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113TH CONGRESS
1ST SESSION

# H. R. 535

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2013

Mr. CONNOLLY introduced the following bill; which was referred to the Committee on Ways and Means

# A BILL

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Put America Back to Work Act".

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

(a) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) of the Internal Revenue Code of 1986 is amended by inserting "or after the date of the enactment of the Put America Back to Work Act,'' after ''January 1, 2011,''.

(b) REDUCTION IN BOND HOLDER CREDIT PERCENTAGE.—Subsection (b) of 54AA of such Code is amended by striking ''35 percent'' and inserting ''25 percent (35 percent in the case of bonds issued before January 1, 2011)''.

(c) PAYMENTS TO ISSUERS.—

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

(A) by striking ''issued before January 1, 2011,'' in subsection (a), and

(B) by striking ''before January 1, 2011'' in subsection (f)(1)(B) and inserting ''during a particular period''.

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

(A) by striking ''before January 1, 2011'' in the matter preceding paragraph (1), and

(B) by striking ''QUALIFIED BONDS ISSUED BEFORE 2011'' in the heading and inserting ''CERTAIN QUALIFIED BONDS''.

(d) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 of such Code is amended by striking ''35 percent'' and inserting ''28 percent (35 percent in the case of bonds issued before January 1, 2011)''.

(e) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA of such Code is amended by adding at the end the following new paragraph:

''(3) TREATMENT OF CURRENT REFUNDING BONDS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) issued to refund a qualified bond if—

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

''(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

''(B) APPLICABLE PERCENTAGE.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

"(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A).".

(f) ADDITIONAL PURPOSES.—Subsection (g) of section 54AA of such Code, as amended by subsection (e), is amended by adding at the end the following new paragraphs:

"(4) WORKING CAPITAL FINANCINGS.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) that is reasonably expected to be used for the issuer's operating expenses as long as the issue is limited to a maturity of 13 months or less.

"(5) QUALIFIED 501(c)(3) BOND.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) that is a qualified 501(c)(3) bond (as defined in section 145).".

(g) CLARIFICATION RELATED TO LEVEES AND FLOOD CONTROL PROJECTS.—Subparagraph (A) of section 54AA(g)(2) of such Code is amended by inserting "(including capital expenditures for levees and other flood control projects)" after "capital expenditures".

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

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