)) is amended—

(1) in the second sentence of paragraph (1), by striking “Such” and inserting “Subject to paragraphs (5) and (6), such”; and

(2) by adding at the end the following:

“(5)(A) In applying this part (including subsection (i) and section 1833(b)), the monthly actuarial rate for enrollees age 65 and over for 2016 shall be determined as if subsection (f) did not apply.

“(B) Subsection (f) shall continue to be applied to paragraph (6)(A) (during a repayment month, as described in paragraph (6)(B)) and without regard to the application of subparagraph (A).

“(6)(A) With respect to a repayment month (as described in subparagraph (B)), the monthly premium otherwise established under paragraph (3) shall be increased by, subject to subparagraph (D), \$3.

“(B) For purposes of this paragraph, a repayment month is a month during a year, beginning with 2016, for which a balance due amount is computed under subparagraph (C) as greater than zero.

“(C) For purposes of this paragraph, the balance due amount computed under this subparagraph, with respect to a month, is the amount estimated by the Chief Actuary of the Centers for Medicare & Medicaid Services to be equal to—

“(i) the amount transferred under section 1844(d)(1); plus

“(ii) the amount that is equal to the aggregate reduction, for all individuals enrolled under this part, in the income related monthly adjustment amount as a result of the application of paragraph (5); minus

“(iii) the amounts payable under this part as a result of the application of this paragraph for preceding months.

“(D) If the balance due amount computed under subparagraph (C), without regard to this subparagraph, for December of a year would be less than zero, the Chief Actuary of the Centers for Medicare & Medicaid Services shall estimate, and the Secretary shall apply, a reduction to the dollar amount increase applied under subparagraph (A) for each month during

such year in a manner such that the balance due amount for January of the subsequent year is equal to zero.”.

(b) TRANSITIONAL GOVERNMENT CONTRIBUTION.—Section 1844 of the Social Security Act (42 U.S.C. 1395w) is amended—

(1) in subsection (a), by adding at the end the following: “In applying paragraph (1), the amounts transferred under subsection (d)(1) with respect to enrollees described in subparagraphs (A) and (B) of such subsection shall be treated as premiums payable and deposited in the Trust Fund under subparagraphs (A) and (B), respectively, of paragraph (1).”; and

(2) by adding at the end the following:

“(d)(1) For 2016, there shall be transferred from the General Fund to the Trust Fund an amount, as estimated by the Chief Actuary of the Centers for Medicare & Medicaid Services, equal to the reduction in aggregate premiums payable under this part for a month in such year (excluding any changes in amounts collected under section 1839(i)) that is attributable to the application of section 1839(a)(5)(A) with respect to—

“(A) enrollees age 65 and over; and

“(B) enrollees under age 65.

Such amounts shall be transferred from time to time as appropriate.

“(2) Premium increases affected under section 1839(a)(6) shall not be taken into account in applying subsection (a).

“(3) There shall be transferred from the Trust Fund to the General Fund of the Treasury amounts equivalent to the additional premiums payable as a result of the application of section 1839(a)(6), excluding the aggregate payments attributable to the application of section 1839(i)(3)(A)(ii)(I).”.

(c) CONFORMING APPLICATION OF HIGH INCOME ADJUSTMENTS TO INCREASED MONTHLY PREMIUM IN SAME MANNER AS FOR REGULAR MEDICARE PREMIUMS.—Section 1839(i)(3)(A)(ii) of the Social Security Act (42 U.S.C. 1395r(i)(3)(A)(ii)) is amended—

(1) by striking “amount.—200 percent” and inserting the following: “ amount.—

“(I) 200 percent”; and

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

(3) by adding at the end the following new subclause:

“(II) 4 times the amount of the increase in the monthly premium under subsection (a)(6) for a month in the year.”.

(d) [42 U.S.C. 1395r note] CONDITIONAL APPLICATION TO 2017 IF NO SOCIAL SECURITY COLA FOR 2017.—If there is no increase in the monthly insurance benefits payable under title II with respect to December 2016 pursuant to section 215(i), then the amendments made by this section shall be applied as if—

(1) the reference to “2016” in paragraph (5)(A) of section 1839(a) of the Social Security Act (42 U.S.C. 1395r(a)), as added by subsection (a)(2), was a reference to “2016 and 2017”; and

(2) the reference to “a month during a year, beginning with 2016” in paragraph (6)(B) of section 1839 of such Act (42 U.S.C. 1395r(a)), as added by subsection (a)(2), was a reference

to “a month in a year, beginning with 2016 and beginning with 2017, respectively”; and

(3) the reference to “2016” in subsection (d)(1) of section 1844 of such Act (42 U.S.C. 1395w), as added by subsection (b)(2), was a reference to “each of 2016 and 2017”.

Any increase in premiums effected under this subsection shall be in addition to the increase effected by the amendments made by subsection (a).

(e) **[42 U.S.C. 1395r note] CONSTRUCTION REGARDING NO AUTHORITY TO INITIATE APPLICATION TO YEARS AFTER 2017.**—Nothing in subsection (d) or the amendments made by this section shall be construed as authorizing the Secretary of Health and Human Services to initiate application of such subsection or amendments for a year after 2017.

SEC. 602. APPLYING THE MEDICAID ADDITIONAL REBATE REQUIREMENT TO GENERIC DRUGS.

(a) **IN GENERAL.**—Section 1927(c)(3) of the Social Security Act (42 U.S.C. 1396r-8(c)(3)) is amended—

(1) in subparagraph (A), by striking “The amount” and inserting “Except as provided in subparagraph (C), the amount”; and

(2) by adding at the end the following new subparagraph:
“(C) **ADDITIONAL REBATE.**—

“(i) **IN GENERAL.**—The amount of the rebate specified in this paragraph for a rebate period, with respect to each dosage form and strength of a covered outpatient drug other than a single source drug or an innovator multiple source drug of a manufacturer, shall be increased in the manner that the rebate for a dosage form and strength of a single source drug or an innovator multiple source drug is increased under subparagraphs (A) and (D) of paragraph (2), except as provided in clause (ii).

“(ii) **SPECIAL RULES FOR APPLICATION OF PROVISION.**—In applying subparagraphs (A) and (D) of paragraph (2) under clause (i)—

“(I) the reference in subparagraph (A)(i) of such paragraph to ‘1990’ shall be deemed a reference to ‘2014’;

“(II) subject to clause (iii), the reference in subparagraph (A)(ii) of such paragraph to ‘the calendar quarter beginning July 1, 1990’ shall be deemed a reference to ‘the calendar quarter beginning July 1, 2014’; and

“(III) subject to clause (iii), the reference in subparagraph (A)(ii) of such paragraph to ‘September 1990’ shall be deemed a reference to ‘September 2014’;

“(IV) the references in subparagraph (D) of such paragraph to ‘paragraph (1)(A)(ii)’, ‘this paragraph’, and ‘December 31, 2009’ shall be deemed references to ‘subparagraph (A)’, ‘this subparagraph’, and ‘December 31, 2014’, respectively; and

“(V) any reference in such paragraph to a ‘single source drug or an innovator multiple source drug’ shall be deemed to be a reference to a drug to which clause (i) applies.

“(iii) SPECIAL RULE FOR CERTAIN NONINNOVATOR MULTIPLE SOURCE DRUGS.—In applying paragraph (2)(A)(ii)(II) under clause (i) with respect to a covered outpatient drug that is first marketed as a drug other than a single source drug or an innovator multiple source drug after April 1, 2013, such paragraph shall be applied—

“(I) by substituting ‘the applicable quarter’ for ‘the calendar quarter beginning July 1, 1990’; and

“(II) by substituting ‘the last month in such applicable quarter’ for ‘September 1990’.

“(iv) APPLICABLE QUARTER DEFINED.—In this subsection, the term ‘applicable quarter’ means, with respect to a drug described in clause (iii), the fifth full calendar quarter after which the drug is marketed as a drug other than a single source drug or an innovator multiple source drug.”

(b) **[42 U.S.C. 1396r-8] EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to rebate periods beginning after the date that is one year after the date of the enactment of this Act.

SEC. 603. TREATMENT OF OFF-CAMPUS OUTPATIENT DEPARTMENTS OF A PROVIDER.

Section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)) is amended—

(1) in paragraph (1)(B)—

(A) in clause (iii), by striking “but” at the end;

(B) in clause (iv), by striking the period at the end and inserting “; and”; and

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

“(v) does not include applicable items and services (as defined in subparagraph (A) of paragraph (21)) that are furnished on or after January 1, 2017, by an off-campus outpatient department of a provider (as defined in subparagraph (B) of such paragraph).”; and

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

“(21) SERVICES FURNISHED BY AN OFF-CAMPUS OUTPATIENT DEPARTMENT OF A PROVIDER.—

“(A) APPLICABLE ITEMS AND SERVICES.—For purposes of paragraph (1)(B)(v) and this paragraph, the term ‘applicable items and services’ means items and services other than items and services furnished by a dedicated emergency department (as defined in section 489.24(b) of title 42 of the Code of Federal Regulations).

“(B) OFF-CAMPUS OUTPATIENT DEPARTMENT OF A PROVIDER.—

“(i) IN GENERAL.—For purposes of paragraph (1)(B)(v) and this paragraph, subject to clause (ii), the term ‘off-campus outpatient department of a provider’ means a department of a provider (as defined in sec-

tion 413.65(a)(2) of title 42 of the Code of Federal Regulations, as in effect as of the date of the enactment of this paragraph) that is not located—

“(I) on the campus (as defined in such section 413.65(a)(2)) of such provider; or

“(II) within the distance (described in such definition of campus) from a remote location of a hospital facility (as defined in such section 413.65(a)(2)).

“(ii) EXCEPTION.—For purposes of paragraph (1)(B)(v) and this paragraph, the term ‘off-campus outpatient department of a provider’ shall not include a department of a provider (as so defined) that was billing under this subsection with respect to covered OPD services furnished prior to the date of the enactment of this paragraph.

“(C) AVAILABILITY OF PAYMENT UNDER OTHER PAYMENT SYSTEMS.—Payments for applicable items and services furnished by an off-campus outpatient department of a provider that are described in paragraph (1)(B)(v) shall be made under the applicable payment system under this part (other than under this subsection) if the requirements for such payment are otherwise met.

“(D) INFORMATION NEEDED FOR IMPLEMENTATION.—Each hospital shall provide to the Secretary such information as the Secretary determines appropriate to implement this paragraph and paragraph (1)(B)(v) (which may include reporting of information on a hospital claim using a code or modifier and reporting information about off-campus outpatient departments of a provider on the enrollment form described in section 1866(j)).

“(E) LIMITATIONS.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise of the following:

“(i) The determination of the applicable items and services under subparagraph (A) and applicable payment systems under subparagraph (C).

“(ii) The determination of whether a department of a provider meets the term described in subparagraph (B).

“(iii) Any information that hospitals are required to report pursuant to subparagraph (D).”.

SEC. 604. [29 U.S.C. 218a] REPEAL OF AUTOMATIC ENROLLMENT REQUIREMENT.

The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) is amended by repealing section 18A (as added by section 1511 of the Patient Protection and Affordable Care Act (Public Law 111-148)).

TITLE VII—JUDICIARY**SEC. 701. [28 U.S.C. 1 note 28 U.S.C. 2461 note] CIVIL MONETARY PENALTY INFLATION ADJUSTMENTS.**

(a) **SHORT TITLE.**—This section may be cited as the “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015”.

(b) **AMENDMENTS.**—The Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note) is amended—

(1) in section 4—

(A) by striking the matter preceding paragraph (1) and inserting the following:

“(a) **IN GENERAL.**—Not later than July 1, 2016, and not later than January 15 of every year thereafter, and subject to subsections (c) and (d), the head of each agency shall—”;

(B) in paragraph (1)—

(i) by striking “by regulation adjust” and inserting “in accordance with subsection (b), adjust”; and

(ii) by striking “, the Tariff Act of 1930, the Occupational Safety and Health Act of 1970, or the Social Security Act” and inserting “ or the Tariff Act of 1930”;

(C) in paragraph (2), by striking “such regulation” and inserting “such adjustment”; and

(D) by adding at the end the following:

“(b) **PROCEDURES FOR ADJUSTMENTS.**—

“(1) **CATCH UP ADJUSTMENT.**—For the first adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015—

“(A) the head of an agency shall adjust civil monetary penalties through an interim final rulemaking; and

“(B) the adjustment shall take effect not later than August 1, 2016.

“(2) **SUBSEQUENT ADJUSTMENTS.**—For the second adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, and each adjustment thereafter, the head of an agency shall adjust civil monetary penalties and shall make the adjustment notwithstanding section 553 of title 5, United States Code.

“(c) **EXCEPTION.**—For the first adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the head of an agency may adjust the amount of a civil monetary penalty by less than the otherwise required amount if—

“(1) the head of the agency, after publishing a notice of proposed rulemaking and providing an opportunity for comment, determines in a final rule that—

“(A) increasing the civil monetary penalty by the otherwise required amount will have a negative economic impact; or

“(B) the social costs of increasing the civil monetary penalty by the otherwise required amount outweigh the benefits; and

“(2) the Director of the Office of Management and Budget concurs with the determination of the head of the agency under paragraph (1).

“(d) OTHER ADJUSTMENTS MADE.—If a civil monetary penalty subject to a cost-of-living adjustment under this Act is, during the 12 months preceding a required cost-of-living adjustment, increased by an amount greater than the amount of the adjustment required under subsection (a), the head of the agency is not required to make the cost-of-living adjustment for that civil monetary penalty in that year.”;

(2) [28 U.S.C. 2461 note] in section 5—

(A) in subsection (a), by striking “to the nearest—” and all that follows through the end of subsection (a) and inserting “to the nearest multiple of \$1.”; and

(B) by amending subsection (b) to read as follows:

“(b) DEFINITION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of subsection (a), the term ‘cost-of-living adjustment’ means the percentage (if any) for each civil monetary penalty by which—

“(A) the Consumer Price Index for the month of October preceding the date of the adjustment, exceeds

“(B) the Consumer Price Index for the month of October 1 year before the month of October referred to in subparagraph (A).

“(2) INITIAL ADJUSTMENT.—

“(A) IN GENERAL.—Subject to subparagraph (C), for the first inflation adjustment under section 4 made by an agency after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the term ‘cost-of-living adjustment’ means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of October, 2015 exceeds the Consumer Price Index for the month of October of the calendar year during which the amount of such civil monetary penalty was established or adjusted under a provision of law other than this Act.

“(B) APPLICATION OF ADJUSTMENT.—The cost-of-living adjustment described in subparagraph (A) shall be applied to the amount of the civil monetary penalty as it was most recently established or adjusted under a provision of law other than this Act.

“(C) MAXIMUM ADJUSTMENT.—The amount of the increase in a civil monetary penalty under subparagraph (A) shall not exceed 150 percent of the amount of that civil monetary penalty on the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.”;

(3) [28 U.S.C. 2461 note] in section 6, by striking “violations which occur” and inserting “civil monetary penalties, in-

cluding those whose associated violation predated such increase, which are assessed”; and

(4) by adding at the end the following:

“SEC. 7. [28 U.S.C. 2461 note] IMPLEMENTATION AND OVERSIGHT ENHANCEMENTS

“(a) OMB GUIDANCE.—Not later than February 29, 2016, not later than December 15, 2016, and December 15 of every year thereafter, the Director of the Office of Management and Budget shall issue guidance to agencies on implementing the inflation adjustments required under this Act.

“(b) AGENCY FINANCIAL REPORTS.—The head of each agency shall include in the Agency Financial Report submitted under OMB Circular A-136, or any successor thereto, information about the civil monetary penalties within the jurisdiction of the agency, including the adjustment of the civil monetary penalties by the head of the agency under this Act.

“(c) GAO REVIEW.—The Comptroller General of the United States shall annually submit to Congress a report assessing the compliance of agencies with the inflation adjustments required under this Act, which may be included as part of another report submitted to Congress.”.

(c) REPEAL.—Section 31001(s) of the Debt Collection Improvement Act of 1996 (28 U.S.C. 2461 note) is amended by striking paragraph (2).

SEC. 702. CRIME VICTIMS FUND.

There is hereby rescinded and permanently canceled \$1,500,000,000 of the funds deposited or available in the Crime Victims Fund created by section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601).

SEC. 703. ASSETS FORFEITURE FUND.

Of the amounts deposited in the Department of Justice Assets Forfeiture Fund, \$746,000,000 are hereby rescinded and permanently cancelled.

TITLE VIII—SOCIAL SECURITY

SEC. 801. [42 U.S.C. 1305 note] SHORT TITLE.

This title may be cited as the “Social Security Benefit Protection and Opportunity Enhancement Act of 2015”.

Subtitle A—Ensuring Correct Payments and Reducing Fraud

SEC. 811. EXPANSION OF COOPERATIVE DISABILITY INVESTIGATIONS UNITS.

(a) [42 U.S.C. 421] IN GENERAL.—Not later than October 1, 2022, the Commissioner of Social Security shall take any necessary actions, subject to the availability of appropriations, to ensure that cooperative disability investigations units have been established, in areas where there is cooperation with local law enforcement agencies, that would cover each of the 50 States, the District of Colum-

bia, Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.

(b) **REPORT.**—Not later than 90 days after the date of the enactment of this Act and annually thereafter until the earlier of 2022 or the date on which nationwide coverage is achieved, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report describing a plan to implement the nationwide coverage described in subsection (a) and outlining areas where the Social Security Administration did not receive the cooperation of local law enforcement agencies.

SEC. 812. EXCLUSION OF CERTAIN MEDICAL SOURCES OF EVIDENCE.

(a) **IN GENERAL.**—Section 223(d)(5) of the Social Security Act (42 U.S.C. 423(d)(5)) is amended by adding at the end the following:

“(C)(i) In making any determination with respect to whether an individual is under a disability or continues to be under a disability, the Commissioner of Social Security may not consider (except for good cause as determined by the Commissioner) any evidence furnished by—

“(I) any individual or entity who has been convicted of a felony under section 208 or under section 1632;

“(II) any individual or entity who has been excluded from participation in any Federal health care program under section 1128; or

“(III) any person with respect to whom a civil money penalty or assessment has been imposed under section 1129 for the submission of false evidence.

“(ii) To the extent and at such times as is necessary for the effective implementation of clause (i) of this subparagraph—

“(I) the Inspector General of the Social Security Administration shall transmit to the Commissioner information relating to persons described in subclause (I) or (III) of clause (i);

“(II) the Secretary of Health and Human Services shall transmit to the Commissioner information relating to persons described in subclause (II) of clause (i); and”.

(b) **[42 U.S.C. 423 note] REGULATIONS.**—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall issue regulations to carry out the amendment made by subsection (a).

(c) **[42 U.S.C. 423 note] EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to determinations of disability made on or after the earlier of—

(1) the effective date of the regulations issued by the Commissioner under subsection (b); or

(2) one year after the date of the enactment of this Act.

SEC. 813. NEW AND STRONGER PENALTIES.

(a) **CONSPIRACY TO COMMIT SOCIAL SECURITY FRAUD.**—

(1) AMENDMENT TO TITLE II.—Section 208(a) of the Social Security Act (42 U.S.C. 408(a)) is amended—

- (A) in paragraph (7)(C), by striking “or” at the end;
- (B) in paragraph (8), by adding “or” at the end; and
- (C) by inserting after paragraph (8) the following:

“(9) conspires to commit any offense described in any of paragraphs (1) through (4).”

(2) AMENDMENT TO TITLE VIII.—Section 811(a) of such Act (42 U.S.C. 1011(a)) is amended—

- (A) in paragraph (3), by striking “or” at the end;
- (B) in paragraph (4), by striking the comma and adding “; or” at the end; and
- (C) by inserting after paragraph (4) the following:

“(5) conspires to commit any offense described in any of paragraphs (1) through (3).”

(3) AMENDMENT TO TITLE XVI.—Section 1632(a) of such Act (42 U.S.C. 1383a(a)) is amended—

- (A) in paragraph (3), by striking “or” at the end;
- (B) in paragraph (4), by adding “or” at the end; and
- (C) by inserting after paragraph (4) the following:

“(5) conspires to commit any offense described in any of paragraphs (1) through (3).”

(b) INCREASED CRIMINAL PENALTIES FOR CERTAIN INDIVIDUALS VIOLATING POSITIONS OF TRUST.—

(1) AMENDMENT TO TITLE II.—Section 208(a) of the Social Security Act (42 U.S.C. 408(a)), as amended by subsection (a), is further amended by striking the period at the end and inserting “, except that in the case of a person who receives a fee or other income for services performed in connection with any determination with respect to benefits under this title (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, such person shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than ten years, or both.”

(2) AMENDMENT TO TITLE VIII.—Section 811(a) of such Act (42 U.S.C. 1011(a)), as amended by subsection (a), is further amended by striking the period at the end and inserting “, except that in the case of a person who receives a fee or other income for services performed in connection with any determination with respect to benefits under this title (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, such person shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than ten years, or both.”

(3) AMENDMENT TO TITLE XVI.—Section 1632(a) of such Act (42 U.S.C. 1383a(a)), as amended by subsection (a), is further

amended by striking the period at the end and inserting “, except that in the case of a person who receives a fee or other income for services performed in connection with any determination with respect to benefits under this title (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, such person shall be guilty of a felony and upon conviction thereof shall be fined under title 18, United States Code, or imprisoned for not more than ten years, or both.”.

(c) **INCREASED CIVIL MONETARY PENALTIES FOR CERTAIN INDIVIDUALS VIOLATING POSITIONS OF TRUST.**—Section 1129(a)(1) of the Social Security Act (42 U.S.C. 1320a-8(a)(1)) is amended, in the matter following subparagraph (C), by inserting after “withholding disclosure of such fact” the following: “, except that in the case of such a person who receives a fee or other income for services performed in connection with any such determination (including a claimant representative, translator, or current or former employee of the Social Security Administration) or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination, the amount of such penalty shall be not more than \$7,500”.

(d) **NO BENEFITS PAYABLE TO INDIVIDUALS FOR WHOM A CIVIL MONETARY PENALTY IS IMPOSED FOR FRAUDULENTLY CONCEALING WORK ACTIVITY.**—Section 222(c)(5) of the Social Security Act (42 U.S.C. 422(c)(5)) is amended by inserting after “conviction by a Federal court” the following: “, or the imposition of a civil monetary penalty under section 1129,”.

SEC. 814. REFERENCES TO SOCIAL SECURITY AND MEDICARE IN ELECTRONIC COMMUNICATIONS.

(a) **IN GENERAL.**—Section 1140(a)(1) of the Social Security Act (42 U.S.C. 1320b-10(a)(1)) is amended by inserting “(including any Internet or other electronic communication)” after “or other communication”.

(b) **EACH COMMUNICATION TREATED AS SEPARATE VIOLATION.**—Section 1140(b) of such Act (42 U.S.C. 1320b-10(b)) is amended by inserting after the second sentence the following: “In the case of any items referred to in subsection (a)(1) consisting of Internet or other electronic communications, each dissemination, viewing, or accessing of such a communication which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation”.

SEC. 815. CHANGE TO CAP ADJUSTMENT AUTHORITY.

Section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(B)) is amended—

(1) in clause (i)—

(A) in the matter before subclause (I), by striking “and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act” and inserting “, for the cost associated with conducting redeter-

minations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys”;

(B) in subclause (VI), by striking “\$1,309,000,000” and inserting “\$1,546,000,000”;

(C) in subclause (VII), by striking “\$1,309,000,000” and inserting “\$1,462,000,000”;

(D) in subclause (VIII), by striking “\$1,309,000,000” and inserting “\$1,410,000,000”; and

(E) in subclause (X), by striking “\$1,309,000,000” and inserting “\$1,302,000,000”;

(2) in clause (ii)(I), by inserting “, including work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual’s ability to engage in substantial gainful activity” before the semicolon; and

(3) in clause (ii)(III), by striking “and redeterminations” and inserting “, redeterminations, co-operative disability investigation units, and fraud prosecutions”.

Subtitle B—Promoting Opportunity for Disability Beneficiaries

SEC. 821. TEMPORARY REAUTHORIZATION OF DISABILITY INSURANCE DEMONSTRATION PROJECT AUTHORITY.

(a) **TERMINATION DATE.**—Section 234(d)(2) of the Social Security Act (42 U.S.C. 434(d)(2)) is amended by striking “December 18, 2005” and inserting “December 31, 2021, and the authority to carry out such projects shall terminate on December 31, 2022”.

(b) **AUTHORITY TO WAIVE COMPLIANCE WITH BENEFITS REQUIREMENTS.**—Section 234(c) of such Act is amended by striking “December 17, 2005” and inserting “December 30, 2021”.

SEC. 822. MODIFICATION OF DEMONSTRATION PROJECT AUTHORITY.

(a) **IN GENERAL.**—Section 234(a)(1) of the Social Security Act (42 U.S.C. 434(a)(1)) is amended in the matter preceding subparagraph (A) by inserting “to promote attachment to the labor force and” after “designed”.

(b) **CONGRESSIONAL REVIEW PERIOD.**—Section 234(c) of the Social Security Act (42 U.S.C. 434(c)), as amended by section 821(b) of this Act, is further amended by inserting “including the objectives of the experiment or demonstration project, the expected annual and total costs, and the dates on which the experiment or demonstration project is expected to start and finish,” after “thereof,”

(c) **ADDITIONAL REQUIREMENTS.**—Section 234 of the Social Security Act (42 U.S.C. 434), as amended by subsection (b), is further amended by adding at the end the following:

“(e) **ADDITIONAL REQUIREMENTS.**—In developing and carrying out any experiment or demonstration project under this section, the Commissioner may not require any individual to participate in such experiment or demonstration project and shall ensure—

“(1) that the voluntary participation of individuals in such experiment or demonstration project is obtained through informed written consent which satisfies the requirements for informed consent established by the Commissioner for use in such experiment or demonstration project in which human subjects are at risk;

“(2) that any individual’s voluntary agreement to participate in any such experiment or demonstration project may be revoked by such individual at any time; and

“(3) that such experiment or demonstration project is expected to yield statistically significant results.”

(d) ANNUAL REPORTING DEADLINE.—Section 234(d)(1) of such Act is amended by striking “June 9” and inserting “September 30”.

SEC. 823. PROMOTING OPPORTUNITY DEMONSTRATION PROJECT.

Section 234 of the Social Security Act (42 U.S.C. 434), as amended by section 822 of this Act, is further amended by adding at the end the following:

“(f) PROMOTING OPPORTUNITY DEMONSTRATION PROJECT.—

“(1) IN GENERAL.—The Commissioner shall carry out a demonstration project under this subsection as described in paragraph (2) during a 5-year period beginning not later than January 1, 2017.

“(2) BENEFIT OFFSET.—Under the demonstration project described in this paragraph, with respect to any individual participating in the project who is otherwise entitled to a benefit under section 223(a)(1) for a month—

“(A) any such benefit otherwise payable to the individual for such month (other than a benefit payable for any month prior to the 1st month beginning after the date on which the individual’s entitlement to such benefit is determined) shall be reduced by \$1 for each \$2 by which the individual’s earnings derived from services paid during such month exceeds an amount equal to the individual’s impairment-related work expenses for such month (as determined under paragraph (3)), except that such benefit may not be reduced below \$0;

“(B) no benefit shall be payable under section 202 on the basis of the wages and self-employment income of the individual for any month for which the benefit of such individual under section 223(a)(1) is reduced to \$0 pursuant to subparagraph (A);

“(C) entitlement to any benefit described in subparagraph (A) or (B) shall not terminate due to earnings derived from services except following the first month for which such benefit has been reduced to \$0 pursuant to subparagraph (A) (and the trial work period (as defined in section 222(c)) and extended period of eligibility shall not apply to any such individual for any such month); and

“(D) in any case in which such an individual is entitled to hospital insurance benefits under part A of title XVIII by reason of section 226(b) and such individual’s entitlement to a benefit described in subparagraph (A) or (B) or status as a qualified railroad retirement beneficiary is

terminated pursuant to subparagraph (C), such individual shall be deemed to be entitled to such benefits or to occupy such status (notwithstanding the termination of such entitlement or status) for the period of consecutive months throughout all of which the physical or mental impairment, on which such entitlement or status was based, continues, and throughout all of which such individual would have been entitled to monthly insurance benefits under title II or as a qualified railroad retirement beneficiary had such termination of entitlement or status not occurred, but not in excess of 93 such months.

“(3) IMPAIRMENT-RELATED WORK EXPENSES.—

“(A) IN GENERAL.—For purposes of paragraph (2)(A) and except as provided in subparagraph (C), the amount of an individual’s impairment-related work expenses for a month is deemed to be the minimum threshold amount.

“(B) MINIMUM THRESHOLD AMOUNT.—In this paragraph, the term ‘minimum threshold amount’ means an amount, to be determined by the Commissioner, which shall not exceed the amount sufficient to demonstrate that an individual has rendered services in a month, as determined by the Commissioner under section 222(c)(4)(A). The Commissioner may test multiple minimum threshold amounts.

“(C) EXCEPTION FOR ITEMIZED IMPAIRMENT-RELATED WORK EXPENSES.—

“(i) IN GENERAL.—Notwithstanding subparagraph (A), in any case in which the amount of such an individual’s itemized impairment-related work expenses (as defined in clause (ii)) for a month is greater than the minimum threshold amount, the amount of the individual’s impairment-related work expenses for the month shall be equal to the amount of the individual’s itemized impairment-related work expenses (as so defined) for the month.

“(ii) DEFINITION.—In this subparagraph, the term ‘itemized impairment-related work expenses’ means the amount excluded under section 223(d)(4)(A) from an individual’s earnings for a month in determining whether an individual is able to engage in substantial gainful activity by reason of such earnings in such month, except that such amount does not include the cost to the individual of any item or service for which the individual does not provide to the Commissioner a satisfactory itemized accounting.

“(D) LIMITATION.—Notwithstanding the other provisions of this paragraph, for purposes of paragraph (2)(A), the amount of an individual’s impairment-related work expenses for a month shall not exceed the amount of earnings derived from services, prescribed by the Commissioner under regulations issued pursuant to section 223(d)(4)(A), sufficient to demonstrate an individual’s ability to engage in substantial gainful activity.”

SEC. 824. USE OF ELECTRONIC PAYROLL DATA TO IMPROVE PROGRAM ADMINISTRATION.

(a) **IN GENERAL.**—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1183 the following:

“**SEC. 1184. [42 U.S.C. 1320e-3] INFORMATION EXCHANGE WITH PAYROLL DATA PROVIDERS** (a) **In General.**—The Commissioner of Social Security may enter into an information exchange with a payroll data provider for purposes of—

“(1) efficiently administering—

“(A) monthly insurance benefits under subsections (d)(1)(B)(ii), (d)(6)(A)(ii), (d)(6)(B), (e)(1)(B)(ii), and (f)(1)(B)(ii) of section 202 and subsection (a)(1) of section 223; and

“(B) supplemental security income benefits under title XVI; and

“(2) preventing improper payments of such benefits without the need for verification by independent or collateral sources.

(b) **NOTIFICATION REQUIREMENTS.**—Before entering into an information exchange pursuant to subsection (a), the Commissioner shall publish in the Federal Register a notice describing the information exchange and the extent to which the information received through such exchange is—

“(1) relevant and necessary to—

“(A) accurately determine entitlement to, and the amount of, benefits described under subparagraph (A) of subsection (a)(1);

“(B) accurately determine eligibility for, and the amount of, benefits described in subparagraph (B) of such subsection; and

“(C) prevent improper payment of such benefits; and

“(2) sufficiently accurate, up-to-date, and complete.

(c) **DEFINITIONS.**—For purposes of this section:

“(1) **PAYROLL DATA PROVIDER.**—The term ‘payroll data provider’ means payroll providers, wage verification companies, and other commercial or non-commercial entities that collect and maintain data regarding employment and wages, without regard to whether the entity provides such data for a fee or without cost.

“(2) **INFORMATION EXCHANGE.**—The term ‘information exchange’ means the automated comparison of a system of records maintained by the Commissioner of Social Security with records maintained by a payroll data provider.”

(b) **AUTHORIZATION TO ACCESS INFORMATION HELD BY PAYROLL DATA PROVIDERS.**—

(1) **AMENDMENT TO TITLE II.**—Section 225 of the Social Security Act (42 U.S.C. 425) is amended by adding at the end the following:

“(c) **ACCESS TO INFORMATION HELD BY PAYROLL DATA PROVIDERS.**—(1) The Commissioner of Social Security may require each individual who applies for or is entitled to monthly insurance benefits under subsections (d)(1)(B)(ii), (d)(6)(A)(ii), (d)(6)(B), (e)(1)(B)(ii), and (f)(1)(B)(ii) of section 202 and subsection (a)(1) of

section 223 to provide authorization by the individual for the Commissioner to obtain from any payroll data provider (as defined in section 1184(c)(1)) any record held by the payroll data provider with respect to the individual whenever the Commissioner determines the record is needed in connection with a determination of initial or ongoing entitlement to such benefits.

“(2) An authorization provided by an individual under this subsection shall remain effective until the earliest of—

“(A) the rendering of a final adverse decision on the individual’s application or entitlement to benefits under this title;

“(B) the termination of the individual’s entitlement to benefits under this title; or

“(C) the express revocation by the individual of the authorization, in a written notification to the Commissioner.

“(3) The Commissioner of Social Security is not required to furnish any authorization obtained pursuant to this subsection to the payroll data provider.

“(4) The Commissioner shall inform any person who provides authorization pursuant to this clause of the duration and scope of the authorization.

“(5) If an individual who applies for or is entitled to benefits under this title refuses to provide, or revokes, any authorization under this subsection, subsection (d) shall not apply to such individual beginning with the first day of the first month in which he or she refuses or revokes such authorization.”

(2) TITLE XVI.—Section 1631(e)(1)(B) of the Social Security Act (42 U.S.C. 1383(e)(1)(B)) is amended by adding at the end the following:

“(iii)(I) The Commissioner of Social Security may require each applicant for, or recipient of, benefits under this title to provide authorization by the applicant, recipient or legal guardian (or by any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient for such benefits) for the Commissioner to obtain from any payroll data provider (as defined in section 1184(c)(1)) any record held by the payroll data provider with respect to the applicant or recipient (or any such other person) whenever the Commissioner determines the record is needed in connection with a determination of initial or ongoing eligibility or the amount of such benefits.

“(II) An authorization provided by an applicant, recipient or legal guardian (or any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient) under this clause shall remain effective until the earliest of—

“(aa) the rendering of a final adverse decision on the applicant’s application for eligibility for benefits under this title;

“(bb) the cessation of the recipient’s eligibility for benefits under this title;

“(cc) the express revocation by the applicant, or recipient (or such other person referred to in subclause (I)) of the authorization,

in a written notification to the Commissioner;
or

“(dd) the termination of the basis upon which the Commissioner considers another person’s income and resources available to the applicant or recipient.

“(III) The Commissioner of Social Security is not required to furnish any authorization obtained pursuant to this clause to the payroll data provider.

“(IV) The Commissioner shall inform any person who provides authorization pursuant to this clause of the duration and scope of the authorization.

“(V) If an applicant for, or recipient of, benefits under this title (or any such other person referred to in subclause (I)) refuses to provide, or revokes, any authorization required by subclause (I), paragraph (2)(B) and paragraph (10) shall not apply to such applicant or recipient beginning with the first day of the first month in which he or she refuses or revokes such authorization.”.

(c) REPORTING RESPONSIBILITIES FOR BENEFICIARIES SUBJECT TO INFORMATION EXCHANGE WITH PAYROLL DATA PROVIDER.—

(1) AMENDMENT TO TITLE II.—Section 225 of the Social Security (42 U.S.C. 425), as amended by subsection (b)(1), is further amended by adding at the end the following:

“(d) An individual who has authorized the Commissioner of Social Security to obtain records from a payroll data provider under subsection (c) shall not be subject to a penalty under section 1129A for any omission or error with respect to such individual’s wages as reported by the payroll data provider.”.

(2) AMENDMENT TO TITLE XVI.—Section 1631(e) of the Social Security Act (42 U.S.C. 1383(e)) is amended—

(A) in paragraph (2)—

(i) by striking “In the case of the failure” and inserting “(A) In the case of the failure”;

(ii) by redesignating subparagraphs (A) through

(C) as clauses (i) through (iii), respectively; and

(iii) by adding at the end the following:

“(B) For purposes of subparagraph (A), the Commissioner of Social Security shall find that good cause exists for the failure of, or delay by, an individual in submitting a report of an event or change in circumstances relevant to eligibility for or amount of benefits under this title in any case where—

“(i) the individual (or another person referred to in paragraph (1)(B)(iii)(I)) has provided authorization to the Commissioner to access payroll data records related to the individual; and

“(ii) the event or change in circumstance is a change in the individual’s employer.”; and

(B) by adding at the end the following:

“(10) An individual who has authorized the Commissioner of Social Security to obtain records from a payroll data provider under paragraph (1)(B)(iii) (or on whose behalf another person described in subclause (I) of such paragraph has provided such authorization)

shall not be subject to a penalty under section 1129A for any omission or error with respect to such individual's wages as reported by the payroll data provider.”.

(d) **[42 U.S.C. 1320e-3 note] REGULATIONS.**—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe by regulation procedures for implementing the Commissioner's access to and use of information held by payroll providers, including—

(1) guidelines for establishing and maintaining information exchanges with payroll providers, pursuant to section 1184 of the Social Security Act;

(2) beneficiary authorizations;

(3) reduced wage reporting responsibilities for individuals who authorize the Commissioner to access information held by payroll data providers through an information exchange; and

(4) procedures for notifying individuals in writing when they become subject to such reduced wage reporting requirements and when such reduced wage reporting requirements no longer apply to them.

(e) **[42 U.S.C. 425 note] EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date that is 1 year after the date of the enactment of this Act.

SEC. 825. TREATMENT OF EARNINGS DERIVED FROM SERVICES.

(a) **IN GENERAL.**—Section 223(d)(4) of the Social Security Act (42 U.S.C. 423(d)(4)) is amended by adding at the end the following:

“(C)(i) Subject to clause (ii), in determining when earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, such earnings shall be presumed to have been earned—

“(I) in making a determination of initial entitlement on the basis of disability, in the month in which the services were performed from which such earnings were derived; and

“(II) in any other case, in the month in which such earnings were paid.

“(ii) A presumption made under clause (i) shall not apply to a determination described in such clause if—

“(I) the Commissioner can reasonably establish, based on evidence readily available at the time of such determination, that the earnings were earned in a different month than when paid; or

“(II) in any case in which there is a determination that no benefit is payable due to earnings, after the individual is notified of the presumption made and provided with an opportunity to submit additional information along with an explanation of what additional information is needed, the individual shows to the satisfaction of the Commissioner that such earnings were earned in another month.”.

(b) **[42 U.S.C. 423 note] EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect upon the date of the enactment of this Act, or as soon as practicable thereafter.

SEC. 826. [42 U.S.C. 423 note] ELECTRONIC REPORTING OF EARNINGS.

(a) **IN GENERAL.**—Not later than September 30, 2017, the Commissioner of Social Security shall establish and implement a system that—

(1) allows an individual entitled to a monthly insurance benefit based on disability under title II of the Social Security Act (or a representative of the individual) to report to the Commissioner the individual’s earnings derived from services through electronic means, including by telephone and Internet; and

(2) automatically issues a receipt to the individual (or representative) after receiving each such report.

(b) **SUPPLEMENTAL SECURITY INCOME REPORTING SYSTEM AS MODEL.**—The Commissioner shall model the system established under subsection (a) on the electronic wage reporting systems for recipients of supplemental security income under title XVI of such Act.

Subtitle C—Protecting Social Security Benefits

SEC. 831. CLOSURE OF UNINTENDED LOOPHOLES.

(a) **PRESUMED FILING OF APPLICATION BY INDIVIDUALS ELIGIBLE FOR OLD-AGE INSURANCE BENEFITS AND FOR WIFE’S OR HUSBAND’S INSURANCE BENEFITS.**—

(1) **IN GENERAL.**—Section 202(r) of the Social Security Act (42 U.S.C. 402(r)) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) If an individual is eligible for a wife’s or husband’s insurance benefit (except in the case of eligibility pursuant to clause (ii) of subsection (b)(1)(B) or subsection (c)(1)(B), as appropriate), in any month for which the individual is entitled to an old-age insurance benefit, such individual shall be deemed to have filed an application for wife’s or husband’s insurance benefits for such month.

“(2) If an individual is eligible (but for section 202(k)(4)) for an old-age insurance benefit in any month for which the individual is entitled to a wife’s or husband’s insurance benefit (except in the case of entitlement pursuant to clause (ii) of subsection (b)(1)(B) or subsection (c)(1)(B), as appropriate), such individual shall be deemed to have filed an application for old-age insurance benefits—

“(A) for such month, or

“(B) if such individual is also entitled to a disability insurance benefit for such month, in the first subsequent month for which such individual is not entitled to a disability insurance benefit.”

(2) **CONFORMING AMENDMENT.**—Section 202 of the Social Security Act (42 U.S.C. 402) is amended—

(A) in subsection (b)(1), by striking subparagraph (B) and inserting the following:

“(B)(i) has attained age 62, or

“(ii) in the case of a wife, has in her care (individually or jointly with such individual) at the time of filing such application a child entitled to a child’s insurance benefit on the basis of the wages and self-employment income of such individual.”; and

(B) in subsection (c)(1), by striking subparagraph (B) and inserting the following:

“(B)(i) has attained age 62, or

“(ii) in the case of a husband, has in his care (individually or jointly with such individual) at the time of filing such application a child entitled to a child’s insurance benefit on the basis of the wages and self-employment income of such individual.”.

(3) **[42 U.S.C. 402 note] EFFECTIVE DATE.**—The amendments made by this subsection shall apply with respect to individuals who attain age 62 in any calendar year after 2015.

(b) **VOLUNTARY SUSPENSION OF BENEFITS.**—

(1) **IN GENERAL.**—Section 202 of the Social Security Act (42 U.S.C. 402) is amended by adding at the end the following:

“(z) **VOLUNTARY SUSPENSION.**—(1)(A) Except as otherwise provided in this subsection, any individual who has attained retirement age (as defined in section 216(l)) and is entitled to old-age insurance benefits may request that payment of such benefits be suspended—

“(i) beginning with the month following the month in which such request is received by the Commissioner, and

“(ii) ending with the earlier of the month following the month in which a request by the individual for a resumption of such benefits is so received or the month following the month in which the individual attains the age of 70.

“(2) An individual may not suspend such benefits under this subsection, and any suspension of such benefits under this subsection shall end, effective with respect to any month in which the individual becomes subject to—

“(A) mandatory suspension of such benefits under section 202(x);

“(B) termination of such benefits under section 202(n);

“(C) a penalty under section 1129A imposing non-payment of such benefits; or

“(D) any other withholding, in whole or in part, of such benefits under any other provision of law that authorizes recovery of a debt by withholding such benefits.

“(3) In the case of an individual who requests that such benefits be suspended under this subsection, for any month during the period in which the suspension is in effect—

“(A) no retroactive benefits (as defined in subsection (j)(4)(B)(iii)) shall be payable to such individual;

“(B) no monthly benefit shall be payable to any other individual on the basis of such individual’s wages and self-employment income; and

“(C) no monthly benefit shall be payable to such individual on the basis of another individual’s wages and self-employment income.”

(2) CONFORMING AMENDMENT.—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended by inserting “under section 202(z)” after “request”.

(3) [42 U.S.C. 402 note] EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to requests for benefit suspension submitted beginning at least 180 days after the date of the enactment of this Act.

SEC. 832. REQUIREMENT FOR MEDICAL REVIEW.

(a) IN GENERAL.—Section 221(h) of the Social Security Act (42 U.S.C. 421(h)) is amended to read as follows:

“(h) An initial determination under subsection (a), (c), (g), or (i) shall not be made until the Commissioner of Social Security has made every reasonable effort to ensure—

“(1) in any case where there is evidence which indicates the existence of a mental impairment, that a qualified psychiatrist or psychologist has completed the medical portion of the case review and any applicable residual functional capacity assessment; and

“(2) in any case where there is evidence which indicates the existence of a physical impairment, that a qualified physician has completed the medical portion of the case review and any applicable residual functional capacity assessment.”

(b) [42 U.S.C. 421 note] EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to determinations of disability made on or after the date that is 1 year after the date of the enactment of this Act.

SEC. 833. REALLOCATION OF PAYROLL TAX REVENUE.

(1) WAGES.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended by striking “and (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and so reported” and inserting “(R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and before January 1, 2016, and so reported, (S) 2.37 per centum of the wages (as so defined) paid after December 31, 2015, and before January 1, 2019, and so reported, and (T) 1.80 per centum of the wages (as so defined) paid after December 31, 2018, and so reported.”

(2) SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended by striking “and (R) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999” and inserting “(R) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999, and before January 1, 2016, (S) 2.37 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2015, and before January 1, 2019, and (T) 1.80 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2018”.

(3) [42 U.S.C. 404] EFFECTIVE DATE.—The amendments made by this section shall apply with respect to wages paid after December 31, 2015, and self-employment income for taxable years beginning after such date.

SEC. 834. ACCESS TO FINANCIAL INFORMATION FOR WAIVERS AND ADJUSTMENTS OF RECOVERY.

(a) ACCESS TO FINANCIAL INFORMATION FOR OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE WAIVERS.—Section 204(b) of the Social Security Act (42 U.S.C. 404(b)) is amended to read as follows:

“(b)(1) In any case in which more than the correct amount of payment has been made, there shall be no adjustment of payments to, or recovery by the United States from, any person who is without fault if such adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience.

“(2) In making for purposes of this subsection any determination of whether any individual is without fault, the Commissioner of Social Security shall specifically take into account any physical, mental, educational, or linguistic limitation such individual may have (including any lack of facility with the English language).

“(3)(A) In making for purposes of this subsection any determination of whether such adjustment or recovery would defeat the purpose of this title, the Commissioner of Social Security shall require an individual to provide authorization for the Commissioner to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act) from any financial institution (within the meaning of section 1101(1) of such Act) any financial record (within the meaning of section 1101(2) of such Act) held by the institution with respect to such individual whenever the Commissioner determines the record is needed in connection with a determination with respect to such adjustment or recovery.

“(B) Notwithstanding section 1104(a)(1) of the Right to Financial Privacy Act, an authorization provided by an individual pursuant this paragraph shall remain effective until the earlier of—

“(i) the rendering of a final decision on whether adjustment or recovery would defeat the purpose of this title; or

“(ii) the express revocation by the individual of the authorization, in a written notification to the Commissioner.

“(C)(i) An authorization obtained by the Commissioner of Social Security pursuant this paragraph shall be considered to meet the requirements of the Right to Financial Privacy Act for purposes of section 1103(a) of such Act, and need not be furnished to the financial institution, notwithstanding section 1104(a) of such Act.

“(ii) The certification requirements of section 1103(b) of the Right to Financial Privacy Act shall not apply to requests by the Commissioner of Social Security pursuant to an authorization provided under this paragraph.

“(iii) A request by the Commissioner pursuant to an authorization provided under this paragraph is deemed to

meet the requirements of section 1104(a)(3) of the Right to Financial Privacy Act and the flush language of section 1102 of such Act.

“(D) The Commissioner shall inform any person who provides authorization pursuant to this paragraph of the duration and scope of the authorization.

“(E) If an individual refuses to provide, or revokes, any authorization for the Commissioner of Social Security to obtain from any financial institution any financial record, the Commissioner may, on that basis, determine that adjustment or recovery would not defeat the purpose of this title.”.

(b) ACCESS TO FINANCIAL INFORMATION FOR SUPPLEMENTAL SECURITY INCOME WAIVERS.—

(1) IN GENERAL.—Section 1631(b)(1)(B) of the Social Security Act (42 U.S.C. 1383(b)(1)(B)) is amended by adding at the end the following: “In making for purposes of this subparagraph a determination of whether an adjustment or recovery would defeat the purpose of this title, the Commissioner of Social Security shall require an individual to provide authorization for the Commissioner to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act) from any financial institution (within the meaning of section 1101(1) of such Act) any financial record (within the meaning of section 1101(2) of such Act) held by the institution with respect to such individual whenever the Commissioner determines that the record is needed in connection with a determination with respect to such adjustment or recovery, under the terms and conditions established under subsection (e)(1)(B).”.

(2) CONFORMING AMENDMENT.—Section 1631(e)(1)(B)(ii)(V) of such Act (42 U.S.C. 1383(e)(1)(B)(ii)(V)) is amended by inserting “, determine that adjustment or recovery on account of an overpayment with respect to the applicant or recipient would not defeat the purpose of this title, or both” before the period at the end.

(c) [42 U.S.C. 404 note] EFFECTIVE DATE.—The amendments made by this section shall apply with respect to determinations made on or after the date that is 3 months after the date of the enactment of this section.

Subtitle D—Relieving Administrative Burdens and Miscellaneous Provisions

SEC. 841. INTERAGENCY COORDINATION TO IMPROVE PROGRAM ADMINISTRATION.

(a) IN GENERAL.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1127 the following:

“SEC. 1127A. INTERAGENCY COORDINATION TO IMPROVE PROGRAM ADMINISTRATION

(a) Coordination Agreement.—Notwithstanding any other provision of law, including section 207 of this Act, the Commissioner of Social Security (referred to in this section as ‘the Commissioner’)

and the Director of the Office of Personnel Management (referred to in this section as ‘the Director’) shall enter into an agreement under which a system is established to carry out the following procedure:

“(1) The Director shall notify the Commissioner when any individual is determined to be entitled to a monthly disability annuity payment pursuant to subchapter V of chapter 84 of subpart G of part III of title 5, United States Code, and shall certify that such individual has provided the authorization described in subsection (f).

“(2) If the Commissioner determines that an individual described in paragraph (1) is also entitled to past-due benefits under section 223, the Commissioner shall notify the Director of such fact.

“(3) Not later than 30 days after receiving a notification described in paragraph (2) with respect to an individual, the Director shall provide the Commissioner with the total amount of any disability annuity overpayments made to such individual, as well as any other information (in such form and manner as the Commissioner shall require) that the Commissioner determines is necessary to carry out this section.

“(4) If the Director provides the Commissioner with the information described in paragraph (3) in a timely manner, the Commissioner may withhold past-due benefits under section 223 to which such individual is entitled and may pay the amount described in paragraph (3) to the Office of Personnel Management for any disability annuity overpayments made to such individual.

“(5) The Director shall credit any amount received under paragraph (4) with respect to an individual toward any disability annuity overpayment owed by such individual.

“(b) LIMITATIONS.—

“(1) PRIORITY OF OTHER REDUCTIONS.—Benefits shall only be withheld under this section after any other reduction applicable under this Act, including sections 206(a)(4), 224, and 1127(a).

“(2) TIMELY NOTIFICATION REQUIRED.—The Commissioner may not withhold benefits under this section if the Director does not provide the notice described in subsection (a)(3) within the time period described in such subsection.

“(c) DELAYED PAYMENT OF PAST-DUE BENEFITS.—If the Commissioner is required to make a notification described in subsection (a)(2) with respect to an individual, the Commissioner shall not make any payment of past-due benefits under section 223 to such individual until after the period described in subsection (a)(3).

“(d) REVIEW.—Notwithstanding section 205 or any other provision of law, any determination regarding the withholding of past-due benefits under this section shall only be subject to adjudication and review by the Director under section 8461 of title 5, United States Code.

“(e) DISABILITY ANNUITY OVERPAYMENT DEFINED.—For purposes of this section, the term ‘disability annuity overpayment’ means the amount of the reduction under section 8452(a)(2) of title 5, United States Code, applicable to a monthly annuity payment made to an individual pursuant to subchapter V of chapter 84 of

subpart G of part III of such title due to the individual's concurrent entitlement to a disability insurance benefit under section 223 during such month.

“(f) **AUTHORIZATION TO WITHHOLD BENEFITS.**—The authorization described in this subsection, with respect to an individual, is written authorization provided by the individual to the Director which authorizes the Commissioner to withhold past-due benefits under section 223 to which such individual is entitled in order to pay the amount withheld to the Office of Personnel Management for any disability overpayments made to such individual.

“(g) **EXPENSES.**—The Director shall pay to the Social Security Administration an amount equal to the amount estimated by the Commissioner as the total cost incurred by the Social Security Administration in carrying out this section for each calendar quarter.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to past-due disability insurance benefits payable on or after the date that is 1 year after the date of the enactment of this section.

SEC. 842. ELIMINATION OF QUINQUENNIAL DETERMINATIONS RELATING TO WAGE CREDITS FOR MILITARY SERVICE PRIOR TO 1957.

Section 217(g)(2) of the Social Security Act (42 U.S.C. 417(g)(2)) is amended—

(1) by inserting “through 2010” after “each fifth year thereafter”; and

(2) by inserting after the first sentence the following: “The Secretary of Health and Human Services shall revise the amount determined under paragraph (1) with respect to the Federal Hospital Insurance Trust Fund under title XVIII in 2015 and each fifth year thereafter through such date, and using such data, as the Secretary determines appropriate on the basis of the amount of benefits and administrative expenses actually paid from such Trust Fund under title XVIII and the relevant actuarial assumptions set forth in the report of the Board of Trustees of such Trust Fund for such year under section 1817(b).”.

SEC. 843. CERTIFICATION OF BENEFITS PAYABLE TO A DIVORCED SPOUSE OF A RAILROAD WORKER TO THE RAILROAD RETIREMENT BOARD.

Section 205(i) of the Social Security Act (42 U.S.C. 405(i)) is amended by inserting “or divorced wife or divorced husband” after “the wife or husband”.

SEC. 844. TECHNICAL AMENDMENTS TO ELIMINATE OBSOLETE PROVISIONS.

(a) **ELIMINATION OF REFERENCE IN SECTION 226 TO A REPEALED PROVISION.**—Section 226 of the Social Security Act (42 U.S.C. 426) is amended—

(1) by striking subsection (i); and

(2) by redesignating subsection (j) as subsection (i).

(b) **ELIMINATION OF REFERENCE IN SECTION 226A TO A REPEALED PROVISION.**—Section 226A of such Act (42 U.S.C. 426-1) is amended by striking the second subsection (c).

SEC. 845. REPORTING REQUIREMENTS TO CONGRESS.

(a) REPORT ON FRAUD AND IMPROPER PAYMENT PREVENTION ACTIVITIES.—Section 704(b) of the Social Security Act (42 U.S.C. 904(b)) is amended by adding at the end the following:

“(3) For each fiscal year beginning with 2016 and ending with 2021, the Commissioner shall include in the annual budget prepared pursuant to subparagraph (A) a report describing the purposes for which amounts made available for purposes described in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 for the fiscal year were expended by the Social Security Administration and the purposes for which the Commissioner plans for the Administration to expend such funds in the succeeding fiscal year, including—

“(A) the total such amount expended;

“(B) the amount expended on co-operative disability investigation units;

“(C) the number of cases of fraud prevented by co-operative disability investigation units and the amount expended on such cases (as reported to the Commissioner by the Inspector General of the Social Security Administration);

“(D) the number of felony cases prosecuted under section 208 (as reported to the Commissioner by the Inspector General) and the amount expended by the Social Security Administration in supporting the prosecution of such cases;

“(E) the amount of such felony cases successfully prosecuted (as reported to the Commissioner by the Inspector General) and the amount expended by the Social Security Administration in supporting the prosecution of such cases;

“(F) the amount expended on and the number of completed—

“(i) continuing disability reviews conducted by mail;

“(ii) redeterminations conducted by mail;

“(iii) medical continuing disability reviews conducted pursuant to section 221(i);

“(iv) medical continuing disability reviews conducted pursuant to 1614(a)(3)(H);

“(v) redeterminations conducted pursuant to section 1611(c); and

“(vi) work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual’s ability to engage in substantial gainful activity;

“(G) the number of cases of fraud identified for which benefits were terminated as a result of medical continuing disability reviews (as reported to the Commissioner by the Inspector General), work-related continuing disability reviews, and redeterminations, and the amount of resulting savings for each such type of review or redetermination; and

“(H) the number of work-related continuing disability reviews in which a beneficiary improperly reported earnings derived from services for more than 3 consecutive months, and the amount of resulting savings.”.

(b) **[42 U.S.C. 421 note] REPORT ON WORK-RELATED CONTINUING DISABILITY REVIEWS.**—The Commissioner of Social Security shall annually submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the number of work-related continuing disability reviews conducted each year to determine whether earnings derived from services demonstrate an individual’s ability to engage in substantial gainful activity. Such report shall include—

(1) the number of individuals receiving benefits based on disability under title II of such Act for whom reports of earnings were received from any source by the Commissioner in the previous calendar year, reported as a total number and separately by the source of the report;

(2) the number of individuals for whom such reports resulted in a determination to conduct a work-related continuing disability review, and the basis on which such determinations were made;

(3) in the case of a beneficiary selected for a work-related continuing disability review on the basis of a report of earnings from any source—

(A) the average number of days—

(i) between the receipt of the report and the initiation of the review;

(ii) between the initiation and the completion of the review; and

(iii) the average amount of overpayment, if any;

(B) the number of such reviews completed during such calendar year, and the number of such reviews that resulted in a suspension or termination of benefits;

(C) the number of such reviews initiated in the current year that had not been completed as of the end of such calendar year;

(D) the number of such reviews initiated in a prior year that had not been completed as of the end of such calendar year;

(4) the total savings to the Trust Funds and the Treasury generated from benefits suspended or terminated as a result of such reviews; and

(5) with respect to individuals for whom a work-related continuing disability review was completed during such calendar year—

(A) the number who participated in the Ticket to Work program under section 1148 during such calendar year;

(B) the number who used any program work incentives during such calendar year; and

(C) the number who received vocational rehabilitation services during such calendar year with respect to which the Commissioner of Social Security reimbursed a State agency under section 222(d).

(c) **[42 U.S.C. 404 note] REPORT ON OVERPAYMENT WAIVERS.**—Not later than January 1 of each calendar year, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on—

(1) the number and total value of overpayments recovered or scheduled to be recovered by the Social Security Administration during the previous fiscal year of benefits under title II and title XVI, respectively, including the terms and conditions of repayment of such overpayments; and

(2) the number and total value of overpayments waived by the Social Security Administration during the previous fiscal year of benefits under title II and title XVI, respectively.

SEC. 846. [42 U.S.C. 904 note] EXPEDITED EXAMINATION OF ADMINISTRATIVE LAW JUDGES.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, the Office of Personnel Management shall, upon request of the Commissioner of Social Security, expeditiously administer a sufficient number of competitive examinations, as determined by the Commissioner, for the purpose of identifying an adequate number of candidates to be appointed as Administrative Law Judges under section 3105 of title 5, United States Code. The first such examination shall take place not later than April 1, 2016 and other examinations shall take place at such time or times requested by the Commissioner, but not later than December 31, 2022. Such examinations shall proceed even if one or more individuals who took a prior examination have appealed an adverse determination and one or more of such appeals have not concluded, provided that—

(1) the Commissioner of Social Security has made a determination that delaying the examination poses a significant risk that an adequate number of Administrative Law Judges will not be available to meet the need of the Social Security Administration to reduce or prevent a backlog of cases awaiting a hearing;

(2) an individual whose appeal is pending is provided an option to continue their appeal or elects to take the new examination, in which case the appeal is considered vacated; and

(3) an individual who decides to continue his or her appeal and who ultimately prevails in the appeal shall receive expeditious consideration for hire by the Office Personnel Management and the Commissioner of Social Security.

(b) **PAYMENT OF COSTS.**—Notwithstanding any other provision of law, the Commissioner of Social Security shall pay the full cost associated with each examination conducted pursuant to subsection (a).

TITLE IX—TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT

SEC. 901. [31 U.S.C. 3101 note] TEMPORARY EXTENSION OF PUBLIC DEBT LIMIT.

(a) IN GENERAL.—Section 3101(b) of title 31, United States Code, shall not apply for the period beginning on the date of the enactment of this Act and ending on March 15, 2017.

(b) SPECIAL RULE RELATING TO OBLIGATIONS ISSUED DURING EXTENSION PERIOD.—Effective March 16, 2017, the limitation in effect under section 3101(b) of title 31, United States Code, shall be increased to the extent that—

(1) the face amount of obligations issued under chapter 31 of such title and the face amount of obligations whose principal and interest are guaranteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury) outstanding on March 16, 2017, exceeds

(2) the face amount of such obligations outstanding on the date of the enactment of this Act.

SEC. 902. [31 U.S.C. 3101 note] RESTORING CONGRESSIONAL AUTHORITY OVER THE NATIONAL DEBT.

(a) EXTENSION LIMITED TO NECESSARY OBLIGATIONS.—An obligation shall not be taken into account under section 901(b)(1) unless the issuance of such obligation was necessary to fund a commitment incurred pursuant to law by the Federal Government that required payment before March 16, 2017.

(b) PROHIBITION ON CREATION OF CASH RESERVE DURING EXTENSION PERIOD.—The Secretary of the Treasury shall not issue obligations during the period specified in section 901(a) for the purpose of increasing the cash balance above normal operating balances in anticipation of the expiration of such period.

TITLE X—SPECTRUM PIPELINE

SEC. 1001. [47 U.S.C. 901 note] SHORT TITLE.

This title may be cited as the “Spectrum Pipeline Act of 2015”.

SEC. 1002. [47 U.S.C. 921 note] DEFINITIONS.

In this title:

(1) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant Secretary of Commerce for Communications and Information.

(2) COMMISSION.—The term “Commission” means the Federal Communications Commission.

(3) FEDERAL ENTITY.—The term “Federal entity” has the meaning given such term in section 113(l) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(l)).

(4) SECRETARY.—The term “Secretary” means the Secretary of Commerce.

SEC. 1003. [47 U.S.C. 921 note] RULE OF CONSTRUCTION.

Each range of frequencies described in this title shall be construed to be inclusive of the upper and lower frequencies in the range.

SEC. 1004. [47 U.S.C. 921 note] IDENTIFICATION, REALLOCATION, AND AUCTION OF FEDERAL SPECTRUM.

(a) **IDENTIFICATION OF SPECTRUM.**—Not later than January 1, 2022, the Secretary shall submit to the President and to the Commission a report identifying 30 megahertz of electromagnetic spectrum (in bands of not less than 10 megahertz of contiguous frequencies) below the frequency of 3 gigahertz (except for the spectrum between the frequencies of 1675 megahertz and 1695 megahertz) for reallocation from Federal use to non-Federal use or shared Federal and non-Federal use, or a combination thereof.

(b) **CLEARING OF SPECTRUM.**—The President shall—

(1) not later than January 1, 2022, begin the process of withdrawing or modifying the assignment to a Federal Government station of the electromagnetic spectrum identified under subsection (a); and

(2) not later than 30 days after completing the withdrawal or modification, notify the Commission that the withdrawal or modification is complete.

(c) **REALLOCATION AND AUCTION.**—

(1) **IN GENERAL.**—The Commission shall—

(A) reallocate the electromagnetic spectrum identified under subsection (a) for non-Federal use or shared Federal and non-Federal use, or a combination thereof; and

(B) notwithstanding paragraph (15)(A) of section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), not later than July 1, 2024, begin a system of competitive bidding under such section to grant new initial licenses for the use of such spectrum, subject to flexible-use service rules.

(2) **PROCEEDS TO COVER 110 PERCENT OF FEDERAL RELOCATION OR SHARING COSTS.**—Nothing in paragraph (1) shall be construed to relieve the Commission from the requirements of section 309(j)(16)(B) of the Communications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

(d) **PROTECTION OF CERTAIN FEDERAL SPECTRUM OPERATIONS.**—If the report required by subsection (a) determines that reallocation and auction of the spectrum described in the report would harm national security by impacting existing terrestrial Federal spectrum operations at the Nevada Test and Training Range, the Commission, in coordination with the Secretary shall, prior to the auction described in subsection (c)(1)(B), establish rules for licensees in such spectrum sufficient to mitigate harmful interference to such operations.

(e) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to affect any requirement under section 1062(b) of the National Defense Authorization Act for Fiscal Year 2000 (47 U.S.C. 921 note; Public Law 106–65).

SEC. 1005. ADDITIONAL USES OF SPECTRUM RELOCATION FUND.

(a) IN GENERAL.—Section 118 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 928) is amended—

- (1) by redesignating subsection (g) as subsection (i); and
- (2) by inserting after subsection (f) the following:

“(g) ADDITIONAL PAYMENTS FOR RESEARCH AND DEVELOPMENT AND PLANNING ACTIVITIES.—

“(1) AMOUNTS AVAILABLE.—Notwithstanding subsections (c) through (e)—

“(A) there are appropriated from the Fund on the date of the enactment of the Spectrum Pipeline Act of 2015, and available to the Director of OMB for use in accordance with paragraph (2), not more than \$500,000,000 from amounts in the Fund on such date of enactment; and

“(B) there are appropriated from the Fund after such date of enactment, and available to the Director of OMB for use in accordance with such paragraph, not more than 10 percent of the amounts deposited in the Fund after such date of enactment.

“(2) USE OF AMOUNTS.—

“(A) IN GENERAL.—The Director of OMB may use amounts made available under paragraph (1) to make payments requested by Federal entities for research and development, engineering studies, economic analyses, activities with respect to systems, or other planning activities intended to improve the efficiency and effectiveness of the spectrum use of Federal entities in order to make available frequencies described in subparagraph (C) for reallocation for non-Federal use or shared Federal and non-Federal use, or a combination thereof, and for auction in accordance with such reallocation.

“(B) SYSTEMS THAT IMPROVE EFFICIENCY AND EFFECTIVENESS OF FEDERAL SPECTRUM USE.—For purposes of a payment under subparagraph (A) for activities with respect to systems that improve the efficiency and effectiveness of the spectrum use of Federal entities, such systems include the following:

“(i) Systems that have increased functionality or that increase the ability of a Federal entity to accommodate spectrum sharing with non-Federal entities.

“(ii) Systems that consolidate functions or services that have been provided using separate systems.

“(iii) Non-spectrum technology or systems.

“(C) FREQUENCIES DESCRIBED.—The frequencies described in this subparagraph are, with respect to a payment under subparagraph (A), frequencies that—

“(i) are assigned to a Federal entity; and

“(ii) at the time of the activities conducted with such payment, are not identified for auction.

“(D) CONDITIONS.—The Director of OMB may not make a payment to a Federal entity under subparagraph (A)—

“(i) unless—

“(I) the Federal entity has submitted to the Technical Panel established under section 113(h)(3) a plan describing the activities that the Federal entity will conduct with such payment;

“(II) the Technical Panel has approved such plan under subparagraph (E); and

“(III) the Director of OMB has submitted the plan approved under subparagraph (E) to the congressional committees described in subsection (d)(2)(C); and

“(ii) until 60 days have elapsed after submission of the plan under clause (i)(III).

“(E) REVIEW BY TECHNICAL PANEL.—

“(i) IN GENERAL.—Not later than 120 days after a Federal entity submits a plan under subparagraph (D)(i)(I) to the Technical Panel established under section 113(h)(3), the Technical Panel shall approve or disapprove such plan.

“(ii) CRITERIA FOR REVIEW.—In considering whether to approve or disapprove a plan under this subparagraph, the Technical Panel shall consider whether—

“(I) the activities that the Federal entity will conduct with the payment will—

“(aa) increase the probability of relocation from or sharing of Federal spectrum;

“(bb) facilitate an auction intended to occur not later than 8 years after the payment; and

“(cc) increase the net expected auction proceeds in an amount not less than the time value of the amount of the payment; and

“(II) the transfer will leave sufficient amounts in the Fund for the other purposes of the Fund.

“(h) PRIORITIZATION OF PAYMENTS.—In determining whether to make payments under subsections (f) and (g), the Director of OMB shall, to the extent practicable, prioritize payments under subsection (g).”.

(b) ADMINISTRATIVE SUPPORT FOR TECHNICAL PANEL.—Section 113(h)(3)(C) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(h)(3)(C)) is amended by striking “this subsection and subsection (i)” and inserting “this subsection, subsection (i), and section 118(g)(2)(E)”.

(c) ELIGIBLE FEDERAL ENTITIES.—Section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923) is amended—

(1) in subsection (g)—

(A) in paragraph (1)—

(i) by striking “authorized to use a band of eligible frequencies described in paragraph (2) and”;

(ii) by inserting “eligible” after “auction of”;

(iii) by inserting “eligible” after “reallocation of”;

and

(B) in paragraph (3)(A), by striking “previously assigned to such entity or the sharing of spectrum fre-

quencies assigned to such entity” and inserting “or the sharing of spectrum frequencies”; and
(2) in subsection (h)(1), by striking “authorized to use any such frequency”.

SEC. 1006. PLANS FOR AUCTION OF CERTAIN SPECTRUM.

(a) **REPORTS TO CONGRESS.**—In accordance with each paragraph of subsection (c), the Commission, in coordination with the Assistant Secretary, shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report containing a proposed plan for the assignment of new licenses for non-Federal use of the spectrum identified under such paragraph, including—

- (1) an assessment of the operations of Federal entities that operate Federal Government stations authorized to use such spectrum;
- (2) an estimated timeline for the competitive bidding process; and
- (3) a proposed plan for balance between unlicensed and licensed use.

(b) **INFORMATION FOR ASSESSMENT OF FEDERAL ENTITY OPERATIONS.**—The Assistant Secretary, in coordination with the affected Federal entities, shall provide to the Commission the necessary information to carry out subsection (a)(1).

(c) **REPORT DEADLINES; IDENTIFICATION OF SPECTRUM.**—The Commission shall submit reports under subsection (a) as follows:

(1) Not later than January 1, 2024, for at least 50 megahertz of spectrum (in bands of not less than 10 megahertz of contiguous frequencies) below 6 gigahertz, to be identified by the Commission, in coordination with the Assistant Secretary, from spectrum other than the spectrum identified under section 1004(a).

(2) Not later than January 1, 2024, for at least 50 megahertz of spectrum (in bands of not less than 10 megahertz of contiguous frequencies) below 6 gigahertz, to be identified by the Commission, in coordination with the Assistant Secretary, from spectrum other than the spectrum identified under paragraph (1) or section 1004(a).

SEC. 1007. FCC AUCTION AUTHORITY.

Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by inserting before the period at the end the following: “, except that, with respect to the electromagnetic spectrum identified under section 1004(a) of the Spectrum Pipeline Act of 2015, such authority shall expire on September 30, 2025”.

SEC. 1008. REPORTS TO CONGRESS.

Not later than 3 years after the date of the enactment of this Act, the Commission, after notice and an opportunity for public comment, shall submit to Congress—

- (1) a report containing an analysis of the results of the rules changes relating to the frequencies between 3550 megahertz and 3650 megahertz; and

(2) a report containing an analysis of proposals to promote and identify additional spectrum bands that can be shared between incumbent uses and new licensed, and unlicensed services under such rules and identification of at least 1 gigahertz between 6 gigahertz and 57 GHz for such use.

TITLE XI—REVENUE PROVISIONS RELATED TO TAX COMPLIANCE

SEC. 1101. PARTNERSHIP AUDITS AND ADJUSTMENTS.

(a) **[26 U.S.C. 2601]** REPEAL OF TEFRA PARTNERSHIP AUDIT RULES.—Chapter 63 of the Internal Revenue Code of 1986 is amended by striking subchapter C (and by striking the item relating to such subchapter in the table of subchapters for such chapter).

(b) REPEAL OF ELECTING LARGE PARTNERSHIP RULES.—

(1) **IN GENERAL.**—Subchapter K of chapter 1 of such Code is amended by striking part IV (and by striking the item relating to such part in the table of parts for such subchapter).

(2) **ASSESSMENT RULES RELATING TO ELECTING LARGE PARTNERSHIPS.**—Chapter 63 of such Code is amended by striking subchapter D (and by striking the item relating to such subchapter in the table of subchapters for such chapter).

(c) **PARTNERSHIP AUDIT REFORM.**—

(1) **IN GENERAL.**—Chapter 63 of such Code, as amended by the preceding provisions of this section, is amended by inserting after subchapter B the following new subchapter:

“SUBCHAPTER C—TREATMENT OF PARTNERSHIPS

“part “Part I—In General
“part “Part II—Partnership Adjustments
“part “Part III—Procedure
“part “Part IV—Definitions and Special Rules

“PART I—IN GENERAL

“Sec. 6221. Determination at partnership level.

“Sec. 6222. Partner’s return must be consistent with partnership return.

“Sec. 6223. Designation of partnership representative.

“SEC. 6221. **[26 U.S.C. 6221]** DETERMINATION AT PARTNERSHIP LEVEL

“(a) **IN GENERAL.**—Any adjustment to items of income, gain, loss, deduction, or credit of a partnership for a partnership taxable year (and any partner’s distributive share thereof) shall be determined, any tax attributable thereto shall be assessed and collected, and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to any such item or share shall be determined, at the partnership level pursuant to this subchapter.

“(b) **ELECTION OUT FOR CERTAIN PARTNERSHIPS WITH 100 OR FEWER PARTNERS, ETC.**—

“(1) **IN GENERAL.**—This subchapter shall not apply with respect to any partnership for any taxable year if—

“(A) the partnership elects the application of this subsection for such taxable year,

“(B) for such taxable year the partnership is required to furnish 100 or fewer statements under section 6031(b) with respect to its partners,

“(C) each of the partners of such partnership is an individual, a C corporation, any foreign entity that would be treated as a C corporation were it domestic, an S corporation, or an estate of a deceased partner,

“(D) the election—

“(i) is made with a timely filed return for such taxable year, and

“(ii) includes (in the manner prescribed by the Secretary) a disclosure of the name and taxpayer identification number of each partner of such partnership, and

“(E) the partnership notifies each such partner of such election in the manner prescribed by the Secretary.

“(2) SPECIAL RULES RELATING TO CERTAIN PARTNERS.—

“(A) S CORPORATION PARTNERS.—In the case of a partner that is an S corporation—

“(i) the partnership shall only be treated as meeting the requirements of paragraph (1)(C) with respect to such partner if such partnership includes (in the manner prescribed by the Secretary) a disclosure of the name and taxpayer identification number of each person with respect to whom such S corporation is required to furnish a statement under section 6037(b) for the taxable year of the S corporation ending with or within the partnership taxable year for which the application of this subsection is elected, and

“(ii) the statements such S corporation is required to so furnish shall be treated as statements furnished by the partnership for purposes of paragraph (1)(B).

“(B) FOREIGN PARTNERS.—For purposes of paragraph (1)(D)(ii), the Secretary may provide for alternative identification of any foreign partners.

“(C) OTHER PARTNERS.—The Secretary may by regulation or other guidance prescribe rules similar to the rules of subparagraph (A) with respect to any partners not described in such subparagraph or paragraph (1)(C).

“SEC. 6222. [26 U.S.C. 6222] PARTNER’S RETURN MUST BE CONSISTENT WITH PARTNERSHIP RETURN

“(a) IN GENERAL.—A partner shall, on the partner’s return, treat each item of income, gain, loss, deduction, or credit attributable to a partnership in a manner which is consistent with the treatment of such income, gain, loss, deduction, or credit on the partnership return.

“(b) UNDERPAYMENT DUE TO INCONSISTENT TREATMENT ASSESSED AS MATH ERROR.—Any underpayment of tax by a partner by reason of failing to comply with the requirements of subsection (a) shall be assessed and collected in the same manner as if such underpayment were on account of a mathematical or clerical error appearing on the partner’s return. Paragraph (2) of section 6213(b)

shall not apply to any assessment of an underpayment referred to in the preceding sentence.

“(c) EXCEPTION FOR NOTIFICATION OF INCONSISTENT TREATMENT.—

“(1) IN GENERAL.—In the case of any item referred to in subsection (a), if—

“(A)(i) the partnership has filed a return but the partner’s treatment on the partner’s return is (or may be) inconsistent with the treatment of the item on the partnership return, or

“(ii) the partnership has not filed a return, and

“(B) the partner files with the Secretary a statement identifying the inconsistency, subsections (a) and (b) shall not apply to such item.

“(2) PARTNER RECEIVING INCORRECT INFORMATION.—A partner shall be treated as having complied with subparagraph (B) of paragraph (1) with respect to an item if the partner—

“(A) demonstrates to the satisfaction of the Secretary that the treatment of the item on the partner’s return is consistent with the treatment of the item on the statement furnished to the partner by the partnership, and

“(B) elects to have this paragraph apply with respect to that item.

“(d) FINAL DECISION ON CERTAIN POSITIONS NOT BINDING ON PARTNERSHIP.—Any final decision with respect to an inconsistent position identified under subsection (c) in a proceeding to which the partnership is not a party shall not be binding on the partnership.

“(e) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—For addition to tax in the case of a partner’s disregard of the requirements of this section, see part II of subchapter A of chapter 68.

“SEC. 6223. [26 U.S.C. 6223] PARTNERS BOUND BY ACTIONS OF PARTNERSHIP

“(a) DESIGNATION OF PARTNERSHIP REPRESENTATIVE.—Each partnership shall designate (in the manner prescribed by the Secretary) a partner (or other person) with a substantial presence in the United States as the partnership representative who shall have the sole authority to act on behalf of the partnership under this subchapter. In any case in which such a designation is not in effect, the Secretary may select any person as the partnership representative.

“(b) BINDING EFFECT.—A partnership and all partners of such partnership shall be bound—

“(1) by actions taken under this subchapter by the partnership, and

“(2) by any final decision in a proceeding brought under this subchapter with respect to the partnership.

“PART II—PARTNERSHIP ADJUSTMENTS

“Sec. 6225. Partnership adjustment by Secretary.

“Sec. 6226. Alternative to payment of imputed underpayment by partnership.

“Sec. 6227. Administrative adjustment request by partnership.

“SEC. 6225. [26 U.S.C. 6225] PARTNERSHIP ADJUSTMENT BY SECRETARY

“(a) **IN GENERAL.**—In the case of any adjustment by the Secretary in the amount of any item of income, gain, loss, deduction, or credit of a partnership, or any partner’s distributive share thereof—

“(1) the partnership shall pay any imputed underpayment with respect to such adjustment in the adjustment year as provided in section 6232, and

“(2) any adjustment that does not result in an imputed underpayment shall be taken into account by the partnership in the adjustment year—

“(A) except as provided in subparagraph (B), as a reduction in non-separately stated income or an increase in non-separately stated loss (whichever is appropriate) under section 702(a)(8), or

“(B) in the case of an item of credit, as a separately stated item.

“(b) **DETERMINATION OF IMPUTED UNDERPAYMENTS.**—For purposes of this subchapter—

“(1) **IN GENERAL.**—Except as provided in subsection (c), any imputed underpayment with respect to any partnership adjustment for any reviewed year shall be determined—

“(A) by netting all adjustments of items of income, gain, loss, or deduction and multiplying such net amount by the highest rate of tax in effect for the reviewed year under section 1 or 11,

“(B) by treating any net increase or decrease in loss under subparagraph (A) as a decrease or increase, respectively, in income, and

“(C) by taking into account any adjustments to items of credit as an increase or decrease, as the case may be, in the amount determined under subparagraph (A).

“(2) **ADJUSTMENTS TO DISTRIBUTIVE SHARES OF PARTNERS NOT NETTED.**—In the case of any adjustment which reallocates the distributive share of any item from one partner to another, such adjustment shall be taken into account under paragraph (1) by disregarding—

“(A) any decrease in any item of income or gain, and

“(B) any increase in any item of deduction, loss, or credit.

“(c) **MODIFICATION OF IMPUTED UNDERPAYMENTS.**—

“(1) **IN GENERAL.**—The Secretary shall establish procedures under which the imputed underpayment amount may be modified consistent with the requirements of this subsection.

“(2) **AMENDED RETURNS OF PARTNERS.**—

“(A) **IN GENERAL.**—Such procedures shall provide that if—

“(i) one or more partners file returns (notwithstanding section 6511) for the taxable year of the partners which includes the end of the reviewed year of the partnership,

“(ii) such returns take into account all adjustments under subsection (a) properly allocable to such

partners (and for any other taxable year with respect to which any tax attribute is affected by reason of such adjustments), and

“(iii) payment of any tax due is included with such return,

then the imputed underpayment amount shall be determined without regard to the portion of the adjustments so taken into account.

“(B) REALLOCATION OF DISTRIBUTIVE SHARE.—In the case of any adjustment which reallocates the distributive share of any item from one partner to another, paragraph (2) shall apply only if returns are filed by all partners affected by such adjustment.

“(3) TAX-EXEMPT PARTNERS.—Such procedures shall provide for determining the imputed underpayment without regard to the portion thereof that the partnership demonstrates is allocable to a partner that would not owe tax by reason of its status as a tax-exempt entity (as defined in section 168(h)(2)).

“(4) MODIFICATION OF APPLICABLE HIGHEST TAX RATES.—

“(A) IN GENERAL.—Such procedures shall provide for taking into account a rate of tax lower than the rate of tax described in subsection (b)(1)(A) with respect to any portion of the imputed underpayment that the partnership demonstrates is allocable to a partner which—

“(i) in the case of ordinary income, is a C corporation, or

“(ii) in the case of a capital gain or qualified dividend, is an individual.

In no event shall the lower rate determined under the preceding sentence be less than the highest rate in effect with respect to the income and taxpayer described in clause (i) or clause (ii), as the case may be. For purposes of clause (ii), an S corporation shall be treated as an individual.

“(B) PORTION OF IMPUTED UNDERPAYMENT TO WHICH LOWER RATE APPLIES.—

“(i) IN GENERAL.—Except as provided in clause (ii), the portion of the imputed underpayment to which the lower rate applies with respect to a partner under subparagraph (A) shall be determined by reference to the partners’ distributive share of items to which the imputed underpayment relates.

“(ii) RULE IN CASE OF VARIED TREATMENT OF ITEMS AMONG PARTNERS.—If the imputed underpayment is attributable to the adjustment of more than 1 item, and any partner’s distributive share of such items is not the same with respect to all such items, then the portion of the imputed underpayment to which the lower rate applies with respect to a partner under subparagraph (A) shall be determined by reference to the amount which would have been the partner’s distributive share of net gain or loss if the partnership had sold all of its assets at their fair market value as of the close of the reviewed year of the partnership.

“(5) OTHER PROCEDURES FOR MODIFICATION OF IMPUTED UNDERPAYMENT.—The Secretary may by regulations or guidance provide for additional procedures to modify imputed underpayment amounts on the basis of such other factors as the Secretary determines are necessary or appropriate to carry out the purposes of this subsection.

“(6) YEAR AND DAY FOR SUBMISSION TO SECRETARY.—Anything required to be submitted pursuant to paragraph (1) shall be submitted to the Secretary not later than the close of the 270-day period beginning on the date on which the notice of a proposed partnership adjustment is mailed under section 6231 unless such period is extended with the consent of the Secretary.

“(7) DECISION OF SECRETARY.—Any modification of the imputed underpayment amount under this subsection shall be made only upon approval of such modification by the Secretary.

“(d) DEFINITIONS.—For purposes of this subchapter—

“(1) REVIEWED YEAR.—The term ‘reviewed year’ means the partnership taxable year to which the item being adjusted relates.

“(2) ADJUSTMENT YEAR.—The term ‘adjustment year’ means the partnership taxable year in which—

“(A) in the case of an adjustment pursuant to the decision of a court in a proceeding brought under section 6234, such decision becomes final,

“(B) in the case of an administrative adjustment request under section 6227, such administrative adjustment request is made, or

“(C) in any other case, notice of the final partnership adjustment is mailed under section 6231.

“SEC. 6226. [26 U.S.C. 6226] ALTERNATIVE TO PAYMENT OF IMPUTED UNDERPAYMENT BY PARTNERSHIP

“(a) IN GENERAL.—If the partnership—

“(1) not later than 45 days after the date of the notice of final partnership adjustment, elects the application of this section with respect to an imputed underpayment, and

“(2) at such time and in such manner as the Secretary may provide, furnishes to each partner of the partnership for the reviewed year and to the Secretary a statement of the partner’s share of any adjustment to income, gain, loss, deduction, or credit (as determined in the notice of final partnership adjustment),

section 6225 shall not apply with respect to such underpayment and each such partner shall take such adjustment into account as provided in subsection (b). The election under paragraph (1) shall be made in such manner as the Secretary may provide and, once made, shall be revocable only with the consent of the Secretary.

“(b) ADJUSTMENTS TAKEN INTO ACCOUNT BY PARTNER.—

“(1) TAX IMPOSED IN YEAR OF STATEMENT.—Each partner’s tax imposed by chapter 1 for the taxable year which includes the date the statement was furnished under subsection (a) shall be increased by the aggregate of the adjustment amounts

determined under paragraph (2) for the taxable years referred to therein.

“(2) ADJUSTMENT AMOUNTS.—The adjustment amounts determined under this paragraph are—

“(A) in the case of the taxable year of the partner which includes the end of the reviewed year, the amount by which the tax imposed under chapter 1 would increase if the partner’s share of the adjustments described in subsection (a) were taken into account for such taxable year, plus

“(B) in the case of any taxable year after the taxable year referred to in subparagraph (A) and before the taxable year referred to in paragraph (1), the amount by which the tax imposed under chapter 1 would increase by reason of the adjustment to tax attributes under paragraph (3).

“(3) ADJUSTMENT OF TAX ATTRIBUTES.—Any tax attribute which would have been affected if the adjustments described in subsection (a) were taken into account for the taxable year referred to in paragraph (2)(A) shall—

“(A) in the case of any taxable year referred to in paragraph (2)(B), be appropriately adjusted for purposes of applying such paragraph, and

“(B) in the case of any subsequent taxable year, be appropriately adjusted.

“(c) PENALTIES AND INTEREST.—

“(1) PENALTIES.—Notwithstanding subsections (a) and (b), any penalties, additions to tax, or additional amount shall be determined as provided under section 6221 and the partners of the partnership for the reviewed year shall be liable for any such penalty, addition to tax, or additional amount.

“(2) INTEREST.—In the case of an imputed underpayment with respect to which the application of this section is elected, interest shall be determined—

“(A) at the partner level,

“(B) from the due date of the return for the taxable year to which the increase is attributable (determined by taking into account any increases attributable to a change in tax attributes for a taxable year under subsection (b)(2)), and

“(C) at the underpayment rate under section 6621(a)(2), determined by substituting ‘5 percentage points’ for ‘3 percentage points’ in subparagraph (B) thereof.

“SEC. 6227. [26 U.S.C. 6227] ADMINISTRATIVE ADJUSTMENT REQUEST BY PARTNERSHIP

“(a) IN GENERAL.—A partnership may file a request for an administrative adjustment in the amount of one or more items of income, gain, loss, deduction, or credit of the partnership for any partnership taxable year.

“(b) ADJUSTMENT.—Any such adjustment under subsection (a) shall be determined and taken into account for the partnership taxable year in which the administrative adjustment request is made—

“(1) by the partnership under rules similar to the rules of section 6225 (other than paragraphs (2), (6) and (7) of subsection (c) thereof) for the partnership taxable year in which the administrative adjustment request is made, or

“(2) by the partnership and partners under rules similar to the rules of section 6226 (determined without regard to the substitution described in subsection (c)(2)(C) thereof).

In the case of an adjustment that would not result in an imputed underpayment, paragraph (1) shall not apply and paragraph (2) shall apply with appropriate adjustments.

“(c) PERIOD OF LIMITATIONS.—A partnership may not file such a request more than 3 years after the later of—

“(1) the date on which the partnership return for such year is filed, or

“(2) the last day for filing the partnership return for such year (determined without regard to extensions).

In no event may a partnership file such a request after a notice of an administrative proceeding with respect to the taxable year is mailed under section 6231.

“PART 1—PROCEDURE

“Sec. 6231. Notice of proceedings and adjustment.

“Sec. 6232. Assessment, collection, and payment.

“Sec. 6233. Interest and penalties.

“Sec. 6234. Judicial review of partnership adjustment.

“Sec. 6235. Period of limitations on making adjustments.

“SEC. 6231. [26 U.S.C. 6231] NOTICE OF PROCEEDINGS AND ADJUSTMENT

“(a) IN GENERAL.—The Secretary shall mail to the partnership and the partnership representative—

“(1) notice of any administrative proceeding initiated at the partnership level with respect to an adjustment of any item of income, gain, loss, deduction, or credit of a partnership for a partnership taxable year, or any partner’s distributive share thereof,

“(2) notice of any proposed partnership adjustment resulting from such proceeding, and

“(3) notice of any final partnership adjustment resulting from such proceeding.

Any notice of a final partnership adjustment shall not be mailed earlier than 270 days after the date on which the notice of the proposed partnership adjustment is mailed. Such notices shall be sufficient if mailed to the last known address of the partnership representative or the partnership (even if the partnership has terminated its existence). The first sentence shall apply to any proceeding with respect to an administrative adjustment request filed by a partnership under section 6227.

“(b) FURTHER NOTICES RESTRICTED.—If the Secretary mails a notice of a final partnership adjustment to any partnership for any partnership taxable year and the partnership files a petition under section 6234 with respect to such notice, in the absence of a showing of fraud, malfeasance, or misrepresentation of a material fact,

the Secretary shall not mail another such notice to such partnership with respect to such taxable year.

“(c) **AUTHORITY TO RESCIND NOTICE WITH PARTNERSHIP CONSENT.**—The Secretary may, with the consent of the partnership, rescind any notice of a partnership adjustment mailed to such partnership. Any notice so rescinded shall not be treated as a notice of a partnership adjustment for purposes of this subchapter, and the taxpayer shall have no right to bring a proceeding under section 6234 with respect to such notice.

“**SEC. 6232. [26 U.S.C. 6232] ASSESSMENT, COLLECTION, AND PAYMENT**

“(a) **IN GENERAL.**—Any imputed underpayment shall be assessed and collected in the same manner as if it were a tax imposed for the adjustment year by subtitle A, except that in the case of an administrative adjustment request to which section 6227(b)(1) applies, the underpayment shall be paid when the request is filed.

“(b) **LIMITATION ON ASSESSMENT.**—Except as otherwise provided in this chapter, no assessment of a deficiency may be made (and no levy or proceeding in any court for the collection of any amount resulting from such adjustment may be made, begun or prosecuted) before—

“(1) the close of the 90th day after the day on which a notice of a final partnership adjustment was mailed, and

“(2) if a petition is filed under section 6234 with respect to such notice, the decision of the court has become final.

“(c) **PREMATURE ACTION MAY BE ENJOINED.**—Notwithstanding section 7421(a), any action which violates subsection (b) may be enjoined in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action under this subsection unless a timely petition has been filed under section 6234 and then only in respect of the adjustments that are the subject of such petition.

“(d) **EXCEPTIONS TO RESTRICTIONS ON ADJUSTMENTS.**—

“(1) **ADJUSTMENTS ARISING OUT OF MATH OR CLERICAL ERRORS.**—

“(A) **IN GENERAL.**—If the partnership is notified that, on account of a mathematical or clerical error appearing on the partnership return, an adjustment to a item is required, rules similar to the rules of paragraphs (1) and (2) of section 6213(b) shall apply to such adjustment.

“(B) **SPECIAL RULE.**—If a partnership is a partner in another partnership, any adjustment on account of such partnership’s failure to comply with the requirements of section 6222(a) with respect to its interest in such other partnership shall be treated as an adjustment referred to in subparagraph (A), except that paragraph (2) of section 6213(b) shall not apply to such adjustment.

“(2) **PARTNERSHIP MAY WAIVE RESTRICTIONS.**—The partnership may at any time (whether or not any notice of partnership adjustment has been issued), by a signed notice in writing filed with the Secretary, waive the restrictions provided in subsection (b) on the making of any partnership adjustment.

“(e) **LIMIT WHERE NO PROCEEDING BEGUN.**—If no proceeding under section 6234 is begun with respect to any notice of a final

partnership adjustment during the 90-day period described in subsection (b) thereof, the amount for which the partnership is liable under section 6225 shall not exceed the amount determined in accordance with such notice.

“SEC. 6233. [26 U.S.C. 6233] INTEREST AND PENALTIES

“(a) INTEREST AND PENALTIES DETERMINED FROM REVIEWED YEAR.—

“(1) IN GENERAL.—Except to the extent provided in section 6226(c), in the case of a partnership adjustment for a reviewed year—

“(A) interest shall be computed under paragraph (2), and

“(B) the partnership shall be liable for any penalty, addition to tax, or additional amount as provided in paragraph (3).

“(2) DETERMINATION OF AMOUNT OF INTEREST.—The interest computed under this paragraph with respect to any partnership adjustment is the interest which would be determined under chapter 67 for the period beginning on the day after the return due date for the reviewed year and ending on the return due date for the adjustment year (or, if earlier, the date payment of the imputed underpayment is made). Proper adjustments in the amount determined under the preceding sentence shall be made for adjustments required for partnership taxable years after the reviewed year and before the adjustment year by reason of such partnership adjustment.

“(3) PENALTIES.—Any penalty, addition to tax, or additional amount shall be determined at the partnership level as if such partnership had been an individual subject to tax under chapter 1 for the reviewed year and the imputed underpayment were an actual underpayment (or understatement) for such year.

“(b) INTEREST AND PENALTIES WITH RESPECT TO ADJUSTMENT YEAR RETURN.—

“(1) IN GENERAL.—In the case of any failure to pay an imputed underpayment on the date prescribed therefor, the partnership shall be liable—

“(A) for interest as determined under paragraph (2), and

“(B) for any penalty, addition to tax, or additional amount as determined under paragraph (3).

“(2) INTEREST.—Interest determined under this paragraph is the interest that would be determined by treating the imputed underpayment as an underpayment of tax imposed in the adjustment year.

“(3) PENALTIES.—Penalties, additions to tax, or additional amounts determined under this paragraph are the penalties, additions to tax, or additional amounts that would be determined—

“(A) by applying section 6651(a)(2) to such failure to pay, and

“(B) by treating the imputed underpayment as an underpayment of tax for purposes of part II of subchapter A of chapter 68.

“SEC. 6234. [26 U.S.C. 6234] JUDICIAL REVIEW OF PARTNERSHIP ADJUSTMENT

“(a) **IN GENERAL.**—Within 90 days after the date on which a notice of a final partnership adjustment is mailed under section 6231 with respect to any partnership taxable year, the partnership may file a petition for a readjustment for such taxable year with—

“(1) the Tax Court,

“(2) the district court of the United States for the district in which the partnership’s principal place of business is located, or

“(3) the Claims Court.

“(b) **JURISDICTIONAL REQUIREMENT FOR BRINGING ACTION IN DISTRICT COURT OR CLAIMS COURT.**—

“(1) **IN GENERAL.**—A readjustment petition under this section may be filed in a district court of the United States or the Claims Court only if the partnership filing the petition deposits with the Secretary, on or before the date the petition is filed, the amount of the imputed underpayment (as of the date of the filing of the petition) if the partnership adjustment was made as provided by the notice of final partnership adjustment. The court may by order provide that the jurisdictional requirements of this paragraph are satisfied where there has been a good faith attempt to satisfy such requirement and any shortfall of the amount required to be deposited is timely corrected.

“(2) **INTEREST PAYABLE.**—Any amount deposited under paragraph (1), while deposited, shall not be treated as a payment of tax for purposes of this title (other than chapter 67).

“(c) **SCOPE OF JUDICIAL REVIEW.**—A court with which a petition is filed in accordance with this section shall have jurisdiction to determine all items of income, gain, loss, deduction, or credit of the partnership for the partnership taxable year to which the notice of final partnership adjustment relates, the proper allocation of such items among the partners, and the applicability of any penalty, addition to tax, or additional amount for which the partnership may be liable under this subchapter.

“(d) **DETERMINATION OF COURT REVIEWABLE.**—Any determination by a court under this section shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court or the Claims Court, as the case may be, and shall be reviewable as such. The date of any such determination shall be treated as being the date of the court’s order entering the decision.

“(e) **EFFECT OF DECISION DISMISSING ACTION.**—If an action brought under this section is dismissed other than by reason of a rescission under section 6231(c), the decision of the court dismissing the action shall be considered as its decision that the notice of final partnership adjustment is correct, and an appropriate order shall be entered in the records of the court.

“SEC. 6235. [26 U.S.C. 6235] PERIOD OF LIMITATIONS ON MAKING ADJUSTMENTS

“(a) IN GENERAL.—Except as otherwise provided in this section, no adjustment under this subpart for any partnership taxable year may be made after the later of—

“(1) the date which is 3 years after the latest of—

“(A) the date on which the partnership return for such taxable year was filed,

“(B) the return due date for the taxable year, or

“(C) the date on which the partnership filed an administrative adjustment request with respect to such year under section 6227, or

“(2) in the case of any modification of an imputed underpayment under section 6225(c), the date that is 270 days (plus the number of days of any extension consented to by the Secretary under paragraph (4) thereof) after the date on which everything required to be submitted to the Secretary pursuant to such section is so submitted, or

“(3) in the case of any notice of a proposed partnership adjustment under section 6231(a)(2), the date that is 270 days after the date of such notice.

“(b) EXTENSION BY AGREEMENT.—The period described in subsection (a) (including an extension period under this subsection) may be extended by an agreement entered into by the Secretary and the partnership before the expiration of such period.

“(c) SPECIAL RULE IN CASE OF FRAUD, ETC.—

“(1) FALSE RETURN.—In the case of a false or fraudulent partnership return with intent to evade tax, the adjustment may be made at any time.

“(2) SUBSTANTIAL OMISSION OF INCOME.—If any partnership omits from gross income an amount properly includible therein and such amount is described in section 6501(e)(1)(A), subsection (a) shall be applied by substituting ‘6 years’ for ‘3 years’.

“(3) NO RETURN.—In the case of a failure by a partnership to file a return for any taxable year, the adjustment may be made at any time.

“(4) RETURN FILED BY SECRETARY.—For purposes of this section, a return executed by the Secretary under subsection (b) of section 6020 on behalf of the partnership shall not be treated as a return of the partnership.

“(d) SUSPENSION WHEN SECRETARY MAILS NOTICE OF ADJUSTMENT.—If notice of a final partnership adjustment with respect to any taxable year is mailed under section 6231, the running of the period specified in subsection (a) (as modified by the other provisions of this section) shall be suspended—

“(1) for the period during which an action may be brought under section 6234 (and, if a petition is filed under such section with respect to such notice, until the decision of the court becomes final), and

“(2) for 1 year thereafter.

“PART 2—DEFINITIONS AND SPECIAL RULES

“Sec. 6241. Definitions and special rules.

“SEC. 6241. [26 U.S.C. 6241] DEFINITIONS AND SPECIAL RULES

“For purposes of this subchapter—

“(1) PARTNERSHIP.—The term ‘partnership’ means any partnership required to file a return under section 6031(a).

“(2) PARTNERSHIP ADJUSTMENT.—The term ‘partnership adjustment’ means any adjustment in the amount of any item of income, gain, loss, deduction, or credit of a partnership, or any partner’s distributive share thereof.

“(3) RETURN DUE DATE.—The term ‘return due date’ means, with respect to the taxable year, the date prescribed for filing the partnership return for such taxable year (determined without regard to extensions).

“(4) PAYMENTS NONDEDUCTIBLE.—No deduction shall be allowed under subtitle A for any payment required to be made by a partnership under this subchapter.

“(5) PARTNERSHIPS HAVING PRINCIPAL PLACE OF BUSINESS OUTSIDE UNITED STATES.—For purposes of sections 6234, a principal place of business located outside the United States shall be treated as located in the District of Columbia.

“(6) PARTNERSHIPS IN CASES UNDER TITLE 11 OF UNITED STATES CODE.—

“(A) SUSPENSION OF PERIOD OF LIMITATIONS ON MAKING ADJUSTMENT, ASSESSMENT, OR COLLECTION.—The running of any period of limitations provided in this subchapter on making a partnership adjustment (or provided by section 6501 or 6502 on the assessment or collection of any imputed underpayment determined under this subchapter) shall, in a case under title 11 of the United States Code, be suspended during the period during which the Secretary is prohibited by reason of such case from making the adjustment (or assessment or collection) and—

“(i) for adjustment or assessment, 60 days thereafter, and

“(ii) for collection, 6 months thereafter.

A rule similar to the rule of section 6213(f)(2) shall apply for purposes of section 6232(b).

“(B) SUSPENSION OF PERIOD OF LIMITATION FOR FILING FOR JUDICIAL REVIEW.—The running of the period specified in section 6234 shall, in a case under title 11 of the United States Code, be suspended during the period during which the partnership is prohibited by reason of such case from filing a petition under section 6234 and for 60 days thereafter.

“(7) TREATMENT WHERE PARTNERSHIP CEASES TO EXIST.—If a partnership ceases to exist before a partnership adjustment under this subchapter takes effect, such adjustment shall be taken into account by the former partners of such partnership under regulations prescribed by the Secretary.

“(8) EXTENSION TO ENTITIES FILING PARTNERSHIP RETURN.—If a partnership return is filed by an entity for a tax-

able year but it is determined that the entity is not a partnership (or that there is no entity) for such year, then, to the extent provided in regulations, the provisions of this subchapter are hereby extended in respect of such year to such entity and its items and to persons holding an interest in such entity.”.

(2) CLERICAL AMENDMENT.—The table of subchapters for chapter 63 of the Internal Revenue Code of 1986, as amended by the preceding provisions of this section, is amended by inserting after the item relating to subchapter B the following new item:

SUBCHAPTER C. TREATMENT OF PARTNERSHIPS.”.

(d) **[26 U.S.C. 6330]** BINDING NATURE OF PARTNERSHIP ADJUSTMENT PROCEEDINGS.—Section 6330(c)(4) of such Code is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “; or”, and by inserting after subparagraph (B) the following new subparagraph:

“(C) a final determination has been made with respect to such issue in a proceeding brought under subchapter C of chapter 63.”.

(e) RESTRICTION ON AUTHORITY TO AMEND PARTNER INFORMATION STATEMENTS.—Section 6031(b) of such Code is amended by adding at the end the following: “Except as provided in the procedures under section 6225(c), with respect to statements under section 6226, or as otherwise provided by the Secretary, information required to be furnished by the partnership under this subsection may not be amended after the due date of the return under subsection (a) to which such information relates.”.

(f) CONFORMING AMENDMENTS.—

(1) Section 6031(b) of such Code is amended by striking the last sentence.

(2) Section 6422 of such Code is amended by striking paragraph (12).

(3) Section 6501(n) of such Code is amended by striking paragraphs (2) and (3) and by striking “**Cross References**” and all that follows through “For period of limitations” and inserting “Cross Reference.—For period of limitations”.

(4) **[26 U.S.C. 6503]** Section 6503(a)(1) of such Code is amended by striking “(or section 6229” and all that follows through “of section 6230(a))”.

(5) Section 6504 of such Code is amended by striking paragraph (11).

(6) Section 6511 of such Code is amended by striking subsection (g).

(7) Section 6512(b)(3) of such Code is amended by striking the second sentence.

(8) Section 6515 of such Code is amended by striking paragraph (6).

(9) Section 6601(c) of such Code is amended by striking the last sentence.

(10) Section 7421(a) of such Code is amended by striking “6225(b), 6246(b)” and inserting “6232(c)”.

(11) Section 7422 of such Code is amended by striking subsection (h).

(12) Section 7459(c) of such Code is amended by striking “section 6226” and all that follows through “or 6252” and inserting “section 6234”.

(13) Section 7482(b)(1) of such Code is amended—

(A) in subparagraph (E), by striking “section 6226, 6228, 6247, or 6252” and inserting “section 6234”,

(B) by striking subparagraph (F), by striking “or” at the end of subparagraph (E) and inserting a period, and by inserting “or” at the end of subparagraph (D), and

(C) in the last sentence, by striking “section 6226, 6228(a), or 6234(c)” and inserting “section 6234”.

(14) Section 7485(b) of such Code is amended by striking “section 6226, 6228(a), 6247, or 6252” and inserting “section 6234”.

(g) **[26 U.S.C. 6221 note]** EFFECTIVE DATE.—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to returns filed for partnership taxable years beginning after December 31, 2017.

(2) **ADMINISTRATIVE ADJUSTMENT REQUESTS.**—In the case of administrative adjustment request under section 6227 of such Code, the amendments made by this section shall apply to requests with respect to returns filed for partnership taxable years beginning after December 31, 2017.

(3) **ADJUSTED PARTNERS STATEMENTS.**—In the case of a partnership electing the application of section 6226 of such Code, the amendments made by this section shall apply to elections with respect to returns filed for partnership taxable years beginning after December 31, 2017.

(4) **ELECTION.**—A partnership may elect (at such time and in such form and manner as the Secretary of the Treasury may prescribe) for the amendments made by this section (other than the election under section 6221(b) of such Code (as added by this Act)) to apply to any return of the partnership filed for partnership taxable years beginning after the date of the enactment of this Act and before January 1, 2018.

SEC. 1102. PARTNERSHIP INTERESTS CREATED BY GIFT.

(a) **IN GENERAL.**—Section 761(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following: “In the case of a capital interest in a partnership in which capital is a material income-producing factor, whether a person is a partner with respect to such interest shall be determined without regard to whether such interest was derived by gift from any other person.”.

(b) **[26 U.S.C. 704]** **CONFORMING AMENDMENTS.**—Section 704(e) of such Code is amended—

(1) by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively,

(2) by striking “this section” in paragraph (2) (as so redesignated) and inserting “this subsection”, and

(3) by striking “**Family Partnerships**” in the heading and inserting “**Partnership Interests Created by Gift**”.

(c) **[26 U.S.C. 704]** EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2015.

TITLE XII—DESIGNATION OF SMALL HOUSE ROTUNDA

SEC. 1201. [40 U.S.C. 5101 note] DESIGNATING SMALL HOUSE ROTUNDA AS “FREEDOM FOYER”.

The first floor of the area of the House of Representatives wing of the United States Capitol known as the small House rotunda is designated the “Freedom Foyer”.