

108TH CONGRESS
1ST SESSION

H. R. 2392

To amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2003

Mr. CASTLE (for himself, Mr. TANNER, Mr. UPTON, Mr. MOORE, Mr. BOEHLERT, and Mr. ALEXANDER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes.

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

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Relief for Working
5 Families Tax Act of 2003”.

6 TITLE I—CHILD TAX CREDIT

7 SEC. 101. ACCELERATION OF INCREASE IN REFUNDABILITY

OF THE CHILD TAX CREDIT.

9 (a) ACCELERATION OF REFUNDABILITY.—

13 “(4) section 24(d)(1)(B)(i) applied without re-
14 gard to the first parenthetical therein.”.

23 (b) EFFECTIVE DATES.—

24 (1) SUBSECTIONS (a)(1) AND (a)(3).—The
25 amendments made by subsections (a)(1) and (a)(3)

1 shall apply to taxable years beginning after Decem-
2 ber 31, 2002.

3 (2) SUBSECTION (a)(2).—The amendments
4 made by subsection (a)(2) shall take effect as if in-
5 cluded in the amendments made by section 101(b)
6 of the Jobs and Growth Tax Relief Reconciliation
7 Act of 2003.

8 **SEC. 102. REDUCTION IN MARRIAGE PENALTY IN CHILD
9 TAX CREDIT.**

10 (a) IN GENERAL.—Section 24(b)(2) of the Internal
11 Revenue Code of 1986 (defining threshold amount) is
12 amended—

13 (1) by inserting “(\$115,000 for taxable years
14 beginning in 2008 or 2009, and \$150,000 for tax-
15 able years beginning in 2010)” after “\$110,000”,
16 and

17 (2) by striking “\$55,000” in subparagraph (C)
18 and inserting “ $\frac{1}{2}$ of the amount in effect under sub-
19 paragraph (A)”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2002.

1 **SEC. 103. APPLICATION OF EGTRRA SUNSET TO THIS SEC-**
2 **TION.**

3 Each amendment made by this title shall be subject
4 to title IX of the Economic Growth and Tax Relief Rec-
5 onciliation Act of 2001 to the same extent and in the same
6 manner as the provision of such Act to which such amend-
7 ment relates.

8 **TITLE II—UNIFORM DEFINITION
9 OF CHILD**

10 **SEC. 201. UNIFORM DEFINITION OF CHILD, ETC.**

11 Section 152 of the Internal Revenue Code of 1986
12 is amended to read as follows:

13 **“SEC. 152. DEPENDENT DEFINED.**

14 “(a) IN GENERAL.—For purposes of this subtitle, the
15 term ‘dependent’ means—

16 “(1) a qualifying child, or

17 “(2) a qualifying relative.

18 “(b) EXCEPTIONS.—For purposes of this section—

19 “(1) DEPENDENTS INELIGIBLE.—If an indi-
20 vidual is a dependent of a taxpayer for any taxable
21 year of such taxpayer beginning in a calendar year,
22 such individual shall be treated as having no depend-
23 ents for any taxable year of such individual begin-
24 ning in such calendar year.

25 “(2) MARRIED DEPENDENTS.—An individual
26 shall not be treated as a dependent of a taxpayer

1 under subsection (a) if such individual has made a
2 joint return with the individual's spouse under sec-
3 tion 6013 for the taxable year beginning in the cal-
4 endar year in which the taxable year of the taxpayer
5 begins.

6 “(3) CITIZENS OR NATIONALS OF OTHER COUN-
7 TRIES.—

8 “(A) IN GENERAL.—The term ‘dependent’
9 does not include an individual who is not a cit-
10 izen or national of the United States unless
11 such individual is a resident of the United
12 States or a country contiguous to the United
13 States.

14 “(B) EXCEPTION FOR ADOPTED CHILD.—
15 Subparagraph (A) shall not exclude any child of
16 a taxpayer (within the meaning of subsection
17 (f)(1)(B)) from the definition of ‘dependent’
18 if—

19 “(i) for the taxable year of the tax-
20 payer, the child’s principal place of abode
21 is the home of the taxpayer, and

22 “(ii) the taxpayer is a citizen or na-
23 tional of the United States.

24 “(c) QUALIFYING CHILD.—For purposes of this sec-
25 tion—

1 “(1) IN GENERAL.—The term ‘qualifying child’
2 means, with respect to any taxpayer for any taxable
3 year, an individual—

4 “(A) who bears a relationship to the tax-
5 payer described in paragraph (2),

6 “(B) who has the same principal place of
7 abode as the taxpayer for more than one-half of
8 such taxable year,

9 “(C) who meets the age requirements of
10 paragraph (3), and

11 “(D) who has not provided over one-half of
12 such individual’s own support for the calendar
13 year in which the taxable year of the taxpayer
14 begins.

15 “(2) RELATIONSHIP TEST.—For purposes of
16 paragraph (1)(A), an individual bears a relationship
17 to the taxpayer described in this paragraph if such
18 individual is—

19 “(A) a child of the taxpayer or a descend-
20 ant of such a child, or

21 “(B) a brother, sister, stepbrother, or step-
22 sister of the taxpayer or a descendant of any
23 such relative.

24 “(3) AGE REQUIREMENTS.—

1 “(A) IN GENERAL.—For purposes of para-
2 graph (1)(C), an individual meets the require-
3 ments of this paragraph if such individual—

4 “(i) has not attained the age of 19 as
5 of the close of the calendar year in which
6 the taxable year of the taxpayer begins, or

7 “(ii) is a student who has not attained
8 the age of 24 as of the close of such cal-
9 endar year.

10 “(B) SPECIAL RULE FOR DISABLED.—In
11 the case of an individual who is permanently
12 and totally disabled (as defined in section
13 22(e)(3)) at any time during such calendar
14 year, the requirements of subparagraph (A)
15 shall be treated as met with respect to such in-
16 dividual.

17 “(4) SPECIAL RULE RELATING TO 2 OR MORE
18 CLAIMING QUALIFYING CHILD.—

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (B) and subsection (e), if (but for
21 this paragraph) an individual may be and is
22 claimed as a qualifying child by 2 or more tax-
23 payers for a taxable year beginning in the same
24 calendar year, such individual shall be treated
25 as the qualifying child of the taxpayer who is—

1 “(i) a parent of the individual, or
2 “(ii) if clause (i) does not apply, the
3 taxpayer with the highest adjusted gross
4 income for such taxable year.

5 “(B) MORE THAN 1 PARENT CLAIMING
6 QUALIFYING CHILD.—If the parents claiming
7 any qualifying child do not file a joint return
8 together, such child shall be treated as the
9 qualifying child of—

10 “(i) the parent with whom the child
11 resided for the longest period of time dur-
12 ing the taxable year, or

13 “(ii) if the child resides with both par-
14 ents for the same amount of time during
15 such taxable year, the parent with the
16 highest adjusted gross income.

17 “(d) QUALIFYING RELATIVE.—For purposes of this
18 section—

19 “(1) IN GENERAL.—The term ‘qualifying rel-
20 ative’ means, with respect to any taxpayer for any
21 taxable year, an individual—

22 “(A) who bears a relationship to the tax-
23 payer described in paragraph (2),

24 “(B) whose gross income for the calendar
25 year in which such taxable year begins is less

1 than the exemption amount (as defined in sec-
2 tion 151(d)),

3 “(C) with respect to whom the taxpayer
4 provides over one-half of the individual’s sup-
5 port for the calendar year in which such taxable
6 year begins, and

7 “(D) who is not a qualifying child of such
8 taxpayer or of any other taxpayer for any tax-
9 able year beginning in the calendar year in
10 which such taxable year begins.

11 “(2) RELATIONSHIP.—For purposes of para-
12 graph (1)(A), an individual bears a relationship to
13 the taxpayer described in this paragraph if the indi-
14 vidual is any of the following with respect to the tax-
15 payer:

16 “(A) A child or a descendant of a child.

17 “(B) A brother, sister, stepbrother, or
18 stepsister.

19 “(C) The father or mother, or an ancestor
20 of either.

21 “(D) A stepfather or stepmother.

22 “(E) A son or daughter of a brother or sis-
23 ter of the taxpayer.

24 “(F) A brother or sister of the father or
25 mother of the taxpayer.

1 “(G) A son-in-law, daughter-in-law, father-
2 in-law, mother-in-law, brother-in-law, or sister-
3 in-law.

4 “(H) An individual (other than an indi-
5 vidual who at any time during the taxable year
6 was the spouse, determined without regard to
7 section 7703, of the taxpayer) who, for the tax-
8 able year of the taxpayer, has as such individ-
9 ual’s principal place of abode the home of the
10 taxpayer and is a member of the taxpayer’s
11 household.

12 “(3) SPECIAL RULE RELATING TO MULTIPLE
13 SUPPORT AGREEMENTS.—For purposes of paragraph
14 (1)(C), over one-half of the support of an individual
15 for a calendar year shall be treated as received from
16 the taxpayer if—

17 “(A) no one person contributed over one-
18 half of such support,

19 “(B) over one-half of such support was re-
20 ceived from 2 or more persons each of whom,
21 but for the fact that any such person alone did
22 not contribute over one-half of such support,
23 would have been entitled to claim such indi-
24 vidual as a dependent for a taxable year begin-
25 ning in such calendar year,

1 “(C) the taxpayer contributed over 10 per-
2 cent of such support, and

3 “(D) each person described in subpara-
4 graph (B) (other than the taxpayer) who con-
5 tributed over 10 percent of such support files a
6 written declaration (in such manner and form
7 as the Secretary may by regulations prescribe)
8 that such person will not claim such individual
9 as a dependent for any taxable year beginning
10 in such calendar year.

11 “(4) SPECIAL RULE RELATING TO INCOME OF
12 HANDICAPPED DEPENDENTS.—

13 “(A) IN GENERAL.—For purposes of para-
14 graph (1)(B), the gross income of an individual
15 who is permanently and totally disabled (as de-
16 fined in section 22(e)(3)) at any time during
17 the taxable year shall not include income attrib-
18 utable to services performed by the individual
19 at a sheltered workshop if—

20 “(i) the availability of medical care at
21 such workshop is the principal reason for
22 the individual’s presence there, and

23 “(ii) the income arises solely from ac-
24 tivities at such workshop which are inci-
25 dent to such medical care.

1 “(B) SHELTERED WORKSHOP DEFINED.—

2 For purposes of subparagraph (A), the term
3 ‘sheltered workshop’ means a school—4 “(i) which provides special instruction
5 or training designed to alleviate the dis-
6 ability of the individual, and7 “(ii) which is operated by an organi-
8 zation described in section 501(c)(3) and
9 exempt from tax under section 501(a), or
10 by a State, a possession of the United
11 States, any political subdivision of any of
12 the foregoing, the United States, or the
13 District of Columbia.14 “(5) SPECIAL SUPPORT TEST IN CASE OF STU-
15 DENTS.—For purposes of paragraph (1)(C), in the
16 case of an individual who is—

17 “(A) a child of the taxpayer, and

18 “(B) a student,

19 amounts received as scholarships for study at an
20 educational organization described in section
21 170(b)(1)(A)(ii) shall not be taken into account in
22 determining whether such individual received more
23 than one-half of such individual’s support from the
24 taxpayer.

1 “(6) SPECIAL RULES FOR SUPPORT.—For pur-
2 poses of this subsection—

3 “(A) payments to a spouse which are in-
4 cludible in the gross income of such spouse
5 under section 71 or 682 shall not be treated as
6 a payment by the payor spouse for the support
7 of any dependent,

8 “(B) amounts expended for the support of
9 a child or children shall be treated as received
10 from the noncustodial parent (as defined in
11 subsection (e)(3)(B)) to the extent that such
12 parent provided amounts for such support, and

13 “(C) in the case of the remarriage of a
14 parent, support of a child received from the
15 parent’s spouse shall be treated as received
16 from the parent.

17 “(e) SPECIAL RULE FOR DIVORCED PARENTS.—

18 “(1) IN GENERAL.—Notwithstanding subsection
19 (c)(4) or (d)(1)(C), if—

20 “(A) a child receives over one-half of the
21 child’s support during the calendar year from
22 the child’s parents—

23 “(i) who are divorced or legally sepa-
24 rated under a decree of divorce or separate
25 maintenance,

1 “(ii) who are separated under a writ-
2 ten separation agreement, or

3 “(iii) who live apart at all times dur-
4 ing the last 6 months of the calendar year,
5 and

6 “(B) such child is in the custody of 1 or
7 both of the child’s parents for more than ½ of
8 the calendar year,

9 such child shall be treated as being the qualifying
10 child or qualifying relative of the noncustodial par-
11 ent for a calendar year if the requirements described
12 in paragraph (2) are met.

13 “(2) REQUIREMENTS.—For purposes of para-
14 graph (1), the requirements described in this para-
15 graph are met if—

16 “(A) a decree of divorce or separate main-
17 tenance or written separation agreement be-
18 tween the parents applicable to the taxable year
19 beginning in such calendar year provides that—

20 “(i) the noncustodial parent shall be
21 entitled to any deduction allowable under
22 section 151 for such child, or

23 “(ii) the custodial parent will sign a
24 written declaration (in such manner and
25 form as the Secretary may prescribe) that

1 such parent will not claim such child as a
2 dependent for such taxable year, and

3 “(B) in the case of such an agreement exe-
4 cuted before January 1, 1985, the noncustodial
5 parent provides at least \$600 for the support of
6 such child during such calendar year.

7 “(3) CUSTODIAL PARENT AND NONCUSTODIAL
8 PARENT.—For purposes of this subsection—

9 “(A) CUSTODIAL PARENT.—The term ‘cus-
10 todial parent’ means the parent with whom a
11 child shared the same principal place of abode
12 for the greater portion of the calendar year.

13 “(B) NONCUSTODIAL PARENT.—The term
14 ‘noncustodial parent’ means the parent who is
15 not the custodial parent.

16 “(4) EXCEPTION FOR MULTIPLE-SUPPORT
17 AGREEMENTS.—This subsection shall not apply in
18 any case where over one-half of the support of the
19 child is treated as having been received from a tax-
20 payer under the provision of subsection (d)(3).

21 “(f) OTHER DEFINITIONS AND RULES.—For pur-
22 poses of this section—

23 “(1) CHILD DEFINED.—

24 “(A) IN GENERAL.—The term ‘child’
25 means an individual who is—

1 “(i) a son, daughter, stepson, or step-
2 daughter of the taxpayer, or
3 “(ii) an eligible foster child of the tax-
4 payer.

5 “(B) ADOPTED CHILD.—In determining
6 whether any of the relationships specified in
7 subparagraph (A)(i) or paragraph (4) exists, a
8 legally adopted individual of the taxpayer, or an
9 individual who is placed with the taxpayer by
10 an authorized placement agency for adoption by
11 the taxpayer, shall be treated as a child of such
12 individual by blood.

13 “(C) ELIGIBLE FOSTER CHILD.—For pur-
14 poses of subparagraph (A)(ii), the term ‘eligible
15 foster child’ means an individual who is placed
16 with the taxpayer by an authorized placement
17 agency or by judgment, decree, or other order
18 of any court of competent jurisdiction.

19 “(2) STUDENT DEFINED.—The term ‘student’
20 means an individual who during each of 5 calendar
21 months during the calendar year in which the tax-
22 able year of the taxpayer begins—

23 “(A) is a full-time student at an edu-
24 cational organization described in section
25 170(b)(1)(A)(ii), or

1 “(B) is pursuing a full-time course of insti-
2 tutional on-farm training under the supervision
3 of an accredited agent of an educational organi-
4 zation described in section 170(b)(1)(A)(ii) or
5 of a State or political subdivision of a State.

6 “(3) PLACE OF ABODE.—An individual shall
7 not be treated as having the same principal place of
8 abode of the taxpayer if at any time during the tax-
9 able year of the taxpayer the relationship between
10 the individual and the taxpayer is in violation of
11 local law.

12 “(4) BROTHER AND SISTER.—The terms
13 ‘brother’ and ‘sister’ include a brother or sister by
14 the half blood.

15 “(5) TREATMENT OF MISSING CHILDREN.—

16 “(A) IN GENERAL.—Solely for the pur-
17 poses referred to in subparagraph (B), a child
18 of the taxpayer—

19 “(i) who is presumed by law enforce-
20 ment authorities to have been kidnapped
21 by someone who is not a member of the
22 family of such child or the taxpayer, and

23 “(ii) who had, for the taxable year in
24 which the kidnapping occurred, the same
25 principal place of abode as the taxpayer for

more than one-half of the portion of such year before the date of the kidnapping, shall be treated as meeting the requirement of subsection (c)(1)(B) with respect to a taxpayer for all taxable years ending during the period that the individual is kidnapped.

7 “(B) PURPOSES.—Subparagraph (A) shall
8 apply solely for purposes of determining—

1 “(ii) who was (without regard to this
2 paragraph) a qualifying relative of the tax-
3 payer for the portion of the taxable year
4 before the date of the kidnapping,
5 shall be treated as a qualifying relative of the
6 taxpayer for all taxable years ending during the
7 period that the child is kidnapped.

8 “(D) TERMINATION OF TREATMENT.—
9 Subparagraphs (A) and (C) shall cease to apply
10 as of the first taxable year of the taxpayer be-
11 ginning after the calendar year in which there
12 is a determination that the child is dead (or, if
13 earlier, in which the child would have attained
14 age 18).

15 “(6) CROSS REFERENCES.—

16 **“For provision treating child as dependent of both**
17 **parents for purposes of certain provisions, see sec-**
18 **tions 105(b), 132(h)(2)(B), and 213(d)(5).”.**

19 **SEC. 202. MODIFICATIONS OF DEFINITION OF HEAD OF**
20 **HOUSEHOLD.**

21 (a) HEAD OF HOUSEHOLD.—Clause (i) of section
22 2(b)(1)(A) of the Internal Revenue Code of 1986 is
23 amended to read as follows:

24 “(i) a qualifying child of the indi-
25 vidual (as defined in section 152(c), deter-
26 mined without regard to section 152(e)),
27 but not if such child—

1 “(I) is married at the close of the
2 taxpayer’s taxable year, and
3 “(II) is not a dependent of such
4 individual by reason of section
5 152(b)(2) or 152(b)3), or both, or”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 2(b)(2) of the Internal Revenue
8 Code of 1986 is amended by striking subparagraph
9 (A) and by redesignating subparagraphs (B), (C),
10 and (D) as subparagraphs (A), (B), and (C), respec-
11 tively.

12 (2) Clauses (i) and (ii) of section 2(b)(3)(B) of
13 such Code are amended to read as follows:

14 “(i) subparagraph (H) of section
15 152(d)(2), or
16 “(ii) paragraph (3) of section
17 152(d).”.

18 **SEC. 203. MODIFICATIONS OF DEPENDENT CARE CREDIT.**

19 (a) IN GENERAL.—Section 21(a)(1) of the Internal
20 Revenue Code of 1986 is amended by striking “In the case
21 of an individual who maintains a household which includes
22 as a member one or more qualifying individuals (as de-
23 fined in subsection (b)(1))” and inserting “In the case of
24 an individual for which there are 1 or more qualifying indi-

1 viduals (as defined in subsection (b)(1)) with respect to
2 such individual".

3 (b) QUALIFYING INDIVIDUAL.—Paragraph (1) of sec-
4 tion 21(b) of the Internal Revenue Code of 1986 is amend-
5 ed to read as follows:

6 "(1) QUALIFYING INDIVIDUAL.—The term
7 'qualifying individual' means—

8 "“(A) a dependent of the taxpayer (as de-
9 fined in section 152(a)(1)) who has not attained
10 age 13,

11 "“(B) a dependent of the taxpayer who is
12 physically or mentally incapable of caring for
13 himself or herself and who has the same prin-
14 cipal place of abode as the taxpayer for more
15 than one-half of such taxable year, or

16 "“(C) the spouse of the taxpayer, if the
17 spouse is physically or mentally incapable of
18 caring for himself or herself and who has the
19 same principal place of abode as the taxpayer
20 for more than one-half of such taxable year.”.

21 (c) CONFORMING AMENDMENT.—Paragraph (1) of
22 section 21(e) of the Internal Revenue Code of 1986 is
23 amended to read as follows:

24 "(1) PLACE OF ABODE.—An individual shall
25 not be treated as having the same principal place of

1 abode of the taxpayer if at any time during the tax-
2 able year of the taxpayer the relationship between
3 the individual and the taxpayer is in violation of
4 local law.”.

5 SEC. 204. MODIFICATIONS OF CHILD TAX CREDIT.

6 (a) IN GENERAL.—Paragraph (1) of section 24(c) of
7 the Internal Revenue Code of 1986 is amended to read
8 as follows:

9 “(1) IN GENERAL.—The term ‘qualifying child’
10 means a qualifying child of the taxpayer (as defined
11 in section 152(c)) who has not attained age 17.”.

12 (b) CONFORMING AMENDMENT.—Section 24(c)(2) of
13 the Internal Revenue Code of 1986 is amended by striking
14 “the first sentence of section 152(b)(3)” and inserting
15 “subparagraph (A) of section 152(b)(3)”.

16 SEC. 205. MODIFICATIONS OF EARNED INCOME CREDIT.

17 (a) QUALIFYING CHILD.—Paragraph (3) of section
18 32(c) of the Internal Revenue Code of 1986 is amended
19 to read as follows:

20 “(3) QUALIFYING CHILD.—
21 “(A) IN GENERAL.—The term ‘qualifying
22 child’ means a qualifying child of the taxpayer
23 (as defined in section 152(c), determined with-
24 out regard to paragraph (1)(D) thereof and sec-
25 tion 152(e)).

1 “(B) MARRIED INDIVIDUAL.—The term
2 ‘qualifying child’ shall not include an individual
3 who is married as of the close of the taxpayer’s
4 taxable year unless the taxpayer is entitled to
5 a deduction under section 151 for such taxable
6 year with respect to such individual (or would
7 be so entitled but for section 152(e)).

8 “(C) PLACE OF ABODE.—For purposes of
9 subparagraph (A), the requirements of section
10 152(c)(1)(B) shall be met only if the principal
11 place of abode is in the United States.

12 “(D) IDENTIFICATION REQUIREMENTS.—

13 “(i) IN GENERAL.—A qualifying child
14 shall not be taken into account under sub-
15 section (b) unless the taxpayer includes the
16 name, age, and TIN of the qualifying child
17 on the return of tax for the taxable year.

18 “(ii) OTHER METHODS.—The Sec-
19 retary may prescribe other methods for
20 providing the information described in
21 clause (i).”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 32(c)(1) of the Internal Revenue
24 Code of 1986 is amended by striking subparagraph
25 (C) and by redesignating subparagraphs (D), (E),

1 (F), and (G) as subparagraphs (C), (D), (E), and
2 (F), respectively.

3 (2) Section 32(c)(4) of such Code is amended
4 by striking “(3)(E)” and inserting “(3)(C)”.

5 (3) Section 32(m) of such Code is amended by
6 striking “subsections (c)(1)(F)” and inserting “sub-
7 sections (c)(1)(E)”.

8 **SEC. 206. MODIFICATIONS OF DEDUCTION FOR PERSONAL
9 EXEMPTION FOR DEPENDENTS.**

10 Subsection (c) of section 151 of the Internal Revenue
11 Code of 1986 is amended to read as follows:

12 “(c) ADDITIONAL EXEMPTION FOR DEPENDENTS.—
13 An exemption of the exemption amount for each individual
14 who is a dependent (as defined in section 152) of the tax-
15 payer for the taxable year.”.

16 **SEC. 207. TECHNICAL AND CONFORMING AMENDMENTS.**

17 (1) Section 2(a)(1)(B)(i) of such Code is
18 amended by inserting “, determined without regard
19 to subsections (b)(1), (b)(2), and (d)(1)(B) thereof”
20 after “section 152”.

21 (2) Section 21(e)(5) of the Internal Revenue
22 Code of 1986 is amended—

23 (A) by striking “paragraph (2) or (4) of”
24 in subparagraph (A), and

(B) by striking “within the meaning of section 152(e)(1)” and inserting “as defined in section 152(e)(3)(A)”.

5 (9) Subsections (b) and (c)(1) of section 105 of
6 such Code are amended by inserting “, determined
7 without regard to subsections (b)(1), (b)(2), and
8 (d)(1)(B) thereof” after “section 152”.

19 (13) The first sentence of section 132(h)(2)(B)
20 of such Code is amended by striking “151(c)(3)”
21 and inserting “152(f)(1)”.

22 (20) Section 221(d)(4) of such Code is amend-
23 ed by inserting “(determined without regard to sub-
24 sections (b)(1), (b)(2), and (d)(1)(B) thereof)” after
25 “section 152”.

12 (24) Section 7701(a)(17) of such Code is
13 amended by striking “152(b)(4), 682,” and inserting
14 “682”.

19 (26) Section 7703(b)(1) of such Code is amend-
20 ed—

21 (A) by striking “151(c)(3)” and inserting
22 “152(f)(1)”, and

23 (B) by striking “paragraph (2) or (4) of”.

1 **SEC. 208. EFFECTIVE DATE.**

2 The amendments made by this title shall apply to tax-
3 able years beginning after December 31, 2003.

4 **TITLE III—CUSTOMS USER FEES**5 **SEC. 301. EXTENSION OF CUSTOMS USER FEES.**

6 Section 13031(j)(3) of the Consolidated Omnibus
7 Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3))
8 is amended by striking “September 30, 2003” and insert-
9 ing “March 31, 2010”.

○