

112TH CONGRESS  
1ST SESSION

# H. R. 11

To amend the Internal Revenue Code of 1986 to extend the Build America Bonds program.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2011

Mr. CONNOLLY of Virginia (for himself, Ms. LORETTA SANCHEZ of California, and Mr. CARNEY) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the Build America Bonds program.

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 “Build America Bonds  
5 to Create Jobs Now Act of 2011”.

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

7 (a) IN GENERAL.—Subparagraph (B) of section  
8 54AA(d)(1) of the Internal Revenue Code of 1986 is  
9 amended by inserting “or during the period beginning on  
10 the date of the enactment of the Build America Bonds

1 to Create Jobs Now Act of 2011 and ending on December  
2 31, 2012,” after “January 1, 2011,”.

3 (b) EXTENSION OF PAYMENTS TO ISSUERS.—

4 (1) IN GENERAL.—Section 6431 of such Code  
5 is amended—

6 (A) by inserting “or during the period be-  
7 ginning on the date of the enactment of the  
8 Build America Bonds to Create Jobs Now Act  
9 of 2011 and ending on December 31, 2012,”  
10 after “January 1, 2011,” in subsection (a), and

11 (B) by striking “before January 1, 2011”  
12 in subsection (f)(1)(B) and inserting “during a  
13 particular period”.

14 (2) CONFORMING AMENDMENTS.—Subsection  
15 (g) of section 54AA of such Code is amended—

16 (A) by inserting “or during the period be-  
17 ginning on the date of the enactment of the  
18 Build America Bonds to Create Jobs Now Act  
19 of 2011 and ending on December 31, 2012,”  
20 after “January 1, 2011,”, and

21 (B) by striking “QUALIFIED BONDS  
22 ISSUED BEFORE 2011” in the heading and in-  
23 serting “CERTAIN QUALIFIED BONDS”.

1 (c) REDUCTION IN PERCENTAGE OF PAYMENTS TO  
 2 ISSUERS.—Subsection (b) of section 6431 of such Code  
 3 is amended—

4 (1) by striking “The Secretary” and inserting  
 5 the following:

6 “(1) IN GENERAL.—The Secretary”,

7 (2) by striking “35 percent” and inserting “the  
 8 applicable percentage”, and

9 (3) by adding at the end the following new  
 10 paragraph:

11 “(2) APPLICABLE PERCENTAGE.—For purposes  
 12 of this subsection, the term ‘applicable percentage’  
 13 means the percentage determined in accordance with  
 14 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 .....	31 percent.”.

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

18 “(3) TREATMENT OF CURRENT REFUNDING  
 19 BONDS.—

20 “(A) IN GENERAL.—For purposes of this  
 21 subsection, the term ‘qualified bond’ includes

1 any bond (or series of bonds) issued to refund  
2 a qualified bond if—

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

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

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

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

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

23 (e) CLARIFICATION RELATED TO LEVEES AND  
24 FLOOD CONTROL PROJECTS.—Subparagraph (A) of sec-  
25 tion 54AA(g)(2) of such Code is amended by inserting

- 1 “(including capital expenditures for levees and other flood
- 2 control projects)” after “capital expenditures”.

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