II

114TH CONGRESS
1ST SESSION

S. 408

To amend the Internal Revenue Code of 1986 to modify the rules for tax-exempt enterprise zone facility bonds and to extend the tax incentives for empowerment zones.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2015

Ms. STABENOW (for herself and Mr. BLUNT) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to modify the rules for tax-exempt enterprise zone facility bonds and to extend the tax incentives for empowerment zones.

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 ''Empowering Jobs Act of 2015''.

SEC. 2. MODIFICATION OF RULES FOR TAX-EXEMPT ENTERPRISE ZONE FACILITY BONDS.

(a) IN GENERAL.—Clause (i) of section 1394(b)(3)(B) of the Internal Revenue Code of 1986 is amended—

(1) by striking "References" and inserting the following:

"(I) IN GENERAL.—Except as provided in subclause (II), references", and

(2) by adding at the end the following new subclause:

"(II) SPECIAL RULE FOR EMPLOYEE RESIDENCE TEST.—For purposes of subsection (b)(6) and (c)(5) of section 1397C, an employee shall be treated as a resident of an empowerment zone if such employee is a resident of an empowerment zone, an enterprise community, or a qualified low-income community within an applicable nominating jurisdiction.".

(b) DEFINITIONS.—

(1) QUALIFIED LOW-INCOME COMMUNITY.—Paragraph (3) of section 1394(b) of the Internal Revenue Code of 1986 is amended by redesignating

subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

"(C) QUALIFIED LOW-INCOME COMMUNITY.—For purposes of subparagraph (B)—

"(i) IN GENERAL.—The term 'qualified low-income community' means any population census tract if—

"(I) the poverty rate for such tract is at least 20 percent, or

"(II) the median family income for such tract does not exceed 80 percent of statewide median family income (or, in the case of a tract located within a metropolitan area, metropolitan area median family income if greater).

Subclause (II) shall be applied using possessionwide median family income in the case of census tracts located within a possession of the United States.

"(ii) TARGETED POPULATIONS.—The Secretary shall prescribe regulations under which 1 or more targeted populations (within the meaning of section 103(20) of the Riegle Community Development and Regulatory Improvement Act of 1994) may be treated as a qualified low-income communities.

"(iii) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

"(iv) MODIFICATION OF INCOME REQUIREMENT FOR CENSUS TRACTS WITHIN HIGH MIGRATION RURAL COUNTIES.—

"(I) IN GENERAL.—In the case of a population census tract located within a high migration rural county, clause (i)(II) shall be applied to areas not located within a metropolitan area by substituting '85 percent' for '80 percent'.

"(II) HIGH MIGRATION RURAL COUNTY.—For purposes of this clause, the term 'high migration rural county' means any county which, during the 20-year period ending with the year in which the most recent census was conducted, has a net out-migration of inhabitants from the county of at least 10 percent of the population of the county at the beginning of such period.''.

(2) APPLICABLE NOMINATING JURISDICTION.—Subparagraph (D) of section 1394(b)(3) of such Code, as redesignated by paragraph (1), is amended by adding at the end the following new clause:

``(iii) APPLICABLE NOMINATING JURISDICTION.—The term 'applicable nominating jurisdiction' means, with respect to any empowerment zone or enterprise community, any local government that nominated such community for designation under section 1391.''.

(c) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 1394(b)(3)(B) of such Code is amended by striking ``or an enterprise community'' and inserting ``, an enterprise community, or a qualified low-income community within an applicable nominating jurisdiction''.

(2) Subparagraph (D) of section 1394(b)(3) of such Code, as redesignated by subsection (b)(1), is amended by striking "DEFINITIONS" and inserting "OTHER DEFINITIONS".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued before, on, or after the date of the enactment of this Act and not redeemed before the date of the enactment of this Act.

SEC. 3. EXTENSION OF EMPOWERMENT ZONE TAX INCENTIVES.

(a) IN GENERAL.—Clause (i) of section 1391(d)(1)(A), as amended by the Tax Increase Prevention Act of 2014, is amended by striking "December 31, 2014" and inserting "December 31, 2016".

(b) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section 1391(d)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation if, after the date of the enactment of this section, the entity which made such nomination amends the nomination to provide for a new termination date in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(c) EFFECTIVE DATES.—The amendment made by subsection (a) shall apply to periods after December 31, 2014.

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