

will and would not comport with the Democrats' public statements promising transparency and accountability; and

Whereas under the leadership of Speaker Pelosi and the Democrat majority, and largely due to the current trends of Government expansion and freedom retrenchment, the American people have lost confidence with their elected officials, and that faith must be restored: Now, therefore be it

Resolved, That the House of Representatives—

(1) reaffirms the principle expressed in the Declaration of Independence that governments "[derive] their just powers from the consent of the governed";

(2) recognizes the fundamental importance of trust existing between the American people and their elected officials;

(3) confirms that adhering to the will of the people is imperative to upholding public trust;

(4) states that the American people deserve to know where their current elected officials stand on key legislative issues before Election Day;

(5) states that delaying controversial, unpopular votes until after the election gives false impressions to voters and deliberately hides the true intentions of the majority, while denying voters the ability to make fully informed choices on Election Day; and

(6) pledges not to assemble on or between the dates of November 2, 2010 and January 3, 2011, except in the case of an unforeseen, sudden emergency requiring immediate action from Congress.

□ 1620

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader, as a question of the privileges of the House, has immediate precedence only at a time designated by the Chair within 2 legislative days after the resolution is properly noticed.

Pending that designation, the form of the resolution noticed by the gentleman from Georgia will appear in the RECORD at this point.

The Chair will not at this point determine whether the resolution constitutes a question of privilege. That determination will be made at the time designated for consideration of the resolution.

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO ACTIONS OF CERTAIN PERSONS TO UNDERMINE SOVEREIGNTY OF LEBANON OR ITS DEMOCRATIC PROCESSES AND INSTITUTIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 111-136)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the

President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the Federal Register for publication the enclosed notice stating that the national emergency declared with respect to the actions of certain persons to undermine the sovereignty of Lebanon or its democratic processes and institutions is to continue in effect beyond August 1, 2010.

While there have been some recent positive developments in the Syrian-Lebanese relationship, continuing arms transfers to Hizballah that include increasingly sophisticated weapons systems serve to undermine Lebanese sovereignty, contribute to political and economic instability in the region, and continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared on August 1, 2007, to deal with that threat and the related measures adopted on that date to respond to the emergency.

BARACK OBAMA.

THE WHITE HOUSE, JULY 29, 2010.

INVESTING IN AMERICAN JOBS AND CLOSING TAX LOOPHOLES ACT OF 2010

Mr. LEVIN. Mr. Speaker, pursuant to House Resolution 1568, I call up the bill (H.R. 5893) to amend the Internal Revenue Code of 1986 to create jobs through increased investment in infrastructure, to eliminate loopholes which encourage companies to move operations offshore, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5893

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

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

(a) SHORT TITLE.—This Act may be cited as the "Investing in American Jobs and Closing Tax Loopholes Act of 2010".

(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—INFRASTRUCTURE INCENTIVES

Sec. 101. Extension of Build America Bonds.

Sec. 102. Exempt-facility bonds for sewage and water supply facilities.

Sec. 103. Extension of exemption from alternative minimum tax treatment for certain tax-exempt bonds.

Sec. 104. Extension and additional allocations of recovery zone bond authority.

Sec. 105. Allowance of new markets tax credit against alternative minimum tax.

Sec. 106. Extension of tax-exempt eligibility for loans guaranteed by Federal home loan banks.

Sec. 107. Extension of temporary small issuer rules for allocation of tax-exempt interest expense by financial institutions.

TITLE II—EMERGENCY FUND FOR JOB CREATION AND ASSISTANCE

Sec. 201. Extension of the Emergency Fund for Job Creation and Assistance.

TITLE III—FOREIGN PROVISIONS

Sec. 301. Rules to prevent splitting foreign tax credits from the income to which they relate.

Sec. 302. Denial of foreign tax credit with respect to foreign income not subject to United States taxation by reason of covered asset acquisitions.

Sec. 303. Separate application of foreign tax credit limitation, etc., to items resourced under treaties.

Sec. 304. Limitation on the amount of foreign taxes deemed paid with respect to section 956 inclusions.

Sec. 305. Special rule with respect to certain redemptions by foreign subsidiaries.

Sec. 306. Modification of affiliation rules for purposes of rules allocating interest expense.

Sec. 307. Termination of special rules for interest and dividends received from persons meeting the 80-percent foreign business requirements.

Sec. 308. Source rules for income on guarantees.

Sec. 309. Limitation on extension of statute of limitations for failure to notify Secretary of certain foreign transfers.

TITLE IV—BUDGETARY PROVISIONS

Sec. 401. Paygo compliance.

Sec. 402. Time for payment of corporate estimated taxes.

TITLE I—INFRASTRUCTURE INCENTIVES

SEC. 101. EXTENSION OF BUILD AMERICA BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) is amended by striking "January 1, 2011" and inserting "January 1, 2013".

(b) EXTENSION OF PAYMENTS TO ISSUERS.—

(1) IN GENERAL.—Section 6431 is amended—
(A) by striking "January 1, 2011" in subsection (a) and inserting "January 1, 2013"; and

(B) by striking "January 1, 2011" in subsection (f)(1)(B) and inserting "a particular date".

(2) CONFORMING AMENDMENTS.—Subsection (g) of section 54AA is amended—

(A) by striking "January 1, 2011" and inserting "January 1, 2013"; and

(B) by striking "QUALIFIED BONDS ISSUED BEFORE 2011" in the heading and inserting "CERTAIN QUALIFIED BONDS".

(c) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary";

(2) by striking "35 percent" and inserting "the applicable percentage"; and

(3) by adding at the end the following new paragraph:

"(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the percentage determined in accordance with the following table:

"In the case of a qualified bond issued during calendar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent
2012	30 percent."

(d) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA is amended by adding at the end the following new paragraph:

"(3) TREATMENT OF CURRENT REFUNDING BONDS.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified bond' includes any bond (or series of bonds) issued to refund a qualified bond if—

"(i) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

"(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

"(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

"(B) APPLICABLE PERCENTAGE.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

"(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A)."

(e) CLARIFICATION RELATED TO LEVEES AND FLOOD CONTROL PROJECTS.—Subparagraph (A) of section 54AA(g)(2) is amended by inserting "(including capital expenditures for levees and other flood control projects)" after "capital expenditures".

SEC. 102. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.

(a) BONDS FOR WATER AND SEWAGE FACILITIES EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.—

(1) IN GENERAL.—Paragraph (3) of section 146(g) is amended by inserting "(4), (5)," after "(2)."

(2) CONFORMING AMENDMENT.—Paragraphs (2) and (3)(B) of section 146(k) are both amended by striking "(4), (5), (6)," and inserting "(6)".

(b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (c) of section 7871 is amended by adding at the end the following new paragraph:

"(4) EXCEPTION FOR BONDS FOR WATER AND SEWAGE FACILITIES.—Paragraph (2) shall not apply to an exempt facility bond 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide facilities described in paragraph (4) or (5) of section 142(a)."

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 7871(c) is amended by striking "paragraph (3)" and inserting "paragraphs (3) and (4)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 103. EXTENSION OF EXEMPTION FROM ALTERNATIVE MINIMUM TAX TREATMENT FOR CERTAIN TAX-EXEMPT BONDS.

(a) IN GENERAL.—Clause (vi) of section 57(a)(5)(C) is amended—

(1) by striking "January 1, 2011" in subsection (I) and inserting "January 1, 2012"; and

(2) by striking "AND 2010" in the heading and inserting "2010, AND 2011".

(b) ADJUSTED CURRENT EARNINGS.—Clause (iv) of section 56(g)(4)(B) is amended—

(1) by striking "January 1, 2011" in subsection (I) and inserting "January 1, 2012"; and

(2) by striking "AND 2010" in the heading and inserting "2010, AND 2011".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

SEC. 104. EXTENSION AND ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY.

(a) EXTENSION OF RECOVERY ZONE BOND AUTHORITY.—Section 1400U-2(b)(1) and section 1400U-3(b)(1)(B) are each amended by striking "January 1, 2011" and inserting "January 1, 2012".

(b) ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY BASED ON UNEMPLOYMENT.—Section 1400U-1 is amended by adding at the end the following new subsection:

"(c) ALLOCATION OF 2010 RECOVERY ZONE BOND LIMITATIONS BASED ON UNEMPLOYMENT.—

"(1) IN GENERAL.—The Secretary shall allocate the 2010 national recovery zone economic development bond limitation and the 2010 national recovery zone facility bond limitation among the States in the proportion that each such State's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

"(2) MINIMUM ALLOCATION.—The Secretary shall adjust the allocations under paragraph (1) for each State to the extent necessary to ensure that no State (prior to any reduction under paragraph (3)) receives less than 0.9 percent of the 2010 national recovery zone economic development bond limitation and 0.9 percent of the 2010 national recovery zone facility bond limitation.

"(3) ALLOCATIONS BY STATES.—

"(A) IN GENERAL.—Each State with respect to which an allocation is made under paragraph (1) shall reallocate such allocation among the counties and large municipalities (as defined in subsection (a)(3)(B)) in such State in the proportion that each such county's or municipality's 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all the counties and large municipalities (as so defined) in such State.

"(B) 2010 ALLOCATION REDUCED BY AMOUNT OF PREVIOUS ALLOCATION.—Each State shall reduce (but not below zero)—

"(i) the amount of the 2010 national recovery zone economic development bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone economic development bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof), and

"(ii) the amount of the 2010 national recovery zone facility bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone facility bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof).

"(C) WAIVER OF SUBALLOCATIONS.—A county or municipality may waive any portion of an allocation made under this paragraph. A county or municipality shall be treated as having waived any portion of an allocation made under this paragraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.

"(D) SPECIAL RULE FOR A MUNICIPALITY IN A COUNTY.—In the case of any large municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

"(4) 2009 UNEMPLOYMENT NUMBER.—For purposes of this subsection, the term '2009 unemployment number' means, with respect to any State, county or municipality, the number of individuals in such State, county, or municipality who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

"(5) 2010 NATIONAL LIMITATIONS.—

"(A) RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS.—The 2010 national recovery zone economic development bond limitation is \$10,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U-2 in the same manner as an allocation of national recovery zone economic development bond limitation.

"(B) RECOVERY ZONE FACILITY BONDS.—The 2010 national recovery zone facility bond limitation is \$15,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U-3 in the same manner as an allocation of national recovery zone facility bond limitation."

(c) AUTHORITY OF STATE TO WAIVE CERTAIN 2009 ALLOCATIONS.—Subparagraph (A) of section 1400U-1(a)(3) is amended by adding at the end the following: "A county or municipality shall be treated as having waived any portion of an allocation made under this subparagraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State."

SEC. 105. ALLOWANCE OF NEW MARKETS TAX CREDIT AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4) is amended by redesignating clauses (v) through (ix) as clauses (vi) through (x), respectively, and by inserting after clause (iv) the following new clause:

"(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made before January 1, 2012."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after March 15, 2010.

SEC. 106. EXTENSION OF TAX-EXEMPT ELIGIBILITY FOR LOANS GUARANTEED BY FEDERAL HOME LOAN BANKS.

Clause (iv) of section 149(b)(3)(A) is amended by striking "December 31, 2010" and inserting "December 31, 2011".

SEC. 107. EXTENSION OF TEMPORARY SMALL ISSUER RULES FOR ALLOCATION OF TAX-EXEMPT INTEREST EXPENSE BY FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Clauses (i), (ii), and (iii) of section 265(b)(3)(G) are each amended by striking "or 2010" and inserting "2010, or 2011".

(b) CONFORMING AMENDMENT.—Subparagraph (G) of section 265(b)(3) is amended by striking "AND 2010" in the heading and inserting "2010, AND 2011".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2010.

TITLE II—EMERGENCY FUND FOR JOB CREATION AND ASSISTANCE

SEC. 201. EXTENSION OF THE EMERGENCY FUND FOR JOB CREATION AND ASSISTANCE.

(a) IN GENERAL.—Section 403(c) of the Social Security Act (42 U.S.C. 603(c)) is amended—

(1) in paragraph (1), by striking "Emergency Contingency Fund for State Temporary Assistance for Needy Families Programs" and inserting "Emergency Fund for Job Creation and Assistance";

(2) in paragraph (2)(A), by inserting “, and for fiscal year 2011, such sums as may be necessary to carry out this subsection” before “for payment”;

(3) by striking paragraph (2)(B) and inserting the following:

“(B) AVAILABILITY AND USE OF FUNDS.—

“(i) FISCAL YEARS 2009 AND 2010.—The amounts appropriated to the Emergency Fund under subparagraph (A) for fiscal year 2009 shall remain available through fiscal year 2010 and shall be used to make grants to States in each of fiscal years 2009 and 2010 in accordance with paragraph (3), except that the amounts shall remain available through fiscal year 2011 to make grants and payments to States in accordance with paragraph (3)(C) to cover expenditures to subsidize employment positions held by individuals placed in the positions before fiscal year 2011.

“(ii) FISCAL YEAR 2011.—Subject to clause (iii), the amounts appropriated to the Emergency Fund under subparagraph (A) for fiscal year 2011 shall remain available through fiscal year 2012 and shall be used to make grants to States based on expenditures in fiscal year 2011 for benefits and services provided in fiscal year 2011 in accordance with the requirements of paragraph (3).

“(iii) RESERVATION OF FUNDS.—Of the amounts appropriated to the Emergency Fund under subparagraph (A) for fiscal year 2011, \$500,000 shall be placed in reserve for use in fiscal year 2012, and shall be used to award grants for any expenditures described in this subsection incurred by States after September 30, 2011.”;

(4) in paragraph (2)(C), by striking “2010” and inserting “2012”;

(5) in paragraph (3)—

(A) in clause (i) of each of subparagraphs (A), (B), and (C), by striking “year 2009 or 2010” and inserting “years 2009 through 2011”; and

(B) in subparagraph (C), by adding at the end the following:

“(iv) LIMITATION ON EXPENDITURES FOR SUBSIDIZED EMPLOYMENT.—An expenditure for subsidized employment shall be taken into account under clause (ii) only if the expenditure is used to subsidize employment for—

“(I) a member of a needy family (without regard to whether the family is receiving assistance under the State program funded under this part); or

“(II) an individual who has exhausted (or, within 60 days, will exhaust) all rights to receive unemployment compensation under Federal and State law, and who is a member of a needy family.”;

(6) by striking paragraph (5) and inserting the following:

“(5) LIMITATIONS ON PAYMENTS.—

“(A) FISCAL YEARS 2009 AND 2010.—The total amount payable to a single State under subsection (b) and this subsection for fiscal years 2009 and 2010 combined shall not exceed 50 percent of the annual State family assistance grant.

“(B) FISCAL YEAR 2011.—The total amount payable to a single State under subsection (b) and this subsection for fiscal year 2011 shall not exceed 30 percent of the annual State family assistance grant.”; and

(7) in paragraph (6), by inserting “or for expenditures described in paragraph (3)(C)(iv)” before the period.

(b) CONFORMING AMENDMENTS.—Section 2101 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) is amended—

(1) in subsection (a)(2)—

(A) by striking “2010” and inserting “2011”; and

(B) by striking all that follows “repealed” and inserting a period; and

(2) in subsection (d)(1), by striking “2010” and inserting “2011”.

(c) PROGRAM GUIDANCE.—The Secretary of Health and Human Services shall issue program guidance, without regard to the requirements of section 553 of title 5, United States Code, which ensures that the funds provided under the amendments made by this section to a jurisdiction for subsidized employment do not support any subsidized employment position the annual salary of which is greater than, at State option—

(1) 200 percent of the poverty line (within the meaning of section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section 673(2)) for a family of 4; or

(2) the median wage in the jurisdiction.

TITLE III—FOREIGN PROVISIONS

SEC. 301. RULES TO PREVENT SPLITTING FOREIGN TAX CREDITS FROM THE INCOME TO WHICH THEY RELATE.

(a) IN GENERAL.—Subpart A of part III of subchapter N of chapter 1 is amended by adding at the end the following new section:

“SEC. 909. SUSPENSION OF TAXES AND CREDITS UNTIL RELATED INCOME TAKEN INTO ACCOUNT.

“(a) IN GENERAL.—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by the taxpayer, such tax shall not be taken into account for purposes of this title before the taxable year in which the related income is taken into account under this chapter by the taxpayer.

“(b) SPECIAL RULES WITH RESPECT TO SECTION 902 CORPORATIONS.—If there is a foreign tax credit splitting event with respect to a foreign income tax paid or accrued by a section 902 corporation, such tax shall not be taken into account—

“(1) for purposes of section 902 or 960, or

“(2) for purposes of determining earnings and profits under section 964(a), before the taxable year in which the related income is taken into account under this chapter by such section 902 corporation or a domestic corporation which meets the ownership requirements of subsection (a) or (b) of section 902 with respect to such section 902 corporation.

“(c) SPECIAL RULES.—For purposes of this section—

“(1) APPLICATION TO PARTNERSHIPS, ETC.—In the case of a partnership, subsections (a) and (b) shall be applied at the partner level. Except as otherwise provided by the Secretary, a rule similar to the rule of the preceding sentence shall apply in the case of any S corporation or trust.

“(2) TREATMENT OF FOREIGN TAXES AFTER SUSPENSION.—In the case of any foreign income tax not taken into account by reason of subsection (a) or (b), except as otherwise provided by the Secretary, such tax shall be so taken into account in the taxable year referred to in such subsection (other than for purposes of section 986(a)) as a foreign income tax paid or accrued in such taxable year.

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

“(1) FOREIGN TAX CREDIT SPLITTING EVENT.—There is a foreign tax credit splitting event with respect to a foreign income tax if the related income is (or will be) taken into account under this chapter by a covered person.

“(2) FOREIGN INCOME TAX.—The term ‘foreign income tax’ means any income, war profits, or excess profits tax paid or accrued to any foreign country or to any possession of the United States.

“(3) RELATED INCOME.—The term ‘related income’ means, with respect to any portion of any foreign income tax, the income (or, as appropriate, earnings and profits) to which such portion of foreign income tax relates.

“(4) COVERED PERSON.—The term ‘covered person’ means, with respect to any person who pays or accrues a foreign income tax (hereafter in this paragraph referred to as the ‘payor’)—

“(A) any entity in which the payor holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value),

“(B) any person which holds, directly or indirectly, at least a 10 percent ownership interest (determined by vote or value) in the payor,

“(C) any person which bears a relationship to the payor described in section 267(b) or 707(b), and

“(D) any other person specified by the Secretary for purposes of this paragraph.

“(5) SECTION 902 CORPORATION.—The term ‘section 902 corporation’ means any foreign corporation with respect to which one or more domestic corporations meets the ownership requirements of subsection (a) or (b) of section 902.

“(e) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provides—

“(1) appropriate exceptions from the provisions of this section, and

“(2) for the proper application of this section with respect to hybrid instruments.”.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by adding at the end the following new item:

“Sec. 909. Suspension of taxes and credits until related income taken into account.”.

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

(1) foreign income taxes (as defined in section 909(d) of the Internal Revenue Code of 1986, as added by this section) paid or accrued after December 31, 2010; and

(2) foreign income taxes (as so defined) paid or accrued by a section 902 corporation (as so defined) on or before such date (and not deemed paid under section 902(a) or 960 of such Code on or before such date), but only for purposes of applying sections 902 and 960 with respect to periods after such date.

Section 909(b)(2) of the Internal Revenue Code of 1986, as added by this section, shall not apply to foreign income taxes described in paragraph (2).

SEC. 302. DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS.

(a) IN GENERAL.—Section 901 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) DENIAL OF FOREIGN TAX CREDIT WITH RESPECT TO FOREIGN INCOME NOT SUBJECT TO UNITED STATES TAXATION BY REASON OF COVERED ASSET ACQUISITIONS.—

“(1) IN GENERAL.—In the case of a covered asset acquisition, the disqualified portion of any foreign income tax determined with respect to the income or gain attributable to the relevant foreign assets—

“(A) shall not be taken into account in determining the credit allowed under subsection (a), and

“(B) in the case of a foreign income tax paid by a section 902 corporation (as defined in section 909(d)(5)), shall not be taken into account for purposes of section 902 or 960.

“(2) COVERED ASSET ACQUISITION.—For purposes of this section, the term ‘covered asset acquisition’ means—

“(A) a qualified stock purchase (as defined in section 338(d)(3)) to which section 338(a) applies,

“(B) any transaction which—

“(i) is treated as an acquisition of assets for purposes of this chapter, and

“(ii) is treated as the acquisition of stock of a corporation (or is disregarded) for purposes of the foreign income taxes of the relevant jurisdiction,

“(C) any acquisition of an interest in a partnership which has an election in effect under section 754, and

“(D) to the extent provided by the Secretary, any other similar transaction.

“(3) DISQUALIFIED PORTION.—For purposes of this section—

“(A) IN GENERAL.—The term ‘disqualified portion’ means, with respect to any covered asset acquisition, for any taxable year, the ratio (expressed as a percentage) of—

“(i) the aggregate basis differences (but not below zero) allocable to such taxable year under subparagraph (B) with respect to all relevant foreign assets, divided by

“(ii) the income on which the foreign income tax referred to in paragraph (1) is determined (or, if the taxpayer fails to substantiate such income to the satisfaction of the Secretary, such income shall be determined by dividing the amount of such foreign income tax by the highest marginal tax rate applicable to such income in the relevant jurisdiction).

“(B) ALLOCATION OF BASIS DIFFERENCE.—For purposes of subparagraph (A)(i)—

“(i) IN GENERAL.—The basis difference with respect to any relevant foreign asset shall be allocated to taxable years using the applicable cost recovery method under this chapter.

“(ii) SPECIAL RULE FOR DISPOSITION OF ASSETS.—Except as otherwise provided by the Secretary, in the case of the disposition of any relevant foreign asset—

“(I) the basis difference allocated to the taxable year which includes the date of such disposition shall be the excess of the basis difference with respect to such asset over the aggregate basis difference with respect to such asset which has been allocated under clause (i) to all prior taxable years, and

“(II) no basis difference with respect to such asset shall be allocated under clause (i) to any taxable year thereafter.

“(C) BASIS DIFFERENCE.—

“(i) IN GENERAL.—The term ‘basis difference’ means, with respect to any relevant foreign asset, the excess of—

“(I) the adjusted basis of such asset immediately after the covered asset acquisition, over

“(II) the adjusted basis of such asset immediately before the covered asset acquisition.

“(ii) BUILT-IN LOSS ASSETS.—In the case of a relevant foreign asset with respect to which the amount described in clause (i)(II) exceeds the amount described in clause (i)(I), such excess shall be taken into account under this subsection as a basis difference of a negative amount.

“(iii) SPECIAL RULE FOR SECTION 338 ELECTIONS.—In the case of a covered asset acquisition described in paragraph (2)(A), the covered asset acquisition shall be treated for purposes of this subparagraph as occurring at the close of the acquisition date (as defined in section 338(h)(2)).

“(4) RELEVANT FOREIGN ASSETS.—For purposes of this section, the term ‘relevant foreign asset’ means, with respect to any covered asset acquisition, any asset (including any goodwill, going concern value, or other intangible) with respect to such acquisition if income, deduction, gain, or loss attributable to such asset is taken into account in determining the foreign income tax referred to in paragraph (1).

“(5) FOREIGN INCOME TAX.—For purposes of this section, the term ‘foreign income tax’ means any income, war profits, or excess profits tax paid or accrued to any foreign

country or to any possession of the United States.

“(6) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

“(7) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including to exempt from the application of this subsection certain covered asset acquisitions, and relevant foreign assets with respect to which the basis difference is de minimis.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to covered asset acquisitions (as defined in section 901(m)(2) of the Internal Revenue Code of 1986, as added by this section) after December 31, 2010.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any covered asset acquisition (as so defined) with respect to which the transferor and the transferee are not related if such acquisition is—

(A) made pursuant to a written agreement which was binding on May 20, 2010, and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date; or

(C) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(3) RELATED PERSONS.—For purposes of this subsection, a person shall be treated as related to another person if the relationship between such persons is described in section 267 or 707(b) of the Internal Revenue Code of 1986.

SEC. 303. SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATION, ETC., TO ITEMS RESOURCED UNDER TREATIES.

(a) IN GENERAL.—Subsection (d) of section 904 is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

“(6) SEPARATE APPLICATION TO ITEMS RESOURCED UNDER TREATIES.—

“(A) IN GENERAL.—If—

“(i) without regard to any treaty obligation of the United States, any item of income would be treated as derived from sources within the United States,

“(ii) under a treaty obligation of the United States, such item would be treated as arising from sources outside the United States, and

“(iii) the taxpayer chooses the benefits of such treaty obligation,

subsections (a), (b), and (c) of this section and sections 902, 907, and 960 shall be applied separately with respect to each such item.

“(B) COORDINATION WITH OTHER PROVISIONS.—This paragraph shall not apply to any item of income to which subsection (h)(10) or section 865(h) applies.

“(C) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance which provides that related items of income may be aggregated for purposes of this paragraph.”.

(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. 304. LIMITATION ON THE AMOUNT OF FOREIGN TAXES DEEMED PAID WITH RESPECT TO SECTION 956 INCLUSIONS.

(a) IN GENERAL.—Section 960 is amended by adding at the end the following new subsection:

“(c) LIMITATION WITH RESPECT TO SECTION 956 INCLUSIONS.—

“(1) IN GENERAL.—If there is included under section 951(a)(1)(B) in the gross income of a domestic corporation any amount attributable to the earnings and profits of a foreign corporation which is a member of a qualified group (as defined in section 902(b)) with respect to the domestic corporation, the amount of any foreign income taxes deemed to have been paid during the taxable year by such domestic corporation under section 902 by reason of subsection (a) with respect to such inclusion in gross income shall not exceed the amount of the foreign income taxes which would have been deemed to have been paid during the taxable year by such domestic corporation if cash in an amount equal to the amount of such inclusion in gross income were distributed as a series of distributions (determined without regard to any foreign taxes which would be imposed on an actual distribution) through the chain of ownership which begins with such foreign corporation and ends with such domestic corporation.

“(2) AUTHORITY TO PREVENT ABUSE.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which prevent the inappropriate use of the foreign corporation’s foreign income taxes not deemed paid by reason of paragraph (1).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to acquisitions of United States property (as defined in section 956(c) of the Internal Revenue Code of 1986) after December 31, 2010.

SEC. 305. SPECIAL RULE WITH RESPECT TO CERTAIN REDEMPTIONS BY FOREIGN SUBSIDIARIES.

(a) IN GENERAL.—Paragraph (5) of section 304(b) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

“(B) SPECIAL RULE IN CASE OF FOREIGN ACQUIRING CORPORATION.—In the case of any acquisition to which subsection (a) applies in which the acquiring corporation is a foreign corporation, no earnings and profits shall be taken into account under paragraph (2)(A) (and subparagraph (A) shall not apply) if more than 50 percent of the dividends arising from such acquisition (determined without regard to this subparagraph) would neither—

“(i) be subject to tax under this chapter for the taxable year in which the dividends arise, nor

“(ii) be includible in the earnings and profits of a controlled foreign corporation (as defined in section 957 and without regard to section 953(c)).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions after December 31, 2010.

SEC. 306. MODIFICATION OF AFFILIATION RULES FOR PURPOSES OF RULES ALLOCATING INTEREST EXPENSE.

(a) IN GENERAL.—Subparagraph (A) of section 864(e)(5) is amended by adding at the end the following: “Notwithstanding the preceding sentence, a foreign corporation shall be treated as a member of the affiliated group if—

“(i) more than 50 percent of the gross income of such foreign corporation for the taxable year is effectively connected with the conduct of a trade or business within the United States, and

“(ii) at least 80 percent of either the vote or value of all outstanding stock of such foreign corporation is owned directly or indirectly by members of the affiliated group (determined with regard to this sentence).”.

(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. 307. TERMINATION OF SPECIAL RULES FOR INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS.

(a) IN GENERAL.—Paragraph (1) of section 861(a) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) GRANDFATHER RULE WITH RESPECT TO WITHHOLDING ON INTEREST AND DIVIDENDS RECEIVED FROM PERSONS MEETING THE 80-PERCENT FOREIGN BUSINESS REQUIREMENTS.—

(1) IN GENERAL.—Subparagraph (B) of section 871(i)(2) is amended to read as follows:

“(B) The active foreign business percentage of—

“(i) any dividend paid by an existing 80/20 company, and

“(ii) any interest paid by an existing 80/20 company.”.

(2) DEFINITIONS AND SPECIAL RULES.—Section 871 is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and by inserting after subsection (k) the following new subsection:

“(1) RULES RELATING TO EXISTING 80/20 COMPANIES.—For purposes of this subsection and subsection (i)(2)(B)—

“(1) EXISTING 80/20 COMPANY.—

“(A) IN GENERAL.—The term ‘existing 80/20 company’ means any corporation if—

“(i) such corporation met the 80-percent foreign business requirements of section 861(c)(1) (as in effect before the date of the enactment of this subsection) for such corporation’s last taxable year beginning before January 1, 2011,

“(ii) such corporation meets the 80-percent foreign business requirements of subparagraph (B) with respect to each taxable year after the taxable year referred to in clause (i), and

“(iii) there has not been an addition of a substantial line of business with respect to such corporation after the date of the enactment of this subsection.

“(B) FOREIGN BUSINESS REQUIREMENTS.—

“(i) IN GENERAL.—Except as provided in clause (iv), a corporation meets the 80-percent foreign business requirements of this subparagraph if it is shown to the satisfaction of the Secretary that at least 80 percent of the gross income from all sources of such corporation for the testing period is active foreign business income.

“(ii) ACTIVE FOREIGN BUSINESS INCOME.—For purposes of clause (i), the term ‘active foreign business income’ means gross income which—

“(I) is derived from sources outside the United States (as determined under this subchapter), and

“(II) is attributable to the active conduct of a trade or business in a foreign country or possession of the United States.

“(iii) TESTING PERIOD.—For purposes of this subsection, the term ‘testing period’ means the 3-year period ending with the close of the taxable year of the corporation preceding the payment (or such part of such period as may be applicable). If the corporation has no gross income for such 3-year period (or part thereof), the testing period shall be the taxable year in which the payment is made.

“(iv) TRANSITION RULE.—In the case of a taxable year for which the testing period includes 1 or more taxable years beginning before January 1, 2011—

“(I) a corporation meets the 80-percent foreign business requirements of this subparagraph if and only if the weighted average of—

“(aa) the percentage of the corporation’s gross income from all sources that is active foreign business income (as defined in sub-

paragraph (B) of section 861(c)(1) (as in effect before the date of the enactment of this subsection)) for the portion of the testing period that includes taxable years beginning before January 1, 2011, and

“(bb) the percentage of the corporation’s gross income from all sources that is active foreign business income (as defined in clause (ii) of this subparagraph) for the portion of the testing period, if any, that includes taxable years beginning on or after January 1, 2011,

is at least 80 percent, and

“(II) the active foreign business percentage for such taxable year shall equal the weighted average percentage determined under subclause (I).

“(2) ACTIVE FOREIGN BUSINESS PERCENTAGE.—Except as provided in paragraph (1)(B)(iv), the term ‘active foreign business percentage’ means, with respect to any existing 80/20 company, the percentage which—

“(A) the active foreign business income of such company for the testing period, is of

“(B) the gross income of such company for the testing period from all sources.

“(3) AGGREGATION RULES.—For purposes of applying paragraph (1) (other than subparagraphs (A)(i) and (B)(iv) thereof) and paragraph (2)—

“(A) IN GENERAL.—The corporation referred to in paragraph (1)(A) and all of such corporation’s subsidiaries shall be treated as one corporation.

“(B) SUBSIDIARIES.—For purposes of subparagraph (A), the term ‘subsidiary’ means any corporation in which the corporation referred to in subparagraph (A) owns (directly or indirectly) stock meeting the requirements of section 1504(a)(2) (determined by substituting ‘50 percent’ for ‘80 percent’ each place it appears and without regard to section 1504(b)(3)).

“(4) REGULATIONS.—The Secretary may issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which provide for the proper application of the aggregation rules described in paragraph (3).”.

(c) CONFORMING AMENDMENTS.—

(1) Section 861 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Paragraph (9) of section 904(h) is amended to read as follows:

“(9) TREATMENT OF CERTAIN DOMESTIC CORPORATIONS.—In the case of any dividend treated as not from sources within the United States under section 861(a)(2)(A), the corporation paying such dividend shall be treated for purposes of this subsection as a United States-owned foreign corporation.”.

(3) Subsection (c) of section 2104 is amended in the last sentence by striking “or to a debt obligation of a domestic corporation” and all that follows and inserting a period.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(2) GRANDFATHER RULE FOR OUTSTANDING DEBT OBLIGATIONS.—

(A) IN GENERAL.—The amendments made by this section shall not apply to payments of interest on obligations issued before the date of the enactment of this Act.

(B) EXCEPTION FOR RELATED PARTY DEBT.—Subparagraph (A) shall not apply to any interest which is payable to a related person (determined under rules similar to the rules of section 954(d)(3)).

(C) SIGNIFICANT MODIFICATIONS TREATED AS NEW ISSUES.—For purposes of subparagraph (A), a significant modification of the terms of any obligation (including any extension of

the term of such obligation) shall be treated as a new issue.

SEC. 308. SOURCE RULES FOR INCOME ON GUARANTEES.

(a) AMOUNTS SOURCED WITHIN THE UNITED STATES.—Subsection (a) of section 861 is amended by adding at the end the following new paragraph:

“(9) GUARANTEES.—Amounts received, directly or indirectly, from—

“(A) a noncorporate resident or domestic corporation for the provision of a guarantee of any indebtedness of such resident or corporation, or

“(B) any foreign person for the provision of a guarantee of any indebtedness of such person, if such amount is connected with income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States.”.

(b) AMOUNTS SOURCED WITHOUT THE UNITED STATES.—Subsection (a) of section 862 is amended by striking “and” at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting “; and”, and by adding at the end the following new paragraph:

“(9) amounts received, directly or indirectly, from a foreign person for the provision of a guarantee of indebtedness of such person other than amounts which are derived from sources within the United States as provided in section 861(a)(9).”.

(c) CONFORMING AMENDMENT.—Clause (ii) of section 864(c)(4)(B) is amended by striking “dividends or interest” and inserting “dividends, interest, or amounts received for the provision of guarantees of indebtedness”.

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

SEC. 309. LIMITATION ON EXTENSION OF STATUTE OF LIMITATIONS FOR FAILURE TO NOTIFY SECRETARY OF CERTAIN FOREIGN TRANSFERS.

(a) IN GENERAL.—Paragraph (8) of section 6501(c) is amended—

(1) by striking “In the case of any information” and inserting the following:

“(A) IN GENERAL.—In the case of any information”; and

(2) by adding at the end the following:

“(B) APPLICATION TO FAILURES DUE TO REASONABLE CAUSE.—If the failure to furnish the information referred to in subparagraph (A) is due to reasonable cause and not willful neglect, subparagraph (A) shall apply only to the item or items related to such failure.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 513 of the Hiring Incentives to Restore Employment Act.

TITLE IV—BUDGETARY PROVISIONS

SEC. 401. PAYGO COMPLIANCE.

The budgetary effects of this Act, for the purpose 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, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 402. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 3 percentage points.

The SPEAKER pro tempore. Pursuant to House Resolution 1568, the bill is considered as read.

The gentleman from Michigan (Mr. LEVIN) and the gentleman from Michigan (Mr. CAMP) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. LEVIN).

GENERAL LEAVE

Mr. LEVIN. Mr. Speaker, I ask that all Members have 5 legislative days to revise and extend their remarks and insert extraneous material into the RECORD.

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

There was no objection.

Mr. LEVIN. Mr. Speaker, I yield myself 3 minutes.

This is a bill to stimulate jobs here, not over there, to create American jobs and close tax loopholes that encourage companies to ship overseas. There is no excuse to vote "no."

It is noteworthy that we are on pace to gain more private-sector jobs in the first 8 months of 2010 than were added in the full 8 years of the Bush Presidency. There has been private-sector job growth every month of 2010, but there is still a lot of work to do. There are five unemployed workers for every new job opening.

This bill highlights infrastructure development and private-sector jobs. The Build America Bonds (BABs) are the cornerstone of this bill's infrastructure investments.

When the recession hit, local governments could not get credit. BABs helped fill this demand by accessing corporate tax bonds and doing so very successfully. As of March 1, BABs have financed more than \$115 billion in local infrastructure programs, private-sector jobs.

Also, we provide for an emergency fund for job creation. By extending this program that soon expires for 1 year at a cost of \$3.5 billion, it will help States sustain low-income families and expand subsidized job programs that create jobs for the unemployed.

I want to emphasize, this program has led to the creation of 247,000 jobs, and that is why it has broad support. There is a letter from the National Governors Association, from the National Conference of State Legislatures, and the National Association of Counties. Kevin Hassett of the American Enterprise Institute has said, "It is hard to imagine how any sensible person could oppose it."

And we pay for it; we pay for it through closing a loophole. We have a Foreign Tax Credit, the FTC, to help businesses avoid double taxation of foreign-sourced income. Some corporations have found ways to use that credit to offset other income while leaving their foreign-sourced profits overseas sometimes permanently. As a result—and I emphasize this—American taxpayers are effectively subsidizing these companies' overseas operations.

These provisions have been before us before—no excuse that you haven't seen them before—and you knew this

was coming. This is coming because of the urgency of job creation.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. Mr. Speaker, I yield myself an additional 15 seconds.

It's urgent. So this Invest in American Jobs Act of 2010 will create the jobs we need to keep moving America forward. To vote "no" is to vote America moving backwards.

Mr. Speaker, I and Ways and Means Committee Ranking Member CAMP have asked the nonpartisan Joint Committee on Taxation to make available to the public a technical explanation of H.R. 5893, the "Investing in American Jobs and Closing Tax Loopholes Act of 2010". This technical explanation provides information on the Committee's understanding and legislative intent behind the legislation. It is available on the Joint Committee's website at www.jct.gov and is listed under document number JCX-39-10.

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

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

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

Mr. CAMP. It has been nearly 1½ years since the President signed the \$1 trillion stimulus bill into law, and now the majority has come up with a new "Make It in America" agenda, which begs the question, if the stimulus was such a success, why don't we already make it in America?

The facts are that, after stimulus, the unemployment rate continues to hover near 10 percent, well above the 8 percent we were promised. Instead of creating or saving 3.7 million jobs, over 2.6 million private-sector jobs have been lost, including over 707,000 manufacturing jobs, and nearly 100,000 in my home State of Michigan. Overall, 47 out of 50 States have lost jobs.

Now we used to make it in America. And if Democrats would stop passing bills that spend more money on State and local governments and instead focus on small businesses, we might actually see the real sustained private-sector job creation Americans need.

□ 1630

In fact, I submit for the RECORD a letter here from the United States Chamber of Commerce, the world's largest business federation, representing more than 3 million businesses. They oppose this bill. Let me just read you what that letter says, what real job creators think about this bill.

The Chamber says this bill "would impose draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth."

I want to repeat that.

This bill "would impose draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth."

That's right. This bill raises taxes on employers during a recession, making it tougher for Americans to find needed work. You cannot expect to increase jobs in this country when you are increasing taxes. It just doesn't work. That is exactly what the majority is proposing to do in this bill.

Now, this bill does closely resemble a bill the majority has already pushed through the House once before, H.R. 4849, the so-called Small Business and Infrastructure Jobs Tax Act of 2010. At the time, I said the bill was more about small governments than it was about small businesses since most of the bill was about getting aid to State and local governments instead of helping small businesses.

Like H.R. 4849, the vast majority of spending in the bill today—a whopping \$25.6 billion over 11 years—goes to State and local governments through various infrastructure incentives. These include a substantial increase in spending on the Build America Bonds program, a heavily subsidized spending program providing direct payments to State and local governments that issue these bonds.

Small governments are not small businesses, and they do not create the kind of private sector jobs we need. Unlike H.R. 4849, however, the Democrats didn't even bother to provide token tax relief for small business in this bill.

In case you need more evidence that this bill isn't about helping U.S. employers or about helping Americans find jobs, just look at the extra \$5 billion in welfare spending in this bill. It is so much money that the CBO, the nonpartisan Congressional Budget Office, says the States won't even be able to spend all of it. Democrats claim this spending is for jobs, but 75 percent of these welfare emergency funds that were already given to States have been spent on more welfare checks, not on jobs.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, July 28, 2010.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, opposes H.R. 5893, the "Investing in American Jobs and Closing Tax Loopholes Act of 2010," which would impose draconian tax increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth.

This legislation contains numerous changes to longstanding U.S. international tax law which are severely detrimental to American worldwide companies. For example:

Denial of foreign tax credit with respect to foreign income not subject to U.S. taxation by reason of covered asset acquisitions—This provision relates primarily to §338, which allows taxpayers the ability to characterize stock acquisitions as asset acquisitions for U.S. tax purposes. An acquisition can be concluded as either a share acquisition or an asset acquisition. Acquisitions by American worldwide companies are good for the U.S.

economy—they provide additional jobs and broaden the U.S. tax base. Section 338 recognizes the inherent challenges and obstacles to asset acquisitions and, in effect, levels the playing field, allowing taxpayers the ability to choose the tax implications of an acquisition, regardless of the willingness of a seller to agree to one form or the other of a particular deal. Moreover, §338 unquestionably serves to encourage acquisitions by American worldwide companies by minimizing the competitive advantage that certain foreign competitors enjoy due to the participation exemption systems in which most are headquartered. This legislation would significantly strip away the benefits of §338 and would likely serve to further impede any competitive advantages of American worldwide companies in their bids for foreign targets.

Limitation on the use of §956 for foreign tax credit planning (i.e., the “hopscotch” rule)—Section 956, a longstanding provision of the Code, allows companies to repatriate cash to the United States in a tax-efficient manner. Foreign business acquisitions generally result in a series of intermediate foreign holding companies which block the repatriation of earnings for a variety of reasons such as local statutory earnings deficits or other local restrictions on actual dividends. American worldwide companies have had the ability to overcome such obstacles through the use of §956. This provision was particularly beneficial during the recent economic downturn and ensuing credit crunch when it was necessary for American worldwide companies to repatriate significant funds in order to meet the financial needs of their U.S. businesses. The revenue raising estimate for this provision seems to assume that taxpayers would simply bear the additional cost of the provision. However, the Chamber believes that most taxpayers, given the choice, would choose simply to not repatriate the earnings. Therefore, the legislation’s proposed change to §956 would significantly reduce the repatriation of foreign earnings that otherwise might have been repatriated to the United States. That is a poor option if Congress seeks to enact provisions which stimulate economic growth and drive job creation.

The Chamber strongly opposes H.R. 5893 because this legislation would make significant changes to U.S. international tax law which would stifle job creation and stunt economic growth. The Chamber may consider votes on, or in relation to, this issue in our annual How They Voted scorecard.

Sincerely,

R. BRUCE JOSTEN,

Executive Vice President, Government Affairs.

I urge my colleagues to vote “no” on increasing taxes on American employers and on increasing taxes on American jobs and to vote “no” on this legislation.

I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I submit for the RECORD a letter of March 3, 2010, from the National Governors Association, signed by a Republican Governor and by a Democratic Governor on behalf of the entire association.

NATIONAL GOVERNORS ASSOCIATION,

March 3, 2010.

Hon. NANCY PELOSI,
Speaker of the House, House of Representatives,
Washington, DC.

Hon. JOHN BOEHNER,
Minority Leader, House of Representatives,
Washington, DC.

Hon. HARRY REID,
Majority Leader, U.S. Senate, Washington, DC.

Hon. MITCH MCCONNELL,
Minority Leader, U.S. Senate, Washington, DC.

DEAR MADAM SPEAKER, MR. BOEHNER, SENATOR REID AND SENATOR MCCONNELL: on behalf of the nation’s governors, we are writing to urge your support in extending the Temporary Assistance for Needy Families Emergency Contingency Fund (TANF ECF).

Enacted as part of the American Recovery and Reinvestment Act, the TANF ECF is a \$5 billion fund to help states provide greater support to children and families during the economic downturn. The fund reimburses states for 80% of their increased expenditures, and is set to expire on September 30th of this year.

As soon as the Department of Health and Human Services finalized its rules for drawing down the fund and ensuring transparency and accountability, states began utilizing the fund to help speed economic recovery through subsidized employment and training programs, and vital financial and supportive service offerings for needy families facing increased hardship. Currently, 23 states are drawing down the fund for subsidized jobs, with several more state applications pending approval. Many of these programs take time to develop and implement, and by allowing states more time to access these funds, Congress can help maximize the impact of the TANF ECF in providing crucial skill development and training to our workers.

We urge you to support extending the TANF ECF. This extension will allow us to capitalize on the resources made available in ARRA to best serve children and families, and help rebuild our nation’s economy.

Sincerely,

GOVERNOR M. MICHAEL ROUNDS,
Chair, Health and Human Services Committee.

GOVERNOR CHESTER J. CULVER,
Vice Chair, Health and Human Services Committee.

I yield 3 minutes to a Member who has been so invaluable in developing this legislation, the gentleman from Washington (Mr. McDERMOTT).

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

Mr. McDERMOTT. Mr. Speaker, I rise today in support of the Investing in American Jobs and Closing Tax Loopholes Act of 2010 because it does just that. It creates jobs and pays for them by creating a fairer playing field by closing down tax loopholes used by multinational corporations. We have taken aggressive action to do what is required of government—that is to work with the private sector and with State and local governments to repair an economy left in tatters by the previous administration.

The goal of this jobs bill is simple. It is to bring much needed support to American families who desperately need it.

Today’s bill will extend job creation measures that we know will work, along with extending a number of highly successful bond programs, like Build America Bonds or Recovery Zone

Bonds. This bill also extends the Emergency Fund for Job Creation and Assistance program that has successfully created 240,000 jobs. Under this program, employers receive subsidies to pay all or a portion of a new worker’s wages if they have an unemployed worker, a welfare recipient, or a low-income youth. Without an extension, this fund will end on September 30.

The Emergency Fund has been praised by Republican Governors, including Haley Barbour of Mississippi, the unlikely soul he is, who says it should be extended. The same praise and request for an extension has come from Republican legislators in States and local governments and from county leaders around the country. So you have to ask yourself why Republicans in the House are not supporting this job creation that Republicans outside of Washington are pleading for us to extend.

Are congressional Republicans hopelessly out of touch with the needs of ordinary Americans?

Well, maybe, but I fear the answer is that congressional Republicans want President Obama to fail at any cost, even if it means that struggling Americans have to suffer as a result.

We saw this same strategy play out over the last 2 months in the other body where Senate Republicans blocked an extension of unemployment benefits to workers who had lost their jobs through no fault of their own. Today, Republicans in this House are, once again, opposing an effort to provide jobs to those same unemployed workers.

Let’s not forget that every job creation provision in this bill is fully, fully paid for by eliminating tax breaks for shipping jobs overseas. So the bogus talk we will hear about deficits and deficit creation is simply that. It is bogus.

No help. No jobs. No hope. That is what Republicans are offering the American people.

Mr. CAMP. I yield myself such time as I may consume.

Mr. Speaker, the liberal Center on Budget and Policy Priorities said that these welfare emergency fund jobs only last as long as the funding does. Frankly, nearly half of the “jobs” Democrats claim have been created are summer jobs, which are either over or are about to be. Let me just say that it is pretty well-known here that Governors of every political stripe are obviously looking to the Federal Government for cash, but the fact is we are broke.

At this time I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise in strong opposition to this bill. It has now been almost a year and a half since the stimulus became law, and the American people continue to ask: Where are the jobs?

The American people have made it very clear that they want Congress to move in a new direction and focus on

creating stable, private sector jobs. Yet this majority continues to offer up more of the same.

The bill before us does nothing to help small businesses. It actually raises taxes on the worldwide American companies that have created millions of American jobs. Instead, virtually all of the money—some \$30 billion in total—is directed to State and local governments.

There are a few provisions in this bill that have merit and that might be worth considering in a different context, but the basic premise of this bill is that we are going to take another \$30 billion out of the private sector and use it to finance more government spending. That is not the path to economic recovery. It is the path to Greece.

The American people are tired of this same old tax-and-spend agenda. It is time for Members of this House to stand alongside the people we represent and say, "No more."

Let's vote down this bill and get to work on real private sector job creation.

Mr. LEVIN. I yield myself 15 seconds.

Mr. Speaker, the infrastructure goes to States and to local governments for private sector jobs—like the highway bill. Small business: You voted against the small business bill. Summer jobs: You voted against summer jobs. Now you say this created summer jobs. It is so hypocritical.

I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all Members to please direct their remarks to the Chair.

Mr. PASCRELL. I will make my comments directly to the Chair, Mr. Speaker.

We have short memories here. Ten years is a long time to remember, I will admit that, but it took the last administration in 2001 and in 2002—the first 2 years of that administration—to finally get us into the plus on private jobs.

□ 1640

You don't know what you're talking about. Mr. Speaker, we have selective memory here. This legislation is about private jobs.

They voted "no" on everything. They voted "no" on the stimulus. And yet the reports in the last 2 days indicate without that stimulus we would have been deep in, not only recession, but depression. Not our economists on this side of the aisle, our economists have concluded that.

There now have been six straight months of private sector job growth. I'm not making these numbers up. It's the truth.

Challenge them. I'll wait 10 seconds.

Now that I've waited 10 seconds, the data is clear. We all know that there is more work to be done. No one's saying that this is a perfect place for us all to be. That is why I strongly support the

Invest in America Jobs Act. This bill will directly contribute to private-public partnerships that create American jobs.

Why don't you be for something? Come up with your own idea.

While this entire bill has seen many critical job creating provisions, I'm going to talk about just one part of the legislation, excluding water and sewer bonds from State volume caps.

This year the American Society of Civil Engineers gave the Nation's water and wastewater systems the worst grade of any infrastructure category. They gave it a D minus.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield 15 additional seconds to the gentleman.

Mr. PASCRELL. As a former mayor, Mr. Speaker, I understand that a strong water infrastructure is essential. Municipalities don't have the money. This portion of the legislation aims to repair our crumbling water infrastructure, while leveraging private capital to create jobs.

Every dollar invested in public water and sewer infrastructure adds \$8.97 to the national economy. It's currently estimated there will be \$2.5 trillion to \$4.8 trillion in water and waste systems.

Mr. CAMP. I yield 2 minutes to the gentleman from Louisiana (Mr. BOUSTANY), a distinguished member of the Ways and Means Committee.

Mr. BOUSTANY. Mr. Speaker, I thank the ranking member of the full committee for yielding time.

I rise in opposition to the bill. And while a few of the tax provisions in this bill may not be unobjectionable, let's be clear, this bill is a continuation of the same failed economic policy that has given us an atmosphere of uncertainty for families and American businesses with the unemployment rate still hovering around 10 percent.

The bill raises taxes \$31.8 billion over 11 years. Now, let's look at how it raises taxes. I just want to look at one of these tax increases here. What it does is it raises taxes in a weakened economy, but in a way that threatens American competitiveness. It threatens the competitiveness of U.S. businesses that are trying to compete overseas with foreign-owned companies. These are businesses that employ U.S. workers in the private sector. It's going to kill jobs.

This bill contains a series of international tax changes that could have far reaching consequences on the competitiveness of U.S. businesses trying to compete overseas. These provisions will kill jobs. It's very clear.

Now, if we're going to do this kind of tax policy, these kinds of changes should be done in a broader context as part of a comprehensive tax reform bill. That's the responsible way to do this.

And I know our Democratic colleagues on the Ways and Means Committee should understand that, that

what we really need to be doing is a comprehensive approach to tax reform and not this piecemeal, ad hoc and mischievous tax reform in little bitty pieces and bits that basically are wrecking our Tax Code.

Now, I would submit that what we really need to do is get back to some basics here. We need to lower the corporate tax rate down to the average of what our major trade partners are looking at to really enhance U.S. competitiveness. That's going to help us create jobs and stop this assault on U.S. businesses that are trying to work within the constraints of the U.S. Tax Code.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 30 seconds.

Mr. BOUSTANY. These changes are actually hurting the competitiveness of U.S. businesses.

Again, we don't need to do this kind of ad hoc, harmful tax reform. We need a comprehensive approach. The responsible approach is what I think we probably all agree on, a comprehensive approach that's going to promote economic growth, promote American competitiveness and private sector job growth.

Mr. LEVIN. It is now my privilege to yield 2 valuable minutes to the gentleman from Oregon (Mr. BLUMENAUER), an active member of our committee.

Mr. BLUMENAUER. I appreciate the chairman's courtesy for these 2 valuable minutes, and I want to use them to focus on three basic points.

First and foremost, it is true that the administration advanced an economic recovery package that we had hoped would be able to hold the unemployment rate lower than it ultimately went. The Administration was guilty of, frankly, accommodating Republican wishes by pushing more in tax reductions that all the economists say do not create as many jobs as the infrastructure investment. And of course my Republican colleague conveniently ignored the fact that 95 percent of the American public got tax cuts last year, and they will get tax cuts again this year. Ignored.

Look at the Bush administration job record over 8 years. The Obama administration, in less than 2 years, has already created more jobs than the Bush administration in its entire 8 years.

We have before us today specific provisions that are going to make a difference in everybody's community. The reference has been made to lifting the volume caps for water infrastructure, a program in every State in the Union that will create jobs and have a multiplier effect on an ongoing basis.

The adjustment in the new market tax credit that will allow it to be offset against the alternative minimum tax means that the leverage for the new market tax credit, a very valuable mechanism to help create jobs in low- and moderate-income neighborhoods, is going to be magnified.

Mr. Speaker, this is important business. There is nothing here in terms of the pay-fors that already hasn't passed the House. There was an important adjustment to give the business community more time to adjust so it is later in nature.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. BLUMENAUER. This is where we heard feedback, the chairman in the committee responded to make it easier for businesses to accommodate the change in the future, while still making the basic objectives.

I strongly urge our colleagues to listen to the local communities, to local government, to businesses that are involved with rebuilding and renewing America, and approve this legislation.

Mr. CAMP. I yield myself 15 seconds.

Look, 47 out of 50 States have lost jobs. If there was such great job creation because of the stimulus bill, why have we seen the unemployment rate continue to hover around 10 percent?

And, frankly, any minor reductions in it are because people have stopped looking for work.

I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM), a distinguished member of the Ways and Means Committee.

Mr. ROSKAM. I thank the gentleman for yielding.

Mr. Speaker, in his opening remarks, the chairman said that there was no excuse to vote "no" on this bill. Well, I want us to revisit that assertion because I think there might be. I think the excuse might be when the job creators themselves, Mr. Speaker, say that we need to be watchful and wary and oppose this.

When the job creators use words like, this will jeopardize the jobs of American manufacturing employees, we have an excuse to vote "no." Or when they say this will stifle our fragile economy, we have an excuse to vote "no" or that these tax increases are Draconian, or it will hinder job creation or decrease the competitiveness of American businesses, or deter economic growth, or harm our worldwide American economic competitiveness, all excuses to vote "no."

□ 1650

Mr. Speaker, the chairman of the committee said that we had seen these ideas before and there is no reason to vote against them because we've seen them before. And that's true. We've seen them before. We've had hearing after hearing after hearing in the Ways and Means Committee on substantive sideshows, comparatively, that don't address the fundamental question of the difficulty of the American economy.

On Monday morning of this week, Mr. Speaker, I hosted a job fair in Addison, Illinois, and in 4 hours' period of time 2,000 of my constituents walked through those double doors looking for

work. They are underserved by this Congress, they are underserved by a tax code that we are 7 months into that is completely ambiguous.

I have business leaders in my district, Mr. Speaker, who have said we're not going to put money into this economy, Congressman, because we don't know what the ground rules are. We don't know what the ground rules are that are in the tax code, we don't know what the ground rules are on all the health care rules that are going to be promulgated.

Mr. Speaker they say they don't know the ground rules on cap-and-trade, where the EPA is doing an end run around this Congress, and they certainly don't know the ground rules as it relates to a whole host of other issues that are pending before this Congress.

Uncertainty is as bad as bad news comes. And what we've got to do is make sure we're not throttling worldwide American companies. And this bill will have an adverse impact disproportionately on American companies, Mr. Speaker, American companies that are trying to compete in the worldwide marketplace.

There are plenty of excuses to vote "no." There are plenty of excuses to turn to certainty and not create an albatross on companies that we need to make sure thrive, and are dynamic, and create jobs in our economy. We should vote against this bill.

Mr. LEVIN. I yield 2 minutes to the distinguished member of our committee, Mr. DAVIS of Illinois.

Mr. DAVIS of Illinois. Mr. Speaker, in the Illinois that I come from there is no excuse to vote against this bill. Of critical importance to Chicago and Illinois is the extension of key safety net programs, including the TANF Emergency Fund. The TANF Emergency Fund has provided significant relief to Illinois, especially for creating jobs programs that benefit individuals and small businesses.

To date, Illinois has been approved for \$72.4 million in funds. With this Federal support, the State has launched its subsidized employment initiative called Put Illinois to Work, and is anticipating placing 22,000 low-income parents and young people in subsidized jobs. Passage of this bill will guarantee this much-needed assistance to low-income working families through the end of the year. State and local government will receive assistance for infrastructure through Build America Bonds that will aid in subsidizing the rebuilding of schools, sewers, hospitals, and transit projects.

Since the passage of the Recovery Act, Illinois has received over \$7 million for these job creation efforts. In addition, critical transportation projects authorized will continue to move forward with the guarantee to sustain \$119 million in Federal construction projects. This bill is critical to Chicago, it's critical to Illinois, and it's critical to the Nation. I urge its passage.

Mr. CAMP. At this time I yield 2 minutes to the gentleman from California (Mr. DANIEL E. LUNGREN).

Mr. DANIEL E. LUNGREN of California. I thank the gentleman for the time.

Mr. Speaker, it's interesting to listen to this debate. It's almost as if those on the other side haven't been home and haven't seen what's really occurring. The folks back home know that when you are talking about the effects of the stimulus package, it has created government jobs, but we have lost considerable jobs in the private sector. In fact, the overall employment numbers are down in terms of people even seeking jobs by more than a million. And that's progress?

If you really want to do something, get rid of this whole bill and instead pass a bill that gets rid of one of the most destructive things we have with respect to small business. That is section 9006 of the health care bill. It has nothing to do with health care. It has everything to do with adding tremendous new burdens of paperwork on businesses. It requires anybody involved in a business or trade, any time they purchase over \$600 from any entity or individual, cumulative over a year, they have to file a 1099. A 1099. Not because you have any obligation to pay payroll tax, but because somehow we think everybody cheats. Because somehow we want to have a paper trail for every purchase you make.

It is the universal snitch act. We don't trust fellow Americans. A government that doesn't trust its citizens is a government that the citizens will not trust. What we ought to do is just get rid of this bill and instead eliminate 170 words out of the 340,000 words in the so-called health care bill. Talk to your small business people. Ask them what they think would help them increase the opportunity to provide jobs. They will tell you this is number one on their list. We ought to bring it to the floor immediately, and we ought to get rid of this nonsense where we don't trust fellow citizens.

Just to give you one example, one person who actually deals in the sale of gold coins said that he will have to file between 10,000 and 20,000 1099s next year.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 30 seconds.

Mr. DANIEL E. LUNGREN of California. Every single business person you will talk to will tell you how incredibly stupid this is, number one. And number two, it will create a disincentive for people to go to small businesses. Because if you want to diminish the number of 1099s you file, you won't go to your local restaurant, you won't go to your local hardware store, you will only go to the big chains. It is absolutely destructive.

If you want to really do something, get rid of this bill and instead support the repeal of that section of the health

care bill that has nothing to do with health care, but has everything to do with damaging small business and jobs in this country.

Mr. LEVIN. It's now my pleasure to yield 3 minutes to another distinguished, indeed a very distinguished member of our committee, from the State of Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. I thank the chairman for yielding.

You would think, listening to our colleagues on the Republican side of the aisle, that the great recession began after President Obama was sworn in, not recognizing the fact that the day President Bush lost office this country was losing jobs at the rate of 700,000 jobs a month. And in fact, during the entire 8 years of the Bush administration we ended up losing over 600,000 private-sector jobs.

We have been working very hard to dig ourselves out of that hole for a long period of time since then. The last 6 months we have seen private-sector job growth in consecutive months. Not as much as anybody would like to see, but positive growth. And it's interesting to listen to my colleagues, many of whom are showing up to ribbon-cutting ceremonies and groundbreaking ceremonies, taking credit for jobs that have been created by investments made that would never have happened if they had their way, if their votes had been the ones that carried the day.

Now, this legislation is an effort to change a perverse tax policy. We do two things in this legislation. Number one, we make important investments in the Build America Bonds program, an investment in infrastructure and jobs here at home. And we pay for it by cutting down, eliminating these perverse loopholes. Yes, there are lots of corporations out there that don't like this legislation. You know why? Because they will no longer be rewarded by American taxpayers for shipping American jobs overseas. Because that's what this bill does.

Right now our tax code penalizes American taxpayers and creates these incentives for certain corporations to ship American jobs—not American goods, but ship American jobs—overseas. And I think most taxpayers would be outraged if they knew that in addition to paying their own taxes, they would be required to pay the taxes that U.S. multinationals owe to foreign countries for income those corporations generated overseas. That's what's going on.

Through a process called credit splitting, U.S. multinationals are able to use their foreign tax credits to reduce their tax liability here at home even though they may not have repatriated that income back to the United States. That's what this particular loophole does. You can talk about reforming our international tax code, and you are right, there are lots of complicated issues. But this issue is not complicated.

This issue is very simple. Do you want to reward American corporations

who are shipping American jobs overseas? And those that are opposing these provisions understandably are benefitting from it, because right now American taxpayers are paying the tab for the taxes that those corporations are paying overseas.

□ 1700

That's not fair, and it creates an inducement to ship those jobs overseas. Let's stop this loophole and use those funds to invest in jobs here in America.

Mr. CAMP. I yield myself such time as I may consume.

I agree with my friend. It's not complicated. American employers say this bill will kill jobs. Look, the Democrats promised the stimulus would create millions of jobs. It hasn't. They promised it would create 3.7 million jobs. Well, that hasn't occurred.

Instead, since the stimulus, through June of 2010, the U.S. has lost 2.6 million more private sector jobs, leaving Americans to ask: Where are the jobs? Forty-seven out of 50 States have lost jobs. No wonder more Americans think Elvis is alive than believe the stimulus created jobs.

Democrats promised the stimulus would keep unemployment below 8 percent. It hasn't. Instead, unemployment has reached 10 percent and remains stuck near at that level today.

And in addition to that high official unemployment, over 3 million other Americans are simply dropped out of the labor force, what some call the missing unemployed. And the flood of deficit spending from Democrats' policies have driven the debt to an astonishing \$13 trillion. The debt is so huge, it is already hurting job creation.

Using the administration's own forecasts, the surge in debt caused by the stimulus and other Democrat policies has already destroyed 1 million jobs. Unemployment and debt have soared by a combined 60 percent since the President took office. That's an Obama misery index that reflects current and future damage caused by Democrats' failed policies.

And while the job situation seems to have finally stopped getting worse, the trickle of private sector job creation in 2010 is so anemic that, at the current rate, it would take until 2017 to recover the jobs lost during this recession. That's longer than it took to recover jobs during the Depression in the 1930s. Others say it could take as long as until 2021 to get employment back to prerecession levels.

However, the Democrats' agenda has helped one industry—government. Managing all of that spending helped government jobs grow by 201,000 since the stimulus, helping to make Washington, D.C., and the area the Nation's strongest job market. Meanwhile, construction, loss of 853,000; manufacturing, loss of 707,000 jobs. Jobs across the U.S. have plummeted despite promises they would grow by 1.1 million.

I yield 3 minutes to the distinguished gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. The gentleman from Michigan is right. This bill is more proof of failed economic policies of Washington Democrats, and I think they've acknowledged and they've admitted that that massive \$860 billion stimulus bill has failed. It's failed the American public. It's failed 15 million American workers who are out of work, and about a third of them who've almost given up on ever finding a job.

And we were promised, when that huge stimulus bill was passed, that unemployment would go down—it went up—that we would have 7 million more jobs than we do today. They promised the jobs would come from Main Street from small businesses. It turns out, as Mr. CAMP said, all of the new jobs are in government. And government jobs only last as long as you're paying out of your pocketbook to keep them on that job.

That's why this recovery is one of the slowest in America's history because consumers, they're scared to spend because they see all of this debt in Washington and they wonder who's going to have to pay it all back, and they know it's them. Businesses aren't bringing back new workers, aren't hiring new ones because they're afraid of the types of proposals like this they see in Washington, D.C.

I remember the President standing at the White House saying, If you pass the stimulus bill, it will jump-start the economy and restore consumer confidence.

Well, the economy certainly isn't jump-started. And today, 90 percent of Americans believe this economy is in bad shape. Most of them think it's not going to get any better any time soon.

And from a jobs standpoint, this bill may actually destroy more jobs than it creates, and this is why:

America has one of the worst tax codes in the world. You know that if you've had to pay taxes. It's even worse when American companies try to sell our American goods and services around the world, when you try to compete around the world. We double tax our American businesses—we're one of the few countries that do that—so, oftentimes they lose out on contracts. They can't sell their products because of this horrible tax code.

What this bill does is ensure that they are double taxed. In the past, what we said is we'll try to help you, American business, by removing one of those layers of tax. This puts it back.

So, at a time when we need to sell more U.S. goods and services, create more American jobs, this bill actually does the opposite. It taxes our U.S. companies more when they try to sell and compete. That means our workers lose out. That means our workers lose their jobs. That means other foreign countries gain and America loses.

This bill is, again, one of the reasons this antijob, antibusiness, antigrowth Congress and White House are holding this economy back, keeping us from recovering, holding our hopes, I think,

hostage to this "let's tax everyone" mentality.

I'm convinced Americans are genetically disposed to bouncing back from recessions.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 1 minute.

Mr. BRADY of Texas. This recovery is different. America's not bouncing back because government's in the way, because this Congress is the obstacle, this White House is the obstacle.

Stop passing tax increases. Stop standing in the way of our jobs, of our growth, of our prosperity. This bill kills more jobs than it creates. It doesn't deserve to go any farther.

I will vote "no" and urge Members to vote "no" as well.

Mr. LEVIN. Mr. Speaker, I now yield 1 minute to the very distinguished majority leader of the U.S. House of Representatives, STENY HOYER.

Mr. HOYER. Mr. Speaker, I'm amused sometimes when I stand on the floor and I hear my Republican colleagues debate the economy.

Frankly, the Bush administration, of course, did not happen, you understand. That 8 years really wasn't their economic program, and the dire consequences of that economic program are all Mr. Obama's fault. Hoover probably could have blamed it on Coolidge. Maybe Coolidge could have blamed it on Harding.

Now, we can throw these assumptions back and forth and generalities about this job-stopping Congress and President, but every time I get up and I start talking about the facts, the statistics, I rarely get somebody standing up on your side of the aisle saying, No, that statistic is wrong.

Now, I've been here long enough, unfortunately for some of you, to remember where we've been, where we've come, and where we are. I was here in 1993 when we debated the economic program that was put on this floor by the Democratic Congress and President Clinton. And although I don't know—it was one of you who recently spoke or who has spoken on this floor—your leaders said if we adopted that program, it would destroy the economy, the deficit would explode, and unemployment would explode. And as you are today, you are 180 degrees wrong. Statistically, you cannot deny it.

Statistically, you cannot deny that during the 8 years under which we had the economic program in place, which you could not put aside—and I'll explain that we couldn't put it aside either in 2007 and 2008—that program created more jobs for American workers in the private sector than Mr. Reagan did, than Mr. Bush I did; and under Mr. Bush II, of course, we essentially lost jobs in the private sector.

□ 1710

Almost 21 million jobs were created under the Clinton economic program, which your side indicated would result

in high unemployment and deep deficits. And with respect to deficits, Bill Clinton's economic program and the program put in place in 1993 led to the only 4 years of surplus that anybody in this Chamber or in the gallery has lived under. Four years of surplus. Bill Clinton is the only President in the lifetime of anybody in this Chamber who ended his term with a net surplus—\$62.9 billion. Now how does that compare with the economic program that was put in place in '01 and '03? Not rhetoric but statistically?

Well, as opposed to those 216,000 jobs per month created under the Clinton economic program put in place by the Democratic Congress of 1993, the economic program that you put in place created, not 216,000 jobs per month but 11,000 jobs per month. Now you need about 125,000 jobs to stay even in America; new people coming into the job market. And if you don't create those 125,000, then there aren't jobs for people coming into the market and you start having unemployment rise.

Clinton: 216,000 jobs per month. Now, ladies and gentlemen of the House, if I'm wrong on that statistic, I'm sure somebody will call my attention to it. They haven't in the past. And 11,000 under the economic program frankly that you put in place and is still in place from a tax standpoint. Tax rates are still where you set them and where you said it would explode the economy.

And you were worried about paying off the deficit too soon. Well, you took care of that. The national debt was about \$5.8 trillion when you took over. It was about \$10.4 trillion when you left. You almost doubled the national debt. Bill Clinton, of course, didn't borrow any money from foreign governments during his last 4 years. We rolled the debt. It came up a little bit, no doubt about that; 37 percent as opposed to 87 percent under your economic program.

And I say to my friend who was worried about jobs, Your economic program hasn't changed yet. The tax rate is the same as you set it and you said if the tax rate was there, we would explode jobs. And then you say, "But business is doing really badly." \$1.8 trillion cash on hand in American business as we speak today; \$1.8 trillion, which I tell my friend is more than it's had in four decades. Cash on hand. Cash on hand. So that apparently business is doing pretty well, which is why the stock market has gone up 60 percent. Sixty percent, I tell my friends. Those of us who have a 401(k), since shortly after the passage of the Recovery Act, the Dow went up from 6500 to approximately 10-3 or 10-4 yesterday. I think it's about, close to 10-5 today. That is 4,000 points up.

Now, ladies and gentlemen, I rise in support of this bill. This bill has passed here before, I tell my friends, and we're going to have to pass it again. When it passed the first time, people were still not for taxing people who were sending jobs overseas. They still take that same position.

Yesterday saw the publication of a significant report on the Federal Government's response to the greatest economic crisis of our lifetime, totally contrary to the promises made when we adopted your economic program in 2001 and 2003, which I did not vote for. But you were in charge. You had the House, you had the Senate and you had the Presidency; and you put it in place. It led to the worst economy this country has seen in the lifetime of anybody who is not 90 years of age.

There was an article, as I said. It was written by Mark Zandi, a former economic adviser to the MCCAIN Presidential campaign, and Alan Blinder, a former vice chair of the Federal Reserve. The report found, and I quote, that "the U.S. economy has made enormous progress since the dark days of the early 2009." Enormous progress, says Mark Zandi, adviser to JOHN MCCAIN.

It goes on to find in this article that the effects of the government response since the height of the crisis, quote, are huge and probably averted what could have been called Great Depression 2.0. Without the government's response, GDP in 2010 would be about 6½ percent lower. That's not me saying that. It's Mark Zandi saying that. And payroll employment—I know my friend from Texas wants to hear this figure. According to Mark Zandi, payroll employment if we hadn't passed that bill—which I know my friend did not support—he was opposed to that—Mark Zandi says that payroll employment would be less by some 8½ million jobs.

My friend from Michigan says, Where are the jobs? Let me tell you, it's unfortunate. We misconstrued and made a bad estimate. We didn't think you could put the economy possibly as low as you put it. We didn't think it could possibly be that deep. But it was. Much deeper than even we thought. We knew it wasn't doing well. The American people knew in 2006 it wasn't doing well and they knew it wasn't doing well in 2008, so they changed horses to ride. But it was so deep that we have been working very hard to get it out and we are trying to get there.

This bill moves us forward. That article went on to say, "The stimulus has done what it was supposed to do: end the great recession and spur recovery." That is progress. But we understand that all Americans know it's not success. And success will not come until we create enough jobs that there is not unemployment in America above a figure, which is usual for the transition from job to job, which is somewhere in the neighborhood of 4½ percent.

This bears repeating. Democrats have fought to rebuild the economy and put middle class Americans back to work, in the face of efforts to grind our economic recovery to a halt.

Let me say something to my friends. They have been opposing Democratic plans to create jobs and grow the economy. Tragically, the Republican obstructionism's collateral damage has

been those who remain out of a job. This legislation seeks to respond to that pain, that dislocation, that family fear that they won't be able to pay the next bill, the next mortgage payment, the next grocery bill. That's the case with the legislation we're debating today, which puts our common interests above corporate interests and which can continue our economic recovery.

The Investing in American Jobs and Closing Tax Loopholes Act ends tax breaks that encourage companies to outsource American jobs overseas. You ask Americans whether they think that's a good policy and I'd be surprised if you got any less than eight out of 10 who said, "Yeah, that makes sense to me." Those loopholes help ship jobs and investments overseas, and Democrats wants to close it. This bill also extends the Build America bonds program which helps States and localities fund essential, job-creating infrastructure projects. So far, Build America bonds have been one of the most effective contributors to our recovery, supporting nearly 2 million jobs across the country.

This bill also helps States create or extend jobs programs that help low-income families find work. They are the most stressed out. They lost their jobs first. They had the least to rely on when they lost that job.

And I want to point out that this bill supports all of those jobs without raising the deficit. I urge all of my colleagues to support this jobs bill. Will it solve the problem? It will not. But will it move us forward? It will. I congratulate Chairman LEVIN and the Ways and Means Committee for the work that they have been doing, and I urge my colleagues, take this additional step to help those folks in America who want to work, who have worked, who want to put food on their tables for them and their families.

Pass this bill and send it to the Senate. Let's keep fighting for jobs in America.

□ 1720

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair reminds all Members to please address their remarks to the Chair.

Mr. CAMP. I yield myself such time as I may consume.

I appreciate the look-back. I think it's odd so many speakers today have begun all their remarks with a look-back and attempt to re-litigate history and are sort of picking selective parts of history. The fact is, when this budget was balanced there was a Republican Congress, yes, with a Democrat President. Maybe we ought to try that combination again.

But let me just say, the people back home are concerned about today. They're concerned about the problems today, not re-litigating what may have been or might have been. Back home in Michigan, unemployment is nearly 14 percent; nationwide, nearly 10 percent.

The fact is now, today—not in the 1980s, not in the 1990s, not in the Bush administration—today we've lost 700,000 manufacturing jobs, and the fact is employers in America have said this bill will hurt jobs; this will not help us create private sector jobs. And we have group after group that has come forward and said this bill hurts jobs.

That's why I urge a "no" vote.

I reserve the balance of my time.

Mr. LEVIN. I yield 30 seconds to the majority leader.

Mr. HOYER. I thank the gentleman for yielding.

I would simply say to my friend—and he is my friend and I believe him to be a very positive Member of the Congress of the United States. I would say to him, I don't want to re-litigate. I do not want to repeat the mistakes of the past, and I believe, very frankly, my friend, that the economic policies that you want to pursue have not worked, and I don't want to pursue them again. It's not a question of re-litigation. It's a question of learning from the failures of the past that brought this economy so extraordinarily low. It is time to invest in the creation of jobs. I believe this bill does that.

Mr. LEVIN. I yield myself 30 seconds.

Build America Bonds, 62 issues as of 6/30/2010 totaling \$2 billion, creating all kinds of private sector jobs. We look backward to learn lessons. We have also look forward, and the minority will do neither.

I now am privileged to yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL), a distinguished member of our committee.

Mr. NEAL. Thank you, Mr. Chairman.

To my friends on the other side, I do think it's instructive to have the discussion about Bill Clinton and George W. Bush. I think it's very helpful to America because we tried the Bush years, and the argument now is to return to the Bush years.

Now, let me point out in this legislation, that Mr. RANGEL and I worked to develop Build America Bonds. More than 800 cities and States have taken advantage of those bonds. In Massachusetts alone, we have issued \$1 billion worth of Build America Bonds, and we saved \$170 million in interest costs, which means that you can invest in education, health, and public safety.

Mr. FRANK and I worked to allow small banks to hold more municipal bonds by expanding the small issuer exception, thereby lowering the costs of these bonds.

Now, to show you the success of bipartisanship, in the development of this legislation, Mr. RYAN and I worked to exempt private activity bonds from AMT, a pretty good piece of initiative. With that, 38 airports around the country, including Cleveland, Milwaukee and Houston, have taken advantage of that opportunity. Thousands of jobs have been created nationwide when the country really needs it. These bonds

are also used for student loans, and protection from alternative minimum tax means lower rates on borrowers. In Massachusetts alone, 26,000 students will benefit.

Now, Mr. TIBERI, a Republican, and I worked on the New Markets Tax Credit exemption from the alternative minimum tax. Since its inception, this program has generated over \$15 billion of private sector investment in some of the poorest communities in America. I want to say that there are Republican Members of Congress who have communities who have taken advantage of the New Markets Tax Credit initiative. We have freed up investment in struggling neighborhoods, Mr. Speaker. With Build America Bonds, we have offered tremendous opportunities for local projects.

Mr. CAMP. I reserve my time.

Mr. LEVIN. I now yield 3 minutes to the gentleman from Texas (Mr. DOGGETT), a most active member of our committee.

Mr. DOGGETT. I thank the gentleman.

After 12 years of Republican rule, our tax code is riddled with loopholes. The small businesses on Main Street, the families that are struggling to get by with both spouses as wage earners, they all continue to shoulder a much heavier tax burden proportionately than the giant multinationals that operate around the world, that have operated here in Washington to lobby their way into one bit of special treatment after another. And many of these loopholes serve only to encourage multinationals to invest overseas instead of investing here at home to create American jobs. For some of them, their number one export is the export of American jobs instead of creating things here in America that we can then export to the world.

This particular bill promotes jobs in America in two ways. First, it recognizes that there is important work that needs to be done here in America, hard work that is worth doing. In Austin, Texas, Build America Bonds were used to build a police substation, to build a public safety training facility, public facilities that we need to protect our neighborhoods, built by private contractors, putting food on the table of private employees. This bill would encourage more of the same for America.

Second, this bill represents the next step in a long-standing effort that I've been a part of to crack down on multinational corporations that get Federal tax breaks only to ship their jobs offshore. It's long past time to stop letting these folks play games with our tax system that actually encourage the export of jobs. It's unfair to small businesses, it's unfair to families, those who are following the rules and paying their taxes in order to finance the tax breaks for those that dodge their fair share of responsibility for our national security, for our homeland security. And making these large corporations pay their fair share, stop the kind of

dodges that aren't available to our small businesses, is pro-competition. This bill helps to level the playing field for small businesses across America.

I think you can assess this particular piece of legislation by its friends and by its foes. Those who build America, groups like the engineers, have endorsed this measure. Those who want to keep dodging their taxes and shifting jobs overseas, they're counting on Republicans to do the same thing they always do, and that is, assure special treatment for special folks.

It is the same kind of thinking that got us the Republican bank bailout. It's the same kind of thinking that's being used here today to defend loopholes that are indefensible when what we ought to be doing is focusing on creating American jobs.

Mr. LEVIN. I now yield 2 minutes to the gentleman from California (Mr. THOMPSON), another very vigorous member of our committee.

Mr. THOMPSON of California. Thank you, Mr. Chairman.

I came down to the floor to speak about this bill because it's incredibly important to jobs in America, jobs in my district, jobs across this country.

My good friend, the ranking member, Mr. CAMP—and I say “good friend” because we work together on a lot of things in a bipartisan manner and are able to accomplish a lot—mentioned that what's happening today is what's important to Americans, and what's happening today is important to this bill.

Right outside of my district, Sacramento International Airport was able to get \$480 million worth of bonding authority because of the AMT provision that's in this bill, and they were able to put that into that airport reconstruction/renovation that they're doing, a \$1.1 billion total job that created 1,200 jobs in that immediate area.

□ 1730

It gave us the type of infrastructure and public airport facility that will go on to create jobs today and tomorrow and on into the future. It's very, very important.

The Build America Bonds part of this bill is extremely important. There were two areas in my district that relied on this. It has created jobs, and it has improved the area.

The Napa County school system was able to use \$22 million worth of Build America Bonds to do important work in the schools, renovating the classrooms, expanding the campuses to be able to have a good spot for students to be able to learn, creating jobs today as they go forward.

UC Davis, University of California, Davis, in my district, they were able to use Build America Bonds to create \$48 million worth of expansion, renovation and deferred maintenance on that campus. They have done everything from deferred maintenance to the expansion of the physical sciences building, creating jobs and improving the campus

and the infrastructure for many generations to take advantage of.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman 30 additional seconds.

Mr. THOMPSON of California. So today when this bill is up, say “yes” to American jobs, say “yes” to important American infrastructure and say “no” to the tax dodge that would preclude us from being able to put good jobs on the forefront today.

Mr. CAMP. I yield myself the balance of my time to close.

Mr. Speaker, the facts are clear: with unemployment stuck at nearly 10 percent and millions of jobs lost, the Democrats' trillion-dollar stimulus bill has failed.

So what is the majority's response? Raise taxes on American jobs and give more money to State and local government. That won't create the private sector jobs Americans need.

You don't have to take my word for it. Here is what some of the Nation's leading and largest employers say about this bill and the tax increases in it.

The National Association of Manufacturers says: “Manufacturers believe strongly that imposing \$11.5 billion in tax increases on these companies as proposed by H.R. 5893 will jeopardize the jobs of American manufacturing employees and stifle our fragile economy.”

The PACE Coalition, which represents employers who provide over 60 million American jobs, says: “The \$12 billion in proposed international tax increases in H.R. 5893 would further disadvantage U.S. companies, harming their competitiveness.”

“At a time when other countries are taking steps to attract business, this legislation sends exactly the opposite message, with the effect of discouraging business investment and job creation in the United States.”

Mr. Speaker, I submit the NAM and PACE Coalition letters for the RECORD.

NATIONAL ASSOCIATION OF
MANUFACTURERS,
July 29, 2010.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVES: The National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states, urges you to oppose H.R. 5893, the Investing in American Jobs and Closing Tax Loopholes Act of 2010.

An estimated 22 million people in the United States—more than 19 percent of the private sector workforce and 53 percent of all manufacturing employees—are employed by companies with operations overseas. Manufacturers feel strongly that imposing \$11.5 billion in tax increases on these companies as proposed by H.R. 5893 will jeopardize the jobs of American manufacturing employees and stifle our fragile economy.

Many of the tax increases proposed in H.R. 5893, which are mischaracterized as closing tax loopholes, actually represent significant changes to the pro-growth tax policy supported by Congress and the Administration.

For example, the proposed anticompetitive limitation on the use of Sec. 956 loans removes a greatly needed source of U.S. cash for worldwide American companies—a source that Treasury and the Internal Revenue Service (IRS) sought to facilitate in guidance issued as recently as last December. As we continue to work through one of the greatest credit crunches in U.S. history, taking away a source of cash for U.S. companies to grow, build and create jobs puts our fragile recovery at risk.

We are disappointed that many of the bill's proposed tax increases have not been adequately scrutinized during congressional hearings. In many cases, taxpayers have relied on these longstanding tax provisions in structuring their businesses. Changing the rules without fair and adequate hearings will cost in terms of jobs, investment and manufacturers' ability to compete overseas.

Manufacturers believe strongly that changes to our international tax laws should be considered in the broader context of tax reform that makes the United States more competitive—not as “pay fors” for unrelated policy initiatives. Moreover, targeting some international tax law changes in advance of the tax reform debate would make the goal of pro-growth, pro-competitiveness reform that much more difficult, if not impossible, to achieve.

The NAM supports provisions in the legislation that would extend Build America Bonds and lift the state volume cap for private activity bonds for water and waste water infrastructure, but our support for these provisions is heavily outweighed by the significant costs imposed on manufacturers by the bill's tax increases. Manufacturers urge your opposition to the bill.

The NAM's Key Vote Advisory Committee has indicated that votes related to H.R. 5893, including votes on procedural motions, may be considered for designation as Key Manufacturing Votes in the 111th Congress.

Thank you for your consideration.

Sincerely,

JAY TIMMONS,
Executive Vice President.

PROMOTE AMERICA'S COMPETITIVE EDGE,

July 29, 2010.

DEAR MEMBER OF CONGRESS: The PACE Coalition—a broad-based organization dedicated to promoting and increasing the more than 63 million American jobs that depend on the international competitiveness of worldwide American companies—opposes inclusion of the proposed international tax increases in HR 5893, released on July 28, 2010, as “payfors” for expanded infrastructure incentives.

The members of PACE, including the undersigned trade associations, advocate that the United States should provide a level playing field for taxation of international operations of U.S. businesses. U.S. tax law already disadvantages worldwide American companies and their employees. U.S. companies face the second highest corporate tax rate among developed countries and an international tax system that impedes the ability of U.S. companies to expand into new markets and reinvest foreign earnings at home. The \$12 billion in proposed international tax increases in HR 5893 would further disadvantage U.S. companies—harming their competitiveness and reducing the earnings U.S. companies bring back from their foreign operations, thereby reducing reinvestment in U.S. plant and equipment, funding U.S. research, and expanding U.S. payrolls.

At a time when other countries are taking steps to attract business, this legislation sends exactly the opposite message, with the effect of discouraging business investment and job creation in the United States.

PACE urges policy makers to consider comprehensive tax reform designed to increase the competitiveness of U.S. companies both at home and abroad. Changes to our international tax system that fail to consider the competitive global marketplace will further disadvantage U.S. workers. When worldwide American companies become less competitive in their ability to serve foreign markets, demand for U.S. produced goods and services will decline.

PACE looks forward to working with Members of Congress to modernize our international tax system to improve the competitiveness of the U.S. economy and create jobs at home. If HR 5893 is not amended to remove the international tax increases, we respectfully request that you vote against this bill.

Sincerely,

BUSINESS ROUNDTABLE,
INFORMATION TECHNOLOGY
INDUSTRY COUNCIL,
NATIONAL ASSOCIATION OF
MANUFACTURERS,
NATIONAL FOREIGN TRADE
COUNCIL,
U.S. CHAMBER OF
COMMERCE.

As I noted earlier, the United States Chamber of Commerce says this bill imposes Draconian increases on American worldwide companies that would hinder job creation, decrease the competitiveness of American businesses, and deter economic growth.

I urge my colleagues to listen to these job providers and job creators, to reject these job-killing tax increases, and to vote "no" on this bill.

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

Mr. LEVIN. I yield myself the balance of our time.

It's really so important to look at the facts. This bill does not basically create government jobs. That is a total myth, and you know it.

The infrastructure money goes to State and local communities like highway monies do. These orange barrels, orange and white in Michigan, Mr. CAMP, are put up by private contractors with Federal money.

So why demean the Build America Bonds provisions by calling it money to State and local governments when everybody knows it's for infrastructure that goes to private contractors and their employees?

You mention the number of construction workers out of work; that is very true. And then you vote against the legislation that will give them jobs.

You say where are the jobs? Then you come down here and vote against bills to create jobs.

It doesn't make any sense. Instead, we get the same political speech aimed at November 2, instead of aiming at creating jobs for the thousands and thousands of people who are unemployed in the United States of America.

I want to say something about the double taxation so people understand what this is really all about. We have a foreign tax credit, as there should be, at least in this structure. This is a credit that is supposed to relate to the income by American companies created overseas.

So what has been happening under this loophole is that the credit has been used, not in relationship to that income, but has been used relating to other income. So it isn't double taxation; it's an effort to avoid any taxation, and the rest of us pick up the bill.

Now, one company that has objected to this has dramatically increased their investment offshore and diminished their jobs in the United States and diminished their R&D. So they say close the loophole and we will pay more taxes, yes. What we are saying is follow the rules, like small business does in this country, and like all of us individual taxpayers do in this country. You can come here and say closing a loophole increases taxes. By definition it does, because it says to people who are skipping paying taxes, pay your fair share.

So this is a two-fer, jobs in the U.S. and stopping the shipment of jobs overseas.

And if people come here and vote against this bill, they can expect to hear from constituents, that you have voted to help people and entities that ship jobs from this country elsewhere. We should vote resoundingly for this legislation.

Mr. LINDER. Mr. Speaker, some Democrats have said the welfare expansion in this bill is about jobs. It's not. It's about more welfare.

This bill would expand the welfare emergency fund Democrats created in last year's failed stimulus bill. That fund made available up to \$5 billion in new "welfare emergency funds" over fiscal years 2009 and 2010. The bill before us would make available another up to \$5 billion for just fiscal year 2011, which starts in October.

So they propose to double the welfare funds for this program, all in just one year.

That is so much new welfare money that CBO estimates States wouldn't be able to spend it all. Still, the \$3.5 billion CBO estimates States would spend next year would almost match the \$4 billion States have spent in the last two years.

No matter how you slice it, spending out of this welfare emergency fund would accelerate rapidly under this bill.

What would this money be spent on? The same things it is currently spent on—almost exclusively more and bigger welfare checks.

The nonpartisan Congressional Research Service has prepared a report on how the welfare emergency fund has been spent so far. As of July 22, 2010, only 25 percent had been spent on "subsidized employment," or the salaries of what are short-term positions.

And data from liberal advocates for these programs admit that nearly half of those positions have been summer youth jobs. Since summer is just about over, many of the jobs the other side talks about are nearly over, too.

And the other side's own rhetoric admits these jobs in general are as temporary as the Federal funding—which must be extended, they say, or else the "jobs" will end.

The fact is, despite the other side's newfound but empty "jobs" rhetoric, a full 75 percent of this money has been spent on basic assistance—that is, on welfare benefits.

But these are not just any welfare checks. States have had to be creative to spend this welfare emergency fund money.

Last summer New York State used its share of welfare emergency funds to provide one-time \$200 "back to school checks" to families already on welfare. Instead of spending the money on back to school supplies, many recipients used the money, as CBS News put it, to purchase "flat screen TVs, iPods and video gaming systems." Convenience stores in low-income areas "noted marked increases in beer, lotto and cigarette sales."

Perhaps our colleagues think that creates jobs.

I disagree.

Mr. LEVIN. I yield back the balance of my time.

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

Pursuant to House Resolution 1568, the previous question is ordered on the bill.

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

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

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 5893 is postponed.

TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2011

The SPEAKER pro tempore. Pursuant to House Resolution 1569 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5850.

□ 1738

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5850) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2011, and for other purposes, with Mr. SNYDER in the chair.

The Clerk read the title of the bill.

The CHAIR. When the Committee of the Whole rose earlier today, amendment No. 11 printed in part A of House Report 111-578 offered by the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) had been disposed of.

ANNOUNCEMENT BY THE CHAIR

The CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 111-578 on which further proceedings were postponed in the following order:

Amendment No. 2 printed in part A by Mr. BOEHNER of Ohio.

Amendment No. 8 printed in part A by Mr. LATHAM of Iowa.

Amendment No. 10 printed in part A by Mr. CULBERSON of Texas.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MR. BOEHNER

The CHAIR. The unfinished business is the demand for a recorded vote on