

113TH CONGRESS
1ST SESSION

H. R. 2060

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to restore for the remainder of fiscal year 2013 budgetary resources sequestered on March 1, 2013, for that fiscal year, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2013

Mr. VAN HOLLEN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Budget and Agriculture, 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 amend the Balanced Budget and Emergency Deficit Control Act of 1985 to restore for the remainder of fiscal year 2013 budgetary resources sequestered on March 1, 2013, for that fiscal year, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop the Sequester
5 Job Loss Now Act Through 2014”.

1 **SEC. 2. TABLE OF CONTENTS.**

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—BUDGET PROCESS AMENDMENTS

Sec. 101. Repeal the 2013 and 2014 sequesters.
Sec. 102. Reduction of Defense Discretionary Limits.
Sec. 103. Protecting veterans programs from sequester.

TITLE II—AGRICULTURAL SAVINGS

Sec. 201. One-year extension of agricultural commodity programs, except direct payment programs.

TITLE III—OIL AND GAS SUBSIDIES

Sec. 301. Prohibition on using last-in, first-out accounting for major integrated oil companies.
Sec. 302. Deduction for income attributable to domestic production activities not allowed with respect to oil and gas activities of major integrated oil companies.
Sec. 303. Limitation on deduction for intangible drilling and development costs of major integrated oil companies.

TITLE IV—THE BUFFETT RULE

Sec. 401. Fair share tax on high-income taxpayers.

TITLE V—SENSE OF THE HOUSE

Sec. 501. Sense of the House on the need for a fair, balanced and bipartisan approach to long-term deficit reduction.

2 **TITLE I—BUDGET PROCESS**
3 **AMENDMENTS**

4 **SEC. 101. REPEAL THE 2013 AND 2014 SEQUESTERS.**

5 (a) CALCULATION OF TOTAL DEFICIT REDUCTION
6 AND ALLOCATION TO FUNCTIONS.—(1) Section 251A(3)
7 of the Balanced Budget and Emergency Deficit Control
8 Act of 1985 (2 U.S.C. 901a) is amended by striking
9 “2013” and inserting “2015”.

10 (2) Paragraph (4) of such section is amended by
11 striking “2014” and inserting “2015”.

1 (3) Paragraphs (5) and (6) of such section are
2 amended by striking “2013” and inserting “2015”.

3 (b) DEFENSE AND NONDEFENSE FUNCTION REDUC-
4 TIONS.—Paragraphs (5) and (6) of section 251A of the
5 Balanced Budget and Emergency Deficit Control Act of
6 1985 are amended by striking “2013” and inserting
7 “2015” each place it appears.

8 (c) IMPLEMENTING DISCRETIONARY REDUCTIONS.—
9 Section 251A(7)(B) of such Act is amended by striking
10 “2014” and inserting “2015” each place it appears.

11 (d) RESTORATION OF SEQUESTERED FUNDS.—Not-
12 withstanding the Presidential sequestration order for fis-
13 cal year 2013 issued under section 251A of the Balanced
14 Budget and Emergency Deficit Act of 1985, on and after
15 the date of the enactment of this Act, the budgetary re-
16 sources sequestered under such order shall be available for
17 obligation for the same purpose, in the same amount as
18 otherwise would have been available for the period begin-
19 ning on the date of enactment of this Act and before Octo-
20 ber 1, 2013, and in the same manner as if such order
21 had not been issued.

22 (e) CONFORMING CHANGE.—Upon the date of enact-
23 ment of this Act, the report entitled “OMB Sequestration
24 Preview Report to the President and Congress for Fiscal
25 Year 2014 and OMB Report to the Congress on the Joint

1 Committee Reductions for Fiscal Year 2014”, issued on
 2 April 10, 2013, and corrected on May 20, 2013, shall have
 3 no force or effect.

4 **SEC. 102. REDUCTION OF DEFENSE DISCRETIONARY LIM-**
 5 **ITS.**

6 The discretionary limits set forth in section 251(c)
 7 of the Balanced Budget and Emergency Deficit Control
 8 Act of 1985 for the security category for fiscal years 2017
 9 through 2021 are replaced with the following limits: for
 10 fiscal year 2017, \$586,000,000,000; for fiscal year 2018,
 11 \$595,000,000,000; for fiscal year 2019,
 12 \$604,000,000,000; for fiscal year 2020,
 13 \$614,000,000,000; and for fiscal year 2021,
 14 \$624,000,000,000.

15 **SEC. 103. PROTECTING VETERANS PROGRAMS FROM SE-**
 16 **QUESTER.**

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

19 **TITLE II—AGRICULTURAL**
 20 **SAVINGS**

21 **SEC. 201. ONE-YEAR EXTENSION OF AGRICULTURAL COM-**
 22 **MODITY PROGRAMS, EXCEPT DIRECT PAY-**
 23 **MENT PROGRAMS.**

24 (a) EXTENSION.—Except as provided in subsection
 25 (b) and notwithstanding any other provision of law, the

1 authorities provided by each provision of title I of the
2 Food, Conservation, and Energy Act of 2008 (Public Law
3 110–246; 122 Stat. 1651) and each amendment made by
4 that title (and for mandatory programs at such funding
5 levels), as in effect on September 30, 2013, shall continue,
6 and the Secretary of Agriculture shall carry out the au-
7 thorities, until September 30, 2014.

8 (b) TERMINATION OF DIRECT PAYMENT PRO-
9 GRAMS.—

10 (1) COVERED COMMODITIES.—The extension
11 provided by subsection (a) shall not apply with re-
12 spect to the direct payment program under section
13 1103 of the Food, Conservation, and Energy Act of
14 2008 (7 U.S.C. 8713).

15 (2) PEANUTS.—The extension provided by sub-
16 section (a) shall not apply with respect to the direct
17 payment program under section 1303 of the Food,
18 Conservation, and Energy Act of 2008 (7 U.S.C.
19 7953).

20 (c) EFFECTIVE DATE.—This section shall take effect
21 on the earlier of—

- 22 (1) the date of the enactment of this Act; and
23 (2) September 30, 2013.

TITLE III—OIL AND GAS SUBSIDIES

SEC. 301. PROHIBITION ON USING LAST-IN, FIRST-OUT AC- COUNTING FOR MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Section 472 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(h) MAJOR INTEGRATED OIL COMPANIES.—Notwithstanding any other provision of this section, a major integrated oil company (as defined in section 167(h)(5)(B)) may not use the method provided in subsection (b) in inventorying of any goods.”.

(b) EFFECTIVE DATE AND SPECIAL RULE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendment made by this section to change its method of accounting for its first taxable year beginning after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

1 (B) such change shall be treated as made
 2 with the consent of the Secretary of the Treas-
 3 ury, and

4 (C) the net amount of the adjustments re-
 5 quired to be taken into account by the taxpayer
 6 under section 481 of the Internal Revenue Code
 7 of 1986 shall be taken into account ratably over
 8 a period (not greater than 8 taxable years) be-
 9 ginning with such first taxable year.

10 **SEC. 302. DEDUCTION FOR INCOME ATTRIBUTABLE TO DO-**
 11 **MESTIC PRODUCTION ACTIVITIES NOT AL-**
 12 **LOWED WITH RESPECT TO OIL AND GAS AC-**
 13 **TIVITIES OF MAJOR INTEGRATED OIL COM-**
 14 **PANIES.**

15 (a) IN GENERAL.—Subparagraph (A) of section
 16 199(d)(9) of the Internal Revenue Code of 1986 is amend-
 17 ed by inserting “(9 percent in the case of any major inte-
 18 grated oil company (as defined in section 167(h)(5)(B)))”
 19 after “3 percent”.

20 (b) EFFECTIVE DATE.—The amendment made by
 21 subsection (a) shall apply to taxable years beginning after
 22 the date of the enactment of this Act.

1 **SEC. 303. LIMITATION ON DEDUCTION FOR INTANGIBLE**
 2 **DRILLING AND DEVELOPMENT COSTS OF**
 3 **MAJOR INTEGRATED OIL COMPANIES.**

4 (a) IN GENERAL.—Section 263(c) of the Internal
 5 Revenue Code of 1986 is amended by adding at the end
 6 the following new sentence: “This subsection shall not
 7 apply to amounts paid or incurred by a taxpayer in any
 8 taxable year in which such taxpayer is a major integrated
 9 oil company (as defined in section 167(h)(5)(B)).”.

10 (b) EFFECTIVE DATE.—The amendment made by
 11 this section shall apply to amounts paid or incurred in tax-
 12 able years beginning after the date of the enactment of
 13 this Act.

14 **TITLE IV—THE BUFFETT RULE**

15 **SEC. 401. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.**

16 (a) IN GENERAL.—Subchapter A of chapter 1 of the
 17 Internal Revenue Code of 1986 is amended by adding at
 18 the end the following new part:

19 **“PART VII—FAIR SHARE TAX ON HIGH-INCOME**
 20 **TAXPAYERS**

21 **“SEC. 59B. FAIR SHARE TAX.**

22 “(a) GENERAL RULE.—

23 “(1) PHASE-IN OF TAX.—In the case of any
 24 high-income taxpayer, there is hereby imposed for a
 25 taxable year (in addition to any other tax imposed
 26 by this subtitle) a tax equal to the product of—

1 “(A) the amount determined under para-
2 graph (2), and

3 “(B) a fraction (not to exceed 1)—

4 “(i) the numerator of which is the ex-
5 cess of—

6 “(I) the taxpayer’s adjusted
7 gross income, over

8 “(II) the dollar amount in effect
9 under subsection (c)(1), and

10 “(ii) the denominator of which is the
11 dollar amount in effect under subsection
12 (c)(1).

13 “(2) AMOUNT OF TAX.—The amount of tax de-
14 termined under this paragraph is an amount equal
15 to the excess (if any) of—

16 “(A) the tentative fair share tax for the
17 taxable year, over

18 “(B) the excess of—

19 “(i) the sum of—

20 “(I) the regular tax liability (as
21 defined in section 26(b)) for the tax-
22 able year,

23 “(II) the tax imposed by section
24 55 for the taxable year, plus

1 “(III) the payroll tax for the tax-
2 able year, over

3 “(ii) the credits allowable under part
4 IV of subchapter A (other than sections
5 27(a), 31, and 34).

6 “(b) TENTATIVE FAIR SHARE TAX.—For purposes
7 of this section—

8 “(1) IN GENERAL.—The tentative fair share tax
9 for the taxable year is 30 percent of the excess of—

10 “(A) the adjusted gross income of the tax-
11 payer, over

12 “(B) the modified charitable contribution
13 deduction for the taxable year.

14 “(2) MODIFIED CHARITABLE CONTRIBUTION
15 DEDUCTION.—For purposes of paragraph (1)—

16 “(A) IN GENERAL.—The modified chari-
17 table contribution deduction for any taxable
18 year is an amount equal to the amount which
19 bears the same ratio to the deduction allowable
20 under section 170 (section 642(c) in the case of
21 a trust or estate) for such taxable year as—

22 “(i) the amount of itemized deduc-
23 tions allowable under the regular tax (as
24 defined in section 55) for such taxable

1 year, determined after the application of
2 section 68, bears to

3 “(ii) such amount, determined before
4 the application of section 68.

5 “(B) TAXPAYER MUST ITEMIZE.—In the
6 case of any individual who does not elect to
7 itemize deductions for the taxable year, the
8 modified charitable contribution deduction shall
9 be zero.

10 “(c) HIGH-INCOME TAXPAYER.—For purposes of this
11 section—

12 “(1) IN GENERAL.—The term ‘high-income tax-
13 payer’ means, with respect to any taxable year, any
14 taxpayer (other than a corporation) with an adjusted
15 gross income for such taxable year in excess of
16 \$1,000,000 (50 percent of such amount in the case
17 of a married individual who files a separate return).

18 “(2) INFLATION ADJUSTMENT.—

19 “(A) IN GENERAL.—In the case of a tax-
20 able year beginning after 2014, the \$1,000,000
21 amount under paragraph (1) shall be increased
22 by an amount equal to—

23 “(i) such dollar amount, multiplied by

24 “(ii) the cost-of-living adjustment de-
25 termined under section 1(f)(3) for the cal-

1 endar year in which the taxable year be-
2 gins, determined by substituting ‘calendar
3 year 2013’ for ‘calendar year 1992’ in sub-
4 paragraph (B) thereof.

5 “(B) ROUNDING.—If any amount as ad-
6 justed under subparagraph (A) is not a multiple
7 of \$10,000, such amount shall be rounded to
8 the next lowest multiple of \$10,000.

9 “(d) PAYROLL TAX.—For purposes of this section,
10 the payroll tax for any taxable year is an amount equal
11 to the excess of—

12 “(1) the taxes imposed on the taxpayer under
13 sections 1401, 1411, 3101, 3201, and 3211(a) (to
14 the extent such taxes are attributable to the rate of
15 tax in effect under section 3101) with respect to
16 such taxable year or wages or compensation received
17 during the taxable year, over

18 “(2) the deduction allowable under section
19 164(f) for such taxable year.

20 “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—
21 For purposes of this section, in the case of an estate or
22 trust, adjusted gross income shall be computed in the
23 manner described in section 67(e).

24 “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
25 TER FOR CERTAIN PURPOSES.—The tax imposed under

1 this section shall not be treated as tax imposed by this
 2 chapter for purposes of determining the amount of any
 3 credit under this chapter (other than the credit allowed
 4 under section 27(a)) or for purposes of section 55.”.

5 (b) CONFORMING AMENDMENT.—Section 26(b)(2) of
 6 such Code is amended by redesignating subparagraphs (C)
 7 through (X) as subparagraphs (D) through (Y), respec-
 8 tively, and by inserting after subparagraph (B) the fol-
 9 lowing new subparagraph:

10 “(C) section 59B (relating to fair share
 11 tax),”.

12 (c) CLERICAL AMENDMENT.—The table of parts for
 13 subchapter A of chapter 1 of such Code is amended by
 14 adding at the end the following new item:

“Part VII—Fair Share Tax on High-Income Taxpayers”.

15 (d) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 December 31, 2013.

18 **TITLE V—SENSE OF THE HOUSE**

19 **SEC. 501. SENSE OF THE HOUSE ON THE NEED FOR A FAIR,** 20 **BALANCED AND BIPARTISAN APPROACH TO** 21 **LONG-TERM DEFICIT REDUCTION.**

22 (a) The House finds that—

23 (1) every bipartisan commission has rec-
 24 ommended—and the majority of Americans agree—
 25 that we should take a balanced, bipartisan approach

1 to reducing the deficit that addresses both revenue
2 and spending; and

3 (2) sequestration is a meat-ax approach to def-
4 icit reduction that imposes deep and mindless cuts,
5 regardless of their impact on vital services and in-
6 vestments.

7 (b) It is the sense of the House that the Congress
8 should replace the entire 10-year sequester established by
9 the Budget Control Act of 2011 with a balanced approach
10 that would increase revenues without increasing the tax
11 burden on middle-income Americans, and decrease long-
12 term spending while maintaining the Medicare guarantee,
13 protecting Social Security and a strong social safety net,
14 and making strategic investments in education, science,
15 research, and critical infrastructure necessary to compete
16 in the global economy.

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