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Schakowsky
Schiff
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Skelton
Slaughter
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Tanner
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Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
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Udall (NM)
Van Hollen
Velázquez
Visclosky
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Mahoney (FL)
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Miller, George
Pryce (OH)
Putnam
Ruppersberger
Rush
Snyder
Speier
Walberg
Watson
Wexler

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 1312

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2008

Mr. RANGEL. Mr. Speaker, I call up the bill (H.R. 6275) to amend the Internal Revenue Code of 1986 to provide individuals temporary relief from the alternative minimum tax, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6275

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Alternative Minimum Tax Relief Act of 2008''.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

TITLE I—INDIVIDUAL TAX RELIEF

SEC. 101. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(1) by striking ''($66,250 in the case of taxable years beginning in 2007)'' in subparagraph (A) and inserting ''($69,950 in the case of taxable years beginning in 2008)'', and

(2) by striking ''($44,350 in the case of taxable years beginning in 2007)'' in subparagraph (B) and inserting ''($46,200 in the case of taxable years beginning in 2008)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 102. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''or 2007'' and inserting ''2007, or 2008'', and

(2) by striking ''2007'' in the heading thereof and inserting ''2008''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

TITLE II—REVENUE PROVISIONS

SEC. 201. INCOME OF PARTNERS FOR PERFORMING INVESTMENT MANAGEMENT SERVICES TREATED AS ORDINARY INCOME RECEIVED FOR PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Part I of subchapter K of chapter 1 is amended by adding at the end the following new section:

''SEC. 710. SPECIAL RULES FOR PARTNERS PROVIDING INVESTMENT MANAGEMENT SERVICES TO PARTNERSHIP.

''(a) TREATMENT OF DISTRIBUTIVE SHARE OF PARTNERSHIP ITEMS.—For purposes of this title, in the case of an investment services partnership interest—

''(1) IN GENERAL.—Notwithstanding section 702(b)—

''(A) any net income with respect to such interest for any partnership taxable year shall be treated as ordinary income for the performance of services, and

''(B) any net loss with respect to such interest for such year, to the extent not disallowed under paragraph (2) for such year, shall be treated as an ordinary loss.

All items of income, gain, deduction, and loss which are taken into account in computing net income or net loss shall be treated as ordinary income or ordinary loss (as the case may be).

''(2) TREATMENT OF LOSSES.—

''(A) LIMITATION.—Any net loss with respect to such interest shall be allowed for any partnership taxable year only to the extent that such loss does not exceed the excess (if any) of—

''(i) the aggregate net income with respect to such interest for all prior partnership taxable years, over

''(ii) the aggregate net loss with respect to such interest not disallowed under this subparagraph for all prior partnership taxable years.

''(B) CARRYFORWARD.—Any net loss for any partnership taxable year which is not allowed by reason of subparagraph (A) shall be treated as an item of loss with respect to such partnership interest for the succeeding partnership taxable year.

''(C) BASIS ADJUSTMENT.—No adjustment to the basis of a partnership interest shall be made on account of any net loss which is not allowed by reason of subparagraph (A).

''(D) EXCEPTION FOR BASIS ATTRIBUTABLE TO PURCHASE OF A PARTNERSHIP INTEREST.—In the case of an investment services partnership interest acquired by purchase, paragraph (1)(B) shall not apply to so much of any net loss with respect to such interest for any taxable year as does not exceed the excess of—

''(i) the basis of such interest immediately after such purchase, over

''(ii) the aggregate net loss with respect to such interest to which paragraph (1)(B) did not apply by reason of this subparagraph for all prior taxable years.

Any net loss to which paragraph (1)(B) does not apply by reason of this subparagraph

shall not be taken into account under subparagraph (A).

''(E) PRIOR PARTNERSHIP YEARS.—Any reference in this paragraph to prior partnership taxable years shall only include prior partnership taxable years to which this section applies.

''(3) NET INCOME AND LOSS.—For purposes of this section—

''(A) NET INCOME.—The term 'net income' means, with respect to any investment services partnership interest, for any partnership taxable year, the excess (if any) of—

''(i) all items of income and gain taken into account by the holder of such interest under section 702 with respect to such interest for such year, over

''(ii) all items of deduction and loss so taken into account.

''(B) NET LOSS.—The term 'net loss' means with respect to such interest for such year, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).

''(b) DISPOSITIONS OF PARTNERSHIP INTERESTS.—

''(1) GAIN.—Any gain on the disposition of an investment services partnership interest shall be treated as ordinary income for the performance of services.

''(2) LOSS.—Any loss on the disposition of an investment services partnership interest shall be treated as an ordinary loss to the extent of the excess (if any) of—

''(A) the aggregate net income with respect to such interest for all partnership taxable years, over

''(B) the aggregate net loss with respect to such interest allowed under subsection (a)(2) for all partnership taxable years.

''(3) DISPOSITION OF PORTION OF INTEREST.—In the case of any disposition of an investment services partnership interest, the amount of net loss which otherwise would have (but for subsection (a)(2)(C)) applied to reduce the basis of such interest shall be disregarded for purposes of this section for all succeeding partnership taxable years.

''(4) DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—In the case of any distribution of property by a partnership with respect to any investment services partnership interest held by a partner—

''(A) the excess (if any) of—

''(i) the fair market value of such property at the time of such distribution, over

''(ii) the adjusted basis of such property in the hands of the partnership,

shall be taken into account as an increase in such partner's distributive share of the taxable income of the partnership (except to the extent such excess is otherwise taken into account in determining the taxable income of the partnership),

''(B) such property shall be treated for purposes of subpart B of part II as money distributed to such partner in an amount equal to such fair market value, and

''(C) the basis of such property in the hands of such partner shall be such fair market value.

Subsection (b) of section 734 shall be applied without regard to the preceding sentence.

''(5) APPLICATION OF SECTION 751.—In applying section 751(a), an investment services partnership interest shall be treated as an inventory item.

''(c) INVESTMENT SERVICES PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'investment services partnership interest' means any interest in a partnership which is held by any person if such person provides (directly or indirectly) a substantial quantity of any of the following services with respect to the assets of the partnership in the conduct of the trade or business of providing such services:

''(A) Advising as to the advisability of investing in, purchasing, or selling any specified asset.

''(B) Managing, acquiring, or disposing of any specified asset.

''(C) Arranging financing with respect to acquiring specified assets.

''(D) Any activity in support of any service described in subparagraphs (A) through (C).

For purposes of this paragraph, the term 'specified asset' means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), real estate, commodities (as defined in section 475(e)(2))), or options or derivative contracts with respect to securities (as so defined), real estate, or commodities (as so defined).

''(2) EXCEPTION FOR CERTAIN CAPITAL INTERESTS.—

''(A) IN GENERAL.—If—

''(i) a portion of an investment services partnership interest is acquired on account of a contribution of invested capital, and

''(ii) the partnership makes a reasonable allocation of partnership items between the portion of the distributive share that is with respect to invested capital and the portion of such distributive share that is not with respect to invested capital,

then subsection (a) shall not apply to the portion of the distributive share that is with respect to invested capital. An allocation will not be treated as reasonable for purposes of this subparagraph if such allocation would result in the partnership allocating a greater portion of income to invested capital than any other partner not providing services would have been allocated with respect to the same amount of invested capital.

''(B) SPECIAL RULE FOR DISPOSITIONS.—In any case to which subparagraph (A) applies, subsection (b) shall not apply to any gain or loss allocable to invested capital. The portion of any gain or loss attributable to invested capital is the proportion of such gain or loss which is based on the distributive share of gain or loss that would have been allocable to invested capital under subparagraph (A) if the partnership sold all of its assets immediately before the disposition.

''(C) INVESTED CAPITAL.—For purposes of this paragraph, the term 'invested capital' means, the fair market value at the time of contribution of any money or other property contributed to the partnership.

''(D) TREATMENT OF CERTAIN LOANS.—

''(i) PROCEEDS OF PARTNERSHIP LOANS NOT TREATED AS INVESTED CAPITAL OF SERVICE PROVIDING PARTNERS.—For purposes of this paragraph, an investment services partnership interest shall not be treated as acquired on account of a contribution of invested capital to the extent that such capital is attributable to the proceeds of any loan or other advance made or guaranteed, directly or indirectly, by any partner or the partnership.

''(ii) LOANS FROM NONSERVICE PROVIDING PARTNERS TO THE PARTNERSHIP TREATED AS INVESTED CAPITAL.—For purposes of this paragraph, any loan or other advance to the partnership made or guaranteed, directly or indirectly, by a partner not providing services to the partnership shall be treated as invested capital of such partner and amounts of income and loss treated as allocable to invested capital shall be adjusted accordingly.

''(d) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—

''(1) IN GENERAL.—If—

''(A) a person performs (directly or indirectly) investment management services for any entity,

''(B) such person holds a disqualified interest with respect to such entity, and

''(C) the value of such interest (or payments thereunder) is substantially related to the amount of income or gain (whether or not realized) from the assets with respect to which the investment management services are performed,

any income or gain with respect to such interest shall be treated as ordinary income for the performance of services. Rules similar to the rules of subsection (c)(2) shall apply where such interest was acquired on account of invested capital in such entity.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) DISQUALIFIED INTEREST.—The term 'disqualified interest' means, with respect to any entity—

''(i) any interest in such entity other than indebtedness,

''(ii) convertible or contingent debt of such entity,

''(iii) any option or other right to acquire property described in clause (i) or (ii), and

''(iv) any derivative instrument entered into (directly or indirectly) with such entity or any investor in such entity.

Such term shall not include a partnership interest and shall not include stock in a taxable corporation.

''(B) TAXABLE CORPORATION.—The term 'taxable corporation' means—

''(i) a domestic C corporation, or

''(ii) a foreign corporation subject to a comprehensive foreign income tax.

''(C) INVESTMENT MANAGEMENT SERVICES.—The term 'investment management services' means a substantial quantity of any of the services described in subsection (c)(1) which are provided in the conduct of the trade or business of providing such services.

''(D) COMPREHENSIVE FOREIGN INCOME TAX.—The term 'comprehensive foreign income tax' means, with respect to any foreign corporation, the income tax of a foreign country if—

''(i) such corporation is eligible for the benefits of a comprehensive income tax treaty between such foreign country and the United States, or

''(ii) such corporation demonstrates to the satisfaction of the Secretary that such foreign country has a comprehensive income tax.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary or appropriate to carry out the purposes of this section, including regulations to—

''(1) prevent the avoidance of the purposes of this section, and

''(2) coordinate this section with the other provisions of this subchapter.

''(f) CROSS REFERENCE.—For 40 percent no fault penalty on certain underpayments due to the avoidance of this section, see section 6662.''.

(b) APPLICATION TO REAL ESTATE INVESTMENT TRUSTS.—

(1) IN GENERAL.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

''(9) EXCEPTION FROM RECHARACTERIZATION OF INCOME FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS.—

''(A) IN GENERAL.—Paragraphs (2), (3), and (4) shall be applied without regard to section 710 (relating to special rules for partners providing investment management services to partnership).

''(B) SPECIAL RULE FOR PARTNERSHIPS OWNED BY REITS.—Section 7704 shall be applied without regard to section 710 in the case of a partnership which meets each of the following requirements:

''(i) Such partnership is treated as publicly traded under section 7704 solely by reason of interests in such partnership being convertible into interests in a real estate investment trust which is publicly traded.

''(ii) 50 percent or more of the capital and profits interests of such partnership are owned, directly or indirectly, at all times during the taxable year by such real estate

investment trust (determined with the application of section 267(c)).

''(iii) Such partnership meets the requirements of paragraphs (2), (3), and (4) (applied without regard to section 710).''.

(2) CONFORMING AMENDMENT.—Paragraph (4) of section 7704(d) is amended by inserting ''(determined without regard to section 856(c)(8))'' after ''856(c)(2)''.

(c) IMPOSITION OF PENALTY ON UNDERPAYMENTS.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (5) the following new paragraph:

''(6) The application of subsection (d) of section 710 or the regulations prescribed under section 710(e) to prevent the avoidance of the purposes of section 710.''.

(2) AMOUNT OF PENALTY.—

(A) IN GENERAL.—Section 6662 is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF PROPERTY TRANSFERRED FOR INVESTMENT MANAGEMENT SERVICES.—In the case of any portion of an underpayment to which this section applies by reason of subsection (b)(6), subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent'.''.

(B) CONFORMING AMENDMENTS.—Subparagraph (B) of section 6662A(e)(2) is amended—

(i) by striking ''section 6662(h)'' and inserting ''subsection (h) or (i) of section 6662'', and

(ii) by striking ''GROSS VALUATION MISSTATEMENT PENALTY'' in the heading and inserting ''CERTAIN INCREASED UNDERPAYMENT PENALTIES''.

(3) REASONABLE CAUSE EXCEPTION NOT APPLICABLE.—Subsection (c) of section 6664 is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(B) by striking ''paragraph (2)'' in paragraph (4), as so redesignated, and inserting ''paragraph (3)'', and

(C) by inserting after paragraph (1) the following new paragraph:

''(2) EXCEPTION.—Paragraph (1) shall not apply to any portion of an underpayment to which this section applies by reason of subsection (b)(6).''.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 731 is amended by inserting ''section 710(b)(4) (relating to distributions of partnership property),'' before ''section 736''.

(2) Section 741 is amended by inserting ''or section 710 (relating to special rules for partners providing investment management services to partnership)'' before the period at the end.

(3) Paragraph (13) of section 1402(a) is amended—

(A) by striking ''other than guaranteed'' and inserting ''other than—

''(A) guaranteed'',

(B) by striking the semicolon at the end and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) any income treated as ordinary income under section 710 received by an individual who provides investment management services (as defined in section 710(d)(2));''.

(4) Paragraph (12) of section 211(a) of the Social Security Act is amended—

(A) by striking ''other than guaranteed'' and inserting ''other than—

''(A) guaranteed'',

(B) by striking the semicolon at the end and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) any income treated as ordinary income under section 710 of the Internal Revenue Code of 1986 received by an individual who provides investment management services (as defined in section 710(d)(2) of such Code);''.

(5) The table of sections for part I of subchapter K of chapter 1 is amended by adding at the end the following new item:

''Sec. 710. Special rules for partners providing investment management services to partnership.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after June 18, 2008.

(2) PARTNERSHIP TAXABLE YEARS WHICH INCLUDE EFFECTIVE DATE.—In applying section 710(a) of the Internal Revenue Code of 1986 (as added by this section) in the case of any partnership taxable year which includes June 18, 2008, the amount of the net income referred to in such section shall be treated as being the lesser of the net income for the entire partnership taxable year or the net income determined by only taking into account items attributable to the portion of the partnership taxable year which is after such date.

(3) DISPOSITIONS OF PARTNERSHIP INTERESTS.—Section 710(b) of the Internal Revenue Code of 1986 (as added by this section) shall apply to dispositions and distributions after June 18, 2008.

(4) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—Section 710(d) of such Code (as added by this section) shall take effect on June 18, 2008.

(5) PUBLICLY TRADED PARTNERSHIPS.—For purposes of applying section 7704, the amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 202. LIMITATION OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, GAS, OR PRIMARY PRODUCTS THEREOF.

(a) DENIAL OF DEDUCTION FOR MAJOR INTEGRATED OIL COMPANIES FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, GAS, OR PRIMARY PRODUCTS THEREOF.—

(1) IN GENERAL.—Subparagraph (B) of section 199(c)(4) (relating to exceptions) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by inserting after clause (iii) the following new clause:

''(iv) in the case of any major integrated oil company (as defined in section 167(h)(5)(B)), the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof during any taxable year described in section 167(h)(5)(B).''.

(2) PRIMARY PRODUCT.—Section 199(c)(4)(B) is amended by adding at the end the following flush sentence:

''For purposes of clause (iv), the term 'primary product' has the same meaning as when used in section 927(a)(2)(C), as in effect before its repeal.''.

(b) LIMITATION ON OIL RELATED QUALIFIED PRODUCTION ACTIVITIES INCOME FOR TAXPAYERS OTHER THAN MAJOR INTEGRATED OIL COMPANIES.—

(1) IN GENERAL.—Section 199(d) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

''(9) SPECIAL RULE FOR TAXPAYERS WITH OIL RELATED QUALIFIED PRODUCTION ACTIVITIES INCOME.—

''(A) IN GENERAL.—If a taxpayer (other than a major integrated oil company (as defined in section 167(h)(5)(B))) has oil related qualified production activities income for any taxable year beginning after 2009, the amount of the deduction under subsection (a) shall be reduced by 3 percent of the least of—

''(i) the oil related qualified production activities income of the taxpayer for the taxable year,

''(ii) the qualified production activities income of the taxpayer for the taxable year, or

''(iii) taxable income (determined without regard to this section).

''(B) OIL RELATED QUALIFIED PRODUCTION ACTIVITIES INCOME.—The term 'oil related qualified production activities income' means for any taxable year the qualified production activities income which is attributable to the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof during such taxable year.''.

(2) CONFORMING AMENDMENT.—Section 199(d)(2) (relating to application to individuals) is amended by striking ''subsection (a)(1)(B)'' and inserting ''subsections (a)(1)(B) and (d)(9)(A)(iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 203. LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.

(a) IN GENERAL.—Section 894 (relating to income affected by treaty) is amended by adding at the end the following new subsection:

''(d) LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.—

''(1) IN GENERAL.—In the case of any deductible related-party payment, any withholding tax imposed under chapter 3 (and any tax imposed under subpart A or B of this part) with respect to such payment may not be reduced under any treaty of the United States unless any such withholding tax would be reduced under a treaty of the United States if such payment were made directly to the foreign parent corporation.

''(2) DEDUCTIBLE RELATED-PARTY PAYMENT.—For purposes of this subsection, the term 'deductible related-party payment' means any payment made, directly or indirectly, by any person to any other person if the payment is allowable as a deduction under this chapter and both persons are members of the same foreign controlled group of entities.

''(3) FOREIGN CONTROLLED GROUP OF ENTITIES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'foreign controlled group of entities' means a controlled group of entities the common parent of which is a foreign corporation.

''(B) CONTROLLED GROUP OF ENTITIES.—The term 'controlled group of entities' means a controlled group of corporations as defined in section 1563(a)(1), except that—

''(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears therein, and

''(ii) the determination shall be made without regard to subsections (a)(4) and (b)(2) of section 1563.

A partnership or any other entity (other than a corporation) shall be treated as a member of a controlled group of entities if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).

''(4) FOREIGN PARENT CORPORATION.—For purposes of this subsection, the term 'foreign parent corporation' means, with respect to any deductible related-party payment, the common parent of the foreign controlled group of entities referred to in paragraph (3)(A).

''(5) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as are necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which provide for—

''(A) the treatment of two or more persons as members of a foreign controlled group of

entities if such persons would be the common parent of such group if treated as one corporation, and

''(B) the treatment of any member of a foreign controlled group of entities as the common parent of such group if such treatment is appropriate taking into account the economic relationships among such entities.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 204. RETURNS RELATING TO PAYMENTS MADE IN SETTLEMENT OF PAYMENT CARD AND THIRD PARTY NETWORK TRANSACTIONS.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

''SEC. 6050W. RETURNS RELATING TO PAYMENTS MADE IN SETTLEMENT OF PAYMENT CARD AND THIRD PARTY NETWORK TRANSACTIONS.

''(a) IN GENERAL.—Each payment settlement entity shall make a return for each calendar year setting forth—

''(1) the name, address, and TIN of each participating payee to whom one or more payments in settlement of reportable payment transactions are made, and

''(2) the gross amount of the reportable payment transactions with respect to each such participating payee.

Such return shall be made at such time and in such form and manner as the Secretary may require by regulations.

''(b) PAYMENT SETTLEMENT ENTITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'payment settlement entity' means—

''(A) in the case of a payment card transaction, the merchant acquiring bank, and

''(B) in the case of a third party network transaction, the third party settlement organization.

''(2) MERCHANT ACQUIRING BANK.—The term 'merchant acquiring bank' means the bank or other organization which has the contractual obligation to make payment to participating payees in settlement of payment card transactions.

''(3) THIRD PARTY SETTLEMENT ORGANIZATION.—The term 'third party settlement organization' means the central organization which has the contractual obligation to make payment to participating payees of third party network transactions.

''(4) SPECIAL RULES RELATED TO INTERMEDIARIES.—For purposes of this section—

''(A) AGGREGATED PAYEES.—In any case where reportable payment transactions of more than one participating payee are settled through an intermediary—

''(i) such intermediary shall be treated as the participating payee for purposes of determining the reporting obligations of the payment settlement entity with respect to such transactions, and

''(ii) such intermediary shall be treated as the payment settlement entity with respect to the settlement of such transactions with the participating payees.

''(B) ELECTRONIC PAYMENT FACILITATORS.—In any case where an electronic payment facilitator or other third party makes payments in settlement of reportable payment transactions on behalf of the payment settlement entity, the return under subsection (a) shall be made by such electronic payment facilitator or other third party in lieu of the payment settlement entity.

''(c) REPORTABLE PAYMENT TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'reportable payment transaction' means any payment card transaction and any third party network transaction.

''(2) PAYMENT CARD TRANSACTION.—The term 'payment card transaction' means any transaction in which a payment card is accepted as payment.

''(3) THIRD PARTY NETWORK TRANSACTION.—The term 'third party network transaction' means any transaction which is settled through a third party payment network.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) PARTICIPATING PAYEE.—

''(A) IN GENERAL.—The term 'participating payee' '' means—

''(i) in the case of a payment card transaction, any person who accepts a payment card as payment, and

''(ii) in the case of a third party network transaction, any person who accepts payment from a third party settlement organization in settlement of such transaction.

''(B) EXCLUSION OF FOREIGN PERSONS.—Except as provided by the Secretary in regulations or other guidance, such term shall not include any person with a foreign address.

''(C) INCLUSION OF GOVERNMENTAL UNITS.—The term 'person' includes any governmental unit (and any agency or instrumentality thereof).

''(2) PAYMENT CARD.—The term 'payment card' means any card which is issued pursuant to an agreement or arrangement which provides for—

''(A) one or more issuers of such cards,

''(B) a network of persons unrelated to each other, and to the issuer, who agree to accept such cards as payment, and

''(C) standards and mechanisms for settling the transactions between the merchant acquiring banks and the persons who agree to accept such cards as payment.

The acceptance as payment of any account number or other indicia associated with a payment card shall be treated for purposes of this section in the same manner as accepting such payment card as payment.

''(3) THIRD PARTY PAYMENT NETWORK.—The term 'third party payment network' means any agreement or arrangement—

''(A) which involves the establishment of accounts with a central organization for the purpose of settling transactions between persons who establish such accounts,

''(B) which provides for standards and mechanisms for settling such transactions,

''(C) which involves a substantial number of persons unrelated to such central organization who provide goods or services and who have agreed to settle transactions for the provision of such goods or services pursuant to such agreement or arrangement, and

''(D) which guarantees persons providing goods or services pursuant to such agreement or arrangement that such persons will be paid for providing such goods or services.

Such term shall not include any agreement or arrangement which provides for the issuance of payment cards.

''(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third party settlement organization shall be required to report any information under subsection (a) with respect to third party network transactions of any participating payee only if—

''(1) the amount which would otherwise be reported under subsection (a)(2) with respect to such transactions exceeds $10,000, and

''(2) the aggregate number of such transactions exceeds 200.

''(f) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each person with respect to whom such a return is required a written statement showing—

''(1) the name, address, and phone number of the information contact of the person required to make such return, and

''(2) the gross amount of the reportable payment transactions with respect to the person required to be shown on the return.

The written statement required under the preceding sentence shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made. Such statement may be furnished electronically.

''(g) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out this section, including rules to prevent the reporting of the same transaction more than once.''.

(b) PENALTY FOR FAILURE TO FILE.—

(1) RETURN.—Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking ''and'' at the end of clause (xx),

(B) by redesignating the clause (xix) that follows clause (xx) as clause (xxi),

(C) by striking ''and'' at the end of clause (xxi), as redesignated by subparagraph (B) and inserting ''or'', and

(D) by adding at the end the following:

''(xxii) section 6050W (relating to returns to payments made in settlement of payment card transactions), and''.

(2) STATEMENT.—Paragraph (2) of section 6724(d) is amended by inserting a comma at the end of subparagraph (BB), by striking the period at the end of the subparagraph (CC) and inserting '', or'', and by inserting after subparagraph (CC) the following:

''(DD) section 6050W(c) (relating to returns relating to payments made in settlement of payment card transactions).''.

(c) APPLICATION OF BACKUP WITHHOLDING.—Paragraph (3) of section 3406(b) is amended by striking ''or'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', or'', and by adding at the end the following new subparagraph:

''(F) section 6050W (relating to returns relating to payments made in settlement of payment card transactions).''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050V the following:

''Sec. 6050W. Returns relating to payments made in settlement of payment card and third party network transactions.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to returns for calendar years beginning after December 31, 2010.

(2) APPLICATION OF BACKUP WITHHOLDING.—

(A) IN GENERAL.—The amendment made by subsection (c) shall apply to amounts paid after December 31, 2011.

(B) ELIGIBILITY FOR TIN MATCHING PROGRAM.—Solely for purposes of carrying out any TIN matching program established by the Secretary under section 3406(i) of the Internal Revenue Code of 1986—

(i) the amendments made this section shall be treated as taking effect on the date of the enactment of this Act, and

(ii) each person responsible for setting the standards and mechanisms referred to in section 6050W(d)(2)(C) of such Code, as added by this section, for settling transactions involving payment cards shall be treated in the same manner as a payment settlement entity.

SEC. 205. APPLICATION OF CONTINUOUS LEVY TO PROPERTY SOLD OR LEASED TO THE FEDERAL GOVERNMENT.

(a) IN GENERAL.—Paragraph (3) of section 6331(h) is amended by striking ''goods'' and inserting ''property''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to levies approved after the date of the enactment of this Act.

SEC. 206. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

(a) REPEAL OF ADJUSTMENT FOR 2012.—Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking the percentage contained therein and inserting ''100 percent''.

(b) MODIFICATION OF ADJUSTMENT FOR 2013.—The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 59.5 percentage points.

The SPEAKER pro tempore. Pursuant to House Resolution 1297, the amendment in the nature of a substitute printed in the bill is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 6275

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Alternative Minimum Tax Relief Act of 2008''.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

TITLE I—INDIVIDUAL TAX RELIEF

SEC. 101. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(1) by striking ''($66,250 in the case of taxable years beginning in 2007)'' in subparagraph (A) and inserting ''($69,950 in the case of taxable years beginning in 2008)'', and

(2) by striking ''($44,350 in the case of taxable years beginning in 2007)'' in subparagraph (B) and inserting ''($46,200 in the case of taxable years beginning in 2008)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 102. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''or 2007'' and inserting ''2007, or 2008'', and

(2) by striking ''2007'' in the heading thereof and inserting ''2008''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

TITLE II—REVENUE PROVISIONS

SEC. 201. INCOME OF PARTNERS FOR PERFORMING INVESTMENT MANAGEMENT SERVICES TREATED AS ORDINARY INCOME RECEIVED FOR PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Part I of subchapter K of chapter 1 is amended by adding at the end the following new section:

''SEC. 710. SPECIAL RULES FOR PARTNERS PROVIDING INVESTMENT MANAGEMENT SERVICES TO PARTNERSHIP.

''(a) TREATMENT OF DISTRIBUTIVE SHARE OF PARTNERSHIP ITEMS.—For purposes of this title, in the case of an investment services partnership interest—

''(1) IN GENERAL.—Notwithstanding section 702(b)—

''(A) any net income with respect to such interest for any partnership taxable year shall be treated as ordinary income for the performance of services, and

''(B) any net loss with respect to such interest for such year, to the extent not disallowed under paragraph (2) for such year, shall be treated as an ordinary loss.

All items of income, gain, deduction, and loss which are taken into account in computing net income or net loss shall be treated as ordinary income or ordinary loss (as the case may be).

''(2) TREATMENT OF LOSSES.—

''(A) LIMITATION.—Any net loss with respect to such interest shall be allowed for any partnership taxable year only to the extent that such loss does not exceed the excess (if any) of—

''(i) the aggregate net income with respect to such interest for all prior partnership taxable years, over

''(ii) the aggregate net loss with respect to such interest not disallowed under this subparagraph for all prior partnership taxable years.

''(B) CARRYFORWARD.—Any net loss for any partnership taxable year which is not allowed by reason of subparagraph (A) shall be treated as an item of loss with respect to such partnership interest for the succeeding partnership taxable year.

''(C) BASIS ADJUSTMENT.—No adjustment to the basis of a partnership interest shall be made on account of any net loss which is not allowed by reason of subparagraph (A).

''(D) EXCEPTION FOR BASIS ATTRIBUTABLE TO PURCHASE OF A PARTNERSHIP INTEREST.—In the case of an investment services partnership interest acquired by purchase, paragraph (1)(B) shall not apply to so much of any net loss with respect to such interest for any taxable year as does not exceed the excess of—

''(i) the basis of such interest immediately after such purchase, over

''(ii) the aggregate net loss with respect to such interest to which paragraph (1)(B) did not apply by reason of this subparagraph for all prior taxable years.

Any net loss to which paragraph (1)(B) does not apply by reason of this subparagraph shall not be taken into account under subparagraph (A).

''(E) PRIOR PARTNERSHIP YEARS.—Any reference in this paragraph to prior partnership taxable years shall only include prior partnership taxable years to which this section applies.

''(3) NET INCOME AND LOSS.—For purposes of this section—

''(A) NET INCOME.—The term 'net income' means, with respect to any investment services partnership interest, for any partnership taxable year, the excess (if any) of—

''(i) all items of income and gain taken into account by the holder of such interest under section 702 with respect to such interest for such year, over

''(ii) all items of deduction and loss so taken into account.

''(B) NET LOSS.—The term 'net loss' means with respect to such interest for such year, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).

''(b) DISPOSITIONS OF PARTNERSHIP INTERESTS.—

''(1) GAIN.—Any gain on the disposition of an investment services partnership interest shall be treated as ordinary income for the performance of services.

''(2) LOSS.—Any loss on the disposition of an investment services partnership interest shall be treated as an ordinary loss to the extent of the excess (if any) of—

''(A) the aggregate net income with respect to such interest for all partnership taxable years, over

''(B) the aggregate net loss with respect to such interest allowed under subsection (a)(2) for all partnership taxable years.

''(3) DISPOSITION OF PORTION OF INTEREST.—In the case of any disposition of an investment services partnership interest, the amount of net loss which otherwise would have (but for subsection (a)(2)(C)) applied to reduce the basis of such interest shall be disregarded for purposes of this section for all succeeding partnership taxable years.

''(4) DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—In the case of any distribution of property by a partnership with respect to any investment services partnership interest held by a partner—

''(A) the excess (if any) of—

''(i) the fair market value of such property at the time of such distribution, over

''(ii) the adjusted basis of such property in the hands of the partnership,

shall be taken into account as an increase in such partner's distributive share of the taxable income of the partnership (except to the extent such excess is otherwise taken into account in determining the taxable income of the partnership),

''(B) such property shall be treated for purposes of subpart B of part II as money distributed to such partner in an amount equal to such fair market value, and

''(C) the basis of such property in the hands of such partner shall be such fair market value. Subsection (b) of section 734 shall be applied without regard to the preceding sentence.

''(5) APPLICATION OF SECTION 751.—In applying section 751(a), an investment services partnership interest shall be treated as an inventory item.

''(c) INVESTMENT SERVICES PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'investment services partnership interest' means any interest in a partnership which is held by any person if such person provides (directly or indirectly) a substantial quantity of any of the following services with respect to the assets of the partnership in the conduct of the trade or business of providing such services:

''(A) Advising as to the advisability of investing in, purchasing, or selling any specified asset.

''(B) Managing, acquiring, or disposing of any specified asset.

''(C) Arranging financing with respect to acquiring specified assets.

''(D) Any activity in support of any service described in subparagraphs (A) through (C).

For purposes of this paragraph, the term 'specified asset' means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), real estate, commodities (as defined in section 475(e)(2))), or options or derivative contracts with respect to securities (as so defined), real estate, or commodities (as so defined).

''(2) EXCEPTION FOR CERTAIN CAPITAL INTERESTS.—

''(A) IN GENERAL.—If—

''(i) a portion of an investment services partnership interest is acquired on account of a contribution of invested capital, and

''(ii) the partnership makes a reasonable allocation of partnership items between the portion of the distributive share that is with respect to invested capital and the portion of such distributive share that is not with respect to invested capital,

then subsection (a) shall not apply to the portion of the distributive share that is with respect to invested capital. An allocation will not be treated as reasonable for purposes of this subparagraph if such allocation would result in the partnership allocating a greater portion of income to invested capital than any other partner not providing services would have been allocated with respect to the same amount of invested capital.

''(B) SPECIAL RULE FOR DISPOSITIONS.—In any case to which subparagraph (A) applies, subsection (b) shall not apply to any gain or loss allocable to invested capital. The portion of any gain or loss attributable to invested capital is the proportion of such gain or loss which is based on the distributive share of gain or loss that would have been allocable to invested capital under subparagraph (A) if the partnership sold all of its assets immediately before the disposition.

''(C) INVESTED CAPITAL.—For purposes of this paragraph, the term 'invested capital' means, the fair market value at the time of contribution of any money or other property contributed to the partnership.

''(D) TREATMENT OF CERTAIN LOANS.—

''(i) PROCEEDS OF PARTNERSHIP LOANS NOT TREATED AS INVESTED CAPITAL OF SERVICE PROVIDING PARTNERS.—For purposes of this paragraph, an investment services partnership interest shall not be treated as acquired on account of a contribution of invested capital to the extent that such capital is attributable to the proceeds of any loan or other advance made or guaranteed, directly or indirectly, by any partner or the partnership.

''(ii) LOANS FROM NONSERVICE PROVIDING PARTNERS TO THE PARTNERSHIP TREATED AS INVESTED CAPITAL.—For purposes of this paragraph, any loan or other advance to the partnership made or guaranteed, directly or indirectly, by a partner not providing services to the partnership shall be treated as invested capital of such partner and amounts of income and loss treated as allocable to invested capital shall be adjusted accordingly.

''(d) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—

''(1) IN GENERAL.—If—

''(A) a person performs (directly or indirectly) investment management services for any entity,

''(B) such person holds a disqualified interest with respect to such entity, and

''(C) the value of such interest (or payments thereunder) is substantially related to the amount of income or gain (whether or not realized) from the assets with respect to which the investment management services are performed, any income or gain with respect to such interest shall be treated as ordinary income for the performance of services. Rules similar to the rules of subsection (c)(2) shall apply where such interest was acquired on account of invested capital in such entity.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) DISQUALIFIED INTEREST.—The term 'disqualified interest' means, with respect to any entity—

''(i) any interest in such entity other than indebtedness,

''(ii) convertible or contingent debt of such entity,

''(iii) any option or other right to acquire property described in clause (i) or (ii), and

''(iv) any derivative instrument entered into (directly or indirectly) with such entity or any investor in such entity.

Such term shall not include a partnership interest and shall not include stock in a taxable corporation.

''(B) TAXABLE CORPORATION.—The term 'taxable corporation' means—

''(i) a domestic C corporation, or

''(ii) a foreign corporation subject to a comprehensive foreign income tax.

''(C) INVESTMENT MANAGEMENT SERVICES.—The term 'investment management services' means a substantial quantity of any of the services described in subsection (c)(1) which are provided in the conduct of the trade or business of providing such services.

''(D) COMPREHENSIVE FOREIGN INCOME TAX.—The term 'comprehensive foreign income tax' means, with respect to any foreign corporation, the income tax of a foreign country if—

''(i) such corporation is eligible for the benefits of a comprehensive income tax treaty between such foreign country and the United States, or

''(ii) such corporation demonstrates to the satisfaction of the Secretary that such foreign country has a comprehensive income tax.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary or appropriate to carry out the purposes of this section, including regulations to—

''(1) prevent the avoidance of the purposes of this section, and

''(2) coordinate this section with the other provisions of this subchapter.

''(f) CROSS REFERENCE.—For 40 percent no fault penalty on certain underpayments due to the avoidance of this section, see section 6662.''.

(b) APPLICATION TO REAL ESTATE INVESTMENT TRUSTS.—

(1) IN GENERAL.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

''(9) EXCEPTION FROM RECHARACTERIZATION OF INCOME FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS.—

''(A) IN GENERAL.—Paragraphs (2), (3), and (4) shall be applied without regard to section 710 (relating to special rules for partners providing investment management services to partnership).

''(B) SPECIAL RULE FOR PARTNERSHIPS OWNED BY REITS.—Section 7704 shall be applied without regard to section 710 in the case of a partnership which meets each of the following requirements:

''(i) Such partnership is treated as publicly traded under section 7704 solely by reason of interests in such partnership being convertible into interests in a real estate investment trust which is publicly traded.

''(ii) 50 percent or more of the capital and profits interests of such partnership are owned, directly or indirectly, at all times during the taxable year by such real estate investment trust (determined with the application of section 267(c)).

''(iii) Such partnership meets the requirements of paragraphs (2), (3), and (4) (applied without regard to section 710).''.

(2) CONFORMING AMENDMENT.—Paragraph (4) of section 7704(d) is amended by inserting ''(determined without regard to section 856(c)(8))'' after ''856(c)(2)''.

(c) IMPOSITION OF PENALTY ON UNDERPAYMENTS.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (5) the following new paragraph:

''(6) The application of subsection (d) of section 710 or the regulations prescribed under section 710(e) to prevent the avoidance of the purposes of section 710.''.

(2) AMOUNT OF PENALTY.—

(A) IN GENERAL.—Section 6662 is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF PROPERTY TRANSFERRED FOR INVESTMENT MANAGEMENT SERVICES.—In the case of any portion of an underpayment to which this section applies by reason of subsection (b)(6), subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent'.''.

(B) CONFORMING AMENDMENTS.—Subparagraph (B) of section 6662A(e)(2) is amended—

(i) by striking ''section 6662(h)'' and inserting ''subsection (h) or (i) of section 6662'', and

(ii) by striking ''GROSS VALUATION MISSTATEMENT PENALTY'' in the heading and inserting ''CERTAIN INCREASED UNDERPAYMENT PENALTIES''.

(3) REASONABLE CAUSE EXCEPTION NOT APPLICABLE.—Subsection (c) of section 6664 is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(B) by striking ''paragraph (2)'' in paragraph (4), as so redesignated, and inserting ''paragraph (3)'', and

(C) by inserting after paragraph (1) the following new paragraph:

''(2) EXCEPTION.—Paragraph (1) shall not apply to any portion of an underpayment to which this section applies by reason of subsection (b)(6).''.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 731 is amended by inserting ''section 710(b)(4) (relating to distributions of partnership property),'' before ''section 736''.

(2) Section 741 is amended by inserting ''or section 710 (relating to special rules for partners providing investment management services to partnership)'' before the period at the end.

(3) Paragraph (13) of section 1402(a) is amended—

(A) by striking ''other than guaranteed'' and inserting ''other than—

''(A) guaranteed'',

(B) by striking the semicolon at the end and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) any income treated as ordinary income under section 710 received by an individual who provides investment management services (as defined in section 710(d)(2));''.

(4) Paragraph (12) of section 211(a) of the Social Security Act is amended—

(A) by striking ''other than guaranteed'' and inserting ''other than—

''(A) guaranteed'',

(B) by striking the semicolon at the end and inserting '', and'', and

(C) by adding at the end the following new subparagraph:

''(B) any income treated as ordinary income under section 710 of the Internal Revenue Code of 1986 received by an individual who provides investment management services (as defined in section 710(d)(2) of such Code);''.

(5) The table of sections for part I of subchapter K of chapter 1 is amended by adding at the end the following new item:

''Sec. 710. Special rules for partners providing investment management services to partnership.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after June 18, 2008.

(2) PARTNERSHIP TAXABLE YEARS WHICH INCLUDE EFFECTIVE DATE.—In applying section 710(a) of the Internal Revenue Code of 1986 (as added by this section) in the case of any partnership taxable year which includes June 18, 2008, the amount of the net income referred to in such section shall be treated as being the lesser of the net income for the entire partnership taxable year or the net income determined by only taking into account items attributable to the portion of the partnership taxable year which is after such date.

(3) DISPOSITIONS OF PARTNERSHIP INTERESTS.—Section 710(b) of the Internal Revenue Code of

1986 (as added by this section) shall apply to dispositions and distributions after June 18, 2008.

(4) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—Section 710(d) of such Code (as added by this section) shall take effect on June 18, 2008.

(5) PUBLICLY TRADED PARTNERSHIPS.—For purposes of applying section 7704, the amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 202. LIMITATION OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, GAS, OR PRIMARY PRODUCTS THEREOF.

(a) DENIAL OF DEDUCTION FOR MAJOR INTEGRATED OIL COMPANIES FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION OF OIL, GAS, OR PRIMARY PRODUCTS THEREOF.—

(1) IN GENERAL.—Subparagraph (B) of section 199(c)(4) (relating to exceptions) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by inserting after clause (iii) the following new clause:

''(iv) in the case of any major integrated oil company (as defined in section 167(h)(5)(B)), the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof during any taxable year described in section 167(h)(5)(B).''.

(2) PRIMARY PRODUCT.—Section 199(c)(4)(B) is amended by adding at the end the following flush sentence:

''For purposes of clause (iv), the term 'primary product' has the same meaning as when used in section 927(a)(2)(C), as in effect before its repeal.''.

(b) LIMITATION ON OIL RELATED QUALIFIED PRODUCTION ACTIVITIES INCOME FOR TAXPAYERS OTHER THAN MAJOR INTEGRATED OIL COMPANIES.—

(1) IN GENERAL.—Section 199(d) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

''(9) SPECIAL RULE FOR TAXPAYERS WITH OIL RELATED QUALIFIED PRODUCTION ACTIVITIES INCOME.—

''(A) IN GENERAL.—If a taxpayer (other than a major integrated oil company (as defined in section 167(h)(5)(B))) has oil related qualified production activities income for any taxable year beginning after 2009, the amount of the deduction under subsection (a) shall be reduced by 3 percent of the least of—

''(i) the oil related qualified production activities income of the taxpayer for the taxable year,

''(ii) the qualified production activities income of the taxpayer for the taxable year, or

''(iii) taxable income (determined without regard to this section).

''(B) OIL RELATED QUALIFIED PRODUCTION ACTIVITIES INCOME.—The term 'oil related qualified production activities income' means for any taxable year the qualified production activities income which is attributable to the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof during such taxable year.''.

(2) CONFORMING AMENDMENT.—Section 199(d)(2) (relating to application to individuals) is amended by striking ''subsection (a)(1)(B)'' and inserting ''subsections (a)(1)(B) and (d)(9)(A)(iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 203. LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.

(a) IN GENERAL.—Section 894 (relating to income affected by treaty) is amended by adding at the end the following new subsection:

''(d) LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.—

''(1) IN GENERAL.—In the case of any deductible related-party payment, any withholding tax imposed under chapter 3 (and any tax imposed under subpart A or B of this part) with respect to such payment may not be reduced under any treaty of the United States unless any such withholding tax would be reduced under a treaty of the United States if such payment were made directly to the foreign parent corporation.

''(2) DEDUCTIBLE RELATED-PARTY PAYMENT.—For purposes of this subsection, the term 'deductible related-party payment' means any payment made, directly or indirectly, by any person to any other person if the payment is allowable as a deduction under this chapter and both persons are members of the same foreign controlled group of entities.

''(3) FOREIGN CONTROLLED GROUP OF ENTITIES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'foreign controlled group of entities' means a controlled group of entities the common parent of which is a foreign corporation.

''(B) CONTROLLED GROUP OF ENTITIES.—The term 'controlled group of entities' means a controlled group of corporations as defined in section 1563(a)(1), except that—

''(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears therein, and

''(ii) the determination shall be made without regard to subsections (a)(4) and (b)(2) of section 1563.

A partnership or any other entity (other than a corporation) shall be treated as a member of a controlled group of entities if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).

''(4) FOREIGN PARENT CORPORATION.—For purposes of this subsection, the term 'foreign parent corporation' means, with respect to any deductible related-party payment, the common parent of the foreign controlled group of entities referred to in paragraph (3)(A).

''(5) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as are necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which provide for—

''(A) the treatment of two or more persons as members of a foreign controlled group of entities if such persons would be the common parent of such group if treated as one corporation, and

''(B) the treatment of any member of a foreign controlled group of entities as the common parent of such group if such treatment is appropriate taking into account the economic relationships among such entities.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 204. RETURNS RELATING TO PAYMENTS MADE IN SETTLEMENT OF PAYMENT CARD AND THIRD PARTY NETWORK TRANSACTIONS.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

''SEC. 6050W. RETURNS RELATING TO PAYMENTS MADE IN SETTLEMENT OF PAYMENT CARD AND THIRD PARTY NETWORK TRANSACTIONS.

''(a) IN GENERAL.—Each payment settlement entity shall make a return for each calendar year setting forth—

''(1) the name, address, and TIN of each participating payee to whom one or more payments in settlement of reportable payment transactions are made, and

''(2) the gross amount of the reportable payment transactions with respect to each such participating payee.

Such return shall be made at such time and in such form and manner as the Secretary may require by regulations.

''(b) PAYMENT SETTLEMENT ENTITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'payment settlement entity' means—

''(A) in the case of a payment card transaction, the merchant acquiring bank, and

''(B) in the case of a third party network transaction, the third party settlement organization.

''(2) MERCHANT ACQUIRING BANK.—The term 'merchant acquiring bank' means the bank or other organization which has the contractual obligation to make payment to participating payees in settlement of payment card transactions.

''(3) THIRD PARTY SETTLEMENT ORGANIZATION.—The term 'third party settlement organization' means the central organization which has the contractual obligation to make payment to participating payees of third party network transactions.

''(4) SPECIAL RULES RELATED TO INTERMEDIARIES.—For purposes of this section—

''(A) AGGREGATED PAYEES.—In any case where reportable payment transactions of more than one participating payee are settled through an intermediary—

''(i) such intermediary shall be treated as the participating payee for purposes of determining the reporting obligations of the payment settlement entity with respect to such transactions, and

''(ii) such intermediary shall be treated as the payment settlement entity with respect to the settlement of such transactions with the participating payees.

''(B) ELECTRONIC PAYMENT FACILITATORS.—In any case where an electronic payment facilitator or other third party makes payments in settlement of reportable payment transactions on behalf of the payment settlement entity, the return under subsection (a) shall be made by such electronic payment facilitator or other third party in lieu of the payment settlement entity.

''(c) REPORTABLE PAYMENT TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'reportable payment transaction' means any payment card transaction and any third party network transaction.

''(2) PAYMENT CARD TRANSACTION.—The term 'payment card transaction' means any transaction in which a payment card is accepted as payment.

''(3) THIRD PARTY NETWORK TRANSACTION.—The term 'third party network transaction' means any transaction which is settled through a third party payment network.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) PARTICIPATING PAYEE.—

''(A) IN GENERAL.—The term 'participating payee' '' means—

''(i) in the case of a payment card transaction, any person who accepts a payment card as payment, and

''(ii) in the case of a third party network transaction, any person who accepts payment from a third party settlement organization in settlement of such transaction.

''(B) EXCLUSION OF FOREIGN PERSONS.—Except as provided by the Secretary in regulations or other guidance, such term shall not include any person with a foreign address.

''(C) INCLUSION OF GOVERNMENTAL UNITS.—The term 'person' includes any governmental unit (and any agency or instrumentality thereof).

''(2) PAYMENT CARD.—The term 'payment card' means any card which is issued pursuant to an agreement or arrangement which provides for—

''(A) one or more issuers of such cards,

''(B) a network of persons unrelated to each other, and to the issuer, who agree to accept such cards as payment, and

''(C) standards and mechanisms for settling the transactions between the merchant acquiring banks and the persons who agree to accept such cards as payment.

The acceptance as payment of any account number or other indicia associated with a payment card shall be treated for purposes of this

section in the same manner as accepting such payment card as payment.

''(3) THIRD PARTY PAYMENT NETWORK.—The term 'third party payment network' means any agreement or arrangement—

''(A) which involves the establishment of accounts with a central organization for the purpose of settling transactions between persons who establish such accounts,

''(B) which provides for standards and mechanisms for settling such transactions,

''(C) which involves a substantial number of persons unrelated to such central organization who provide goods or services and who have agreed to settle transactions for the provision of such goods or services pursuant to such agreement or arrangement, and

''(D) which guarantees persons providing goods or services pursuant to such agreement or arrangement that such persons will be paid for providing such goods or services.

Such term shall not include any agreement or arrangement which provides for the issuance of payment cards.

''(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third party settlement organization shall be required to report any information under subsection (a) with respect to third party network transactions of any participating payee only if—

''(1) the amount which would otherwise be reported under subsection (a)(2) with respect to such transactions exceeds $10,000, and

''(2) the aggregate number of such transactions exceeds 200.

''(f) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each person with respect to whom such a return is required a written statement showing—

''(1) the name, address, and phone number of the information contact of the person required to make such return, and

''(2) the gross amount of the reportable payment transactions with respect to the person required to be shown on the return.

The written statement required under the preceding sentence shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made. Such statement may be furnished electronically.

''(g) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out this section, including rules to prevent the reporting of the same transaction more than once.''.

(b) PENALTY FOR FAILURE TO FILE.—

(1) RETURN.—Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking ''and'' at the end of clause (xx),

(B) by redesignating the clause (xix) that follows clause (xx) as clause (xxi),

(C) by striking ''and'' at the end of clause (xxi), as redesignated by subparagraph (B) and inserting ''or'', and

(D) by adding at the end the following:

''(xxii) section 6050W (relating to returns to payments made in settlement of payment card transactions), and''.

(2) STATEMENT.—Paragraph (2) of section 6724(d) is amended by inserting a comma at the end of subparagraph (BB), by striking the period at the end of the subparagraph (CC) and inserting '', or'', and by inserting after subparagraph (CC) the following:

''(DD) section 6050W(c) (relating to returns relating to payments made in settlement of payment card transactions).''.

(c) APPLICATION OF BACKUP WITHHOLDING.—Paragraph (3) of section 3406(b) is amended by striking ''or'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', or'', and by adding at the end the following new subparagraph:

''(F) section 6050W (relating to returns relating to payments made in settlement of payment card transactions).''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050V the following:

''Sec. 6050W. Returns relating to payments made in settlement of payment card and third party network transactions.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to returns for calendar years beginning after December 31, 2010.

(2) APPLICATION OF BACKUP WITHHOLDING.—

(A) IN GENERAL.—The amendment made by subsection (c) shall apply to amounts paid after December 31, 2011.

(B) ELIGIBILITY FOR TIN MATCHING PROGRAM.—Solely for purposes of carrying out any TIN matching program established by the Secretary under section 3406(i) of the Internal Revenue Code of 1986—

(i) the amendments made this section shall be treated as taking effect on the date of the enactment of this Act, and

(ii) each person responsible for setting the standards and mechanisms referred to in section 6050W(d)(2)(C) of such Code, as added by this section, for settling transactions involving payment cards shall be treated in the same manner as a payment settlement entity.

SEC. 205. APPLICATION OF CONTINUOUS LEVY TO PROPERTY SOLD OR LEASED TO THE FEDERAL GOVERNMENT.

(a) IN GENERAL.—Paragraph (3) of section 6331(h) is amended by striking ''goods'' and inserting ''property''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to levies approved after the date of the enactment of this Act.

SEC. 206. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

(a) REPEAL OF ADJUSTMENT FOR 2012.—Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking the percentage contained therein and inserting ''100 percent''.

(b) MODIFICATION OF ADJUSTMENT FOR 2013.—The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 59.5 percentage points.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY) each will control 30 minutes.

The Chair recognizes the gentleman from New York.

□ 1315

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, some time ago, in an effort to make certain that 159 taxpayers who are very wealthy had some tax liability, the Congress at that time passed the alternative minimum tax. What they neglected to do was to index the tax structure for inflation, and as a result we find people making 30, 40, $50,000 caught up as though they were wealthy taxpayers trying to avoid or evade their tax liability.

Now, the President should know, as other Presidents, that this is a very, very unfair tax. The truth of the matter is it should not even be in this structure. But in the close to 7 years that the President has been in office, he has not seen fit to give us a tax reform bill so that we can do what everyone in this House would want done, and that is to eliminate this fiscal threat from now some 25 million taxpayers.

So what do we have to do? Every year we have to come down and so-called ''patch it'' because, politically speaking, no one is going to go home and say that they did nothing about it.

So what is the difference between what we want to do in the majority and the other side? Well, if you listen carefully, you would see that the President has put this AMT in every budget except the one we have this year, which means that in the budget he never intends to remove it or have it removed. What does putting it in the budget mean? It means that you expect the money that would be coming from the alternative minimum tax to be there to spend. I can understand that, except that Congress says that we're not going to collect that money. So what we would believe is that if we're taking $61 billion out of the economy that we shouldn't go to China and Japan and ask them once again to bail us out but we should take a look at the Tax Code and to find out just what things in the Tax Code, what preferential treatment, what loopholes are there so that when we repair the AMT, at least for this year, we will be able to say we didn't borrow the money and we didn't put this burden on our children and our grandchildren.

So the four areas that we concentrated on to raise the money to get this bill passed is the carried interest. What is that? All it says is that if two groups of people, one a corporation and the other a partnership, are managing someone else's money and if, indeed, they don't put their own money in it, that the tax rate should be 35 percent. Somehow a group has manipulated the system, made themselves a partnership, said they didn't put in their own money, but they still consider it a capital investment, and they are now taxed at the rate of 15 percent. We think it's unequal, it's wrong, and we correct it.

The other area that we have a concern about is people who use tax havens for money earned in the United States to avoid taxes. They put it overseas. In the area of credit cards, we have the major credit card holders that reimburse vendors, and all we ask the vendors to do is to report the money they've had for reimbursement. And then, of course, we have our oil industry that received tax credits that they were not entitled to, and certainly at the obscene profits they're making, I hate to believe that someone believes that the government should further subsidize the moneys that they're making.

So, Mr. Speaker, it's going to be interesting to see how the other side explains as to why they don't have to pay for this. Certainly, if indeed we do nothing, $61 billion of tax burden is going to fall on 25 million good American taxpayers, and we want to fill that

gap of the $61 billion. The other side says it doesn't exist, and so I can't wait to sit down so I can listen to their very interesting argument.

Mr. Speaker, I reserve the balance of my time.

Mr. MCCRERY. Mr. Speaker, I yield myself such time as I may consume.

Today's bill, Mr. Speaker, represents a clear difference between the two parties in the House when it comes to tax policy. Republicans believe that Congress should not raise taxes on one group of taxpayers in order to prevent a tax increase on another set of taxpayers. To say that another way, we don't believe we ought to have to raise taxes to preserve something that's already in the Tax Code.

Now, we are certainly for continuing to patch the alternative minimum tax. That's been the practice for the last several years. The President, in his budget for the last several years, has had an AMT patch in his budget without increasing taxes on somebody else. So we are certainly for that. But we are not for imposing a tax increase in a like amount on another set of taxpayers. That just doesn't make sense to us.

Without this patch, another 21 million families would come under the AMT, and their average tax increase would be about $2,400 per taxpayer. So we certainly want to prevent that. But in 2007, we had the patch in place; so we did not collect the AMT revenue from those 21 million taxpayers. And yet we collected, last year, in revenues to the Federal Government, about 18.7, 18.8 percent of gross domestic product. The historic average of revenues coming into the Federal Government for the last 40 years has been about 18.3 percent of GDP. So last year with the AMT patch in place, those 21 million taxpayers protected from the AMT, we brought in substantially more in revenues to the Federal Government than we have historically.

So why, then, should we be so intent on increasing taxes to prevent those 21 million taxpayers from paying $2,400 apiece more in taxes in 2008? The only explanation is somebody just wants to get more revenue into the Federal Government. Now, they may say, well, we want to do that because the deficit is really high and we want to get the deficit down. Well, I wonder, if we took a poll across America, how many Americans would say, ''Yes, I want to get the deficit down and I want to do it by raising taxes'' and how many Americans would say, ''Yes, I want to get the deficit down, but I want to do it by controlling spending''? My guess is more Americans would say, ''I want to get the deficit down by controlling spending.'' But the PAYGO rules that are in effect, while they give us the opportunity to reduce spending to ''pay for'' all of these things, not once have we seen a cut in spending being offered by the majority to pay for any of these items. It's always a tax increase.

So, yes, if you want to get the deficit down to zero, you can do it by increasing taxes, and under the PAYGO baseline, if we were to follow it, we would continue to increase the take of the Federal Government from American taxpayers until at the end of a 10-year window we'd be taking in 20.5 percent of GDP, an historic high, or pretty close to an historic high, and certainly only a couple times in our Nation's history have we even approached that level of revenues coming into the Federal Government.

Now, I think it's a legitimate question as to what is the appropriate level of GDP that we should bring in to the Federal Government, and Chairman RANGEL alluded to that in his statement by saying that, I believe he said, the President hasn't offered a tax reform plan. That's true, I guess, he hasn't. But you know what? Under the Constitution, the President can't even introduce a bill, much less pass one. That's the job of the Congress.

So if we want to do tax reform, which I think is appropriate, we ought to have this discussion about what is the appropriate level of revenue that we should bring in? What is the appropriate take of the Federal Government of everything that Americans make? Is it 18.3 percent, the historic average? Is it 18.7 percent, what we took in last year? Or is it 20.5 percent? I don't know what the magic number is, but that's a legitimate debate, and we ought to have that debate in the context of writing a new tax system for the United States that is more modern, more efficient, and more competitive. So I hope that the chairman will, in his constitutional prerogative as the chairman of the Ways and Means Committee, undertake that task, have that debate, so that we can solve this problem once and for all of the AMT, the complexity of the code, and the continuing diminution of competitiveness that we enjoy with our tax system, vis-a-vis our competitors around the world.

This bill employs some pay-fors, some tax increases, that I believe would be onerous and would add to the lack of competitiveness in our Tax Code. For example, there is a provision that would, for the first time, ignore tax treaties that we have entered into in good faith with other countries around the world and would impose upon companies doing business, foreign companies doing business, through a United States subsidiary in this country, creating jobs in this country, a 30 percent tax, despite the fact that we have a tax treaty that says that company would get a deduction for that income and would not have to pay that 30 percent tax because they'd be paying taxes in the country where we have a tax treaty.

Now, yes, they say, well, but the ultimate parent is somewhere where there's not a tax treaty, but that still violates the spirit of the tax treaty that we have with the country where the immediate parent of the United States subsidiary resides. That change in our Tax Code would discourage at the margin that capital from coming to this country, being invested in this country, and creating jobs in this country.

Those companies that I'm talking about employ a substantial number of Americans; 5.3 million Americans are employed by those kinds of companies. Do we want to jeopardize those jobs? And 19 percent of all United States exports, helping us a little bit to get the balance of trade going our way, 19 percent of all exports come from companies like that. And just last year they reinvested nearly $71 billion back into their United States operations. That's capital, that's investment that we should want here and not discourage through tax changes like the one in this bill.

So, Mr. Speaker, I would say to the Members of this body that we ought to reject the majority's offering that they put forward today to save 21 million taxpayers from coming under the AMT because they would impose a like amount of tax increase on another set of taxpayers. Let's not increase taxes on any set of taxpayers, certainly not in this fragile economy.

We will later offer a motion to recommit that corrects the error, that strips the bill of the pay-fors, and it would allow this body to vote on a clean AMT patch to save those 21 million taxpayers from the increased tax burden but not increase taxes on somebody else.

□ 1330

With that, Mr. Speaker, I yield back the balance of my time.

Mr. RANGEL. I have no further speakers, Mr. Speaker.

GENERAL LEAVE

Mr. RANGEL. I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 6275, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEEK of Florida. Mr. Speaker, I am pleased to be a cosponsor to this bill that will give Alternative Minimum Tax Relief to those families in my district and the entire State of Florida who will be unfairly hit with this tax in 2008.

While the AMT was not intended to burden our working families, now in 2008 it does. Initially, the AMT applied to fewer than 20,000 taxpayers. In 2007, it applied to 4.2 million taxpayers. By 2008, up to 26 million taxpayers are projected to be subject to the AMT. Moreover, it is the middle- to upper-middle-income taxpayers who are the targets of this tax. It is our married taxpayers and larger families that are especially going to fall under this tax.

An astounding increase in the number of working families in Florida will be hurt by the AMT in 2008 if something is not done. It is projected that over six times the number of working families will be hurt by the AMT in my State of Florida in 2008 than were hurt by this tax in 2005. In 2005, there were 161,000 AMT returns filed in the State of Florida. However,

in 2008, it is estimated that 956,000 AMT returns will be filed in Florida—a more than six times increase between 2005 and 2008.

In 2007, Florida ranked seventh in the number of returns that were caught. with the Alternative Minimum Tax burden. However, in 2008, Florida is projected to rank fifth in the number of returns caught with the AMT. So even in the one year, 2007 to 2008, the number of working families in Florida caught with the AMT has increased tremendously.

Originally, the AMT was intended to cover only America's high-income taxpayers to ensure that they pay at least a minimum amount of federal taxes. But now, it is not this group that will be the most adversely affected by the AMT. It is our hard-working families—over 950,000 hard-working families in Florida alone that will be hit unintentionally and unfairly with this tax. This is not what the AMT was intended to do, and it is time for those families in Florida and elsewhere to get badly needed relief from this tax.

Mr. CONYERS. Mr. Speaker, the middle class is hurting. They are facing tough decisions over rising gas, food, and health care prices. Adding to their economic dilemma, the Alternative Minimum Tax, AMT, may reach many of them this coming year. Today, we will vote on H.R. 6275, the Alternative Minimum Tax Relief Act of 2008, which would provide relief to middle class taxpayers by avoiding the AMT.

The original intent behind the AMT was to guarantee that the wealthiest Americans paid their fair share of taxes. However, the AMT was not adjusted for inflation and hard-working Americans were lumped into this tax. Today, the Congress must act to prevent 25.6 million middle income Americans being liable for paying thousands of dollars in additional taxes.

Restructuring the tax code will more fairly distribute the tax burden. H.R. 6275 will tax private equity managers, who actually pay lower taxes on carried interest and repeal unnecessary Government subsidies for the big five oil companies reaping record profits and on multinational corporations who offshore their businesses for the express purpose of tax avoidance. It is unconscionable that our tax code allows these corporations to avoid taxes while hard-working Americans get hit with a stern tax and pay extremely high gas prices at the pump. This legislation closes these major tax loopholes.

H.R. 6275 restores America's tradition of giving a helping hand to those in need. We need to stop the giveaways to Big Oil and Wall Street brokers and begin to focus on the needs of average working Americans. This is a commonsense piece of legislation and I urge my colleagues to support the bill.

Mr. LEVIN. Mr. Speaker, I rise in strong support of the AMT Relief Act. Once again, we are considering a one-year ''patch'' for the AMT. This bill will protect over 25 million families who would otherwise be forced to pay higher taxes under the AMT through no fault of their own.

We all know that the AMT was never meant to apply to middle-class families, and I think we all agree that we need to find a permanent fix to this problem.

But once again, the minority wants to insist that we provide this tax relief in a fiscally irresponsible manner. Patching the AMT for 2008 without offsets would increase the deficit by $61 billion. Our colleagues in the minority will argue that because Congress never meant for this to happen, or that because it maintains the status quo for taxpayers, we don't have to pay for it.

The reality is that we pay for it one way or another. The minority would have us borrow the money and make our children pay for it.

Let me say a word about the offsets we've used here, because this bill is paid for with provisions that end basic inequities in our tax code.

The Joint Committee on Taxation's revenue estimate for the carried interest provision indicates that over $150 billion in income will be taxed at capital gains rates rather than ordinary income rates if we do not make this change. This is a lot of income, and according to the Joint Committee, this is not going to ''mom and pop'' operations, a common reference by those arguing against this provision.

For anyone who thinks there are ''mom and pop'' private equity funds, or that this is essentially about ''mom and pop'' real estate developers, let me quote the Joint Committee on Taxation. In a memo to the Ways and Means Committee staff, the Joint Committee writes: ''We assumed that nearly all recipients [of carried interest] would be at the highest marginal tax rate.'' The top tax bracket for married couples starts at $357,000 in taxable income. Claims made that the carried interest issue is about ''mom and pop'' business owners just are not credible.

More generally though, treating carried interest as ordinary income is not about raising taxes, it's about fairness. Investment fund managers should not pay a lower tax rate on their compensation for services than other Americans. The only thing this does is say to the fund managers, if you're providing a service, in this case managing assets for your investors, you ought to be taxed on that compensation at the same rates as everyone else.

If they have their own money in the funds they manage, they will still get capital gains treatment on that portion of the profits. This is no different in concept than options for corporate executives. They are both incentive compensation to encourage performance, and carried interest should be taxed at ordinary rates like stock options.

The argument that this proposal will hurt economic growth or even pension plans is just disingenuous. If it will hurt growth, why have senior economic advisers to the last three Republican Presidents publicly supported this proposal? Real estate partnerships, including those that don't use carried interest at all, earn less than 10 percent of all income from real estate development and construction.

Regarding the oil and gas provisions, I think it's important to look at the history of how these companies got these subsidies in the first place. In 2004 we had to replace the FSC provisions of our tax code because of a WTO ruling. We replaced them with a deduction to encourage domestic manufacturing.

The minority, then in the majority, added the oil and gas industries to what was supposd to be a deduction for manufacturers, even though the FSC provisions we were replacing had nothing to do with oil and gas. This was an unjustified giveaway then, and it is only fair that we correct the situation, especially now that oil companies are earning record profits. ExxonMobil alone earned $40.6 billion in 2007, a U.S. corporate record.

So, Mr. Speaker, this bill protects middle-class families from the AMT, it's fiscally responsible and it makes our tax code fairer. I urge all my colleagues to support it.

Mr. ETHERIDGE. Mr. Speaker, I rise in support of H.R. 6275, Alternative Minimum Tax Relief Act of 2008.

H.R. 6275 is critical to easing the burden on middle-class taxpayers. The Alternative Minimum Tax, AMT, was originally intended to make sure that the Nation's wealthiest citizens did not avoid paying taxes altogether. However, it was not indexed for inflation and the AMT now affects millions of middle income tax payers across the country. H.R. 6275 would extend for 1 year AMT relief for nonrefundable personal credits and increases the AMT exemption amount to $69,950 for joint filers and $46,200 for individuals. At a time of economic uncertainty and rising gas and food prices, H.R. 6275 would provide over 25 million families with tax relief. In my district alone, over 33,000 families would be affected by the AMT this year.

As a member of the Budget Committee, I am also pleased that this bill includes offsets and is budget-neutral. Instead of adding to our national debt, H.R. 6275 responsibly pays for itself by closing a loophole that allows hedge fund managers to pay less taxes, encouraging tax compliance, repealing subsidies for the five biggest oil companies, and tightening tax laws on foreign-owned companies. I support H.R. 6275, Alternative Minimum Tax Relief Act of 2008, and I urge my colleagues to join me in voting for its passage.

Mr. PASCRELL. Mr. Speaker, one of the hallmarks of the Ways and Means Committee is that fairness is always the order of the day. Fairness in priorities. Fairness in legislation. H.R. 6275 exemplifies this fact.

Our bill will provide $62 billion in AMT relief to more than 25 million families nationwide.

In my district alone, almost 80,000 people are on track to endure the significant tax increase of the AMT this year if we do not act now. That's up from 20,000 people in 2005.

Many of the people affected would be firefighters, cops and teachers—a far cry from the original intent of the AMT. Indeed, the middle class is being more and more affected—your constituents and mine. And it's only getting worse.

Unfortunately there are those on the other side of the aisle who will not vote today for the best interests of their constituents.

Instead, they will choose to cast their vote for the Kings of Wall Street who are already the richest people in the history of our Nation.

We pay for this bill, in part, by simply requiring that investment fund managers are taxed at the same income rates as every other American. After all, why should the very richest among us be taxed at 15 percent when a doctor or lawyer pays 35 percent? Or when a teacher or plumber, et cetera, is taxed at 25?

Yet because of this provision, many Republicans will be unable to vote for real tax relief for their constituents. I find this as inexplicable as I do sad.

This legislation is wise and it is fair. It will give tax relief to 25 million hard-working Americans while ensuring fairness in the tax code. So try to explain to the firefighters and cops in your district that you wanted to take care of investment fund managers instead.

Mrs. JONES of Ohio. Mr. Speaker, I rise today in support of H.R. 6275, the Alternative Minimum Tax Relief Act of 2008. I am pleased to see that once again you have presented a

responsible solution to the alternative minimum tax from a broad, policy-oriented perspective.

The alternative minimum tax is a critical issue for the American middle class taxpayer who does not get to take advantage of sophisticated tax planning and legal loopholes in the tax code. It is time that we addressed this issue once and for all to relieve the American taxpayer from the agony of dealing with the AMT. A permanent patch is what we really need, but today we have to plug the dike once again.

If you'll recall, in 1969 the public outcry was so loud about the original 155 families who owed no Federal income taxes that Congress received more letters from constituents about that than about the Vietnam war.

It is particularly ironic that a tax that was meant for 155 wealthy individuals has become the bane of existence for millions of American taxpayers. Indeed the AMT has become a menace. Over 31,000 hardworking, middle-class Ohioans in my district had the grim task of filing a return with AMT implications in the 2005 tax year.

Without this legislation that number would surely grow. Those are families with children, healthcare costs, unemployment issues, housing costs and the other money matters with which American taxpayers must cope, not to mention higher gas prices. Tax relief is due.

As I mentioned after the introduction of H.R. 2834, the carried interest legislation sponsored by my colleague, SANDER LEVIN, we must continue to laud the efforts of American capitalists and the strides that they make in enhancing and creating liquidity in our capital markets, and helping our economy grow into the dynamic force that it is today. I am also aware of the critical role that private equity firms play in our economy. We must be aware that this change in taxation can have a deleterious effect on some small venture capital and minority-owned firms. The color of money is green, but if you are smaller than Blackstone or Carlyle, your firm might be seeing red. But we must also have responsible budget offsets.

The tenets of sound tax policy begin with the notions of equity, efficiency and simplicity. Relying on that traditional framework I am sure that we have come to a rational consensus that will ensure 25 million more Americans will not be hit with the AMT.

''Taxes are what we pay to live in civilized society,'' but dealing with the AMT has become a bit uncivil.

Ms. SCHWARTZ. Mr. Speaker, I thank Chairman RANGEL for his leadership and I am proud of our work to protect 25 million American taxpayers—including half a million people in Southeastern Pennsylvania—from the pain of the Alternative Minimum Tax. True to their record of increasing debt, the Republicans continue to say, ''there's no need to offset AMT relief because this tax was never intended to hit these people.''

But in 2001 they knew that the Bush tax cuts would increase—by 127%—the number of AMT taxpayers this year. And they consistently used these taxpayers to mask the true cost of their failed fiscal policies.

We cannot ignore the consequences of these bad decisions. We are committed to reversing the Bush Administration's policy and fiscal failures. We are committed to enacting permanent—fiscally responsible—AMT relief for middle income taxpayers. And we are committed to act today to protect millions of Americans from the AMT this year without adding to the Nation's exploding debt.

Mr. Speaker—given the economic downturn and financial challenges facing our families and our Nation, our constituents have the right to expect fair and responsible tax policy. Today's proposal to provide tax relief to 25 million American families by closing loopholes that benefit only the wealthiest individuals is fair, it is responsible, and it deserves passage.

Mr. KIND. Mr. Speaker, I rise today in support of H.R. 6275, the Alternative Minimum Tax Relief Act of 2008. As a member of the Ways and Means Committee, I am proud to have helped craft this very important tax bill that will give much needed relief to millions of American taxpayers.

Unfortunately, over the last several years we have seen tax bills pushed through Congress and signed by the President under the guise of ''relief'' for the middle class and the poorest in the country. I think many in this chamber have now come to recognize that many of these measures presented as tax relief for the middle class were in fact more tax breaks for the richest in society. Today we finally have before us a bill that will give real relief to millions of taxpayers, many of whom are hardworking middle class families.

Specifically, H.R. 6275 provides for a 1-year patch for the Alternative Minimum Tax (AMT). The AMT was developed in the 1970s to ensure that America's wealthiest could not take advantage of the tax code in a way that would allow them to avoid paying taxes altogether. The AMT was not indexed for inflation, however, and without this legislation it will reach into the pocketbooks of middle-class families it was never intended to hit. In my district alone, the AMT could affect 50,000 additional western Wisconsin families this year, many of whom have no idea they face a tax increase. Without this legislation, it is estimated that the AMT will hit an additional 538,970 taxpayers in Wisconsin and 25 million nationally. It is hard for me to think of something more important than protecting 25 million Americans from a tax that was never intended for them.

Most importantly, this bill is fully offset and complies with pay-go rules that the Democratic majority restored at the beginning of this Congress. The legislation provides 1-year relief from the AMT without adding to the deficit by closing loopholes in the tax code, encouraging tax compliance, and repealing excessive government subsidies given to oil companies. These changes establish fairness in the tax code and show that we can provide tax relief without sending the debt on to our children. After years of fiscal recklessness—deficit-financed tax cuts for the wealthy and out-of-control government spending—this bill sets a precedent of fiscally responsible tax reform.

Finally, I would like to thank Chairman RANGEL for putting together this common sense bill that is not only fair but does the right thing by paying for the bill and fixing some inequities in the tax code. I look forward to working with him to reform the tax code and for once and for all put an end to the AMT and Congress having to do a yearly patch.

Again, Mr. Speaker, I am happy to support this sensible and fair tax bill before us today. Protecting millions of taxpayers from being caught by the AMT is of the utmost importance. I urge my colleagues to support H.R. 6275.

Mr. MANZULLO. Mr. Speaker, temporary tax relief should not be offset with permanent tax increases that will stifle foreign direct investment into this country.

The Alternative Minimum Tax is a mistaken tax policy. Originally designed to tax the super-rich, it now covers many in the middle class, particularly those with large families, because of inflation. Without relief, 19 million Americans will see a tax increase of $2,000 next year.

However, to temporarily correct this error by permanently raising nearly $7 billion from foreigners who invest in the United States simply makes a bad situation worse. We are finally attracting more foreign investment into the United States. In 2007, foreign direct investment rose to its highest levels in seven years, reaching over $204 billion.

U.S. subsidiaries of companies headquartered abroad now employ 5.3 million Americans, of which 30 percent work in the manufacturing sector. Nineteen percent of all U.S. exports came from these firms and they reinvested nearly $71 billion back into their U.S. operations.

In Illinois, U.S. subsidiaries of companies headquartered abroad employed over 226,000 workers, of which over 61,000 were in the manufacturing sector. In fact, there are over 30 U.S. subsidiaries of companies headquartered abroad that employ over 6,000 workers in the northern Illinois district that I am proud to represent.

The offset used to ''pay for'' part of this AMT bill will strongly discourage future foreign investment in the United States and will halt any future progress on negotiating tax treaties with other countries.

For example, Nissan USA, which is owned by Nissan headquartered in Japan, borrows money from their finance unit based in the Netherlands. Under our current tax treaty with the Netherlands, no tax is applied. However, under this bill a new 10 percent tax would be applied to this transaction. The Netherlands will then most likely view this as an abrogation of our tax treaty and will either seek renegotiation or outright annulment, thus hurting our overall trade with the Netherlands.

This is all a silly exercise. We all know how this will turn out because the Senate will not agree to these offsets. However, this bill sends a chilling message to our friends overseas that they will be subject to a higher tax next year because this is the second time that the Democratic Party has proposed this offset. Vote no on H.R. 6275 to preserve jobs in your district and to send a signal that the U.S. remains open to foreign direct investment.

Mr. HERGER. Mr. Speaker, we all know this bill is purely a political exercise. Congress will eventually pass an AMT patch that does not contain permanent tax increases. All we are doing today is postponing final action and risking a repeat of last year's delay that created major headaches for taxpayers.

I believe we shouldn't be expanding the federal government's share of the economy by pairing temporary extensions of tax relief with permanent tax increases. I've heard a number of concerns from small businesses about one of these offsets, a new reporting requirement for credit card transactions. Last week, when the Ways and Means Committee considered this bill, we were told by the Treasury Department that they have not done a cost-benefit analysis on this proposal. I fear we are going

down the same road as we did two years ago with the 3 percent withholding requirement, which we've now learned will cost the government far more than it will raise in revenue.

On top of that, this bill raises taxes on American energy producers. This does nothing to reduce gas prices—in fact, it will only make them higher. And there's simply no justification for a provision that penalizes U.S. producers but doesn't affect subsidiaries of foreign-owned firms. This legislation just doesn't make sense. I urge my colleagues to vote ''no.''

Mr. HOLT. Mr. Speaker, I rise in support of H.R. 6275, the Alternative Minimum Tax Relief Act of 2008.

Forty years ago the Alternative Minimum Tax (AMT) was originally enacted to ensure that wealthiest Americans—like everyone else—paid their fair share of taxes. Prior to the enactment of the AMT, the wealthiest Americans were exploiting loopholes in the tax code to circumvent their societal obligations. However this tax, which was intended for a few hundred of the wealthiest Americans has never been adjusted to account for inflation. Through inflation and tax-rate creep the AMT has become a middle class tax hike.

We have been unable to pass a permanent fix to the AMT to prevent middle class Americans from fearing that they will get hit by the AMT every year. More families in Central New Jersey are affected by the AMT than anywhere else in the country. Over 33,000 of my constituents already pay the AMT, under the current law, and an additional 88,000 of my constituents would be subject to the AMT if we do not act to prevent the patch from expiring. American families are already suffering from skyrocketing gas and food prices that they did not build into their family budgets. Compounding this financial burden with an unexpected and undeserved tax hike would hit New Jersey families hard. Yet, that is what will happen if we do not take action today.

Mr. Speaker, I have long been concerned with the growing debt that we are passing on to the next generation and have often called for a revision of the AMT that will not increase our national debt. The Alternative Minimum Tax Relief Act of 2008 makes good on our promise to the American people that we will not spend money that Congress does not have. This legislation will offer more than 25 million families relief from the AMT without adding to the deficit. This will be achieved by promoting tax compliance, removing inequities in the tax code, and decreasing government subsidies to oil companies.

While I support this legislation, we need a permanent fix to ensure that this tax intended for the wealthiest Americans is not passed down to middle income Americans and do so in a fiscally responsible way.

Mr. RANGEL. I yield back the balance of my time, and ask for a vote in favor of the amendment.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 1297, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MCCRERY

Mr. MCCRERY. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MCCRERY. I am opposed to the bill in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McCrery of Louisiana moves to recommit the bill H.R. 6275 to the Committee on Ways and Means with instructions to report the same back to the House promptly in the form to which perfected at the time of this motion, with the following amendments:

Page 4, after line 5, add the following new section:

SEC. 103. CHARITABLE MILEAGE RATE TREATED THE SAME AS MEDICAL AND MOVING RATE.

(a) IN GENERAL.—Subsection (i) of section 170 (relating to standard mileage rate for use of passenger automobile) is amended by striking ''14 cents per mile'' and inserting ''the rate determined for purposes of sections 213 and 217''.

(b) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to miles driven on or after July 1, 2008.

Page 4, strike line 6 and all that follows through line 2 on page 37 (all of title II).

Mr. MCCRERY (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. MCCRERY. Thank you, Mr. Speaker.

The majority's use of PAYGO has really twisted the logic of this bumper-sticker-turned-budget-tool into a pretzel. In the last 2 weeks, when PAYGO stood in the way of more government spending, it was ignored or openly waived. But, today, the majority insists on new permanent tax increases in exchange for a 1-year extension of needed tax relief. That is not a good deal for anybody—a permanent tax increase to pay for a temporary tax relief.

The motion that we have before us would save us from that fate. It would remove the tax increases in the bill, including the particularly misguided higher taxes on energy production that would discourage production here at home, that would further increase our energy insecurity, that would reduce our energy supplies, and that would increase prices.

Is that what we want to do? Do we want to increase the price of gasoline? That is what the effect of this would be. This is a tax increase on oil and gas companies—the companies that produce the oil, the gasoline that we buy. Do we think that, if we increase taxes on them, they are just going to absorb that? Of course not. They will pass it through to the consumer, which will mean higher gasoline prices.

This is a terribly misguided part of this bill. The motion to recommit would get rid of that ill-advised tax increase. So we get rid of all the pay-fors in the bill. That's the first thing that the motion to recommit does.

The second thing we do is we do provide some relief in this bill from high gasoline prices to volunteers who use their vehicles to help charities carry out their work. A lot of charities are telling us that they are losing volunteers because of the high price of gasoline.

Now, the IRS has some authority to modify the tax deduction that people can get from using gasoline in certain situations. So the IRS did, this week in fact, implement a midyear increase in the standard mileage deduction rates, increasing to 58½ cents the allowable deduction for expenses incurred in operating a vehicle while carrying on a trade or business, and raising to 27 cents per mile the deduction for gasoline costs associated with transportation primarily for and essential to receiving medical care and for travel while moving.

But the IRS could not raise the deduction that can be claimed by individuals who use their car for charitable purposes, such as for delivering Meals on Wheels. That has to be done legislatively. So our motion to recommit would do just that. We would set the allowable deduction for gasoline expenses for charitable purposes at the same rate for medical care and for travel while moving, 27 cents per mile.

Meals on Wheels is one of those charities that has told us that they are losing volunteers because of gas prices. Nearly half indicated that increases in gas prices had forced them to eliminate meal delivery routes or to consolidate their meal services.

Mr. Speaker, these high gasoline prices are, in fact, having a very deleterious effect on charities and on Meals on Wheels in particular. I won't go into some of the details that we have been given by Meals on Wheels about the state of some of our seniors, but needless to say, it's not a pretty picture.

So this would give those charities some relief, Mr. Speaker, and it would allow them, we think, to get some of those volunteers back in active service to relieve some of these problems that we have.

So, Mr. Speaker, our motion to recommit does two things. It takes out the tax increases in this bill, leaving in place the AMT patch to give tax relief to those taxpayers who would otherwise be subjected to a $2,400-apiece increase in taxes, and number two, it increases the deduction, the mileage deduction, for vehicle use for charitable purposes.

Mr. Speaker, I urge its adoption.

Mr. RANGEL. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from New York is recognized for 5 minutes.

Mr. RANGEL. Certainly, the gentleman from Louisiana knows that we would be willing to work on the charitable deduction as it relates to the changes that were made by the administration, but basically, what he is saying is that, as to the $61 billion in tax

loopholes that we have raised, they would rather borrow the money than fill the gap that relieving the people of this tax burden would have.

So we both agree that 25 million people shouldn't suffer with this $61 billion tax increase, but he would have you believe that, if you take this out, you wouldn't have to put anything in. Well, what you're putting in is the future of our children and of our grandchildren.

I ask that this motion to recommit be rejected.

I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. McCRERY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H.R. 6275, and the motion to suspend the rules on H.R. 3546.

The vote was taken by electronic device, and there were—yeas 199, nays 222, not voting 13, as follows:

[Roll No. 454]

YEAS—199

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Latta
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Saxton
Scalise
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield (KY)
Wilson (NM)
Wilson (SC)
Wittman (VA)
Wolf
Young (AK)
Young (FL)

NAYS—222

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Cazayoux
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NOT VOTING—13

Cannon
Cubin
Cummings
Lampson
Mahoney (FL)
Moore (WI)
Pryce (OH)
Putnam
Rush
Snyder
Speier
Tsongas
Watson

□ 1402

Messrs. JACKSON of Illinois, THOMPSON of Mississippi, MELANCON, Ms. SUTTON, Messrs. TIERNEY, COHEN, Ms. JACKSON-LEE of Texas, Messrs. BAIRD, BERRY, Ms. CLARKE, Mr. LINCOLN DAVIS of Tennessee, and Ms. ROS-LEHTINEN changed their vote from ''yea'' to ''nay.''

Mr. MILLER of Florida, Mrs. MUSGRAVE, and Messrs. ENGLISH of Pennsylvania and BROUN of Georgia changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CAMP of Michigan. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 233, noes 189, not voting 12, as follows:

[Roll No. 455]

AYES—233

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bilbray
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Cazayoux
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hayes
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Kirk
Kucinich
LaHood
Langevin
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)

Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Richardson
Rodriguez
Rogers (AL)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Tsongas
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watt
Waxman
Weiner
Welch (VT)
Wilson (OH)
Woolsey
Wu
Yarmuth

NOES—189

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boren
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green, Gene
Hall (TX)
Hastings (WA)
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Johnson, Sam
Jordan
Keller
King (NY)
Kingston
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
Lamborn
Latham
LaTourette
Latta
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Roskam
Royce
Ryan (WI)
Sali
Saxton
Scalise
Schmidt
Sensenbrenner
Sessions
Shadegg
Shays
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield (KY)
Wilson (NM)
Wilson (SC)
Wittman (VA)
Wolf
Young (AK)
Young (FL)

NOT VOTING—12

Cannon
Cubin
King (IA)
Lampson
Mahoney (FL)
Pryce (OH)
Putnam
Radanovich
Rush
Snyder
Speier
Watson

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 1409

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM AUTHORIZATION

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 3546, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. CONYERS) that the House suspend the rules and pass the bill, H.R. 3546, as amended.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 406, nays 11, not voting 17, as follows:

[Roll No. 456]

YEAS—406

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Carter
Castle
Castor
Cazayoux
Chabot
Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Fallin
Farr
Fattah
Feeney
Ferguson
Filner
Forbes
Fortenberry
Fossella
Foster
Foxx
Frank (MA)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Hastings (WA)
Hayes
Heller
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Honda
Hooley
Hoyer
Hulshof
Hunter
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney (NY)
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nunes
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pomeroy
Porter
Price (GA)
Price (NC)
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Richardson
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Scalise
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shays
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Solis
Souder
Space
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Tsongas
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield (KY)
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wittman (VA)
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

NAYS—11

Broun (GA)
Campbell (CA)
Flake
Franks (AZ)
Hensarling
Inglis (SC)
Marchant
Neugebauer
Paul
Poe
Tancredo

NOT VOTING—17

Boyda (KS)
Cannon
Cubin
Hall (TX)
Holt
Jefferson