

## AMENDMENT NO. 3375

At the request of Mr. DORGAN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of amendment No. 3375 intended to be proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

## AMENDMENT NO. 3383

At the request of Mr. WICKER, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of amendment No. 3383 proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

## AMENDMENT NO. 3403

At the request of Mrs. FEINSTEIN, her name was added as a cosponsor of amendment No. 3403 intended to be proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

## AMENDMENT NO. 3416

At the request of Mr. GRASSLEY, his name was added as a cosponsor of amendment No. 3416 proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

## AMENDMENT NO. 3428

At the request of Mr. ROCKEFELLER, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of amendment No. 3428 intended to be proposed to H.R. 4213, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WYDEN:

S. 3082. A bill to amend title 38, United States Code, to authorize individuals who are pursuing programs of rehabilitation, education, or training under laws administered by the Secretary of Veterans Affairs to receive work-study allowances for certain outreach services provided through congressional offices, and for other purposes; to the Committee on Veterans' Affairs.

Mr. WYDEN. Mr. President, today I am introducing a bill to right a bureaucratic wrong that has prevented capable and qualified veterans from serving their home States as work-study students in Congressional offices.

For years, veterans have served in the office of their representative or senator as a vital part of an office's constituent service efforts. These student veterans gain employment experience while providing valuable expertise to our offices. Student veterans work together with our staffs to assist other veterans from their home State wade through the often confusing and lengthy process of receiving benefits from the Department of Veterans Af-

fairs. Congressional offices benefit by providing better services to their constituents without having to hire a disproportionate number of people to assist with veterans affairs. Veteran work-study students also benefit the VA by shouldering up-front some of the administrative burdens of claims processing.

Congressional offices have served as qualified work sites for VA work-study students for over 25 years. Student veterans have worked in congressional offices during my time in both the House of Representatives and the Senate. In recent months, however, Oregon congressional offices were notified that they would no longer be eligible sites for VA work-study programs.

I am deeply troubled that the proud tradition of student veterans serving fellow veterans in Oregon congressional offices is in jeopardy. At a time when the wars in Iraq and Afghanistan have increased the number of veterans seeking our help with VA benefits and services, the instability of the program is particularly unfortunate. Moreover, my concerns are heightened due to the reduction in work-study positions available to Oregon veterans during an economic recession that has sent unemployment rates over 12 percent in some areas.

I share the VA's hope to provide high quality, prompt, and seamless service to veterans and their dependents, through the VA work-study program. That is why I am introducing legislation today to return these talented student veterans to Congressional offices. These student veterans provide an invaluable resource to our staffs. I hope that we are able to pass this legislation quickly to provide valuable employment opportunities for our Nation's veterans.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3082

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

#### SECTION 1. EXPANSION OF WORK-STUDY ALLOWANCE TO INCLUDE CERTAIN OUTREACH SERVICES CONDUCTED THROUGH CONGRESSIONAL OFFICES.

Section 3485(a)(4) of title 38, United States Code, is amended by adding at the end the following new subparagraph:

“(G) The following activities carried out at the offices of Members of Congress for such Members:

“(i) The distribution of information to members of the Armed Forces, veterans, and their dependents about the benefits and services under laws administered by the Secretary and other appropriate governmental and non-governmental programs.

“(ii) The preparation and processing of papers and other documents, including documents to assist in the preparation and presentation of claims for benefits under laws administered by the Secretary.”.

By Mr. BENNETT:

S. 3083. A bill to amend the Internal Revenue Code of 1986 to allow the expensing of certain real property; to the Committee on Finance.

Mr. BENNETT. Mr. President, we got some numbers this morning. Unemployment seems stuck at 9.7 percent nationally. We lost more jobs. In my home State of Utah, unemployment is at a 23-year high at 6.8 percent. I know there are States represented by Senators here that would love to have 6.8 percent as their unemployment rate, but we in Utah do not like it.

I want to talk about one aspect of the unemployment rate that I think has been ignored in the debate we have had around the country. The President says we are out of the woods, not far out of the woods, to be sure, but that we have turned around, that the recession has started to fade, and we are starting to come back. He looks at macronumbers and makes that statement with respect to GDP and all of the rest of that. He is missing a very important fact I want to highlight here today in the introduction of this bill.

The economy is driven by a variety of forces. But the one thing we do know about economic activity is that jobs are created primarily by small businesses. When I say small, I mean really small. Over 7 million jobs have been lost since the beginning of the recession. We must ask, How many of those have been lost in small businesses? The answer is, over half of that number. Over 3.5 million of the jobs that have been lost have been lost in small businesses.

We hear and look at the reports that are in the newspaper about big companies that have had layoffs and big companies that have stopped hiring. But it is the small businesses in the United States that have been the engine of economic growth and the engine of hiring all the way through.

I have talked before about my own experiences as a small businessman, and I will revisit that here for a moment to put this in context.

I have been involved in the creation of a number of businesses. Most of them have failed. That is the norm for small businesses. People get an idea. People get excited. They get caught up in the idea of having their own business. They start their own business, and they find it is much harder than they thought. They find the challenge is much more difficult than they thought or they simply run into challenges that are beyond their control and they end up failing.

It is all summarized in a comment made by a woman who attended a meeting of Inc. magazine. Inc. magazine every year chooses the “Entrepreneur of the Year” across the country in the various States. I was honored enough to be chosen as the “Entrepreneur of the Year” when I was CEO of a business in Utah, and as a reward for that we went to this convention down in Miami Beach. A panel was being held of small businesspeople.

Just prior to the panel, they announced that after the panel was over there would be a wine and cheese tasting event to be held on the patio of this hotel. Then they turned to the panel, and one of the women on the panel said: Entrepreneurs do not drink wine. Entrepreneurs drink vodka, neat. We can't do with this gracious living stuff. We are caught up in the tremendous pressure of trying to keep our businesses open.

I do not drink wine or vodka, but I identified with her comments and her sentiments about how tough it is.

Well, the President may think the GDP numbers show we have turned the corner. The people in small business recognize that in their part of this economy, we have not. Let me quote from an article in the Wall Street Journal regarding the National Federation of Independent Business' small business optimism survey. It was in December of last year, and author noted:

Small-business owners grew even more pessimistic in the final month of 2009, capping off what was a trying year for their businesses. . . .

Regular borrowers—those accessing capital markets at least once a quarter—also continued to report difficulties in arranging credit at the highest frequency since 1983, according to the report.

Mr. President, 1983, for those of us who remember, was the depth of the recession that followed the great inflation of the Jimmy Carter years, as President Reagan and the Congress were dealing with the dreaded double dip. We came out of the Jimmy Carter years with a recession, a recovery, and then another recession—the dreaded double dip or the “W-shaped” recession. Mr. President, 1983 was a very challenging year. I was running a small business at that time as well and I remember it very well. All right—the worst attitude with respect to their opportunities in small business since 1983, according to people who were on the firing line in small business.

So what do we need to try to help small business recover and start creating jobs again? Again, the point I made earlier: More than half of the jobs that are created in America are created with small business, and these are small businesses that are doing less than \$5 million a year. As I say, I have been involved in creating many of these businesses. Many of them failed. Fortunately, the small businesses I was involved in creating that did not fail earned enough money to repay me for all that I lost in the ones that did and created enough jobs to overcome the loss of jobs in the ones that failed, and the small business we created for which I won the award at Inc. magazine ultimately went to the New York Stock Exchange and employed 4,000 people. Not bad for a small business that started in somebody's basement with originally four full-time employees. I was No. 5 in that business.

So I have seen it happen on both sides—the failure side and the success

side—and I know what it takes. I can tell you, the kinds of things the President is talking about and we have been doing here in this Chamber are not the things small business needs to survive. Let me talk about some of those, and they are in the bill I am offering today.

One of the first things we have to recognize is that the worst thing that can happen to a small business financially is to earn a profit. You say: Now wait a minute, obviously you want to earn a profit. Yes, you want to earn a profit. But the worst thing that can happen to you is—as you are struggling on a cashflow basis to keep this business going and you cross the line into profits—the government shows up and says: We want half your profit immediately, and we want it in cash.

You want your profit invested in inventory. You want your profit invested in accounts receivable. You want your profit invested in the capital investments that will allow your business to survive, and the government says: No. You have earned a profit and we want it in taxes and we want it in cash, and we won't take a percentage of your inventory and hold it to let you make the business grow. You have to liquidate that inventory to pay your taxes in cash.

So the first thing that is in my bill will provide a 10-year net operating loss carryback provision for qualifying businesses whose average gross revenue per year is \$5 million or less.

You struggle with the business; you lose money the first year. You struggle with the business; you lose money the second year. You struggle with the business; you lose money the third year. But you keep it afloat, and in the fourth year, you start to earn money. And there is the government saying: We want our share of your profits, and we don't care that you have been losing money while you have been building this business—you have been losing money on an accrual basis while you have been borrowing from your brother-in-law and your credit card and your bank, and whoever would give you money to cover those losses, and now you are finally at the point where you are making a little profit—we won't give you any consideration for all of those losses you have put into building this business. We are going to take our tax bite out of this year's profits, and that can be enough to sink the business.

So this has a net operating loss carryback provision for qualifying businesses whose average gross revenues are \$5 million or less.

This is not a break for American Airlines. This is not a break for General Motors. This is a break for the person who is trying to duplicate the success I was lucky enough to be involved in—where we start something in a basement or a garage and see it grow to the point where it can go to the New York Stock Exchange.

You could say: Well, Senator BENNETT, you didn't need this net loss

carryback provision when you did that business. That is true because we grew that business in what the New York Times and other publications called the decade of greed. It was the years of Ronald Reagan when the top marginal tax rate was 28 percent, which meant even paying taxes, we got to keep 72 cents out of every dollar we generated in profit. That was enough to allow us to fund the growth of that business. Today, the top marginal tax rate is over 40 percent. There is a great deal of difference. If we had had to try to grow that business in today's tax environment—and it went up to that level when Bill Clinton became President—we probably would not have been able to grow the business and we would not have created those jobs and we would not have been able to ultimately build a company big enough to go to the New York Stock Exchange.

All right. I can't deal with the marginal tax rate. We don't have enough votes to do that. If I could, I would like to get it back to the 28 percent it was with Ronald Reagan. If we are going to have the tax rate where it is, we need at least some kind of relief for small business. The 10-year net operating loss carryback provision is a way to give them some kind of relief in this time of great economic stress.

No. 2—and this gets a little technical—I want to expand the definition of section 179 expensing to include structural changes to the physical property and make the current \$250,000 deduction limit permanent.

When you are making an investment in your business of a capital good that you need, whether it is a lathe in a machine shop or whether it is a warehouse and something that requires you to stockpile with material before you send it out to retailers, whatever it might be, you don't want to have to start paying taxes on the money you put into that capital good. You need the deduction for expensing that right now. That is another way to hold your taxes down.

This second provision is tied to the first. The first gives you the net operating loss carryback provision. This one says you can expense in a much better fashion the money you are putting in up front for your structural activity.

Then, No. 3: It sounds very minor, but to a business of the size we are talking about it can be significant. I want to increase the current startup cost deduction from \$5,000 to \$20,000. This will encourage entrepreneurs to invest right now rather than wait for the economy to improve.

These are the three primary things that will be in the bill I am sending to the desk and introducing today.

I wish to conclude with these comments. As I move around my State, and as I move around the country talking about the state of business—back to the reference to the NFIB and their survey about optimism or pessimism among small business owners. I have

never seen a time of more pessimism than we have now. Even back in the 1980s when I described the businesses that I was involved in then and the dreaded “double dip,” businessmen were not as pessimistic as they are now. They still had hope we could come out of this. Now, even while the national GDP numbers are looking good to the people at the White House, to the people on Main Street it doesn't look so good.

This is what I hear: The venture capitalists tell me we are not making venture capitalist investments anymore. Why? Because the venture capitalist is there to capitalize and to finance the startup, and then the system is supposed to take over and finance the growth. We pick the entrepreneur who has the widget or the gadget, whatever it might be that is going to change the world.

We say: Yes, your widget is marvelous, and we are going to fund that so you can get that going. But once you get it going, the system takes over. The banks give you the tools you need for your capital investment. Other investors come in who are not taking as big a risk as we are because they see now that your widget really does work. So the level of risk is lower, the system takes over, and we can take our venture capital and go out and look for the other entrepreneur who has a new invention. That is how the whole thing works.

They tell me: We discover now the system doesn't take over. We discover now the money we have put into the widget, the entrepreneur, the inventor, isn't followed on by additional funding. If this investment we have put in is going to survive, we have to double down our bets.

Instead of our venture capital now going to the inventor and the entrepreneur, our venture capital is going to places where it has never been required before. As a result, we don't have any left over for the true venture capital, and the whole system is shutting down in terms of job creation. We are getting to a circumstance where new jobs are not coming as a result of venture capital activity. This job creation I talked about and these small businesses are being stifled. That is the first part of the pessimism.

The second part of the pessimism, of course, is that the stimulus money we have put into the system isn't getting down to small businesses at all. I received a letter from a small businessman in Utah. I identify with him because he has created a business of the same kind I have tried to create over my career before I came here.

He says: I am writing because I am frustrated. I own a small business here in Utah—he names it. We employed 20 people.

In the macro of the world, 20 people aren't very much, not enough to really worry about; except this fellow and his 20 people are representative of more than half of the job creation that is going on in this country historically.

He says:

I have a small business here in Utah that employs 20 people. Now I am down to 4 people as I can't get financing. I put close to \$2 million in technology development.

There is the venture capitalist side of it.

We are ready to launch our new system and services, but have run out of funds and can't find investor groups that would be willing to take a risk on technology at a relatively new company. Why can't some of the stimulus money come to us? I would hire 25 to 30 new people if I could receive funding that I need to launch my product and services. Banks won't lend, individuals are holding on to cash, VC groups are looking for companies that have been around a few more years. I don't want to violate SEC rules. Raising funds is difficult.

I don't have a solution to everything he is saying, but I do believe the kinds of reforms that are in the bill I am introducing will create a better environment for small business and make it easier for him and others like him to go to investors and say: Look, if you put some money into our business, we would not have to pay taxes as soon as it turns the corner because we will have this net operating carryback for 10 years. We can expense some of the capital investments we make so we would not have to worry about paying taxes on it, and we have a current startup tax deduction that has gone to \$20,000.

These are very modest kinds of proposals, but they are the kinds of proposals that are rooted in real experience in Main Street rather than Wall Street; from real people who are creating jobs, have created jobs, who are hurting the most in this economy, and upon whom we depend primarily for the new job creation.

As I said at the outset, we have bad numbers today. Unemployment has not come down in the Nation. More jobs have been lost. In my home State of Utah, we have hit a 23-year high in unemployment. We must look to where the jobs come from, and the answer to that is small business, and we must do everything we can to try to help small business get started and get going and get growing, and that is a way we will get out of this recession.

Mr. SESSIONS. Mr. President, will the Senator yield for a question?

Mr. BENNETT. I will be happy to yield.

Mr. SESSIONS. I value the Senator's views on these issues so much. I recall when the Senator chaired the Joint Economic Committee, the Select Committee of the House and Senate. He was our chairman. Since then he has been known as one of the authoritative voices on our economy, as well as Senate business.

I guess I would first say that I am very intrigued by your legislation. It sounds as though it is something that is exactly what we need. I don't, I guess, want to be in a political tit for tat, but I remember and recall the Senator from Utah opposing the stimulus package that was on the floor and vot-

ing against that and raising concerns about it. I think the general concern most often raised was one that Nobel Prize Laureate Gary Becker raised: It wasn't one that creates jobs.

I guess I would ask, based on the Senator's experience in the Senate, the amount of money that went into that bill—the purpose was supposed to be to create jobs—give us your honest evaluation of how well it has performed.

Mr. BENNETT. I thank the Senator from Alabama for his kind words. My own impression is that the stimulus package has created a few jobs with a very marginal kind of effect. Most of the money, it seems to me, has been spent in efforts aimed at research, which may or may not produce jobs 3 years, 4 years, 8 years, 10 years from now.

As a member of the Appropriations Committee we held a hearing just yesterday with the Department of Energy and looked at the amount of stimulus money that was going into fund research in the Department of Energy and pointed out to the Secretary of Energy that only 7 percent of the stimulus money had been spent. To get ready for the energy research they were going to do, they had to hire new people. It, perhaps, has created some government jobs to get ready to examine all of the grants and look at all of the proposals and so on. I am not opposed to research, but this is not an immediate creation of jobs in the middle of a recession to be spending stimulus money in this fashion.

I have also come to the conclusion that the jobs that have been created or saved, as this administration tries to add that word to it, have primarily been government jobs.

I don't object to people working for the government. We have many civil servants who provide great value added in the work they do for the government. But the long-term projection of jobs that will add to the economy create new jobs and create new wealth. I do not see that the stimulus has produced any significant difference in that arena.

Mr. SESSIONS. I thank the Senator from Utah for those thoughts. What a tragedy that is. I don't think people realize how much \$800 billion is.

So the Senator's legislation would be far less expensive and would immediately help small businesses create jobs without a government bureaucracy telling them what to do. Is that fair to say?

Mr. BENNETT. I would say to the Senator that is the whole purpose of this. Let entrepreneurs who are taking the risks—drinking vodka neat, if you will—have the opportunity to create their businesses without the government showing up immediately and saying: By the tax law, we are going to punish you for getting your initial beginnings of success. Instead, we are going to delay the impact of the taxes on you until you have a sound financial footing under you. When you have that

financial footing under you, you can afford to pay the taxes and, more important, you can afford to hire more people who, as a result of their jobs, will also pay taxes.

We must understand a very large reason we are having this deficit is not just the spending, as important as that is; it is the drop in revenue, and the drop in revenue comes because the economy is so bad. We must understand around here that revenue does not come from the budget.

Revenue comes from the economy. We can budget any kind of revenue number we want, but if there are no profits and there are no jobs, that means there is no income, and the income tax, by definition, is dependent on income before it produces any revenue. We will not have the money we need to run the government because the economy will not be producing that revenue.

I learned in business you cannot cost-cut your way to profitability. Cost-cutting is important in a business, and you should make sure you are not doing stupid things—and there are businesses that can spend themselves into bankruptcy—but you cannot cost-cut your way into profitability. The top line, the sales, the growth of the company is what creates profitability.

The same principle applies to this economy. Yes, we must cut costs, we must cut spending in the Congress, but the way for a vital country is to grow the economy, and the biggest engine of growth in the economy has been and remains small business.

Mr. SESSIONS. I thank the Senator.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 3429. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 3336 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table.

SA 3430. Mr. BAUCUS (for Mr. ISAKSON (for himself and Mr. CARDIN)) proposed an amendment to amendment SA 3336 proposed by Mr. BAUCUS to the bill H.R. 4213, supra.

#### TEXT OF AMENDMENTS

SA 3429. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 3336 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ BUDGETARY EFFECTS OF LEGISLATION PASSED BY THE SENATE.

(a) ESTABLISHMENT OF WEB PAGE.—

(1) IN GENERAL.—Not later than 90 days after the enactment of this Act, the Secretary of the Senate shall establish on the official website of the United States Senate ([www.senate.gov](http://www.senate.gov)) a page entitled “Information on the Budgetary Effects of Legislation Considered by the Senate” which shall include—

(A) links to appropriate pages on the website of the Congressional Budget Office ([www.cbo.gov](http://www.cbo.gov)) that contain cost estimates of legislation passed by the Senate; and

(B) as available, links to pages with any other information produced by the Congressional Budget Office that summarize or further explain the budgetary effects of legislation considered by the Senate.

(2) UPDATES.—The Secretary of the Senate shall update this page every 3 months.

(b) CBO REQUIREMENTS.—Nothing in this section shall be construed as imposing any new requirements on the Congressional Budget Office.

**SA 3430.** Mr. BAUCUS (for Mr. ISAKSON (for himself and Mr. CARDIN)) proposed an amendment to amendment SA 3336 proposed by Mr. BAUCUS to the bill H.R. 4213, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes; as follows:

Strike title III and insert the following:

#### TITLE III—PENSION FUNDING RELIEF

##### Subtitle A—Single Employer Plans

#### SEC. 301. EXTENDED PERIOD FOR SINGLE-EMPLOYER DEFINED BENEFIT PLANS TO AMORTIZE CERTAIN SHORTFALL AMORTIZATION BASES.

(a) AMENDMENTS TO ERISA.—

(1) IN GENERAL.—Paragraph (2) of section 303(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(c)) is amended by adding at the end the following subparagraph:

“(D) SPECIAL ELECTION FOR ELIGIBLE PLAN YEARS.—

“(i) IN GENERAL.—If a plan sponsor elects to apply this subparagraph with respect to the shortfall amortization base of a plan for any eligible plan year (in this subparagraph and paragraph (7) referred to as an ‘election year’), then, notwithstanding subparagraphs (A) and (B)—

“(I) the shortfall amortization installments with respect to such base shall be determined under clause (ii) or (iii), whichever is specified in the election, and

“(II) the shortfall amortization installment for any plan year in the 9-plan-year period described in clause (ii) or the 15-plan-year period described in clause (iii), respectively, with respect to such shortfall amortization base is the annual installment determined under the applicable clause for that year for that base.

“(ii) 2 PLUS 7 AMORTIZATION SCHEDULE.—The shortfall amortization installments determined under this clause are—

“(I) in the case of the first 2 plan years in the 9-plan-year period beginning with the election year, interest on the shortfall amortization base of the plan for the election year (determined using the effective interest rate for the plan for the election year), and

“(II) in the case of the last 7 plan years in such 9-plan-year period, the amounts necessary to amortize the remaining balance of the shortfall amortization base of the plan for the election year in level annual installments over such last 7 plan years (using the segment rates under subparagraph (C) for the election year).

“(iii) 15-YEAR AMORTIZATION.—The shortfall amortization installments determined under this subparagraph are the amounts necessary to amortize the shortfall amortization base of the plan for the election year in level annual installments over the 15-plan-year period beginning with the election year (using the segment rates under subparagraph (C) for the election year).

“(iv) ELECTION.—

“(I) IN GENERAL.—The plan sponsor of a plan may elect to have this subparagraph

apply to not more than 2 eligible plan years with respect to the plan, except that in the case of a plan described in section 106 of the Pension Protection Act of 2006, the plan sponsor may only elect to have this subparagraph apply to a plan year beginning in 2011.

“(II) AMORTIZATION SCHEDULE.—Such election shall specify whether the amortization schedule under clause (ii) or (iii) shall apply to an election year, except that if a plan sponsor elects to have this subparagraph apply to 2 eligible plan years, the plan sponsor must elect the same schedule for both years.

“(III) OTHER RULES.—Such election shall be made at such time, and in such form and manner, as shall be prescribed by the Secretary of the Treasury, and may be revoked only with the consent of the Secretary of the Treasury. The Secretary of the Treasury shall, before granting a revocation request, provide the Pension Benefit Guaranty Corporation an opportunity to comment on the conditions applicable to the treatment of any portion of the election year shortfall amortization base that remains unamortized as of the revocation date.

“(v) ELIGIBLE PLAN YEAR.—For purposes of this subparagraph, the term ‘eligible plan year’ means any plan year beginning in 2008, 2009, 2010, or 2011, except that a plan year shall only be treated as an eligible plan year if the due date under subsection (j)(1) for the payment of the minimum required contribution for such plan year occurs on or after the date of the enactment of this subparagraph.

“(vi) REPORTING.—A plan sponsor of a plan who makes an election under clause (i) shall—

“(I) give notice of the election to participants and beneficiaries of the plan, and

“(II) inform the Pension Benefit Guaranty Corporation of such election in such form and manner as the Director of the Pension Benefit Guaranty Corporation may prescribe.

“(vii) INCREASES IN REQUIRED INSTALLMENTS IN CERTAIN CASES.—For increases in required contributions in cases of excess compensation or extraordinary dividends or stock redemptions, see paragraph (7).”.

(2) INCREASES IN REQUIRED INSTALLMENTS IN CERTAIN CASES.—Section 303(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(c)) is amended by adding at the end the following paragraph:

“(7) INCREASES IN ALTERNATE REQUIRED INSTALLMENTS IN CASES OF EXCESS COMPENSATION OR EXTRAORDINARY DIVIDENDS OR STOCK REDEMPTIONS.—

“(A) IN GENERAL.—If there is an installment acceleration amount with respect to a plan for any plan year in the restriction period with respect to an election year under paragraph (2)(D), then the shortfall amortization installment otherwise determined and payable under such paragraph for such plan year shall, subject to the limitation under subparagraph (B), be increased by such amount.

“(B) TOTAL INSTALLMENTS LIMITED TO SHORTFALL BASE.—Subject to rules prescribed by the Secretary of the Treasury, if a shortfall amortization installment with respect to any shortfall amortization base for an election year is required to be increased for any plan year under subparagraph (A)—

“(i) such increase shall not result in the amount of such installment exceeding the present value of such installment and all succeeding installments with respect to such base (determined without regard to such increase but after application of clause (ii)), and

“(ii) subsequent shortfall amortization installments with respect to such base shall, in