

Tax Relief and Health Care Act of 2006

[Public Law 109-432]

[As Amended Through P.L. 116-260, Enacted December 27, 2020]

【Currency: This publication is a compilation of the text of Public Law 109-432. 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 extend expiring provisions, and for other purposes.

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

* * * * *

DIVISION B—MEDICARE AND OTHER HEALTH PROVISIONS

* * * * *

TITLE I—MEDICARE IMPROVED QUALITY AND PROVIDER PAYMENTS

* * * * *

SEC. 106. HOSPITAL MEDICARE REPORTS AND CLARIFICATIONS.

(a) 【42 U.S.C. 1395ww note】 CORRECTION OF MID-YEAR RECLASSIFICATION EXPIRATION.—Notwithstanding any other provision of law, in the case of a subsection (d) hospital (as defined for purposes of section 1886 of the Social Security Act (42 U.S.C. 1395ww)) with respect to which a reclassification of its wage index for purposes of such section would (but for this subsection) expire on March 31, 2007, such reclassification of such hospital shall be extended through March 31, 2012. The previous sentence shall not be effected in a budget-neutral manner.

(b) REVISION OF THE MEDICARE WAGE INDEX CLASSIFICATION SYSTEM.—

(1) MEDPAC REPORT.—

(A) IN GENERAL.—The Medicare Payment Advisory Commission shall submit to Congress, by not later than June 30, 2007, a report on its study of the wage index classification system applied under Medicare prospective payment systems, including under section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)). Such report shall include any alternatives the Commission recommends to the method to compute the wage index under such section.

(B) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Medicare Payment Advisory Commission, \$2,000,000 for fiscal year 2007 to carry out this paragraph.

(2) PROPOSAL TO REVISE THE HOSPITAL WAGE INDEX CLASSIFICATION SYSTEM.—The Secretary of Health and Human Services, taking into account the recommendations described in the report under paragraph (1), shall include in the proposed rule published under section 1886(e)(5)(A) of the Social Security Act (42 U.S.C. 1395ww(e)(5)(A)) for fiscal year 2009 one or more proposals to revise the wage index adjustment applied under section 1886(d)(3)(E) of such Act (42 U.S.C. 1395ww(d)(3)(E)) for purposes of the Medicare prospective payment system for inpatient hospital services. Such proposal (or proposals) shall consider each of the following:

(A) Problems associated with the definition of labor markets for purposes of such wage index adjustment.

(B) The modification or elimination of geographic reclassifications and other adjustments.

(C) The use of Bureau of Labor Statistics data, or other data or methodologies, to calculate relative wages for each geographic area involved.

(D) Minimizing variations in wage index adjustments between and within Metropolitan Statistical Areas and Statewide rural areas.

(E) The feasibility of applying all components of the proposal to other settings, including home health agencies and skilled nursing facilities.

(F) Methods to minimize the volatility of wage index adjustments, while maintaining the principle of budget neutrality in applying such adjustments.

(G) The effect that the implementation of the proposal would have on health care providers and on each region of the country.

(H) Methods for implementing the proposal, including methods to phase-in such implementation.

(I) Issues relating to occupational mix, such as staffing practices and any evidence on the effect on quality of care and patient safety and any recommendations for alternative calculations.

* * * * *

SEC. 119. [26 U.S.C. 30A note] AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) **IN GENERAL.**—For purposes of section 30A of the Internal Revenue Code of 1986, a domestic corporation shall be treated as a qualified domestic corporation to which such section applies if—

(1) in the case of a taxable year beginning before January 1, 2012, such corporation—

(A) is an existing credit claimant with respect to American Samoa, and

(B) elected the application of section 936 of the Internal Revenue Code of 1986 for its last taxable year beginning before January 1, 2006, and

(2) in the case of a taxable year beginning after December 31, 2011, such corporation meets the requirements of subsection (e).

(b) **SPECIAL RULES FOR APPLICATION OF SECTION.**—The following rules shall apply in applying section 30A of the Internal Revenue Code of 1986 for purposes of this section:

(1) **AMOUNT OF CREDIT.**—Notwithstanding section 30A(a)(1) of such Code, the amount of the credit determined under section 30A(a)(1) of such Code for any taxable year shall be the amount determined under section 30A(d) of such Code, except that section 30A(d) shall be applied without regard to paragraph (3) thereof.

(2) **SEPARATE APPLICATION.**—In applying section 30A(a)(3) of such Code in the case of a corporation treated as a qualified domestic corporation by reason of this section, section 30A of such Code (and so much of section 936 of such Code as relates to such section 30A) shall be applied separately with respect to American Samoa.

(3) **FOREIGN TAX CREDIT ALLOWED.**—Notwithstanding section 30A(e) of such Code, the provisions of section 936(c) of such Code shall not apply with respect to the credit allowed by reason of this section.

(c) **DEFINITIONS.**—For purposes of this section, any term which is used in this section which is also used in section 30A or 936 of such Code shall have the same meaning given such term by such section 30A or 936.

(d) **APPLICATION OF SECTION.**—Notwithstanding section 30A(h) or section 936(j) of such Code, this section (and so much of section 30A and section 936 of such Code as relates to this section) shall apply—

(1) in the case of a corporation that meets the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 16 taxable years of such corporation which begin after December 31, 2006, and before January 1, 2022, and

(2) in the case of a corporation that does not meet the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 10 taxable years of such corporation which begin after December 31, 2011, and before January 1, 2022.

In the case of a corporation described in subsection (a)(2), the Internal Revenue Code of 1986 shall be applied and administered without regard to the amendments made by section 401(d)(1) of the Tax Technical Corrections Act of 2018.”

(e) **QUALIFIED PRODUCTION ACTIVITIES INCOME REQUIREMENT.**—A corporation meets the requirement of this subsection if such corporation has qualified production activities income, as defined in subsection (c) of section 199 of the Internal Revenue Code of 1986 (as in effect before its repeal), determined by substituting “American Samoa” for “the United States” each place it appears in paragraphs (3), (4), and (6) of such subsection (c), for the taxable year.

* * * * *