

113TH CONGRESS  
2D SESSION

# H. R. 3939

To amend the Internal Revenue Code of 1986 to jumpstart the sluggish economy, finance critical infrastructure investments, fight income inequality and create jobs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2014

Mr. NEAL introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure and Education and the Workforce, 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

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## A BILL

To amend the Internal Revenue Code of 1986 to jumpstart the sluggish economy, finance critical infrastructure investments, fight income inequality and create jobs, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Invest in United States Act of 2014”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AMERICAN INFRASTRUCTURE FINANCING AUTHORITY

Sec. 101. Findings and purpose.

Sec. 102. Definitions.

Subtitle A—American Infrastructure Financing Authority

Sec. 111. Establishment and general authority of AIFA.

Sec. 112. Voting members of the Board of Directors.

Sec. 113. Chief Executive Officer of AIFA.

Sec. 114. Powers and duties of the Board of Directors.

Sec. 115. Senior management.

Sec. 116. Special Inspector General for AIFA.

Sec. 117. Other personnel.

Sec. 118. Compliance.

Subtitle B—Terms and Limitations on Direct Loans and Loan Guarantees

Sec. 121. Eligibility criteria for assistance from AIFA and terms and limitations of loans.

Sec. 122. Loan terms and repayment.

Sec. 123. Compliance and enforcement.

Sec. 124. Audits; reports to the President and Congress.

Subtitle C—Funding of AIFA

Sec. 131. Fees.

Sec. 132. Self-sufficiency of AIFA.

Sec. 133. Funding.

Sec. 134. Contract authority.

TITLE II—TAX CREDIT EXTENSIONS

Sec. 201. Permanent extension of new markets tax credit.

Sec. 202. Build America Bonds made permanent.

Sec. 203. Permanent extension of research credit; increase in alternative simplified research credit.

Sec. 204. Exempt-facility bonds for sewage and water supply facilities.

Sec. 205. Repeal of alternative minimum tax on private activity bonds.

TITLE III—SKILLS TRAINING

Sec. 301. Job training tax credit.

Sec. 302. Qualified Job Training Partnerships credit.

TITLE IV—TRADE PROVISIONS

Sec. 401. Findings; sense of Congress on applicability of trade authorities procedures to a bill implementing a trade and investment agreement with the European Union.

Sec. 402. Extension of trade adjustment assistance program.

## TITLE V—MINIMUM WAGE INCREASE AND BUSINESS TAX RELIEF

Sec. 501. Minimum wage increases.

Sec. 502. Work Opportunity Credit made permanent.

Sec. 503. Increased expensing limitations and treatment of certain real property as section 179 property made permanent.

Sec. 504. Permanent extension of treatment of qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property as 15-year property for purposes of depreciation deduction.

# 1 **TITLE I—AMERICAN INFRA-** 2 **STRUCTURE FINANCING AU-** 3 **THORITY**

## 4 **SEC. 101. FINDINGS AND PURPOSE.**

5 (a) FINDINGS.—Congress finds that—

6 (1) infrastructure has always been a vital ele-  
7 ment of the economic strength of the United States  
8 and a key indicator of the international leadership of  
9 the United States;

10 (2) the Erie Canal, the Hoover Dam, the rail-  
11 roads, and the interstate highway system are all tes-  
12 taments to American ingenuity and have helped pro-  
13 pel and maintain the United States as the world’s  
14 largest economy;

15 (3) according to the World Economic Forum’s  
16 Global Competitiveness Report, the United States  
17 fell to second place in 2009, and dropped to fourth  
18 place overall in 2010, however, in the “Quality of  
19 overall infrastructure” category of the same report,  
20 the United States ranked twenty-third in the world;

1           (4) according to the World Bank’s 2010 Logis-  
2       tic Performance Index, the capacity of countries to  
3       efficiently move goods and connect manufacturers  
4       and consumers with international markets is improv-  
5       ing around the world, and the United States now  
6       ranks seventh in the world in logistics-related infra-  
7       structure behind countries from both Europe and  
8       Asia;

9           (5) according to a January 2009 report from  
10      the University of Massachusetts/Alliance for Amer-  
11      ican Manufacturing entitled “Employment, Produc-  
12      tivity and Growth,” infrastructure investment is a  
13      “highly effective engine of job creation” such that  
14      \$1,000,000,000 in new investment in infrastructure  
15      results in 18,000 total jobs;

16          (6) according to the American Society of Civil  
17      Engineers, the current condition of the infrastruc-  
18      ture in the United States earns a grade point aver-  
19      age of D, and an estimated \$2,200,000,000,000 in-  
20      vestment is needed over the next 5 years to bring  
21      American infrastructure up to adequate condition;

22          (7) according to the National Surface Trans-  
23      portation Policy and Revenue Study Commission,  
24      \$225,000,000,000 is needed annually from all  
25      sources for the next 50 years to upgrade the United

1 States surface transportation system to a state of  
2 good repair and create a more advanced system;

3 (8) the current infrastructure financing mecha-  
4 nisms of the United States, both on the Federal and  
5 State level, will fail to meet current and foreseeable  
6 demands and will create large funding gaps;

7 (9) traditional municipal bonds issued by State  
8 and local governments are proven to work and have  
9 been a part of the tax code for over 100 years, and  
10 additional infrastructure financing options can be  
11 created at the Federal level to complement the cur-  
12 rent system to best meet infrastructure needs;

13 (10) new, additional financing mechanisms  
14 should be targeted and quickly implemented to—

15 (A) serve large in-State or cross jurisdic-  
16 tion infrastructure projects, projects of regional  
17 or national significance, or projects that cross  
18 sector silos;

19 (B) sufficiently catalyze private sector in-  
20 vestment; or

21 (C) ensure the optimal return on public re-  
22 sources;

23 (11) although grant programs of the United  
24 States Government must continue to play a central  
25 role in financing the transportation, environment,

1 and energy infrastructure needs of the United  
2 States, current and foreseeable demands on existing  
3 Federal, State, and local funding for infrastructure  
4 expansion clearly exceed the resources to support  
5 these programs by margins wide enough to prompt  
6 serious concerns about the United States ability to  
7 sustain long-term economic development, produc-  
8 tivity, and international competitiveness;

9 (12) the capital markets, including pension  
10 funds, private equity funds, mutual funds, sovereign  
11 wealth funds, and other investors, have a growing  
12 interest in infrastructure investment and represent  
13 hundreds of billions of dollars of potential invest-  
14 ment; and

15 (13) the establishment of a United States Gov-  
16 ernment-owned, independent, professionally managed  
17 institution that could provide credit support to quali-  
18 fied infrastructure projects of regional and national  
19 significance, making transparent merit-based invest-  
20 ment decisions based on the commercial viability of  
21 infrastructure projects, would catalyze the participa-  
22 tion of significant private investment capital.

23 (b) PURPOSE.—The purpose of this title is to facili-  
24 tate investment in, and long-term financing of, economi-  
25 cally viable infrastructure projects of regional or national

1 significance in a manner that both complements existing  
2 Federal, State, local, and private funding sources for these  
3 projects and introduces a merit-based system for financing  
4 such projects, in order to mobilize significant private sec-  
5 tor investment, create jobs, and ensure United States com-  
6 petitiveness through a self-sustaining institution that lim-  
7 its the need for ongoing Federal funding.

8 **SEC. 102. DEFINITIONS.**

9 For purposes of this title, the following definitions  
10 shall apply:

11 (1) AIFA.—The term “AIFA” means the  
12 American Infrastructure Financing Authority estab-  
13 lished under this title.

14 (2) BLIND TRUST.—The term “blind trust”  
15 means a trust in which the beneficiary has no knowl-  
16 edge of the specific holdings and no rights over how  
17 those holdings are managed by the fiduciary of the  
18 trust prior to the dissolution of the trust.

19 (3) BOARD OF DIRECTORS.—The term “Board  
20 of Directors” means Board of Directors of AIFA.

21 (4) CHAIRPERSON.—The term “Chairperson”  
22 means the Chairperson of the Board of Directors of  
23 AIFA.

1           (5) CHIEF EXECUTIVE OFFICER.—The term  
2           “Chief Executive Officer” means the Chief Executive  
3           Officer of AIFA, appointed under section 113.

4           (6) COST.—The term “cost” has the same  
5           meaning as in section 502 of the Federal Credit Re-  
6           form Act of 1990 (2 U.S.C. 661a).

7           (7) DIRECT LOAN.—The term “direct loan” has  
8           the same meaning as in section 502 of the Federal  
9           Credit Reform Act of 1990 (2 U.S.C. 661a).

10          (8) ELIGIBLE ENTITY.—The term “eligible enti-  
11          ty” means an individual, corporation, partnership  
12          (including a public-private partnership), joint ven-  
13          ture, trust, State, or other governmental entity, in-  
14          cluding a political subdivision or any other instru-  
15          mentality of a State, or a revolving fund.

16          (9) INFRASTRUCTURE PROJECT.—

17                 (A) IN GENERAL.—The term “eligible in-  
18                 frastructure project” means any transportation,  
19                 water, or energy infrastructure project, or an  
20                 aggregation of such infrastructure projects, as  
21                 provided in this title.

22                 (B) TRANSPORTATION INFRASTRUCTURE  
23                 PROJECT.—The term “transportation infra-  
24                 structure project” means the construction, al-

1           teration, or repair, including the facilitation of  
 2           intermodal transit, of the following subsectors:

3                   (i) Highway or road.

4                   (ii) Bridge.

5                   (iii) Mass transit.

6                   (iv) Inland waterways.

7                   (v) Commercial ports.

8                   (vi) Airports.

9                   (vii) Air traffic control systems.

10                  (viii) Passenger rail, including high-  
 11                  speed rail.

12                  (ix) Freight rail systems.

13                  (C) WATER INFRASTRUCTURE PROJECT.—

14                  The term “water infrastructure project” means  
 15                  the construction, consolidation, alteration, or  
 16                  repair of the following subsectors:

17                   (i) Water waste treatment facility.

18                   (ii) Storm water management system.

19                   (iii) Dam.

20                   (iv) Solid waste disposal facility.

21                   (v) Levee.

22                   (vi) Open space management system.

23                  (D)           ENERGY           INFRASTRUCTURE

24                  PROJECT.—The term “energy infrastructure

1 project” means the construction, alteration, or  
2 repair of the following subsectors:

3 (i) Pollution reduced energy genera-  
4 tion.

5 (ii) Transmission and distribution.

6 (iii) Storage.

7 (iv) Energy efficiency enhancements  
8 for buildings, including public and com-  
9 mercial buildings.

10 (E) BOARD AUTHORITY TO MODIFY SUB-  
11 SECTORS.—The Board of Directors may make  
12 modifications, at the discretion of the Board, to  
13 the subsectors described in this paragraph by a  
14 vote of not fewer than 5 of the voting members  
15 of the Board of Directors.

16 (10) INVESTMENT-GRADE RATING.—The term  
17 “investment-grade rating” means a rating of BBB  
18 minus, Baa3, or higher assigned to an infrastructure  
19 project by a ratings agency.

20 (11) LOAN GUARANTEE.—The term “loan guar-  
21 antee” has the same meaning as in section 502 of  
22 the Federal Credit Reform Act of 1990 (2 U.S.C.  
23 661a).

1           (12) PUBLIC-PRIVATE PARTNERSHIP.—The  
2 term “public-private partnership” means any eligible  
3 entity—

4           (A)(i) which is undertaking the develop-  
5 ment of all or part of an infrastructure project  
6 that will have a public benefit, pursuant to re-  
7 quirements established in one or more contracts  
8 between the entity and a State or an instru-  
9 mentality of a State; or

10          (ii) the activities of which, with respect to  
11 such an infrastructure project, are subject to  
12 regulation by a State or any instrumentality of  
13 a State;

14          (B) which owns, leases, or operates or will  
15 own, lease, or operate, the project in whole or  
16 in part; and

17          (C) the participants in which include not  
18 fewer than 1 nongovernmental entity with sig-  
19 nificant investment and some control over the  
20 project or project vehicle.

21       (13) RURAL INFRASTRUCTURE PROJECT.—The  
22 term “rural infrastructure project” means an infra-  
23 structure project in a rural area, as that term is de-  
24 fined in section 343(a)(13)(A) of the Consolidated

1 Farm and Rural Development Act (7 U.S.C.  
2 1991(a)(13)(A)).

3 (14) SECRETARY.—Unless the context other-  
4 wise requires, the term “Secretary” means the Sec-  
5 retary of the Treasury or the designee thereof.

6 (15) SENIOR MANAGEMENT.—The term “senior  
7 management” means the Chief Financial Officer,  
8 Chief Risk Officer, Chief Compliance Officer, Gen-  
9 eral Counsel, Chief Lending Officer, and Chief Oper-  
10 ations Officer of AIFA established under section  
11 115, and such other officers as the Board of Direc-  
12 tors may, by majority vote, add to senior manage-  
13 ment.

14 (16) STATE.—The term “State” includes the  
15 District of Columbia, Puerto Rico, Guam, American  
16 Samoa, the Virgin Islands, the Commonwealth of  
17 Northern Mariana Islands, and any other territory  
18 of the United States.

19 **Subtitle A—American**  
20 **Infrastructure Financing Authority**

21 **SEC. 111. ESTABLISHMENT AND GENERAL AUTHORITY OF**  
22 **AIFA.**

23 (a) ESTABLISHMENT OF AIFA.—The American In-  
24 frastructure Financing Authority is established as a whol-  
25 ly owned Government corporation.

1 (b) GENERAL AUTHORITY OF AIFA.—AIFA shall  
2 provide direct loans and loan guarantees to facilitate infra-  
3 structure projects that are both economically viable and  
4 of regional or national significance, and shall have such  
5 other authority as is provided under this title.

6 (c) INCORPORATION.—

7 (1) IN GENERAL.—The Board of Directors first  
8 appointed shall be deemed the incorporator of AIFA,  
9 and the incorporation shall be held to have been ef-  
10 fected from the date of the first meeting of the  
11 Board of Directors.

12 (2) CORPORATE OFFICE.—AIFA shall—

13 (A) maintain an office in Washington, DC;  
14 and

15 (B) for purposes of venue in civil actions,  
16 be considered to be a resident of Washington,  
17 DC.

18 (d) RESPONSIBILITY OF THE SECRETARY.—The Sec-  
19 retary shall take such actions as may be necessary to as-  
20 sist in implementing AIFA, and in carrying out the pur-  
21 pose of this title.

22 (e) RULE OF CONSTRUCTION.—Chapter 91 of title  
23 31, United States Code, does not apply to AIFA, unless  
24 otherwise specifically provided in this title.

1 **SEC. 112. VOTING MEMBERS OF THE BOARD OF DIREC-**  
2 **TORS.**

3 (a) VOTING MEMBERSHIP OF THE BOARD OF DIREC-  
4 TORS.—

5 (1) IN GENERAL.—AIFA shall have a Board of  
6 Directors consisting of 7 voting members appointed  
7 by the President, by and with the advice and consent  
8 of the Senate, not more than 4 of whom shall be  
9 from the same political party.

10 (2) CHAIRPERSON.—One of the voting members  
11 of the Board of Directors shall be designated by the  
12 President to serve as Chairperson thereof.

13 (3) CONGRESSIONAL RECOMMENDATIONS.—Not  
14 later than 30 days after the date of enactment of  
15 this Act, the majority leader of the Senate, the mi-  
16 nority leader of the Senate, the Speaker of the  
17 House of Representatives, and the minority leader of  
18 the House of Representatives shall each submit a  
19 recommendation to the President for appointment of  
20 a member of the Board of Directors, after consulta-  
21 tion with the appropriate committees of Congress.

22 (b) VOTING RIGHTS.—Each voting member of the  
23 Board of Directors shall have an equal vote in all decisions  
24 of the Board of Directors.

25 (c) QUALIFICATIONS OF VOTING MEMBERS.—Each  
26 voting member of the Board of Directors shall—

- 1           (1) be a citizen of the United States; and
- 2           (2) have significant demonstrated expertise in—
- 3                 (A) the management and administration of
- 4                 a financial institution relevant to the operation
- 5                 of AIFA; or
- 6                 (B) the financing, development, or oper-
- 7                 ation of infrastructure projects.

8       (d) TERMS.—

9           (1) IN GENERAL.—Except as otherwise pro-

10          vided in this title, each voting member of the Board

11          of Directors shall be appointed for a term of 4 years.

12          (2) INITIAL STAGGERED TERMS.—Of the voting

13          members first appointed to the Board of Directors—

14                 (A) the initial Chairperson and 3 of the

15                 other voting members shall each be appointed

16                 for a term of 4 years; and

17                 (B) the remaining 3 voting members shall

18                 each be appointed for a term of 2 years.

19          (3) DATE OF INITIAL NOMINATIONS.—The ini-

20          tial nominations for the appointment of all voting

21          members of the Board of Directors shall be made

22          not later than 60 days after the date of enactment

23          of this Act.

24          (4) BEGINNING OF TERM.—The term of each of

25          the initial voting members appointed under this sec-

1       tion shall commence immediately upon the date of  
2       appointment, except that, for purposes of calculating  
3       the term limits specified in this subsection, the ini-  
4       tial terms shall each be construed as beginning on  
5       January 22 of the year following the date of the ini-  
6       tial appointment.

7           (5) VACANCIES.—A vacancy in the position of  
8       a voting member of the Board of Directors shall be  
9       filled by the President, and a member appointed to  
10      fill a vacancy on the Board of Directors occurring  
11      before the expiration of the term for which the pred-  
12      ecessor was appointed shall be appointed only for  
13      the remainder of that term.

14      (e) MEETINGS.—

15           (1) OPEN TO THE PUBLIC; NOTICE.—Except as  
16      provided in paragraph (3), all meetings of the Board  
17      of Directors shall be—

18                  (A) open to the public; and

19                  (B) preceded by reasonable public notice.

20           (2) FREQUENCY.—The Board of Directors shall  
21      meet not later than 60 days after the date on which  
22      all members of the Board of Directors are first ap-  
23      pointed, at least quarterly thereafter, and otherwise  
24      at the call of either the Chairperson or 5 voting  
25      members of the Board of Directors.

1           (3) EXCEPTION FOR CLOSED MEETINGS.—The  
2       voting members of the Board of Directors may, by  
3       majority vote, close a meeting to the public if, dur-  
4       ing the meeting to be closed, there is likely to be dis-  
5       closed proprietary or sensitive information regarding  
6       an infrastructure project under consideration for as-  
7       sistance under this title. The Board of Directors  
8       shall prepare minutes of any meeting that is closed  
9       to the public, and shall make such minutes available  
10      as soon as practicable, not later than 1 year after  
11      the date of the closed meeting, with any necessary  
12      redactions to protect any proprietary or sensitive in-  
13      formation.

14           (4) QUORUM.—For purposes of meetings of the  
15      Board of Directors, 5 voting members of the Board  
16      of Directors shall constitute a quorum.

17           (f) COMPENSATION OF MEMBERS.—Each voting  
18      member of the Board of Directors shall be compensated  
19      at a rate equal to the daily equivalent of the annual rate  
20      of basic pay prescribed for level III of the Executive  
21      Schedule under section 5314 of title 5, United States  
22      Code, for each day (including travel time) during which  
23      the member is engaged in the performance of the duties  
24      of the Board of Directors.

1 (g) CONFLICTS OF INTEREST.—A voting member of  
 2 the Board of Directors may not participate in any review  
 3 or decision affecting an infrastructure project under con-  
 4 sideration for assistance under this title, if the member  
 5 has or is affiliated with an entity who has a financial inter-  
 6 est in such project.

7 **SEC. 113. CHIEF EXECUTIVE OFFICER OF AIFA.**

8 (a) IN GENERAL.—The Chief Executive Officer of  
 9 AIFA shall be a nonvoting member of the Board of Direc-  
 10 tors, who shall be responsible for all activities of AIFA,  
 11 and shall support the Board of Directors as set forth in  
 12 this title and as the Board of Directors deems necessary  
 13 or appropriate.

14 (b) APPOINTMENT AND TENURE OF THE CHIEF EX-  
 15 ECUTIVE OFFICER.—

16 (1) IN GENERAL.—The President shall appoint  
 17 the Chief Executive Officer, by and with the advice  
 18 and consent of the Senate.

19 (2) TERM.—The Chief Executive Officer shall  
 20 be appointed for a term of 6 years.

21 (3) VACANCIES.—Any vacancy in the office of  
 22 the Chief Executive Officer shall be filled by the  
 23 President, and the person appointed to fill a vacancy  
 24 in that position occurring before the expiration of  
 25 the term for which the predecessor was appointed

1 shall be appointed only for the remainder of that  
2 term.

3 (c) QUALIFICATIONS.—The Chief Executive Offi-  
4 cer—

5 (1) shall have significant expertise in manage-  
6 ment and administration of a financial institution,  
7 or significant expertise in the financing and develop-  
8 ment of infrastructure projects; and

9 (2) may not—

10 (A) hold any other public office;

11 (B) have any financial interest in an infra-  
12 structure project then being considered by the  
13 Board of Directors, unless that interest is  
14 placed in a blind trust; or

15 (C) have any financial interest in an in-  
16 vestment institution or its affiliates or any  
17 other entity seeking or likely to seek financial  
18 assistance for any infrastructure project from  
19 AIFA, unless any such interest is placed in a  
20 blind trust for the tenure of the service of the  
21 Chief Executive Officer plus 2 additional years.

22 (d) RESPONSIBILITIES.—The Chief Executive Officer  
23 shall have such executive functions, powers, and duties as  
24 may be prescribed by this title, the bylaws of AIFA, or  
25 the Board of Directors, including—

1           (1) responsibility for the development and im-  
2           plementation of the strategy of AIFA, including—

3                   (A) the development and submission to the  
4           Board of Directors of the annual business plans  
5           and budget;

6                   (B) the development and submission to the  
7           Board of Directors of a long-term strategic  
8           plan; and

9                   (C) the development, revision, and submis-  
10          sion to the Board of Directors of internal poli-  
11          cies; and

12          (2) responsibility for the management and over-  
13          sight of the daily activities, decisions, operations,  
14          and personnel of AIFA, including—

15                   (A) the appointment of senior manage-  
16          ment, subject to approval by the voting mem-  
17          bers of the Board of Directors, and the hiring  
18          and termination of all other AIFA personnel;

19                   (B) requesting the detail, on a reimburs-  
20          able basis, of personnel from any Federal agen-  
21          cy having specific expertise not available from  
22          within AIFA, following which request the head  
23          of the Federal agency may detail, on a reim-  
24          bursable basis, any personnel of such agency

1 reasonably requested by the Chief Executive Of-  
2 ficer;

3 (C) assessing and recommending in the  
4 first instance, for ultimate approval or dis-  
5 approval by the Board of Directors, compensa-  
6 tion and adjustments to compensation of senior  
7 management and other personnel of AIFA as  
8 may be necessary for carrying out the functions  
9 of AIFA;

10 (D) ensuring, in conjunction with the gen-  
11 eral counsel of AIFA, that all activities of  
12 AIFA are carried out in compliance with appli-  
13 cable law;

14 (E) overseeing the involvement of AIFA in  
15 all projects, including—

16 (i) developing eligible projects for  
17 AIFA financial assistance;

18 (ii) determining the terms and condi-  
19 tions of all financial assistance packages;

20 (iii) monitoring all infrastructure  
21 projects assisted by AIFA, including re-  
22 sponsibility for ensuring that the proceeds  
23 of any loan made, guaranteed, or partici-  
24 pated in are used only for the purposes for  
25 which the loan or guarantee was made;

1 (iv) preparing and submitting for ap-  
 2 proval by the Board of Directors the docu-  
 3 ments required under paragraph (1); and

4 (v) ensuring the implementation of de-  
 5 cisions of the Board of Directors; and

6 (F) such other activities as may be nec-  
 7 essary or appropriate in carrying out this title.

8 (e) COMPENSATION.—

9 (1) IN GENERAL.—Any compensation assess-  
 10 ment or recommendation by the Chief Executive Of-  
 11 ficer under this section shall be without regard to  
 12 the provisions of chapter 51 or subchapter III of  
 13 chapter 53 of title 5, United States Code.

14 (2) CONSIDERATIONS.—The compensation as-  
 15 sessment or recommendation required under this  
 16 subsection shall take into account merit principles,  
 17 where applicable, as well as the education, experi-  
 18 ence, level of responsibility, geographic differences,  
 19 and retention and recruitment needs in determining  
 20 compensation of personnel.

21 **SEC. 114. POWERS AND DUTIES OF THE BOARD OF DIREC-**  
 22 **TORS.**

23 The Board of Directors shall—

24 (1) as soon as is practicable after the date on  
 25 which all members are appointed, approve or dis-

1 approve senior management appointed by the Chief  
2 Executive Officer;

3 (2) not later than 180 days after the date on  
4 which all members are appointed—

5 (A) develop and approve the bylaws of  
6 AIFA, including bylaws for the regulation of  
7 the affairs and conduct of the business of  
8 AIFA, consistent with the purpose, goals, objec-  
9 tives, and policies set forth in this title;

10 (B) establish subcommittees, including an  
11 audit committee that is composed solely of  
12 members of the Board of Directors who are  
13 independent of the senior management of  
14 AIFA;

15 (C) develop and approve, in consultation  
16 with senior management, a conflict-of-interest  
17 policy for the Board of Directors and for senior  
18 management;

19 (D) approve or disapprove internal policies  
20 that the Chief Executive Officer shall submit to  
21 the Board of Directors, including—

22 (i) policies regarding the loan applica-  
23 tion and approval process, including—

24 (I) disclosure and application  
25 procedures to be followed by entities

1 in the course of nominating infra-  
2 structure projects for assistance under  
3 this title;

4 (II) guidelines for the selection  
5 and approval of projects;

6 (III) specific criteria for deter-  
7 mining eligibility for project selection,  
8 consistent with subtitle B; and

9 (IV) standardized terms and con-  
10 ditions, fee schedules, or legal require-  
11 ments of a contract or program, so as  
12 to carry out this title; and

13 (ii) operational guidelines; and

14 (E) approve or disapprove a 1-year busi-  
15 ness plan and budget for AIFA;

16 (3) ensure that AIFA is at all times operated  
17 in a manner that is consistent with this title, by—

18 (A) monitoring and assessing the effective-  
19 ness of AIFA in achieving its strategic goals;

20 (B) periodically reviewing internal policies;

21 (C) reviewing and approving annual busi-  
22 ness plans, annual budgets, and long-term  
23 strategies submitted by the Chief Executive Of-  
24 ficer;

1 (D) reviewing and approving annual re-  
2 ports submitted by the Chief Executive Officer;

3 (E) engaging one or more external audi-  
4 tors, as set forth in this title; and

5 (F) reviewing and approving all changes to  
6 the organization of senior management;

7 (4) appoint and fix, by a vote of not fewer than  
8 5 voting members of the Board of Directors, and  
9 without regard to the provisions of chapter 51 or  
10 subchapter III of chapter 53 of title 5, United States  
11 Code, the compensation and adjustments to com-  
12 pensation of all AIFA personnel, provided that in  
13 appointing and fixing any compensation or adjust-  
14 ments to compensation under this paragraph, the  
15 Board shall—

16 (A) consult with, and seek to maintain  
17 comparability with, other comparable Federal  
18 personnel, as the Secretary may deem appro-  
19 priate;

20 (B) consult with the Office of Personnel  
21 Management; and

22 (C) carry out such duties consistent with  
23 merit principles, where applicable, as well as the  
24 education, experience, level of responsibility, ge-  
25 ographic differences, and retention and recruit-

1           ment needs in determining compensation of per-  
2           sonnel;

3           (5) establish such other criteria, requirements,  
4           or procedures as the Board of Directors may con-  
5           sider to be appropriate in carrying out this title;

6           (6) serve as the primary liaison for AIFA in  
7           interactions with Congress, the Executive Branch,  
8           and State and local governments, and to represent  
9           the interests of AIFA in such interactions and oth-  
10          ers;

11          (7) approve by a vote of not fewer than 5 voting  
12          members of the Board of Directors any changes to  
13          the bylaws or internal policies of AIFA;

14          (8) have the authority and responsibility—

15                (A) to oversee entering into and carry out  
16                such contracts, leases, cooperative agreements,  
17                or other transactions as are necessary to carry  
18                out this title with—

19                   (i) any Federal department or agency;

20                   (ii) any State, territory, or possession

21                   (or any political subdivision thereof, includ-  
22                   ing State infrastructure banks) of the  
23                   United States; and

1                   (iii) any individual, public-private  
2                   partnership, firm, association, or corpora-  
3                   tion;

4                   (B) to approve of the acquisition, lease,  
5                   pledge, exchange, and disposal of real and per-  
6                   sonal property by AIFA and otherwise approve  
7                   the exercise by AIFA of all of the usual inci-  
8                   dents of ownership of property, to the extent  
9                   that the exercise of such powers is appropriate  
10                  to and consistent with the purposes of AIFA;

11                  (C) to determine the character of, and the  
12                  necessity for, the obligations and expenditures  
13                  of AIFA, and the manner in which the obliga-  
14                  tions and expenditures will be incurred, allowed,  
15                  and paid, subject to this title and other Federal  
16                  law specifically applicable to wholly owned Fed-  
17                  eral corporations;

18                  (D) to execute, in accordance with applica-  
19                  ble bylaws and regulations, appropriate instru-  
20                  ments;

21                  (E) to approve other forms of credit en-  
22                  hancement that AIFA may provide to eligible  
23                  projects, as long as the forms of credit enhance-  
24                  ments are consistent with the purposes of this  
25                  title and terms set forth in subtitle B;

1           (F) to exercise all other lawful powers that  
2           are necessary or appropriate to carry out, and  
3           are consistent with, the purposes of AIFA;

4           (G) to sue or be sued in the corporate ca-  
5           pacity of AIFA in any court of competent juris-  
6           diction;

7           (H) to indemnify the members of the  
8           Board of Directors and officers of AIFA for  
9           any liabilities arising out of the actions of the  
10          members and officers in such capacity, in ac-  
11          cordance with, and subject to the limitations  
12          contained in this title;

13          (I) to review all financial assistance pack-  
14          ages to all eligible infrastructure projects, as  
15          submitted by the Chief Executive Officer and to  
16          approve, postpone, or deny the same by major-  
17          ity vote;

18          (J) to review all restructuring proposals  
19          submitted by the Chief Executive Officer, in-  
20          cluding assignation, pledging, or disposal of the  
21          interest of AIFA in a project, including pay-  
22          ment or income from any interest owned or held  
23          by AIFA, and to approve, postpone, or deny the  
24          same by majority vote; and

1 (K) to enter into binding commitments, as  
2 specified in approved financial assistance pack-  
3 ages;

4 (9) delegate to the Chief Executive Officer  
5 those duties that the Board of Directors deems ap-  
6 propriate, to better carry out the powers and pur-  
7 poses of the Board of Directors under this section;  
8 and

9 (10) to approve a maximum aggregate amount  
10 of principal exposure of AIFA at any given time.

11 **SEC. 115. SENIOR MANAGEMENT.**

12 (a) IN GENERAL.—Senior management shall support  
13 the Chief Executive Officer in the discharge of the respon-  
14 sibilities of the Chief Executive Officer.

15 (b) APPOINTMENT OF SENIOR MANAGEMENT.—The  
16 Chief Executive Officer shall appoint such senior man-  
17 agers as are necessary to carry out the purpose of AIFA,  
18 as approved by a majority vote of the voting members of  
19 the Board of Directors.

20 (c) TERM.—Each member of senior management  
21 shall serve at the pleasure of the Chief Executive Officer  
22 and the Board of Directors.

23 (d) REMOVAL OF SENIOR MANAGEMENT.—Any mem-  
24 ber of senior management may be removed, either by a  
25 majority of the voting members of the Board of Directors

1 upon request by the Chief Executive Officer, or otherwise  
2 by vote of not fewer than 5 voting members of the Board  
3 of Directors.

4 (e) SENIOR MANAGEMENT.—

5 (1) IN GENERAL.—Each member of senior  
6 management shall report directly to the Chief Exec-  
7 utive Officer, other than the Chief Risk Officer, who  
8 shall report directly to the Board of Directors.

9 (2) DUTIES AND RESPONSIBILITIES.—

10 (A) CHIEF FINANCIAL OFFICER.—The  
11 Chief Financial Officer shall be responsible for  
12 all financial functions of AIFA, provided that,  
13 at the discretion of the Board of Directors, spe-  
14 cific functions of the Chief Financial Officer  
15 may be delegated externally.

16 (B) CHIEF RISK OFFICER.—The Chief  
17 Risk Officer shall be responsible for all func-  
18 tions of AIFA relating to—

19 (i) the creation of financial, credit,  
20 and operational risk management guide-  
21 lines and policies;

22 (ii) the establishment of guidelines to  
23 ensure diversification of lending activities  
24 by region, infrastructure project type, and  
25 project size;

1 (iii) the creation of conforming stand-  
2 ards for infrastructure finance agreements;

3 (iv) the monitoring of the financial,  
4 credit, and operational exposure of AIFA;  
5 and

6 (v) risk management and mitigation  
7 actions, including by reporting such ac-  
8 tions, or recommendations of such actions  
9 to be taken, directly to the Board of Direc-  
10 tors.

11 (C) CHIEF COMPLIANCE OFFICER.—The  
12 Chief Compliance Officer shall be responsible  
13 for all functions of AIFA relating to internal  
14 audits, accounting safeguards, and the enforce-  
15 ment of such safeguards and other applicable  
16 requirements.

17 (D) GENERAL COUNSEL.—The General  
18 Counsel shall be responsible for all functions of  
19 AIFA relating to legal matters and, in consulta-  
20 tion with the Chief Executive Officer, shall be  
21 responsible for ensuring that AIFA complies  
22 with all applicable law.

23 (E) CHIEF OPERATIONS OFFICER.—The  
24 Chief Operations Officer shall be responsible for  
25 all operational functions of AIFA, including

1           those relating to the continuing operations and  
2           performance of all infrastructure projects in  
3           which AIFA retains an interest and for all  
4           AIFA functions related to human resources.

5                   (F) CHIEF LENDING OFFICER.—The Chief  
6           Lending Officer shall be responsible for—

7                   (i) all functions of AIFA relating to  
8                   the development of project pipeline, finan-  
9                   cial structuring of projects, credit analysis  
10                  of infrastructure projects, selection of in-  
11                  frastructure projects to be reviewed by the  
12                  Board of Directors, preparation of infra-  
13                  structure projects to be presented to the  
14                  Board of Directors, and set aside for rural  
15                  infrastructure projects; and

16                  (ii) the creation and management of—

17                   (I) a Center for Excellence to  
18                   provide technical assistance to public  
19                   sector borrowers in the development  
20                   and financing of infrastructure  
21                   projects; and

22                   (II) an Office of Rural Assistance  
23                   to provide technical assistance in the  
24                   development and financing of rural in-  
25                   frastructure projects.

1 (f) CHANGES TO SENIOR MANAGEMENT.—The Board  
2 of Directors, in consultation with the Chief Executive Offi-  
3 cer, may alter the structure of the senior management of  
4 AIFA at any time to better accomplish the goals, objec-  
5 tives, and purposes of AIFA, provided that the functions  
6 of the Chief Financial Officer set forth in subsection (e)  
7 remain separate from the functions of the Chief Risk Offi-  
8 cer set forth in subsection (e).

9 (g) CONFLICTS OF INTEREST.—No individual ap-  
10 pointed to senior management may—

11 (1) hold any other public office;

12 (2) have any financial interest in an infrastruc-  
13 ture project then being considered by the Board of  
14 Directors, unless that interest is placed in a blind  
15 trust; or

16 (3) have any financial interest in an investment  
17 institution or its affiliates, AIFA or its affiliates, or  
18 other entity then seeking or likely to seek financial  
19 assistance for any infrastructure project from AIFA,  
20 unless any such interest is placed in a blind trust  
21 during the term of service of that individual in a  
22 senior management position, and for a period of 2  
23 years thereafter.

1 **SEC. 116. SPECIAL INSPECTOR GENERAL FOR AIFA.**

2 (a) IN GENERAL.—During the first 5 operating years  
3 of AIFA, the Office of the Inspector General of the De-  
4 partment of the Treasury shall have responsibility for  
5 AIFA.

6 (b) OFFICE OF THE SPECIAL INSPECTOR GEN-  
7 ERAL.—Effective 5 years after the date of enactment of  
8 the commencement of the operations of AIFA, there is es-  
9 tablished the Office of the Special Inspector General for  
10 AIFA.

11 (c) APPOINTMENT OF INSPECTOR GENERAL; RE-  
12 MOVAL.—

13 (1) HEAD OF OFFICE.—The head of the Office  
14 of the Special Inspector General for AIFA shall be  
15 the Special Inspector General for AIFA (in this title  
16 referred to as the “Special Inspector General”), who  
17 shall be appointed by the President, by and with the  
18 advice and consent of the Senate.

19 (2) BASIS OF APPOINTMENT.—The appoint-  
20 ment of the Special Inspector General shall be made  
21 on the basis of integrity and demonstrated ability in  
22 accounting, auditing, financial analysis, law, man-  
23 agement analysis, public administration, or inves-  
24 tigations.

25 (3) TIMING OF NOMINATION.—The nomination  
26 of an individual as Special Inspector General shall

1 be made as soon as is practicable after the effective  
2 date under subsection (b).

3 (4) REMOVAL.—The Special Inspector General  
4 shall be removable from office in accordance with  
5 the provisions of section 3(b) of the Inspector Gen-  
6 eral Act of 1978 (5 U.S.C. App.).

7 (5) RULE OF CONSTRUCTION.—For purposes of  
8 section 7324 of title 5, United States Code, the Spe-  
9 cial Inspector General shall not be considered an em-  
10 ployee who determines policies to be pursued by the  
11 United States in the nationwide administration of  
12 Federal law.

13 (6) RATE OF PAY.—The annual rate of basic  
14 pay of the Special Inspector General shall be the an-  
15 nual rate of basic pay for an Inspector General  
16 under section 3(e) of the Inspector General Act of  
17 1978 (5 U.S.C. App.).

18 (d) DUTIES.—

19 (1) IN GENERAL.—It shall be the duty of the  
20 Special Inspector General to conduct, supervise, and  
21 coordinate audits and investigations of the business  
22 activities of AIFA.

23 (2) OTHER SYSTEMS, PROCEDURES, AND CON-  
24 TROLS.—The Special Inspector General shall estab-  
25 lish, maintain, and oversee such systems, procedures,

1 and controls as the Special Inspector General con-  
2 sider appropriate to discharge the duty under para-  
3 graph (1).

4 (3) ADDITIONAL DUTIES.—In addition to the  
5 duties specified in paragraphs (1) and (2), the In-  
6 spector General shall also have the duties and re-  
7 sponsibilities of inspectors general under the Inspec-  
8 tor General Act of 1978.

9 (e) POWERS AND AUTHORITIES.—

10 (1) IN GENERAL.—In carrying out the duties  
11 specified in subsection (c), the Special Inspector  
12 General shall have the authorities provided in section  
13 6 of the Inspector General Act of 1978.

14 (2) ADDITIONAL AUTHORITY.—The Special In-  
15 spector General shall carry out the duties specified  
16 in subsection (c)(1) in accordance with section  
17 4(b)(1) of the Inspector General Act of 1978.

18 (f) PERSONNEL, FACILITIES, AND OTHER RE-  
19 SOURCES.—

20 (1) ADDITIONAL OFFICERS.—

21 (A) The Special Inspector General may se-  
22 lect, appoint, and employ such officers and em-  
23 ployees as may be necessary for carrying out  
24 the duties of the Special Inspector General,  
25 subject to the provisions of title 5, United

1 States Code, governing appointments in the  
2 competitive service, and the provisions of chap-  
3 ter 51 and subchapter III of chapter 53 of such  
4 title, relating to classification and General  
5 Schedule pay rates.

6 (B) The Special Inspector General may ex-  
7 ercise the authorities of subsections (b) through  
8 (i) of section 3161 of title 5, United States  
9 Code (without regard to subsection (a) of that  
10 section).

11 (2) RETENTION OF SERVICES.—The Special In-  
12 spector General may obtain services as authorized by  
13 section 3109 of title 5, United States Code, at daily  
14 rates not to exceed the equivalent rate prescribed for  
15 grade GS–15 of the General Schedule by section  
16 5332 of such title.

17 (3) ABILITY TO CONTRACT FOR AUDITS, STUD-  
18 IES, AND OTHER SERVICES.—The Special Inspector  
19 General may enter into contracts and other arrange-  
20 ments for audits, studies, analyses, and other serv-  
21 ices with public agencies and with private persons,  
22 and make such payments as may be necessary to  
23 carry out the duties of the Special Inspector Gen-  
24 eral.

25 (4) REQUEST FOR INFORMATION.—

1           (A) IN GENERAL.—Upon request of the  
2           Special Inspector General for information or as-  
3           sistance from any department, agency, or other  
4           entity of the Federal Government, the head of  
5           such entity shall, insofar as is practicable and  
6           not in contravention of any existing law, furnish  
7           such information or assistance to the Special  
8           Inspector General, or an authorized designee.

9           (B) REFUSAL TO COMPLY.—Whenever in-  
10          formation or assistance requested by the Spe-  
11          cial Inspector General is, in the judgment of the  
12          Special Inspector General, unreasonably refused  
13          or not provided, the Special Inspector General  
14          shall report the circumstances to the Secretary  
15          of the Treasury, without delay.

16       (g) REPORTS.—

17           (1) ANNUAL REPORT.—Not later than 1 year  
18          after the confirmation of the Special Inspector Gen-  
19          eral, and every calendar year thereafter, the Special  
20          Inspector General shall submit to the President a re-  
21          port summarizing the activities of the Special In-  
22          spector General during the previous 1-year period  
23          ending on the date of such report.

1           (2) PUBLIC DISCLOSURES.—Nothing in this  
2       subsection shall be construed to authorize the public  
3       disclosure of information that is—

4                   (A) specifically prohibited from disclosure  
5       by any other provision of law;

6                   (B) specifically required by Executive order  
7       to be protected from disclosure in the interest  
8       of national defense or national security or in  
9       the conduct of foreign affairs; or

10                  (C) a part of an ongoing criminal inves-  
11       tigation.

12 **SEC. 117. OTHER PERSONNEL.**

13       Except as otherwise provided in the bylaws of AIFA,  
14       the Chief Executive Officer, in consultation with the  
15       Board of Directors, shall appoint, remove, and define the  
16       duties of such qualified personnel as are necessary to carry  
17       out the powers, duties, and purpose of AIFA, other than  
18       senior management, who shall be appointed in accordance  
19       with section 124.

20 **SEC. 118. COMPLIANCE.**

21       The provision of assistance by the Board of Directors  
22       pursuant to this title shall not be construed as superseding  
23       any provision of State law or regulation otherwise applica-  
24       ble to an infrastructure project.

1 **Subtitle B—Terms and Limitations**  
2 **on Direct Loans and Loan Guar-**  
3 **antees**

4 **SEC. 121. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM**  
5 **AIFA AND TERMS AND LIMITATIONS OF**  
6 **LOANS.**

7 (a) IN GENERAL.—Any project whose use or purpose  
8 is private and for which no public benefit is created shall  
9 not be eligible for financial assistance from AIFA under  
10 this title. Financial assistance under this title shall only  
11 be made available if the applicant for such assistance has  
12 demonstrated to the satisfaction of the Board of Directors  
13 that the infrastructure project for which such assistance  
14 is being sought—

15 (1) is not for the refinancing of an existing in-  
16 frastructure project; and

17 (2) meets—

18 (A) any pertinent requirements set forth in  
19 this title;

20 (B) any criteria established by the Board  
21 of Directors or Chief Executive Officer in ac-  
22 cordance with this title; and

23 (C) the definition of a transportation infra-  
24 structure project, water infrastructure project,  
25 or energy infrastructure project.

1 (b) CONSIDERATIONS.—The criteria established by  
2 the Board of Directors pursuant to this title shall provide  
3 adequate consideration of—

4 (1) the economic, financial, technical, environ-  
5 mental, and public benefits and costs of each infra-  
6 structure project under consideration for financial  
7 assistance under this title, prioritizing infrastructure  
8 projects that—

9 (A) contribute to regional or national eco-  
10 nomic growth;

11 (B) offer value for money to taxpayers;

12 (C) demonstrate a clear public benefit;

13 (D) lead to job creation; and

14 (E) mitigate environmental concerns;

15 (2) the means by which development of the in-  
16 frastructure project under consideration is being fi-  
17 nanced, including—

18 (A) the terms, conditions, and structure of  
19 the proposed financing;

20 (B) the credit worthiness and standing of  
21 the project sponsors, providers of equity, and  
22 cofinanciers;

23 (C) the financial assumptions and projec-  
24 tions on which the infrastructure project is  
25 based; and

1 (D) whether there is sufficient State or  
2 municipal political support for the successful  
3 completion of the infrastructure project;

4 (3) the likelihood that the provision of assist-  
5 ance by AIFA will cause such development to pro-  
6 ceed more promptly and with lower costs for financ-  
7 ing than would be the case without such assistance;

8 (4) the extent to which the provision of assist-  
9 ance by AIFA maximizes the level of private invest-  
10 ment in the infrastructure project or supports a  
11 public-private partnership, while providing a signifi-  
12 cant public benefit;

13 (5) the extent to which the provision of assist-  
14 ance by AIFA can mobilize the participation of other  
15 financing partners in the infrastructure project;

16 (6) the technical and operational viability of the  
17 infrastructure project;

18 (7) the proportion of financial assistance from  
19 AIFA;

20 (8) the geographic location of the project in an  
21 effort to have geographic diversity of projects funded  
22 by AIFA;

23 (9) the size of the project and its impact on the  
24 resources of AIFA; and

1           (10) the infrastructure sector of the project, in  
2           an effort to have projects from more than one sector  
3           funded by AIFA.

4           (c) APPLICATION.—

5           (1) IN GENERAL.—Any eligible entity seeking  
6           assistance from AIFA under this title for an eligible  
7           infrastructure project shall submit an application to  
8           AIFA at such time, in such manner, and containing  
9           such information as the Board of Directors or the  
10          Chief Executive Officer may require.

11          (2) REVIEW OF APPLICATIONS.—AIFA shall re-  
12          view applications for assistance under this title on  
13          an ongoing basis. The Chief Executive Officer, work-  
14          ing with the senior management, shall prepare eligi-  
15          ble infrastructure projects for review and approval  
16          by the Board of Directors.

17          (3) DEDICATED REVENUE SOURCES.—The Fed-  
18          eral credit instrument shall be repayable, in whole or  
19          in part, from tolls, user fees, or other dedicated rev-  
20          enue sources that also secure the infrastructure  
21          project obligations.

22          (d) ELIGIBLE INFRASTRUCTURE PROJECT COSTS.—

23          (1) IN GENERAL.—Except as provided in para-  
24          graph (2), to be eligible for assistance under this  
25          title, an infrastructure project shall have project

1 costs that are reasonably anticipated to equal or ex-  
2 ceed \$100,000,000.

3 (2) RURAL INFRASTRUCTURE PROJECTS.—To  
4 be eligible for assistance under this title, a rural in-  
5 frastructure project shall have project costs that are  
6 reasonably anticipated to equal or exceed  
7 \$25,000,000.

8 (e) LOAN ELIGIBILITY AND MAXIMUM AMOUNTS.—

9 (1) IN GENERAL.—The amount of a direct loan  
10 or loan guarantee under this title shall not exceed  
11 the lesser of 50 percent of the reasonably anticipated  
12 eligible infrastructure project costs or, if the direct  
13 loan or loan guarantee does not receive an invest-  
14 ment grade rating, the amount of the senior project  
15 obligations.

16 (2) MAXIMUM ANNUAL LOAN AND LOAN GUAR-  
17 ANTEE VOLUME.—The aggregate amount of direct  
18 loans and loan guarantees made by AIFA in any  
19 single fiscal year may not exceed—

20 (A) during the first 2 fiscal years of the  
21 operations of AIFA, \$10,000,000,000;

22 (B) during fiscal years 3 through 9 of the  
23 operations of AIFA, \$20,000,000,000; or

24 (C) during any fiscal year thereafter,  
25 \$50,000,000,000.

1       (f) STATE AND LOCAL PERMITS REQUIRED.—The  
2 provision of assistance by the Board of Directors pursuant  
3 to this title shall not be deemed to relieve any recipient  
4 of such assistance, or the related infrastructure project,  
5 of any obligation to obtain required State and local per-  
6 mits and approvals.

7       **SEC. 122. LOAN TERMS AND REPAYMENT.**

8       (a) IN GENERAL.—A direct loan or loan guarantee  
9 under this title with respect to an eligible infrastructure  
10 project shall be on such terms, subject to such conditions,  
11 and contain such covenants, representations, warranties,  
12 and requirements (including requirements for audits) as  
13 the Chief Executive Officer determines appropriate.

14       (b) TERMS.—A direct loan or loan guarantee under  
15 this title—

16               (1) shall—

17                       (A) be payable, in whole or in part, from  
18                       tolls, user fees, or other dedicated revenue  
19                       sources that also secure the senior project obli-  
20                       gations (such as availability payments and dedi-  
21                       cated State or local revenues); and

22                       (B) include a rate covenant, coverage re-  
23                       quirement, or similar security feature sup-  
24                       porting the project obligations; and

1           (2) may have a lien on revenues described in  
2       paragraph (1), subject to any lien securing project  
3       obligations.

4       (c) BASE INTEREST RATE.—The base interest rate  
5       on a direct loan under this title shall be not less than the  
6       yield on United States Treasury obligations of a similar  
7       maturity to the maturity of the direct loan on the date  
8       of execution of the loan agreement.

9       (d) RISK ASSESSMENT.—Before entering into an  
10      agreement for assistance under this title, the Chief Execu-  
11      tive Officer, in consultation with the Director of the Office  
12      of Management and Budget and each rating agency pro-  
13      viding a preliminary rating opinion letter under this sec-  
14      tion, shall determine an appropriate Federal credit subsidy  
15      amount for each direct loan and loan guarantee, taking  
16      into account such letter, as well as any comparable market  
17      rates available for such a loan or loan guarantee, should  
18      any exist.

19      (e) CREDIT FEE.—With respect to each agreement  
20      for assistance under this title, the Chief Executive Officer  
21      shall charge a credit fee to the recipient of such assistance  
22      to pay for, over time, all or a portion of the Federal credit  
23      subsidy determined under subsection (d), with the remain-  
24      der paid by the account established for AIFA. In the case

1 of a direct loan, such credit fee shall be in addition to  
2 the base interest rate established under subsection (c).

3 (f) MATURITY DATE.—The final maturity date of a  
4 direct loan or loan guaranteed by AIFA under this title  
5 shall be not later than 35 years after the date of substan-  
6 tial completion of the infrastructure project, as determined  
7 by the Chief Executive Officer.

8 (g) PRELIMINARY RATING OPINION LETTER.—

9 (1) IN GENERAL.—The Chief Executive Officer  
10 shall require each applicant for assistance under this  
11 title to provide a preliminary rating opinion letter  
12 from at least 1 ratings agency, indicating that the  
13 senior obligations of the infrastructure project,  
14 which may be the Federal credit instrument, have  
15 the potential to achieve an investment-grade rating.

16 (2) RURAL INFRASTRUCTURE PROJECTS.—With  
17 respect to a rural infrastructure project, a rating  
18 agency opinion letter described in paragraph (1)  
19 shall not be required, except that the loan or loan  
20 guarantee shall receive an internal rating score,  
21 using methods similar to the ratings agencies gen-  
22 erated by AIFA, measuring the proposed direct loan  
23 or loan guarantee against comparable direct loans or  
24 loan guarantees of similar credit quality in a similar  
25 sector.

1 (h) INVESTMENT-GRADE RATING REQUIREMENT.—

2 (1) LOANS AND LOAN GUARANTEES.—The exe-  
3 cution of a direct loan or loan guarantee under this  
4 title shall be contingent on the senior obligations of  
5 the infrastructure project receiving an investment-  
6 grade rating.

7 (2) RATING OF AIFA OVERALL PORTFOLIO.—

8 The average rating of the overall portfolio of AIFA  
9 shall be not less than investment grade after 5 years  
10 of operation.

11 (i) TERMS AND REPAYMENT OF DIRECT LOANS.—

12 (1) SCHEDULE.—The Chief Executive Officer  
13 shall establish a repayment schedule for each direct  
14 loan under this title, based on the projected cash  
15 flow from infrastructure project revenues and other  
16 repayment sources.

17 (2) COMMENCEMENT.—Scheduled loan repay-  
18 ments of principal or interest on a direct loan under  
19 this title shall commence not later than 5 years after  
20 the date of substantial completion of the infrastruc-  
21 ture project, as determined by the Chief Executive  
22 Officer of AIFA.

23 (3) DEFERRED PAYMENTS OF DIRECT  
24 LOANS.—

1           (A) AUTHORIZATION.—If, at any time  
2           after the date of substantial completion of an  
3           infrastructure project assisted under this title,  
4           the infrastructure project is unable to generate  
5           sufficient revenues to pay the scheduled loan re-  
6           payments of principal and interest on the direct  
7           loan under this title, the Chief Executive Offi-  
8           cer may allow the obligor to add unpaid prin-  
9           cipal and interest to the outstanding balance of  
10          the direct loan, if the result would benefit the  
11          taxpayer.

12          (B) INTEREST.—Any payment deferred  
13          under subparagraph (A) shall—

14               (i) continue to accrue interest, in ac-  
15               cordance with the terms of the obligation,  
16               until fully repaid; and

17               (ii) be scheduled to be amortized over  
18               the remaining term of the loan.

19          (C) CRITERIA.—

20               (i) IN GENERAL.—Any payment defer-  
21               ral under subparagraph (A) shall be con-  
22               tingent on the infrastructure project meet-  
23               ing criteria established by the Board of Di-  
24               rectors.

1 (ii) REPAYMENT STANDARDS.—The  
2 criteria established under clause (i) shall  
3 include standards for reasonable assurance  
4 of repayment.

5 (4) PREPAYMENT OF DIRECT LOANS.—

6 (A) USE OF EXCESS REVENUES.—Any ex-  
7 cess revenues that remain after satisfying  
8 scheduled debt service requirements on the in-  
9 frastructure project obligations and direct loan  
10 and all deposit requirements under the terms of  
11 any trust agreement, bond resolution, or similar  
12 agreement securing project obligations under  
13 this title may be applied annually to prepay the  
14 direct loan, without penalty.

15 (B) USE OF PROCEEDS OF REFI-  
16 NANCING.—A direct loan under this title may  
17 be prepaid at any time, without penalty, from  
18 the proceeds of refinancing from non-Federal  
19 funding sources.

20 (5) SALE OF DIRECT LOANS.—

21 (A) IN GENERAL.—As soon as is prac-  
22 ticable after substantial completion of an infra-  
23 structure project assisted under this title, and  
24 after notifying the obligor, the Chief Executive  
25 Officer may sell to another entity, or reoffer

1           into the capital markets, a direct loan for the  
2           infrastructure project, if the Chief Executive  
3           Officer determines that the sale or reoffering  
4           can be made on favorable terms for the tax-  
5           payer.

6           (B) CONSENT OF OBLIGOR.—In making a  
7           sale or reoffering under subparagraph (A), the  
8           Chief Executive Officer may not change the  
9           original terms and conditions of the direct loan,  
10          without the written consent of the obligor.

11       (j) LOAN GUARANTEES.—

12           (1) TERMS.—The terms of a loan guaranteed  
13          by AIFA under this title shall be consistent with the  
14          terms set forth in this section for a direct loan, ex-  
15          cept that the rate on the guaranteed loan and any  
16          payment, pre-payment, or refinancing features shall  
17          be negotiated between the obligor and the lender,  
18          with the consent of the Chief Executive Officer.

19           (2) GUARANTEED LENDER.—A guaranteed  
20          lender shall be limited to those lenders meeting the  
21          definition of that term in section 601(a) of title 23,  
22          United States Code.

23       (k) COMPLIANCE WITH FCRA.—

24           (1) IN GENERAL.—Except as provided in para-  
25          graph (2), direct loans and loan guarantees author-

1        ized by this title shall be subject to the provisions of  
 2        the Federal Credit Reform Act of 1990 (2 U.S.C.  
 3        661 et seq.).

4            (2) EXCEPTION.—Section 504(b) of the Federal  
 5        Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall  
 6        not apply to a loan or loan guarantee under this  
 7        title.

8        **SEC. 123. COMPLIANCE AND ENFORCEMENT.**

9        (a) CREDIT AGREEMENT.—Notwithstanding any  
 10       other provision of law, each eligible entity that receives  
 11       assistance under this title from AIFA shall enter into a  
 12       credit agreement that requires such entity to comply with  
 13       all applicable policies and procedures of AIFA, in addition  
 14       to all other provisions of the loan agreement.

15       (b) AIFA AUTHORITY ON NONCOMPLIANCE.—In any  
 16       case in which a recipient of assistance under this title is  
 17       materially out of compliance with the loan agreement, or  
 18       any applicable policy or procedure of AIFA, the Board of  
 19       Directors may take action to cancel unutilized loan  
 20       amounts, or to accelerate the repayment terms of any out-  
 21       standing obligation.

22       **SEC. 124. AUDITS; REPORTS TO THE PRESIDENT AND CON-**  
 23       **GRESS.**

24       (a) ACCOUNTING.—The books of account of AIFA  
 25       shall be maintained in accordance with generally accepted

1 accounting principles, and shall be subject to an annual  
2 audit by independent public accountants of nationally rec-  
3 ognized standing appointed by the Board of Directors.

4 (b) REPORTS.—

5 (1) BOARD OF DIRECTORS.—Not later than 90  
6 days after the last day of each fiscal year, the Board  
7 of Directors shall submit to the President and Con-  
8 gress a complete and detailed report with respect to  
9 the preceding fiscal year, setting forth—

10 (A) a summary of the operations of AIFA,  
11 for such fiscal year;

12 (B) a schedule of the obligations of AIFA  
13 and capital securities outstanding at the end of  
14 such fiscal year, with a statement of the  
15 amounts issued and redeemed or paid during  
16 such fiscal year;

17 (C) the status of infrastructure projects re-  
18 ceiving funding or other assistance pursuant to  
19 this title during such fiscal year, including all  
20 nonperforming loans, and including disclosure  
21 of all entities with a development, ownership, or  
22 operational interest in such infrastructure  
23 projects;

24 (D) a description of the successes and  
25 challenges encountered in lending to rural com-

1 munities, including the role of the Center for  
2 Excellence and the Office of Rural Assistance  
3 established under this title; and

4 (E) an assessment of the risks of the port-  
5 folio of AIFA, prepared by an independent  
6 source.

7 (2) GAO.—Not later than 5 years after the  
8 date of enactment of this title, the Comptroller Gen-  
9 eral of the United States shall conduct an evaluation  
10 of, and shall submit to Congress a report on, activi-  
11 ties of AIFA for the fiscal years covered by the re-  
12 port that includes an assessment of the impact and  
13 benefits of each funded infrastructure project, in-  
14 cluding a review of how effectively each such infra-  
15 structure project accomplished the goals prioritized  
16 by the infrastructure project criteria of AIFA.

17 (c) BOOKS AND RECORDS.—

18 (1) IN GENERAL.—AIFA shall maintain ade-  
19 quate books and records to support the financial  
20 transactions of AIFA, with a description of financial  
21 transactions and infrastructure projects receiving  
22 funding, and the amount of funding for each such  
23 project maintained on a publically accessible data-  
24 base.

1           (2) AUDITS BY THE SECRETARY AND GAO.—  
2       The books and records of AIFA shall at all times be  
3       open to inspection by the Secretary of the Treasury,  
4       the Special Inspector General, and the Comptroller  
5       General of the United States.

6           **Subtitle C—Funding of AIFA**

7       **SEC. 131. FEES.**

8           (a) IN GENERAL.—The Chief Executive Officer shall  
9       establish fees with respect to loans and loan guarantees  
10      under this title that—

11           (1) are sufficient to cover all the administrative  
12      costs to the Federal Government for the operations  
13      of AIFA;

14           (2) may be in the form of an application or  
15      transaction fee, or interest rate adjustment; and

16           (3) may be based on the risk premium associ-  
17      ated with the loan or loan guarantee, taking into  
18      consideration—

19           (A) the price of United States Treasury  
20      obligations of a similar maturity;

21           (B) prevailing market conditions;

22           (C) the ability of the infrastructure project  
23      to support the loan or loan guarantee; and

24           (D) the total amount of the loan or loan  
25      guarantee.

1 (b) TREASURY RECEIPTS.—AIFA shall annually de-  
2 posit amounts of fees collected under this section that are  
3 not used for the expenses of AIFA as miscellaneous re-  
4 ceipts with the Treasury.

5 **SEC. 132. SELF-SUFFICIENCY OF AIFA.**

6 The Chief Executive Officer shall, to the extent pos-  
7 sible, take actions consistent with this title to make AIFA  
8 a self-sustaining entity, with administrative costs and Fed-  
9 eral credit subsidy costs fully funded by fees and risk pre-  
10 miums on loans and loan guarantees.

11 **SEC. 133. FUNDING.**

12 There is authorized to be appropriated to AIFA to  
13 carry out this title, to make direct loans and loan guaran-  
14 tees under this title, not more than \$10,000,000,000, to  
15 remain available until expended, of which amount, not  
16 more than \$25,000,000 for each of fiscal years 2014  
17 through 2015, and not more than \$50,000,000 for fiscal  
18 year 2016 may be used for administrative costs of AIFA.  
19 Such amount shall earn interest. Not more than 5 percent  
20 of such amount shall be used to offset subsidy costs associ-  
21 ated with rural infrastructure projects.

22 **SEC. 134. CONTRACT AUTHORITY.**

23 Notwithstanding any other provision of law, approval  
24 by the Board of Directors of a Federal credit instrument  
25 that uses funds made available under this title shall im-

1 pose upon the United States a contractual obligation to  
 2 fund the Federal credit investment.

## 3 **TITLE II—TAX CREDIT**

## 4 **EXTENSIONS**

### 5 **SEC. 201. PERMANENT EXTENSION OF NEW MARKETS TAX**

### 6 **CREDIT.**

#### 7 (a) EXTENSION.—

8 (1) IN GENERAL.—Subparagraph (G) of section  
 9 45D(f)(1) of the Internal Revenue Code of 1986 is  
 10 amended by striking “, 2011, 2012, and 2013” and  
 11 inserting “and each calendar year thereafter”.

12 (2) CONFORMING AMENDMENT.—Section  
 13 45D(f)(3) of such Code is amended by striking the  
 14 last sentence.

15 (b) INFLATION ADJUSTMENT.—Subsection (f) of sec-  
 16 tion 45D of the Internal Revenue Code of 1986 is amend-  
 17 ed by adding at the end the following new paragraph:

18 “(4) INFLATION ADJUSTMENT.—

19 “(A) IN GENERAL.—In the case of any cal-  
 20 endar year beginning after 2013, the dollar  
 21 amount in paragraph (1)(G) 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, determined by substituting  
 2           ‘calendar year 2000’ for ‘calendar year  
 3           1992’ in subparagraph (B) thereof.

4           “(B) ROUNDING RULE.—Any increase  
 5           under subparagraph (A) which is not a multiple  
 6           of \$1,000,000 shall be rounded to the nearest  
 7           multiple of \$1,000,000.”.

8           (c) ALTERNATIVE MINIMUM TAX RELIEF.—Subpara-  
 9           graph (B) of section 38(c)(4) of the Internal Revenue  
 10          Code of 1986 is amended—

11           (1) by redesignating clauses (v) through (ix) as  
 12           clauses (vi) through (x), respectively, and

13           (2) by inserting after clause (iv) the following  
 14           new clause:

15                   “(v) the credit determined under sec-  
 16                   tion 45D, but only with respect to credits  
 17                   determined with respect to qualified equity  
 18                   investments (as defined in section 45D(b))  
 19                   initially made before January 1, 2014,”.

20           (d) EFFECTIVE DATES.—

21           (1) IN GENERAL.—Except as provided in para-  
 22           graph (2), the amendments made by this section  
 23           shall take effect on the date of the enactment of this  
 24           Act.

1           (2) ALTERNATIVE MINIMUM TAX RELIEF.—The  
 2           amendments made by subsection (c) shall apply to  
 3           credits determined with respect to qualified equity  
 4           investments (as defined in section 45D(b) of the In-  
 5           ternal Revenue Code of 1986) initially made after  
 6           the date of the enactment of this Act.

7 **SEC. 202. BUILD AMERICA BONDS MADE PERMANENT.**

8           (a) SHORT TITLE.—This section may be cited as the  
 9           “Build America Bonds Act of 2014”.

10          (b) BUILD AMERICA BONDS MADE PERMANENT.—

11           (1) IN GENERAL.—Subparagraph (B) of section  
 12           54AA(d)(1) of the Internal Revenue Code of 1986 is  
 13           amended by inserting “or on or after the date of the  
 14           enactment of the Build America Bonds Act of  
 15           2014,” after “January 1, 2011,”.

16           (2) REDUCTION IN CREDIT PERCENTAGE TO  
 17           BONDHOLDERS.—Subsection (b) of section 54AA of  
 18           such Code is amended to read as follows:

19           “(b) AMOUNT OF CREDIT.—

20           “(1) IN GENERAL.—The amount of the credit  
 21           determined under this subsection with respect to any  
 22           interest payment date for a build America bond is  
 23           the applicable percentage of the amount of interest  
 24           payable by the issuer with respect to such date.

1           “(2) APPLICABLE PERCENTAGE.—For purposes  
 2           of paragraph (1), the applicable percentage shall be  
 3           determined under the following table:

<b>“In the case of a bond issued during calendar year:</b>	<b>The applicable percentage is:</b>
2009 or 2010 .....	35
2013 .....	32
2014 .....	31
2015 .....	30
2016 .....	29
2017 and thereafter .....	28.”.

4           (3) EXTENSION OF PAYMENTS TO ISSUERS.—

5           (A) IN GENERAL.—Section 6431 of such  
 6           Code is amended—

7                   (i) by inserting “or on or after the  
 8                   date of the enactment of the Build Amer-  
 9                   ica Bonds Act of 2014,” after “January 1,  
 10                  2011,” in subsection (a), and

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

14           (B) CONFORMING AMENDMENTS.—Sub-  
 15           section (g) of section 54AA of such Code is  
 16           amended—

17                   (i) by inserting “or during a period  
 18                   beginning on or after the date of the enact-  
 19                   ment of the Build America Bonds Act of  
 20                  2014,” after “January 1, 2011,” and

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

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

7 (A) by striking “The Secretary” and in-  
 8 serting the following:

9 “(1) IN GENERAL.—The Secretary”,

10 (B) by striking “35 percent” and inserting  
 11 “the applicable percentage”, and

12 (C) by adding at the end the following new  
 13 paragraph:

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

<b>“In the case of a qualified bond issued during calendar year:</b>	<b>The applicable percentage is:</b>
2009 or 2010 .....	35
2013 .....	32
2014 .....	31
2015 .....	30
2016 .....	29
2017 and thereafter .....	28.”.

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

1           “(3) TREATMENT OF CURRENT REFUNDING  
2 BONDS.—

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

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

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

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

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

23           “(C) DETERMINATION OF AVERAGE MATU-  
24 RITY.—For purposes of subparagraph (A)(i),

1 average maturity shall be determined in accord-  
2 ance with section 147(b)(2)(A).”.

3 (6) CLARIFICATION RELATED TO LEVEES AND  
4 FLOOD CONTROL PROJECTS.—Subparagraph (A) of  
5 section 54AA(g)(2) of such Code is amended by in-  
6 serting “(including capital expenditures for levees  
7 and other flood control projects)” after “capital ex-  
8 penditures”.

9 (7) GROSS-UP OF PAYMENT TO ISSUERS IN  
10 CASE OF SEQUESTRATION.—In the case of any pay-  
11 ment under section 6431(b) of the Internal Revenue  
12 Code of 1986 made after the date of the enactment  
13 of this Act to which sequestration applies, the  
14 amount of such payment shall be increased to an  
15 amount equal to—

16 (A) such payment (determined before such  
17 sequestration), multiplied by

18 (B) the quotient obtained by dividing one  
19 by the amount by which one exceeds the per-  
20 centage reduction in such payment pursuant to  
21 such sequestration.

22 For purposes of this subsection, the term “seques-  
23 tration” means any reduction in direct spending or-  
24 dered in accordance with a sequestration report pre-  
25 pared by the Director of the Office and Management

1 and Budget pursuant to the Balanced Budget and  
2 Emergency Deficit Control Act of 1985 or the Stat-  
3 utory Pay-As-You-Go Act of 2010.

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

7 **SEC. 203. PERMANENT EXTENSION OF RESEARCH CREDIT;**  
8 **INCREASE IN ALTERNATIVE SIMPLIFIED RE-**  
9 **SEARCH CREDIT.**

10 (a) PERMANENT EXTENSION.—

11 (1) IN GENERAL.—Section 41 of the Internal  
12 Revenue Code of 1986 is amended by striking sub-  
13 section (h).

14 (2) CONFORMING AMENDMENTS.—Such Code is  
15 amended—

16 (A) in section 41(c) by striking paragraph  
17 (4) and redesignating paragraphs (5) and (6)  
18 as paragraphs (4) and (5), respectively;

19 (B) in section 41(c)(4), as so redesignated,  
20 by striking the second sentence of subparagraph  
21 (C); and

22 (C) in paragraph (1) of section 45C(b) by  
23 striking subparagraph (D).

1           (3) EFFECTIVE DATE.—The amendments made  
2       by this subsection shall apply to amounts paid or in-  
3       curred after December 31, 2013.

4           (b) INCREASE IN ALTERNATIVE SIMPLIFIED RE-  
5 SEARCH CREDIT.—

6           (1) IN GENERAL.—Subparagraph (A) of section  
7       41(c)(4) of such Code, as redesignated by subsection  
8       (a), is amended by striking “14 percent (12 percent  
9       in the case of taxable years ending before January  
10      1, 2009)” and inserting “17 percent”.

11          (2) EFFECTIVE DATE.—The amendments made  
12       by this subsection shall apply to taxable years begin-  
13       ning after the date of the enactment of this Act.

14 **SEC. 204. EXEMPT-FACILITY BONDS FOR SEWAGE AND**  
15 **WATER SUPPLY FACILITIES.**

16       (a) BONDS FOR WATER AND SEWAGE FACILITIES  
17 EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY  
18 BONDS.—

19           (1) IN GENERAL.—Paragraph (3) of section  
20       146(g) of the Internal Revenue Code of 1986 is  
21       amended by inserting “(4), (5),” after “(2),”.

22           (2) CONFORMING AMENDMENT.—Paragraphs  
23       (2) and (3)(B) of section 146(k) are both amended  
24       by striking “(4), (5), (6), or” and inserting “(6)”.

1 (b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOV-  
 2 ERNMENTS.—

3 (1) IN GENERAL.—Subsection (c) of section  
 4 7871 of the Internal Revenue Code of 1986 is  
 5 amended by adding at the end the following new  
 6 paragraph:

7 “(4) EXCEPTION FOR BONDS FOR WATER AND  
 8 SEWAGE FACILITIES.—Paragraph (2) shall not apply  
 9 to an exempt facility bond 95 percent or more of the  
 10 net proceeds (as defined in section 150(a)(3)) of  
 11 which are to be used to provide facilities described  
 12 in paragraph (4) or (5) of section 142(a).”.

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

16 (c) EFFECTIVE DATE.—The amendments made by  
 17 this section shall apply to obligations issued on or after  
 18 the date of the enactment of this Act.

19 **SEC. 205. REPEAL OF ALTERNATIVE MINIMUM TAX ON PRI-**  
 20 **VATE ACTIVITY BONDS.**

21 (a) IN GENERAL.—Subsection (a) of section 57 of the  
 22 Internal Revenue Code of 1986 is amended by striking  
 23 paragraph (5).

24 (b) CONFORMING AMENDMENTS.—

1           (1) Subparagraph (B) of section 1(g)(7) of such  
2       Code is amended by adding “and” at the end of  
3       clause (i), by striking “, and” at the end of clause  
4       (ii) and inserting a period, and by striking clause  
5       (iii).

6           (2) Subclause (II) of section 53(d)(1)(B)(ii) of  
7       such Code is amended by striking “, (5)”.

8           (3) Subparagraph (C) of section 56(b)(1) of  
9       such Code is amended by striking clause (iii) and re-  
10      designating clauses (iv) and (v) as clauses (iii) and  
11      (iv), respectively.

12          (4) Paragraph (3) of section 148(b) of such  
13      Code is amended to read as follows:

14           “(3) EXCEPTION FOR TAX-EXEMPT BONDS.—  
15      The term ‘investment property’ does not include any  
16      tax-exempt bond.”.

17          (5) Subparagraph (B)(i) of section 149(g)(3) of  
18      such Code is amended to read as follows:

19           “(i) IN GENERAL.—Such term shall  
20           not include any bond issued as part of an  
21           issue 95 percent of the net proceeds of  
22           which are invested in bonds the interest on  
23           which is not includible in gross income  
24           under section 103.”.

1           (6) Paragraph (5) of section 1400L(d) of such  
2       Code is amended by striking subparagraph (E).

3           (7) Paragraph (5) of section 1400N(a) of such  
4       Code is amended by striking subparagraph (G).

5       (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 the date of the enactment of this Act.

## 8       **TITLE III—SKILLS TRAINING**

### 9       **SEC. 301. JOB TRAINING TAX CREDIT.**

10       (a) IN GENERAL.—Subpart D of part IV of sub-  
11 chapter A of chapter 1 of the Internal Revenue Code of  
12 1986 is amended by adding at the end the following new  
13 section:

#### 14       **“SEC. 45S. JOB TRAINING CREDIT.**

15       “(a) IN GENERAL.—For the purposes of section 38,  
16 the job training credit determined under this section for  
17 the taxable year is an amount equal to 100 percent of the  
18 qualified training expenses paid by the qualifying taxpayer  
19 during the taxable year.

20       “(b) LIMITATION.—The credit allowed under sub-  
21 section (a) with respect to any eligible trainee of the quali-  
22 fying taxpayer shall not exceed the excess (if any) of  
23 \$4,000 over the aggregate credit allowed to such taxpayer  
24 under this section with respect to such eligible trainee for  
25 all prior taxable years.

1 “(c) DEFINITIONS.—For purposes of this section—

2 “(1) QUALIFIED TRAINING EXPENSES.—

3 “(A) IN GENERAL.—The term ‘qualified  
4 training expenses’ means, with respect to any  
5 eligible trainee of the qualifying taxpayer, ex-  
6 penses paid or incurred by such taxpayer for  
7 qualified tuition costs of such eligible trainee.

8 “(B) QUALIFIED TUITION COSTS.—The  
9 term ‘qualified tuition costs’ means costs for  
10 books and enrollment in a training program at  
11 a qualified educational organization, the out-  
12 come of which, if completed, will provide the eli-  
13 gible trainee a certificate or credential recog-  
14 nized by a State accrediting body, Federal Ap-  
15 prenticeship Agency, or any other national ac-  
16 crediting body recognized by the Department of  
17 Education as an independent, third-party ac-  
18 crediting body. Such training program—

19 “(i) may include a single course, mul-  
20 tiple courses, or a combination of work  
21 training and study, and

22 “(ii) must be reasonably necessary for  
23 employment in a position based in the  
24 United States for which the qualifying tax-  
25 payer is currently hiring.

1           “(C) QUALIFIED EDUCATIONAL ORGANIZA-  
2           TION.—The term ‘qualified educational organi-  
3           zation’ means any educational organization de-  
4           scribed in section 101 of the Higher Education  
5           Act of 1965.

6           “(2) QUALIFYING TAXPAYER.—The term ‘quali-  
7           fying taxpayer’ means any taxpayer who provides,  
8           with respect to any eligible trainee, such documenta-  
9           tion as required by the Secretary regarding qualified  
10          training expenses and proof of unemployment status  
11          as described in paragraph (3)(A).

12          “(3) ELIGIBLE TRAINEE.—The term ‘eligible  
13          trainee’ means any individual who—

14               “(A) has been unemployed for at least 90  
15               days immediately preceding the date of enroll-  
16               ment in a training program described in para-  
17               graph (1)(B), and

18               “(B) had not been employed by the quali-  
19               fying taxpayer at any time prior to such enroll-  
20               ment date.

21          “(d) SPECIAL RULES.—

22               “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-  
23               tion shall be allowed under this chapter for the por-  
24               tion of the expenses otherwise allowable as a deduc-

1       tion that are taken into account in determining the  
2       credit under this section for the taxable year.

3           “(2) AGGREGATION.—For purposes of this sec-  
4       tion, all persons treated as a single employer under  
5       subsection (a) or (b) or section 52, or subsection (m)  
6       or (o) of section 414, shall be treated as one person.

7           “(3) TREATMENT OF EXPENSES AS EDU-  
8       CATIONAL ASSISTANCE PROGRAM.—Qualified train-  
9       ing expenses shall be treated as an educational as-  
10      sistance program for purposes of section 127.

11      “(e) ELECTION TO HAVE CREDIT NOT APPLY.—A  
12      taxpayer may elect (at such time and in such manner as  
13      the Secretary may by regulations prescribe) to have this  
14      section not apply for any taxable year.

15      “(f) TERMINATION.—This section shall not apply to  
16      expenses paid after December 31, 2016.”.

17      (b) CREDIT TO BE PART OF GENERAL BUSINESS  
18      CREDIT.—Subsection (b) of section 38 of the Internal  
19      Revenue Code of 1986 is amended by striking “plus” at  
20      the end of paragraph (35), by striking the period at the  
21      end of paragraph (36) and inserting “, plus”, and by add-  
22      ing at the end the following new paragraph:

23           “(37) the job training credit determined under  
24      section 45S(a).”.

1       (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
 2       IMUM TAX.—Section 38(c)(4)(B) of the Internal Revenue  
 3       Code of 1986, as amended by section 206, is amended by  
 4       redesignating clauses (viii), (ix), and (x) as clauses (ix),  
 5       (x), and (xi), respectively, and by inserting after clause  
 6       (vii) the following new clause:

7                       “(viii) the credit determined under  
 8                       section 45S,”.

9       (d) TECHNICAL AMENDMENT.—Section 6501(m) of  
 10      the Internal Revenue Code of 1986 is amended by insert-  
 11      ing “45S(e),” after “45H(g),”.

12      (e) CLERICAL AMENDMENT.—The table of sections  
 13      for subpart D of part IV of subchapter A of chapter 1  
 14      of the Internal Revenue Code of 1986 is amended by add-  
 15      ing at the end the following new item:

“Sec. 45S. Job training credit.”.

16      (f) EFFECTIVE DATES.—

17              (1) IN GENERAL.—The amendments made by  
 18      this section shall apply to expenses paid or incurred  
 19      after the date of the enactment of this Act, in tax-  
 20      able years ending after such date.

21              (2) MINIMUM TAX.—The amendments made by  
 22      subsection (c) shall apply to credits determined  
 23      under section 45S of the Internal Revenue Code of  
 24      1986 in taxable years ending after the date of the

1 enactment of this Act, and to carrybacks of such  
2 credits.

3 **SEC. 302. QUALIFIED JOB TRAINING PARTNERSHIPS CRED-**  
4 **IT.**

5 (a) IN GENERAL.—Subpart E of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 is amended by inserting after section 48D the fol-  
8 lowing new section:

9 **“SEC. 48E. QUALIFIED JOB TRAINING PARTNERSHIPS**  
10 **CREDIT.**

11 “(a) IN GENERAL.—For purposes of section 46, the  
12 Qualified Job Training Partnership credit for any taxable  
13 year is an amount equal to the percentage determined by  
14 the Secretary (not to exceed 100 percent) of the qualified  
15 investment for such taxable year with respect to any  
16 Qualified Job Training Partnership.

17 “(b) QUALIFIED INVESTMENT.—

18 “(1) IN GENERAL.—For purposes of subsection  
19 (a), the qualified investment for any taxable year is  
20 the aggregate amount of the costs paid or incurred  
21 in such taxable year by one or more eligible private  
22 business employers for expenses necessary for and  
23 directly related to the conduct of a Qualified Job  
24 Training Partnership in the form of contributions of  
25 cash, cash equivalent, equipment, or any combina-

1       tion of the three where 100 percent of the invest-  
2       ment is used for the planning, implementation, or  
3       operation of a Qualified Job Training Partnership  
4       and the training financed through the investment  
5       must result in a type of certificate or credential rec-  
6       ognized by a State accrediting body, Federal Ap-  
7       prenticeship Agency, or any other national accred-  
8       iting body recognized by the Department of Edu-  
9       cation as an independent, third-party accrediting  
10      body.

11           “(2) LIMITATION.—The amount which is treat-  
12      ed as qualified investment for all taxable years with  
13      respect to any Qualified Job Training Partnership  
14      shall not exceed the amount certified by the Sec-  
15      retary as eligible for the credit under this section.

16           “(3) EXCLUSIONS.—The qualified investment  
17      for any taxable year with respect to any Qualified  
18      Job Training Partnership shall not take into account  
19      any cost for student tuition or for any other expense  
20      as determined by the Secretary as appropriate to  
21      carry out the purposes of this section.

22           “(4) CERTAIN PROGRESS EXPENDITURE RULES  
23      MADE APPLICABLE.—In the case of costs described  
24      in paragraph (1) that are paid for property of a  
25      character subject to an allowance for depreciation,

1 rules similar to the rules of subsections (c)(4) and  
2 (d) of section 46 (as in effect on the day before the  
3 date of the enactment of the Revenue Reconciliation  
4 Act of 1990) shall apply for purposes of this section.

5 “(c) QUALIFIED JOB TRAINING PARTNERSHIP.—

6 “(1) IN GENERAL.—The term ‘Qualified Job  
7 Training Partnership’ means a formal or informal  
8 partnership between at least 1 eligible private busi-  
9 ness employer and—

10 “(A) 1 qualified educational institution, or

11 “(B) 1 labor organization (as defined in  
12 section 2(5) of the National Labor Relations  
13 Act),

14 where the stated goal of the partnership is to train  
15 students in job-ready skills.

16 “(2) ELIGIBLE PRIVATE BUSINESS EM-  
17 PLOYER.—The term ‘eligible private business em-  
18 ployer’ means—

19 “(A) a business entity at least 50 percent  
20 of the gross income of which is derived from  
21 qualified production activities (within the mean-  
22 ing of section 199(c)), or

23 “(B) any type of domestic business entity  
24 the average number of full-time employees of

1           which for the taxable year is not more than  
2           500.

3           “(3) QUALIFIED EDUCATIONAL INSTITUTION.—

4           The term ‘qualified educational institution’ means  
5           any institution of higher education described in sec-  
6           tion 101 of the Higher Education Act of 1965 which  
7           provides a 2-year program that culminates in an as-  
8           sociate degree.

9           “(d) QUALIFIED JOB TRAINING PARTNERSHIP PRO-  
10          GRAM.—

11           “(1) ESTABLISHMENT.—

12                   “(A) IN GENERAL.—Not later than 60  
13           days after the date of the enactment of this sec-  
14           tion, the Secretary, in consultation with the  
15           Secretary of Labor, shall establish a Qualified  
16           Job Training Partnership program to consider  
17           and award certifications for qualified invest-  
18           ments eligible for credits under this section to  
19           Qualified Job Training Partnerships.

20                   “(B) LIMITATION.—The total amount of  
21           credits that may be allocated under the pro-  
22           gram shall not exceed \$1,000,000,000.

23           “(2) CERTIFICATION.—

24                   “(A) APPLICATION PERIOD.—Each appli-  
25           cant for certification under this paragraph shall

1 submit an application containing such informa-  
2 tion as the Secretary may require during the  
3 period beginning on the date the Secretary es-  
4 tablishes the program under paragraph (1).

5 “(B) TIME FOR REVIEW OF APPLICA-  
6 TIONS.—The Secretary shall take action to ap-  
7 prove or deny any application under subpara-  
8 graph (A) within 30 days of the submission of  
9 such application.

10 “(C) MULTI-YEAR APPLICATIONS.—An ap-  
11 plication for certification under subparagraph  
12 (A) may include a request for an allocation of  
13 credits for more than 1 year.

14 “(3) SELECTION CRITERIA.—In determining  
15 the Qualified Job Training Partnerships with re-  
16 spect to which qualified investments may be certified  
17 under this section, the Secretary—

18 “(A) shall give priority to those applica-  
19 tions which demonstrate—

20 “(i) the greatest probability that those  
21 who complete the program will secure em-  
22 ployment;

23 “(ii) the greatest potential for pro-  
24 viding workers who complete the program

1 with skills that can provide long-term job  
2 and income security;

3 “(iii) the strongest market demand  
4 for the type of training offered;

5 “(iv) the greatest probability that the  
6 program would create a net increase in job  
7 training opportunities;

8 “(v) a strong need in the community  
9 for skills training;

10 “(vi) the ability to allow nontradi-  
11 tional learners to complete the training;  
12 and

13 “(vii) the ability and capacity to im-  
14 plement the program in a reasonable pe-  
15 riod of time; and

16 “(B) shall take into additional consider-  
17 ation which applications show—

18 “(i) the ability to leverage additional  
19 sources of capital; and

20 “(ii) the greatest ability to offer train-  
21 ing programs that result in a certificate or  
22 credential (within the meaning of sub-  
23 section (b)(1)) that is stackable or portable  
24 or both.

25 “(4) REVIEW AND ADDITIONAL ALLOCATION.—

1           “(A) REVIEW.—Not later than 1 year after  
2           the date of enactment of this section, the Sec-  
3           retary shall review the credits allocated under  
4           this section as of such date.

5           “(B) ADDITIONAL ALLOCATION.—If the  
6           Secretary determines at the time of the review  
7           that credits under this section are available for  
8           allocation pursuant to the requirements set  
9           forth in paragraph (2), the Secretary is author-  
10          ized to allocate such available credits through  
11          the conduct of an additional program or pro-  
12          grams for applications for certification.

13          “(5) DISCLOSURE OF ALLOCATIONS.—The Sec-  
14          retary shall, upon making a certification under this  
15          subsection, publicly disclose the identity of the appli-  
16          cant and the amount of the credit with respect to  
17          such applicant.

18          “(e) SPECIAL RULES.—

19               “(1) BASIS ADJUSTMENT.—For purposes of  
20               this subtitle, if a credit is allowed under this section  
21               for an expenditure related to property of a character  
22               subject to an allowance for depreciation, the basis of  
23               such property shall be reduced by the amount of  
24               such credit.

25               “(2) DENIAL OF DOUBLE BENEFIT.—

1           “(A) BONUS DEPRECIATION.—A credit  
2           shall not be allowed under this section for any  
3           investment for which bonus depreciation is al-  
4           lowed under section 168(k), 1400L(b)(1), or  
5           1400N(d)(1).

6           “(B) DEDUCTIONS.—No deduction under  
7           this subtitle shall be allowed for the portion of  
8           the expenses otherwise allowable as a deduction  
9           taken into account in determining the credit  
10          under this section for the taxable year which is  
11          equal to the amount of the credit determined  
12          for such taxable year under subsection (a) at-  
13          tributable to such portion. This subparagraph  
14          shall not apply to expenses related to property  
15          of a character subject to an allowance for de-  
16          preciation the basis of which is reduced under  
17          paragraph (1).”.

18          (b) INCLUSION AS PART OF INVESTMENT CREDIT.—  
19          Section 46 of the Internal Revenue Code of 1986 is  
20          amended—

21               (1) by adding a comma at the end of paragraph  
22               (4),  
23               (2) by striking “and” at the end of paragraph  
24               (5),

1           (3) by striking the period at the end of para-  
2           graph (6) and inserting “, and”, and

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

5           “(7) the Qualified Job Training Partnerships  
6           credit.”.

7           (c)       CONFORMING       AMENDMENT.—Section  
8   49(a)(1)(C) of the Internal Revenue Code of 1986 is  
9   amended by striking “and” at the end of clause (v), by  
10 striking the period at the end of clause (vi) and inserting  
11 “, and”, and by adding at the end the following new  
12 clause:

13                       “(vii) the basis of any property to  
14                       which paragraph (1) of section 48E(e) ap-  
15                       plies which is part of a Qualified Job  
16                       Training Partnership under such section  
17                       48E.”.

18       (d) CLERICAL AMENDMENT.—The table of sections  
19 for subpart E of part IV of subchapter A of chapter 1  
20 of the Internal Revenue Code of 1986 is amended by in-  
21 serting after the item relating to section 48D the following  
22 new item:

“Sec. 48E. Qualified Job Training Partnership credit.”.

23       (e) GRANTS FOR QUALIFIED INVESTMENTS IN  
24 QUALIFIED JOB TRAINING PARTNERSHIPS IN LIEU OF  
25 TAX CREDITS.—

1           (1) IN GENERAL.—Upon application, the Sec-  
2       retary of the Treasury shall, subject to the require-  
3       ments of this subsection, provide a grant to each  
4       person who makes a qualified investment in a Quali-  
5       fied Job Training Partnership in an amount not to  
6       exceed 100 percent of such investment.

7           (2) APPLICATION.—

8           (A) IN GENERAL.—At the stated election  
9       of the applicant, an application for certification  
10      under section 48E(d)(2) of the Internal Rev-  
11      enue Code of 1986 for a credit under such sec-  
12      tion for any taxable year shall be considered to  
13      be an application for a grant under paragraph  
14      (1) for such taxable year.

15          (B) SUBMISSION DATE.—An application  
16      for a grant under paragraph (1) for any taxable  
17      year shall be submitted—

18              (i) not earlier than the day after the  
19      last day of such taxable year, and

20              (ii) not later than the due date (in-  
21      cluding extensions) for filing the return of  
22      tax for such taxable year.

23          (C) INFORMATION TO BE SUBMITTED.—An  
24      application for a grant under paragraph (1)  
25      shall include such information and be in such

1 form as the Secretary of the Treasury may re-  
2 quire to state the amount of the credit allow-  
3 able (but for the receipt of a grant under this  
4 subsection) under section 48E for the taxable  
5 year for the qualified investment with respect to  
6 which such application is made.

7 (3) TIME FOR PAYMENT OF GRANT.—

8 (A) IN GENERAL.—The Secretary of the  
9 Treasury shall make payment of the amount of  
10 any grant under paragraph (1) during the 30-  
11 day period beginning on the later of—

12 (i) the date of the application for such  
13 grant, or

14 (ii) the date the qualified investment  
15 for which the grant is being made is made.

16 (B) REGULATIONS.—In the case of invest-  
17 ments of an ongoing nature, the Secretary of  
18 the Treasury shall issue regulations to deter-  
19 mine the date on which a qualified investment  
20 shall be deemed to have been made for purposes  
21 of this paragraph.

22 (4) QUALIFIED INVESTMENT.—For purposes of  
23 this subsection, the term “qualified investment”  
24 means a qualified investment that is certified under  
25 section 48E(d) of the Internal Revenue Code of

1 1986 for purposes of the credit under such section  
2 48E.

3 (5) APPLICATION OF CERTAIN RULES.—

4 (A) IN GENERAL.—In making grants  
5 under this subsection, the Secretary of the  
6 Treasury shall apply rules similar to the rules  
7 of section 50 of the Internal Revenue Code of  
8 1986. In applying such rules, any increase in  
9 tax under chapter 1 of such Code by reason of  
10 an investment ceasing to be a qualified invest-  
11 ment shall be imposed on the person to whom  
12 the grant was made.

13 (B) SPECIAL RULES.—

14 (i) RECAPTURE OF EXCESSIVE GRANT  
15 AMOUNTS.—If the amount of a grant made  
16 under this subsection exceeds the amount  
17 allowable as a grant under this subsection,  
18 such excess shall be recaptured under sub-  
19 paragraph (A) as if the investment to  
20 which such excess portion of the grant re-  
21 lates had ceased to be a qualified invest-  
22 ment immediately after such grant was  
23 made.

24 (ii) GRANT INFORMATION NOT TREAT-  
25 ED AS RETURN INFORMATION.—In no

1 event shall the amount of a grant made  
2 under paragraph (1), the identity of the  
3 person to whom such grant was made, or  
4 a description of the investment with re-  
5 spect to which such grant was made be  
6 treated as return information for purposes  
7 of section 6103 of the Internal Revenue  
8 Code of 1986.

9 (6) SECRETARY.—Any reference in this sub-  
10 section to the Secretary of the Treasury shall be  
11 treated as including the Secretary's delegate.

12 (7) OTHER TERMS.—Any term used in this sub-  
13 section which is also used in section 48E of the In-  
14 ternal Revenue Code of 1986 shall have the same  
15 meaning for purposes of this subsection as when  
16 used in such section.

17 (8) DENIAL OF DOUBLE BENEFIT.—No credit  
18 shall be allowed under section 46(7) of the Internal  
19 Revenue Code of 1986 by reason of section 48E of  
20 such Code for any investment for which a grant is  
21 awarded under this subsection.

22 (9) APPROPRIATIONS.—There is hereby appro-  
23 priated to the Secretary of the Treasury such sums  
24 as may be necessary to carry out this subsection.

1 (f) EFFECTIVE DATE.—The amendments made by  
2 subsections (a) through (d) of this section shall apply to  
3 amounts paid or incurred after the date of the enactment  
4 of this Act, in taxable years beginning after such date.

## 5 **TITLE IV—TRADE PROVISIONS**

### 6 **SEC. 401. FINDINGS; SENSE OF CONGRESS ON APPLICA-** 7 **BILITY OF TRADE AUTHORITIES PROCE-** 8 **DURES TO A BILL IMPLEMENTING A TRADE** 9 **AND INVESTMENT AGREEMENT WITH THE** 10 **EUROPEAN UNION.**

11 (a) FINDINGS.—Congress finds the following:

12 (1) The United States and the European Union  
13 (EU) maintain a very strong and beneficial commer-  
14 cial relationship.

15 (2) The United States-EU relationship supports  
16 a combined 13 million jobs, and nearly \$4 trillion in  
17 investment.

18 (3) The economies of the United States and the  
19 EU each generate more than \$16 trillion, which rep-  
20 resents 45 percent of global gross domestic product,  
21 and over one-third of global trade and investment  
22 flows.

23 (4) The United States-EU single commercial  
24 relationship is the world's largest and the EU re-  
25 mains the largest market for United States exports

1 and the largest source of imports into the United  
2 States.

3 (5) Congress welcomes the work of the High  
4 Level Working Group report and the decision of  
5 President Obama to launch negotiations for a poten-  
6 tial bilateral trade agreement.

7 (6) The Transatlantic Trade and Investment  
8 Partnership (TTIP) represents a key strategic op-  
9 portunity for the United States and the EU.

10 (7) The groundbreaking TTIP will deepen ties  
11 between the United States and the EU, increase ex-  
12 ports, grow both economies, and support hundreds  
13 of thousands of jobs on both sides of the Atlantic  
14 Ocean.

15 (b) SENSE OF CONGRESS.—It is the sense of Con-  
16 gress that—

17 (1) the applicability of section 151 of the Trade  
18 Act of 1974 (19 U.S.C. 2191; relating to trade au-  
19 thorities procedures) to a bill implementing a trade  
20 and investment agreement with the European Union  
21 (EU) resulting from negotiations with the EU, as  
22 notified to the United States Congress on March 20,  
23 2013, should be determined without regard to any  
24 prenegotiation notification and consultation require-  
25 ments that would otherwise be applicable; and

1           (2) the Administration should press for a quick  
 2           conclusion of this comprehensive and ambitious  
 3           agreement.

4   **SEC. 402. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE**  
 5                   **PROGRAM.**

6           (a) EXTENSION OF TERMINATION PROVISIONS.—  
 7   Section 285 of the Trade Act of 1974 (19 U.S.C. 2271  
 8   note) is amended by striking “2013” each place it appears  
 9   and inserting “2020”.

10          (b) TRAINING FUNDS.—Section 236(a)(2)(A) of the  
 11   Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) is amend-  
 12   ed—

13               (1) in clause (i), by striking “and 2013” and  
 14               inserting “through 2020”; and

15               (2) in clause (ii), by striking “2013” each place  
 16               it appears and inserting “2020”.

17          (c) REEMPLOYMENT TRADE ADJUSTMENT ASSIST-  
 18   ANCE.—Section 246(b)(1) of the Trade Act of 1974 (19  
 19   U.S.C. 2318(b)(1)) is amended by striking “2013” and  
 20   inserting “2020”.

21          (d) AUTHORIZATIONS OF APPROPRIATIONS.—

22               (1) TRADE ADJUSTMENT ASSISTANCE FOR  
 23   WORKERS.—Section 245(a) of the Trade Act of  
 24   1974 (19 U.S.C. 2317(a)) is amended by striking  
 25   “2013” and inserting “2020”.

1           (2) TRADE ADJUSTMENT ASSISTANCE FOR  
2       FIRMS.—Section 255(a) of the Trade Act of 1974  
3       (19 U.S.C. 2345(a)) is amended—

4           (A) by striking “and 2013” and inserting  
5       “through 2020”; and

6           (B) by striking “October 1, 2013, and end-  
7       ing on December 31, 2013” and inserting “Oc-  
8       tober 1, 2020, and ending on December 31,  
9       2020”.

10          (3) TRADE ADJUSTMENT ASSISTANCE FOR  
11       FARMERS.—Section 298(a) of the Trade Act of 1974  
12       (19 U.S.C. 2401g(a)) is amended—

13           (A) by striking “and 2013” and inserting  
14       “through 2020”; and

15           (B) by striking “October 1, 2013, and end-  
16       ing on December 31, 2013” and inserting “Oc-  
17       tober 1, 2020, and ending on December 31,  
18       2020”.

19       (e) AMENDMENTS TO TRADE ADJUSTMENT ASSIST-  
20       ANCE EXTENSION ACT OF 2011.—

21           (1) APPLICATION OF PRIOR LAW.—Section  
22       233(a) of the Trade Adjustment Assistance Exten-  
23       sion Act of 2011 (title II of Public Law 112–40;  
24       125 Stat. 416; 19 U.S.C. 2271 note prec.) is amend-  
25       ed—

1 (A) in the matter preceding paragraph (1),  
2 by striking “2014” and inserting “2021”; and

3 (B) by striking paragraphs (3) through (7)  
4 and inserting the following:

5 “(3) section 245(a) of that Act shall be applied  
6 and administered by substituting ‘2021’ for ‘2007’;

7 “(4) section 246(b)(1) of that Act shall be ap-  
8 plied and administered by substituting ‘December  
9 31, 2021’ for ‘the date that is 5 years’ and all that  
10 follows through ‘State’;

11 “(5) section 256(b) of that Act shall be applied  
12 and administered by substituting ‘the 1-year period  
13 beginning on January 1, 2021’ for ‘each of fiscal  
14 years 2003 through 2007, and \$4,000,000 for the 3-  
15 month period beginning on October 1, 2007’;

16 “(6) section 298(a) of that Act shall be applied  
17 and administered by substituting ‘the 1-year period  
18 beginning on January 1, 2021’ for ‘each of the fiscal  
19 years’ and all that follows through ‘October 1,  
20 2007’; and

21 “(7) section 285 of that Act shall be applied  
22 and administered—

23 “(A) in subsection (a), by substituting  
24 ‘2021’ for ‘2007’ each place it appears; and

1           “(B) by applying and administering sub-  
2           section (b) as if it read as follows:

3           “(b) OTHER ASSISTANCE.—

4           “(1) ASSISTANCE FOR FIRMS.—

5           “(A) IN GENERAL.—Except as provided  
6           in subparagraph (B), assistance may not be  
7           provided under chapter 3 after December 31,  
8           2021.

9           “(B) EXCEPTION.—Notwithstanding sub-  
10          paragraph (A), any assistance approved under  
11          chapter 3 on or before December 31, 2021, may  
12          be provided—

13               “(i) to the extent funds are available  
14               pursuant to such chapter for such purpose;  
15               and

16               “(ii) to the extent the recipient of the  
17               assistance is otherwise eligible to receive  
18               such assistance.

19          “(2) FARMERS.—

20          “(A) IN GENERAL.—Except as provided  
21          in subparagraph (B), assistance may not be  
22          provided under chapter 6 after December 31,  
23          2021.

24          “(B) EXCEPTION.—Notwithstanding sub-  
25          paragraph (A), any assistance approved under

chapter 6 on or before December 31, 2021, may  
be provided—

“(i) to the extent funds are available  
pursuant to such chapter for such purpose;  
and

“(ii) to the extent the recipient of the  
assistance is otherwise eligible to receive  
such assistance.’”.

(2) CONTINUATION OF BENEFITS.—Section  
233(b) of the Trade Adjustment Assistance Extension Act of 2011 is amended by striking “2014”  
each place it appears and inserting “2021”.

## **TITLE V—MINIMUM WAGE INCREASE AND BUSINESS TAX RELIEF**

### **SEC. 501. MINIMUM WAGE INCREASES.**

(a) MINIMUM WAGE.—

(1) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))  
is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) \$8.20 an hour, beginning on the first  
day of the first month that begins 1 year after

1 the date of enactment of the Invest in United  
2 States Act of 2014;

3 “(B) \$9.15 an hour, beginning 1 year after  
4 that first day;

5 “(C) \$10.10 an hour, beginning 2 years  
6 after that first day; and

7 “(D) beginning on the date that is 3 years  
8 after that first day, and annually thereafter, the  
9 amount determined by the Secretary pursuant  
10 to subsection (h);”.

11 (2) DETERMINATION BASED ON INCREASE IN  
12 THE CONSUMER PRICE INDEX.—Section 6 of the  
13 Fair Labor Standards Act of 1938 (29 U.S.C. 206)  
14 is amended by adding at the end the following:

15 “(h)(1) Each year, by not later than the date that  
16 is 90 days before a new minimum wage determined under  
17 subsection (a)(1)(D) is to take effect, the Secretary shall  
18 determine the minimum wage to be in effect pursuant to  
19 this subsection for the subsequent 1-year period. The wage  
20 determined pursuant to this subsection for a year shall  
21 be—

22 “(A) not less than the amount in effect under  
23 subsection (a)(1) on the date of such determination;

24 “(B) increased from such amount by the annual  
25 percentage increase in the Consumer Price Index for

1       Urban Wage Earners and Clerical Workers (United  
 2       States city average, all items, not seasonally ad-  
 3       justed), or its successor publication, as determined  
 4       by the Bureau of Labor Statistics; and

5               “(C) rounded to the nearest multiple of \$0.05.

6       “(2) In calculating the annual percentage increase in  
 7       the Consumer Price Index for purposes of paragraph  
 8       (1)(B), the Secretary shall compare such Consumer Price  
 9       Index for the most recent month, quarter, or year avail-  
 10      able (as selected by the Secretary prior to the first year  
 11      for which a minimum wage is in effect pursuant to this  
 12      subsection) with the Consumer Price Index for the same  
 13      month in the preceding year, the same quarter in the pre-  
 14      ceding year, or the preceding year, respectively.”.

15       (b) BASE MINIMUM WAGE FOR TIPPED EMPLOY-  
 16      EES.—Section 3(m)(1) of the Fair Labor Standards Act  
 17      of 1938 (29 U.S.C. 203(m)(1)) is amended to read as fol-  
 18      lows:

19               “(1) the cash wage paid such employee, which  
 20       for purposes of such determination shall be not less  
 21       than—

22               “(A) for the 1-year period beginning on  
 23               the first day of the third month that begins  
 24               after the date of enactment of the Fair Min-

imum Wage and Business Tax Relief Act of  
2013, \$3.00 an hour;

“(B) for each succeeding 1-year period  
until the hourly wage under this paragraph  
equals 50 percent of the wage in effect under  
section 6(a)(1) for such period, an hourly wage  
equal to the amount determined under this  
paragraph for the preceding year, increased by  
the lesser of—

“(i) \$0.50; or

“(ii) the amount necessary for the  
wage in effect under this paragraph to  
equal 50 percent of the wage in effect  
under section 6(a)(1) for such period,  
rounded to the nearest multiple of \$0.05;  
and

“(C) for each succeeding 1-year period  
after the year in which the hourly wage under  
this paragraph first equals 50 percent of the  
wage in effect under section 6(a)(1) for the  
same period, the amount necessary to ensure  
that the wage in effect under this paragraph re-  
mains equal to 50 percent of the wage in effect  
under section 6(a)(1), rounded to the nearest  
multiple of \$0.05; and”.

1       (c) PUBLICATION OF NOTICE.—Section 6 of the Fair  
2 Labor Standards Act of 1938 (as amended by subsection  
3 (a)) (29 U.S.C. 206) is further amended by adding at the  
4 end the following:

5       “(i) Not later than 60 days prior to the effective date  
6 of any increase in the minimum wage determined under  
7 subsection (h) or required for tipped employees in accord-  
8 ance with subparagraph (B) or (C) of section 3(m)(1), as  
9 amended by the Fair Minimum Wage and Business Tax  
10 Relief Act of 2013, the Secretary shall publish in the Fed-  
11 eral Register and on the website of the Department of  
12 Labor a notice announcing the adjusted required wage.”.

13       (d) EFFECTIVE DATE.—The amendments made by  
14 subsections (a) and (b) shall take effect on the first day  
15 of the first month that begins 1 year after the date of  
16 enactment of this Act.

17 **SEC. 502. WORK OPPORTUNITY CREDIT MADE PERMANENT.**

18       (a) IN GENERAL.—Section 51(c) of the Internal Rev-  
19 enue Code of 1986 is amended by striking paragraph (4).

20       (b) EFFECTIVE DATE.—The amendment made by  
21 subsection (a) shall apply to individuals who begin work  
22 for the employer after December 31, 2013.

1 **SEC. 503. INCREASED EXPENSING LIMITATIONS AND**  
2 **TREATMENT OF CERTAIN REAL PROPERTY**  
3 **AS SECTION 179 PROPERTY MADE PERMA-**  
4 **NENT.**

5 (a) IN GENERAL.—Subsection (b) of section 179 of  
6 the Internal Revenue Code of 1986 is amended—

7 (1) by striking “shall not exceed—” and all  
8 that follows in paragraph (1) and inserting “shall  
9 not exceed \$500,000.”, and

10 (2) by striking “exceeds—” and all that follows  
11 in paragraph (2) and inserting “exceeds  
12 \$2,000,000.”.

13 (b) COMPUTER SOFTWARE.—Clause (ii) of section  
14 179(d)(1)(A) of such Code is amended by striking “and  
15 which is placed in service in a taxable year beginning after  
16 2002 and before 2014,”.

17 (c) SPECIAL RULES FOR TREATMENT OF QUALIFIED  
18 REAL PROPERTY.—Subsection (f) of section 179 of such  
19 Code is amended—

20 (1) by striking “beginning in 2010, 2011, 2012,  
21 or 2013” in paragraph (1), and

22 (2) by striking paragraph (4).

23 (d) ELECTION.—Paragraph (2) of section 179(c) of  
24 such Code is amended to read as follows:

25 “(2) REVOCATION OF ELECTION.—Any election  
26 made under this section, and any specification con-

1       tained in any such election, may be revoked by the  
 2       taxpayer with respect to any property, and such rev-  
 3       ocation, once made, shall be irrevocable.”.

4       (e) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply to taxable years beginning after  
 6 December 31, 2013.

7 **SEC. 504. PERMANENT EXTENSION OF TREATMENT OF**  
 8                   **QUALIFIED LEASEHOLD IMPROVEMENT**  
 9                   **PROPERTY, QUALIFIED RESTAURANT PROP-**  
 10                  **ERTY, AND QUALIFIED RETAIL IMPROVE-**  
 11                  **MENT PROPERTY AS 15-YEAR PROPERTY FOR**  
 12                  **PURPOSES OF DEPRECIATION DEDUCTION.**

13       (a) QUALIFIED LEASEHOLD IMPROVEMENT PROP-  
 14 ERTY.—Clause (iv) of section 168(e)(3)(E) of the Internal  
 15 Revenue Code of 1986 is amended by striking “placed in  
 16 service before January 1, 2014”.

17       (b) QUALIFIED RESTAURANT PROPERTY.—Clause  
 18 (v) of section 168(e)(3)(E) of the Internal Revenue Code  
 19 of 1986 is amended by striking “placed in service before  
 20 January 1, 2014”.

21       (c) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—  
 22 Clause (ix) of section 168(e)(3)(E) of the Internal Rev-  
 23 enue Code of 1986 is amended by striking “, and before  
 24 January 1, 2014”.

1       (d) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to property placed in service after  
3 December 31, 2013.

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