

112TH CONGRESS
2D SESSION

H. R. 6688

To extend tax relief for all Americans, to replace the defense sequester scheduled to take effect on January 2, 2013, with responsible reductions in direct and other spending, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2012

Mr. JORDAN (for himself, Mr. MULVANEY, Mr. SCALISE, Mr. GARRETT, Mr. FLORES, Mr. BROUN of Georgia, Mr. WALBERG, Mrs. HARTZLER, Mr. STUTZMAN, Mr. OLSON, Mr. LUETKEMEYER, Mr. GRIFFIN of Arkansas, Mr. CULBERSON, Mr. ROE of Tennessee, Mr. PEARCE, Mr. GRAVES of Georgia, Mr. HUELSKAMP, Mr. GIBBS, Mr. FLEMING, Mrs. MYRICK, Mr. PRICE of Georgia, Mrs. BLACKBURN, and Mr. SCHWEIKERT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Budget, Agriculture, Energy and Commerce, Financial Services, the Judiciary, Oversight and Government Reform, House Administration, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To extend tax relief for all Americans, to replace the defense sequester scheduled to take effect on January 2, 2013, with responsible reductions in direct and other spending, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Averting the Fiscal
3 Cliff Act”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—JOB PROTECTION AND RECESSION PREVENTION ACT

Subtitle A—Job Protection and Recession Prevention Act

Sec. 1101. Short title.

Sec. 1102. Permanent extension of 2001 and 2003 tax relief.

Sec. 1103. Extension of increased small business expensing.

Sec. 1104. Extension of alternative minimum tax relief for individuals.

**Subtitle B—Pathway to Job Creation Through a Simpler, Fairer Tax Code
Act**

Sec. 1201. Short title.

Sec. 1202. Findings and purposes.

Sec. 1203. Expedited Consideration of a Measure Providing for Comprehensive
Tax Reform.

TITLE II—SEQUESTRATION REPLACEMENT ACT

Subtitle A—Agriculture

Sec. 2101. Short title.

Sec. 2102. ARRA sunset on date of enactment of this Act.

Sec. 2103. Categorical eligibility limited to cash assistance.

Sec. 2104. Standard utility allowances based on the receipt of energy assistance
payments.

Sec. 2105. Employment and training; workfare.

Sec. 2106. End State bonus program for the supplemental nutrition assistance
program.

Sec. 2107. Funding of employment and training programs.

Sec. 2108. Turn off indexing for nutrition education and obesity prevention.

Sec. 2109. Extension of Authorization of Food and Nutrition Act of 2008.

Sec. 2110. Effective dates and application of amendments.

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CHAPTER 1—REPEAL OF CERTAIN ACA FUNDING PROVISIONS

Sec. 2201. Repealing mandatory funding to states to establish American Health
Benefit Exchanges.

Sec. 2202. Repealing Prevention and Public Health Fund.

Sec. 2203. Rescinding unobligated balances for CO-OP program.

CHAPTER 2—MEDICAID

- Sec. 2211. Revision of provider tax indirect guarantee threshold.
- Sec. 2212. Rebasement of State DSH allotments for fiscal year 2022.
- Sec. 2213. Repeal of Medicaid and CHIP maintenance of effort requirements under PPACA.
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- Sec. 2322. Congressional findings.
- Sec. 2323. Termination of authority.
- Sec. 2324. Sense of Congress.

CHAPTER 3—BUREAU OF CONSUMER FINANCIAL PROTECTION

- Sec. 2331. Bringing the Bureau of Consumer Financial Protection into the regular appropriations process.

CHAPTER 4—REPEAL OF THE OFFICE OF FINANCIAL RESEARCH

- Sec. 2341. Repeal of the Office of Financial Research.

Subtitle D—Committee on the Judiciary

- Sec. 2401. Short title.
- Sec. 2402. Encouraging speedy resolution of claims.
- Sec. 2403. Compensating patient injury.
- Sec. 2404. Maximizing patient recovery.
- Sec. 2405. Punitive damages.
- Sec. 2406. Authorization of payment of future damages to claimants in health care lawsuits.
- Sec. 2407. Definitions.
- Sec. 2408. Effect on other laws.
- Sec. 2409. State flexibility and protection of States' rights.
- Sec. 2410. Applicability; effective date.

Subtitle E—Committee on Oversight and Government Reform

- Sec. 2501. Retirement contributions.
- Sec. 2502. Annuity supplement.
- Sec. 2503. Contributions to Thrift Savings Fund of payments for accrued or accumulated leave.

Subtitle F—Committee on Ways and Means

CHAPTER 1—RECAPTURE OF OVERPAYMENTS RESULTING FROM CERTAIN FEDERALLY SUBSIDIZED HEALTH INSURANCE

Sec. 2601. Recapture of overpayments resulting from certain federally subsidized health insurance.

CHAPTER 2—SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE
REFUNDABLE PORTION OF THE CHILD TAX CREDIT

Sec. 2611. Social security number required to claim the refundable portion of the child tax credit.

CHAPTER 3—HUMAN RESOURCES PROVISIONS

Sec. 2621. Repeal of the program of block grants to States for social services.

Subtitle G—Sequester Replacement

Sec. 2701. Short title.

Sec. 2702. Protecting veterans programs from sequester.

Sec. 2703. Achieving \$19 billion in discretionary savings.

Sec. 2704. Conforming amendments to section 314 of the Congressional Budget and Impoundment Control Act of 1974.

Sec. 2705. Treatment for PAYGO purposes.

Sec. 2706. Elimination of the fiscal year 2013 sequestration for defense direct spending.

1 **TITLE I—JOB PROTECTION AND**
2 **RECESSION PREVENTION ACT**
3 **Subtitle A—Job Protection and**
4 **Recession Prevention Act**

5 **SEC. 1101. SHORT TITLE.**

6 This subtitle may be cited as the “Job Protection and
7 Recession Prevention Act of 2012”.

8 **SEC. 1102. PERMANENT EXTENSION OF 2001 AND 2003 TAX**
9 **RELIEF.**

10 (a) EXTENSION OF 2001 TAX RELIEF.—

11 (1) IN GENERAL.—The Economic Growth and
12 Tax Relief Reconciliation Act of 2001 is amended by
13 striking title IX.

14 (2) EFFECTIVE DATE.—The amendments made
15 by this section shall take effect as if included in the

1 enactment of the Economic Growth and Tax Relief
2 Reconciliation Act of 2001.

3 (b) EXTENSION OF 2003 TAX RELIEF.—

4 (1) IN GENERAL.—The Jobs and Growth Tax
5 Relief Reconciliation Act of 2003 is amended by
6 striking section 303.

7 (2) EFFECTIVE DATE.—The amendment made
8 by this section shall take effect as if included in the
9 enactment of the Jobs and Growth Tax Relief Rec-
10 onciliation Act of 2003.

11 (c) EXTENSION OF ESTATE TAX RELIEF.—

12 (1) IN GENERAL.—Section 304 of the Tax Re-
13 lief, Unemployment Insurance Reauthorization, and
14 Job Creation Act of 2010 is amended to read as fol-
15 lows:

16 **“SEC. 304. SUNSET OF ESTATE TAX RELIEF.**

17 “(a) IN GENERAL.—All provisions of, and amend-
18 ments made by, this title shall not apply to estates of dece-
19 dents dying, gifts made, or generation skipping transfers,
20 after December 31, 2013.

21 “(b) APPLICATION OF CERTAIN LAWS.—The Internal
22 Revenue Code of 1986 shall be applied and administered
23 to estates, gifts, and transfers described in subsection (a)
24 as if the provisions and amendments described in sub-
25 section (a) had never been enacted.”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) shall apply to estates of decedents
3 dying, gifts made, or generation skipping transfers,
4 after December 31, 2012.

5 **SEC. 1103. EXTENSION OF INCREASED SMALL BUSINESS EX-**
6 **PENSING.**

7 (a) DOLLAR LIMITATION.—Section 179(b)(1) of the
8 Internal Revenue Code of 1986 is amended—

9 (1) by striking “and” at the end of subpara-
10 graph (C), by redesignating subparagraph (D) as
11 subparagraph (E), and by inserting after subpara-
12 graph (C) the following new subparagraph:

13 “(D) \$100,000 in the case of taxable years
14 beginning in 2013, and”, and

15 (2) by striking “2012” in subparagraph (E) (as
16 redesignated by paragraph (1)) and inserting
17 “2013”.

18 (b) REDUCTION IN LIMITATION.—Section 179(b)(2)
19 of such Code is amended—

20 (1) by striking “and” at the end of subpara-
21 graph (C), by redesignating subparagraph (D) as
22 subparagraph (E), and by inserting after subpara-
23 graph (C) the following new subparagraph:

24 “(D) \$400,000 in the case of taxable years
25 beginning in 2013, and”, and

1 (2) by striking “2012” in subparagraph (E) (as
2 redesignated by paragraph (1)) and inserting
3 “2013”.

4 (c) APPLICATION OF INFLATION ADJUSTMENT.—
5 Section 179(b)(6)(A) of such Code is amended—

6 (1) by striking “calendar year 2012, the
7 \$125,000 and \$500,000 amounts in paragraphs
8 (1)(C) and (2)(C)” in the matter preceding clause
9 (i) and inserting “calendar year 2013, the \$100,000
10 and \$400,000 amounts in paragraphs (1)(D) and
11 (2)(D)”, and

12 (2) by striking “calendar year 2006” in clause
13 (ii) and inserting “calendar year 2002”.

14 (d) COMPUTER SOFTWARE.—Section
15 179(d)(1)(A)(ii) of such Code is amended by striking
16 “2013” and inserting “2014”.

17 (e) SPECIAL RULE FOR REVOCATION OF ELEC-
18 TIONS.—Section 179(c)(2) of such Code is amended by
19 striking “2013” and inserting “2014”.

20 (f) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2012.

1 **SEC. 1104. EXTENSION OF ALTERNATIVE MINIMUM TAX RE-**
2 **LIEF FOR INDIVIDUALS.**

3 (a) EXTENSION OF INCREASED ALTERNATIVE MIN-
4 IMUM TAX EXEMPTION AMOUNT.—Section 55(d)(1) of
5 the Internal Revenue Code of 1986 is amended—

6 (1) by striking “\$72,450” and all that follows
7 through “2011” in subparagraph (A) and inserting
8 “\$78,750 in the case of taxable years beginning in
9 2012 and \$79,850 in the case of taxable years be-
10 ginning in 2013”, and

11 (2) by striking “\$47,450” and all that follows
12 through “2011” in subparagraph (B) and inserting
13 “\$50,600 in the case of taxable years beginning in
14 2012 and \$51,150 in the case of taxable years be-
15 ginning in 2013”.

16 (b) EXTENSION OF ALTERNATIVE MINIMUM TAX RE-
17 LIEF FOR NONREFUNDABLE PERSONAL CREDITS.—Sec-
18 tion 26(a)(2) of such Code is amended—

19 (1) by striking “during 2000, 2001, 2002,
20 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010,
21 or 2011” and inserting “after 1999 and before
22 2014”, and

23 (2) by striking “2011” in the heading thereof
24 and inserting “2013”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2011.

4 **Subtitle B—Pathway to Job Cre-**
5 **ation Through a Simpler, Fairer**
6 **Tax Code Act**

7 **SEC. 1201. SHORT TITLE.**

8 This subtitle may be cited as the “Pathway to Job
9 Creation through a Simpler, Fairer Tax Code Act of
10 2012”.

11 **SEC. 1202. FINDINGS AND PURPOSES.**

12 (a) FINDINGS.—Congress finds that the following
13 problems exist with the Internal Revenue Code of 1986
14 (in this section referred to as the “tax code”):

15 (1) The tax code is unfair, containing hundreds
16 of provisions that only benefit certain special inter-
17 ests, resulting in a system of winners and losers.

18 (2) The tax code violates the fundamental prin-
19 ciple of equal justice by subjecting families in similar
20 circumstances to significantly different tax bills.

21 (3)(A) Many tax preferences, sometimes re-
22 ferred to as “tax expenditures”, are similar to gov-
23 ernment spending—instead of markets directing eco-
24 nomic resources to their most efficient uses, the

1 Government directs resources to other uses, creating
2 a drag on economic growth and job creation.

3 (B) The exclusions, deductions, credits, and
4 special rules that make up such tax expenditures
5 amount to over \$1 trillion per year, nearly matching
6 the total amount of annual revenue that is generated
7 from the income tax itself.

8 (C) In some cases, tax subsidies can literally
9 take the form of spending through the tax code, re-
10 distributing taxes paid by some Americans to indi-
11 viduals and businesses who do not pay any income
12 taxes at all.

13 (4) The failure to adopt a permanent tax code
14 with stable statutory tax policy has created greater
15 economic uncertainty. Tax rates have been scheduled
16 to increase sharply in 3 of the last 5 years, requiring
17 the enactment of repeated temporary extensions. Ad-
18 ditionally, approximately 70 other, more targeted tax
19 provisions expired in 2011 or are currently sched-
20 uled to expire by the end of 2012.

21 (5) Since 2001, there have been nearly 4,500
22 changes made to the tax code, averaging more than
23 one each day over the past decade.

24 (6) The tax code's complexity leads nearly nine
25 out of ten families either to hire tax preparers (60

1 percent) or purchase software (29 percent) to file
2 their taxes, while 71 percent of unincorporated busi-
3 nesses are forced to pay someone else to prepare
4 their taxes.

5 (7) The cost of complying with the tax code is
6 too burdensome, forcing individuals, families, and
7 employers to spend over six billion hours and over
8 \$160 billion per year trying to comply with the law
9 and pay the actual tax owed.

10 (8) Compliance with the current tax code is a
11 financial hardship for employers that falls dispropor-
12 tionately on small businesses, which spend an aver-
13 age of \$74 per hour on tax-related compliance, mak-
14 ing it the most expensive paperwork burden they en-
15 counter.

16 (9) Small businesses have been responsible for
17 two-thirds of the jobs created in the United States
18 over the past 15 years, and approximately half of
19 small-business profits are taxed at the current top 2
20 individual rates.

21 (10) The historic range for tax revenues col-
22 lected by the Federal government has averaged 18
23 to 19 percent of Gross Domestic Product (GDP),
24 but will rise to 21.2 percent of GDP under current

1 law—a level never reached, let alone sustained, in
2 the Nation’s history.

3 (11) The current tax code is highly punitive,
4 with a top Federal individual income tax rate of 35
5 percent (which is set to climb to over 40 percent in
6 2013 when taking into account certain hidden
7 rates), meaning some Americans could face a com-
8 bined local, State and Federal tax rate of 50 per-
9 cent.

10 (12) The tax code contains harmful provisions,
11 such as the Alternative Minimum Tax (AMT), which
12 was initially designed to affect only the very highest-
13 income taxpayers but now threatens more than 30
14 million middle-class households because of a flawed
15 design.

16 (13) As of April 1, 2012, the United States
17 achieved the dubious distinction of having the high-
18 est corporate tax rate (39.2 percent for Federal and
19 State combined) in the developed world.

20 (14) The United States corporate tax rate is
21 more than 50 percent higher than the average rate
22 of member states of the Organization for Economic
23 Cooperation and Development (OECD)—a factor
24 that discourages employers and investors from locat-
25 ing jobs and investments in the United States.

1 (15) The United States has become an outlier
2 in that it still uses a “worldwide” system of tax-
3 ation—one that has not been substantially reformed
4 in 50 years, when the United States accounted for
5 nearly half of global economic output and had no se-
6 rious competitors around the world.

7 (16) The combination of the highest corporate
8 tax rate with an antiquated “worldwide” system sub-
9 jects American companies to double taxation when
10 they attempt to compete with foreign companies in
11 overseas markets and then reinvest their earnings in
12 the United States.

13 (17) The Nation’s outdated tax code has con-
14 tributed to the fact that the world’s largest compa-
15 nies are more likely to be headquartered overseas
16 today than at any point in the last 50 years: In
17 1960, 17 of the world’s 20 largest companies were
18 based in the United States; by 2010, that number
19 sank to a mere six out of 20.

20 (18) The United States has one of the highest
21 levels of taxation on capital—taxing it once at the
22 corporate level and then again at the individual
23 level—with integrated tax rates on certain invest-
24 ment income already reaching roughly 50 percent
25 (and scheduled to reach nearly 70 percent in 2013).

1 (19) The United States overall taxation of cap-
2 ital is higher than all but four of the 38 countries
3 that make up the OECD and the BRIC (Brazil,
4 Russia, India and China).

5 (b) PURPOSES.—It is the purpose of this title to pro-
6 vide for enactment of comprehensive tax reform in 2013
7 that—

8 (1) protects taxpayers by creating a fairer, sim-
9 pler, flatter tax code for individuals and families
10 by—

11 (A) lowering marginal tax rates and broad-
12 ening the tax base;

13 (B) eliminating special interest loopholes;

14 (C) reducing complexity in the tax code,
15 making tax compliance easier and less costly;

16 (D) repealing the Alternative Minimum
17 Tax;

18 (E) maintaining modern levels of progres-
19 sivity so as to not overburden any one group or
20 further erode the tax base;

21 (F) making it easier for Americans to save;
22 and

23 (G) reducing the tax burdens imposed on
24 married couples and families;

1 (2) is comprehensive (addressing both indi-
2 vidual and corporate rates), so as to have the max-
3 imum economic impact by benefitting employers and
4 their employees regardless of how a business is
5 structured;

6 (3) results in tax revenue consistent with his-
7 torical norms;

8 (4) spurs greater investment, innovation and
9 job creation, and therefore increases economic activ-
10 ity and the size of the economy on a dynamic basis
11 as compared to the current tax code; and

12 (5) makes American workers and businesses
13 more competitive by—

14 (A) creating a stable, predictable tax code
15 under which families and employers are best
16 able to plan for the future;

17 (B) keeping taxes on small businesses low;

18 (C) reducing America's corporate tax rate,
19 which is currently the highest in the industri-
20 alized world;

21 (D) maintaining a level of parity between
22 individual and corporate rates to reduce eco-
23 nomic distortions;

24 (E) promoting innovation in the United
25 States;

1 (F) transitioning to a globally competitive
2 territorial tax system;

3 (G) minimizing the double taxation of in-
4 vestment and capital; and

5 (H) reducing the impact of taxes on busi-
6 ness decision-making to allow such decisions to
7 be driven by their economic potential.

8 **SEC. 1203. EXPEDITED CONSIDERATION OF A MEASURE**
9 **PROVIDING FOR COMPREHENSIVE TAX RE-**
10 **FORM.**

11 (a) DEFINITION.—For purposes of this section, the
12 term “tax reform bill” means a bill of the 113th Con-
13 gress—

14 (1) introduced in the House of Representatives
15 by the chair of the Committee on Ways and Means
16 not later than April 30, 2013, or the first legislative
17 day thereafter if the House is not in session on that
18 day, the title of which is as follows: “A bill to pro-
19 vide for comprehensive tax reform.”; and

20 (2) which is the subject of a certification under
21 subsection (b).

22 (b) CERTIFICATION.—The chair of the Joint Com-
23 mittee on Taxation shall notify the House and Senate in
24 writing whenever the chair of the Joint Committee deter-

1 mines that an introduced bill described in subsection
2 (a)(1) contains at least each of the following proposals:

3 (1) a consolidation of the current 6 individual
4 income tax brackets into not more than two brackets
5 of 10 and not more than 25 percent;

6 (2) a reduction in the corporate tax rate to not
7 greater than 25 percent;

8 (3) a repeal of the Alternative Minimum Tax;

9 (4) a broadening of the tax base to maintain
10 revenue between 18 and 19 percent of the economy;
11 and

12 (5) a change from a “worldwide” to a “terri-
13 torial” system of taxation.

14 (c) EXPEDITED CONSIDERATION IN THE HOUSE OF
15 REPRESENTATIVES.—

16 (1) Any committee of the House of Representa-
17 tives to which the tax reform bill is referred shall re-
18 port it to the House not later than 20 calendar days
19 after the date of its introduction. If a committee
20 fails to report the tax reform bill within that period,
21 such committee shall be automatically discharged
22 from further consideration of the bill.

23 (2) If the House has not otherwise proceeded to
24 the consideration of the tax reform bill upon the ex-
25 piration of 15 legislative days after the bill has been

1 placed on the Union Calendar, it shall be in order
2 for the majority leader or a designee (or, after the
3 expiration of an additional 2 legislative days, any
4 Member), to offer one motion that the House resolve
5 into the Committee of the Whole House on the state
6 of the Union for the consideration of the tax reform
7 bill. The previous question shall be considered as or-
8 dered on the motion to its adoption without inter-
9 vening motion except 20 minutes of debate equally
10 divided and controlled by the proponent and an op-
11 ponent. If such a motion is adopted, consideration
12 shall proceed in accordance with paragraph (3). A
13 motion to reconsider the vote by which the motion
14 is disposed of shall not be in order.

15 (3) The first reading of the bill shall be dis-
16 pensed with. General debate shall be confined to the
17 bill and shall not exceed 4 hours, equally divided and
18 controlled by the chair and ranking minority mem-
19 ber of the Committee on Ways and Means. At the
20 conclusion of general debate, the bill shall be read
21 for amendment under the five-minute rule. Any com-
22 mittee amendment shall be considered as read. At
23 the conclusion of consideration of the bill for amend-
24 ment the Committee shall rise and report the bill to
25 the House with such amendments as may have been

1 adopted. The previous question shall be considered
2 as ordered on the bill and amendments thereto to
3 final passage without intervening motion except one
4 motion to recommit with or without instructions. A
5 motion to reconsider the vote on passage of the bill
6 shall not be in order.

7 (d) EXPEDITED CONSIDERATION IN THE SENATE.—

8 (1) COMMITTEE CONSIDERATION.—A tax re-
9 form bill, as defined in subsection (a), received in
10 the Senate shall be referred to the Committee on Fi-
11 nance. The Committee shall report the bill not later
12 than 15 calendar days after receipt of the bill in the
13 Senate. If the Committee fails to report the bill
14 within that period, that committee shall be dis-
15 charged from consideration of the bill, and the bill
16 shall be placed on the calendar.

17 (2) MOTION TO PROCEED.—Notwithstanding
18 rule XXII of the Standing Rules of the Senate, it is
19 in order, not later than 2 days of session after the
20 date on which the tax reform bill is reported or dis-
21 charged from committee, for the majority leader of
22 the Senate or the majority leader's designee to move
23 to proceed to the consideration of the tax reform
24 bill. It shall also be in order for any Member of the
25 Senate to move to proceed to the consideration of

1 the tax reform bill at any time after the conclusion
2 of such 2-day period. A motion to proceed is in order
3 even though a previous motion to the same effect
4 has been disagreed to. All points of order against
5 the motion to proceed to the tax reform bill are
6 waived. The motion to proceed is not debatable. The
7 motion is not subject to a motion to postpone.

8 (3) CONSIDERATION.—No motion to recommit
9 shall be in order and debate on any motion or appeal
10 shall be limited to one hour, to be divided in the
11 usual form.

12 (4) AMENDMENTS.—All amendments must be
13 relevant to the bill and debate on any amendment
14 shall be limited to 2 hours to be equally divided in
15 the usual form between the opponents and pro-
16 ponents of the amendment. Debate on any amend-
17 ment to an amendment, debatable motion, or appeal
18 shall be limited to 1 hour to be equally divided in
19 the usual form between the opponents and pro-
20 ponents of the amendment.

21 (5) VOTE ON PASSAGE.—If the Senate has pro-
22 ceeded to the bill, and following the conclusion of all
23 debate, the Senate shall proceed to a vote on pas-
24 sage of the bill as amended, if amended.

1 (e) CONFERENCE IN THE HOUSE.—If the House re-
2 ceives a message that the Senate has passed the tax re-
3 form bill with an amendment or amendments, it shall be
4 in order for the chair of the Committee on Ways and
5 Means or a designee, without intervention of any point of
6 order, to offer any motion specified in clause 1 of rule
7 XXII.

8 (f) CONFERENCE IN THE SENATE.—If the Senate re-
9 ceives from the House a message to accompany the tax
10 reform bill, as defined in subsection (a), then no later than
11 two session days after its receipt—

12 (1) the Chair shall lay the message before the
13 Senate;

14 (2) the motion to insist on the Senate amend-
15 ment or disagree to the House amendment or
16 amendments to the Senate amendment, the request
17 for a conference with the House or the motion to
18 agree to the request of the House for a conference,
19 and the motion to authorize the Chair to appoint
20 conferees on the part of the Senate shall be agreed
21 to; and

22 (3) the Chair shall then be authorized to ap-
23 point conferees on the part of the Senate without in-
24 tervening motion, with a ratio agreed to with the
25 concurrence of both leaders.

1 (g) RULEMAKING.—This section is enacted by the
 2 Congress as an exercise of the rulemaking power of the
 3 House of Representatives and Senate, respectively, and as
 4 such is deemed a part of the rules of each House, respec-
 5 tively, or of that House to which they specifically apply,
 6 and such procedures supersede other rules only to the ex-
 7 tent that they are inconsistent with such rules; and with
 8 full recognition of the constitutional right of either House
 9 to change the rules (so far as relating to the procedures
 10 of that House) at any time, in the same manner, and to
 11 the same extent as any other rule of that House.

12 **TITLE II—SEQUESTRATION**
 13 **REPLACEMENT ACT**
 14 **Subtitle A—Agriculture**

15 **SEC. 2101. SHORT TITLE.**

16 This subtitle may be cited as the “Agricultural Rec-
 17 onciliation Act of 2012”.

18 **SEC. 2102. ARRA SUNSET ON DATE OF ENACTMENT OF THIS**
 19 **ACT.**

20 Section 101(a)(2) of division A of the American Re-
 21 covery and Reinvestment Act of 2009 (Public Law 111–
 22 5; 123 Stat. 120) is amended by striking “October 31,
 23 2013” and inserting “the date of enactment of the Avert-
 24 ing the Fiscal Cliff Act”.

1 **SEC. 2103. CATEGORICAL ELIGIBILITY LIMITED TO CASH**
 2 **ASSISTANCE.**

3 Section 5 of the Food and Nutrition Act of 2008 (7
 4 U.S.C. 2014) is amended—

5 (1) in the second sentence of subsection (a) by
 6 striking “households in which each member receives
 7 benefits” and inserting “households in which each
 8 member receives cash assistance”, and

9 (2) in subsection (j) by striking “or who re-
 10 ceives benefits under a State program” and inserting
 11 “or who receives cash assistance under a State pro-
 12 gram”.

13 **SEC. 2104. STANDARD UTILITY ALLOWANCES BASED ON**
 14 **THE RECEIPT OF ENERGY ASSISTANCE PAY-**
 15 **MENTS.**

16 (a) STANDARD UTILITY ALLOWANCE.—Section 5 of
 17 the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is
 18 amended—

19 (1) in subsection (e)(6)(C) by striking clause
 20 (iv), and

21 (2) in subsection (k) by striking paragraph (4)
 22 and inserting the following:

23 “(4) THIRD-PARTY ENERGY ASSISTANCE PAY-
 24 MENTS.—For purposes of subsection (d)(1), a pay-
 25 ment made under a State law (other than a law re-
 26 ferred to in paragraph (2)(G)) to provide energy as-

1 sistance to a household shall be considered money
2 payable directly to the household.”.

3 (b) CONFORMING AMENDMENTS.—Section
4 2605(f)(2) of the Low-Income Home Energy Assistance
5 Act of 1981 (42 U.S.C. 8624(f)(2)) is amended—

6 (1) by striking “and for purposes of deter-
7 mining any excess shelter expense deduction under
8 section 5(e) of the Food and Nutrition Act of 2008
9 (7 U.S.C. 2014(e))”, and

10 (2) in subparagraph (A) by inserting before the
11 semicolon the following: “, except that such pay-
12 ments or allowances shall not be deemed to be ex-
13 pended for purposes of determining any excess shel-
14 ter expense deduction under section 5(e)(6) of the
15 Food and Nutrition Act of 2008 (7 U.S.C.
16 2014(e)(6))”.

17 **SEC. 2105. EMPLOYMENT AND TRAINING; WORKFARE.**

18 (a) ADMINISTRATIVE COST-SHARING FOR EMPLOY-
19 MENT AND TRAINING PROGRAMS.—

20 (1) IN GENERAL.—Section 16 of the Food and
21 Nutrition Act of 2008 (7 U.S.C. 2025) is amend-
22 ed—

23 (A) in subsection (a) by inserting “(other
24 than a program carried out under section
25 6(d)(4) or section 20)” after “supplemental nu-

trition assistance program” the first place it appears, and

(B) in subsection (h)—

(i) by striking paragraphs (2) and (3),

and

(ii) by redesignating paragraphs (4)

and (5) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 17(b)(1)(B)(iv)(III)(hh) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(hh)) is amended by striking “(g), (h)(2), or (h)(3)” and inserting “or (g)”.

(B) Section 22(d)(1)(B)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(d)(1)(B)(ii)) is amended is amended by striking “, (g), (h)(2), and (h)(3)” and inserting “and (g)”.

(b) ADMINISTRATIVE COST-SHARING AND REIMBURSEMENTS FOR WORKFARE.—Section 20 of the Food and Nutrition Act of 2008 (7 U.S.C. 2029) is amended by striking subsection (g).

1 **SEC. 2106. END STATE BONUS PROGRAM FOR THE SUPPLE-**
2 **MENTAL NUTRITION ASSISTANCE PROGRAM.**

3 Section 16 of the Food and Nutrition Act of 2008
4 (7 U.S.C. 2025) is amended by striking subsection (d).

5 **SEC. 2107. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
6 **GRAMS.**

7 For purposes of fiscal year 2013, the reference to
8 \$90,000,000 in section 16(h)(1)(A) of the Food and Nu-
9 trition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) shall be
10 deemed to be a reference to \$79,000,000.

11 **SEC. 2108. TURN OFF INDEXING FOR NUTRITION EDU-**
12 **CATION AND OBESITY PREVENTION.**

13 Section 28(d) of the Food and Nutrition Act of 2008
14 (7 U.S.C. 2037(d)) is amended by striking “years—” and
15 all that follows through the period at the end, and insert-
16 ing “years, \$375,000,000.”.

17 **SEC. 2109. EXTENSION OF AUTHORIZATION OF FOOD AND**
18 **NUTRITION ACT OF 2008.**

19 Section 18(a)(1) of the Food and Nutrition Act of
20 2008 (7 U.S.C. 2027(a)(1)) is amended by striking
21 “2012” and inserting “2013”.

22 **SEC. 2110. EFFECTIVE DATES AND APPLICATION OF**
23 **AMENDMENTS.**

24 (a) GENERAL EFFECTIVE DATE.—Except as pro-
25 vided in subsection (b), this title and the amendments
26 made by this title shall take effect on the date of enact-

1 ment of this Act, and shall apply only with respect to cer-
 2 tification periods that begin on or after such date.

3 (b) SPECIAL EFFECTIVE DATE.—Section 2107 and
 4 the amendments made by sections 2102, 2103, 2104, and
 5 2109 shall take effect on the date of the enactment of
 6 this Act and shall apply only with respect to certification
 7 periods that begin on or after such date.

8 **Subtitle B—Committee on Energy** 9 **and Commerce**

10 **CHAPTER 1—REPEAL OF CERTAIN ACA** 11 **FUNDING PROVISIONS**

12 **SEC. 2201. REPEALING MANDATORY FUNDING TO STATES** 13 **TO ESTABLISH AMERICAN HEALTH BENEFIT** 14 **EXCHANGES.**

15 (a) IN GENERAL.—Section 1311(a) of the Patient
 16 Protection and Affordable Care Act (42 U.S.C. 18031(a))
 17 is repealed.

18 (b) RESCISSION OF UNOBLIGATED FUNDS.—Of the
 19 funds made available under such section 1311(a), the un-
 20 obligated balance is rescinded.

21 **SEC. 2202. REPEALING PREVENTION AND PUBLIC HEALTH** 22 **FUND.**

23 (a) IN GENERAL.—Section 4002 of the Patient Pro-
 24 tection and Affordable Care Act (42 U.S.C. 300u–11) is
 25 repealed.

1 (b) RESCISSION OF UNOBLIGATED FUNDS.—Of the
 2 funds made available by such section 4002, the unobli-
 3 gated balance is rescinded.

4 **SEC. 2203. RESCINDING UNOBLIGATED BALANCES FOR CO-**
 5 **OP PROGRAM.**

6 Of the funds made available under section 1322(g)
 7 of the Patient Protection and Affordable Care Act (42
 8 U.S.C. 18042(g)), the unobligated balance is rescinded.

9 **CHAPTER 2—MEDICAID**

10 **SEC. 2211. REVISION OF PROVIDER TAX INDIRECT GUAR-**
 11 **ANTEE THRESHOLD.**

12 Section 1903(w)(4)(C)(ii) of the Social Security Act
 13 (42 U.S.C. 1396b(w)(4)(C)(ii)) is amended by inserting
 14 “and for portions of fiscal years beginning on or after Oc-
 15 tober 1, 2012,” after “October 1, 2011,”.

16 **SEC. 2212. REBASING OF STATE DSH ALLOTMENTS FOR FIS-**
 17 **CAL YEAR 2022.**

18 Section 1923(f) of the Social Security Act (42 U.S.C.
 19 1396r–4(f)) is amended—

20 (1) by redesignating paragraph (9) as para-
 21 graph (10);

22 (2) in paragraph (3)(A) by striking “para-
 23 graphs (6), (7), and (8)” and inserting “paragraphs
 24 (6), (7), (8), and (9)”; and

1 (3) by inserting after paragraph (8) the fol-
 2 lowing new paragraph:

3 “(9) REBASING OF STATE DSH ALLOTMENTS
 4 FOR FISCAL YEAR 2022.—With respect to fiscal
 5 2022, for purposes of applying paragraph (3)(A) to
 6 determine the DSH allotment for a State, the
 7 amount of the DSH allotment for the State under
 8 paragraph (3) for fiscal year 2021 shall be treated
 9 as if it were such amount as reduced under para-
 10 graph (7).”.

11 **SEC. 2213. REPEAL OF MEDICAID AND CHIP MAINTENANCE**
 12 **OF EFFORT REQUIREMENTS UNDER PPACA.**

13 (a) REPEAL OF PPACA MEDICAID MOE.—Section
 14 1902 of the Social Security Act (42 U.S.C. 1396a) is
 15 amended by striking subsection (gg).

16 (b) REPEAL OF PPACA CHIP MOE.—Section
 17 2105(d)(3) of the Social Security Act (42 U.S.C.
 18 1397ee(d)(3)) is amended—

19 (1) by striking subparagraph (A);

20 (2) by redesignating subparagraphs (B) and
 21 (C) as subparagraphs (A) and (B), respectively; and

22 (3) in the paragraph heading, by striking
 23 “CONTINUATION OF ELIGIBILITY STANDARDS FOR
 24 CHILDREN UNTIL OCTOBER 1, 2019” and inserting
 25 “CONTINUITY OF COVERAGE”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 1902(a) of the Social Security Act
3 (42 U.S.C. 1396a(a)) is amended by striking para-
4 graph (74).

5 (2) Effective January 1, 2014, paragraph (14)
6 of section 1902(e) (as added by section 2002(a) of
7 Public Law 111–148) is amended by striking the
8 third sentence of subparagraph (A).

9 (d) EFFECTIVE DATE.—Except as provided in sub-
10 section (c)(2), the amendments made by this section shall
11 take effect on the date of the enactment of this section.

12 **SEC. 2214. MEDICAID PAYMENTS TO TERRITORIES.**

13 (a) LIMIT ON PAYMENTS.—Section 1108(g) of the
14 Social Security Act (42 U.S.C. 1308(g)) is amended—

15 (1) in paragraph (2)—

16 (A) by striking “paragraphs (3) and (5)”;
17 and

18 (B) by inserting “paragraph (3)” after
19 “and subject to”;

20 (2) in paragraph (4), by striking “(3), and”
21 and all that follows through “of this subsection” and
22 inserting “and (3) of this subsection”; and

23 (3) by striking paragraph (5).

24 (b) FMAP.—The first sentence of section 1905(b) of
25 the Social Security Act (42 U.S.C. 1396d(b)) is amended

1 by striking “shall be 55 percent” and inserting “shall be
2 50 percent”.

3 **SEC. 2215. REPEALING BONUS PAYMENTS FOR ENROLL-**
4 **MENT UNDER MEDICAID AND CHIP.**

5 (a) IN GENERAL.—Paragraphs (3) and (4) of section
6 2105(a) of the Social Security Act (42 U.S.C. 1397ee(a))
7 are repealed.

8 (b) RESCISSION OF UNOBLIGATED FUNDS.—Of the
9 funds made available by section 2105(a)(3) of the Social
10 Security Act, the unobligated balance is rescinded.

11 (c) CONFORMING CHANGES.—

12 (1) AVAILABILITY OF EXCESS FUNDS FOR PER-
13 FORMANCE BONUSES.—Section 2104(n)(2) of the
14 Social Security Act (42 U.S.C. 1397dd(n)(2)) is
15 amended by striking subparagraph (D).

16 (2) OUTREACH OR COVERAGE BENCHMARKS.—
17 Section 2111(b)(3) of the Social Security Act (42
18 U.S.C. 1397kk(b)(3)) is amended—

19 (A) in subparagraph (A)—

20 (i) in clause (i), by inserting “or”
21 after the semicolon at the end; and

22 (ii) by striking clause (ii); and

23 (B) by striking subparagraph (C).

1 **Subtitle C—Financial Services**

2 **SEC. 2301. TABLE OF CONTENTS.**

3 The table of contents for this subtitle is as follows:

Sec. 2301. Table of contents.

CHAPTER 1—ORDERLY LIQUIDATION FUND

Sec. 2311. Repeal of liquidation authority.

CHAPTER 2—HOME AFFORDABLE MODIFICATION PROGRAM

Sec. 2321. Short title.

Sec. 2322. Congressional findings.

Sec. 2323. Termination of authority.

Sec. 2324. Sense of Congress.

CHAPTER 3—BUREAU OF CONSUMER FINANCIAL PROTECTION

Sec. 2331. Bringing the Bureau of Consumer Financial Protection into the regular appropriations process.

CHAPTER 4—REPEAL OF THE OFFICE OF FINANCIAL RESEARCH

Sec. 2341. Repeal of the Office of Financial Research.

4 **CHAPTER 1—ORDERLY LIQUIDATION** 5 **FUND**

6 **SEC. 2311. REPEAL OF LIQUIDATION AUTHORITY.**

7 (a) IN GENERAL.—Title II of the Dodd-Frank Wall
8 Street Reform and Consumer Protection Act is hereby re-
9 pealed and any Federal law amended by such title shall,
10 on and after the date of enactment of this Act, be effective
11 as if title II of the Dodd-Frank Wall Street Reform and
12 Consumer Protection Act had not been enacted.

13 (b) CONFORMING AMENDMENTS.—

14 (1) DODD-FRANK WALL STREET REFORM AND
15 CONSUMER PROTECTION ACT.—The Dodd-Frank

1 Wall Street Reform and Consumer Protection Act is
2 amended—

3 (A) in the table of contents for such Act,
4 by striking all items relating to title II;

5 (B) in section 165(d)(6), by striking “, a
6 receiver appointed under title II,”;

7 (C) in section 716(g), by striking “or a
8 covered financial company under title II”;

9 (D) in section 1105(e)(5), by striking
10 “amount of any securities issued under that
11 chapter 31 for such purpose shall be treated in
12 the same manner as securities issued under sec-
13 tion 208(n)(5)(E)” and inserting “issuances of
14 such securities under that chapter 31 for such
15 purpose shall by treated as public debt trans-
16 actions of the United States, and the proceeds
17 from the sale of any obligations acquired by the
18 Secretary under this paragraph shall be depos-
19 ited into the Treasury of the United States as
20 miscellaneous receipts”; and

21 (E) in section 1106(c)(2), by amending
22 subparagraph (A) to read as follows:

23 “(A) require the company to file a petition
24 for bankruptcy under section 301 of title 11,
25 United States Code; or”.

1 (2) FEDERAL DEPOSIT INSURANCE ACT.—Sec-
2 tion 10(b)(3) of the Federal Deposit Insurance Act
3 (12 U.S.C. 1820(b)(3)) is amended by striking “, or
4 of such nonbank financial company supervised by
5 the Board of Governors or bank holding company
6 described in section 165(a) of the Financial Stability
7 Act of 2010, for the purpose of implementing its au-
8 thority to provide for orderly liquidation of any such
9 company under title II of that Act”.

10 (3) FEDERAL RESERVE ACT.—Section 13(3) of
11 the Federal Reserve Act is amended—

12 (A) in subparagraph (B)—

13 (i) in clause (ii), by striking “, resolu-
14 tion under title II of the Dodd-Frank Wall
15 Street Reform and Consumer Protection
16 Act, or” and inserting “or is subject to
17 resolution under”; and

18 (ii) in clause (iii), by striking “, reso-
19 lution under title II of the Dodd-Frank
20 Wall Street Reform and Consumer Protec-
21 tion Act, or” and inserting “or resolution
22 under”; and

23 (B) by striking subparagraph (E).

1 **CHAPTER 2—HOME AFFORDABLE**
2 **MODIFICATION PROGRAM**

3 **SEC. 2321. SHORT TITLE.**

4 This chapter may be cited as the “HAMP Termini-
5 nation Act of 2012”.

6 **SEC. 2322. CONGRESSIONAL FINDINGS.**

7 The Congress finds the following:

8 (1) According to the Department of the Treas-
9 ury—

10 (A) the Home Affordable Modification Pro-
11 gram (HAMP) is designed to “help as many as
12 3 to 4 million financially struggling homeowners
13 avoid foreclosure by modifying loans to a level
14 that is affordable for borrowers now and sus-
15 tainable over the long term”; and

16 (B) as of February 2012, only 782,609 ac-
17 tive permanent mortgage modifications were
18 made under HAMP.

19 (2) Many homeowners whose HAMP modifica-
20 tions were canceled suffered because they made fu-
21 tile payments and some of those homeowners were
22 even forced into foreclosure.

23 (3) The Special Inspector General for TARP
24 reported that HAMP “benefits only a small portion
25 of distressed homeowners, offers others little more

1 than false hope, and in certain cases causes more
2 harm than good”.

3 (4) Approximately \$30 billion was obligated by
4 the Department of the Treasury to HAMP, however,
5 approximately only \$2.54 billion has been disbursed.

6 (5) Terminating HAMP would save American
7 taxpayers approximately \$2.84 billion, according to
8 the Congressional Budget Office.

9 **SEC. 2323. TERMINATION OF AUTHORITY.**

10 Section 120 of the Emergency Economic Stabilization
11 Act of 2008 (12 U.S.C. 5230) is amended by adding at
12 the end the following new subsection:

13 “(c) TERMINATION OF AUTHORITY TO PROVIDE
14 NEW ASSISTANCE UNDER THE HOME AFFORDABLE
15 MODIFICATION PROGRAM.—

16 “(1) IN GENERAL.—Except as provided under
17 paragraph (2), after the date of the enactment of
18 this subsection the Secretary may not provide any
19 assistance under the Home Affordable Modification
20 Program under the Making Home Affordable initia-
21 tive of the Secretary, authorized under this Act, on
22 behalf of any homeowner.

23 “(2) PROTECTION OF EXISTING OBLIGATIONS
24 ON BEHALF OF HOMEOWNERS ALREADY EXTENDED
25 AN OFFER TO PARTICIPATE IN THE PROGRAM.—

1 Paragraph (1) shall not apply with respect to assist-
2 ance provided on behalf of a homeowner who, before
3 the date of the enactment of this subsection, was ex-
4 tended an offer to participate in the Home Afford-
5 able Modification Program on a trial or permanent
6 basis.

7 “(3) DEFICIT REDUCTION.—

8 “(A) USE OF UNOBLIGATED FUNDS.—Not-
9 withstanding any other provision of this title,
10 the amounts described in subparagraph (B)
11 shall not be available after the date of the en-
12 actment of this subsection for obligation or ex-
13 penditure under the Home Affordable Modifica-
14 tion Program of the Secretary, but should be
15 covered into the General Fund of the Treasury
16 and should be used only for reducing the budg-
17 et deficit of the Federal Government.

18 “(B) IDENTIFICATION OF UNOBLIGATED
19 FUNDS.—The amounts described in this sub-
20 paragraph are any amounts made available
21 under title I of the Emergency Economic Sta-
22 bilization Act of 2008 that—

23 “(i) have been allocated for use, but
24 not yet obligated as of the date of the en-
25 actment of this subsection, under the

1 Home Affordable Modification Program of
2 the Secretary; and

3 “(ii) are not necessary for providing
4 assistance under such Program on behalf
5 of homeowners who, pursuant to para-
6 graph (2), may be provided assistance
7 after the date of the enactment of this sub-
8 section.

9 “(4) STUDY OF USE OF PROGRAM BY MEMBERS
10 OF THE ARMED FORCES, VETERANS, AND GOLD
11 STAR RECIPIENTS.—

12 “(A) STUDY.—The Secretary shall conduct
13 a study to determine the extent of usage of the
14 Home Affordable Modification Program by, and
15 the impact of such Program on, covered home-
16 owners.

17 “(B) REPORT.—Not later than the expira-
18 tion of the 90-day period beginning on the date
19 of the enactment of this subsection, the Sec-
20 retary shall submit to the Congress a report
21 setting forth the results of the study under sub-
22 paragraph (A) and identifying best practices,
23 derived from studying the Home Affordable
24 Modification Program, that could be applied to

1 existing mortgage assistance programs available
2 to covered homeowners.

3 “(C) COVERED HOMEOWNER.—For pur-
4 poses of this subsection, the term ‘covered
5 homeowner’ means a homeowner who is—

6 “(i) a member of the Armed Forces of
7 the United States on active duty or the
8 spouse or parent of such a member;

9 “(ii) a veteran, as such term is de-
10 fined in section 101 of title 38, United
11 States Code; or

12 “(iii) eligible to receive a Gold Star
13 lapel pin under section 1126 of title 10,
14 United States Code, as a widow, parent, or
15 next of kin of a member of the Armed
16 Forces person who died in a manner de-
17 scribed in subsection (a) of such section.

18 “(5) PUBLICATION OF MEMBER AVAILABILITY
19 FOR ASSISTANCE.—Not later than 5 days after the
20 date of the enactment of this subsection, the Sec-
21 retary of the Treasury shall publish to its Website
22 on the World Wide Web in a prominent location,
23 large point font, and boldface type the following
24 statement: ‘The Home Affordable Modification Pro-
25 gram (HAMP) has been terminated. If you are hav-

1 ing trouble paying your mortgage and need help con-
2 tacting your lender or servicer for purposes of nego-
3 tiating or acquiring a loan modification, please con-
4 tact your Member of Congress to assist you in con-
5 tacting your lender or servicer for the purpose of ne-
6 gotiating or acquiring a loan modification.’.

7 “(6) NOTIFICATION TO HAMP APPLICANTS RE-
8 QUIRED.—Not later than 30 days after the date of
9 the enactment of this subsection, the Secretary of
10 the Treasury shall inform each individual who ap-
11 plied for the Home Affordable Modification Program
12 and will not be considered for a modification under
13 such Program due to termination of such Program
14 under this subsection—

15 “(A) that such Program has been termi-
16 nated;

17 “(B) that loan modifications under such
18 Program are no longer available;

19 “(C) of the name and contact information
20 of such individual’s Member of Congress; and

21 “(D) that the individual should contact his
22 or her Member of Congress to assist the indi-
23 vidual in contacting the individual’s lender or
24 servicer for the purpose of negotiating or ac-
25 quiring a loan modification.”.

1 **SEC. 2324. SENSE OF CONGRESS.**

2 The Congress encourages banks to work with home-
3 owners to provide loan modifications to those that are eli-
4 gible. The Congress also encourages banks to work and
5 assist homeowners and prospective homeowners with fore-
6 closure prevention programs and information on loan
7 modifications.

8 **CHAPTER 3—BUREAU OF CONSUMER**
9 **FINANCIAL PROTECTION**

10 **SEC. 2331. BRINGING THE BUREAU OF CONSUMER FINAN-**
11 **CIAL PROTECTION INTO THE REGULAR AP-**
12 **PROPRIATIONS PROCESS.**

13 Section 1017 of the Consumer Financial Protection
14 Act of 2010 is amended—

15 (1) in subsection (a)—

16 (A) by amending the heading of such sub-
17 section to read as follows: “BUDGET, FINAN-
18 CIAL MANAGEMENT, AND AUDIT.—”;

19 (B) by striking paragraphs (1), (2), and
20 (3);

21 (C) by redesignating paragraphs (4) and
22 (5) as paragraphs (1) and (2), respectively; and

23 (D) by striking subparagraphs (E) and (F)
24 of paragraph (1), as so redesignated;

25 (2) by striking subsections (b), (c), and (d);

1 (3) by redesignating subsection (e) as sub-
2 section (b); and

3 (4) in subsection (b), as so redesignated—

4 (A) by striking paragraphs (1), (2), and
5 (3) and inserting the following:

6 “(1) AUTHORIZATION OF APPROPRIATIONS.—

7 There is authorized to be appropriated
8 \$200,000,000 to carry out this title for each of fiscal
9 years 2012 and 2013.”; and

10 (B) by redesignating paragraph (4) as
11 paragraph (2).

12 **CHAPTER 4—REPEAL OF THE OFFICE OF**
13 **FINANCIAL RESEARCH**

14 **SEC. 2341. REPEAL OF THE OFFICE OF FINANCIAL RE-**
15 **SEARCH.**

16 (a) IN GENERAL.—Subtitle B of title I of the Dodd-
17 Frank Wall Street Reform and Consumer Protection Act
18 is hereby repealed.

19 (b) CONFORMING AMENDMENTS TO THE DODD-
20 FRANK ACT.—The Dodd-Frank Wall Street Reform and
21 Consumer Protection Act is amended—

22 (1) in section 102(a), by striking paragraph
23 (5);

24 (2) in section 111—

25 (A) in subsection (b)(2)—

1 (i) by striking subparagraph (A); and

2 (ii) by redesignating subparagraphs

3 (B), (C), (D), and (E) as subparagraphs

4 (A), (B), (C), and (D), respectively;

5 (B) in subsection (c)(1), by striking “sub-

6 paragraphs (C), (D), and (E)” and inserting

7 “subparagraphs (B), (C), and (D)”;

8 (3) in section 112—

9 (A) in subsection (a)(2)—

10 (i) in subparagraph (A), by striking

11 “direct the Office of Financial Research

12 to”;

13 (ii) by striking subparagraph (B); and

14 (iii) by redesignating subparagraphs

15 (C), (D), (E), (F), (G), (H), (I), (J), (K),

16 (L), (M), and (N) as subparagraphs (B),

17 (C), (D), (E), (F), (G), (H), (I), (J), (K),

18 (L), and (M), respectively; and

19 (B) in subsection (d)—

20 (i) in paragraph (1), by striking “the

21 Office of Financial Research, member

22 agencies, and” and inserting “member

23 agencies and”;

24 (ii) in paragraph (2), by striking “the

25 Office of Financial Research, any member

1 agency, and” and inserting “any member
2 agency and”;

3 (iii) in paragraph (3)—

4 (I) by striking “, acting through
5 the Office of Financial Research,”
6 each place it appears; and

7 (II) in subparagraph (B), by
8 striking “the Office of Financial Re-
9 search or”; and

10 (iv) in paragraph (5)(A), by striking
11 “, the Office of Financial Research,”;

12 (4) in section 116, by striking “, acting through
13 the Office of Financial Research,” each place it ap-
14 pears; and

15 (5) by striking section 118.

16 (c) CONFORMING AMENDMENT TO THE PAPERWORK
17 REDUCTION ACT.—Effective as of the date specified in
18 section 1100H of the Dodd-Frank Wall Street Reform and
19 Consumer Protection Act, section 1100D(a) of such Act
20 is amended to read as follows:

21 “(a) DESIGNATION AS AN INDEPENDENT AGENCY.—
22 Section 3502(5) of subchapter I of chapter 35 of title 44,
23 United States Code (commonly known as the Paperwork
24 Reduction Act) is amended by inserting ‘the Bureau of

1 Consumer Financial Protection,’ after ‘the Securities and
2 Exchange Commission,’.”.

3 (d) TECHNICAL AMENDMENTS.—The table of con-
4 tents for the Dodd-Frank Wall Street Reform and Con-
5 sumer Protection Act is amended—

6 (1) by striking the item relating to section 118;
7 and

8 (2) by striking the items relating to subtitle B
9 of title I.

10 **Subtitle D—Committee on the** 11 **Judiciary**

12 **SEC. 2401. SHORT TITLE.**

13 This title may be cited as the “Help Efficient, Acces-
14 sible, Low-cost, Timely Healthcare (HEALTH) Act of
15 2012”.

16 **SEC. 2402. ENCOURAGING SPEEDY RESOLUTION OF** 17 **CLAIMS.**

18 The time for the commencement of a health care law-
19 suit shall be 3 years after the date of manifestation of
20 injury or 1 year after the claimant discovers, or through
21 the use of reasonable diligence should have discovered, the
22 injury, whichever occurs first. In no event shall the time
23 for commencement of a health care lawsuit exceed 3 years
24 after the date of manifestation of injury unless tolled for
25 any of the following—

- 1 (1) upon proof of fraud;
- 2 (2) intentional concealment; or
- 3 (3) the presence of a foreign body, which has no
- 4 therapeutic or diagnostic purpose or effect, in the
- 5 person of the injured person.

6 Actions by a minor shall be commenced within 3 years
7 from the date of the alleged manifestation of injury except
8 that actions by a minor under the full age of 6 years shall
9 be commenced within 3 years of manifestation of injury
10 or prior to the minor's 8th birthday, whichever provides
11 a longer period. Such time limitation shall be tolled for
12 minors for any period during which a parent or guardian
13 and a health care provider or health care organization
14 have committed fraud or collusion in the failure to bring
15 an action on behalf of the injured minor.

16 **SEC. 2403. COMPENSATING PATIENT INJURY.**

17 (a) UNLIMITED AMOUNT OF DAMAGES FOR ACTUAL
18 ECONOMIC LOSSES IN HEALTH CARE LAWSUITS.—In any
19 health care lawsuit, nothing in this title shall limit a claim-
20 ant's recovery of the full amount of the available economic
21 damages, notwithstanding the limitation in subsection (b).

22 (b) ADDITIONAL NONECONOMIC DAMAGES.—In any
23 health care lawsuit, the amount of noneconomic damages,
24 if available, may be as much as \$250,000, regardless of
25 the number of parties against whom the action is brought

1 or the number of separate claims or actions brought with
2 respect to the same injury.

3 (c) NO DISCOUNT OF AWARD FOR NONECONOMIC
4 DAMAGES.—For purposes of applying the limitation in
5 subsection (b), future noneconomic damages shall not be
6 discounted to present value. The jury shall not be in-
7 formed about the maximum award for noneconomic dam-
8 ages. An award for noneconomic damages in excess of
9 \$250,000 shall be reduced either before the entry of judg-
10 ment, or by amendment of the judgment after entry of
11 judgment, and such reduction shall be made before ac-
12 counting for any other reduction in damages required by
13 law. If separate awards are rendered for past and future
14 noneconomic damages and the combined awards exceed
15 \$250,000, the future noneconomic damages shall be re-
16 duced first.

17 (d) FAIR SHARE RULE.—In any health care lawsuit,
18 each party shall be liable for that party's several share
19 of any damages only and not for the share of any other
20 person. Each party shall be liable only for the amount of
21 damages allocated to such party in direct proportion to
22 such party's percentage of responsibility. Whenever a
23 judgment of liability is rendered as to any party, a sepa-
24 rate judgment shall be rendered against each such party
25 for the amount allocated to such party. For purposes of

1 this section, the trier of fact shall determine the propor-
2 tion of responsibility of each party for the claimant's
3 harm.

4 **SEC. 2404. MAXIMIZING PATIENT RECOVERY.**

5 (a) COURT SUPERVISION OF SHARE OF DAMAGES
6 ACTUALLY PAID TO CLAIMANTS.—In any health care law-
7 suit, the court shall supervise the arrangements for pay-
8 ment of damages to protect against conflicts of interest
9 that may have the effect of reducing the amount of dam-
10 ages awarded that are actually paid to claimants. In par-
11 ticular, in any health care lawsuit in which the attorney
12 for a party claims a financial stake in the outcome by vir-
13 tue of a contingent fee, the court shall have the power
14 to restrict the payment of a claimant's damage recovery
15 to such attorney, and to redirect such damages to the
16 claimant based upon the interests of justice and principles
17 of equity. In no event shall the total of all contingent fees
18 for representing all claimants in a health care lawsuit ex-
19 ceed the following limits:

20 (1) Forty percent of the first \$50,000 recovered
21 by the claimant(s).

22 (2) Thirty-three and one-third percent of the
23 next \$50,000 recovered by the claimant(s).

24 (3) Twenty-five percent of the next \$500,000
25 recovered by the claimant(s).

1 (4) Fifteen percent of any amount by which the
2 recovery by the claimant(s) is in excess of \$600,000.

3 (b) APPLICABILITY.—The limitations in this section
4 shall apply whether the recovery is by judgment, settle-
5 ment, mediation, arbitration, or any other form of alter-
6 native dispute resolution. In a health care lawsuit involv-
7 ing a minor or incompetent person, a court retains the
8 authority to authorize or approve a fee that is less than
9 the maximum permitted under this section. The require-
10 ment for court supervision in the first two sentences of
11 subsection (a) applies only in civil actions.

12 **SEC. 2405. PUNITIVE DAMAGES.**

13 (a) IN GENERAL.—Punitive damages may, if other-
14 wise permitted by applicable State or Federal law, be
15 awarded against any person in a health care lawsuit only
16 if it is proven by clear and convincing evidence that such
17 person acted with malicious intent to injure the claimant,
18 or that such person deliberately failed to avoid unneces-
19 sary injury that such person knew the claimant was sub-
20 stantially certain to suffer. In any health care lawsuit
21 where no judgment for compensatory damages is rendered
22 against such person, no punitive damages may be awarded
23 with respect to the claim in such lawsuit. No demand for
24 punitive damages shall be included in a health care lawsuit
25 as initially filed. A court may allow a claimant to file an

1 amended pleading for punitive damages only upon a mo-
2 tion by the claimant and after a finding by the court, upon
3 review of supporting and opposing affidavits or after a
4 hearing, after weighing the evidence, that the claimant has
5 established by a substantial probability that the claimant
6 will prevail on the claim for punitive damages. At the re-
7 quest of any party in a health care lawsuit, the trier of
8 fact shall consider in a separate proceeding—

9 (1) whether punitive damages are to be award-
10 ed and the amount of such award; and

11 (2) the amount of punitive damages following a
12 determination of punitive liability.

13 If a separate proceeding is requested, evidence relevant
14 only to the claim for punitive damages, as determined by
15 applicable State law, shall be inadmissible in any pro-
16 ceeding to determine whether compensatory damages are
17 to be awarded.

18 (b) DETERMINING AMOUNT OF PUNITIVE DAM-
19 AGES.—

20 (1) FACTORS CONSIDERED.—In determining
21 the amount of punitive damages, if awarded, in a
22 health care lawsuit, the trier of fact shall consider
23 only the following—

24 (A) the severity of the harm caused by the
25 conduct of such party;

1 (B) the duration of the conduct or any
2 concealment of it by such party;

3 (C) the profitability of the conduct to such
4 party;

5 (D) the number of products sold or med-
6 ical procedures rendered for compensation, as
7 the case may be, by such party, of the kind
8 causing the harm complained of by the claim-
9 ant;

10 (E) any criminal penalties imposed on such
11 party, as a result of the conduct complained of
12 by the claimant; and

13 (F) the amount of any civil fines assessed
14 against such party as a result of the conduct
15 complained of by the claimant.

16 (2) MAXIMUM AWARD.—The amount of punitive
17 damages, if awarded, in a health care lawsuit may
18 be as much as \$250,000 or as much as two times
19 the amount of economic damages awarded, which-
20 ever is greater. The jury shall not be informed of
21 this limitation.

22 (c) NO PUNITIVE DAMAGES FOR PRODUCTS THAT
23 COMPLY WITH FDA STANDARDS.—

24 (1) IN GENERAL.—

1 (A) No punitive damages may be awarded
2 against the manufacturer or distributor of a
3 medical product, or a supplier of any compo-
4 nent or raw material of such medical product,
5 based on a claim that such product caused the
6 claimant's harm where—

7 (i)(I) such medical product was sub-
8 ject to premarket approval, clearance, or li-
9 censure by the Food and Drug Administra-
10 tion with respect to the safety of the for-
11 mulation or performance of the aspect of
12 such medical product which caused the
13 claimant's harm or the adequacy of the
14 packaging or labeling of such medical
15 product; and

16 (II) such medical product was so ap-
17 proved, cleared, or licensed; or

18 (ii) such medical product is generally
19 recognized among qualified experts as safe
20 and effective pursuant to conditions estab-
21 lished by the Food and Drug Administra-
22 tion and applicable Food and Drug Admin-
23 istration regulations, including without
24 limitation those related to packaging and
25 labeling, unless the Food and Drug Admin-

1 istration has determined that such medical
2 product was not manufactured or distrib-
3 uted in substantial compliance with appli-
4 cable Food and Drug Administration stat-
5 utes and regulations.

6 (B) RULE OF CONSTRUCTION.—Subpara-
7 graph (A) may not be construed as establishing
8 the obligation of the Food and Drug Adminis-
9 tration to demonstrate affirmatively that a
10 manufacturer, distributor, or supplier referred
11 to in such subparagraph meets any of the con-
12 ditions described in such subparagraph.

13 (2) LIABILITY OF HEALTH CARE PROVIDERS.—

14 A health care provider who prescribes, or who dis-
15 penses pursuant to a prescription, a medical product
16 approved, licensed, or cleared by the Food and Drug
17 Administration shall not be named as a party to a
18 product liability lawsuit involving such product and
19 shall not be liable to a claimant in a class action
20 lawsuit against the manufacturer, distributor, or
21 seller of such product. Nothing in this paragraph
22 prevents a court from consolidating cases involving
23 health care providers and cases involving products li-
24 ability claims against the manufacturer, distributor,
25 or product seller of such medical product.

1 (3) PACKAGING.—In a health care lawsuit for
2 harm which is alleged to relate to the adequacy of
3 the packaging or labeling of a drug which is required
4 to have tamper-resistant packaging under regula-
5 tions of the Secretary of Health and Human Serv-
6 ices (including labeling regulations related to such
7 packaging), the manufacturer or product seller of
8 the drug shall not be held liable for punitive dam-
9 ages unless such packaging or labeling is found by
10 the trier of fact by clear and convincing evidence to
11 be substantially out of compliance with such regula-
12 tions.

13 (4) EXCEPTION.—Paragraph (1) shall not
14 apply in any health care lawsuit in which—

15 (A) a person, before or after premarket ap-
16 proval, clearance, or licensure of such medical
17 product, knowingly misrepresented to or with-
18 held from the Food and Drug Administration
19 information that is required to be submitted
20 under the Federal Food, Drug, and Cosmetic
21 Act (21 U.S.C. 301 et seq.) or section 351 of
22 the Public Health Service Act (42 U.S.C. 262)
23 that is material and is causally related to the
24 harm which the claimant allegedly suffered;

1 (B) a person made an illegal payment to
2 an official of the Food and Drug Administra-
3 tion for the purpose of either securing or main-
4 taining approval, clearance, or licensure of such
5 medical product; or

6 (C) the defendant caused the medical prod-
7 uct which caused the claimant's harm to be
8 misbranded or adulterated (as such terms are
9 used in chapter V of the Federal Food, Drug,
10 and Cosmetic Act (21 U.S.C. 351 et seq.)).

11 **SEC. 2406. AUTHORIZATION OF PAYMENT OF FUTURE DAM-**
12 **AGES TO CLAIMANTS IN HEALTH CARE LAW-**
13 **SUITS.**

14 (a) IN GENERAL.—In any health care lawsuit, if an
15 award of future damages, without reduction to present
16 value, equaling or exceeding \$50,000 is made against a
17 party with sufficient insurance or other assets to fund a
18 periodic payment of such a judgment, the court shall, at
19 the request of any party, enter a judgment ordering that
20 the future damages be paid by periodic payments, in ac-
21 cordance with the Uniform Periodic Payment of Judg-
22 ments Act promulgated by the National Conference of
23 Commissioners on Uniform State Laws.

1 (b) APPLICABILITY.—This section applies to all ac-
2 tions which have not been first set for trial or retrial be-
3 fore the effective date of this title.

4 **SEC. 2407. DEFINITIONS.**

5 In this title:

6 (1) ALTERNATIVE DISPUTE RESOLUTION SYS-
7 TEM; ADR.—The term “alternative dispute resolution
8 system” or “ADR” means a system that provides
9 for the resolution of health care lawsuits in a man-
10 ner other than through a civil action brought in a
11 State or Federal court.

12 (2) CLAIMANT.—The term “claimant” means
13 any person who brings a health care lawsuit, includ-
14 ing a person who asserts or claims a right to legal
15 or equitable contribution, indemnity, or subrogation,
16 arising out of a health care liability claim or action,
17 and any person on whose behalf such a claim is as-
18 serted or such an action is brought, whether de-
19 ceased, incompetent, or a minor.

20 (3) COMPENSATORY DAMAGES.—The term
21 “compensatory damages” means objectively
22 verifiable monetary losses incurred as a result of the
23 provision of, use of, or payment for (or failure to
24 provide, use, or pay for) health care services or med-
25 ical products, such as past and future medical ex-

1 penses, loss of past and future earnings, cost of ob-
2 taining domestic services, loss of employment, and
3 loss of business or employment opportunities, dam-
4 ages for physical and emotional pain, suffering, in-
5 convenience, physical impairment, mental anguish,
6 disfigurement, loss of enjoyment of life, loss of soci-
7 ety and companionship, loss of consortium (other
8 than loss of domestic service), hedonic damages, in-
9 jury to reputation, and all other nonpecuniary losses
10 of any kind or nature. The term “compensatory
11 damages” includes economic damages and non-
12 economic damages, as such terms are defined in this
13 section.

14 (4) CONTINGENT FEE.—The term “contingent
15 fee” includes all compensation to any person or per-
16 sons which is payable only if a recovery is effected
17 on behalf of one or more claimants.

18 (5) ECONOMIC DAMAGES.—The term “economic
19 damages” means objectively verifiable monetary
20 losses incurred as a result of the provision of, use
21 of, or payment for (or failure to provide, use, or pay
22 for) health care services or medical products, such as
23 past and future medical expenses, loss of past and
24 future earnings, cost of obtaining domestic services,

1 loss of employment, and loss of business or employ-
2 ment opportunities.

3 (6) HEALTH CARE LAWSUIT.—The term
4 “health care lawsuit” means any health care liability
5 claim concerning the provision of health care goods
6 or services or any medical product affecting inter-
7 state commerce, or any health care liability action
8 concerning the provision of health care goods or
9 services or any medical product affecting interstate
10 commerce, brought in a State or Federal court or
11 pursuant to an alternative dispute resolution system,
12 against a health care provider, a health care organi-
13 zation, or the manufacturer, distributor, supplier,
14 marketer, promoter, or seller of a medical product,
15 regardless of the theory of liability on which the
16 claim is based, or the number of claimants, plain-
17 tiffs, defendants, or other parties, or the number of
18 claims or causes of action, in which the claimant al-
19 leges a health care liability claim. Such term does
20 not include a claim or action which is based on
21 criminal liability; which seeks civil fines or penalties
22 paid to Federal, State, or local government; or which
23 is grounded in antitrust.

24 (7) HEALTH CARE LIABILITY ACTION.—The
25 term “health care liability action” means a civil ac-

tion brought in a State or Federal court or pursuant to an alternative dispute resolution system, against a health care provider, a health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action, in which the claimant alleges a health care liability claim.

(8) HEALTH CARE LIABILITY CLAIM.—The term “health care liability claim” means a demand by any person, whether or not pursuant to ADR, against a health care provider, health care organization, or the manufacturer, distributor, supplier, marketer, promoter, or seller of a medical product, including, but not limited to, third-party claims, cross-claims, counter-claims, or contribution claims, which are based upon the provision of, use of, or payment for (or the failure to provide, use, or pay for) health care services or medical products, regardless of the theory of liability on which the claim is based, or the number of plaintiffs, defendants, or other parties, or the number of causes of action.

(9) HEALTH CARE ORGANIZATION.—The term “health care organization” means any person or en-

1 tity which is obligated to provide or pay for health
2 benefits under any health plan, including any person
3 or entity acting under a contract or arrangement
4 with a health care organization to provide or admin-
5 ister any health benefit.

6 (10) HEALTH CARE PROVIDER.—The term
7 “health care provider” means any person or entity
8 required by State or Federal laws or regulations to
9 be licensed, registered, or certified to provide health
10 care services, and being either so licensed, reg-
11 istered, or certified, or exempted from such require-
12 ment by other statute or regulation.

13 (11) HEALTH CARE GOODS OR SERVICES.—The
14 term “health care goods or services” means any
15 goods or services provided by a health care organiza-
16 tion, provider, or by any individual working under
17 the supervision of a health care provider, that relates
18 to the diagnosis, prevention, or treatment of any
19 human disease or impairment, or the assessment or
20 care of the health of human beings.

21 (12) MALICIOUS INTENT TO INJURE.—The
22 term “malicious intent to injure” means inten-
23 tionally causing or attempting to cause physical in-
24 jury other than providing health care goods or serv-
25 ices.

1 (13) MEDICAL PRODUCT.—The term “medical
2 product” means a drug, device, or biological product
3 intended for humans, and the terms “drug”, “de-
4 vice”, and “biological product” have the meanings
5 given such terms in sections 201(g)(1) and 201(h)
6 of the Federal Food, Drug and Cosmetic Act (21
7 U.S.C. 321(g)(1) and (h)) and section 351(a) of the
8 Public Health Service Act (42 U.S.C. 262(a)), re-
9 spectively, including any component or raw material
10 used therein, but excluding health care services.

11 (14) NONECONOMIC DAMAGES.—The term
12 “noneconomic damages” means damages for phys-
13 ical and emotional pain, suffering, inconvenience,
14 physical impairment, mental anguish, disfigurement,
15 loss of enjoyment of life, loss of society and compan-
16 ionship, loss of consortium (other than loss of do-
17 mestic service), hedonic damages, injury to reputa-
18 tion, and all other nonpecuniary losses of any kind
19 or nature.

20 (15) PUNITIVE DAMAGES.—The term “punitive
21 damages” means damages awarded, for the purpose
22 of punishment or deterrence, and not solely for com-
23 pensatory purposes, against a health care provider,
24 health care organization, or a manufacturer, dis-
25 tributor, or supplier of a medical product. Punitive

1 damages are neither economic nor noneconomic
2 damages.

3 (16) RECOVERY.—The term “recovery” means
4 the net sum recovered after deducting any disburse-
5 ments or costs incurred in connection with prosecu-
6 tion or settlement of the claim, including all costs
7 paid or advanced by any person. Costs of health care
8 incurred by the plaintiff and the attorneys’ office
9 overhead costs or charges for legal services are not
10 deductible disbursements or costs for such purpose.

11 (17) STATE.—The term “State” means each of
12 the several States, the District of Columbia, the
13 Commonwealth of Puerto Rico, the Virgin Islands,
14 Guam, American Samoa, the Northern Mariana Is-
15 lands, the Trust Territory of the Pacific Islands, and
16 any other territory or possession of the United
17 States, or any political subdivision thereof.

18 **SEC. 2408. EFFECT ON OTHER LAWS.**

19 (a) VACCINE INJURY.—

20 (1) To the extent that title XXI of the Public
21 Health Service Act establishes a Federal rule of law
22 applicable to a civil action brought for a vaccine-re-
23 lated injury or death—

24 (A) this title does not affect the application
25 of the rule of law to such an action; and

1 (B) any rule of law prescribed by this title
2 in conflict with a rule of law of such title XXI
3 shall not apply to such action.

4 (2) If there is an aspect of a civil action
5 brought for a vaccine-related injury or death to
6 which a Federal rule of law under title XXI of the
7 Public Health Service Act does not apply, then this
8 title or otherwise applicable law (as determined
9 under this title) will apply to such aspect of such ac-
10 tion.

11 (b) OTHER FEDERAL LAW.—Except as provided in
12 this section, nothing in this title shall be deemed to affect
13 any defense available to a defendant in a health care law-
14 suit or action under any other provision of Federal law.

15 **SEC. 2409. STATE FLEXIBILITY AND PROTECTION OF**
16 **STATES' RIGHTS.**

17 (a) HEALTH CARE LAWSUITS.—The provisions gov-
18 erning health care lawsuits set forth in this title preempt,
19 subject to subsections (b) and (c), State law to the extent
20 that State law prevents the application of any provisions
21 of law established by or under this title. The provisions
22 governing health care lawsuits set forth in this title super-
23 sede chapter 171 of title 28, United States Code, to the
24 extent that such chapter—

1 (1) provides for a greater amount of damages
2 or contingent fees, a longer period in which a health
3 care lawsuit may be commenced, or a reduced appli-
4 cability or scope of periodic payment of future dam-
5 ages, than provided in this title; or

6 (2) prohibits the introduction of evidence re-
7 garding collateral source benefits, or mandates or
8 permits subrogation or a lien on collateral source
9 benefits.

10 (b) PROTECTION OF STATES' RIGHTS AND OTHER
11 LAWS.—(1) Any issue that is not governed by any provi-
12 sion of law established by or under this title (including
13 State standards of negligence) shall be governed by other-
14 wise applicable State or Federal law.

15 (2) This title shall not preempt or supersede any
16 State or Federal law that imposes greater procedural or
17 substantive protections for health care providers and
18 health care organizations from liability, loss, or damages
19 than those provided by this title or create a cause of ac-
20 tion.

21 (c) STATE FLEXIBILITY.—No provision of this title
22 shall be construed to preempt—

23 (1) any State law (whether effective before, on,
24 or after the date of the enactment of this Act) that
25 specifies a particular monetary amount of compen-

1 satory or punitive damages (or the total amount of
 2 damages) that may be awarded in a health care law-
 3 suit, regardless of whether such monetary amount is
 4 greater or lesser than is provided for under this title,
 5 notwithstanding section 2303(a); or

6 (2) any defense available to a party in a health
 7 care lawsuit under any other provision of State or
 8 Federal law.

9 **SEC. 2410. APPLICABILITY; EFFECTIVE DATE.**

10 This subtitle shall apply to any health care lawsuit
 11 brought in a Federal or State court, or subject to an alter-
 12 native dispute resolution system, that is initiated on or
 13 after the date of the enactment of this Act, except that
 14 any health care lawsuit arising from an injury occurring
 15 prior to the date of the enactment of this Act shall be
 16 governed by the applicable statute of limitations provisions
 17 in effect at the time the injury occurred.

18 **Subtitle E—Committee on**
 19 **Oversight and Government Reform**

20 **SEC. 2501. RETIREMENT CONTRIBUTIONS.**

21 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

22 (1) INDIVIDUAL CONTRIBUTIONS.—Section
 23 8334(c) of title 5, United States Code, is amended—

24 (A) by striking “(c) Each” and inserting
 25 “(c)(1) Each”; and

1 (B) by adding at the end the following:

2 “(2) Notwithstanding any other provision of this sub-
3 section, the applicable percentage of basic pay under this
4 subsection shall—

5 “(A) except as provided in subparagraph (B) or
6 (C), for purposes of computing an amount—

7 “(i) for a period in calendar year 2013, be
8 equal to the applicable percentage under this
9 subsection for calendar year 2012, plus an ad-
10 ditional 1.5 percentage points;

11 “(ii) for a period in calendar year 2014, be
12 equal to the applicable percentage under this
13 subsection for calendar year 2013 (as deter-
14 mined under clause (i)), plus an additional 0.5
15 percentage point;

16 “(iii) for a period in calendar year 2015,
17 2016, or 2017, be equal to the applicable per-
18 centage under this subsection for the preceding
19 calendar year (as determined under clause (ii)
20 or this clause, as the case may be), plus an ad-
21 ditional 1.0 percentage point; and

22 “(iv) for a period in any calendar year
23 after 2017, be equal to the applicable percent-
24 age under this subsection for calendar year
25 2017 (as determined under clause (iii));

1 “(B) for purposes of computing an amount with
2 respect to a Member for Member service—

3 “(i) for a period in calendar year 2013, be
4 equal to the applicable percentage under this
5 subsection for calendar year 2012, plus an ad-
6 ditional 2.5 percentage points;

7 “(ii) for a period in calendar year 2014,
8 2015, 2016, or 2017, be equal to the applicable
9 percentage under this subsection for the pre-
10 ceding calendar year (as determined under
11 clause (i) or this clause, as the case may be),
12 plus an additional 1.5 percentage points; and

13 “(iii) for a period in any calendar year
14 after 2017, be equal to the applicable percent-
15 age under this subsection for calendar year
16 2017 (as determined under clause (ii)); and

17 “(C) for purposes of computing an amount with
18 respect to a Member or employee for Congressional
19 employee service—

20 “(i) for a period in calendar year 2013, be
21 equal to the applicable percentage under this
22 subsection for calendar year 2012, plus an ad-
23 ditional 2.5 percentage points;

24 “(ii) for a period in calendar year 2014,
25 2015, 2016, or 2017, be equal to the applicable

1 percentage under this subsection for the pre-
2 ceding calendar year (as determined under
3 clause (i) or this clause, as the case may be),
4 plus an additional 1.5 percentage points; and

5 “(iii) for a period in any calendar year
6 after 2017, be equal to the applicable percent-
7 age under this subsection for calendar year
8 2017 (as determined under clause (ii)).

9 “(3)(A) Notwithstanding subsection (a)(2), any ex-
10 cess contributions under subsection (a)(1)(A) (including
11 the portion of any deposit under this subsection allocable
12 to excess contributions) shall, if made by an employee of
13 the United States Postal Service or the Postal Regulatory
14 Commission, be deposited to the credit of the Postal Serv-
15 ice Fund under section 2003 of title 39, rather than the
16 Civil Service Retirement and Disability Fund.

17 “(B) For purposes of this paragraph, the term ‘ex-
18 cess contributions’, as used with respect to contributions
19 made under subsection (a)(1)(A) by an employee of the
20 United States Postal Service or the Postal Regulatory
21 Commission, means the amount by which—

22 “(i) deductions from basic pay of such employee
23 which are made under subsection (a)(1)(A), exceed

1 “(ii) deductions from basic pay of such em-
2 ployee which would have been so made if paragraph
3 (2) had not been enacted.”.

4 (2) GOVERNMENT CONTRIBUTIONS.—Section
5 8334(a)(1)(B) of title 5, United States Code, is
6 amended—

7 (A) in clause (i), by striking “Except as
8 provided in clause (ii),” and inserting “Except
9 as provided in clause (ii) or (iii),”; and

10 (B) by adding at the end the following:

11 “(iii) The amount to be contributed under clause (i)
12 shall, with respect to a period in any year beginning after
13 December 31, 2012, be equal to—

14 “(I) the amount which would otherwise apply
15 under clause (i) with respect to such period, reduced
16 by

17 “(II) the amount by which, with respect to such
18 period, the withholding under subparagraph (A) ex-
19 ceeds the amount which would otherwise have been
20 withheld from the basic pay of the employee or elect-
21 ed official involved under subparagraph (A) based on
22 the percentage applicable under subsection (c) for
23 calendar year 2012.”.

24 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

1 (1) INDIVIDUAL CONTRIBUTIONS.—Section
2 8422(a)(3) of title 5, United States Code, is amend-
3 ed—

4 (A) by redesignating subparagraph (B) as
5 subparagraph (C);

6 (B) by inserting after subparagraph (A)
7 the following:

8 “(B) Notwithstanding any other provision of this
9 paragraph, the applicable percentage under this para-
10 graph for civilian service by employees or Members other
11 than revised annuity employees shall—

12 “(i) except as provided in clause (ii) or (iii), for
13 purposes of computing an amount—

14 “(I) for a period in calendar year 2013, be
15 equal to the applicable percentage under this
16 paragraph for calendar year 2012, plus an ad-
17 ditional 1.5 percentage points;

18 “(II) for a period in calendar year 2014,
19 be equal to the applicable percentage under this
20 paragraph for calendar year 2013 (as deter-
21 mined under subclause (I)), plus an additional
22 0.5 percentage point;

23 “(III) for a period in calendar year 2015,
24 2016, or 2017, be equal to the applicable per-
25 centage under this paragraph for the preceding

1 calendar year (as determined under subclause
2 (II) or this subclause, as the case may be), plus
3 an additional 1.0 percentage point; and

4 “(IV) for a period in any calendar year
5 after 2017, be equal to the applicable percent-
6 age under this paragraph for calendar year
7 2017 (as determined under subclause (III));

8 “(ii) for purposes of computing an amount with
9 respect to a Member—

10 “(I) for a period in calendar year 2013, be
11 equal to the applicable percentage under this
12 paragraph for calendar year 2012, plus an ad-
13 ditional 2.5 percentage points;

14 “(II) for a period in calendar year 2014,
15 2015, 2016, or 2017, be equal to the applicable
16 percentage under this paragraph for the pre-
17 ceding calendar year (as determined under sub-
18 clause (I) or this subclause, as the case may
19 be), plus an additional 1.5 percentage points;
20 and

21 “(III) for a period in any calendar year
22 after 2017, be equal to the applicable percent-
23 age under this paragraph for calendar year
24 2017 (as determined under subclause (II)); and

1 “(iii) for purposes of computing an amount
2 with respect to a Congressional employee—

3 “(I) for a period in calendar year 2013,
4 2014, 2015, 2016, or 2017, be equal to the ap-
5 plicable percentage under this paragraph for
6 the preceding calendar year (including as in-
7 creased under this subclause, if applicable), plus
8 an additional 1.5 percentage points; and

9 “(II) for a period in any calendar year
10 after 2017, be equal to the applicable percent-
11 age under this paragraph for calendar year
12 2017 (as determined under subclause (I)).”;
13 and

14 (C) in subparagraph (C) (as so redesign-
15 ated by subparagraph (A))—

16 (i) by striking “9.3” each place it ap-
17 pears and inserting “12”; and

18 (ii) by striking “9.8” each place it ap-
19 pears and inserting “12.5”.

20 (2) GOVERNMENT CONTRIBUTIONS.—Section
21 8423(a)(2) of title 5, United States Code, is amend-
22 ed—

23 (A) by striking “(2)” and inserting
24 “(2)(A)”; and

25 (B) by adding at the end the following:

1 “(B)(i) Subject to clauses (ii) and (iii), for purposes
2 of any period in any year beginning after December 31,
3 2012, the normal-cost percentage under this subsection
4 shall be determined and applied as if section 501(b)(1)
5 of the Sequester Replacement Reconciliation Act of 2012
6 had not been enacted.

7 “(ii) Any contributions under this subsection in ex-
8 cess of the amounts which (but for clause (i)) would other-
9 wise have been payable shall be applied toward reducing
10 the unfunded liability of the Civil Service Retirement Sys-
11 tem.

12 “(iii) After the unfunded liability of the Civil Service
13 Retirement System has been eliminated, as determined by
14 the Office, Government contributions under this sub-
15 section shall be determined and made disregarding this
16 subparagraph.

17 “(iv) The preceding provisions of this subparagraph
18 shall be disregarded for purposes of determining the con-
19 tributions payable by the United States Postal Service and
20 the Postal Regulatory Commission.”.

21 **SEC. 2502. ANNUITY SUPPLEMENT.**

22 Section 8421(a) of title 5, United States Code, is
23 amended—

24 (1) in paragraph (1), by striking “paragraph
25 (3)” and inserting “paragraphs (3) and (4)”;

1 (2) in paragraph (2), by striking “paragraph
2 (3)” and inserting “paragraphs (3) and (4)”; and
3 (3) by adding at the end the following:

4 “(4)(A) Except as provided in subparagraph (B), no
5 annuity supplement under this section shall be payable in
6 the case of an individual who first becomes subject to this
7 chapter after December 31, 2012.

8 “(B) Nothing in this paragraph applies in the case
9 of an individual separating under subsection (d) or (e) of
10 section 8412.”.

11 **SEC. 2503. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF**
12 **PAYMENTS FOR ACCRUED OR ACCUMULATED**
13 **LEAVE.**

14 (a) AMENDMENTS RELATING TO CSRS.—Section
15 8351(b) of title 5, United States Code, is amended—

16 (1) by striking paragraph (2)(A) and inserting
17 the following:

18 “(2)(A) An employee or Member may contribute to
19 the Thrift Savings Fund in any pay period any amount
20 of such employee’s or Member’s basic pay for such pay
21 period, and may contribute (by direct transfer to the
22 Fund) any part of any payment that the employee or
23 Member receives for accumulated and accrued annual or
24 vacation leave under section 5551 or 5552. Notwith-
25 standing section 2105(e), in this paragraph the term ‘em-

1 ployee’ includes an employee of the United States Postal
2 Service or of the Postal Regulatory Commission.”;

3 (2) by striking subparagraph (B) of paragraph
4 (2); and

5 (3) by redesignating subparagraph (C) of para-
6 graph (2) as subparagraph (B).

7 (b) AMENDMENTS RELATING TO FERS.—Section
8 8432(a) of title 5, United States Code, is amended—

9 (1) by striking all that precedes paragraph (3)
10 and inserting the following:

11 “(a)(1) An employee or Member—

12 “(A) may contribute to the Thrift Savings
13 Fund in any pay period, pursuant to an election
14 under subsection (b), any amount of such employee’s
15 or Member’s basic pay for such pay period; and

16 “(B) may contribute (by direct transfer to the
17 Fund) any part of any payment that the employee
18 or Member receives for accumulated and accrued an-
19 nual or vacation leave under section 5551 or 5552.

20 “(2) Contributions made under paragraph (1)(A)
21 pursuant to an election under subsection (b) shall, with
22 respect to each pay period for which such election remains
23 in effect, be made in accordance with a program of regular
24 contributions provided in regulations prescribed by the
25 Executive Director.”; and

1 (2) by adding at the end the following:

2 “(4) Notwithstanding section 2105(e), in this sub-
3 section the term ‘employee’ includes an employee of the
4 United States Postal Service or of the Postal Regulatory
5 Commission.”.

6 (c) REGULATIONS.—The Executive Director of the
7 Federal Retirement Thrift Investment Board shall pro-
8 mulgate regulations to carry out the amendments made
9 by this section.

10 (d) EFFECTIVE DATE.—The amendments made by
11 subsections (a) and (b) shall take effect 1 year after the
12 date of the enactment of this Act.

13 **Subtitle F—Committee on Ways** 14 **and Means**

15 **CHAPTER 1—RECAPTURE OF OVERPAY-** 16 **MENTS RESULTING FROM CERTAIN** 17 **FEDERALLY SUBSIDIZED HEALTH IN-** 18 **SURANCE**

19 **SEC. 2601. RECAPTURE OF OVERPAYMENTS RESULTING** 20 **FROM CERTAIN FEDERALLY SUBSIDIZED** 21 **HEALTH INSURANCE.**

22 (a) IN GENERAL.—Paragraph (2) of section 36B(f)
23 of the Internal Revenue Code of 1986 is amended by strik-
24 ing subparagraph (B).

1 (b) CONFORMING AMENDMENT.—So much of para-
 2 graph (2) of section 36B(f) of such Code, as amended by
 3 subsection (a), as precedes “advance payments” is amend-
 4 ed to read as follows:

5 “(2) EXCESS ADVANCE PAYMENTS.—If the”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years ending after De-
 8 cember 31, 2013.

9 **CHAPTER 2—SOCIAL SECURITY NUMBER**
 10 **REQUIRED TO CLAIM THE REFUND-**
 11 **ABLE PORTION OF THE CHILD TAX**
 12 **CREDIT**

13 **SEC. 2611. SOCIAL SECURITY NUMBER REQUIRED TO**
 14 **CLAIM THE REFUNDABLE PORTION OF THE**
 15 **CHILD TAX CREDIT.**

16 (a) IN GENERAL.—Subsection (d) of section 24 of the
 17 Internal Revenue Code of 1986 is amended by adding at
 18 the end the following new paragraph:

19 “(5) IDENTIFICATION REQUIREMENT WITH RE-
 20 SPECT TO TAXPAYER.—

21 “(A) IN GENERAL.—Paragraph (1) shall
 22 not apply to any taxpayer for any taxable year
 23 unless the taxpayer includes the taxpayer’s So-
 24 cial Security number on the return of tax for
 25 such taxable year.

1 “(B) JOINT RETURNS.—In the case of a
 2 joint return, the requirement of subparagraph
 3 (A) shall be treated as met if the Social Secu-
 4 rity number of either spouse is included on such
 5 return.

6 “(C) LIMITATION.—Subparagraph (A)
 7 shall not apply to the extent the tentative min-
 8 imum tax (as defined in section 55(b)(1)(A))
 9 exceeds the credit allowed under section 32.”.

10 (b) OMISSION TREATED AS MATHEMATICAL OR
 11 CLERICAL ERROR.—Subparagraph (I) of section
 12 6213(g)(2) of such Code is amended to read as follows:

13 “(I) an omission of a correct Social Secu-
 14 rity number required under section 24(d)(5)
 15 (relating to refundable portion of child tax cred-
 16 it), or a correct TIN under section 24(e) (relat-
 17 ing to child tax credit), to be included on a re-
 18 turn,”.

19 (c) CONFORMING AMENDMENT.—Subsection (e) of
 20 section 24 of such Code is amended by inserting “WITH
 21 RESPECT TO QUALIFYING CHILDREN” after “IDENTI-
 22 FICATION REQUIREMENT” in the heading thereof.

23 (d) EFFECTIVE DATE.—The amendments made by
 24 this section shall apply to taxable years beginning after
 25 the date of the enactment of this Act.

CHAPTER 3—HUMAN RESOURCES
PROVISIONS

SEC. 2621. REPEAL OF THE PROGRAM OF BLOCK GRANTS
TO STATES FOR SOCIAL SERVICES.

(a) REPEALS.—Sections 2001 through 2007 of the Social Security Act (42 U.S.C. 1397–1397f) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(d) of the Social Security Act (42 U.S.C. 604(d)) is amended—

(A) in paragraph (1), by striking “any or all of the following provisions of law:” and all that follows through “The” and inserting “the”;

(B) in paragraph (3)—

(i) by striking “RULES” and all that follows through “any amount paid” and inserting “RULES.—Any amount paid”;

(ii) by striking “a provision of law specified in paragraph (1)” and inserting “the Child Care and Development Block Grant Act of 1990”; and

(iii) by striking subparagraph (B);
and

(C) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

1 (2) Section 422(b) of the Social Security Act
2 (42 U.S.C. 622(b)) is amended—

3 (A) in paragraph (1)(A)—

4 (i) by striking “administers or super-
5 vises” and inserting “administered or su-
6 pervised”; and

7 (ii) by striking “subtitle 1 of title
8 XX” and inserting “subtitle A of title XX
9 (as in effect before the repeal of such sub-
10 title)”; and

11 (B) in paragraph (2), by striking “under
12 subtitle 1 of title XX,”.

13 (3) Section 471(a) of the Social Security Act
14 (42 U.S.C. 671(a)) is amended—

15 (A) in paragraph (4), by striking “, under
16 subtitle 1 of title XX of this Act,”; and

17 (B) in paragraph (8), by striking “XIX, or
18 XX” and inserting “or XIX”.

19 (4) Section 472(h)(1) of the Social Security Act
20 (42 U.S.C. 672(h)(1)) is amended by striking the
21 second sentence.

22 (5) Section 473(b) of the Social Security Act
23 (42 U.S.C. 673(b)) is amended—

24 (A) in paragraph (1), by striking “(3)”
25 and inserting “(2)”;

1 (B) in paragraph (4), by striking “para-
2 graphs (1) and (2)” and inserting “paragraph
3 (1)”; and

4 (C) by striking paragraph (2) and redesign-
5 ating paragraphs (3) and (4) as paragraphs
6 (2) and (3), respectively.

7 (6) Section 504(b)(6) of the Social Security Act
8 (42 U.S.C. 704(b)(6)) is amended in each of sub-
9 paragraphs (A) and (B) by striking “XIX, or XX”
10 and inserting “or XIX”.

11 (7) Section 1101(a)(1) of the Social Security
12 Act (42 U.S.C. 1301(a)(1)) is amended by striking
13 the penultimate sentence.

14 (8) Section 1128(h) of the Social Security Act
15 (42 U.S.C. 1320a–7(h)) is amended—

16 (A) by adding “or” at the end of para-
17 graph (2); and

18 (B) by striking paragraph (3) and redesign-
19 ating paragraph (4) as paragraph (3).

20 (9) Section 1128A(i)(1) of the Social Security
21 Act (42 U.S.C. 1320a–7a(i)(1)) is amended by strik-
22 ing “or subtitle 1 of title XX”.

23 (10) Section 1132(a)(1) of the Social Security
24 Act (42 U.S.C. 1320b–2(a)(1)) is amended by strik-
25 ing “XIX, or XX” and inserting “or XIX”.

1 (11) Section 1902(e)(13)(F)(iii) of the Social
2 Security Act (42 U.S.C. 1396a(e)(13)(F)(iii)) is
3 amended—

4 (A) by striking “EXCLUSIONS” and insert-
5 ing “EXCLUSION”; and

6 (B) by striking “an agency that determines
7 eligibility for a program established under the
8 Social Services Block Grant established under
9 title XX or”.

10 (12) The heading for title XX of the Social Se-
11 curity Act is amended by striking “BLOCK
12 GRANTS TO STATES FOR SOCIAL SERVICES”
13 and inserting “HEALTH PROFESSIONS DEM-
14 ONSTRATIONS AND ENVIRONMENTAL
15 HEALTH CONDITION DETECTION”.

16 (13) The heading for subtitle A of title XX of
17 the Social Security Act is amended by striking
18 **“Block Grants to States for Social Serv-**
19 **ices”** and inserting **“Health Professions**
20 **Demonstrations and Environmental**
21 **Health Condition Detection”**.

22 (14) Section 16(k)(5)(B)(i) of the Food and
23 Nutrition Act of 2008 (7 U.S.C. 2025(k)(5)(B)(i))
24 is amended by striking “, or title XX,”.

1 (15) Section 402(b)(3) of the Personal Respon-
2 sibility and Work Opportunity Reconciliation Act of
3 1996 (8 U.S.C. 1612(b)(3)) is amended by striking
4 subparagraph (B) and redesignating subparagraph
5 (C) as subparagraph (B).

6 (16) Section 245A(h)(4)(I) of the Immigration
7 Reform and Control Act of 1986 (8 U.S.C.
8 1255a(h)(4)(I)) is amended by striking “, XVI, and
9 XX” and inserting “and XVI”.

10 (17) Section 17 of the Richard B. Russell Na-
11 tional School Lunch Act (42 U.S.C. 1766) is amend-
12 ed—

13 (A) in subsection (a)(2)—

14 (i) in subparagraph (B)—

15 (I) by striking “—” and all that
16 follows through “(i)”;

17 (II) by striking “or” at the end
18 of clause (i); and

19 (III) by striking clause (ii); and

20 (ii) in subparagraph (D)(ii), by strik-
21 ing “or title XX”; and

22 (B) in subsection (o)(2)(B)—

23 (i) by striking “or title XX” each
24 place it appears; and

25 (ii) by striking “or XX”.

1 (18) Section 201(b) of the Indian Child Welfare
2 Act of 1978 (25 U.S.C. 1931(b)) is amended by
3 striking “titles IV–B and XX” each place it appears
4 and inserting “part B of title IV”.

5 (19) Section 3803(c)(2)(C) of title 31, United
6 States Code, is amended by striking clause (vi) and
7 redesignating clauses (vii) through (xvi) as clauses
8 (vi) through (xv), respectively.

9 (20) Section 14502(d)(3) of title 40, United
10 States Code, is amended—

11 (A) by striking “and title XX”; and

12 (B) by striking “, 1397 et seq.”.

13 (21) Section 2006(a)(15) of the Public Health
14 Service Act (42 U.S.C. 300z–5(a)(15)) is amended
15 by striking “and title XX”.

16 (22) Section 203(b)(3) of the Older Americans
17 Act of 1965 (42 U.S.C. 3013(b)(3)) is amended by
18 striking “XIX, and XX” and inserting “and XIX”.

19 (23) Section 213 of the Older Americans Act of
20 1965 (42 U.S.C. 3020d) is amended by striking “or
21 title XX”.

22 (24) Section 306(d) of the Older Americans Act
23 of 1965 (42 U.S.C. 3026(d)) is amended in each of
24 paragraphs (1) and (2) by striking “titles XIX and
25 XX” and inserting “title XIX”.

(27) Section 3(d)(1) of the Assisted Suicide
Funding Restriction Act of 1997 (42 U.S.C.
14402(d)(1)) is amended by striking subparagraph
(C) and redesignating subparagraphs (D) through
(K) as subparagraphs (C) through (J), respectively.

17 Subtitle G—Sequester Replacement

19 This title may be cited as the “Sequester Replace-
20 ment Act of 2012”.

Section 256(e)(2)(E) of the Balanced Budget and
Emergency Deficit Control Act of 1985 is repealed.

1 **SEC. 2703. ACHIEVING \$19 BILLION IN DISCRETIONARY SAV-**
2 **INGS.**

3 (a) REVISED 2013 DISCRETIONARY SPENDING
4 LIMIT.—Paragraph (2) of section 251(c) of the Balanced
5 Budget and Emergency Deficit Control Act of 1985 is
6 amended to read as follows:

7 “(2) with respect to fiscal year 2013, for the
8 discretionary category, \$1,047,000,000,000 in new
9 budget authority;”.

10 (b) DISCRETIONARY SAVINGS.—Section 251A(7)(A)
11 of the Balanced Budget and Emergency Deficit Control
12 Act of 1985 is amended to read as follows:

13 “(A) FISCAL YEAR 2013.—

14 “(i) FISCAL YEAR 2013 ADJUST-
15 MENT.—On January 2, 2013, the discre-
16 tionary category set forth in section
17 251(c)(2) shall be decreased by
18 \$19,104,000,000 in budget authority.

19 “(ii) SUPPLEMENTAL SEQUESTRATION
20 ORDER.—On January 15, 2013, OMB
21 shall issue a supplemental sequestration
22 report for fiscal year 2013 and take the
23 form of a final sequestration report as set
24 forth in section 254(f)(2) and using the
25 procedures set forth in section 253(f), to
26 eliminate any discretionary spending

1 breach of the spending limit set forth in
 2 section 251(c)(2) as adjusted by clause (i),
 3 and the President shall order a sequestra-
 4 tion, if any, as required by such report.”.

5 **SEC. 2704. CONFORMING AMENDMENTS TO SECTION 314 OF**
 6 **THE CONGRESSIONAL BUDGET AND IM-**
 7 **POUNDMENT CONTROL ACT OF 1974.**

8 Section 314(a) of the Congressional Budget Act of
 9 1974 is amended to read as follows:

10 “(a) ADJUSTMENTS.—

11 “(1) IN GENERAL.—The chair of the Committee
 12 on the Budget of the House of Representatives or
 13 the Senate may make adjustments as set forth in
 14 paragraph (2) for a bill or joint resolution, amend-
 15 ment thereto or conference report thereon, by the
 16 amount of new budget authority and outlays flowing
 17 therefrom in the same amount as required by section
 18 251(b) of the Balanced Budget and Emergency Def-
 19 icit Control Act of 1985.

20 “(2) MATTERS TO BE ADJUSTED.—The chair of
 21 the Committee on the Budget of the House of Rep-
 22 resentatives or the Senate may make the adjust-
 23 ments referred to in paragraph (1) to—

1 “(A) the allocations made pursuant to the
2 appropriate concurrent resolution on the budget
3 pursuant to section 302(a);

4 “(B) the budgetary aggregates as set forth
5 in the appropriate concurrent resolution on the
6 budget; and

7 “(C) the discretionary spending limits, if
8 any, set forth in the appropriate concurrent res-
9 olution on the budget.”.

10 **SEC. 2705. TREATMENT FOR PAYGO PURPOSES.**

11 The budgetary effects of this Act and any amendment
12 made by it shall not be entered on either PAYGO score-
13 card maintained pursuant to section 4(d) of the Statutory
14 Pay-As-You-Go Act of 2010.

15 **SEC. 2706. ELIMINATION OF THE FISCAL YEAR 2013 SE-**
16 **QUESTRATION FOR DEFENSE DIRECT SPEND-**
17 **ING.**

18 Any sequestration order issued by the President
19 under the Balanced Budget and Emergency Deficit Con-
20 trol Act of 1985 to carry out reductions to direct spending
21 for the defense function (050) for fiscal year 2013 pursu-
22 ant to section 251A of such Act shall have no force or
23 effect.

○