

(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 striking “or” 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 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.**—The amendment made by subsection (c) shall apply to amounts paid after December 31, 2011.

SEC. 3092. GAIN FROM SALE OF PRINCIPAL RESIDENCE ALLOCATED TO NONQUALIFIED USE NOT EXCLUDED FROM INCOME.

(a) **IN GENERAL.**—Subsection (b) of section 121 of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

“(4) **EXCLUSION OF GAIN ALLOCATED TO NONQUALIFIED USE.**—

“(A) **IN GENERAL.**—Subsection (a) shall not apply to so much of the gain from the sale or exchange of property as is allocated to periods of nonqualified use.

“(B) **GAIN ALLOCATED TO PERIODS OF NONQUALIFIED USE.**—For purposes of subparagraph (A), gain shall be allocated to periods of nonqualified use based on the ratio which—

“(i) the aggregate periods of nonqualified use during the period such property was owned by the taxpayer, bears to

“(ii) the period such property was owned by the taxpayer.

“(C) **PERIOD OF NONQUALIFIED USE.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘period of nonqualified use’ means any period (other than the portion of any period preceding January 1, 2009) during which the property is not used as the principal residence of the taxpayer or the taxpayer’s spouse or former spouse.

“(ii) **EXCEPTIONS.**—The term ‘period of nonqualified use’ does not include—

“(I) any portion of the 5-year period described in subsection (a) which is after the last date that such property is used as the principal residence of the taxpayer or the taxpayer’s spouse,

“(II) any period (not to exceed an aggregate period of 10 years) during which the taxpayer or the taxpayer’s spouse is serving on qualified official extended duty (as defined in subsection (d)(9)(C)) described in clause (i), (ii), or (iii) of subsection (d)(9)(A), and

“(III) any other period of temporary absence (not to exceed an aggregate period of 2 years) due to change of employment, health conditions, or such other unforeseen circumstances as may be specified by the Secretary.

“(D) **COORDINATION WITH RECOGNITION OF GAIN ATTRIBUTABLE TO DEPRECIATION.**—For purposes of this paragraph—

“(i) subparagraph (A) shall be applied after the application of subsection (d)(6), and

“(ii) subparagraph (B) shall be applied without regard to any gain to which subsection (d)(6) applies.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to sales and exchanges after December 31, 2008.

SEC. 3093. INCREASE IN INFORMATION RETURN PENALTIES.

(a) **FAILURE TO FILE CORRECT INFORMATION RETURNS.**—

(1) **IN GENERAL.**—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking “\$50” and inserting “\$100”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking “\$250,000” and inserting “\$1,500,000”.

(b) **REDUCTION WHERE CORRECTION WITHIN 30 DAYS.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 6721(b)(1) is amended by striking “\$15” and inserting “\$50”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking “\$75,000” and inserting “\$500,000”.

(c) **REDUCTION WHERE CORRECTION ON OR BEFORE AUGUST 1.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 6721(b)(2) is amended by striking “\$30” and inserting “\$75”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking “\$150,000” and inserting “\$1,000,000”.

(d) **AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN \$5,000,000.**—Paragraph (1) of section 6721(d) is amended—

(1) by striking “\$100,000” in subparagraph (A) and inserting “\$500,000”,

(2) by striking “\$25,000” in subparagraph (B) and inserting “\$100,000”, and

(3) by striking “\$50,000” in subparagraph (C) and inserting “\$250,000”.

(e) **PENALTY IN CASE OF INTENTIONAL DISREGARD.**—Paragraph (2) of section 6721(e) is amended by striking “\$100” and inserting “\$250”.

(f) **FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.**—

(1) **IN GENERAL.**—Subsection (a) of section 6722 is amended by striking “\$50” and inserting “\$100”.

(2) **AGGREGATE ANNUAL LIMITATION.**—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking “\$100,000” and inserting “\$500,000”.

(3) **PENALTY IN CASE OF INTENTIONAL DISREGARD.**—Paragraph (1) of section 6722(c) is amended by striking “\$100” and inserting “\$250”.

(g) **FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.**—Section 6723 is amended—

(1) by striking “\$50” and inserting “\$100”, and

(2) by striking “\$100,000” and inserting “\$500,000”.

(h) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2009.

SEC. 3094. INCREASE IN PENALTY FOR FAILURE TO FILE S CORPORATION RETURNS.

(a) **IN GENERAL.**—Paragraph (1) of section 6699(b) (relating to amount per month) is amended by striking “\$85” and inserting “\$100”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to returns the due date for the filing of which (including extensions) is after the date of the enactment of this Act.

SEC. 3095. INCREASE IN PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS.

(a) **INCREASE IN PENALTY AMOUNT.**—Paragraph (1) of section 6698(b) (relating to amount

per month) is amended by striking “\$85” and inserting “\$100”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to returns the due date for the filing of which (including extensions) is after the date of the enactment of this Act.

SEC. 3096. INCREASE IN MINIMUM PENALTY ON FAILURE TO FILE A RETURN OF TAX.

(a) **IN GENERAL.**—Subsection (a) of section 6651, as amended by section 303(a) of the Heroes Earnings Assistance and Relief Tax Act of 2008, is amended by striking “\$135” in the last sentence and inserting “\$225”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to returns the due date for the filing of which (including extensions) is after the date of the enactment of this Act.

Resolved further, That on July 8, 2008, the Senate concurs in the House amendments, striking titles VI through XI, to the Senate amendment to the aforesaid bill;

Resolved further, That on July 11, 2008, the Senate disagrees to the amendments of the House, adding a new title and inserting a new section to the amendment of the Senate to the aforesaid bill.

ORDER FOR MEASURE TO BE READ THE FIRST TIME—S. 3268

Mrs. BOXER. Mr. President, I ask unanimous consent that S. 3268, Stop Excessive Energy Speculation Act of 2008, to be introduced by the majority leader today, Tuesday, July 15, notwithstanding an adjournment of the Senate on that day, be considered to have received a first reading, and that the RECORD remain open today until 8:30 p.m. for that purpose.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, JULY 16, 2008

Mrs. BOXER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9:30 a.m., tomorrow, July 16; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to a period of morning business for up to an hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first 30 minutes and the Republicans controlling the second 30 minutes; I further ask that following morning business, the Senate resume consideration of S. 2731, the Global AIDS legislation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

PROGRAM

Mrs. BOXER. Mr. President, tomorrow, the Senate will resume consideration of the Global AIDS bill. Senators

should expect rollcall votes throughout the day as we work to complete this important legislation.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mrs. BOXER. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order.

There being no objection, the Senate, at 7:01 p.m., adjourned until Wednesday, July 16, 2008, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF TRANSPORTATION

THOMAS J. MADISON, OF NEW YORK, TO BE ADMINISTRATOR OF THE FEDERAL HIGHWAY ADMINISTRATION, VICE RICHARD CAPKA.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

BEVERLY ALLEN, OF GEORGIA, TO BE A MEMBER OF THE NATIONAL MUSEUM AND LIBRARY SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2013. (REAPPOINTMENT)

DONALD H. DYAL, OF TEXAS, TO BE A MEMBER OF THE NATIONAL MUSEUM AND LIBRARY SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2013, VICE GAIL DALY, TERM EXPIRING.

JEFFREY B. RUDMAN, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL MUSEUM AND LIBRARY SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2013, VICE HARRY ROBINSON, JR., TERM EXPIRING.

THE JUDICIARY

TIMOTHY G. DUGAN, OF WISCONSIN, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF WISCONSIN, VICE RUDOLPH T. RANDA, RETIRING.

DEPARTMENT OF JUSTICE

MICHAEL G. CONSIDINE, OF CONNECTICUT, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF CONNECTICUT FOR THE TERM OF FOUR YEARS, VICE KEVIN J. O'CONNOR, RESIGNED.

BENTON J. CAMPBELL, OF NEW JERSEY, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF NEW YORK FOR THE TERM OF FOUR YEARS, VICE ROSLYNN R. MAUSKOPF, RESIGNED.

A. BRIAN ALBRITTON, OF FLORIDA, TO BE UNITED STATES ATTORNEY FOR THE MIDDLE DISTRICT OF FLORIDA FOR THE TERM OF FOUR YEARS, VICE PAUL I. PEREZ, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

DAVID REID MURTAUGH, OF INDIANA, TO BE DEPUTY DIRECTOR FOR STATE, LOCAL, AND TRIBAL AFFAIRS, OFFICE OF NATIONAL DRUG CONTROL POLICY, VICE SCOTT M. BURNS.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COLONEL HEIDI V. BROWN
COLONEL JOHN A. DAVIS
COLONEL EDWARD P. DONNELLY, JR.
COLONEL KAREN E. DYSON
COLONEL ROBERT S. FERRELL
COLONEL STEPHEN G. FOGARTY
COLONEL MICHAEL X. GARRETT
COLONEL THOMAS A. HARVEY

COLONEL THOMAS A. HORLANDER
COLONEL PAUL J. LACAMERA
COLONEL SEAN B. MACFARLAND
COLONEL KEVIN W. MANGUM
COLONEL ROBERT M. MCCAULEY
COLONEL COLLEEN L. MCGUIRE
COLONEL HERBERT R. MCMASTER, JR.
COLONEL AUSTIN S. MILLER
COLONEL JOHN M. MURRAY
COLONEL RICHARD P. MUSTION
COLONEL CAMILLE M. NICHOLS
COLONEL JOHN R. O'CONNOR
COLONEL LAWARREN V. PATTERSON
COLONEL GUSTAVE F. PERNA
COLONEL WARREN E. PHIPPS, JR.
COLONEL GREGG C. POTTER
COLONEL NANCY L. S. PRICE
COLONEL EDWARD M. REEDER, JR.
COLONEL ROSS E. RIDGE
COLONEL JESS A. SCARBROUGH
COLONEL MICHAEL H. SHIELDS
COLONEL JEFFOREY A. SMITH
COLONEL LESLIE C. SMITH
COLONEL JEFFREY J. SNOW
COLONEL KURT S. STORY
COLONEL KENNETH E. TOVO
COLONEL STEPHEN J. TOWNSEND
COLONEL JOHN UBERTI
COLONEL THOMAS S. VANDAL
COLONEL BRYAN G. WATSON
COLONEL JOHN F. WHARTON
COLONEL MARK W. YENTER

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE UNITED STATES MARINE CORPS WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. JOHN M. PAXTON, JR.