

declaration of someone on this House floor is number one, wouldn't he be the chair again under these circumstances?

The SPEAKER pro tempore. The gentleman himself has just stated the "and so on" character of the rule.

Mr. CARTER. I'm sorry? I didn't understand you. Would you mind repeating that.

The SPEAKER pro tempore. The rule includes the phrase "and so on," as the gentleman from Texas previously read, and he has just reached the conclusion that the rule is operating.

Mr. CARTER. If I may further inquire, so the words "and so on" means that you don't go back to the original order, you just go to whoever was behind him at the time the first vacation took place of the chair?

The SPEAKER pro tempore. The devolution aspect of the rule operates in a cascading fashion.

Mr. CARTER. A cascading fashion? The SPEAKER pro tempore. That is correct.

Mr. CARTER. I thank you for that clarification.

COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES APPROPRIATIONS ACT, 2010

Mr. ETHERIDGE. Madam Speaker, pursuant to House Resolution 1137, I call up the bill (H.R. 2847) making appropriations for the Departments of Commerce, Justice, Science, and Related Agencies for the fiscal year ending September 30, 2010, and for other purposes, with a Senate amendment to the House amendment to the Senate amendment thereto, and ask for its immediate consideration.

The Clerk read the title of the bill. The SPEAKER pro tempore. The Clerk will designate the Senate amendment to the House amendment to the Senate amendment.

The text of the amendment is as follows:

Senate amendment to House amendment to Senate amendment:

In lieu of the matter proposed to be inserted by the amendment of the House to the amendment of the Senate insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Hiring Incentives to Restore Employment Act".

(b) **AMENDMENT OF 1986 CODE.**—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:

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—INCENTIVES FOR HIRING AND RETAINING UNEMPLOYED WORKERS

Sec. 101. Payroll tax forgiveness for hiring unemployed workers.

Sec. 102. Business credit for retention of certain newly hired individuals in 2010.

TITLE II—EXPENSING

Sec. 201. Increase in expensing of certain depreciable business assets.

TITLE III—QUALIFIED TAX CREDIT BONDS
Sec. 301. Issuer allowed refundable credit for certain qualified tax credit bonds.

TITLE IV—EXTENSION OF CURRENT SURFACE TRANSPORTATION PROGRAMS

Sec. 401. Short title.

Subtitle A—Federal-aid Highways

Sec. 411. In general.
Sec. 412. Administrative expenses.
Sec. 413. Rescission of unobligated balances.
Sec. 414. Reconciliation of funds.

Subtitle B—National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration, and Additional Programs

Sec. 421. Extension of National Highway Traffic Safety Administration Highway Safety Programs.
Sec. 422. Extension of Federal Motor Carrier Safety Administration Programs.
Sec. 423. Additional programs.

Subtitle C—Public Transportation Programs

Sec. 431. Allocation of funds for planning programs.
Sec. 432. Special rule for urbanized area formula grants.
Sec. 433. Allocating amounts for capital investment grants.
Sec. 434. Apportionment of formula grants for other than urbanized areas.
Sec. 435. Apportionment based on fixed guideway factors.

Sec. 436. Authorizations for public transportation.

Sec. 437. Amendments to SAFETEA-LU.

Subtitle D—Revenue Provisions

Sec. 441. Repeal of provision prohibiting the crediting of interest to the Highway Trust Fund.
Sec. 442. Restoration of certain foregone interest to Highway Trust Fund.
Sec. 443. Treatment of certain amounts appropriated to Highway Trust Fund.
Sec. 444. Termination of transfers from highway trust fund for certain repayments and credits.
Sec. 445. Extension of authority for expenditures.
Sec. 446. Level of obligation limitations.

TITLE V—OFFSET PROVISIONS

Subtitle A—Foreign Account Tax Compliance

PART I—INCREASED DISCLOSURE OF BENEFICIAL OWNERS

Sec. 501. Reporting on certain foreign accounts.
Sec. 502. Repeal of certain foreign exceptions to registered bond requirements.

PART II—UNDER REPORTING WITH RESPECT TO FOREIGN ASSETS

Sec. 511. Disclosure of information with respect to foreign financial assets.
Sec. 512. Penalties for underpayments attributable to undisclosed foreign financial assets.
Sec. 513. Modification of statute of limitations for significant omission of income in connection with foreign assets.

PART III—OTHER DISCLOSURE PROVISIONS

Sec. 521. Reporting of activities with respect to passive foreign investment companies.
Sec. 522. Secretary permitted to require financial institutions to file certain returns related to withholding on foreign transfers electronically.

PART IV—PROVISIONS RELATED TO FOREIGN TRUSTS

Sec. 531. Clarifications with respect to foreign trusts which are treated as having a United States beneficiary.
Sec. 532. Presumption that foreign trust has United States beneficiary.
Sec. 533. Uncompensated use of trust property.
Sec. 534. Reporting requirement of United States owners of foreign trusts.

Sec. 535. Minimum penalty with respect to failure to report on certain foreign trusts.

PART V—SUBSTITUTE DIVIDENDS AND DIVIDEND EQUIVALENT PAYMENTS RECEIVED BY FOREIGN PERSONS TREATED AS DIVIDENDS

Sec. 541. Substitute dividends and dividend equivalent payments received by foreign persons treated as dividends.

Subtitle B—Delay in Application of Worldwide Allocation of Interest

Sec. 551. Delay in application of worldwide allocation of interest.

TITLE I—INCENTIVES FOR HIRING AND RETAINING UNEMPLOYED WORKERS

SEC. 101. PAYROLL TAX FORGIVENESS FOR HIRING UNEMPLOYED WORKERS.

(a) **IN GENERAL.**—Section 3111 is amended by adding at the end the following new subsection: "(d) **SPECIAL EXEMPTION FOR CERTAIN INDIVIDUALS HIRED IN 2010.**—"

"(1) **IN GENERAL.**—Subsection (a) shall not apply to wages paid by a qualified employer with respect to employment during the period beginning on the day after the date of the enactment of this subsection and ending on December 31, 2010, of any qualified individual for services performed—

"(A) in a trade or business of such qualified employer, or

"(B) in the case of a qualified employer exempt from tax under section 501(a), in furtherance of the activities related to the purpose or function constituting the basis of the employer's exemption under section 501.

"(2) **QUALIFIED EMPLOYER.**—For purposes of this subsection—

"(A) **IN GENERAL.**—The term 'qualified employer' means any employer other than the United States, any State, or any political subdivision thereof, or any instrumentality of the foregoing.

"(B) **TREATMENT OF EMPLOYEES OF POST-SECONDARY EDUCATIONAL INSTITUTIONS.**—Notwithstanding subparagraph (A), the term 'qualified employer' includes any employer which is a public institution of higher education (as defined in section 101(b) of the Higher Education Act of 1965).

"(3) **QUALIFIED INDIVIDUAL.**—For purposes of this subsection, the term 'qualified individual' means any individual who—

"(A) begins employment with a qualified employer after February 3, 2010, and before January 1, 2011,

"(B) certifies by signed affidavit, under penalties of perjury, that such individual has not been employed for more than 40 hours during the 60-day period ending on the date such individual begins such employment,

"(C) is not employed by the qualified employer to replace another employee of such employer unless such other employee separated from employment voluntarily or for cause, and

"(D) is not an individual described in section 51(i)(1) (applied by substituting 'qualified employer' for 'taxpayer' each place it appears).

"(4) **ELECTION.**—A qualified employer may elect to have this subsection not apply. Such election shall be made in such manner as the Secretary may require."

(b) **COORDINATION WITH WORK OPPORTUNITY CREDIT.**—Section 51(c) is amended by adding at the end the following new paragraph:

"(5) **COORDINATION WITH PAYROLL TAX FORGIVENESS.**—The term 'wages' shall not include any amount paid or incurred to a qualified individual (as defined in section 3111(d)(3)) during the 1-year period beginning on the hiring date of such individual by a qualified employer (as defined in section 3111(d)) unless such qualified employer makes an election not to have section 3111(d) apply."

(c) **TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.**—There are

hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the amendments made by subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to wages paid after the date of the enactment of this Act.

SEC. 102. BUSINESS CREDIT FOR RETENTION OF CERTAIN NEWLY HIRED INDIVIDUALS IN 2010.

(a) **IN GENERAL.**—In the case of any taxable year ending after the date of the enactment of this Act, the current year business credit determined under section 38(b) of the Internal Revenue Code of 1986 for such taxable year shall be increased by an amount equal to the product of—

(1) \$1,000, and
(2) the number of retained workers with respect to which subsection (b)(2) is first satisfied during such taxable year.

(b) **RETAINED WORKER.**—For purposes of this section, the term “retained worker” means any qualified individual (as defined in section 3111(d)(3) of the Internal Revenue Code of 1986)—

(1) who was employed by the taxpayer on any date during the taxable year,

(2) who was so employed by the taxpayer for a period of not less than 52 consecutive weeks, and

(3) whose wages for such employment during the last 26 weeks of such period equaled at least 80 percent of such wages for the first 26 weeks of such period.

(c) **LIMITATION ON CARRYBACKS.**—No portion of the unused business credit under section 38 of the Internal Revenue Code of 1986 for any taxable year which is attributable to the increase in the current year business credit under this section may be carried to a taxable year beginning before the date of the enactment of this section.

TITLE II—EXPENSING

SEC. 201. INCREASE IN EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) **IN GENERAL.**—Subsection (b) of section 179 is amended—

(1) by striking “(\$125,000 in the case of taxable years beginning after 2006 and before 2011)” in paragraph (1) and inserting “(\$250,000 in the case of taxable years beginning after 2007 and before 2011)”,

(2) by striking “(\$500,000 in the case of taxable years beginning after 2006 and before 2011)” in paragraph (2) and inserting “(\$800,000 in the case of taxable years beginning after 2007 and before 2011)”,

(3) by striking paragraphs (5) and (7), and
(4) by redesignating paragraph (6) as paragraph (5).

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

TITLE III—QUALIFIED TAX CREDIT BONDS

SEC. 301. ISSUER ALLOWED REFUNDABLE CREDIT FOR CERTAIN QUALIFIED TAX CREDIT BONDS.

(a) **CREDIT ALLOWED.**—Section 6431 is amended by adding at the end the following new subsection:

“(f) **APPLICATION OF SECTION TO CERTAIN QUALIFIED TAX CREDIT BONDS.**—

“(1) **IN GENERAL.**—In the case of any specified tax credit bond—

“(A) such bond shall be treated as a qualified bond for purposes of this section,

“(B) subsection (a) shall be applied without regard to the requirement that the qualified bond be issued before January 1, 2011,

“(C) the amount of the payment determined under subsection (b) with respect to any interest payment date under such bond shall be—

“(i) in the case of a bond issued by a qualified small issuer, 65 percent of the amount of interest payable on such bond by such issuer with respect to such date, and

“(ii) in the case of a bond issued by any other person, 45 percent of the amount of interest payable on such bond by such issuer with respect to such date,

“(D) interest on any such bond shall be includible in gross income for purposes of this title,

“(E) no credit shall be allowed under section 54A with respect to such bond,

“(F) any payment made under subsection (b) shall not be includible as income for purposes of this title, and

“(G) the deduction otherwise allowed under this title to the issuer of such bond with respect to interest paid under such bond shall be reduced by the amount of the payment made under this section with respect to such interest.

“(2) **DEFINITIONS.**—For purposes of this subsection—

“(A) **SPECIFIED TAX CREDIT BOND.**—The term ‘specified tax credit bond’ means any qualified tax credit bond (as defined in section 54A(d)) if—

“(i) such bond is—

“(I) a new clean renewable energy bond (as defined in section 54C),

“(II) a qualified energy conservation bond (as defined in section 54D),

“(III) a qualified zone academy bond (as defined in section 54E), or

“(IV) a qualified school construction bond (as defined in section 54F), and

“(ii) the issuer of such bond makes an irrevocable election to have this subsection apply,

“(B) **QUALIFIED SMALL ISSUER.**—The term ‘qualified small issuer’ means, with respect to any calendar year, any issuer who is not reasonably expected to issue tax-exempt bonds (other than private activity bonds) and specified tax credit bonds (determined without regard to whether an election is made under this subsection) during such calendar year in an aggregate face amount exceeding \$30,000,000.”

(b) **TECHNICAL CORRECTIONS RELATING TO QUALIFIED SCHOOL CONSTRUCTION BONDS.**—

(1) The second sentence of section 54F(d)(1) is amended by striking “by the State” and inserting “by the State education agency (or such other agency as is authorized under State law to make such allocation)”.

(2) The second sentence of section 54F(e) is amended by striking “subsection (d)(4)” and inserting “paragraphs (2) and (4) of subsection (d)”.

(c) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—The amendment made by subsection (a) shall apply to bonds issued after the date of the enactment of this Act.

(2) **TECHNICAL CORRECTIONS.**—The amendments made by subsection (b) shall take effect as if included in section 1521 of the American Recovery and Reinvestment Tax Act of 2009.

TITLE IV—EXTENSION OF CURRENT SURFACE TRANSPORTATION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the “Surface Transportation Extension Act of 2010”.

Subtitle A—Federal-aid Highways

SEC. 411. IN GENERAL.

(a) **IN GENERAL.**—Except as provided in this Act, requirements, authorities, conditions, eligibilities, limitations, and other provisions authorized under titles I, V, and VI of the SAFETEA-LU (119 Stat. 1144), the SAFETEA-LU Technical Corrections Act of 2008 (122 Stat. 1572), titles I and VI of the Intermodal Surface Transportation Act of 1991 (105 Stat. 1914), titles I and V of the Transportation Equity Act for the 21st Century (112 Stat. 107), and title 23, United

States Code (excluding chapter 4 of that title), which would otherwise expire on or cease to apply after September 30, 2009, or the date specified in section 106(3) of the Continuing Appropriations Resolution, 2010 (Public Law 111-68), are incorporated by reference and shall continue in effect until December 31, 2010.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Except as provided in section 412, there are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account)—

(1) for fiscal year 2010, a sum equal to the total amount authorized to be appropriated out of the Highway Trust Fund for programs, projects, and activities for fiscal year 2009 under titles I, V, and VI of the SAFETEA-LU (119 Stat. 1144), and title 23, United States Code (excluding chapter 4 of that title); and

(2) for the period beginning on October 1, 2010, and ending on December 31, 2010, a sum equal to ¼ of the total amount authorized to be appropriated out of the Highway Trust Fund for programs, projects, and activities for fiscal year 2009 under titles I, V, and VI of the SAFETEA-LU (119 Stat. 1144), and title 23, United States Code (excluding chapter 4 of that title).

(c) **USE OF FUNDS.**—

(1) **FISCAL YEAR 2010.**—Except as otherwise expressly provided in this Act, funds authorized to be appropriated under subsection (b)(1) for fiscal year 2010 shall be distributed, administered, limited, and made available for obligation in the same manner and at the same level as funds authorized to be appropriated out of the Highway Trust Fund for fiscal year 2009 to carry out programs, projects, activities, eligibilities, and requirements under the SAFETEA-LU (119 Stat. 1144), the SAFETEA-LU Technical Corrections Act of 2008 (122 Stat. 1572), titles I and VI of the Intermodal Surface Transportation Act of 1991 (105 Stat. 1914), titles I and V of the Transportation Equity Act for the 21st Century (112 Stat. 107), and title 23, United States Code (excluding chapter 4 of that title).

(2) **FISCAL YEAR 2011.**—Except as otherwise expressly provided in this Act, funds authorized to be appropriated under subsection (b)(2) for the period beginning on October 1, 2010, and ending on December 31, 2010, shall be distributed, administered, limited, and made available for obligation in the same manner and at the same level as ¼ of the total amount of funds authorized to be appropriated out of the Highway Trust Fund for fiscal year 2009 to carry out programs, projects, activities, eligibilities, and requirements under the SAFETEA-LU (119 Stat. 1144), the SAFETEA-LU Technical Corrections Act of 2008 (122 Stat. 1572), titles I and VI of the Intermodal Surface Transportation Act of 1991 (105 Stat. 1914), titles I and V of the Transportation Equity Act for the 21st Century (112 Stat. 107), and title 23, United States Code (excluding chapter 4 of that title).

(3) **CALCULATION.**—The amounts authorized to be appropriated under subsection (b) shall be calculated without regard to any rescission or cancellation of funds or contract authority for fiscal year 2009 under the SAFETEA-LU (119 Stat. 1144) or any other law.

(4) **CONTRACT AUTHORITY.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), funds authorized to be appropriated under this section shall be available for obligation and shall be administered in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code, and—

(i) for fiscal year 2010, shall be subject to a limitation on obligations for Federal-aid highways and highway safety construction programs included in an Act making appropriations for fiscal year 2010 or a portion of that fiscal year; and

(ii) for the period beginning on October 1, 2010, and ending on December 31, 2010, shall be subject to a limitation on obligations included in an Act making appropriations for fiscal year

2011 or a portion of that fiscal year, except that during such period obligations subject to such limitation shall not exceed ¼ of the limitation on obligations included in an Act making appropriations for fiscal year 2011.

(B) EXCEPTIONS.—A limitation on obligations described in clause (i) or (ii) of subparagraph (A) shall not apply to any obligation under—

(i) section 125 of title 23, United States Code; or

(ii) section 105 of title 23, United States Code—

(I) for fiscal year 2010, only in an amount equal to \$639,000,000; and

(II) for the period beginning on October 1, 2010, and ending on December 31, 2010, only in an amount equal to \$159,750,000.

(5) CALCULATIONS FOR DISTRIBUTION OF OBLIGATION LIMITATION.—Upon enactment of an Act making appropriations for the Department of Transportation for fiscal year 2011 (other than an Act or resolution making continuing appropriations), the Secretary shall—

(A) as necessary for purposes of making the calculations for the distribution of any obligation limitation under such Act, annualize the amount of contract authority provided under this Act for Federal-aid highways and highway safety construction programs; and

(B) multiply the resulting distribution of any obligation limitation under such Act by ¼.

(d) EXTENSION AND FLEXIBILITY FOR CERTAIN ALLOCATED PROGRAMS.—

(1) FISCAL YEAR 2010.—Notwithstanding any other provision of law, for fiscal year 2010, the portion of the share of funds of a State under subsection (b)(1) determined by the amount that the State received or was authorized to receive for fiscal year 2009 to carry out sections 1301, 1302, 1307, 1702, and 1934 of the SAFETEA-LU (119 Stat. 1198, 1204, 1217, 1256, and 1485), and section 144(f)(1) of title 23, United States Code, shall be—

(A) made available to the State for programs apportioned under sections 104(b) and 144 of title 23, United States Code, and in the same proportion for each such program that—

(i) the amount apportioned to the State for that program for fiscal year 2009; bears to

(ii) the amount apportioned to the State for fiscal year 2009 for all programs apportioned under such sections of such Code; and

(B) administered in the same manner and with the same period of availability as such funding is administered under programs identified in subparagraph (A), except that no funds may be used to carry out the project described in section 1307(d)(1) of the SAFETEA-LU (119 Stat. 1217; 122 Stat. 1577).

(2) FISCAL YEAR 2011.—Notwithstanding any other provision of law, for the period beginning on October 1, 2010, and ending on December 31, 2010, the portion of the share of funds of a State under subsection (b)(2) determined by ¼ of the amount that the State received or was authorized to receive for fiscal year 2009 to carry out sections 1301, 1302, 1307, 1702, and 1934 of the SAFETEA-LU (119 Stat. 1198, 1204, 1217, 1256, and 1485) and section 144(f)(1) of title 23, United States Code, shall be—

(A) made available to the State for programs apportioned under sections 104(b) and 144 of title 23, United States Code, and in the same proportion for each such program that—

(i) the amount apportioned to the State for that program for fiscal year 2009; bears to

(ii) the amount apportioned to the State for fiscal year 2009 for all programs apportioned under such sections of such Code; and

(B) administered in the same manner and with the same period of availability as such funding is administered under programs identified in subparagraph (A), except that no funds may be used to carry out the project described in section 1307(d)(1) of the SAFETEA-LU (119 Stat. 1217; 122 Stat. 1577).

(3) TERRITORIES AND PUERTO RICO.—

(A) FISCAL YEAR 2010.—Notwithstanding any other provision of law, for fiscal year 2010, the

portion of the share of funds of a territory or Puerto Rico under paragraph (b)(1) determined by the amount that the territory or Puerto Rico received or was authorized to receive for fiscal year 2009 to carry out section 1934 of SAFETEA-LU (119 Stat. 1485), shall be—

(i) for a territory, made available and administered in the same manner as funding is made available and administered under section 215 of title 23, United States Code; and

(ii) for Puerto Rico, made available and administered in the same manner as funding is made available and administered under section 165 of title 23, United States Code.

(B) FISCAL YEAR 2011.—Notwithstanding any other provision of law, for the period beginning on October 1, 2010, and ending on December 31, 2010, the portion of the share of funds of a territory or Puerto Rico under paragraph (b)(2) determined by ¼ of the amount that the territory or Puerto Rico received or was authorized to receive for fiscal year 2009 to carry out section 1934 of SAFETEA-LU (119 Stat. 1485), shall be—

(i) for a territory, made available and administered in the same manner as funding is made available and administered under section 215 of title 23, United States Code; and

(ii) for Puerto Rico, made available and administered in the same manner as funding is made available and administered under section 165 of title 23, United States Code.

(C) TERRITORY DEFINED.—In this paragraph, the term “territory” means any of the following territories of the United States: American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or the United States Virgin Islands.

(4) ADDITIONAL FUNDS.—

(A) IN GENERAL.—No additional funds shall be provided for any project or activity under subsection (c), or paragraph (1) or (2) of this subsection, that the Secretary of Transportation determines was sufficiently funded before or during fiscal year 2009 to achieve the authorized purpose of the project or activity.

(B) RESERVATION AND REDISTRIBUTION OF FUNDS.—Funds made available in accordance with paragraph (1) or (2) of subsection (c) or paragraph (1) or (2) of this subsection for a project or activity described in subparagraph (A) shall be—

(i) reserved by the Secretary of Transportation; and

(ii) distributed to each State in accordance with paragraph (1) or (2) of subsection (c), or paragraph (1) or (2) of this subsection, as appropriate, for use in carrying out other highway projects and activities extended by subsection (c) or this subsection, in the proportion that—

(1) the total amount of funds made available for fiscal year 2009 for projects and activities described in subparagraph (A) in the State; bears to

(II) the total amount of funds made available for fiscal year 2009 for those projects and activities in all States.

(e) EXTENSION OF AUTHORIZATIONS UNDER TITLE V OF SAFETEA-LU.—

(1) IN GENERAL.—The programs authorized under paragraphs (1) through (5) of section 5101(a) of the SAFETEA-LU (119 Stat. 1779) shall be continued—

(A) for fiscal year 2010, at the funding levels authorized for those programs for fiscal year 2009; and

(B) for the period beginning on October 1, 2010, and ending on December 31, 2010, at ¼ the funding levels authorized for those programs for fiscal year 2009.

(2) DISTRIBUTION OF FUNDS.—Funds for programs continued under paragraph (1) shall be distributed to major program areas under those programs in the same proportions as funds were allocated for those program areas for fiscal year 2009, except that designations for specific activities shall not be required to be continued for—

(A) fiscal year 2010; or

(B) the period beginning on October 1, 2010, and ending on December 31, 2010.

(3) ADDITIONAL FUNDS.—

(A) IN GENERAL.—No additional funds shall be provided for any project or activity under this subsection that the Secretary of Transportation determines was sufficiently funded before or during fiscal year 2009 to achieve the authorized purpose of the project or activity.

(B) DISTRIBUTION.—Funds that would have been made available under paragraph (1) for a project or activity but for the prohibition under subparagraph (A) shall be distributed in accordance with paragraph (2).

SEC. 412. ADMINISTRATIVE EXPENSES.

(a) AUTHORIZATION OF CONTRACT AUTHORITY.—Notwithstanding any other provision of this Act or any other law, there are authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account), from amounts provided under section 411, for administrative expenses of the Federal-aid highway program—

(1) \$422,425,000 for fiscal year 2010; and

(2) \$105,606,250 for the period beginning on October 1, 2010, and ending on December 31, 2010.

(b) CONTRACT AUTHORITY.—Funds authorized to be appropriated by this section shall be—

(1) available for obligation, and shall be administered, in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code; and

(2) subject to a limitation on obligations for Federal-aid highways and highway safety construction programs, except that such funds shall remain available until expended.

SEC. 413. RESCISSION OF UNOBLIGATED BALANCES.

(a) IN GENERAL.—The Secretary of Transportation shall restore funds rescinded pursuant to section 10212 of the SAFETEA-LU (Public Law 109-59; 119 Stat. 1937) to the States and to the programs from which the funds were rescinded.

(b) ADMINISTRATION OF FUNDS.—The restored amounts shall be administered in the same manner as the funds originally rescinded, except those funds may only be used with an obligation limitation provided in an Act making appropriations for Federal-aid highways and highway safety construction programs enacted after implementation of the rescission under section 10212 of the SAFETEA-LU (Public Law 109-59; 119 Stat. 1937).

(c) FUNDING.—

(1) IN GENERAL.—There is authorized to be appropriated from the Highway Trust Fund (other than the Mass Transit Account) for fiscal year 2010 to carry out this section an amount equal to the amount of funds rescinded under section 10212 of the SAFETEA-LU (Public Law 109-59; 119 Stat. 1937).

(2) AVAILABILITY FOR OBLIGATION.—Funds authorized to be appropriated by this section shall be—

(A) made available under this section and available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that the funds shall retain the characteristics of the funds originally rescinded; and

(B) subject to a limitation on obligations for Federal-aid highways and highway safety construction programs included in an Act making appropriations for fiscal year 2010 or a portion of the fiscal year.

(d) LIMITATION.—No funds authorized to be restored under this section shall be restored after the end of fiscal year 2010.

SEC. 414. RECONCILIATION OF FUNDS.

The Secretary shall reduce the amount apportioned or allocated for a program, project, or activity under this title by amounts apportioned or allocated pursuant to the Continuing Appropriations Resolution, 2010 (Public Law 111-68).

Subtitle B—National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration, and Additional Programs

SEC. 421. EXTENSION OF NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION HIGHWAY SAFETY PROGRAMS.

(a) CHAPTER 4 HIGHWAY SAFETY PROGRAMS.—Section 2001(a)(1) of the SAFETEA-LU (119 Stat. 1519) is amended—

(1) by striking “and”; and
(2) by striking “2009.” and inserting “2009, \$235,000,000 for fiscal year 2010, and \$58,750,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(b) HIGHWAY SAFETY RESEARCH AND DEVELOPMENT.—Section 2001(a)(2) of the SAFETEA-LU (119 Stat. 1519) is amended—

(1) by striking “and”; and
(2) by striking “2009.” and inserting “2009, \$107,329,000 for fiscal year 2010, and \$27,061,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(c) OCCUPANT PROTECTION INCENTIVE GRANTS.—

(1) EXTENSION OF PROGRAM.—Section 405(a) of title 23, United States Code, is amended—

(A) in paragraph (3), by striking “6” and inserting “8”; and

(B) in paragraph (4)(C), by striking “fifth and sixth” and inserting “fifth through eighth”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2001(a)(3) of the SAFETEA-LU (119 Stat. 1519) is amended—

(A) by striking “and”; and
(B) by striking “2009.” and inserting “2009, \$25,000,000 for fiscal year 2010, and \$6,250,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(d) SAFETY BELT PERFORMANCE GRANTS.—Section 2001(a)(4) of the SAFETEA-LU (119 Stat. 1519) is amended—

(1) by striking “and”; and
(2) by striking “2009.” and inserting “2009, \$124,500,000 for fiscal year 2010, and \$31,125,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(e) STATE TRAFFIC SAFETY INFORMATION SYSTEM IMPROVEMENTS.—Section 2001(a)(5) of the SAFETEA-LU (119 Stat. 1519) is amended—

(1) by striking “and”; and
(2) by striking “2009.” and inserting “2009, \$34,500,000 for fiscal year 2010, and \$8,625,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(f) ALCOHOL-IMPAIRED DRIVING COUNTERMEASURES INCENTIVE GRANT PROGRAM.—

(1) EXTENSION OF PROGRAM.—Section 410 of title 23, United States Code, is amended—

(A) in subsection (a)(3)(C), by striking “fifth, sixth, seventh, and eighth” and inserting “fifth through tenth”; and

(B) in subsection (b)(2)(C), by striking “2008 and 2009” and inserting “2008, 2009, 2010, and 2011”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2001(a)(6) of the SAFETEA-LU (119 Stat. 1519) is amended—

(A) by striking “and”; and
(B) by striking “2009.” and inserting “2009, \$139,000,000 for fiscal year 2010, and \$34,750,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(g) NATIONAL DRIVER REGISTER.—Section 2001(a)(7) of the SAFETEA-LU (119 Stat. 1520) is amended—

(1) by striking “and”; and
(2) by striking “2009.” and inserting “2009, \$4,078,000 for fiscal year 2010, and \$1,029,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(h) HIGH VISIBILITY ENFORCEMENT PROGRAM.—

(1) EXTENSION OF PROGRAM.—Section 2009(a) of the SAFETEA-LU (23 U.S.C. 402 note) is amended by striking “2009” and inserting “2011”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2001(a)(8) of the SAFETEA-LU (119 Stat. 1520) is amended—

(A) by striking “and”; and

(B) by striking “2009.” and inserting “2009, \$29,000,000 for fiscal year 2010, and \$7,250,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(i) MOTORCYCLIST SAFETY.—

(1) EXTENSION OF PROGRAM.—Section 2010(d)(1)(B) of the SAFETEA-LU (23 U.S.C. 402 note) is amended by striking “and fourth” and inserting “fourth, fifth, and sixth”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2001(a)(9) of the SAFETEA-LU (119 Stat. 1520) is amended—

(A) by striking “and”; and
(B) by striking “2009.” and inserting “2009, \$7,000,000 for fiscal year 2010, and \$1,750,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(j) CHILD SAFETY AND CHILD BOOSTER SEAT SAFETY INCENTIVE GRANTS.—

(1) EXTENSION OF PROGRAM.—Section 2011(c)(2) of the SAFETEA-LU (23 U.S.C. 405 note) is amended by striking “fourth fiscal year” and inserting “fourth, fifth, and sixth fiscal years”.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 2001(a)(10) of the SAFETEA-LU (119 Stat. 1520) is amended—

(A) by striking “and”; and
(B) by striking “2009.” and inserting “2009, \$7,000,000 for fiscal year 2010, and \$1,750,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(k) ADMINISTRATIVE EXPENSES.—Section 2001(a)(11) of the SAFETEA-LU (119 Stat. 1520) is amended—

(1) by striking “and” the last place it appears; and

(2) by striking “2009.” and inserting “2009, \$25,047,000 for fiscal year 2010, and \$6,332,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(l) APPLICABILITY OF TITLE 23.—Section 2001(c) of the SAFETEA-LU (119 Stat. 1520) is amended by striking “2009” and inserting “2011”.

(m) DRUG-IMPAIRED DRIVING ENFORCEMENT.—Section 2013(f) of the SAFETEA-LU (23 U.S.C. 403 note) is amended by striking “2009” and inserting “2011”.

(n) OLDER DRIVER SAFETY; LAW ENFORCEMENT TRAINING.—Section 2017 of the SAFETEA-LU is amended—

(1) in subsection (a)(1) (119 Stat. 1541), by striking “2009” and inserting “2011”; and
(2) in subsection (b)(2) (23 U.S.C. 402 note), by striking “2009” and inserting “2011”.

SEC. 422. EXTENSION OF FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION PROGRAMS.

(a) MOTOR CARRIER SAFETY GRANTS.—Section 31104(a) of title 49, United States Code, is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:
“(6) \$209,000,000 for fiscal year 2010; and
“(7) \$52,679,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(b) ADMINISTRATIVE EXPENSES.—Section 31104(i)(1) of title 49, United States Code, is amended—

(1) in subparagraph (D), by striking “and”;
(2) in subparagraph (E), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:
“(F) “(F) \$239,828,000 for fiscal year 2010; and
“(G) “(G) \$61,036,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(c) GRANT PROGRAMS.—Section 4101(c) of the SAFETEA-LU (119 Stat. 1715) is amended—

(1) in paragraph (1), by striking “2009.” and inserting “2009, and \$25,000,000 for fiscal year 2010, and \$6,301,000 for the period beginning on

October 1, 2010, and ending on December 31, 2010.”;

(2) in paragraph (2), by striking “2009.” and inserting “2009, \$32,000,000 for fiscal year 2010, and \$8,066,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”;

(3) in paragraph (3), by striking “2009.” and inserting “2009, \$5,000,000 for fiscal year 2010, and \$1,260,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”;

(4) in paragraph (4), by striking “2009.” and inserting “2009, \$25,000,000 for fiscal year 2010, and \$6,301,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”; and

(5) in paragraph (5), by striking “2009.” and inserting “2009, \$3,000,000 for fiscal year 2010, and \$756,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(d) HIGH-PRIORITY ACTIVITIES.—Section 31104(k) of title 49, United States Code, is amended by striking “2009” in paragraph (2) and inserting “2009, \$15,000,000 for fiscal year 2010, and \$3,781,000 for the period beginning on October 1, 2010, and ending on December 31, 2010”.

(e) NEW ENTRANT AUDITS.—Section 31144(g)(5)(B) of title 49, United States Code, is amended by inserting “(and up to \$7,310,000 for the period beginning on October 1, 2010, and ending on December 31, 2010)” after “fiscal year”.

(f) COMMERCIAL DRIVER’S LICENSE INFORMATION SYSTEM MODERNIZATION.—Section 4123(d) of the SAFETEA-LU (119 Stat. 1736) is amended—

(1) in paragraph (3), by striking “and” at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:
“(5) \$8,000,000 for fiscal year 2010; and
“(6) \$2,016,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(g) OUTREACH AND EDUCATION.—Section 4127(e) of the SAFETEA-LU (119 Stat. 1741) is amended by striking “and 2009” and inserting “2009, and 2010, and \$252,000 to the Federal Motor Carrier Safety Administration, and \$756,000 to the National Highway Traffic Safety Administration, for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(h) GRANT PROGRAM FOR COMMERCIAL MOTOR VEHICLE OPERATORS.—Section 4134(c) of the SAFETEA-LU (119 Stat. 1744) is amended by striking “2009” and inserting “2009, 2010, and \$252,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(i) MOTOR CARRIER SAFETY ADVISORY COMMITTEE.—Section 4144(d) of the SAFETEA-LU (119 Stat. 1748) is amended by striking “September 30, 2010” and inserting “December 31, 2010”.

(j) WORKING GROUP FOR DEVELOPMENT OF PRACTICES AND PROCEDURES TO ENHANCE FEDERAL-STATE RELATIONS.—Section 4213(d) of the SAFETEA-LU (49 U.S.C. 14710 note) is amended by striking “September 30, 2009” and inserting “December 31, 2010”.

SEC. 423. ADDITIONAL PROGRAMS.

(a) HAZARDOUS MATERIALS RESEARCH PROJECTS.—Section 7131(c) of the SAFETEA-LU (119 Stat. 1910) is amended by striking “through 2009” and inserting “through 2010, and \$315,000 for the period beginning on October 1, 2010, and ending on December 31, 2010.”.

(b) DINGELL-JOHNSON SPORT FISH RESTORATION ACT.—Section 4 of the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777c) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking “2009,” and inserting “2010 and for the period beginning on October 1, 2010, and ending on December 31, 2010.”; and

(2) in subsection (b)(1)(A), by striking “2010,” and inserting “and for the period beginning on

October 1, 2010, and ending on December 31, 2010.”.

Subtitle C—Public Transportation Programs
SEC. 431. ALLOCATION OF FUNDS FOR PLANNING PROGRAMS.

Section 5305(g) of title 49, United States Code, is amended by striking “2009” and inserting “2010, and for the period beginning October 1, 2010, and ending December 31, 2010.”.

SEC. 432. SPECIAL RULE FOR URBANIZED AREA FORMULA GRANTS.

Section 5307(b)(2) of title 49, United States Code, is amended—

(1) in the paragraph heading, by striking “2009” and inserting “2010, AND THE PERIOD BEGINNING OCTOBER 1, 2010, AND ENDING DECEMBER 31, 2010”;

(2) in subparagraph (A), by striking “2009,” and inserting “2010, and the period beginning October 1, 2010, and ending December 31, 2010,”; and

(3) in subparagraph (E)—

(A) in the subparagraph heading, by striking “AND 2009” and inserting “THROUGH 2010 AND DURING THE PERIOD BEGINNING OCTOBER 1, 2010, AND ENDING DECEMBER 31, 2010”; and

(B) in the matter preceding clause (i), by striking “and 2009” and inserting “through 2010, and during the period beginning October 1, 2010, and ending December 31, 2010.”.

SEC. 433. ALLOCATING AMOUNTS FOR CAPITAL INVESTMENT GRANTS.

Section 5309(m) of title 49, United States Code, is amended—

(1) in paragraph (2)—

(A) in the heading, by striking “2009” and inserting “2010 AND OCTOBER 1, 2010, THROUGH DECEMBER 31, 2010”;

(B) in the matter preceding subparagraph (A), by striking “2009” and inserting “2010, and during the period beginning October 1, 2010, and ending December 31, 2010,”; and

(C) in subparagraph (A)(i), by striking “2009” and inserting “2010, and \$50,000,000 for the period beginning October 1, 2010, and ending December 31, 2010,”;

(2) in paragraph (6)—

(A) in subparagraph (B), by striking “2009” and inserting “2010, and \$3,750,000 shall be available for the period beginning October 1, 2010, and ending December 31, 2010,”; and

(B) in subparagraph (C), by striking “2009” and inserting “2010, and \$1,250,000 shall be available for the period beginning October 1, 2010 and ending December 31, 2010,”; and

(3) in paragraph (7)—

(A) in subparagraph (A)—

(i) by redesignating clauses (i) through (viii) as subclauses (I) through (VIII), respectively;

(ii) in the matter preceding subclause (I), as so redesignated, by striking “\$10,000,000” and all that follows through “2009” and inserting the following:

“(i) FISCAL YEARS 2006 THROUGH 2010.—\$10,000,000 shall be available in each of fiscal years 2006 through 2010”; and

(iii) by inserting after subclause (VIII), as so redesignated, the following:

“(ii) SPECIAL RULE FOR OCTOBER 1, 2010, THROUGH DECEMBER 31, 2010.—\$2,500,000 shall be available in the period beginning October 1, 2010, and ending December 31, 2010, for ferry boats or ferry terminal facilities. The Secretary shall set aside a portion of such amount in accordance with clause (i), except that the Secretary shall set aside 25 percent of each dollar amount specified in subclauses (I) through (VIII).”;

(B) in subparagraph (B), by inserting after “2009,” the following:

“(v) \$13,500,000 for fiscal year 2010.

“(vi) \$3,375,000 for the period beginning October 1, 2010, and ending December 31, 2010.”;

(C) in subparagraph (C), by inserting “, and during the period beginning October 1, 2010, and ending December 31, 2010,” after “fiscal year”;

(D) in subparagraph (D), by inserting “, and not less than \$8,750,000 shall be available for the

period beginning October 1, 2010, and ending December 31, 2010,” after “year”; and

(E) in subparagraph (E), by inserting “, and \$750,000 shall be available for the period beginning October 1, 2010, and ending December 31, 2010,” after “year”.

SEC. 434. APPORTIONMENT OF FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS.

Section 5311(c)(1) of title 49, United States Code, is amended by adding at the end the following:

“(E) \$15,000,000 for fiscal year 2010.

“(F) \$3,750,000 for the period beginning October 1, 2010, and ending December 31, 2010.”.

SEC. 435. APPORTIONMENT BASED ON FIXED GUIDEWAY FACTORS.

Section 5337 of title 49, United States Code, is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking “2009” and inserting “2010”; and

(2) by adding at the end the following:

“(g) SPECIAL RULE FOR OCTOBER 1, 2010, THROUGH DECEMBER 31, 2010.—The Secretary shall apportion amounts made available for fixed guideway modernization under section 5309 for the period beginning October 1, 2010, and ending December 31, 2010, in accordance with subsection (a), except that the Secretary shall apportion 25 percent of each dollar amount specified in subsection (a).”.

SEC. 436. AUTHORIZATIONS FOR PUBLIC TRANSPORTATION.

(a) FORMULA AND BUS GRANTS.—Section 5338(b) of title 49, United States Code, is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking “and” at the end;

(B) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(E) \$8,360,565,000 for fiscal year 2010; and

“(F) \$2,090,141,250 for the period beginning October 1, 2010, and ending December 31, 2010.”; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking “and \$113,500,000 for fiscal year 2009” and inserting “\$113,500,000 for each of fiscal years 2009 and 2010, and \$28,375,000 for the period beginning October 1, 2010, and ending December 31, 2010.”;

(B) in subparagraph (B), by striking “and \$4,160,365,000 for fiscal year 2009” and inserting “\$4,160,365,000 for each of fiscal years 2009 and 2010, and \$1,040,091,250 for the period beginning October 1, 2010, and ending December 31, 2010.”;

(C) in subparagraph (C), by striking “and \$51,500,000 for fiscal year 2009” and inserting “\$51,500,000 for each of fiscal years 2009 and 2010, and \$12,875,000 for the period beginning October 1, 2010, and ending December 31, 2010.”;

(D) in subparagraph (D), by striking “and \$1,666,500,000 for fiscal year 2009” and inserting “\$1,666,500,000 for each of fiscal years 2009 and 2010, and \$416,625,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(E) in subparagraph (E), by striking “and \$984,000,000 for fiscal year 2009” and inserting “\$984,000,000 for each of fiscal years 2009 and 2010, and \$246,000,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(F) in subparagraph (F), by striking “and \$133,500,000 for fiscal year 2009” and inserting “\$133,500,000 for each of fiscal years 2009 and 2010, and \$33,375,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(G) in subparagraph (G), by striking “and \$465,000,000 for fiscal year 2009” and inserting “\$465,000,000 for each of fiscal years 2009 and 2010, and \$116,250,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(H) in subparagraph (H), by striking “and \$164,500,000 for fiscal year 2009” and inserting “\$164,500,000 for each of fiscal years 2009 and 2010, and \$41,125,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(I) in subparagraph (I), by striking “and \$92,500,000 for fiscal year 2009” and inserting “\$92,500,000 for each of fiscal years 2009 and 2010, and \$23,125,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(J) in subparagraph (J), by striking “and \$26,900,000 for fiscal year 2009” and inserting “\$26,900,000 for each of fiscal years 2009 and 2010, and \$6,725,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(K) in subparagraph (K), by striking “and \$3,500,000 for fiscal year 2009” and inserting “\$3,500,000 for each of fiscal years 2009 and 2010, and \$875,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(L) in subparagraph (L), by striking “and \$25,000,000 for fiscal year 2009” and inserting “\$25,000,000 for each of fiscal years 2009 and 2010, and \$6,250,000 for the period beginning October 1, 2010 and ending December 31, 2010.”;

(M) in subparagraph (M), by striking “and \$465,000,000 for fiscal year 2009” and inserting “\$465,000,000 for each of fiscal years 2009 and 2010, and \$116,250,000 for the period beginning October 1, 2010 and ending December 31, 2010.”; and

(N) in subparagraph (N), by striking “and \$8,800,000 for fiscal year 2009” and inserting “\$8,800,000 for each of fiscal years 2009 and 2010, and \$2,200,000 for the period beginning October 1, 2010 and ending December 31, 2010.”.

(b) CAPITAL INVESTMENT GRANTS.—Section 5338(c) of title 49, United States Code, is amended—

(1) in paragraph (3), by striking “and” at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(5) \$2,000,000,000 for fiscal year 2010; and

“(6) \$500,000,000 for the period of October 1, 2010 through December 31, 2010.”.

(c) RESEARCH AND UNIVERSITY RESEARCH CENTERS.—Section 5338(d) of title 49, United States Code, is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking “and \$69,750,000 for fiscal year 2009” and inserting “\$69,750,000 for each of fiscal years 2009 and 2010, and \$17,437,500 for the period beginning October 1, 2010, and ending December 31, 2010”; and

(2) by adding at the end the following:

“(3) ADDITIONAL AUTHORIZATIONS.—

“(A) IN GENERAL.—

“(i) FISCAL YEAR 2010.—Of amounts authorized to be appropriated for fiscal year 2010 under paragraph (1), the Secretary shall allocate for each of the activities and projects described in subparagraphs (A) through (F) of paragraph (1) an amount equal to the amount allocated for fiscal year 2009 under each such subparagraph.

“(ii) OCTOBER 1, 2010 THROUGH DECEMBER 31, 2010.—Of amounts authorized to be appropriated for the period beginning October 1, 2010, through December 31, 2010, under paragraph (1), the Secretary shall allocate for each of the activities and projects described in subparagraphs (A) through (F) of paragraph (1) an amount equal to 25 percent of the amount allocated for fiscal year 2009 under each such subparagraph.

“(B) UNIVERSITY CENTERS PROGRAM.—

“(i) FISCAL YEAR 2010.—Of the amounts allocated under subparagraph (A)(i) for the university centers program under section 5506 for fiscal year 2010, the Secretary shall allocate for each program described in clauses (i) through (iii) and (v) through (viii) of paragraph (2)(A) an amount equal to the amount allocated for fiscal year 2009 under each such clause.

“(ii) OCTOBER 1, 2010 THROUGH DECEMBER 31, 2010.—Of the amounts allocated under subparagraph (A)(i) for the university centers program under section 5506 for the period beginning October 1, 2010, and ending December 31, 2010, the Secretary shall allocate for each program described in clauses (i) through (iii) and (v) through (viii) of paragraph (2)(A) an amount equal to 25 percent of the amount allocated for fiscal year 2009 under each such clause.

“(iii) FUNDING.—If the Secretary determines that a project or activity described in paragraph (2) received sufficient funds in fiscal year 2009, or a previous fiscal year, to carry out the purpose for which the project or activity was authorized, the Secretary may not allocate any amounts under clause (i) or (ii) for the project or activity for fiscal year 2010, or any subsequent fiscal year.”.

(d) ADMINISTRATION.—Section 5338(e) of title 49, United States Code, is amended—

(1) in paragraph (3), by striking “and” at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(5) \$98,911,000 for fiscal year 2010; and
“(6) \$24,727,750 for the period beginning October 1, 2010, and ending December 31, 2010.”.

SEC. 437. AMENDMENTS TO SAFETEA-LU.

(a) CONTRACTED PARATRANSIT PILOT.—Section 3009(i)(1) of the SAFETEA-LU (Public Law 109-59; 119 Stat. 1572) is amended by striking “2009” and inserting “2010, and for the period beginning October 1, 2010, and ending December 31, 2010”.

(b) PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.—Section 3011 of the SAFETEA-LU (49 U.S.C. 5309 note) is amended—

(1) in subsection (c)(5), by striking “2009” and inserting “2010 and the period beginning October 1, 2010, and ending December 31, 2010”; and

(2) in subsection (d), by striking “2009” and inserting “2010, and for the period beginning October 1, 2010, and ending December 31, 2010”.

(c) ELDERLY INDIVIDUALS AND INDIVIDUALS WITH DISABILITIES PILOT PROGRAM.—Section 3012(b)(8) of the SAFETEA-LU (49 U.S.C. 5310 note) is amended by striking “September 30, 2009” and inserting “December 31, 2010”.

(d) OBLIGATION CEILING.—Section 3040 of the SAFETEA-LU (Public Law 109-59; 119 Stat. 1639) is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(6) \$10,507,752,000 for fiscal year 2010, of which not more than \$8,360,565,000 shall be from the Mass Transit Account; and

“(7) \$2,626,938,000 for the period beginning October 1, 2010, and ending December 31, 2010, of which not more than \$2,090,141,250 shall be from the Mass Transit Account.”.

(e) PROJECT AUTHORIZATIONS FOR NEW FIXED GUIDEWAY CAPITAL PROJECTS.—Section 3043 of the SAFETEA-LU (Public Law 109-59; 119 Stat. 1640) is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by striking “2009” and inserting “2010, and for the period beginning October 1, 2010, and ending December 31, 2010,”; and

(2) in subsection (c), in the matter preceding paragraph (1), by striking “2009” and inserting “2010, and for the period beginning October 1, 2010, and ending December 31, 2010”.

(f) ALLOCATIONS FOR NATIONAL RESEARCH AND TECHNOLOGY PROGRAMS.—Section 3046 of the SAFETEA-LU (49 U.S.C. 5338 note) is amended—

(1) in subsection (b), by inserting “or period” after “fiscal year”; and

(2) by adding at the end the following:

“(c) ADDITIONAL APPROPRIATIONS.—The Secretary shall allocate amounts appropriated pursuant to section 5338(d) of title 49, United States Code, for national research and technology programs under sections 5312, 5314, and 5322 of such title—

“(1) for fiscal year 2010, in amounts equal to the amounts allocated for fiscal year 2009 under each of paragraphs (2), (3), (5), (6), and (8) through (25) of subsection (a); and

“(2) for the period beginning October 1, 2010, and ending December 31, 2010, in amounts equal to 25 percent of the amounts allocated for fiscal

year 2009 under each of paragraphs (2), (3), (5), (6), and (8) through (25) of subsection (a).

“(d) FUNDING.—If the Secretary determines that a project or activity described in subsection (a) received sufficient funds in fiscal year 2009, or a previous fiscal year, to carry out the purpose for which the project or activity was authorized, the Secretary may not allocate any amounts under subsection (c) for the project or activity for fiscal year 2010, or any subsequent fiscal year.”.

Subtitle D—Revenue Provisions

SEC. 441. REPEAL OF PROVISION PROHIBITING THE CREDITING OF INTEREST TO THE HIGHWAY TRUST FUND.

(a) IN GENERAL.—Paragraph (1) of section 9503(f) is amended by striking subparagraph (B).

(b) CONFORMING AMENDMENTS.—Such paragraph, as amended by paragraph (1), is further amended—

(1) by striking “, and” at the end of subparagraph (A) and inserting a period; and

(2) by striking “1998” in the matter preceding subparagraph (A) and all that follows through “the opening balance” and inserting “1998, the opening balance”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this title.

SEC. 442. RESTORATION OF CERTAIN FOREGONE INTEREST TO HIGHWAY TRUST FUND.

(a) IN GENERAL.—Paragraph (2) of section 9503(f) is amended to read as follows:

“(2) RESTORATION OF FOREGONE INTEREST.—Out of money in the Treasury not otherwise appropriated, there is hereby appropriated—

“(A) \$14,700,000,000 to the Highway Account (as defined in subsection (e)(5)(B)) in the Highway Trust Fund; and

“(B) \$4,800,000,000 to the Mass Transit Account in the Highway Trust Fund.”.

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 9503(e) is amended by striking “this subsection” and inserting “this section”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 443. TREATMENT OF CERTAIN AMOUNTS APPROPRIATED TO HIGHWAY TRUST FUND.

(a) IN GENERAL.—Section 9503(f), as amended by this Act, is amended by adding at the end the following new paragraph:

“(4) TREATMENT OF APPROPRIATED AMOUNTS.—Any amount appropriated under this subsection to the Highway Trust Fund shall remain available without fiscal year limitation.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 444. TERMINATION OF TRANSFERS FROM HIGHWAY TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.

(a) IN GENERAL.—Section 9503(c) is amended by striking paragraph (2) and by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (2), (3), (4), and (5), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 9502(a) is amended by striking “section 9503(c)(7)” and inserting “section 9503(c)(5)”.

(2) Section 9503(b)(4)(D) is amended by striking “paragraph (4)(D) or (5)(B)” and inserting “paragraph (3)(D) or (4)(B)”.

(3) Paragraph (2) of section 9503(c), as redesignated by subsection (a), is amended by adding at the end the following new sentence: “The amounts payable from the Highway Trust Fund under the preceding sentence shall be determined by taking into account only the portion of the taxes which are deposited into the Highway Trust Fund.”.

(4) Section 9503(e)(5)(A) is amended by striking “(2), (3), and (4)” and inserting “(2) and (3)”.

(5) Section 9504(a) is amended by striking “section 9503(c)(4), section 9503(c)(5)” and inserting “section 9503(c)(3), section 9503(c)(4)”.

(6) Section 9504(b)(2) is amended by striking “section 9503(c)(5)” and inserting “section 9503(c)(4)”.

(7) Section 9504(e) is amended by striking “section 9503(c)(4)” and inserting section “9503(c)(3)”.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to transfers relating to amounts paid and credits allowed after the date of the enactment of this Act.

SEC. 445. EXTENSION OF AUTHORITY FOR EXPENDITURES.

(a) HIGHWAYS TRUST FUND.—

(1) HIGHWAY ACCOUNT.—Paragraph (1) of section 9503(c) is amended—

(A) by striking “September 30, 2009 (October 1, 2009)” and inserting “December 31, 2010 (January 1, 2011)”;

(B) by striking “under” and all that follows and inserting “under the Surface Transportation Extension Act of 2010 or any other provision of law which was referred to in this paragraph before the date of the enactment of such Act (as such Act and provisions of law are in effect on the date of the enactment of such Act)”.

(2) MASS TRANSIT ACCOUNT.—Paragraph (3) of section 9503(e) is amended—

(A) by striking “October 1, 2009” and inserting “January 1, 2011”; and

(B) by striking “in accordance with” and all that follows and inserting “in accordance with the Surface Transportation Extension Act of 2010 or any other provision of law which was referred to in this paragraph before the date of the enactment of such Act (as such Act and provisions of law are in effect on the date of the enactment of such Act)”.

(3) EXCEPTION TO LIMITATION ON TRANSFERS.—Subparagraph (B) of section 9503(b)(6) is amended by striking “September 30, 2009 (October 1, 2009)” and inserting “December 31, 2010 (January 1, 2011)”.

(b) SPORT FISH RESTORATION AND BOATING TRUST FUND.—

(1) IN GENERAL.—Paragraph (2) of section 9504(b) is amended—

(A) by striking “(as in effect” in subparagraph (A) and all that follows in such subparagraph and inserting “(as in effect on the date of the enactment of the Surface Transportation Extension Act of 2010),”;

(B) by striking “(as in effect” in subparagraph (B) and all that follows in such subparagraph and inserting “(as in effect on the date of the enactment of the Surface Transportation Extension Act of 2010), and”, and

(C) by striking “(as in effect” in subparagraph (C) and all that follows in such subparagraph and inserting “(as in effect on the date of the enactment of the Surface Transportation Extension Act of 2010).”.

(2) EXCEPTION TO LIMITATION ON TRANSFERS.—Paragraph (2) of section 9504(d) is amended by striking “October 1, 2009” and inserting “January 1, 2011”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 2009.

SEC. 446. LEVEL OF OBLIGATION LIMITATIONS.

(a) HIGHWAY CATEGORY.—Section 8003(a) of the SAFETEA-LU (2 U.S.C. 901 note; 119 Stat. 1917) is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(6) for the period beginning on October 1, 2009, and ending on September 30, 2010, \$42,469,970,178.

“(7) for the period beginning on October 1, 2010, and ending on December 31, 2010, \$10,617,492,545.”.

(b) MASS TRANSIT CATEGORY.—Section 8003(b) of the SAFETEA-LU (2 U.S.C. 901 note; 119 Stat. 1917) is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(6) for the period beginning on October 1, 2009, and ending on December 31, 2010, \$10,338,065,000.

“(7) for the period beginning on October 1, 2010, and ending on December 31, 2010, \$2,584,516,250.”.

(c) TREATMENT OF FUNDS.—No adjustment pursuant to section 110 of title 23, United States Code, shall be made for fiscal year 2010 or fiscal year 2011.

TITLE V—OFFSET PROVISIONS

Subtitle A—Foreign Account Tax Compliance

PART I—INCREASED DISCLOSURE OF BENEFICIAL OWNERS

SEC. 501. REPORTING ON CERTAIN FOREIGN ACCOUNTS.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended by inserting after chapter 3 the following new chapter:

“CHAPTER 4—TAXES TO ENFORCE REPORTING ON CERTAIN FOREIGN ACCOUNTS

“Sec. 1471. Withholdable payments to foreign financial institutions.

“Sec. 1472. Withholdable payments to other foreign entities.

“Sec. 1473. Definitions.

“Sec. 1474. Special rules.

“SEC. 1471. WITHHOLDABLE PAYMENTS TO FOREIGN FINANCIAL INSTITUTIONS.

“(a) IN GENERAL.—In the case of any withholdable payment to a foreign financial institution which does not meet the requirements of subsection (b), the withholding agent with respect to such payment shall deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment.

“(b) REPORTING REQUIREMENTS, ETC.—

“(1) IN GENERAL.—The requirements of this subsection are met with respect to any foreign financial institution if an agreement is in effect between such institution and the Secretary under which such institution agrees—

“(A) to obtain such information regarding each holder of each account maintained by such institution as is necessary to determine which (if any) of such accounts are United States accounts,

“(B) to comply with such verification and due diligence procedures as the Secretary may require with respect to the identification of United States accounts,

“(C) in the case of any United States account maintained by such institution, to report on an annual basis the information described in subsection (c) with respect to such account,

“(D) to deduct and withhold a tax equal to 30 percent of—

“(i) any passthru payment which is made by such institution to a recalcitrant account holder or another foreign financial institution which does not meet the requirements of this subsection, and

“(ii) in the case of any passthru payment which is made by such institution to a foreign financial institution which has in effect an election under paragraph (3) with respect to such payment, so much of such payment as is allocable to accounts held by recalcitrant account holders or foreign financial institutions which do not meet the requirements of this subsection,

“(E) to comply with requests by the Secretary for additional information with respect to any United States account maintained by such institution, and

“(F) in any case in which any foreign law would (but for a waiver described in clause (i)) prevent the reporting of any information referred to in this subsection or subsection (c) with respect to any United States account maintained by such institution—

“(i) to attempt to obtain a valid and effective waiver of such law from each holder of such account, and

“(ii) if a waiver described in clause (i) is not obtained from each such holder within a reasonable period of time, to close such account.

Any agreement entered into under this subsection may be terminated by the Secretary upon a determination by the Secretary that the foreign financial institution is out of compliance with such agreement.

“(2) FINANCIAL INSTITUTIONS DEEMED TO MEET REQUIREMENTS IN CERTAIN CASES.—A foreign financial institution may be treated by the Secretary as meeting the requirements of this subsection if—

“(A) such institution—

“(i) complies with such procedures as the Secretary may prescribe to ensure that such institution does not maintain United States accounts, and

“(ii) meets such other requirements as the Secretary may prescribe with respect to accounts of other foreign financial institutions maintained by such institution, or

“(B) such institution is a member of a class of institutions with respect to which the Secretary has determined that the application of this section is not necessary to carry out the purposes of this section.

“(3) ELECTION TO BE WITHHELD UPON RATHER THAN WITHHOLD ON PAYMENTS TO RECALCITRANT ACCOUNT HOLDERS AND NONPARTICIPATING FOREIGN FINANCIAL INSTITUTIONS.—In the case of a foreign financial institution which meets the requirements of this subsection and such other requirements as the Secretary may provide and which elects the application of this paragraph—

“(A) the requirements of paragraph (1)(D) shall not apply,

“(B) the withholding tax imposed under subsection (a) shall apply with respect to any withholdable payment to such institution to the extent such payment is allocable to accounts held by recalcitrant account holders or foreign financial institutions which do not meet the requirements of this subsection, and

“(C) the agreement described in paragraph (1) shall—

“(i) require such institution to notify the withholding agent with respect to each such payment of the institution’s election under this paragraph and such other information as may be necessary for the withholding agent to determine the appropriate amount to deduct and withhold from such payment, and

“(ii) include a waiver of any right under any treaty of the United States with respect to any amount deducted and withheld pursuant to an election under this paragraph.

To the extent provided by the Secretary, the election under this paragraph may be made with respect to certain classes or types of accounts of the foreign financial institution.

“(C) INFORMATION REQUIRED TO BE REPORTED ON UNITED STATES ACCOUNTS.—

“(1) IN GENERAL.—The agreement described in subsection (b) shall require the foreign financial institution to report the following with respect to each United States account maintained by such institution:

“(A) The name, address, and TIN of each account holder which is a specified United States person and, in the case of any account holder which is a United States owned foreign entity, the name, address, and TIN of each substantial United States owner of such entity.

“(B) The account number.

“(C) The account balance or value (determined at such time and in such manner as the Secretary may provide).

“(D) Except to the extent provided by the Secretary, the gross receipts and gross withdrawals or payments from the account (determined for such period and in such manner as the Secretary may provide).

“(2) ELECTION TO BE SUBJECT TO SAME REPORTING AS UNITED STATES FINANCIAL INSTITU-

TIONS.—In the case of a foreign financial institution which elects the application of this paragraph—

“(A) subparagraphs (C) and (D) of paragraph (1) shall not apply, and

“(B) the agreement described in subsection (b) shall require such foreign financial institution to report such information with respect to each United States account maintained by such institution as such institution would be required to report under sections 6041, 6042, 6045, and 6049 if—

“(i) such institution were a United States person, and

“(ii) each holder of such account which is a specified United States person or United States owned foreign entity were a natural person and citizen of the United States.

An election under this paragraph shall be made at such time, in such manner, and subject to such conditions as the Secretary may provide.

“(3) SEPARATE REQUIREMENTS FOR QUALIFIED INTERMEDIARIES.—In the case of a foreign financial institution which is treated as a qualified intermediary by the Secretary for purposes of section 1441 and the regulations issued thereunder, the requirements of this section shall be in addition to any reporting or other requirements imposed by the Secretary for purposes of such treatment.

“(d) DEFINITIONS.—For purposes of this section—

“(1) UNITED STATES ACCOUNT.—

“(A) IN GENERAL.—The term ‘United States account’ means any financial account which is held by one or more specified United States persons or United States owned foreign entities.

“(B) EXCEPTION FOR CERTAIN ACCOUNTS HELD BY INDIVIDUALS.—Unless the foreign financial institution elects to not have this subparagraph apply, such term shall not include any depository account maintained by such financial institution if—

“(i) each holder of such account is a natural person, and

“(ii) with respect to each holder of such account, the aggregate value of all depository accounts held (in whole or in part) by such holder and maintained by the same financial institution which maintains such account does not exceed \$50,000.

To the extent provided by the Secretary, financial institutions which are members of the same expanded affiliated group shall be treated for purposes of clause (ii) as a single financial institution.

“(C) ELIMINATION OF DUPLICATIVE REPORTING REQUIREMENTS.—Such term shall not include any financial account in a foreign financial institution if—

“(i) such account is held by another financial institution which meets the requirements of subsection (b), or

“(ii) the holder of such account is otherwise subject to information reporting requirements which the Secretary determines would make the reporting required by this section with respect to United States accounts duplicative.

“(2) FINANCIAL ACCOUNT.—Except as otherwise provided by the Secretary, the term ‘financial account’ means, with respect to any financial institution—

“(A) any depository account maintained by such financial institution,

“(B) any custodial account maintained by such financial institution, and

“(C) any equity or debt interest in such financial institution (other than interests which are regularly traded on an established securities market).

Any equity or debt interest which constitutes a financial account under subparagraph (C) with respect to any financial institution shall be treated for purposes of this section as maintained by such financial institution.

“(3) UNITED STATES OWNED FOREIGN ENTITY.—The term ‘United States owned foreign entity’

means any foreign entity which has one or more substantial United States owners.

“(4) FOREIGN FINANCIAL INSTITUTION.—The term ‘foreign financial institution’ means any financial institution which is a foreign entity. Except as otherwise provided by the Secretary, such term shall not include a financial institution which is organized under the laws of any possession of the United States.

“(5) FINANCIAL INSTITUTION.—Except as otherwise provided by the Secretary, the term ‘financial institution’ means any entity that—

“(A) accepts deposits in the ordinary course of a banking or similar business,

“(B) as a substantial portion of its business, holds financial assets for the account of others, or

“(C) is engaged (or holding itself out as being engaged) primarily in the business of investing, reinvesting, or trading in securities (as defined in section 475(c)(2) without regard to the last sentence thereof), partnership interests, commodities (as defined in section 475(e)(2)), or any interest (including a futures or forward contract or option) in such securities, partnership interests, or commodities.

“(6) RECALCITRANT ACCOUNT HOLDER.—The term ‘recalcitrant account holder’ means any account holder which—

“(A) fails to comply with reasonable requests for the information referred to in subsection (b)(1)(A) or (c)(1)(A), or

“(B) fails to provide a waiver described in subsection (b)(1)(F) upon request.

“(7) PASSTHRU PAYMENT.—The term ‘passthru payment’ means any withholdable payment or other payment to the extent attributable to a withholdable payment.

“(e) AFFILIATED GROUPS.—

“(1) IN GENERAL.—The requirements of subsections (b) and (c)(1) shall apply—

“(A) with respect to United States accounts maintained by the foreign financial institution, and

“(B) except as otherwise provided by the Secretary, with respect to United States accounts maintained by each other foreign financial institution (other than any foreign financial institution which meets the requirements of subsection (b)) which is a member of the same expanded affiliated group as such foreign financial institution.

“(2) EXPANDED AFFILIATED GROUP.—For purposes of this section, the term ‘expanded affiliated group’ means an affiliated group as defined in section 1504(a), determined—

“(A) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears, and

“(B) without regard to paragraphs (2) and (3) of section 1504(b).

A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group 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).

“(f) EXCEPTION FOR CERTAIN PAYMENTS.—Subsection (a) shall not apply to any payment to the extent that the beneficial owner of such payment is—

“(1) any foreign government, any political subdivision of a foreign government, or any wholly owned agency or instrumentality of any one or more of the foregoing,

“(2) any international organization or any wholly owned agency or instrumentality thereof,

“(3) any foreign central bank of issue, or

“(4) any other class of persons identified by the Secretary for purposes of this subsection as posing a low risk of tax evasion.

“SEC. 1472. WITHHOLDABLE PAYMENTS TO OTHER FOREIGN ENTITIES.

“(a) IN GENERAL.—In the case of any withholdable payment to a non-financial foreign entity, if—

“(1) the beneficial owner of such payment is such entity or any other non-financial foreign entity, and

“(2) the requirements of subsection (b) are not met with respect to such beneficial owner,

then the withholding agent with respect to such payment shall deduct and withhold from such payment a tax equal to 30 percent of the amount of such payment.

“(b) REQUIREMENTS FOR WAIVER OF WITHHOLDING.—The requirements of this subsection are met with respect to the beneficial owner of a payment if—

“(1) such beneficial owner or the payee provides the withholding agent with either—

“(A) a certification that such beneficial owner does not have any substantial United States owners, or

“(B) the name, address, and TIN of each substantial United States owner of such beneficial owner,

“(2) the withholding agent does not know, or have reason to know, that any information provided under paragraph (1) is incorrect, and

“(3) the withholding agent reports the information provided under paragraph (1)(B) to the Secretary in such manner as the Secretary may provide.

“(c) EXCEPTIONS.—Subsection (a) shall not apply to—

“(1) except as otherwise provided by the Secretary, any payment beneficially owned by—

“(A) any corporation the stock of which is regularly traded on an established securities market,

“(B) any corporation which is a member of the same expanded affiliated group (as defined in section 1471(e)(2) without regard to the last sentence thereof) as a corporation described in subparagraph (A),

“(C) any entity which is organized under the laws of a possession of the United States and which is wholly owned by one or more bona fide residents (as defined in section 937(a)) of such possession,

“(D) any foreign government, any political subdivision of a foreign government, or any wholly owned agency or instrumentality of any one or more of the foregoing,

“(E) any international organization or any wholly owned agency or instrumentality thereof,

“(F) any foreign central bank of issue, or

“(G) any other class of persons identified by the Secretary for purposes of this subsection, and

“(2) any class of payments identified by the Secretary for purposes of this subsection as posing a low risk of tax evasion.

“(d) NON-FINANCIAL FOREIGN ENTITY.—For purposes of this section, the term ‘non-financial foreign entity’ means any foreign entity which is not a financial institution (as defined in section 1471(d)(5)).

“SEC. 1473. DEFINITIONS.

“For purposes of this chapter—

“(1) WITHHOLDABLE PAYMENT.—Except as otherwise provided by the Secretary—

“(A) IN GENERAL.—The term ‘withholdable payment’ means—

“(i) any payment of interest (including any original issue discount), dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income, if such payment is from sources within the United States, and

“(ii) any gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States.

“(B) EXCEPTION FOR INCOME CONNECTED WITH UNITED STATES BUSINESS.—Such term shall not include any item of income which is taken into account under section 871(b)(1) or 882(a)(1) for the taxable year.

“(C) SPECIAL RULE FOR SOURCING INTEREST PAID BY FOREIGN BRANCHES OF DOMESTIC FINAN-

CIAL INSTITUTIONS.—Subparagraph (B) of section 861(a)(1) shall not apply.

“(2) SUBSTANTIAL UNITED STATES OWNER.—

“(A) IN GENERAL.—The term ‘substantial United States owner’ means—

“(i) with respect to any corporation, any specified United States person which owns, directly or indirectly, more than 10 percent of the stock of such corporation (by vote or value),

“(ii) with respect to any partnership, any specified United States person which owns, directly or indirectly, more than 10 percent of the profits interests or capital interests in such partnership, and

“(iii) in the case of a trust—

“(I) any specified United States person treated as an owner of any portion of such trust under subpart E of part I of subchapter J of chapter 1, and

“(II) to the extent provided by the Secretary in regulations or other guidance, any specified United States person which holds, directly or indirectly, more than 10 percent of the beneficial interests of such trust.

“(B) SPECIAL RULE FOR INVESTMENT VEHICLES.—In the case of any financial institution described in section 1471(d)(5)(C), clauses (i), (ii), and (iii) of subparagraph (A) shall be applied by substituting ‘0 percent’ for ‘10 percent’.

“(3) SPECIFIED UNITED STATES PERSON.—Except as otherwise provided by the Secretary, the term ‘specified United States person’ means any United States person other than—

“(A) any corporation the stock of which is regularly traded on an established securities market,

“(B) any corporation which is a member of the same expanded affiliated group (as defined in section 1471(e)(2) without regard to the last sentence thereof) as a corporation the stock of which is regularly traded on an established securities market,

“(C) any organization exempt from taxation under section 501(a) or an individual retirement plan,

“(D) the United States or any wholly owned agency or instrumentality thereof,

“(E) any State, the District of Columbia, any possession of the United States, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing,

“(F) any bank (as defined in section 581),

“(G) any real estate investment trust (as defined in section 856),

“(H) any regulated investment company (as defined in section 851),

“(I) any common trust fund (as defined in section 584(a)), and

“(J) any trust which—

“(i) is exempt from tax under section 664(c), or

“(ii) is described in section 4947(a)(1).

“(4) WITHHOLDING AGENT.—The term ‘withholding agent’ means all persons, in whatever capacity acting, having the control, receipt, custody, disposal, or payment of any withholdable payment.

“(5) FOREIGN ENTITY.—The term ‘foreign entity’ means any entity which is not a United States person.

“SEC. 1474. SPECIAL RULES.

“(a) LIABILITY FOR WITHHELD TAX.—Every person required to deduct and withhold any tax under this chapter is hereby made liable for such tax and is hereby indemnified against the claims and demands of any person for the amount of any payments made in accordance with the provisions of this chapter.

“(b) CREDITS AND REFUNDS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the determination of whether any tax deducted and withheld under this chapter results in an overpayment by the beneficial owner of the payment to which such tax is attributable shall be made as if such tax had been deducted and withheld under subchapter A of chapter 3.

“(2) SPECIAL RULE WHERE FOREIGN FINANCIAL INSTITUTION IS BENEFICIAL OWNER OF PAYMENT.—

“(A) IN GENERAL.—In the case of any tax properly deducted and withheld under section 1471 from a specified financial institution payment—

“(i) if the foreign financial institution referred to in subparagraph (B) with respect to such payment is entitled to a reduced rate of tax with respect to such payment by reason of any treaty obligation of the United States—

“(I) the amount of any credit or refund with respect to such tax shall not exceed the amount of credit or refund attributable to such reduction in rate, and

“(II) no interest shall be allowed or paid with respect to such credit or refund, and

“(ii) if such foreign financial institution is not so entitled, no credit or refund shall be allowed or paid with respect to such tax.

“(B) SPECIFIED FINANCIAL INSTITUTION PAYMENT.—The term ‘specified financial institution payment’ means any payment if the beneficial owner of such payment is a foreign financial institution.

“(3) REQUIREMENT TO IDENTIFY SUBSTANTIAL UNITED STATES OWNERS.—No credit or refund shall be allowed or paid with respect to any tax properly deducted and withheld under this chapter unless the beneficial owner of the payment provides the Secretary such information as the Secretary may require to determine whether such beneficial owner is a United States owned foreign entity (as defined in section 1471(d)(3)) and the identity of any substantial United States owners of such entity.

“(c) CONFIDENTIALITY OF INFORMATION.—

“(1) IN GENERAL.—For purposes of this chapter, rules similar to the rules of section 3406(f) shall apply.

“(2) DISCLOSURE OF LIST OF PARTICIPATING FOREIGN FINANCIAL INSTITUTIONS PERMITTED.—The identity of a foreign financial institution which meets the requirements of section 1471(b) shall not be treated as return information for purposes of section 6103.

“(d) COORDINATION WITH OTHER WITHHOLDING PROVISIONS.—The Secretary shall provide for the coordination of this chapter with other withholding provisions under this title, including providing for the proper crediting of amounts deducted and withheld under this chapter against amounts required to be deducted and withheld under such other provisions.

“(e) TREATMENT OF WITHHOLDING UNDER AGREEMENTS.—Any tax deducted and withheld pursuant to an agreement described in section 1471(b) shall be treated for purposes of this title as a tax deducted and withheld by a withholding agent under section 1471(a).

“(f) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of, and prevent the avoidance of, this chapter.”

(b) SPECIAL RULE FOR INTEREST ON OVERPAYMENTS.—Subsection (e) of section 6611 is amended by adding at the end the following new paragraph:

“(4) CERTAIN WITHHOLDING TAXES.—In the case of any overpayment resulting from tax deducted and withheld under chapter 3 or 4, paragraphs (1), (2), and (3) shall be applied by substituting ‘180 days’ for ‘45 days’ each place it appears.”

(c) CONFORMING AMENDMENTS.—

(1) Section 6414 is amended by inserting “or 4” after “chapter 3”.

(2) Paragraph (1) of section 6501(b) is amended by inserting “4,” after “chapter 3.”

(3) Paragraph (2) of section 6501(b) is amended—

(A) by inserting “4,” after “chapter 3,” in the text thereof, and

(B) by striking “TAXES AND TAX IMPOSED BY CHAPTER 3” in the heading thereof and inserting “AND WITHHOLDING TAXES”.

(4) Paragraph (3) of section 6513(b) is amended—

(A) by inserting “or 4” after “chapter 3”, and
(B) by inserting “or 1474(b)” after “section 1462”.

(5) Subsection (c) of section 6513 is amended by inserting “4,” after “chapter 3.”

(6) Paragraph (1) of section 6724(d) is amended by inserting “under chapter 4 or” after “filed with the Secretary” in the last sentence thereof.

(7) Paragraph (2) of section 6724(d) is amended by inserting “or 4” after “chapter 3”.

(8) The table of chapters of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“CHAPTER 4. TAXES TO ENFORCE REPORTING ON CERTAIN FOREIGN ACCOUNTS.”

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to payments made after December 31, 2012.

(2) GRANDFATHERED TREATMENT OF OUTSTANDING OBLIGATIONS.—The amendments made by this section shall not require any amount to be deducted or withheld from any payment under any obligation outstanding on the date which is 2 years after the date of the enactment of this Act or from the gross proceeds from any disposition of such an obligation.

(3) INTEREST ON OVERPAYMENTS.—The amendment made by subsection (b) shall apply—

(A) in the case of such amendment’s application to paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986, to returns the due date for which (determined without regard to extensions) is after the date of the enactment of this Act,

(B) in the case of such amendment’s application to paragraph (2) of such section, to claims for credit or refund of any overpayment filed after the date of the enactment of this Act (regardless of the taxable period to which such refund relates), and

(C) in the case of such amendment’s application to paragraph (3) of such section, to refunds paid after the date of the enactment of this Act (regardless of the taxable period to which such refund relates).

SEC. 502. REPEAL OF CERTAIN FOREIGN EXCEPTIONS TO REGISTERED BOND REQUIREMENTS.

(a) REPEAL OF EXCEPTION TO DENIAL OF DEDUCTION FOR INTEREST ON NON-REGISTERED BONDS.—

(1) IN GENERAL.—Paragraph (2) of section 163(f) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (2) of section 149(a) is amended by inserting “or” at the end of subparagraph (A), by striking “, or” at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(B) Subparagraph (A) of section 163(f)(2) is amended by inserting “or” at the end of clause (ii), by striking “, or” at the end of clause (iii) and inserting a period, and by striking clause (iv).

(C) Subparagraph (B) of section 163(f)(2), as redesignated by paragraph (1), is amended—

(i) by striking “, and subparagraph (B),” in the matter preceding clause (i), and

(ii) by amending clause (i) to read as follows:

“(i) such obligation is of a type which the Secretary has determined by regulations to be used frequently in avoiding Federal taxes, and”.

(D) Sections 165(j)(2)(A) and 1287(b)(1) are each amended by striking “except that clause (iv) of subparagraph (A), and subparagraph (B), of such section shall not apply”.

(b) REPEAL OF TREATMENT AS PORTFOLIO DEBT.—

(1) IN GENERAL.—Paragraph (2) of section 871(h) is amended to read as follows:

“(2) PORTFOLIO INTEREST.—For purposes of this subsection, the term ‘portfolio interest’

means any interest (including original issue discount) which—

“(A) would be subject to tax under subsection (a) but for this subsection, and

“(B) is paid on an obligation—

“(i) which is in registered form, and

“(ii) with respect to which—

“(I) the United States person who would otherwise be required to deduct and withhold tax from such interest under section 1441(a) receives a statement (which meets the requirements of paragraph (5)) that the beneficial owner of the obligation is not a United States person, or

“(II) the Secretary has determined that such a statement is not required in order to carry out the purposes of this subsection.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 871(h)(3)(A) is amended by striking “subparagraph (A) or (B) of”.

(B) Paragraph (2) of section 881(c) is amended to read as follows:

“(2) PORTFOLIO INTEREST.—For purposes of this subsection, the term ‘portfolio interest’ means any interest (including original issue discount) which—

“(A) would be subject to tax under subsection (a) but for this subsection, and

“(B) is paid on an obligation—

“(i) which is in registered form, and

“(ii) with respect to which—

“(I) the person who would otherwise be required to deduct and withhold tax from such interest under section 1442(a) receives a statement which meets the requirements of section 871(h)(5) that the beneficial owner of the obligation is not a United States person, or

“(II) the Secretary has determined that such a statement is not required in order to carry out the purposes of this subsection.”.

(c) DEMATERIALIZED BOOK ENTRY SYSTEMS TREATED AS REGISTERED FORM.—Paragraph (3) of section 163(f) is amended by inserting “, except that a dematerialized book entry system or other book entry system specified by the Secretary shall be treated as a book entry system described in such section” before the period at the end.

(d) REPEAL OF EXCEPTION TO REQUIREMENT THAT TREASURY OBLIGATIONS BE IN REGISTERED FORM.—

(1) IN GENERAL.—Subsection (g) of section 3121 of title 31, United States Code, is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—Paragraph (1) of section 3121(g) of such title is amended—

(A) by adding “or” at the end of subparagraph (A),

(B) by striking “; or” at the end of subparagraph (B) and inserting a period, and

(C) by striking subparagraph (C).

(e) PRESERVATION OF EXCEPTION FOR EXCISE TAX PURPOSES.—Paragraph (1) of section 4701(b) is amended to read as follows:

“(1) REGISTRATION-REQUIRED OBLIGATION.—

“(A) IN GENERAL.—The term ‘registration-required obligation’ has the same meaning as when used in section 163(f), except that such term shall not include any obligation which—

“(i) is required to be registered under section 149(a), or

“(ii) is described in subparagraph (B).

“(B) CERTAIN OBLIGATIONS NOT INCLUDED.—

An obligation is described in this subparagraph if—

“(i) there are arrangements reasonably designed to ensure that such obligation will be sold (or resold in connection with the original issue) only to a person who is not a United States person,

“(ii) interest on such obligation is payable only outside the United States and its possessions, and

“(iii) on the face of such obligation there is a statement that any United States person who holds such obligation will be subject to limitations under the United States income tax laws.”.

(f) **EFFECTIVE DATE.**—The amendments made by this section shall apply to obligations issued after the date which is 2 years after the date of the enactment of this Act.

PART II—UNDER REPORTING WITH RESPECT TO FOREIGN ASSETS

SEC. 511. DISCLOSURE OF INFORMATION WITH RESPECT TO FOREIGN FINANCIAL ASSETS.

(a) **IN GENERAL.**—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038C the following new section:

“SEC. 6038D. INFORMATION WITH RESPECT TO FOREIGN FINANCIAL ASSETS.

“(a) **IN GENERAL.**—Any individual who, during any taxable year, holds any interest in a specified foreign financial asset shall attach to such person’s return of tax imposed by subtitle A for such taxable year the information described in subsection (c) with respect to each such asset if the aggregate value of all such assets exceeds \$50,000 (or such higher dollar amount as the Secretary may prescribe).

“(b) **SPECIFIED FOREIGN FINANCIAL ASSETS.**—For purposes of this section, the term ‘specified foreign financial asset’ means—

“(1) any financial account (as defined in section 1471(d)(2)) maintained by a foreign financial institution (as defined in section 1471(d)(4)), and

“(2) any of the following assets which are not held in an account maintained by a financial institution (as defined in section 1471(d)(5))—

“(A) any stock or security issued by a person other than a United States person,

“(B) any financial instrument or contract held for investment that has an issuer or counterparty which is other than a United States person, and

“(C) any interest in a foreign entity (as defined in section 1473).

“(c) **REQUIRED INFORMATION.**—The information described in this subsection with respect to any asset is:

“(1) In the case of any account, the name and address of the financial institution in which such account is maintained and the number of such account.

“(2) In the case of any stock or security, the name and address of the issuer and such information as is necessary to identify the class or issue of which such stock or security is a part.

“(3) In the case of any other instrument, contract, or interest—

“(A) such information as is necessary to identify such instrument, contract, or interest, and

“(B) the names and addresses of all issuers and counterparties with respect to such instrument, contract, or interest.

“(4) The maximum value of the asset during the taxable year.

“(d) **PENALTY FOR FAILURE TO DISCLOSE.**—

“(1) **IN GENERAL.**—If any individual fails to furnish the information described in subsection (c) with respect to any taxable year at the time and in the manner described in subsection (a), such person shall pay a penalty of \$10,000.

“(2) **INCREASE IN PENALTY WHERE FAILURE CONTINUES AFTER NOTIFICATION.**—If any failure described in paragraph (1) continues for more than 90 days after the day on which the Secretary mails notice of such failure to the individual, such individual shall pay a penalty (in addition to the penalties under paragraph (1)) of \$10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period. The penalty imposed under this paragraph with respect to any failure shall not exceed \$50,000.

“(e) **PRESUMPTION THAT VALUE OF SPECIFIED FOREIGN FINANCIAL ASSETS EXCEEDS DOLLAR THRESHOLD.**—If—

“(1) the Secretary determines that an individual has an interest in one or more specified foreign financial assets, and

“(2) such individual does not provide sufficient information to demonstrate the aggregate value of such assets,

then the aggregate value of such assets shall be treated as being in excess of \$50,000 (or such higher dollar amount as the Secretary prescribes for purposes of subsection (a)) for purposes of assessing the penalties imposed under this section.

“(f) **APPLICATION TO CERTAIN ENTITIES.**—To the extent provided by the Secretary in regulations or other guidance, the provisions of this section shall apply to any domestic entity which is formed or availed of for purposes of holding, directly or indirectly, specified foreign financial assets, in the same manner as if such entity were an individual.

“(g) **REASONABLE CAUSE EXCEPTION.**—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the required information is not reasonable cause.

“(h) **REGULATIONS.**—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provide appropriate exceptions from the application of this section in the case of—

“(1) classes of assets identified by the Secretary, including any assets with respect to which the Secretary determines that disclosure under this section would be duplicative of other disclosures,

“(2) nonresident aliens, and

“(3) bona fide residents of any possession of the United States.”.

(b) **CLERICAL AMENDMENT.**—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6038C the following new item:

“Sec. 6038D. Information with respect to foreign financial assets.”.

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

SEC. 512. PENALTIES FOR UNDERPAYMENTS ATTRIBUTABLE TO UNDISCLOSED FOREIGN FINANCIAL ASSETS.

(a) **IN GENERAL.**—Section 6662, as amended by this Act, is amended—

(1) in subsection (b), by inserting after paragraph (6) the following new paragraph:

“(7) Any undisclosed foreign financial asset understatement.”, and

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

“(j) **UNDISCLOSED FOREIGN FINANCIAL ASSET UNDERSTATEMENT.**—

“(1) **IN GENERAL.**—For purposes of this section, the term ‘undisclosed foreign financial asset understatement’ means, for any taxable year, the portion of the understatement for such taxable year which is attributable to any transaction involving an undisclosed foreign financial asset.

“(2) **UNDISCLOSED FOREIGN FINANCIAL ASSET.**—For purposes of this subsection, the term ‘undisclosed foreign financial asset’ means, with respect to any taxable year, any asset with respect to which information was required to be provided under section 6038, 6038B, 6038D, 6046A, or 6048 for such taxable year but was not provided by the taxpayer as required under the provisions of those sections.

“(3) **INCREASE IN PENALTY FOR UNDISCLOSED FOREIGN FINANCIAL ASSET UNDERSTATEMENTS.**—In the case of any portion of an underpayment which is attributable to any undisclosed foreign financial asset understatement, subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’.”.

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

SEC. 513. MODIFICATION OF STATUTE OF LIMITATIONS FOR SIGNIFICANT OMISSION OF INCOME IN CONNECTION WITH FOREIGN ASSETS.

(a) **EXTENSION OF STATUTE OF LIMITATIONS.**—(1) **IN GENERAL.**—Paragraph (1) of section 6501(e) is amended by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

“(A) **GENERAL RULE.**—If the taxpayer omits from gross income an amount properly includible therein and—

“(i) such amount is in excess of 25 percent of the amount of gross income stated in the return, or

“(ii) such amount—

“(I) is attributable to one or more assets with respect to which information is required to be reported under section 6038D (or would be so required if such section were applied without regard to the dollar threshold specified in subsection (a) thereof and without regard to any exceptions provided pursuant to subsection (h)(1) thereof), and

“(II) is in excess of \$5,000,

the tax may be assessed, or a proceeding in court for collection of such tax may be begun without assessment, at any time within 6 years after the return was filed.”.

(2) **CONFORMING AMENDMENTS.**—

(A) Subparagraph (B) of section 6501(e)(1), as redesignated by paragraph (1), is amended by striking all that precedes clause (i) and inserting the following:

“(B) **DETERMINATION OF GROSS INCOME.**—For purposes of subparagraph (A)—”.

(B) Paragraph (2) of section 6229(c) is amended by striking “which is in excess of 25 percent of the amount of gross income stated in its return” and inserting “and such amount is described in clause (i) or (ii) of section 6501(e)(1)(A)”.

(b) **ADDITIONAL REPORTS SUBJECT TO EXTENDED PERIOD.**—Paragraph (8) of section 6501(c) is amended—

(1) by inserting “pursuant to an election under section 1295(b) or” before “under section 6038”,

(2) by inserting “1298(f),” before “6038”, and

(3) by inserting “6038D,” after “6038B,”.

(c) **CLARIFICATIONS RELATED TO FAILURE TO DISCLOSE FOREIGN TRANSFERS.**—Paragraph (8) of section 6501(c) is amended by striking “event” and inserting “tax return, event,”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to—

(1) returns filed after the date of the enactment of this Act; and

(2) returns filed on or before such date if the period specified in section 6501 of the Internal Revenue Code of 1986 (determined without regard to such amendments) for assessment of such taxes has not expired as of such date.

PART III—OTHER DISCLOSURE PROVISIONS

SEC. 521. REPORTING OF ACTIVITIES WITH RESPECT TO PASSIVE FOREIGN INVESTMENT COMPANIES.

(a) **IN GENERAL.**—Section 1298 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) **REPORTING REQUIREMENT.**—Except as otherwise provided by the Secretary, each United States person who is a shareholder of a passive foreign investment company shall file an annual report containing such information as the Secretary may require.”.

(b) **CONFORMING AMENDMENT.**—Subsection (e) of section 1291 is amended by striking “, (d), and (f)” and inserting “and (d)”.

(c) **EFFECTIVE DATE.**—The amendments made by this section take effect on the date of the enactment of this Act.

SEC. 522. SECRETARY PERMITTED TO REQUIRE FINANCIAL INSTITUTIONS TO FILE CERTAIN RETURNS RELATED TO WITHHOLDING ON FOREIGN TRANSFERS ELECTRONICALLY.

(a) IN GENERAL.—Subsection (e) of section 6011 is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULE FOR RETURNS FILED BY FINANCIAL INSTITUTIONS WITH RESPECT TO WITHHOLDING ON FOREIGN TRANSFERS.—The numerical limitation under paragraph (2)(A) shall not apply to any return filed by a financial institution (as defined in section 1471(d)(5)) with respect to tax for which such institution is made liable under section 1461 or 1474(a).”

(b) CONFORMING AMENDMENT.—Subsection (c) of section 6724 is amended by inserting “or with respect to a return described in section 6011(e)(4)” before the end period.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to returns the due date for which (determined without regard to extensions) is after the date of the enactment of this Act.

PART IV—PROVISIONS RELATED TO FOREIGN TRUSTS

SEC. 531. CLARIFICATIONS WITH RESPECT TO FOREIGN TRUSTS WHICH ARE TREATED AS HAVING A UNITED STATES BENEFICIARY.

(a) IN GENERAL.—Paragraph (1) of section 679(c) is amended by adding at the end the following:

“For purposes of subparagraph (A), an amount shall be treated as accumulated for the benefit of a United States person even if the United States person’s interest in the trust is contingent on a future event.”

(b) CLARIFICATION REGARDING DISCRETION TO IDENTIFY BENEFICIARIES.—Subsection (c) of section 679 is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULE IN CASE OF DISCRETION TO IDENTIFY BENEFICIARIES.—For purposes of paragraph (1)(A), if any person has the discretion (by authority given in the trust agreement, by power of appointment, or otherwise) of making a distribution from the trust to, or for the benefit of, any person, such trust shall be treated as having a beneficiary who is a United States person unless—

“(A) the terms of the trust specifically identify the class of persons to whom such distributions may be made, and

“(B) none of those persons are United States persons during the taxable year.”

(c) CLARIFICATION THAT CERTAIN AGREEMENTS AND UNDERSTANDINGS ARE TERMS OF THE TRUST.—Subsection (c) of section 679, as amended by subsection (b), is amended by adding at the end the following new paragraph:

“(5) CERTAIN AGREEMENTS AND UNDERSTANDINGS TREATED AS TERMS OF THE TRUST.—For purposes of paragraph (1)(A), if any United States person who directly or indirectly transfers property to the trust is directly or indirectly involved in any agreement or understanding (whether written, oral, or otherwise) that may result in the income or corpus of the trust being paid or accumulated to or for the benefit of a United States person, such agreement or understanding shall be treated as a term of the trust.”

SEC. 532. PRESUMPTION THAT FOREIGN TRUST HAS UNITED STATES BENEFICIARY.

(a) IN GENERAL.—Section 679 is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

“(d) PRESUMPTION THAT FOREIGN TRUST HAS UNITED STATES BENEFICIARY.—If a United States person directly or indirectly transfers property to a foreign trust (other than a trust described in section 6048(a)(3)(B)(ii)), the Secretary may treat such trust as having a United States beneficiary for purposes of applying this section to such transfer unless such person—

“(1) submits such information to the Secretary as the Secretary may require with respect to such transfer, and

“(2) demonstrates to the satisfaction of the Secretary that such trust satisfies the requirements of subparagraphs (A) and (B) of subsection (c)(1).”

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

SEC. 533. UNCOMPENSATED USE OF TRUST PROPERTY.

(a) IN GENERAL.—Paragraph (1) of section 643(i) is amended—

(1) by striking “directly or indirectly to” and inserting “(or permits the use of any other trust property) directly or indirectly to or by”, and

(2) by inserting “(or the fair market value of the use of such property)” after “the amount of such loan”.

(b) EXCEPTION FOR COMPENSATED USE.—Paragraph (2) of section 643(i) is amended by adding at the end the following new subparagraph:

“(E) EXCEPTION FOR COMPENSATED USE OF PROPERTY.—In the case of the use of any trust property other than a loan of cash or marketable securities, paragraph (1) shall not apply to the extent that the trust is paid the fair market value of such use within a reasonable period of time of such use.”

(c) APPLICATION TO GRANTOR TRUSTS.—Subsection (c) of section 679, as amended by this Act, is amended by adding at the end the following new paragraph:

“(6) UNCOMPENSATED USE OF TRUST PROPERTY TREATED AS A PAYMENT.—For purposes of this subsection, a loan of cash or marketable securities (or the use of any other trust property) directly or indirectly to or by any United States person (whether or not a beneficiary under the terms of the trust) shall be treated as paid or accumulated for the benefit of a United States person. The preceding sentence shall not apply to the extent that the United States person repays the loan at a market rate of interest (or pays the fair market value of the use of such property) within a reasonable period of time.”

(d) CONFORMING AMENDMENTS.—Paragraph (3) of section 643(i) is amended—

(1) by inserting “(or use of property)” after “If any loan”,

(2) by inserting “or the return of such property” before “shall be disregarded”, and

(3) by striking “REGARDING LOAN PRINCIPAL” in the heading thereof.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made, and uses of property, after the date of the enactment of this Act.

SEC. 534. REPORTING REQUIREMENT OF UNITED STATES OWNERS OF FOREIGN TRUSTS.

(a) IN GENERAL.—Paragraph (1) of section 6048(b) is amended by inserting “shall submit such information as the Secretary may prescribe with respect to such trust for such year and” before “shall be responsible to ensure”.

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

SEC. 535. MINIMUM PENALTY WITH RESPECT TO FAILURE TO REPORT ON CERTAIN FOREIGN TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 6677 is amended—

(1) by inserting “the greater of \$10,000 or” before “35 percent”, and

(2) by striking the last sentence and inserting the following: “At such time as the gross reportable amount with respect to any failure can be determined by the Secretary, any subsequent penalty imposed under this subsection with respect to such failure shall be reduced as necessary to assure that the aggregate amount of such penalties do not exceed the gross reportable amount (and to the extent that such aggregate amount already exceeds the gross reportable

amount the Secretary shall refund such excess to the taxpayer).”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to notices and returns required to be filed after December 31, 2009.

PART V—SUBSTITUTE DIVIDENDS AND DIVIDEND EQUIVALENT PAYMENTS RECEIVED BY FOREIGN PERSONS TREATED AS DIVIDENDS

SEC. 541. SUBSTITUTE DIVIDENDS AND DIVIDEND EQUIVALENT PAYMENTS RECEIVED BY FOREIGN PERSONS TREATED AS DIVIDENDS.

(a) IN GENERAL.—Section 871 is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

“(l) TREATMENT OF DIVIDEND EQUIVALENT PAYMENTS.—

“(1) IN GENERAL.—For purposes of subsection (a), sections 881 and 4948(a), and chapters 3 and 4, a dividend equivalent shall be treated as a dividend from sources within the United States.

“(2) DIVIDEND EQUIVALENT.—For purposes of this subsection, the term ‘dividend equivalent’ means—

“(A) any substitute dividend made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States,

“(B) any payment made pursuant to a specified notional principal contract that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and

“(C) any other payment determined by the Secretary to be substantially similar to a payment described in subparagraph (A) or (B).

“(3) SPECIFIED NOTIONAL PRINCIPAL CONTRACT.—For purposes of this subsection, the term ‘specified notional principal contract’ means—

“(A) any notional principal contract if—

“(i) in connection with entering into such contract, any long party to the contract transfers the underlying security to any short party to the contract,

“(ii) in connection with the termination of such contract, any short party to the contract transfers the underlying security to any long party to the contract,

“(iii) the underlying security is not readily tradable on an established securities market,

“(iv) in connection with entering into such contract, the underlying security is posted as collateral by any short party to the contract with any long party to the contract, or

“(v) such contract is identified by the Secretary as a specified notional principal contract,

“(B) in the case of payments made after the date which is 2 years after the date of the enactment of this subsection, any notional principal contract unless the Secretary determines that such contract is of a type which does not have the potential for tax avoidance.

“(4) DEFINITIONS.—For purposes of paragraph (3)(A)—

“(A) LONG PARTY.—The term ‘long party’ means, with respect to any underlying security of any notional principal contract, any party to the contract which is entitled to receive any payment pursuant to such contract which is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States with respect to such underlying security.

“(B) SHORT PARTY.—The term ‘short party’ means, with respect to any underlying security of any notional principal contract, any party to the contract which is not a long party with respect to such underlying security.

“(C) UNDERLYING SECURITY.—The term ‘underlying security’ means, with respect to any notional principal contract, the security with

respect to which the dividend referred to in paragraph (2)(B) is paid. For purposes of this paragraph, any index or fixed basket of securities shall be treated as a single security.

“(5) PAYMENTS DETERMINED ON GROSS BASIS.—For purposes of this subsection, the term ‘payment’ includes any gross amount which is used in computing any net amount which is transferred to or from the taxpayer.

“(6) PREVENTION OF OVER-WITHHOLDING.—In the case of any chain of dividend equivalents one or more of which is subject to tax under subsection (a) or section 881, the Secretary may reduce such tax, but only to the extent that the taxpayer can establish that such tax has been paid with respect to another dividend equivalent in such chain, or is not otherwise due, or as the Secretary determines is appropriate to address the role of financial intermediaries in such chain. For purposes of this paragraph, a dividend shall be treated as a dividend equivalent.

“(7) COORDINATION WITH CHAPTERS 3 AND 4.—For purposes of chapters 3 and 4, each person that is a party to any contract or other arrangement that provides for the payment of a dividend equivalent shall be treated as having control of such payment.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made on or after the date that is 180 days after the date of the enactment of this Act.

Subtitle B—Delay in Application of Worldwide Allocation of Interest

SEC. 551. DELAY IN APPLICATION OF WORLDWIDE ALLOCATION OF INTEREST.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) are each amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

MOTION OFFERED BY MR. ETHERIDGE

Mr. ETHERIDGE. I have a motion at the desk.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. Etheridge moves that the House concur in the Senate amendment to the House amendment to the Senate amendment with an amendment.

The text of the amendment is as follows:

Concur in the Senate amendment (hereinafter referred to as the “pending Senate amendment”) to the House amendment to the Senate amendment to H.R. 2847 with the following amendment:

(1) In section 101 of the matter proposed to be inserted by the pending Senate amendment—

(A) In section 3111(d) of the Internal Revenue Code of 1986, as proposed to be added by subsection (a) of such section 101, add at the end the following new paragraph:

“(5) SPECIAL RULE FOR FIRST CALENDAR QUARTER OF 2010.—

“(A) NONAPPLICATION OF EXEMPTION DURING FIRST QUARTER.—Paragraph (1) shall not apply with respect to wages paid during the first calendar quarter of 2010.

“(B) CREDITING OF FIRST QUARTER EXEMPTION DURING SECOND QUARTER.—The amount by which the tax imposed under subsection (a) would (but for subparagraph (A)) have been reduced with respect to wages paid by a qualified employer during the first calendar quarter of 2010 shall be treated as a payment against the tax imposed under subsection (a) with respect to the qualified employer for the second calendar quarter of 2010 which is made on the date that such tax is due.”

(B) Strike subsection (d) of such section 101 and insert the following new subsections:

(d) APPLICATION TO RAILROAD RETIREMENT TAXES.—

(1) IN GENERAL.—Section 3221 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) SPECIAL RATE FOR CERTAIN INDIVIDUALS HIRED IN 2010.—

“(1) IN GENERAL.—In the case of compensation paid by a qualified employer during the period beginning on the day after the date of the enactment of this subsection and ending on December 31, 2010, with respect to having a qualified individual in the employer’s employ for services rendered to such qualified employer, the applicable percentage under subsection (a) shall be equal to the rate of tax in effect under section 3111(b) for the calendar year.

“(2) QUALIFIED EMPLOYER.—The term ‘qualified employer’ means any employer other than the United States, any State, or any political subdivision thereof, or any instrumentality of the foregoing.

“(3) QUALIFIED INDIVIDUAL.—For purposes of this subsection, the term ‘qualified individual’ means any individual who—

“(A) begins employment with a qualified employer after February 3, 2010, and before January 1, 2011,

“(B) certifies by signed affidavit, under penalties of perjury, that such individual has not been employed for more than 40 hours during the 60-day period ending on the date such individual begins such employment,

“(C) is not employed by the qualified employer to replace another employee of such employer unless such other employee separated from employment voluntarily or for cause, and

“(D) is not an individual described in section 51(i)(1) (applied by substituting ‘qualified employer’ for ‘taxpayer’ each place it appears).

“(4) ELECTION.—A qualified employer may elect to have this subsection not apply. Such election shall be made in such manner as the Secretary may require.

“(5) SPECIAL RULE FOR FIRST CALENDAR QUARTER OF 2010.—

“(A) NONAPPLICATION OF EXEMPTION DURING FIRST QUARTER.—Paragraph (1) shall not apply with respect to compensation paid during the first calendar quarter of 2010.

“(B) CREDITING OF FIRST QUARTER EXEMPTION DURING SECOND QUARTER.—The amount by which the tax imposed under subsection (a) would (but for subparagraph (A)) have been reduced with respect to compensation paid by a qualified employer during the first calendar quarter of 2010 shall be treated as a payment against the tax imposed under subsection (a) with respect to the qualified employer for the second calendar quarter of 2010 which is made on the date that such tax is due.”

(2) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the amendments made by paragraph (1). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subsection shall apply to wages paid after the date of the enactment of this Act.

(2) RAILROAD RETIREMENT TAXES.—The amendments made by subsection (d) shall apply to compensation paid after the date of the enactment of this Act.

(2) In section 102 of the matter proposed to be inserted by the pending Senate amendment—

(A) Strike subsection (a) of such section 102 and insert the following new subsection:

(a) IN GENERAL.—In the case of any taxable year ending after the date of the enactment of this Act, the current year business credit determined under section 38(b) of the Internal Revenue Code of 1986 for such taxable year shall be increased, with respect to each retained worker with respect to which subsection (b)(2) is first satisfied during such taxable year, by the lesser of—

(1) \$1,000, or

(2) 6.2 percent of the wages (as defined in section 3401(a)) paid by the taxpayer to such retained worker during the 52 consecutive week period referred to in subsection (b)(2).

(B) In subsection (b) of such section 102, insert “or section 3221(c)(3)” after “section 3111(d)(3)”.

(C) In subsection (b)(3) of such section 102, insert “(as defined in section 3401(a))” after “wages” the first place it appears therein.

(D) At the end of such section 102, add the following new subsection:

(d) TREATMENT OF POSSESSIONS.—

(1) PAYMENTS TO POSSESSIONS.—

(A) MIRROR CODE POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States with a mirror code tax system amounts equal to the loss to that possession by reason of the application of this section (other than this subsection). Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(B) OTHER POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits that would have been provided to residents of such possession by reason of the application of this section (other than this subsection) if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply with respect to any possession of the United States unless such possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to the residents of such possession.

(2) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No increase in the credit determined under section 38(b) of the Internal Revenue Code of 1986 against United States income taxes for any taxable year determined under subsection (a) shall be taken into account with respect to any person—

(A) to whom a credit is allowed against taxes imposed by the possession by reason of this section for such taxable year, or

(B) who is eligible for a payment under a plan described in paragraph (1)(B) with respect to such taxable year.

(3) DEFINITIONS AND SPECIAL RULES.—

(A) POSSESSION OF THE UNITED STATES.—For purposes of this subsection, the term “possession of the United States” includes the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

(B) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United

States as if such possession were the United States.

(C) TREATMENT OF PAYMENTS.—For purposes of section 1324(b)(2) of title 31, United States Code, rules similar to the rules of section 1001(b)(3)(C) of the American Recovery and Reinvestment Tax Act of 2009 shall apply.

(3) In section 301 of the matter proposed to be inserted by the pending Senate amendment—

(A) In section 6431(f)(1) of the Internal Revenue Code of 1986, as proposed to be added by subsection (a) of such section 301, strike subparagraph (C) and insert the following new subparagraph:

“(C) the amount of the payment determined under subsection (b) with respect to any interest payment due under such bond shall be equal to the lesser of—

“(i) the amount of interest payable under such bond on such date, or

“(ii) the amount of interest which would have been payable under such bond on such date if such interest were determined at the applicable credit rate determined under section 54A(b)(3).”

(B) In section 6431(f) of the Internal Revenue Code of 1986, as proposed to be added by subsection (a) of such section 301, strike paragraph (2) and insert the following new paragraphs:

“(2) SPECIAL RULE FOR NEW CLEAN RENEWABLE ENERGY BONDS AND QUALIFIED ENERGY CONSERVATION BONDS.—In the case of any specified tax credit bond described in clause (i) or (ii) of paragraph (3)(A), the amount determined under paragraph (1)(C)(ii) shall be 70 percent of the amount so determined without regard to this paragraph and sections 54C(b) and 54D(b).

“(3) SPECIFIED TAX CREDIT BOND.—For purposes of this subsection, the term “specified tax credit bond” means any qualified tax credit bond (as defined in section 54A(d)) if—

“(A) such bond is—

“(i) a new clean renewable energy bond (as defined in section 54C),

“(ii) a qualified energy conservation bond (as defined in section 54D),

“(iii) a qualified zone academy bond (as defined in section 54E), or

“(iv) a qualified school construction bond (as defined in section 54F), and

“(B) the issuer of such bond makes an irrevocable election to have this subsection apply.”

(4) At the end title IV of the matter proposed to be inserted by the pending Senate amendment, add the following:

Subtitle E—Disadvantaged Business Enterprises

SEC. 451. DISADVANTAGED BUSINESS ENTERPRISES.

(a) DEFINITIONS.—In this section, the following definitions apply:

(1) SMALL BUSINESS CONCERN.—The term “small business concern” has the meaning that term has under section 3 of the Small Business Act (15 U.S.C. 632), except that the term shall not include any concern or group of concerns controlled by the same socially and economically disadvantaged individual or individuals which has average annual gross receipts over the preceding 3 fiscal years in excess of \$22,410,000, as adjusted annually by the Secretary of Transportation for inflation.

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term “socially and economically disadvantaged individuals” has the meaning that term has under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations issued pursuant to that Act, except that women shall be presumed to be socially and economically disadvantaged individuals for purposes of this section.

(b) GENERAL RULE.—Except to the extent that the Secretary of Transportation determines otherwise, not less than 10 percent of the amounts made available for any program under titles I, III, and V of SAFETEA-LU (Public Law 109-59), subtitles A and C of this title, and section 403 of title 23, United States Code, shall be expended through small business concerns owned and controlled by socially and economically disadvantaged individuals.

(c) ANNUAL LISTING OF DISADVANTAGED BUSINESS ENTERPRISES.—Each State shall annually—

(1) survey and compile a list of the small business concerns referred to in subsection (a) and the location of the concerns in the State; and

(2) notify the Secretary of Transportation, in writing, of the percentage of the concerns that are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are women and are otherwise socially and economically disadvantaged individuals.

(d) UNIFORM CERTIFICATION.—The Secretary of Transportation shall establish minimum uniform criteria for State governments to use in certifying whether a concern qualifies for purposes of this section. The minimum uniform criteria shall include, but not be limited to, on-site visits, personal interviews, licenses, analysis of stock ownership, listing of equipment, analysis of bonding capacity, listing of work completed, resume of principal owners, financial capacity, and type of work preferred.

(e) COMPLIANCE WITH COURT ORDERS.—Nothing in this section limits the eligibility of an entity or person to receive funds made available under titles I, III, and V of SAFETEA-LU (Public Law 109-59), subtitles A and C of this title, and section 403 of title 23, United States Code, if the entity or person is prevented, in whole or in part, from complying with subsection (b) because a Federal court issues a final order in which the court finds that the requirement of subsection (b), or the program established under subsection (b), is unconstitutional.

(5) In section 551(a) of the matter proposed to be inserted by the pending Senate amendment, strike “December 31, 2019” and insert “December 31, 2020”.

(6) At the end of title V of the matter proposed to be inserted by the pending Senate amendment, add the following new subtitle:

Subtitle C—Budgetary Provisions

SEC. 561. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Notwithstanding section 6655 of the Internal Revenue Code of 1986, in the case of a corporation with assets of not less than \$1,000,000,000 (determined as of the end of the preceding taxable year)—

(1) the percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 in effect on the date of the enactment of this Act is increased by 23 percentage points,

(2) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2015 shall be 121.5 percent of such amount,

(3) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2019 shall be 106.5 percent of such amount, and

(4) the amount of the next required installment after an installment referred to in paragraph (2) or (3) shall be appropriately reduced to reflect the amount of the increase by reason of such paragraph.

SEC. 562. PAYGO COMPLIANCE.

The budgetary effects of this Act, for purposes of complying with the Statutory Pay-

As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, jointly submitted for printing in the Congressional Record by the Chairman of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendments between the Houses.

The SPEAKER pro tempore. Pursuant to House Resolution 1137, the motion shall be debatable for 1 hour, equally divided and controlled by the chair and the ranking minority member of the Committee on Ways and Means or their designees.

The gentleman from North Carolina (Mr. ETHERIDGE) and the gentleman from California (Mr. NUNES) each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. ETHERIDGE. Madam Speaker, I yield to the gentlewoman from New York (Mrs. MALONEY) for the purpose of making a unanimous consent request.

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Madam Speaker, I rise in strong support of H.R. 2847, include my statement for the RECORD, and also submit to the RECORD excerpts from recent joint economic hearings underscoring the need for targeted, timely action to boost employment.

Madam Speaker, at recent hearings of the Joint Economic Committee, which I chair, economists, forecasters, and business leaders have laid out the need for targeted, immediate action to spark job creation.

H.R. 2847—Hiring Incentives to Restore Employment Act—delivers timely incentives for businesses to hire, including a temporary tax break for businesses that hire workers who have been unemployed for at least 60 days.

CBO Director Douglas Elmendorf recently told the JEC, by bringing down the cost of adding new employees, employer tax credits like this one will spur new hiring and strengthen our economy.

In January, I sent a survey to the CEOs of Fortune 100 companies and leading small businesses seeking their ideas on job creation.

The ideas I got back were varied. But there was broad agreement that Congress needs to act now.

I urge my colleagues to support the HIRE Act to create jobs and put Americans back to work.

Finally, I would like to submit for the RECORD excerpts from recent JEC hearings underscoring the need for targeted, timely action to boost employment.

MANPOWER CHAIRMAN AND CEO JEFFREY JOERRES, JOINT ECONOMIC COMMITTEE HEARING, FEBRUARY 26, 2010

Manpower has been in the business of jobs and job training for over 60 years. We've seen the economic ups and downs. It's clear that this recession is by far the most severe in this downturn. It's been a privilege [to hear] some of the thoughts that we get and feel from on the ground, and those actions that I've presented this committee. We consider that partnerships between government and industry is critical for this to move very quickly.

CONGRESSIONAL BUDGET OFFICE DIRECTOR
DOUGLAS ELMENDORF, JOINT ECONOMIC COM-
MITTEE HEARING, FEBRUARY 23, 2010

What we have—what we have said in our initial report, and in our letter to you, and you can see in the—in those bars, is that in our judgment policies that cut employers' payroll taxes are more cost effective in terms of stimulating employment over the next couple of years, than many of the other policies that we've considered.

And our judgment—what firms will do with a cut of that sort is partly to take advantage of their lower cost by cutting the prices of their goods, and thus trying to stimulate demand. And it's the—really the shortfall in demand that is the crux of the recession, or the crux of the problem in hiring. Additionally these tax credits provide an incentive to use more labor by lowering the cost of labor in particular.

DR. RICHARD BERNER, CO-HEAD OF GLOBAL ECONOMICS AND CHIEF U.S. ECONOMIST, MORGAN STANLEY, JOINT ECONOMIC COMMITTEE HEARING, FEBRUARY 26, 2010

A refundable payroll tax credit, perhaps for firms that increase their payroll, would be among the most effective short-term remedies. CBO estimates that a well-designed credit could boost employment by about 9 years of full-time equivalent employment per million dollars of budgetary cost.

GENERAL LEAVE

Mr. ETHERIDGE. Madam Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks and insert extraneous materials into the RECORD.

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

There was no objection.

Mr. ETHERIDGE. Madam Speaker, I am pleased to rise in support of H.R. 2847, the Hiring Incentives to Restore Employment Act. The HIRE Act is about our three most important priorities in this Congress: jobs, jobs, and jobs. The HIRE Act builds on legislation that the Senate passed last week, including direct hiring tax incentives for business, support for Recovery Act bond incentives that put local dollars to work creating jobs all across this country, and transportation funding that improves our communities, builds infrastructure, and supports local businesses. All told, more than 1 million jobs will be created by this legislation.

This bill really is help for small businesses on Main Street and millions of Americans who are ready to see the benefits of a growing economy. Across this great country, our economy is showing signs of recovery. But consumers need more confidence, and employers need incentives to hire workers. Today, we give business direct incentives to hire new workers. I am pleased that the HIRE Act accomplishes this in a responsible manner.

Not only does it fully pay for all of the important investments in job creation, but it actually contributes to reduce our deficit by nearly \$1 billion. Let me repeat that again, reduce the deficit by \$1 billion. The bill is a good step to rebuild our job market, but we still have a ways to go. I expect that this will just be a downpayment on our continuing work to create jobs and restore our economy.

This bill includes, as you have already heard, about \$77.15 billion of investment in surface transportation projects. It also reauthorizes Federal highway public transit initiatives and highway safety funding that is needed all across America. When extensions were blocked last week in the Senate, transportation projects across this country were held up and almost 2,000 employees were furloughed. Today, we are going to take action not only to make sure that doesn't happen again, but that we create jobs by investing in local priorities across this country, not only transportation projects that need to be moving in our communities, building on infrastructure and providing jobs for America, but also the HIRE Act that creates tax credits for local businesses.

Representative STEVE KAGEN and myself introduced a bill back in January for tax credits to hire new employees. This bill builds on that. It is a little different than what we had, but it makes a difference. Despite some economic growth in recent months, the unemployment rate around the country remains high. Too many Americans are unemployed. In my State, it is above the national average, almost 11.2 percent. Just this past week, I visited an employment office where people were saying all we need is a hand up, not a handout; give us an opportunity to go to work.

In addition to that, we are providing funds for making sure that our qualified school construction bonds in the Recovery Act that we passed last year will work. This bill really is about jobs. I can say to you when we are talking about jobs, we are talking about education. I happen to believe education is the one thing that levels the playing field for everyone. Today we are going to have the opportunity to put our stamp on and vote for a piece of legislation that will provide good places for teachers to teach and children to learn.

Madam Speaker, I reserve the balance of my time.

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

(Mr. NUNES asked and was given permission to revise and extend his remarks.)

Mr. NUNES. Madam Speaker, if at first you don't succeed, try, try again. That seems to be the Democrats' creed and motto.

There wouldn't be any need for today's bill if the failed trillion-dollar stimulus package last year actually worked. A year ago the Democrats promised the American people their so-called stimulus would keep unemployment at 8 percent, but a year later we are near 10 percent.

Put simply, you cannot create jobs by dumping a trillion dollars into Federal agencies. The administration claims that \$1.5 billion in stimulus moneys saved or created 1,664 jobs in California's San Joaquin Valley where I live. Even if one charitably assumes the accuracy of these numbers, the

Federal Government has spent a whopping \$900,000 to save or create one job in the San Joaquin Valley. Despite spending \$900,000 per job, there are still communities in the valley that suffer from 20 to 40 percent unemployment. In fact, in the wake of the stimulus, we saw 3 million additional Americans lose their jobs rather than the 3.7 million jobs that are now being promised by the Obama administration. Sadly, a record 16 million Americans are now unemployed because the stimulus promises were empty and unaffordable.

□ 1400

Is it any wonder why the American people continue to ask, Where are the jobs?

It appears that the stimulus was not very stimulating outside of Washington. So here we are back again with yet another multibillion-dollar plan slapped together by the Democrats that will probably, once again, fail.

Madam Speaker, the Soviet Union experience, sadly, taught us that just because you're going to grow 1 billion bushels of potatoes does not mean that there will be potatoes on the shelves. Similarly, just because the Democrats have chosen to message this as a "jobs" bill does not mean that it will actually create a job.

The centerpiece of the Democrats' new bill is a payroll tax exemption, a hiring credit for employers to bring on new workers. While I give the Democrats credit for acknowledging that tax cuts are preferable to spending increases, the sad reality is that this is a political charade and it won't work. How do we know? Because the same idea didn't work when Jimmy Carter tried it in the late 1970s.

Numerous studies by noted economists from all across the political spectrum have confirmed that these temporary hiring incentives will have little, if any, positive effect on jobs. It is beyond ridiculous to claim that you can have a meaningful impact upon a \$14 trillion economy by spending \$13 billion on gimmick tax cuts. Let's think about it: If you're an employer, are you really going to hire someone for a permanent position because you get a modest, temporary tax incentive?

We could have improved this bill had the Ways and Means Committee actually held a hearing and a markup, but once again we see significant tax legislation taken directly to the floor without a committee hearing, without a committee markup, and without an opportunity to even offer amendments.

I understand that there was a change in the chairmanship on the Ways and Means Committee yesterday, but, in fact, this bill on the floor today proves that it's a political sham. It is far from serious to enact sound policy to improve our economy when you can't even decide who the chairman of the Ways and Means Committee is going to be.

You don't have to read Adam Smith to know that markets cannot thrive

with uncertainty. What employers really need from Washington is the assurance that the Democrats' massive Big Government tax-and-spend agenda isn't going to drive them out of business.

Employers face uncertainty about the Democrats' massive takeover of the health care system, about the new \$1 trillion cap-and-trade energy tax. They face uncertainty with environmental regulations like those that have driven 84 saw mills from California since 1989, and they face uncertainty about the largest tax increase in American history that will be enacted this year.

Madam Speaker, employers don't need more Federal spending to create good private sector jobs; they already know how to create good jobs if Washington would just get out of the way.

Madam Speaker, I reserve the balance of my time.

Mr. ETHERIDGE. Madam Speaker, I would remind the gentleman that I was a small businessman in the 1970s when this tax credit was in before. Not only did we use it and create jobs; we had tremendous growth in this country.

I talked to two chambers of commerce in the last month. They are tickled to death that somebody is willing to help them instead of doing the very thing the Senate did last week and hold everything up. It's time we moved on and got something done.

I yield 3 minutes to the gentleman, Mr. OBERSTAR, who knows something about infrastructure.

Mr. OBERSTAR. I thank the gentleman for his time and will use this brief moment to be very specific.

Under the programs in the stimulus, under the jurisdiction of our Committee on Transportation and Infrastructure, we can account for 1,091,005 jobs in the past year, 1 year from date of enactment. We have this documented in 14 consecutive monthly hearings on progress made by State DOTs, transit agencies, metropolitan planning organizations and State Revolving Loan Fund organizations, as well as the other portions of our stimulus for which we have documented the funding investments that have created jobs. These are real jobs, building trades, associated general contractors who are putting people to work, putting their equipment to work on job sites where they were shut down the previous year.

With those jobs, those workers are paying \$353 million in Federal taxes, avoiding \$279 million in unemployment compensation checks because they're getting a payroll check instead of an unemployment compensation check. We have 25,000 direct, on-project, full-time equivalent jobs in the Clean Water Revolving Loan Fund program, and paved 24,000 lane miles of highway and restored or replaced 1,200 bridges. That highway mileage is equivalent to half of the interstate highway systems that took 50 years to build. This was done in a year.

This extension of funding for the surface transportation program will provide \$77 billion to continue SAFETEA-LU for the next 15 months for the 15-month period. That is this fiscal year and 3 months beyond. It is a \$21 billion increase over the funding levels of the continuing resolution.

It restores the \$8.7 billion rescission that occurred September 30 that everyone was wringing their hands about, but required by the Bush administration and consented to by House and Senate Republicans in the last meeting of the House-Senate conference on SAFETEA-LU. That money is restored. We said that we'd do it. It's done.

The bill also restores \$19.5 billion of interest foregone since 1998 when we had to agree to a concession insisted upon by then-Speaker Gingrich and then the Clinton administration Treasury Department to forego interest on the trust fund. That interest is restored, repatriated to the trust fund and in the future will collect interest like all other trust funds.

The SPEAKER pro tempore. The time of gentleman has expired.

Mr. ETHERIDGE. I yield the gentleman another 30 seconds.

Mr. OBERSTAR. But there are two issues in this bill that I was very concerned about. The Senate passed a bill that had a funding formula that was very, very discriminatory. Four States benefited with 58 percent of the funding and 22 States got nothing. Senator REID has consented in a letter he sent to me and to Speaker PELOSI to restore the House funding formula that we proposed in a subsequent bill that will pass the Senate this month to distribute those additional highway formula funds as we proposed in a formula distribution.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. ETHERIDGE. Madam Speaker, I yield another 15 seconds to the gentleman.

Mr. OBERSTAR. The letter to Senator REID from Senator BOXER, the chair of the Senate Public Works Committee, and Senator MURRAY on the Appropriations Committee, that letter will be available at this desk to show that we will restore the funding formula the way it is intended in SAFETEA-LU.

Mr. NUNES. Madam Speaker, I yield 2 minutes to the gentleman from California, my good friend (Mr. LEWIS).

(Mr. LEWIS of California asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of California. Madam Speaker, I rise to speak on the highway provisions of H.R. 2847. I think it's important that my colleagues understand that the bill before us isn't a clean extension of SAFETEA-LU highway and transit programs, but includes new policies that would continue the program on the current road to ruin.

I support a strong surface transportation bill; I worked with Mr. OBER-

STAR for years in connection with that. I know our constituents depend upon this program to keep our roads and transit systems open and safe and to help keep economic investments coming to our communities. But we also know that the highway trust fund is badly broken; it has been broken for some time. The trust fund has been in a nosedive for years due to overspending, but nothing was ever done about that.

Mr. ETHERIDGE. Madam Speaker, I yield 2 minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Madam Speaker, I rise in support of this jobs bill.

Nevada is experiencing unprecedented economic challenges and an unemployment rate of well over 13 percent. It is essential that this Congress pursue policies and programs that will spur long-term economic growth and create the jobs that the people of Las Vegas and across the United States so desperately need. This legislation is a positive step in that direction.

Incentives such as the payroll tax holiday, a tax credit for retaining workers, and the extension of enhanced expensing for small businesses will all help create conditions for increased hiring and retention of new employees.

In addition, the extension of funding for highways and surface transportation projects will provide employment both today and in the future by continuing the infrastructure investments that are critical to long-term economic growth.

And, finally, the direct payment option for certain tax credit bond programs will enable the Clark County School District, which I represent, to increase school construction and continue to fund essential projects.

Nevada, and the Nation, needs the jobs and other support provided in this bill. I urge my colleagues to vote "yes," a resounding "yes" on this piece of legislation.

Mr. NUNES. Madam Speaker, at this time I would like to yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. I thank the ranking member for allowing me to speak.

On behalf of the American taxpayer, I am deeply disappointed that the Democrat majority is not allowing me to offer a commonsense amendment to protect the American taxpayer.

The amendment was simple: It would require businesses seeking to use a hiring tax incentive in the bill before us to check the legal status of potential new hires through the E-Verify program—you have seen that in the papers lately, it hasn't been used properly—a voluntary employment verification system. While not perfect by any means, E-Verify is certainly far better than the current paper-based verification method.

If the majority insists on moving forward with this flawed bill that in the end I believe will do little to create

new jobs, we must ensure that this hiring tax break isn't used to hire those here illegally. The American taxpayer and the unemployed American worker deserve nothing less. This is the right thing to do.

Now more than ever in these tough economic times we need to ensure that the American worker, and not illegals, is our first priority.

Mr. ETHERIDGE. Madam Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Madam Speaker, I appreciate the courtesy of my friend, the gentleman from North Carolina, in permitting me to speak on this.

This piece of legislation is, sadly, a product of our time with a breakdown with our friends on the other side of the Capitol seemingly unable to proceed with regular order. We saw, sadly, this last week one person bring the transportation funding in this country to a halt, hold up unemployment benefits affecting literally hundreds of thousands of Americans in the most negative way, and that is passing for regular order over there. This bill is an opportunity for us to break that impasse.

It is significant in three ways: first of all, there were five Republicans who were willing to join with the majority to be able to move things forward. In some sense I think we ought to try and reward that sense of at least breaking the tyranny of the 60-vote majority requirement.

Second, the real job generator in this legislation is to be found in extending the transportation funding through the end of the year. Madam Speaker, the most effective job-generating legislation that we could put forward at a time of 40 percent unemployment in many metropolitan areas in the construction trade is to put Americans to work rebuilding and renewing America.

This legislation provides \$77 billion towards that objective, fully funding the first 6 months of this year and extending it through the full 15-month cycle through the end of this calendar year. This will give certainty to the men and women who are dealing with our transportation systems, roads, bridges, transit, the whole range. It will save hundreds of thousands of jobs. It will incite economic activity. And maybe, just maybe, it will be a signal that we bring together a larger vision of rebuilding and renewing America and putting our fellow citizens back to work.

Mr. NUNES. Madam Speaker, I yield myself 15 seconds.

I just want to clarify, I heard the other side of the aisle say that this bill was going to create 1 million jobs. We are going to spend \$13 billion to create 1 million jobs. The \$1 trillion stimulus bill last year was promised to create 3.7 million jobs. At some point, I would like to—

Mr. BLUMENAUER. Would the gentleman yield?

Mr. NUNES. Yes, I would like to yield to the gentleman.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. NUNES. Madam Speaker, I yield myself an additional 30 seconds.

□ 1415

Mr. BLUMENAUER. What I said, and I want to be clear if I misrepresented it, is that the \$77 billion in transportation funding will protect or create hundreds of thousands of jobs. That's what I said.

Mr. NUNES. Reclaiming my time, actually, Mr. BLUMENAUER, my good friend, spoke about the jobs. Earlier, I had heard another gentleman on the other side of the aisle speak about 1 million jobs. I'm just trying to figure out the math. This is about a \$13 billion to \$15 billion bill to create 1 million or hundreds of thousands of jobs. Last year we spent \$1 trillion to create 3.7 million jobs, and we lost 3 million jobs.

Mr. BLUMENAUER. Will the gentleman yield?

Mr. NUNES. Yes, of course.

Mr. BLUMENAUER. The bill includes \$77 billion of transportation funding. That was my reference. I think the experts agree that it would be hundreds of thousands of jobs, if not 1 million, saved or created with that transportation funding.

I appreciate the gentleman's courtesy.

Mr. NUNES. Madam Speaker, I yield 2 minutes to a member of the Ways and Means Committee, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Madam Speaker, I want to make it clear from the start that there are some items in this bill, some provisions, that everyone in this Chamber could probably support. Providing tax relief to small businesses is really a good idea, but this very fact raises an important question:

If the majority recognizes that lowering taxes for businesses is good for employment and is certainly good for the economy, then why do they insist on dramatically raising taxes everywhere else every single chance the Democrats get?

I also think that it is worth discussing the nefarious accounting gimmicks in this bill. I voted for the principle of PAYGO because I believed in it; but no sooner did the Democrats finish patting themselves on the backs for passing PAYGO than they turned around and came up with waiving it and, in this instance, kind of Bernie Madoffing it, if there is such a word. I think I just created a new word, Madam Speaker. I don't want to get too far into the technical weeds here, but this bill is PAYGO-compliant only because of some accounting gimmicks. In the fourth quarter, move a little first quarter money into future years, and presto-change-o, the bill becomes PAYGO-compliant. The American people know we can't spend the same

money twice; so let's take a closer look.

The official cost estimate of the bill does not include a \$20 billion transfer from the general fund to the highway fund, meaning we will have to find that money someplace else. We will have to find that general revenue money someplace else, probably from China. The cost estimate doesn't reflect \$142 billion in a new spending authorization for transportation projects that we don't have a source of revenue to pay for. Maybe that's why we were only given a few hours to read the bill before the vote is to take place on it.

While we're on the subject of transportation funding, I did hear Mr. OBERSTAR say that the Senate was going to fix this, but the bill before us is not one that is good for transportation for the various States.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. NUNES. I yield the gentlewoman an additional 30 seconds.

Ms. GINNY BROWN-WAITE of Florida. I thank the gentleman.

Certainly, California and Illinois get half of the funding. That leaves the rest of America to ask, What's in it for us? Well, the answer is zero. Florida is a donor State and already pays far more in transportation taxes than what it gets back. Quite frankly, I cannot support the bill that is before us today for that reason and for several other reasons.

Mr. ETHERIDGE. Madam Speaker, I yield 2 minutes to the acting chairman of the Ways and Means Committee, the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. I thank my friend for yielding.

Madam Speaker, the theme of this bill is very clear: Back to work. I would think that would unite us and not divide us.

Recently, we have seen economic growth. What we have not seen enough of at all is growth in jobs, and that's what this is really all about. There is no easy or perfect way to bring this about. It takes a number of steps. The tax credit in this bill is one approach. We are going to need additional steps.

Another way that it relates to economic growth and jobs is through infrastructure. We can argue about how many jobs and about what the estimates are as to how many millions will be created, but it's clear. The Secretary of Transportation has said that he can verify \$60 billion to \$70 billion in infrastructure—roads, bridges—ready to go this spring and this summer. We should be united in providing the authorization for this to happen. It should not divide us.

There is money also, as has been said, for school construction bonds and energy bonds. Also, very importantly, it relates to the expensing by small business, which is very much within the jurisdiction of the Ways and Means

Committee. That also should unite us and not divide us, and it is critical that we expend that provision.

So, for all of these reasons, I urge that we join together, rather than divide, and pass this bill.

Mr. NUNES. Madam Speaker, I yield 3 minutes to the ranking member of the Transportation and Infrastructure Committee, the gentleman from Florida (Mr. MICA).

Mr. MICA. Madam Speaker, with record national unemployment in my State, 11.8 percent unemployment, one of the top 10 unemployment States in the United States, I would love to come before the Congress and say, "Pass this bill," titled the "jobs" bill, but I can't do that today for several reasons.

First of all, let me say to those who have come before us who have said that just getting more money even in a short-term Transportation bill will get things going: I don't know the facts.

Over 1 year ago, we passed \$48 billion in stimulus money that went to the Department of Transportation. So far, as of March 2, only \$8.8 billion has been spent. This is not a 6-year bill we are passing, and that's what we should be doing to ensure that States can do long-term projects, not just the repaving of sidewalks and simple things that we've seen done. This bill does not contain the elimination of the redtape and the hoops that States have to go through for compliance to do any project. This will be our fifth extension, and it only goes to December 31.

Now, I was also told that we had to pass this because it was going to go straight to the President for his signature. Intervening, we did pass a 30-day extension. So this is not going straight to the President. We did not have an opportunity to correct the flaws in this bill.

You heard of the Senate passing—what was it?—the Nebraska deal and the Louisiana purchase. I'm telling you this is the four-State grab. California gets 30 percent of the additional money in this bill; 58 percent of the money goes to four States; 22 States get nothing.

SENATE SURFACE TRANSPORTATION EXTENSION ACT STATE-BY-STATE ALLOCATIONS OF FUNDING FOR PROJECTS OF NATIONAL SIGNIFICANCE AND NATIONAL CORRIDOR PROGRAMS

(\$932 million over the period from Oct. 1, 2009, through Dec. 31, 2010)

- California—\$278 million
- Illinois—\$151 million
- Louisiana—\$59 million
- Washington—\$55 million
- Oregon—\$40 million
- Oklahoma—\$36 million
- Arkansas—\$36 million
- West Virginia—\$35 million
- Virginia—\$29 million
- Tennessee—\$27 million
- Minnesota—\$25 million
- New Jersey—\$25 million
- New York—\$25 million
- Dist. of Col.—\$19 million
- Wisconsin—\$15 million
- Colorado—\$13 million
- Pennsylvania—\$13 million
- South Carolina—\$13 million

- Connecticut—\$9 million
- Alaska—\$8 million
- Michigan—\$5 million
- Indiana—\$4 million
- New Mexico—\$4 million
- Maryland—\$3 million
- Iowa—\$2 million
- Kentucky—\$2 million
- Mississippi—\$2 million
- Texas—\$2 million
- Arizona—\$1 million
- Alabama—\$0 million
- Delaware—\$0
- Florida—\$0
- Georgia—\$0
- Hawaii—\$0
- Idaho—\$0
- Kansas—\$0
- Maine—\$0
- Massachusetts—\$0
- Missouri—\$0
- Montana—\$0
- Nebraska—\$0
- Nevada—\$0
- New Hampshire—\$0
- North Carolina—\$0
- North Dakota—\$0
- Ohio—\$0
- Rhode Island—\$0
- South Dakota—\$0
- Utah—\$0
- Vermont—\$0
- Wyoming—\$0

This chart shows each State: 22 States get nothing; 46 States are disadvantaged because of the four-State grab in this, and it could and should have been corrected. If it's going back to the United States Senate, then it should be corrected so everyone is treated fairly and equitably in the distribution of transportation funds.

Mr. OBERSTAR has done his level best, and he has a written letter from Ms. PELOSI, the Speaker, and from Mr. REID to correct this after we pass it. If this were the only flaw in the bill, maybe we could look away.

You've heard from Democrats who also voted against the rule, who almost took this bill down, who also stated their objections to provisions that should have had the opportunity for at least an amendment by this body. So there has been no consideration of changing the bill and of making the appropriate fairness changes, equitable changes, so we would all be treated equitably.

Mr. ETHERIDGE. Madam Speaker, I yield 1 minute to the Speaker of the House, the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. I thank the gentleman for yielding, and I appreciate his leadership and his intensive knowledge of this legislation and how important it is for us to proceed.

Madam Speaker, I will not speak long because, the sooner we finish debate on this bill, the sooner it goes back to the Senate, the sooner it goes to the White House for signature, and the sooner jobs are created in our country.

I agree with much of what the distinguished ranking member on the committee said about wanting a 6-year bill. Our chairman, Mr. OBERSTAR, has been advocating for that, and I agree.

I also agree that the language has to be changed, and we have the commit-

ment to do that as we go forward, but that doesn't mean that Americans are not suffering, that they do not need jobs. We should act, and we should act today to bring them closer.

I want to remind our colleagues of places and times. Just over a year ago, this Congress passed the American Recovery and Reinvestment Act. As a result of that, more than 2 million jobs were saved or created. Very important. All over the country, as Members go home to their districts, they see evidence of investments in the future: Clean energy jobs for the future, the education of our children, the safety of our neighborhoods, the creation of jobs, the stabilization of our economy, the stabilization of State and local budgets. As a result of that, just think of what has happened in this one year.

In January 2009, the last year of the Bush administration, America lost 779,000 jobs. This January, we lost 20,000 jobs. We don't want to lose any jobs. We want to be on the upside. We want to be creating jobs. The point is that, following the passage of the American Recovery and Reinvestment Act and other initiatives taken by the Obama administration and this Congress, there has been a difference of over three-quarters of a million jobs in 1 month—779,000 in January, 2009, and 20,000 in January, 2010.

In the final quarter of 2008, before President Obama took office, America's GDP shrank by 6.2 percent. For that quarter, the GDP was a negative 6.2 percent. Just 1 year later, the GDP grew in the same period by 5.9 percent, over a 12 percent change in the rate of growth of the GDP thanks to the American Recovery and Reinvestment Act and to, again, other actions taken by Congress.

You know, when we were debating the Recovery bill last year at around this time, earlier in January and in February, the stock market was around 6,500-7,000. It's over 10,000 now, an increase of over 3,000 points. Yesterday, we learned that America's manufacturing base grew for the seventh straight month, and it is now at its highest level in 5 years.

Still, we must be unrelenting in our efforts to create more jobs. Too many Americans are unable to find work. In some cases, we are talking about putting people back to work. In some cases, people haven't had opportunities coming out of school. They've not been able to enter the workforce. So it is not just about putting people back to work. It is about creating a broader universe of jobs to have many more Americans participate in the economic prosperity that we hope for our country.

Today, we are taking another step in creating jobs and in laying the foundation for long-term growth and prosperity. With \$15 billion in critical investments, this bill includes a payroll tax holiday for businesses that hire unemployed workers, creating some 300,000 new jobs with that provision

alone, and an income tax credit of \$1,000 for businesses that retain employees.

There is specific support to small businesses with tax credits and accelerated writeoffs. There is the extension of the Highway Trust Fund—this is very, very important—allowing tens of billions of dollars in infrastructure investment.

This is a \$15 billion bill, but it triggers tens of billions of dollars more by eliminating a rescission of last year, by restoring the interest to the trust fund it was deprived of and by triggering further contracting, tens of billions of dollars and probably 1 million jobs in this bill alone.

□ 1430

In December, the House passed our Jobs for Main Street Act, a broader measure for creating good-paying American jobs paid for by redirecting TARP funds from Wall Street to Main Street. Today's legislation is one key element of that legislation, one key element of our agenda to get Americans back to work and to strengthen our economy.

Madam Speaker, I believe that every Member of Congress on both sides of the aisle understands the urgent need to create jobs for our country, and today we have an opportunity to do so.

I know that some people have some concerns on one side of the aisle or the other about this provision or that provision, but the fact is that 1 million jobs will be created by this legislation. Vote for jobs, vote "aye" on this legislation.

I thank Mr. ETHERIDGE and all concerned, Mr. OBERSTAR, the distinguished chairman of the Transportation Committee, and so many others, for making this important legislation possible. It is difficult, it is challenging, and more is yet to be done, but I urge my colleagues on both sides of the aisle to vote for jobs. Vote "aye" on this legislation.

Mr. NUNES. Madam Speaker, I yield myself 30 seconds.

I would like to remind my colleagues here in this House that last year there was a provision offered that didn't cost \$1 trillion, didn't cost \$1 billion, didn't cost \$1 million, didn't cost \$1, and that was a provision to let water flow to my constituents in the San Joaquin Valley of California so people could go back to work. But, instead, nearly every Democrat Member from California in this Congress opposed that amendment. So last summer we had tens of thousands of farmers and farmworkers standing in food lines in the most productive ag land in the United States or in the world.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NUNES. I yield myself an additional 15 seconds.

A zero cost provision could not go into this bill, and now we have farmworkers eating carrots imported from China. So, all this talk about jobs, it is

all phony. The American people have had enough of this nonsense.

I yield 3 minutes to my good friend, the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Madam Speaker, I have spoken many times on this floor about my great admiration for the chairman of the full Transportation and Infrastructure Committee, Mr. OBERSTAR, and he knows that this bill isn't fair. He knows that this bill isn't fair, because he produced a chart last week that has 50 States, plus the District of Columbia, so it is 51, and 22 States get nothing under this bill and four States walk away with 58 percent.

Not surprisingly, I heard the Speaker likes the bill. California gets 30 percent of the highway funding under this bill. Any Member who is interested is more than free to come peruse this at their leisure.

Now, I give Chairman OBERSTAR great credit, because he wasn't happy with this, I believe last week, and he fought with his leadership, and he has produced today a letter from Senator REID saying he is going to fix it sometime in the future.

Now, two things: That is the second big lie, the check is in the mail. The other thing is I hope the majority understands that a letter from Senator REID just didn't fill us on this side of the aisle with warmth and fuzzy feelings. If you want to fix the problem, fix the problem. And the problem is not fixed.

This is not a jobs bill. I also admire the Speaker of the House, but I admire her more today because she did not break into laughter when calling this a jobs bill. This is no jobs bill. This is a faux jobs bill. This is a snow jobs bill. And I look forward to the unemployment statistics tomorrow, because I believe that we are going to look at about 100,000 Americans will have lost their jobs in the last month, despite all these great successes.

Continuing with my admiration for Chairman OBERSTAR, my favorite part of the speech that he gives on the stimulus package is all of those jobs which he created through the infrastructure spending in the stimulus are 8 percent of the funding. So that means, I have to figure out the math, Mr. OBERSTAR, but that means in an \$800 billion bill, half the jobs were created by 8 percent of the funding, and that is thanks to you and the work that you and your colleagues do on the committee. So I guess the other half were created by about \$750 billion. That is a strange, strange, strange investment.

Mr. OBERSTAR. Will the gentleman yield?

Mr. LATOURETTE. I would be happy to yield.

Mr. OBERSTAR. Just briefly, if the gentleman, Madam Speaker, could assure us that there would be no Senate filibuster or hold on the bill, Senator REID would have been happy to accept our changes. But he estimated he couldn't get that through the Senate,

so he agreed to a fix in a subsequent bill. He put it in writing, and we have to accept his written commitment to do that.

I thank the gentleman for yielding.

Mr. LATOURETTE. Oh, my pleasure, and my appreciation of you grows every day. But I will tell you what; if you can crack the code of the Senate, Republican or Democrat, then you deserve much more money than you are making as the chairman of the full committee, because they are a strange bunch. It doesn't matter who is in charge; they don't seem to do anything.

Now, I want to get to the process now, because the President down at this health care summit down at Blair House said nobody cares about process.

But I have got to tell you, I have never seen this. This is my 16th year in the United States Congress. When Mr. ETHERIDGE made his motion, it says, "Mr. ETHERIDGE moves that the House concur in the Senate amendment to the House amendment to the Senate amendment with an amendment."

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NUNES. I yield the gentleman an additional 2 minutes.

Mr. LATOURETTE. I appreciate it.

I said, boy, that is really a procedural mouthful. And you know what it means? It is a procedural way to screw the minority, the Republican Party in this House. Not only can't we amend your bill, not only did we get it at 9:30 this morning, we can't offer a motion to recommit. You know what the majority leader, Mr. HOYER, would be saying if we pulled that on him when we take the majority back next year? He would be screaming bloody murder, and he would be right.

Madam Speaker, as a result of that, I would like to offer an amendment to this bill.

The SPEAKER pro tempore. Because the previous question is ordered, that would require unanimous consent, and the manager, the gentleman from North Carolina would have to yield for that request.

Mr. LATOURETTE. Then I will ask the gentleman from North Carolina to yield to me to offer an amendment to the bill. And so that the gentleman doesn't think that I am sandbagging him, let me tell you what it is going to be.

I would move to amend this bill to transfer the \$13 billion in this sham tax credit, that is not going to create one job and is really the dumbest idea I ever heard, to infrastructure spending.

I would further have it in that amendment that the infrastructure spending, now at \$14 billion, be distributed pursuant to the House proposal that Mr. OBERSTAR has proposed, which means every State in the Union benefits, not just California, not just States that are walking away with a bunch of money.

Will the gentleman from North Carolina yield to me for the purpose of offering an amendment?

Mr. ETHERIDGE. Will the gentleman yield?

Mr. LATOURETTE. I yield to the gentleman from North Carolina.

Mr. ETHERIDGE. I thank the gentleman for his willingness to help, but the rule does not provide for that.

Mr. LATOURETTE. Mr. ETHERIDGE, we are going to give it another shot, because we are not going to be able to hide behind "the rule doesn't offer it." I said that. The rule doesn't provide for an amendment. The rule doesn't even provide for a motion to recommit, the only tool in the minority's toolbox.

Mr. ETHERIDGE, I ask unanimous consent—well, first of all, I guess you need to yield to me for a unanimous consent request. Would you yield to me for a unanimous consent request?

Do I have to ask him to yield to me, or do I yield to him to yield to me?

The SPEAKER pro tempore. The gentleman from North Carolina would have to yield for any unanimous consent request.

Mr. LATOURETTE. Mr. ETHERIDGE, I am asking you to yield to me so I can make a unanimous consent request that you can deny.

Mr. ETHERIDGE. It is your time.

Mr. LATOURETTE. No, I am asking you, sir, to yield to me.

Mr. ETHERIDGE. No. The rule does not provide for it.

Mr. LATOURETTE. Well, that is nonsense, first of all, because the Speaker has just indicated that if you would yield to me, I could make my unanimous consent request.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NUNES. I would like to yield the gentleman an additional 1 minute.

Mr. LATOURETTE. Well, I am going to tell you what, Mr. ETHERIDGE. If you would yield to me, which apparently you can under the rules but don't want to because you think the rule says so, which it clearly doesn't, here is the deal. I want to make a unanimous consent request that the \$13 billion in this worthless tax credit be transferred to infrastructure spending; further, that that additional \$13 billion be distributed pursuant to the House plan, as opposed to the Senate plan, the Senate plan rewarding only four States with 58 percent of money, 22 States getting zero.

Now, Mr. ETHERIDGE, I am asking you to yield to me for that purpose.

Mr. ETHERIDGE. What was the gentleman's request?

Mr. LATOURETTE. I am asking you to yield to me for the aforementioned unanimous consent request.

Mr. ETHERIDGE. The gentleman is doing the same thing that happened in the other body. We are just trying to slow down a piece of legislation that needs to move to get to the President's desk so it can be signed so we can help the American people.

Mr. LATOURETTE. So that is a no. Is that a no? I still have the time, Mr. ETHERIDGE. Is that a no?

Mr. ETHERIDGE. The rules do not provide for that. You would need a unanimous consent request to do that.

Mr. LATOURETTE. Do you know what that is? That is a soup sandwich answer, because the Speaker has just said you could do it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ETHERIDGE. Madam Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. LANGEVIN).

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Madam Speaker, I thank the gentleman for yielding and for his outstanding work on this important bill.

I rise in strong support of H.R. 2847, the HIRE Act, which will strengthen our economy by limiting job loss and creating new employment opportunities. In addition to provisions that will spur investment in infrastructure and construction projects, this bill provides much-needed assistance and attention and support for small businesses in America. This bill includes a payroll tax holiday for businesses that hire unemployed workers and tax cuts to help small businesses expand and hire more workers.

Small businesses, Madam Speaker, have borne the brunt of this economic crisis, and their inability to access credit to keep their businesses operating has clearly added to the high unemployment rate across the Nation, especially in my home State of Rhode Island, which has right now the second highest unemployment rate in the country.

So, Madam Speaker, I urge my colleagues to support this jobs measure, as well as working on additional legislation that helps small businesses and unemployed workers. Our job is to create jobs, Madam Speaker, and that is exactly what this piece of legislation before us does today.

I thank you and urge my colleagues to support this important jobs bill.

Mr. NUNES. Madam Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Madam Speaker, first of all, let me say to the majority, I am glad you have offset this money. I think that is a significant step for both parties, to have a spending bill offset. So I want to get that out of the way.

Having said that, I have got to say that I am very leery of another government spending program to address jobs. We are here because last year we spent nearly—well, we did spend \$800 billion on a stimulus program that was supposed to keep us from going to 8 percent unemployment. Now we are at 10 percent unemployment.

The stimulus program before just added 31 brand new Federal programs and increased spending. I am ranking member of the Agriculture Committee, and spending in the USDA has gone up 26 percent. At some point we are going to figure out the Federal Government doesn't have the solution for everything.

This is not our only stimulus proposal or jobs proposal. In May of 2008, we had a \$168 billion stimulus program that did not work. In March of 2008, the Federal Reserve said, well, we are going to shore up Wall Street with Bear Stearns, \$29 billion. In July of 2008, the Democrat Congress and President Bush came in with a \$200 billion bailout of Fannie Mae in order to shore up real estate. And not to be outdone, the Federal Reserve weighed back in a month later with the AIG bailout, \$85 billion, now up to \$140 billion, that was supposed to avert financial collapse, and yet it did not. And then in October of 2008, we had a \$700 billion TARP bill. Then in January 2009, under President Obama, we had a \$410 billion omnibus spending bill that was supposed to shore up the economy.

□ 1445

Of course, that brings me back to the other stimulus program. After a while, we're going to figure out everything we do is like Cash for Clunkers. It just doesn't work. If we want to help small businesses, we've got to quit spending money, number one.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NUNES. I yield the gentleman an additional 30 seconds.

Mr. KINGSTON. I thank the gentleman.

Number two, we need to let community banks be released from some of the overbearing and unnecessary regulations in which they have to comply, because that causes them not to be able to lend money and thus small businesses are tied up in a credit crunch. Number three, we've got to let small businesses compete. We set rules. Big Business and Big Government set rules so that small businesses can't compete. There are things we can do. There are things we can do together on a bipartisan basis. We need to vote this bill down so that we can get to them.

Mr. ETHERIDGE. Madam Speaker, I yield myself 10 seconds to remind the gentleman that how we got here was the American people lost somewhere in the neighborhood of \$15-plus trillion in value of their homes and assets over the 18 months through July of last year until we passed something and started to turn it around. Since then, they've gained about \$5 trillion back in, but we've got a ways to go.

I now yield 1 minute to the gentleman from Kentucky (Mr. CHANDLER).

Mr. CHANDLER. I thank my friend from North Carolina. I rise today in support of H.R. 2847, the Hiring Incentives to Restore Employment Act, or the HIRE Act. This piece of legislation will help our small businesses heal during these tough economic times and help unemployed Kentuckians find good, local jobs. The HIRE Act cuts taxes for our small businesses and makes it possible for them to hire new employees, making our small companies stronger and creating jobs for out-of-work Kentuckians.

Madam Speaker, the unemployment rate is around 11 percent in the Commonwealth of Kentucky, and we have to do all we can to create and save jobs throughout this Nation. Small businesses are the backbone of our economy and the engines of job creation. Investing in the long-term health of our small businesses is one of the surest ways to economic recovery.

This legislation isn't just about small businesses, though. It's about helping that mom, that dad who was laid off in the midst of this recession find a good-paying, local job.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ETHERIDGE. I yield the gentleman an additional 15 seconds.

Mr. CHANDLER. I urge my colleagues on both sides of the aisle to vote in favor of this legislation today because a vote for this legislation is a vote for middle class families; for small, innovative start-ups; and the long-term economic health of central Kentucky and the Nation.

Mr. NUNES. I yield myself 30 seconds.

Madam Speaker, I still have yet to have someone explain to me from the other side of the aisle how the trillion-dollar stimulus bill passed last year that was supposed to create 3.7 million jobs—instead, we lost 3 million—and how this bill that spends \$13-or-so billion—still a lot money, but not nearly a trillion dollars—is going to create a million jobs, as they continue to repeat on that side of the aisle. I would like for someone to answer the question.

I reserve the balance of my time.

Mr. ETHERIDGE. I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. I can answer the gentleman's question. There's a different emphasis. The emphasis is on small business, which is an incredible economic engine in my State and in many other States across the country. Secondly, there is an extraordinary emphasis on transportation infrastructure.

The gentleman may be unaware that in August of this year the Transportation Infrastructure Trust Fund is going to fall short of funds, delaying reimbursement to the States and stalling out needed projects and investment all across the country. This bill fixes that, and once and for all we will in the future get interest on money borrowed from the highway trust fund. That's what people pay gas taxes for. It's not supposed to be spent somewhere else. We're now going to reclaim that money, and we're going to spend it putting people to work and rebuilding the crumbling infrastructure of this country. It will give us a billion dollars more a month.

I heard the gentleman from Ohio talking about 58 percent of the bill. Well, no. Actually, what he was concerned about was 58 percent of 1.2 percent of the bill, which is .7 percent of the bill, which, under the agreement

the chairman has reached with the leader of the Senate, will be fixed in the near future. In fact, Ohio will get an extra \$38 million because of that, and my State will get less. So I don't know what he's complaining about. If somebody should be down here complaining, it should be me.

Mr. LATOURETTE. Will the gentleman yield?

Mr. DEFAZIO. I will not yield.

But I felt it was fair to put that money into the overall formula so that all 50 States would benefit, because everybody, almost every State, is experiencing high unemployment, particularly the gentleman's State and my State. And this agreement the chairman has will bring an extra \$38 million to his State, a billion dollars a month more in infrastructure spending; and for every billion we spend in infrastructure, we put about 33,000 more people to work. We sure as heck need those jobs.

So I stand here saying we need to pass this bill. Yeah, the Senate is dysfunctional. It's a mess. It would have been cleaner to do it all at once. But this is the best we can do, dealing with a body that is just ridiculous.

Mr. NUNES. Madam Speaker, I'd like to yield myself 15 seconds.

Madam Speaker, simple math: If you're going to spend \$13 billion to create a million jobs, then why don't we just spend another \$200 billion and we create 16 million jobs, and everybody would have a job.

I'd like to yield 2 minutes to my friend to clarify an earlier point, the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. I promise not to try to amend the bill or anything else. It's just sad that the distinguished chairman of the Surface Transportation Committee wouldn't yield to me, but it doesn't surprise me. He likes this bill. Oregon gets \$40 million under the bill, of the \$1 billion, and only \$11 million under Mr. OBERSTAR's proposal.

Are you going to give me a 7 percent thing or are you going to say that's not true? I'll yield to you if you don't think it's true.

Mr. DEFAZIO. I have signed off on the chairman's agreement, and my State will not get those other funds.

Mr. LATOURETTE. That's what I'm talking about.

Mr. DEFAZIO. I don't know what the gentleman's complaining about. You'll get an extra \$38 million and I'll get about \$30 million less.

Mr. LATOURETTE. Well, here's the skinny: That depends upon HARRY REID's putting a letter in the mail, sending it over to the chairman and the Speaker, and having another bill. Now, no disrespect to your majority, but you haven't done such a great job in passing bills since you guys took over 4 years ago. So waiting for another bill to come—and, quite frankly, trying not to be partisan about this, but this mess was created by George Bush and it is perpetuated by President

Obama because his Transportation Secretary says they don't want to deal with the 6-year bill until March of 2011. Thirty percent of the construction trade in this country is out of work. Why wouldn't you do this?

To my distinguished friend from Oregon, all I was asking was for his State to do better. Transfer the \$13 billion from this worthless tax credit and put it into infrastructure. Put these guys to work. Actually build something. Again, going back to Mr. OBERSTAR's wonderful speech that he always gives: a million jobs with only 8 percent of that \$800 billion. Wouldn't it be great if we could give JIM OBERSTAR \$14 billion to create jobs for America rather than coming up with this goofy tax credit that says if you hire somebody for \$30,000, we're going to waive the payroll tax for November and December. Guess what? You can save \$1,500 if you just give somebody a \$30,000 job. It's nuts. This bill is wrong. That's what I was talking about.

Mr. ETHERIDGE. I reserve the balance of my time.

Mr. NUNES. Madam Speaker, if there are no additional speakers, I'm prepared to close.

Madam Speaker, during this entire debate today, as the gentleman from Ohio said, this is just a sham. And to sit here and complain about the Senate and procedural things, I mean, we ought to do another Shamwow Summit at the White House. Maybe that would clarify and fix the problems.

We're not Senators. We don't control the Senate. I don't understand the math that you guys use. No one has answered it yet. You guys spent a trillion dollars last year, said you were going to create 3.7 million jobs, but you lost 3 million jobs. Now you say you're going to spend \$15 billion and now you're going to create a million jobs. So let's go over some math just so we can clarify things, because I know we're going to continue to hear that Republicans are obstructionists, Republicans have no plans. So let me just go over some math that perhaps folks will understand.

The Democrats have 250-some-odd votes in this House. It only takes 218 votes to pass a bill. In the U.S. Senate you still have almost a supermajority with 59 votes. So what is the problem? Quit calling Republicans obstructionists. You have the White House, you have the Senate, you have the House of Representatives. No more Shamwow Summits, Madam Speaker. Let's get back to work. Vote "no" on this bill. This is a scam.

I yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

Mr. ETHERIDGE. Madam Speaker, today we have an opportunity to start the process of putting people back to work, and I would encourage my colleagues on both sides of the aisle to support this piece of legislation. The

piece that some of my colleagues on the other side have complained about on the tax credits for small businesses will be used to put people to work. And I would remind them that there were nine Republican Senators on the other side who joined as cosponsors in this piece of legislation. So it was bipartisan on the Senate side.

The HIRE Act really does four key things. Let me remind my colleagues, in closing: First, it will give direct tax incentives to businesses to hire new workers with provisions similar to the bill that I introduced earlier this year. It also restores full value of direct payment options for certain tax credit bond programs, including a program that has been supported in previous Congresses.

Let me speak on that for just a minute because it goes to the heart of the problem we're about. If we really believe and say we're for children, if we really say we're for jobs, there are \$22 billion worth of zero interest school bonds, tax exempt bonds, in this bill. And this bill fixes the problem so they can go directly to Treasury and get the credit. Those job bonds can be sold and we can put people to work across this country building schools and other infrastructure. That's in addition to the highway dollars we've just been talking about.

Finally, Madam Speaker, it would give a small business tax incentive to buy new equipment and to grow. That is an important piece. If we truly believe we are for small businesses, today is the day we get a chance to put a vote on the board: Are we for them or are we against them? They can tell very quickly because this bill will go to the Senate, and then it's going to the President of the United States for signing.

Finally, it would give our State and local governments greater certainty on funding for highway projects that we just heard about. I have long believed that if we invest in schools now, it will save money in the long term and make our economy stronger and make a difference in the future. I served for 8 years as State superintendent of the schools in my home State. I coauthored the provision that we're talking about here. We can now fix that problem.

Madam Speaker, I urge my colleagues to vote "yes" on this piece of legislation for jobs for the American people, schools for our children, and a chance to help heal and help those who do not now have work.

Mr. CONYERS. Madam Speaker, I rise in opposition to H.R. 2847, the "HIRE Act." While I am sensitive to the excruciating economic pain felt by many in my district and around the country, I cannot in good conscience support this flawed bill.

I applaud the House and Senate leadership for including some common sense job creation provisions in this bill. In particular, I support the inclusion of language that frees up \$77 billion dollars worth of surface transportation investments and another provision that gives the

recipients of qualified clean energy, school construction, and energy conservation bonds a direct payment from the federal government to cover their interest costs.

I wish that these provisions were enough to secure my support for this legislation and help those who cry out for additional economic aid. Unfortunately, the originators of this legislation—my colleagues in the United States Senate—decided to set aside the remaining \$13 billion dollars of this \$17 billion dollar bill for an ineffective and wasteful hiring tax credit. As with many previous efforts in the upper chamber, the Senate has yet again sacrificed effective policy in order to tout some small measure of bipartisan support.

During my 45 years in this body, we have debated whether or not to raise the minimum wage countless times. As we know from these reoccurring debates, companies do not respond to small changes in the cost of labor. This is why the periodic 15 to 20 percent increases in the minimum wage enacted into law by the Congress over the years have not effected employer hiring decisions. Unfortunately, the very economic reality that makes the minimum wage good policy also makes the Schumer-Hatch hiring credit bad policy.

If a 15 to 20 percent increase in the minimum wage doesn't affect employer decision-making, logic dictates that an even smaller payroll tax break—6.2 percent to be exact—for companies that hire recently unemployed workers will similarly have a nonexistent effect on hiring. This bill will create yet another failed corporate "trickle-down" tax break and Congress will hand out a new benefit—paid with scarce taxpayer resources—to employers who hire workers they would have hired anyway.

This is not to say that a properly conceived tax policy couldn't receive bipartisan support or play an important role in spurring hiring. For example, I have proposed legislation that is supported by many economists and organizations on both the left and right that would save millions of jobs at minimal cost to the federal government. My "SHARE Credit Act" would provide a tax credit to employers that shorten hours instead of firing workers. For a mere \$22,000 dollars a worker, we could cheaply and efficiently stem the monsoon of layoffs reported each month by the Labor Department.

However, above and beyond mere tax policy, Members on both sides of the aisle know that we need to do more. Ending the unacceptably high levels of unemployment that plague our economy will require us to attack this epidemic using all the tools of the federal government. This means coupling progressive tax measures with public works job hiring initiatives and a commitment to full employment. To do anything else would be a betrayal of the fundamental trust given by those who elected us. Each of us comes to Washington with a simple task: Address the most critical issues that face the Nation by using the most effective tools at our disposal. No bonus points are awarded for bipartisan legislation that does not meet this high standard.

A bill whose major component is a meaningless giveaway to corporate America cannot be called a jobs bill. At a minimum, the Senate should conference the \$150 billion dollar jobs package that that the House passed last December. Uneven and piecemeal legislative efforts like this bill must be the exception, not the norm. I encourage my colleagues to oppose this bill.

Mr. SENSENBRENNER. Madam Speaker, I rise today in opposition of this so-called jobs bill. The incentives in this bill are a rehashing of the failed policies of the Carter Administration's stimulus in 1977, and I do not believe these measures will truly create jobs.

The news reports daily that Americans are not only hurting with the downturn of the economy, but they are also fearful that their government will continue to recklessly spend in the name of economic recovery. Last year, stimulus legislation was passed in this House, promising that a trillion dollars robbed from future generations of Americans would create jobs immediately and unemployment would not rise above 8 percent. The truth, however, is that since this boondoggle became law, unemployment hasn't fallen below 8 percent; it has risen to over 10 percent, and still hovers at just under 10 percent. Millions of jobs have been lost since the recession began, and Washington's only answer has been to spend money.

Wisconsinites have been contacting me with their concerns daily since President Obama first announced this plan in the State of the Union Address. While it is noble for Washington to suspend payroll taxes for employers that hire new workers, enact a \$1,000 tax credit for retaining employees, and increase the expensing of new equipment purchased by small businesses, I fear that these measures are merely a superficial solution. Employers will not be able to take advantage of these incentives if they do not have work to offer. It is common sense that employers hire workers because they have work that needs to be done, not because they will get a tax credit. The fact remains that businesses in this country are scared. They are scared by the uncertainty that Congress is projecting. The threat of increased taxes, increased government regulation, and costly government mandates are creating an environment that does not bode well for job seekers.

We must focus on increasing businesses' confidence that their government will not further hamper their abilities to create work. At the end of the day, this legislation is a drop in the bucket, it is not the solution. Only after long-term tax relief can we realize long-term economic recovery.

Mr. BACA. Madam Speaker, tomorrow, the new monthly labor statistics will be announced.

And even though the national unemployment may decrease, job creation still needs to be our number one priority moving forward.

Thankfully, later today, we will have a chance to take a major step in improving the economic outlook for families across America.

The HIRE Act will provide over \$77 billion in investments in transportation projects.

It will also allow for a continuation of minority-owned business contracting requirements for these projects.

Incentives for hiring and retaining new employees will be implemented.

Additionally, a direct payment option for certain tax credit bond programs will increase school construction and renewable energy projects.

The time for partisan talking points has passed.

The American people demand better and we will have a chance to deliver that relief later today.

I urge my colleagues on both sides of the aisle to pass the HIRE Act and put Americans back to work.

Mr. HOYER. Madam Speaker, last year, President Obama and the 111th Congress took their oaths of office as America faced the greatest economic crisis since the Great Depression. Since then, our work has been defined by our response to the crisis—by the overriding job of getting Americans back to work.

Of course, the most important step toward putting Americans back to work has been the Recovery Act. It cut taxes for small businesses and 95% of families, started thousands of job-creating projects across America, provided emergency assistance to those hit hardest by the recession, saved states from laying off teachers, firefighters, and police officers, and more. And despite the efforts of some partisan critics to call it a failure—even as many of those same critics eagerly take credit for the funds it has provided for their districts—the Recovery Act is working.

The Recovery Act created some 2 million jobs. And since President Obama took office, job losses are down 90%. Our economy is growing again: in the most recent quarter, it grew by 5.9%, the fastest rate in six years, and the second straight quarter of growth under President Obama.

All of that is real progress for our economy—but it is not yet success. In recession after recession, employment has been the last sign of growth to turn around. Far too many Americans remain unemployed through no fault of their own, caught in the effects of an economic collapse they did not create. For working families, few challenges are more trying than unemployment, especially unemployment that grinds on for month after month. For Washington, few challenges demand our action more urgently.

That's why I urge my colleagues to pass this bill—a clear, focused effort at putting Americans back to work. It provides strong incentives for businesses to start hiring again. They include a tax exemption that will eliminate businesses' 2010 payroll taxes for every unemployed worker hired. The nonpartisan Congressional Budget Office reports that such tax credits are one of the most effective ways of creating jobs: "Providing tax credits for increases in payrolls would increase both output and employment." Businesses will also receive further tax credits for keeping new employees on the payroll for the next year. And small businesses will be able to take advantage of tax incentives to finance their expansion.

This bill also extends the highway programs that have created jobs for so many Americans, while bringing our vital infrastructure up to par with the rest of the world's. This bill will mean billions more invested in job-creating highway projects, which will save one million jobs. It will ensure that states direct some of their transportation investment to minority-owned contractors. And it will make it easier for states and local communities to finance their own job-creating projects by selling Build America Bonds.

Finally, I want to point out that this bill is paid for—that it fully complies with both the House PAYGO rule and statutory PAYGO, which are so important to restoring our budget to balance. In fact, this bill fixes a minor PAYGO violation in the Senate bill—and that extra effort shows how serious the House is about paying for what our country buys.

Unemployment demands action from Congress. And this bill is a part of that effort to

create jobs, which began with the Recovery Act and will continue with a wide range of creative policies in the weeks ahead. This bill is not the first step, and it will not be the last; but it is an essential step toward getting America back to work.

Ms. KILPATRICK of Michigan. Madam Speaker, the State of Michigan's unemployment is 687,400 people unemployed. Detroit has 305,200 people unemployed. We have 15 million people unemployed in our nation. America and Americans are practically shouting for Congress to get Americans back to work. The best stimulus package is a job. H.R. 2847, the Hiring Incentives to Restore Employment Act, is not that bill. This legislation, providing tax incentives to businesses to hire people. This is not the answer. How Congress can walk away with more than 680,000 people unemployed in Michigan, and more than 15 million people unemployed in our nation, is shameful.

When I served as Chairwoman of the Congressional Black Caucus, along with my CBC colleagues, I pushed for more than two years for both a strong summer jobs program and a federal bill that would directly hire the unemployed. This is a bill that is modeled off of the successful Comprehensive Employment Training Act (CETA) program of the 1970s–1980s. The CETA program, which gave grants directly to cities, counties, and non-profit organizations to hire and train individuals, worked to lower our unemployment rate and stabilize our economy during the previous recession. It would be easy to make this legislative fix not next week, not next month, but right now. During the Depression, President Franklin Roosevelt almost halved the unemployment rate with a similarly aggressive program under the Work Progress Administration. I am ashamed and disgusted that the U.S. House of Representatives cannot find the collective political courage and will to do what is needed for the people of America.

What does a real jobs bill look like? In addition to what I have pointed out earlier, a real jobs bill would:

Create public jobs initiatives, involving the Department of Labor Employment & Training Administration and the Corporation for National and Community Service, to maximize direct training and hiring;

Provide locally-directed funding for Summer Youth Employment and collegiate-level apprenticeships and/or fellowships;

Enforce the minority contracting requirements under the Department of Transportation and promoting equal access to funding for projects of the National Significant and National Corridor grants in the extension of SAFETEA-LU;

Expand unemployment insurance and COBRA benefits; and

Provide access to capital and technical assistance to capital for small businesses from the Small Business Administration and the Minority Business Development Agency.

I am sure that there are other areas, but these areas, in particular, would be a great place to start.

I know too well that the Democrats have inherited the worst job market since World War II. Too many workers have lost their jobs through no fault of their own. GM and Chrysler have gone bankrupt. We are staring down the barrel of a \$12 trillion deficit. This fiscal year, we have to make difficult decisions. All Ameri-

cans, in Congress, in business and at home, must work together to keep our recovery on track by helping small businesses create jobs, investing in our infrastructure and clean energy industries, and keeping police, firefighters, and teachers on the job. This bill is not that bill.

I understand politics. I know the legislative process. It is my belief that this bill is supposed to be the first in a series of bills that is to address the chronically unemployed. Regrettably, I also heard this more than two years ago. Today, Congress is no closer to a real jobs bill two years later. The time for incrementalism is over.

I remain a proud and steadfast supporter of the American Recovery and Reinvestment Act. Hundreds of thousands of jobs and businesses have been helped. However, that bill was meant as a quick, temporary fix for businesses and to help stimulate the economy. Employment was a welcome by-product of that law. 15 million people who are still unemployed are telling us that we need to do more. We need to do it now.

This is not a jobs bill. This is a business tax cut bill. While I remain willing and able to work with my colleagues for a real jobs bill, I cannot support this tax cut legislation.

Mr. VAN HOLLEN. Madam Speaker, I rise in support of the Hiring Incentives to Restore Employment, HIRE, Act as an important part of the ongoing jobs agenda Congress will continue to prioritize in the months ahead. Simply put, we will not stop until every American who wants a job can find one, and we have launched a new era of broadly shared American prosperity.

To boost near term employment while tackling our nation's infrastructure backlog, the HIRE Act extends the current surface transportation law through the end of 2010 and provides \$77 billion to get our nation's highways, roads and public transit systems back into shape. A new direct payment option for states and localities that issue tax credit bonds for school construction, energy conservation and renewable energy will further support job creation in these vital sectors.

I am pleased that this legislation continues support for our job-generating small businesses by extending the enhanced expensing begun in the Recovery Act. Under this provision, small businesses will be able to immediately write off up to \$250,000 for qualified capital expenditures incurred in 2010.

Finally, as a signature initiative, this bill will encourage businesses to hire new workers by providing a payroll tax holiday equal to the employer's share of social security taxes for every new hire made between February 3, 2010 and January 1, 2011. An additional \$1000 tax credit is provided for every employee kept on for a full calendar year.

Madam Speaker, the HIRE Act will put more Americans back to work providing for their families and participating in our ongoing economic recovery. It is fully paid for and deserves my colleagues' support.

Mr. ETHERIDGE. I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to House Resolution 1137, the previous question is ordered.

The question is on the motion offered by the gentleman from North Carolina (Mr. ETHERIDGE).

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on the motion offered by the gentleman from North Carolina (Mr. ETHERIDGE) will be followed by a 5-minute vote on the motion to suspend the rules and adopt House Resolution 1079.

The vote was taken by electronic device, and there were—yeas 217, nays 201, not voting 14, as follows:

[Roll No. 90]

YEAS—217

Ackerman	Gutierrez	Nye
Adler (NJ)	Hall (NY)	Oberstar
Altmire	Halvorson	Obey
Andrews	Hare	Olver
Arcuri	Harman	Ortiz
Baca	Heinrich	Owens
Baldwin	Herseth Sandlin	Pallone
Barrow	Higgins	Pascarell
Becerra	Hill	Pelosi
Berkley	Himes	Perlmutter
Berman	Hinchev	Peters
Berry	Hinojosa	Peterson
Bishop (GA)	Hirono	Pingree (ME)
Bishop (NY)	Hodes	Pomeroy
Blumenauer	Holden	Price (NC)
Bocchieri	Holt	Quigley
Boren	Honda	Rahall
Boswell	Hoyer	Rangel
Boucher	Inslee	Reyes
Boyd	Israel	Rodriguez
Brady (PA)	Kagen	Ross
Braley (IA)	Kanjorski	Rothman (NJ)
Bright	Kaptur	Roybal-Allard
Butterfield	Kennedy	Ruppersberger
Camp	Kildee	Ryan (OH)
Cao	Kilroy	Salazar
Capuano	Kissell	Sánchez, Linda
Cardoza	Klein (FL)	T.
Carnahan	Kosmas	Sanchez, Loretta
Carney	Kratovil	Sarbanes
Carson (IN)	Kucinich	Schakowsky
Castor (FL)	Langevin	Schauer
Chandler	Larsen (WA)	Schiff
Childers	Larson (CT)	Scott (GA)
Chu	Levin	Scott (VA)
Clyburn	Lewis (GA)	Serrano
Cohen	Lipinski	Sestak
Connolly (VA)	Loebsock	Shea-Porter
Cooper	Lofgren, Zoe	Sherman
Costa	Lowe	Shuler
Costello	Luján	Sires
Courtney	Lynch	Skelton
Cuellar	Maffei	Slaughter
Cummings	Maloney	Smith (WA)
Davis (AL)	Markey (CO)	Snyder
Davis (CA)	Markey (MA)	Space
Davis (TN)	Marshall	Speier
DeFazio	Matheson	Spratt
DeGette	Matsui	Stark
Delahunt	McCarthy (NY)	Stupak
DeLauro	McColum	Sutton
Dicks	McDermott	Tanner
Dingell	McGovern	Taylor
Donnelly (IN)	McIntyre	Teague
Doyle	McMahon	Thompson (CA)
Duncan	McNerney	Tierney
Edwards (TX)	Meek (FL)	Titus
Ehlers	Meeke (NY)	Tonko
Ellison	Melancon	Tsongas
Ellsworth	Michaud	Van Hollen
Engel	Miller (NC)	Velázquez
Etheridge	Miller, George	Walz
Farr	Minnick	Wasserman
Fattah	Mollohan	Schultz
Filner	Moore (KS)	Watson
Foster	Moran (VA)	Waxman
Frank (MA)	Murphy (CT)	Weiner
Garamendi	Murphy (NY)	Welch
Giffords	Murphy, Patrick	Wilson (OH)
Gonzalez	Murphy, Tim	Woolsey
Gordon (TN)	Nadler (NY)	Wu
Grayson	Napolitano	Yarmuth
Green, Gene	Neal (MA)	Young (AK)

NAYS—201

Aderholt	Austria	Baird
Akin	Bachmann	Barrett (SC)
Alexander	Bachus	Bartlett

Barton (TX)	Green, Al	Pastor (AZ)
Biggart	Griffith	Paul
Bilbray	Grijalva	Paulsen
Bilirakis	Guthrie	Payne
Bishop (UT)	Hall (TX)	Pence
Blackburn	Harper	Perriello
Blunt	Hastings (FL)	Petri
Boehner	Hastings (WA)	Pitts
Bonner	Heller	Platts
Bono Mack	Hensarling	Poe (TX)
Boozman	Herger	Polis (CO)
Boustany	Hunter	Posey
Brady (TX)	Inglis	Price (GA)
Broun (GA)	Issa	Putnam
Brown (SC)	Jackson (IL)	Radanovich
Brown, Corrine	Jackson Lee	Rehberg
Brown-Waite,	(TX)	Reichert
Ginny	Jenkins	Richardson
Buchanan	Johnson (GA)	Roe (TN)
Burgess	Johnson (IL)	Rogers (AL)
Burton (IN)	Johnson, E. B.	Rogers (KY)
Buyer	Johnson, Sam	Rogers (MD)
Calvert	Jones	Rohrabacher
Cantor	Kilpatrick (MI)	Rooney
Capito	King (IA)	Ros-Lehtinen
Carter	King (NY)	Roskam
Cassidy	Kingston	Royce
Castle	Kirk	Rush
Chaffetz	Kirkpatrick (AZ)	Ryan (WI)
Clarke	Kline (MN)	Scalise
Clay	Lamborn	Schmidt
Cleaver	Lance	Schock
Coble	Latham	Schrader
Coffman (CO)	LaTourette	Sensenbrenner
Cole	Latta	Sessions
Conaway	Lee (CA)	Shadegg
Conyers	Lee (NY)	Shimkus
Crenshaw	Lewis (CA)	Shuster
Culberson	LoBiondo	Simpson
Davis (IL)	Lucas	Smith (NE)
Davis (KY)	Luetkemeyer	Smith (NJ)
Deal (GA)	Lummis	Smith (TX)
Dent	Lungren, Daniel	Souder
Diaz-Balart, L.	E.	Stearns
Diaz-Balart, M.	Mack	Sullivan
Doggett	Manzullo	Terry
Dreier	Marchant	Thompson (MS)
Driehaus	McCarthy (CA)	Thompson (PA)
Edwards (MD)	McCaul	Thornberry
Emerson	McClintock	Tiberi
Flake	McCotter	Towns
Fleming	McHenry	Turner
Forbes	McKeon	Upton
Fortenberry	McMorris	Viscosky
Fox	Rodgers	Walden
Franks (AZ)	Mica	Wamp
Frelinghuysen	Miller (FL)	Waters
Fudge	Miller (MI)	Watt
Gallegly	Miller, Gary	Westmoreland
Garrett (NJ)	Mitchell	Whitfield
Gerlach	Moore (WI)	Wilson (SC)
Gingrey (GA)	Moran (KS)	Wittman
Gohmert	Myrick	Wolf
Goodlatte	Neugebauer	Young (FL)
Granger	Nunes	
Graves	Olson	

NOT VOTING—14

Bean	Eshoo	Linder
Campbell	Fallin	Massa
Capps	Hoekstra	Schwartz
Crowley	Jordan (OH)	Tiahrt
Dahlkemper	Kind	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 2 minutes remaining in this vote.

□ 1530

Messrs. WITTMAN, CARTER, and CONYERS changed their vote from “yea” to “nay.”

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mrs. CAPPS. Madam Speaker, on rollcall No. 90, had I been present, I would have voted “yes.”

Ms. SCHWARTZ. Madam Speaker, on rollcall No. 90, had I been present, I would have voted “yes.”

Mr. KIND. Madam Speaker, I was unable to have my vote recorded on the House floor during the vote on H.R. 2847 on Thursday, March 4, 2010 because I was detained due to a meeting with the President of the United States. Had I been present, I would have voted in favor of H.R. 2847 (Roll No. 90).

Stated against:

Ms. BEAN. Madam Speaker, I was inadvertently detained and I was unable to cast a vote on March 4, 2010. If I had been present I would have cast the following vote:

Rollcall 90—On motion to Concur in the Senate Amendments with an Amendment to H.R. 2847: “No.”

□ 1530

CONGRATULATING NFL CHAMPION
NEW ORLEANS SAINTS

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the resolution, H. Res. 1079, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. MELANCON) that the House suspend the rules and agree to the resolution, H. Res. 1079, as amended.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 375, nays 1, answered “present” 3, not voting 53, as follows:

[Roll No. 91]

YEAS—375

Aderholt	Brown-Waite,	Davis (TN)
Adler (NJ)	Ginny	DeGette
Akin	Buchanan	Delahunt
Alexander	Burgess	DeLauro
Altmire	Burton (IN)	Dent
Andrews	Butterfield	Diaz-Balart, M.
Austria	Calvert	Dicks
Baca	Cantor	Dingell
Bachmann	Cao	Donnelly (IN)
Bachus	Capito	Dreier
Baird	Capps	Driehaus
Baldwin	Capuano	Duncan
Barrett (SC)	Cardoza	Edwards (MD)
Barrow	Carnahan	Ehlers
Bartlett	Carney	Ellison
Barton (TX)	Carson (IN)	Ellsworth
Bean	Carter	Emerson
Becerra	Cassidy	Engel
Berkley	Castle	Etheridge
Berman	Castor (FL)	Fattah
Berry	Chandler	Filner
Biggart	Childers	Flake
Bilbray	Chu	Fleming
Bilirakis	Clarke	Forbes
Bishop (GA)	Clay	Fortenberry
Bishop (NY)	Clyburn	Foster
Bishop (UT)	Coble	Fox
Blackburn	Coffman (CO)	Frank (MA)
Blunt	Cohen	Franks (AZ)
Bocchieri	Cole	Frelinghuysen
Boehner	Conaway	Fudge
Bonner	Connolly (VA)	Gallegly
Bono Mack	Conyers	Garrett (NJ)
Boozman	Cooper	Gerlach
Boswell	Costa	Giffords
Boucher	Costello	Gingrey (GA)
Boustany	Courtney	Gohmert
Brady (PA)	Crenshaw	Gonzalez
Brady (TX)	Crowley	Goodlatte
Brady (IA)	Cuellar	Gordon (TN)
Braley (TX)	Culberson	Granger
Bright	Cummings	Graves
Broun (GA)	Davis (CA)	Grayson
Brown (SC)	Davis (IL)	Green, Al
Brown, Corrine	Davis (KY)	Green, Gene