

111TH CONGRESS
2^D SESSION

H. R. 6181

To amend the Internal Revenue Code of 1986 to encourage investments in infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2010

Mr. HASTINGS of Florida (for himself, Mr. DEUTCH, and Mr. KLEIN of Florida) 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 encourage investments in infrastructure, 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; AMENDMENT OF 1986 CODE;**

4 **TABLE OF CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “American Infrastructure Investment Act of 2010”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-
9 ment or repeal is expressed in terms of an amendment
10 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents for
 4 this Act is as follows:

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Extension of Build America Bonds.
- Sec. 3. Exempt-facility bonds for sewage and water supply facilities.
- Sec. 4. Extension of exemption from alternative minimum tax treatment for certain tax-exempt bonds.
- Sec. 5. Extension and additional allocations of recovery zone bond authority.
- Sec. 6. Allowance of new markets tax credit against alternative minimum tax.
- Sec. 7. Extension of tax-exempt eligibility for loans guaranteed by Federal home loan banks.
- Sec. 8. Extension of temporary small issuer rules for allocation of tax-exempt interest expense by financial institutions.

5 **SEC. 2. EXTENSION OF BUILD AMERICA BONDS.**

6 (a) IN GENERAL.—Subparagraph (B) of section
 7 54AA(d)(1) is amended by striking “January 1, 2011”
 8 and inserting “January 1, 2013”.

9 (b) EXTENSION OF PAYMENTS TO ISSUERS.—

10 (1) IN GENERAL.—Section 6431 is amended—

11 (A) by striking “January 1, 2011” in sub-
 12 section (a) and inserting “January 1, 2013”;
 13 and

14 (B) by striking “January 1, 2011” in sub-
 15 section (f)(1)(B) and inserting “a particular
 16 date”.

17 (2) CONFORMING AMENDMENTS.—Subsection
 18 (g) of section 54AA is amended—

19 (A) by striking “January 1, 2011” and in-
 20 serting “January 1, 2013”; and

1 (B) by striking “QUALIFIED BONDS
 2 ISSUED BEFORE 2011” in the heading and in-
 3 serting “CERTAIN QUALIFIED BONDS”.

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

6 (1) by striking “The Secretary” and inserting
 7 the following:

8 “(1) IN GENERAL.—The Secretary”;

9 (2) by striking “35 percent” and inserting “the
 10 applicable percentage”; and

11 (3) by adding at the end the following new
 12 paragraph:

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

| “In the case of a qualified bond issued during cal- endar year: | The applicable percentage is: |
|--|----------------------------------|
| 2009 or 2010 | 35 percent |
| 2011 | 32 percent |
| 2012 | 30 percent.”. |

17 (d) CURRENT REFUNDINGS PERMITTED.—Sub-
 18 section (g) of section 54AA is amended by adding at the
 19 end the following new paragraph:

20 “(3) TREATMENT OF CURRENT REFUNDING
 21 BONDS.—

1 “(A) IN GENERAL.—For purposes of this
2 subsection, the term ‘qualified bond’ includes
3 any bond (or series of bonds) issued to refund
4 a qualified bond if—

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

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

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

15 “(B) APPLICABLE PERCENTAGE.—In the
16 case of a refunding bond referred to in subpara-
17 graph (A), the applicable percentage with re-
18 spect to such bond under section 6431(b) shall
19 be the lowest percentage specified in paragraph
20 (2) of such section.

21 “(C) DETERMINATION OF AVERAGE MATU-
22 RITY.—For purposes of subparagraph (A)(i),
23 average maturity shall be determined in accord-
24 ance with section 147(b)(2)(A).”.

1 (e) CLARIFICATION RELATED TO LEVEES AND
2 FLOOD CONTROL PROJECTS.—Subparagraph (A) of sec-
3 tion 54AA(g)(2) is amended by inserting “(including cap-
4 ital expenditures for levees and other flood control
5 projects)” after “capital expenditures”.

6 **SEC. 3. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER**
7 **SUPPLY FACILITIES.**

8 (a) BONDS FOR WATER AND SEWAGE FACILITIES
9 EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY
10 BONDS.—

11 (1) IN GENERAL.—Paragraph (3) of section
12 146(g) is amended by inserting “(4), (5),” after
13 “(2),”.

14 (2) CONFORMING AMENDMENT.—Paragraphs
15 (2) and (3)(B) of section 146(k) are both amended
16 by striking “(4), (5), (6),” and inserting “(6)”.

17 (b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOV-
18 ERNMENTS.—

19 (1) IN GENERAL.—Subsection (c) of section
20 7871 is amended by adding at the end the following
21 new paragraph:

22 “(4) EXCEPTION FOR BONDS FOR WATER AND
23 SEWAGE FACILITIES.—Paragraph (2) shall not apply
24 to an exempt facility bond 95 percent or more of the
25 net proceeds (as defined in section 150(a)(3)) of

1 which are to be used to provide facilities described
2 in paragraph (4) or (5) of section 142(a).”.

3 (2) CONFORMING AMENDMENT.—Paragraph (2)
4 of section 7871(c) is amended by striking “para-
5 graph (3)” and inserting “paragraphs (3) and (4)”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to obligations issued after the date
8 of the enactment of this Act.

9 **SEC. 4. EXTENSION OF EXEMPTION FROM ALTERNATIVE**
10 **MINIMUM TAX TREATMENT FOR CERTAIN**
11 **TAX-EXEMPT BONDS.**

12 (a) IN GENERAL.—Clause (vi) of section 57(a)(5)(C)
13 is amended—

14 (1) by striking “January 1, 2011” in subclause
15 (I) and inserting “January 1, 2012”; and

16 (2) by striking “AND 2010” in the heading and
17 inserting “, 2010, AND 2011”.

18 (b) ADJUSTED CURRENT EARNINGS.—Clause (iv) of
19 section 56(g)(4)(B) is amended—

20 (1) by striking “January 1, 2011” in subclause
21 (I) and inserting “January 1, 2012”; and

22 (2) by striking “AND 2010” in the heading and
23 inserting “, 2010, AND 2011”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to obligations issued after Decem-
3 ber 31, 2010.

4 **SEC. 5. EXTENSION AND ADDITIONAL ALLOCATIONS OF RE-**
5 **COVERY ZONE BOND AUTHORITY.**

6 (a) EXTENSION OF RECOVERY ZONE BOND AUTHOR-
7 ITY.—Section 1400U–2(b)(1) and section 1400U–
8 3(b)(1)(B) are each amended by striking “January 1,
9 2011” and inserting “January 1, 2012”.

10 (b) ADDITIONAL ALLOCATIONS OF RECOVERY ZONE
11 BOND AUTHORITY BASED ON UNEMPLOYMENT.—Section
12 1400U–1 is amended by adding at the end the following
13 new subsection:

14 “(c) ALLOCATION OF 2010 RECOVERY ZONE BOND
15 LIMITATIONS BASED ON UNEMPLOYMENT.—

16 “(1) IN GENERAL.—The Secretary shall allo-
17 cate the 2010 national recovery zone economic devel-
18 opment bond limitation and the 2010 national recov-
19 ery zone facility bond limitation among the States in
20 the proportion that each such State’s 2009 unem-
21 ployment number bears to the aggregate of the 2009
22 unemployment numbers for all of the States.

23 “(2) MINIMUM ALLOCATION.—The Secretary
24 shall adjust the allocations under paragraph (1) for
25 each State to the extent necessary to ensure that no

1 State (prior to any reduction under paragraph (3))
2 receives less than 0.9 percent of the 2010 national
3 recovery zone economic development bond limitation
4 and 0.9 percent of the 2010 national recovery zone
5 facility bond limitation.

6 “(3) ALLOCATIONS BY STATES.—

7 “(A) IN GENERAL.—Each State with re-
8 spect to which an allocation is made under
9 paragraph (1) shall reallocate such allocation
10 among the counties and large municipalities (as
11 defined in subsection (a)(3)(B)) in such State
12 in the proportion that each such county’s or
13 municipality’s 2009 unemployment number
14 bears to the aggregate of the 2009 unemploy-
15 ment numbers for all the counties and large
16 municipalities (as so defined) in such State.

17 “(B) 2010 ALLOCATION REDUCED BY
18 AMOUNT OF PREVIOUS ALLOCATION.—Each
19 State shall reduce (but not below zero)—

20 “(i) the amount of the 2010 national
21 recovery zone economic development bond
22 limitation allocated to each county or large
23 municipality (as so defined) in such State
24 by the amount of the national recovery
25 zone economic development bond limitation

1 allocated to such county or large municipi-
2 pality under subsection (a)(3)(A) (deter-
3 mined without regard to any waiver there-
4 of), and

5 “(ii) the amount of the 2010 national
6 recovery zone facility bond limitation allo-
7 cated to each county or large municipality
8 (as so defined) in such State by the
9 amount of the national recovery zone facil-
10 ity bond limitation allocated to such county
11 or large municipality under subsection
12 (a)(3)(A) (determined without regard to
13 any waiver thereof).

14 “(C) WAIVER OF SUBALLOCATIONS.—A
15 county or municipality may waive any portion
16 of an allocation made under this paragraph. A
17 county or municipality shall be treated as hav-
18 ing waived any portion of an allocation made
19 under this paragraph which has not been allo-
20 cated to a bond issued before May 1, 2011. Any
21 allocation waived (or treated as waived) under
22 this subparagraph may be used or reallocated
23 by the State.

24 “(D) SPECIAL RULE FOR A MUNICIPALITY
25 IN A COUNTY.—In the case of any large municipi-

1 pality any portion of which is in a county, such
2 portion shall be treated as part of such municipi-
3 pality and not part of such county.

4 “(4) 2009 UNEMPLOYMENT NUMBER.—For
5 purposes of this subsection, the term ‘2009 unem-
6 ployment number’ means, with respect to any State,
7 county or municipality, the number of individuals in
8 such State, county, or municipality who were deter-
9 mined to be unemployed by the Bureau of Labor
10 Statistics for December 2009.

11 “(5) 2010 NATIONAL LIMITATIONS.—

12 “(A) RECOVERY ZONE ECONOMIC DEVEL-
13 OPMENT BONDS.—The 2010 national recovery
14 zone economic development bond limitation is
15 \$10,000,000,000. Any allocation of such limita-
16 tion under this subsection shall be treated for
17 purposes of section 1400U–2 in the same man-
18 ner as an allocation of national recovery zone
19 economic development bond limitation.

20 “(B) RECOVERY ZONE FACILITY BONDS.—
21 The 2010 national recovery zone facility bond
22 limitation is \$15,000,000,000. Any allocation of
23 such limitation under this subsection shall be
24 treated for purposes of section 1400U–3 in the

1 same manner as an allocation of national recovery
2 zone facility bond limitation.”.

3 (c) **AUTHORITY OF STATE TO WAIVE CERTAIN 2009**
4 **ALLOCATIONS.**—Subparagraph (A) of section 1400U–
5 1(a)(3) is amended by adding at the end the following:
6 “A county or municipality shall be treated as having
7 waived any portion of an allocation made under this sub-
8 paragraph which has not been allocated to a bond issued
9 before May 1, 2011. Any allocation waived (or treated as
10 waived) under this subparagraph may be used or reallo-
11 cated by the State.”.

12 **SEC. 6. ALLOWANCE OF NEW MARKETS TAX CREDIT**
13 **AGAINST ALTERNATIVE MINIMUM TAX.**

14 (a) **IN GENERAL.**—Subparagraph (B) of section
15 38(c)(4) is amended by redesignating clauses (v) through
16 (ix) as clauses (vi) through (x), respectively, and by insert-
17 ing after clause (iv) the following new clause:

18 “(v) the credit determined under sec-
19 tion 45D, but only with respect to credits
20 determined with respect to qualified equity
21 investments (as defined in section 45D(b))
22 initially made before January 1, 2012,”.

23 (b) **EFFECTIVE DATE.**—The amendments made by
24 this section shall apply to credits determined with respect
25 to qualified equity investments (as defined in section

1 45D(b) of the Internal Revenue Code of 1986) initially
2 made after March 15, 2010.

3 **SEC. 7. EXTENSION OF TAX-EXEMPT ELIGIBILITY FOR**
4 **LOANS GUARANTEED BY FEDERAL HOME**
5 **LOAN BANKS.**

6 Clause (iv) of section 149(b)(3)(A) is amended by
7 striking “December 31, 2010” and inserting “December
8 31, 2011”.

9 **SEC. 8. EXTENSION OF TEMPORARY SMALL ISSUER RULES**
10 **FOR ALLOCATION OF TAX-EXEMPT INTEREST**
11 **EXPENSE BY FINANCIAL INSTITUTIONS.**

12 (a) IN GENERAL.—Clauses (i), (ii), and (iii) of sec-
13 tion 265(b)(3)(G) are each amended by striking “or
14 2010” and inserting “, 2010, or 2011”.

15 (b) CONFORMING AMENDMENT.—Subparagraph (G)
16 of section 265(b)(3) is amended by striking “AND 2010”
17 in the heading and inserting “, 2010, AND 2011”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to obligations issued after Decem-
20 ber 31, 2010.

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