

Shadegg	Sullivan	Upton
Shimkus	Tanner	Walden
Shuler	Taylor	Westmoreland
Shuster	Terry	Whitfield
Simpson	Thompson (PA)	Wilson (SC)
Smith (NE)	Thornberry	Wittman
Smith (NJ)	Tiahrt	Wolf
Smith (TX)	Tiberi	Young (FL)
Stearns	Turner	

NOT VOTING—20

Barrett (SC)	Castor (FL)	Honda
Brown (SC)	Davis (IL)	Inglis
Brown, Corrine	Deutch	Miller (FL)
Brown-Waite, Ginny	Fallin	Myrick
Buyer	Gohmert	Pallone
Cantor	Hodes	Rahall
	Hoekstra	Wamp

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (during the vote). Members have 1 minute remaining.

□ 1544

So (two-thirds not being in the affirmative) the motion was rejected.

The result of the vote was announced as above recorded.

□ 1545

SMALL BUSINESS JOBS TAX RELIEF ACT OF 2010

Mr. LEVIN. Mr. Speaker, pursuant to H. Res. 1436, I call up the bill (H.R. 5486) to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 1436, the bill is considered read.

The text of the bill is as follows:

H.R. 5486

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

TITLE V—TAX PROVISIONS

SEC. 500. SHORT TITLE; ETC.

(a) **SHORT TITLE.**—This title may be cited as the “Small Business Jobs Tax Relief Act of 2010”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this title 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 title is as follows:

Sec. 500. Short title; etc.

Subtitle A—Small Business Tax Incentives
PART 1—GENERAL PROVISIONS

Sec. 501. Temporary exclusion of 100 percent of gain on certain small business stock.

PART 2—LIMITATIONS AND REPORTING ON CERTAIN PENALTIES

Sec. 511. Limitation on penalty for failure to disclose certain information.

Sec. 512. Annual reports on penalties and certain other enforcement actions.

PART 3—OTHER PROVISIONS

Sec. 521. Increase in amount allowed as deduction for start-up expenditures.

Sec. 522. Nonrecourse small business investment company loans from the Small Business Administration treated as amounts at risk.

Sec. 523. Benefits under the Small Business Borrower Assistance Program excluded from gross income.

Subtitle B—Revenue Provisions

Sec. 531. Required minimum 10-year term, etc., for grantor retained annuity trusts.

Sec. 532. Crude tall oil ineligible for cellulosic biofuel producer credit.

Sec. 533. Time for payment of corporate estimated taxes.

Subtitle A—Small Business Tax Incentives

PART 1—GENERAL PROVISIONS

SEC. 501. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) **IN GENERAL.**—Subsection (a) of section 1202 is amended by adding at the end the following new paragraph:

“(4) **SPECIAL 100 PERCENT EXCLUSION.**—In the case of qualified small business stock acquired after March 15, 2010, and before January 1, 2012—

“(A) paragraph (1) shall be applied by substituting ‘100 percent’ for ‘50 percent’;

“(B) paragraph (2) shall not apply, and

“(C) paragraph (7) of section 57(a) shall not apply.”

(b) **CONFORMING AMENDMENTS.**—Paragraph

(3) of section 1202(a) is amended—

(1) by striking “after the date of the enactment of this paragraph and before January 1, 2011” and inserting “after February 17, 2009, and before March 16, 2010”; and

(2) by striking “SPECIAL RULES FOR 2009 AND 2010” in the heading and inserting “SPECIAL 75 PERCENT EXCLUSION”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to stock acquired after March 15, 2010.

PART 2—LIMITATIONS AND REPORTING ON CERTAIN PENALTIES

SEC. 511. LIMITATION ON PENALTY FOR FAILURE TO DISCLOSE CERTAIN INFORMATION.

(a) **IN GENERAL.**—Subsection (b) of section 6707A is amended to read as follows:

“(b) **AMOUNT OF PENALTY.**—

“(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amount of the penalty under subsection (a) with respect to any reportable transaction shall be 75 percent of the decrease in tax shown on the return as a result of such transaction (or which would have resulted from such transaction if such transaction were respected for Federal tax purposes).

“(2) **MAXIMUM PENALTY.**—The amount of the penalty under subsection (a) with respect to any reportable transaction for any taxable year shall not exceed—

“(A) in the case of a listed transaction, \$200,000 (\$100,000 in the case of a natural person), or

“(B) in the case of any other reportable transaction, \$50,000 (\$10,000 in the case of a natural person).

“(3) **MINIMUM PENALTY.**—The amount of the penalty under subsection (a) with respect to any transaction for any taxable year shall not be less than \$10,000 (\$5,000 in the case of a natural person).”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to penalties assessed after December 31, 2006.

SEC. 512. ANNUAL REPORTS ON PENALTIES AND CERTAIN OTHER ENFORCEMENT ACTIONS.

(a) **IN GENERAL.**—The Commissioner of Internal Revenue, in consultation with the Secretary of the Treasury, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate an annual report on the penalties assessed by the Internal Revenue Service during the preceding year

under each of the following provisions of the Internal Revenue Code of 1986:

(1) Section 6662A (relating to accuracy-related penalty on understatements with respect to reportable transactions).

(2) Section 6700(a) (relating to promoting abusive tax shelters).

(3) Section 6707 (relating to failure to furnish information regarding reportable transactions).

(4) Section 6707A (relating to failure to include reportable transaction information with return).

(5) Section 6708 (relating to failure to maintain lists of advisees with respect to reportable transactions).

(b) **ADDITIONAL INFORMATION.**—The report required under subsection (a) shall also include information on the following with respect to each year:

(1) Any action taken under section 330(b) of title 31, United States Code, with respect to any reportable transaction (as defined in section 6707A(c) of the Internal Revenue Code of 1986).

(2) Any extension of the time for assessment of tax enforced, or assessment of any amount under such an extension, under paragraph (10) of section 6501(c) of the Internal Revenue Code of 1986.

(c) **DATE OF REPORT.**—The first report required under subsection (a) shall be submitted not later than December 31, 2010.

PART 3—OTHER PROVISIONS

SEC. 521. INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES.

(a) **IN GENERAL.**—Subsection (b) of section 195 is amended by adding at the end the following new paragraph:

“(3) **INCREASED LIMITATION FOR TAXABLE YEARS BEGINNING IN 2010 OR 2011.**—In the case of any taxable year beginning in 2010 or 2011, paragraph (1)(A)(ii) shall be applied—

“(A) by substituting ‘\$20,000’ for ‘\$5,000’, and

“(B) by substituting ‘\$75,000’ for ‘\$50,000’.”.

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

SEC. 522. NONREOURSE SMALL BUSINESS INVESTMENT COMPANY LOANS FROM THE SMALL BUSINESS ADMINISTRATION TREATED AS AMOUNTS AT RISK.

(a) **IN GENERAL.**—Subparagraph (B) of section 465(b)(6) is amended to read as follows:

“(B) **QUALIFIED NONREOURSE FINANCING.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘qualified nonrecourse financing’ means any financing—

“(I) which is qualified real property financing or qualified SBIC financing,

“(II) except to the extent provided in regulations, with respect to which no person is personally liable for repayment, and

“(III) which is not convertible debt.

“(ii) **QUALIFIED REAL PROPERTY FINANCING.**—The term ‘qualified real property financing’ means any financing which—

“(I) is borrowed by the taxpayer with respect to the activity of holding real property,

“(II) is secured by real property used in such activity, and

“(III) is borrowed by the taxpayer from a qualified person or represents a loan from any Federal, State, or local government or instrumentality thereof, or is guaranteed by any Federal, State, or local government.

“(iii) **QUALIFIED SBIC FINANCING.**—The term ‘qualified SBIC financing’ means any financing which—

“(I) is borrowed by a small business investment company (within the meaning of section 301 of the Small Business Investment Act of 1958), and