

Law 98-178; 97 Stat. 1126), which recognized the value of travel and tourism;

Whereas National Travel and Tourism Week is celebrated across the United States from May 3 through May 11, 2014;

Whereas more than 200 travel destinations throughout the United States are holding events in honor of National Travel and Tourism Week;

Whereas one out of every 9 jobs in the United States depends on travel and tourism and the industry supports more than 14,900,000 jobs in the United States, including 7,900,000 directly in the travel industry and 7,000,000 in related industries;

Whereas the travel and tourism industry is among the top 10 industries in 49 States and the District of Columbia in terms of employment;

Whereas international travel to the United States is the single largest export industry in the country, generating a trade surplus balance of \$57,100,000,000 in 2013;

Whereas the travel and tourism industry, Congress, and the President have worked to streamline the visa process and make the United States welcoming to visitors from other countries;

Whereas travel and tourism provide significant economic benefits to the United States by generating \$2,100,000,000,000 in annual economic output;

Whereas leisure travel allows individuals to experience the rich cultural heritage and educational opportunities of the United States and its communities; and

Whereas the immense value of travel and tourism cannot be overstated: Now, therefore, be it

*Resolved*, That the Senate—

(1) recognizes May 3 through May 11, 2014, as National Travel and Tourism Week;

(2) commends the travel and tourism industry for its important contributions to the United States; and

(3) commends the employees of the travel and tourism industry for their important contributions to the United States.

#### SENATE RESOLUTION 444—RELATIVE TO THE DEATH OF HARLAN MATHEWS, FORMER UNITED STATES SENATOR FOR THE STATE OF TENNESSEE

Mr. ALEXANDER (for himself, Mr. CORKER, Mr. REID, Mr. MCCONNELL, Ms. AYOTTE, Ms. BALDWIN, Mr. BARRASSO, Mr. BEGICH, Mr. BENNET, Mr. BLUMENTHAL, Mr. BLUNT, Mr. BOOKER, Mr. BOOZMAN, Mrs. BOXER, Mr. BROWN, Mr. BURR, Ms. CANTWELL, Mr. CARDIN, Mr. CARPER, Mr. CASEY, Mr. CHAMBLISS, Mr. COATS, Mr. COBURN, Mr. COCHRAN, Ms. COLLINS, Mr. COONS, Mr. CORNYN, Mr. CRAPO, Mr. CRUZ, Mr. DONNELLY, Mr. DURBIN, Mr. ENZI, Mrs. FEINSTEIN, Mrs. FISCHER, Mr. FLAKE, Mr. FRANKEN, Mrs. GILLIBRAND, Mr. GRAHAM, Mr. GRASSLEY, Mrs. HAGAN, Mr. HARKIN, Mr. HATCH, Mr. HEINRICH, Ms. HEITKAMP, Mr. HELLER, Ms. HIRONO, Mr. HOEVEN, Mr. INHOFE, Mr. ISAKSON, Mr. JOHANNES, Mr. JOHNSON of Wisconsin, Mr. JOHNSON of South Dakota, Mr. KAINE, Mr. KING, Mr. KIRK, Ms. KLOBUCHAR, Ms. LANDRIEU, Mr. LEAHY, Mr. LEE, Mr. LEVIN, Mr. MANCHIN, Mr. MARKEY, Mr. MCCAIN, Mrs. MCCASKILL, Mr. MENENDEZ, Mr. MERKLEY, Ms. MIKULSKI, Mr. MORAN, Ms. MURKOWSKI, Mr. MURPHY, Mrs. MURRAY, Mr. NELSON, Mr. PAUL, Mr.

PORTMAN, Mr. PRYOR, Mr. REED, Mr. RISCH, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. RUBIO, Mr. SANDERS, Mr. SCHATZ, Mr. SCHUMER, Mr. SCOTT, Mr. SESSIONS, Mrs. SHAHEEN, Mr. SHELBY, Ms. STABENOW, Mr. TESTER, Mr. THUNE, Mr. TOOMEY, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. VITTER, Mr. WALSH, Mr. WARNER, Ms. WARREN, Mr. WHITEHOUSE, Mr. WICKER, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

#### S. RES. 444

Whereas Harlan Mathews served in the United States Navy during World War II from 1944 to 1946;

Whereas in 1950 Harlan Mathews began his career in public service by working as an advisor to Governor Gordon Browning, and between 1950 and 1987 would serve as a top advisor to four governors of the State of Tennessee;

Whereas Harlan Mathews also served as Tennessee's Commissioner of Finance, and in 1974 was elected State Treasurer by the Tennessee General Assembly;

Whereas in 1993, while serving as a Deputy Governor, Governor Ned McWherter appointed Harlan Mathews to the United States Senate to fill the vacancy caused by former Senator Al Gore being elected Vice President of the United States;

Whereas Harlan Mathews served on the Energy and Natural Resources and the Foreign Relations Committees;

Whereas during his tenure in the United States Senate, Harlan Mathews served with distinction and integrity, and worked to be a quiet force for good for those he represented; Now, therefore, be it

*Resolved*, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Harlan Mathews, former member of the United States Senate.

*Resolved*, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved*, That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the Honorable Harlan Mathews.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 3056. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table.

SA 3057. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3058. Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3059. Ms. AYOTTE submitted an amendment intended to be proposed by her to the bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3060. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3061. Mr. HATCH submitted an amendment intended to be proposed by him to the

bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3062. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3063. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 3474, supra; which was ordered to lie on the table.

SA 3064. Mr. MORAN (for himself, Ms. HEITKAMP, Mr. THUNE, Mr. HEINRICH, Mr. BEGICH, Mr. INHOFE, Mr. BENNET, Ms. STABENOW, Mr. ENZI, Mr. HOEVEN, Mr. UDALL of New Mexico, Mr. JOHNSON of South Dakota, Mr. UDALL of Colorado, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, and Mr. WALSH) submitted an amendment intended to be proposed by him to the bill H.R. 3474, supra; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 3056.** Mr. INHOFE submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

#### TITLE —OTHER PROVISIONS SEC. —. ELIMINATION OF TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended to read as follows:

“(H) NONAPPLICATION OF TAXABLE INCOME LIMIT WITH RESPECT TO MARGINAL PRODUCTION.—The second sentence of subsection (a) of section 613 shall not apply to so much of the allowance for depletion as is determined under subparagraph (A) for any taxable year beginning after December 31, 2013, and before January 1, 2016.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

(c) RESCISSION OF FUNDS.—The available unobligated balance of any amounts that are appropriated for fiscal year 2013 are rescinded, to the extent such amounts do not exceed the reduction in revenues to the Treasury by reason of the amendment made by subsection (a).

**SA 3057.** Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the end, add the following:

#### TITLE —OTHER PROVISIONS SEC. —01. LONG-TERM UNEMPLOYED INDIVIDUALS NOT TAKEN INTO ACCOUNT FOR EMPLOYER HEALTH CARE COVERAGE MANDATE.

(a) IN GENERAL.—Paragraph (4) of section 4980H(c) is amended by adding at the end the following new subparagraph:

“(C) EXCEPTION FOR LONG-TERM UNEMPLOYED INDIVIDUALS.—

“(i) IN GENERAL.—The term ‘full-time employee’ shall not include any individual who is a long-term unemployed individual with respect to such employer.

“(ii) LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this subparagraph, the term ‘long-term unemployed individual’ means, with respect to any employer, an individual who—

“(I) begins employment with such employer after the date of the enactment of this subparagraph, and

“(II) has been unemployed for 27 weeks or longer, as determined by the Secretary of Labor, immediately before the date such employment begins.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months beginning after December 31, 2013.

**SA 3058.** Mr. THUNE submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the end, add the following:

**TITLE —ELIMINATION OF PENALTY FOR FAILURE OF INDIVIDUALS TO MAINTAIN MINIMUM ESSENTIAL COVERAGE**

**SEC. 01. ELIMINATION OF PENALTY FOR FAILURE OF INDIVIDUALS TO MAINTAIN MINIMUM ESSENTIAL COVERAGE.**

(a) IN GENERAL.—Section 5000A is amended by striking subsections (b), (c), and (g).

(b) CONFORMING AMENDMENT.—Section 5000A(e) is amended by striking “No penalty shall be imposed under subsection (a) with respect to” and inserting “Subsection (a) shall not apply to”.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2013.

**SA 3059.** Ms. AYOTTE submitted an amendment intended to be proposed by her to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE —OTHER PROVISIONS**

**SEC. 01. POINT OF ORDER.**

(a) IN GENERAL.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that authorizes States to require online remote sales tax collection.

(b) SUPERMAJORITY WAIVER AND APPEAL.—(1) WAIVER.—This section may be waived or suspended in the Senate only by an affirmative vote of  $\frac{3}{4}$  of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of  $\frac{3}{4}$  of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

**SA 3060.** Mr. WYDEN submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE, ETC.**

(a) SHORT TITLE.—This Act may be cited as the “Expiring Provisions Improvement, Reform, and Efficiency Act of 2014” or the “EXPIRE Act of 2014”.

(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 of this Act is as follows:

Sec. 1. Short title, etc.  
Sec. 2. Sense of the Senate.

**TITLE I—EXTENSIONS AND MODIFICATIONS OF EXPIRED AND EXPIRING TAX PROVISIONS**

**Subtitle A—Provisions Expiring in 2013**

**PART I—INDIVIDUAL TAX EXTENDERS**

- Sec. 101. Extension of health care tax credit.
- Sec. 102. Extension of deduction for certain expenses of elementary and secondary school teachers.
- Sec. 103. Extension of exclusion from gross income of discharge of qualified principal residence indebtedness.
- Sec. 104. Extension of parity and modification of exclusion from income for employer-provided mass transit and parking benefits.
- Sec. 105. Extension of mortgage insurance premiums treated as qualified residence interest.
- Sec. 106. Extension of deduction of State and local general sales taxes.
- Sec. 107. Extension of special rule for contributions of capital gain real property made for conservation purposes.
- Sec. 108. Extension of above-the-line deduction for qualified tuition and related expenses.
- Sec. 109. Extension of tax-free distributions from individual retirement plans for charitable purposes.

**PART II—BUSINESS TAX EXTENDERS**

- Sec. 111. Extension and modification of research credit.
- Sec. 112. Extension and modification of temporary minimum low-income housing tax credit rate for nonfederally subsidized buildings.
- Sec. 113. Extension of military housing allowance exclusion for determining whether a tenant in certain counties is low-income.
- Sec. 114. Extension of Indian employment tax credit.
- Sec. 115. Extension and modification of new markets tax credit.
- Sec. 116. Extension of railroad track maintenance credit.
- Sec. 117. Extension of mine rescue team training credit.
- Sec. 118. Extension and modification of employer wage credit for employees who are active duty members of the uniformed services.

- Sec. 119. Extension and modification of work opportunity tax credit.
  - Sec. 120. Extension and modification of qualified zone academy bonds.
  - Sec. 121. Extension of classification of certain race horses as 3-year property.
  - Sec. 122. Extension of 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
  - Sec. 123. Extension of 7-year recovery period for motorsports entertainment complexes.
  - Sec. 124. Extension of accelerated depreciation for business property on an Indian reservation.
  - Sec. 125. Extension of bonus depreciation.
  - Sec. 126. Extension of enhanced charitable deduction for contributions of food inventory.
  - Sec. 127. Extension and modification of increased expensing limitations and treatment of certain real property as section 179 property.
  - Sec. 128. Extension of election to expense mine safety equipment.
  - Sec. 129. Extension of special expensing rules for certain film and television productions; special expensing for live theatrical productions.
  - Sec. 130. Extension of deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
  - Sec. 131. Extension of modification of tax treatment of certain payments to controlling exempt organizations.
  - Sec. 132. Extension of treatment of certain dividends of regulated investment companies.
  - Sec. 133. Extension of RIC qualified investment entity treatment under FIRPTA.
  - Sec. 134. Extension of subpart F exception for active financing income.
  - Sec. 135. Extension of look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
  - Sec. 136. Extension of temporary exclusion of 100 percent of gain on certain small business stock.
  - Sec. 137. Extension of basis adjustment to stock of S corporations making charitable contributions of property.
  - Sec. 138. Extension of reduction in S-corporation recognition period for built-in gains tax.
  - Sec. 139. Extension of empowerment zone tax incentives.
  - Sec. 140. Extension of temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
  - Sec. 141. Extension of American Samoa economic development credit.
- PART III—ENERGY TAX EXTENDERS**
- Sec. 151. Extension and modification of credit for nonbusiness energy property.
  - Sec. 152. Extension of credit for 2-wheeled plug-in electric vehicles.
  - Sec. 153. Extension of second generation biofuel producer credit.
  - Sec. 154. Extension of incentives for biodiesel and renewable diesel.
  - Sec. 155. Extension and modification of production credit for Indian coal facilities placed in service before 2009.

- Sec. 156. Extension of credits with respect to facilities producing energy from certain renewable resources.
- Sec. 157. Extension of credit for energy-efficient new homes.
- Sec. 158. Extension of special allowance for second generation biofuel plant property.
- Sec. 159. Extension and modification of energy efficient commercial buildings deduction.
- Sec. 160. Extension of special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- Sec. 161. Extension of excise tax credits relating to certain fuels.

Subtitle B—Provisions Expiring in 2014

PART I—ENERGY TAX EXTENDERS

- Sec. 171. Extension of credit for new qualified fuel cell motor vehicles.
- Sec. 172. Extension of credit for alternative fuel vehicle refueling property.

PART II—EXTENDERS RELATING TO MULTIEMPLOYER DEFINED BENEFIT PENSION PLANS

- Sec. 181. Extension of automatic extension of amortization periods.
- Sec. 182. Extension of funding improvement and rehabilitation plan rules.

Subtitle C—Revenue Provisions

- Sec. 191. Penalty for failure to meet due diligence requirements for the child tax credit.
- Sec. 192. 100 percent continuous levy on payment to medicare providers and suppliers.
- Sec. 193. Exclusion from gross income of certain clean coal power grants to non-corporate taxpayers.
- Sec. 194. Reform of rules relating to qualified tax collection contracts.
- Sec. 195. Special compliance personnel program.
- Sec. 196. Exclusion of dividends from controlled foreign corporations from the definition of personal holding company income for purposes of the personal holding company rules.
- Sec. 197. Inflation adjustment for certain civil penalties under the Internal Revenue Code of 1986.

TITLE II—TAX TECHNICAL CORRECTIONS

- Sec. 201. Short title.
- Sec. 202. Amendment relating to Middle Class Tax Relief and Job Creation Act of 2012.
- Sec. 203. Amendments relating to American Taxpayer Relief Act of 2012.
- Sec. 204. Amendments relating to Regulated Investment Company Modernization Act of 2010.
- Sec. 205. Amendments relating to Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.
- Sec. 206. Amendments relating to Creating Small Business Jobs Act of 2010.
- Sec. 207. Clerical amendment relating to Hiring Incentives to Restore Employment Act.
- Sec. 208. Amendments relating to American Recovery and Reinvestment Tax Act of 2009.
- Sec. 209. Amendments relating to Energy Improvement and Extension Act of 2008.
- Sec. 210. Amendments relating to Tax Extenders and Alternative Minimum Tax Relief Act of 2008.
- Sec. 211. Clerical amendments relating to Housing Assistance Tax Act of 2008.

- Sec. 212. Amendments and provision relating to Heroes Earnings Assistance and Relief Tax Act of 2008.
- Sec. 213. Amendments relating to Economic Stimulus Act of 2008.
- Sec. 214. Amendments relating to Tax Technical Corrections Act of 2007.
- Sec. 215. Amendment relating to Tax Relief and Health Care Act of 2006.
- Sec. 216. Amendment relating to Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users.
- Sec. 217. Amendments relating to Energy Tax Incentives Act of 2005.
- Sec. 218. Amendments relating to American Jobs Creation Act of 2004.
- Sec. 219. Modification of treatment of certain health organizations.
- Sec. 220. Other clerical corrections.
- Sec. 221. Deadwood provisions.

TITLE III—HIRE MORE HEROES

- Sec. 301. Short title.
- Sec. 302. Employees with health coverage under TRICARE or the Veterans Administration may be exempted from employer mandate under Patient Protection and Affordable Care Act.

TITLE IV—BUDGETARY EFFECTS

- Sec. 401. Budgetary effects.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that—

- (1) a process of comprehensive tax reform should commence in the 114th Congress and should conclude before January 1, 2016;
- (2) Congress should endeavor, as part of such a tax reform process, to eliminate temporary provisions from the Internal Revenue Code of 1986 by making permanent those provisions that merit permanency and allowing others to expire;
- (3) a major focus of such tax reform process should be fostering economic growth and lowering tax rates by broadening the tax base; and
- (4) the chairman and ranking member of the Committee on Finance of the Senate should consult with the chairman and ranking member of the Committee on the Budget of the Senate to ensure that the appropriate baseline is used in determining the economic effects of, and rate adjustments under, tax reform.

TITLE I—EXTENSIONS AND MODIFICATIONS OF EXPIRED AND EXPIRING TAX PROVISIONS

Subtitle A—Provisions Expiring in 2013

PART I—INDIVIDUAL TAX EXTENDERS

SEC. 101. EXTENSION OF HEALTH CARE TAX CREDIT.

- (a) IN GENERAL.—Subparagraph (B) of section 35(b)(1) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to coverage months beginning after December 31, 2013.

SEC. 102. EXTENSION OF DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

- (a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking “or 2013” and inserting “2013, 2014, or 2015”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 103. EXTENSION OF EXCLUSION FROM GROSS INCOME OF DISCHARGE OF QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.

- (a) IN GENERAL.—Subparagraph (E) of section 108(a)(1) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.
- (b) EFFECTIVE DATE.—The amendment made by this section shall apply to indebtedness discharged after December 31, 2013.

SEC. 104. EXTENSION OF PARITY AND MODIFICATION OF EXCLUSION FROM INCOME FOR EMPLOYER-PROVIDED MASS TRANSIT AND PARKING BENEFITS.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (2) of section 132(f) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to months after December 31, 2013.

(b) USE OF A BIKE SHARE PROGRAM AS A QUALIFIED TRANSPORTATION FRINGE.—

(1) IN GENERAL.—Section 132(f)(5)(F) is amended—

(A) in clause (i), by striking “repair, and storage, if such bicycle” and inserting “repair, and storage (or use of a bike sharing program, in the case of taxable years beginning before January 1, 2016), if such bicycle or bike sharing program”, and

(B) in clause (iii)(I), by inserting “or bike sharing program” after “bicycle”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2013.

SEC. 105. EXTENSION OF MORTGAGE INSURANCE PREMIUMS TREATED AS QUALIFIED RESIDENCE INTEREST.

(a) IN GENERAL.—Subclause (I) of section 163(h)(3)(E)(iv) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or accrued after December 31, 2013.

SEC. 106. EXTENSION OF DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 107. EXTENSION OF SPECIAL RULE FOR CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2013.

SEC. 108. EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

SEC. 109. EXTENSION OF TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2013.

PART II—BUSINESS TAX EXTENDERS

SEC. 111. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) is amended by striking “paid or incurred” and all that follows and inserting “paid or incurred after December 31, 2015.”.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended to read as follows:

“(D) SPECIAL RULE.—If section 41 is not in effect for any period, such section shall be deemed to remain in effect for such period for purposes of this paragraph.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2013.

(b) TREATMENT OF RESEARCH CREDIT FOR CERTAIN STARTUP COMPANIES.—

(1) IN GENERAL.—Section 41 is amended by adding at the end the following new subsection:

“(i) TREATMENT OF CREDIT FOR QUALIFIED SMALL BUSINESSES.—

“(1) IN GENERAL.—At the election of a qualified small business for any taxable year, section 3111(f) shall apply to the payroll tax credit portion of the credit otherwise determined under subsection (a) for the taxable year and such portion shall not be treated (other than for purposes of section 280C) as a credit determined under subsection (a).

“(2) PAYROLL TAX CREDIT PORTION.—For purposes of this subsection, the payroll tax credit portion of the credit determined under subsection (a) with respect to any qualified small business for any taxable year is the least of—

“(A) the amount specified in the election made under this subsection,

“(B) the credit determined under subsection (a) for the taxable year (determined before the application of this subsection), or

“(C) in the case of a qualified small business other than a partnership or S corporation, the amount of the business credit carryforward under section 39 carried from the taxable year (determined before the application of this subsection to the taxable year).

“(3) QUALIFIED SMALL BUSINESS.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified small business’ means, with respect to any taxable year—

“(i) a corporation or partnership, if—

“(I) the gross receipts (as determined under the rules of section 448(c)(3), without regard to subparagraph (A) thereof) of such entity for the taxable year is less than \$5,000,000, and

“(II) such entity did not have gross receipts (as so determined) for any taxable year preceding the 5-taxable-year period ending with such taxable year, and

“(ii) any person (other than a corporation or partnership) who meets the requirements of subclauses (I) and (II) of clause (i), determined—

“(I) by substituting ‘person’ for ‘entity’ each place it appears, and

“(II) by only taking into account the aggregate gross receipts received by such person in carrying on all trades or businesses of such person.

“(B) LIMITATION.—Such term shall not include an organization which is exempt from taxation under section 501.

“(4) ELECTION.—

“(A) IN GENERAL.—Any election under this subsection for any taxable year—

“(i) shall specify the amount of the credit to which such election applies,

“(ii) shall be made on or before the due date (including extensions) of—

“(I) in the case of a qualified small business which is a partnership, the return required to be filed under section 6031,

“(II) in the case of a qualified small business which is an S corporation, the return required to be filed under section 6037, and

“(III) in the case of any other qualified small business, the return of tax for the taxable year, and

“(iii) may be revoked only with the consent of the Secretary.

“(B) LIMITATIONS.—

“(i) AMOUNT.—The amount specified in any election made under this subsection shall not exceed \$250,000.

“(ii) NUMBER OF TAXABLE YEARS.—A person may not make an election under this subsection if such person (or any other person treated as a single taxpayer with such person under paragraph (5)(A)) has made an election under this subsection for 5 or more preceding taxable years.

“(C) SPECIAL RULE FOR PARTNERSHIPS AND S CORPORATIONS.—In the case of a qualified small business which is a partnership or S corporation, the election made under this subsection shall be made at the entity level.

“(5) AGGREGATION RULES.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), all persons or entities treated as a single taxpayer under subsection (f)(1) shall be treated as a single taxpayer for purposes of this subsection.

“(B) SPECIAL RULES.—For purposes of this subsection and section 3111(f)—

“(i) each of the persons treated as a single taxpayer under subparagraph (A) may separately make the election under paragraph (1) for any taxable year, and

“(ii) the \$250,000 amount under paragraph (4)(B)(i) shall be allocated among all persons treated as a single taxpayer under subparagraph (A) in the same manner as under subparagraph (A)(ii) or (B)(ii) of subsection (f)(1), whichever is applicable.

“(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including—

“(A) regulations to prevent the avoidance of the purposes of the limitations and aggregation rules under this subsection through the use of successor companies or other means,

“(B) regulations to minimize compliance and record-keeping burdens under this subsection, and

“(C) regulations for recapturing the benefit of credits determined under section 3111(f) in cases where there is a subsequent adjustment to the payroll tax credit portion of the credit determined under subsection (a), including requiring amended income tax returns in the cases where there is such an adjustment.”.

(2) CREDIT ALLOWED AGAINST FICA TAXES.—Section 3111 is amended by adding at the end the following new subsection:

“(f) CREDIT FOR RESEARCH EXPENDITURES OF QUALIFIED SMALL BUSINESSES.—

“(1) IN GENERAL.—In the case of a taxpayer who has made an election under section 41(i) for a taxable year, there shall be allowed as a credit against the tax imposed by subsection (a) for the first calendar quarter which begins after the date on which the taxpayer files the return specified in section 41(i)(4)(A)(ii) an amount equal to the payroll tax credit portion determined under section 41(i)(2).

“(2) LIMITATION.—The credit allowed by paragraph (1) shall not exceed the tax imposed by subsection (a) for any calendar quarter on the wages paid with respect to the employment of all individuals in the employ of the employer.

“(3) CARRYOVER OF UNUSED CREDIT.—If the amount of the credit under paragraph (1) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be carried to the succeeding calendar quarter and allowed as a credit under paragraph (1) for such quarter.

“(4) DEDUCTION ALLOWED FOR CREDITED AMOUNTS.—The credit allowed under paragraph (1) shall not be taken into account for purposes of determining the amount of any

deduction allowed under chapter 1 for taxes imposed under subsection (a).”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to credits determined for taxable years beginning after December 31, 2013.

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Subparagraph (B) of section 38(c)(4) is amended—

(A) by redesignating clauses (ii), (iii), (iv), (v), (vi), (vii), (viii), and (ix) as clauses (iii), (iv), (v), (vi), (vii), (viii), (ix), and (x), respectively, and

(B) by inserting after clause (i) the following new clause:

“(ii) the credit determined under section 41 with respect to an eligible small business (as defined in paragraph (5)(C), after application of rules similar to the rules of paragraph (5)(D)).”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to credits determined for taxable years beginning after December 31, 2013, and to carrybacks of such credits.

#### SEC. 112. EXTENSION AND MODIFICATION OF TEMPORARY MINIMUM LOW-INCOME HOUSING TAX CREDIT RATE FOR NON-FEDERALLY SUBSIDIZED BUILDINGS.

(a) IN GENERAL.—Subparagraph (A) of section 42(b)(2) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) TEMPORARY MINIMUM CREDIT RATE FOR NON-FEDERALLY SUBSIDIZED EXISTING BUILDINGS.—Subsection (b) of section 42 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) TEMPORARY MINIMUM CREDIT RATE FOR NON-FEDERALLY SUBSIDIZED EXISTING BUILDINGS.—In the case of any existing building—

“(A) which is placed in service by the taxpayer after the date of the enactment of the EXPIRE Act of 2014 with respect to housing credit dollar amount allocations made before January 1, 2016, and

“(B) which is not federally subsidized for the taxable year,

the applicable percentage shall not be less than 4 percent.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2014.

#### SEC. 113. EXTENSION OF MILITARY HOUSING ALLOWANCE EXCLUSION FOR DETERMINING WHETHER A TENANT IN CERTAIN COUNTIES IS LOW-INCOME.

(a) IN GENERAL.—Subsection (b) of section 3005 of the Housing Assistance Tax Act of 2008 is amended by striking “January 1, 2014” each place it appears and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 3005 of the Housing Assistance Tax Act of 2008.

#### SEC. 114. EXTENSION OF INDIAN EMPLOYMENT TAX CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

#### SEC. 115. EXTENSION AND MODIFICATION OF NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subparagraph (G) of section 45D(f)(1) is amended by striking “and 2013” and inserting “2013, 2014, and 2015”.

(b) CARRYOVER OF UNUSED LIMITATION.—Paragraph (3) of section 45D(f) is amended by striking “2018” and inserting “2020”.

(c) ALLOCATIONS DESIGNATED FOR AREAS IMPACTED BY DECLINE IN MANUFACTURING.—Paragraph (3) of section 45D(f), as amended by subsection (b), is amended—

(1) by striking “If the new markets tax credit limitation” and inserting the following:

“(A) IN GENERAL.—If the new markets tax credit limitation”.

(2) by striking “No” in the last sentence and inserting “Except as provided in subparagraph (B), no”, and

(3) by adding at the end, the following new subparagraph:

“(B) CERTAIN AMOUNTS AVAILABLE FOR AREAS IMPACTED BY DECLINE IN MANUFACTURING.—Any amount carried to a calendar year after the year described in the second sentence of subparagraph (A) shall be available only for allocation to qualified community development entities a significant mission of which is providing investments and services to persons in the trade or business of manufacturing products in communities which have suffered major manufacturing job losses or a major manufacturing job loss event, as designated by the Secretary.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2013.

#### SEC. 116. EXTENSION OF RAILROAD TRACK MAINTENANCE CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45G is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2013.

#### SEC. 117. EXTENSION OF MINE RESCUE TEAM TRAINING CREDIT.

(a) IN GENERAL.—Subsection (e) of section 45N is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2013.

#### SEC. 118. EXTENSION AND MODIFICATION OF EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Subsection (f) of section 45P is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) APPLICABILITY TO ALL EMPLOYERS.—

(1) IN GENERAL.—Subsection (a) of section 45P is amended by striking “, in the case of an eligible small business employer”.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 45P(b) is amended to read as follows:

“(3) CONTROLLED GROUPS.—All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.”.

(c) EXPANSION TO 100 PERCENT OF ELIGIBLE DIFFERENTIAL WAGE PAYMENTS.—Subsection (a) of section 45P is amended by striking “20 percent of the sum” and inserting “the sum”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after December 31, 2013.

#### SEC. 119. EXTENSION AND MODIFICATION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Paragraph (4) of section 51(c) is amended by striking “for the employer” and all that follows and inserting “for the employer after December 31, 2015”.

(b) CREDIT FOR HIRING LONG-TERM UNEMPLOYMENT RECIPIENTS.—

(1) IN GENERAL.—Paragraph (1) of section 51(d) is amended by striking “or” at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting “, or”, and by adding at the end the following new subparagraph:

“(J) a qualified long-term unemployment recipient.”.

(2) QUALIFIED LONG-TERM UNEMPLOYMENT RECIPIENT.—Subsection (d) of section 51 is

amended by adding at the end the following new paragraph:

“(15) QUALIFIED LONG-TERM UNEMPLOYMENT RECIPIENT.—The term ‘qualified long-term unemployment recipient’ means any individual who is certified by the designated local agency as being in a period of unemployment which—

“(A) is not less than 27 consecutive weeks, and

“(B) includes a period in which the individual was receiving unemployment compensation under State or Federal law.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2013.

#### SEC. 120. EXTENSION AND MODIFICATION OF QUALIFIED ZONE ACADEMY BONDS.

(a) EXTENSION.—Paragraph (1) of section 54E(c) is amended by striking “and 2013” and inserting “2013, 2014, and 2015”.

(b) REDUCTION OF PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—Subsection (b) of section 54E is amended by striking “10 percent” and inserting “5 percent”.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to obligations issued after December 31, 2013.

(d) TECHNICAL CORRECTION AND CONFORMING AMENDMENT.—

(1) IN GENERAL.—Clause (iii) of section 6431(f)(3)(A) is amended—

(A) by striking “2011” and inserting “years after 2010”, and

(B) by striking “of such allocation” and inserting “of any such allocation”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in section 310 of the American Taxpayer Relief Act of 2012.

#### SEC. 121. EXTENSION OF CLASSIFICATION OF CERTAIN RACE HORSES AS 3-YEAR PROPERTY.

(a) IN GENERAL.—Clause (i) of section 168(e)(3)(A) is amended—

(1) by striking “January 1, 2014” in subclause (I) and inserting “January 1, 2016”, and

(2) by striking “December 31, 2013” in subclause (II) and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2013.

#### SEC. 122. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.

(a) IN GENERAL.—Clauses (iv), (v), and (ix) of section 168(e)(3)(E) are each amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2013.

#### SEC. 123. EXTENSION OF 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2013.

#### SEC. 124. EXTENSION OF ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON AN INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2013.

#### SEC. 125. EXTENSION OF BONUS DEPRECIATION.

(a) IN GENERAL.—Paragraph (2) of section 168(k) is amended—

(1) by striking “January 1, 2015” in subparagraph (A)(iv) and inserting “January 1, 2017”, and

(2) by striking “January 1, 2014” each place it appears and inserting “January 1, 2016”.

(b) SPECIAL RULE FOR FEDERAL LONG-TERM CONTRACTS.—Clause (ii) of section 460(c)(6)(B) is amended by striking “January 1, 2014 (January 1, 2015)” and inserting “January 1, 2016 (January 1, 2017)”.

(c) EXTENSION OF ELECTION TO ACCELERATE THE AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—

(1) IN GENERAL.—Subclause (II) of section 168(k)(4)(D)(iii) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(2) ROUND 4 EXTENSION PROPERTY.—Paragraph (4) of section 168(k) is amended by adding at the end the following new subparagraph:

“(K) SPECIAL RULES FOR ROUND 4 EXTENSION PROPERTY.—

“(i) IN GENERAL.—In the case of round 4 extension property, in applying this paragraph to any taxpayer—

“(I) the limitation described in subparagraph (B)(i) and the business credit increase amount under subparagraph (E)(iii) thereof shall not apply, and

“(II) the bonus depreciation amount, maximum amount, and maximum increase amount shall be computed separately from amounts computed with respect to eligible qualified property which is not round 4 extension property, and, in the case of round 4 extension property, shall be computed separately with respect to round 4 extension property placed in service before January 1, 2015 (January 1, 2016, in the case of property described in subparagraph (B) or (C) of paragraph (2)) and with respect to other round 4 extension property.

“(ii) ELECTION.—

“(I) A taxpayer who has an election in effect under this paragraph for round 3 extension property shall be treated as having an election in effect for round 4 extension property unless the taxpayer elects to not have this paragraph apply to round 4 extension property.

“(II) A taxpayer who does not have an election in effect under this paragraph for round 3 extension property may elect to have this paragraph apply to round 4 extension property.

“(iii) ROUND 4 EXTENSION PROPERTY.—For purposes of this subparagraph, the term ‘round 4 extension property’ means property which is eligible qualified property solely by reason of the extension of the application of the special allowance under paragraph (1) pursuant to the amendments made by section 125(a) of the EXPIRE Act of 2014 (and the application of such extension to this paragraph pursuant to the amendment made by section 125(c) of such Act).”.

(d) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 is amended by striking “JANUARY 1, 2014” and inserting “JANUARY 1, 2016”.

(2) The heading for clause (ii) of section 168(k)(2)(B) is amended by striking “PRE-JANUARY 1, 2014” and inserting “PRE-JANUARY 1, 2016”.

(3) Subparagraph (C) of section 168(n)(2) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(4) Subparagraph (D) of section 1400L(b)(2) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(5) Subparagraph (B) of section 1400N(d)(3) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(e) TECHNICAL AMENDMENT RELATING TO SECTION 331 OF THE AMERICAN TAXPAYER RELIEF ACT OF 2012.—

(1) IN GENERAL.—Clause (iii) of section 168(k)(4)(J) is amended by striking “any taxable year” and inserting “its first taxable year”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provision of the American Taxpayer Relief Act of 2012 to which it relates.

(f) EFFECTIVE DATE.—Except as provided in subsection (e)(2), the amendments made by this section shall apply to property placed in service after December 31, 2013, in taxable years ending after such date.

**SEC. 126. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.**

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2013.

**SEC. 127. EXTENSION AND MODIFICATION OF INCREASED EXPENSING LIMITATIONS AND TREATMENT OF CERTAIN REAL PROPERTY AS SECTION 179 PROPERTY.**

(a) IN GENERAL.—

(1) DOLLAR LIMITATION.—Section 179(b)(1) is amended—

(A) by striking “beginning in 2010, 2011, 2012, or 2013” in subparagraph (B) and inserting “beginning after 2009 and before 2016”, and

(B) by striking “2013” in subparagraph (C) and inserting “2015”.

(2) REDUCTION IN LIMITATION.—Section 179(b)(2) is amended—

(A) by striking “beginning in 2010, 2011, 2012, or 2013” in subparagraph (B) and inserting “beginning after 2009 and before 2016”, and

(B) by striking “2013” in subparagraph (C) and inserting “2015”.

(b) COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii) is amended by striking “2014” and inserting “2016”.

(c) ELECTION.—Section 179(c)(2) is amended by striking “2014” and inserting “2016”.

(d) SPECIAL RULES FOR TREATMENT OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 179(f)(1) is amended by striking “beginning in 2010, 2011, 2012, or 2013” and inserting “beginning after 2009 and before 2016”.

(2) CARRYOVER LIMITATION.—

(A) IN GENERAL.—Section 179(f)(4) is amended by striking “2013” each place it appears and inserting “2015”.

(B) CONFORMING AMENDMENT.—The heading of subparagraph (C) of section 179(f)(4) is amended by striking “2011 AND 2012” and inserting “2011, 2012, 2013, AND 2014”.

(e) ADJUSTMENT FOR INFLATION.—Subsection (b) of section 179 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any taxable year beginning after 2013, the \$500,000 amount in paragraph (1)(B) and the \$2,000,000 amount in paragraph (2)(B) shall each be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2012’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDING.—

“(i) DOLLAR LIMITATION.—If the amount in paragraph (1)(B) as increased under subparagraph (A) is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

“(ii) PHASEOUT AMOUNT.—If the amount in paragraph (2)(B) as increased under subpara-

graph (A) is not a multiple of \$10,000, such amount shall be rounded to the nearest multiple of \$10,000.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

**SEC. 128. EXTENSION OF ELECTION TO EXPENSE MINE SAFETY EQUIPMENT.**

(a) IN GENERAL.—Subsection (g) of section 179E is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2013.

**SEC. 129. EXTENSION OF SPECIAL EXPENSING RULES FOR CERTAIN FILM AND TELEVISION PRODUCTIONS; SPECIAL EXPENSING FOR LIVE THEATRICAL PRODUCTIONS.**

(a) IN GENERAL.—Subsection (f) of section 181 is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) APPLICATION TO LIVE PRODUCTIONS.—

(1) IN GENERAL.—Paragraph (1) of section 181(a) is amended by inserting “, and any qualified live theatrical production,” after “any qualified film or television production”.

(2) CONFORMING AMENDMENTS.—Section 181 is amended—

(A) by inserting “or any qualified live theatrical production” after “qualified film or television production” each place it appears in subsections (a)(2), (b), and (c)(1),

(B) by inserting “or qualified live theatrical productions” after “qualified film or television productions” in subsection (f), and

(C) by inserting “AND LIVE THEATRICAL” after “FILM AND TELEVISION” in the heading.

(3) CLERICAL AMENDMENT.—The item relating to section 181 in the table of sections for part VI of subchapter B of chapter 1 is amended to read as follows:

“Sec. 181. Treatment of certain qualified film and television and live theatrical productions.”.

(c) QUALIFIED LIVE THEATRICAL PRODUCTION.—Section 181 is amended—

(1) by redesignating subsections (e) and (f), as amended by subsections (a) and (b), as subsections (f) and (g), respectively, and

(2) by inserting after subsection (d) the following new subsection:

“(e) QUALIFIED LIVE THEATRICAL PRODUCTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified live theatrical production’ means any production described in paragraph (2) if 75 percent of the total compensation of the production is qualified compensation (as defined in subsection (d)(3)).

“(2) PRODUCTION.—

“(A) IN GENERAL.—A production is described in this paragraph if such production is a live staged production of a play (with or without music) which is derived from a written book or script and is produced or presented by a taxable entity in any venue which has an audience capacity of not more than 3,000 or a series of venues the majority of which have an audience capacity of not more than 3,000.

“(B) TOURING COMPANIES, ETC.—In the case of multiple live staged productions—

“(i) for which the election under this section would be allowable to the same taxpayer, and

“(ii) which are—

“(I) separate phases of a production, or

“(II) separate simultaneous stagings of the same production in different geographical locations (not including multiple performance locations of any one touring production), each such live staged production shall be treated as a separate production.

“(C) PHASE.—For purposes of subparagraph (B), the term ‘phase’ with respect to any

qualified live theatrical production refers to each of the following, but only if each of the following is treated by the taxpayer as a separate activity for all purposes of this title:

“(i) The initial staging of a live theatrical production.

“(ii) Subsequent additional stagings or touring of such production which are produced by the same producer as the initial staging.

“(D) EXCEPTION.—A production is not described in this paragraph if such production includes or consists of any performance of conduct described in section 2257(h)(1) of title 18, United States Code.”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to productions commencing after December 31, 2013.

(2) COMMENCEMENT.—For purposes of paragraph (1), the date on which a qualified live theatrical production commences is the date of the first public performance of such production for a paying audience.

**SEC. 130. EXTENSION OF DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.**

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) is amended—

(1) by striking “first 8 taxable years” and inserting “first 10 taxable years”, and

(2) by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

**SEC. 131. EXTENSION OF MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.**

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2013.

**SEC. 132. EXTENSION OF TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.**

(a) IN GENERAL.—Paragraphs (1)(C)(v) and (2)(C)(v) of section 871(k) are each amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

**SEC. 133. EXTENSION OF RIC QUALIFIED INVESTMENT ENTITY TREATMENT UNDER FIRPTA.**

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall take effect on January 1, 2014. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before the date of the enactment of this Act.

(2) AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.—In the case of a regulated investment company—

(A) which makes a distribution after December 31, 2013, and before the date of the enactment of this Act, and

(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.

**SEC. 134. EXTENSION OF SUBPART F EXCEPTION FOR ACTIVE FINANCING INCOME.**

(a) EXEMPT INSURANCE INCOME.—Paragraph (10) of section 953(e) is amended—

(1) by striking “January 1, 2014” and inserting “January 1, 2016”, and

(2) by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—Paragraph (9) of section 954(h) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2013, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

**SEC. 135. EXTENSION OF LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.**

(a) IN GENERAL.—Subparagraph (C) of section 954(c)(6) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2013, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

**SEC. 136. EXTENSION OF TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.**

(a) IN GENERAL.—Paragraph (4) of section 1202(a) is amended—

(1) by striking “January 1, 2014” and inserting “January 1, 2016”, and

(2) by striking “AND 2013” in the heading and inserting “2013, 2014, AND 2015”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after December 31, 2013.

**SEC. 137. EXTENSION OF BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.**

(a) IN GENERAL.—Paragraph (2) of section 1367(a) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2013.

**SEC. 138. EXTENSION OF REDUCTION IN S-CORPORATION RECOGNITION PERIOD FOR BUILT-IN GAINS TAX.**

(a) IN GENERAL.—Subparagraph (C) of section 1374(d)(7) is amended—

(1) by striking “2012 or 2013” and inserting “2012, 2013, 2014, or 2015”, and

(2) by striking “2012 AND 2013” in the heading and inserting “2012, 2013, 2014, AND 2015”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

**SEC. 139. EXTENSION OF EMPOWERMENT ZONE TAX INCENTIVES.**

(a) IN GENERAL.—Clause (i) of section 1391(d)(1)(A) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section 1391(d)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation if, after the date of the enactment of this section, the entity which

made such nomination amends the nomination to provide for a new termination date in such manner as the Secretary of the Treasury (or the Secretary’s designee) may provide.

(c) TECHNICAL AMENDMENTS RELATING TO SECTION 753 OF THE TAX RELIEF, UNEMPLOYMENT INSURANCE REAUTHORIZATION, AND JOB CREATION ACT OF 2010; EXTENSION OF NON-RECOGNITION OF GAIN ON ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.—Subparagraph (A) of section 1397B(b)(1) is amended by striking “and” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, and”, and by adding at the end the following new clause:

“(iv) ‘January 1, 2016’ were substituted for ‘January 1, 2010’ each place it appears.”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to periods after December 31, 2013.

(2) TECHNICAL AMENDMENTS.—The amendments made by subsection (c) shall take effect as if included in section 753 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

**SEC. 140. EXTENSION OF TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.**

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2013.

**SEC. 141. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.**

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking “January 1, 2014” each place it appears and inserting “January 1, 2016”,

(2) by striking “first 8 taxable years” in paragraph (1) and inserting “first 10 taxable years”, and

(3) by striking “first 2 taxable years” in paragraph (2) and inserting “first 4 taxable years”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

**PART III—ENERGY TAX EXTENDERS****SEC. 151. EXTENSION AND MODIFICATION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.**

(a) IN GENERAL.—Paragraph (2) of section 25C(g) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) UPDATED ENERGY STAR REQUIREMENTS FOR WINDOWS, DOORS, SKYLIGHTS, AND ROOFING.—

(1) IN GENERAL.—Paragraph (1) of section 25C(c) is amended by striking “which meets” and all that follows through “requirements”.

(2) ENERGY EFFICIENT BUILDING ENVELOPE COMPONENT.—Subsection (c) of section 25C is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

“(2) ENERGY EFFICIENT BUILDING ENVELOPE COMPONENT.—The term ‘energy efficient building envelope component’ means a building envelope component which meets—

“(A) applicable Energy Star program requirements, in the case of a roof or roof products,

“(B) version 6.0 Energy Star program requirements, in the case of an exterior window, a skylight, or an exterior door, and

“(C) the prescriptive criteria for such component established by the 2009 International Energy Conservation Code, as such Code (in-

cluding supplements) is in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009, in the case of any other component.”.

(3) CONFORMING AMENDMENT.—Subparagraph (D) of section 25C(c)(3), as so redesignated, is amended to read as follows:

“(D) any roof or roof products which are installed on a dwelling unit and are specifically and primarily designed to reduce the heat gain of such dwelling unit.”.

(c) SEPARATE STANDARDS FOR TANKLESS AND STORAGE WATER HEATERS.—

(1) IN GENERAL.—Subparagraph (D) of section 25C(d)(3) is amended by striking “which has either” and all that follows and inserting “which has either—

“(i) in the case of a storage water heater, an energy factor of at least 0.80 or a thermal efficiency of at least 90 percent, and

“(ii) in the case of any other water heater, an energy factor of at least 0.90 or a thermal efficiency of at least 90 percent, and”.

(2) STORAGE WATER HEATERS.—Paragraph (3) of section 25C(d) is amended by adding at the end the following flush sentence:

“For purposes of subparagraph (D)(i), the term ‘storage water heater’ means a water heater that has a water storage capacity of more than 20 gallons but not more than 55 gallons.”.

(d) MODIFICATION OF TESTING STANDARDS FOR BIOMASS STOVES.—Subparagraph (E) of section 25C(d)(3) is amended by inserting before the period the following: “, when tested using the higher heating value of the fuel and in accordance with the Canadian Standards Administration B415.1 test protocol”.

(e) SEPARATE STANDARD FOR OIL HOT WATER BOILERS.—Paragraph (4) of section 25C(d) is amended by striking “95” and inserting “95 (90 in the case of an oil hot water boiler)”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2013.

**SEC. 152. EXTENSION OF CREDIT FOR 2-WHEELED PLUG-IN ELECTRIC VEHICLES.**

(a) IN GENERAL.—Subparagraph (E) of section 30D(g)(3) is amended by striking “January 1, 2014” and inserting “January 1, 2014 (January 1, 2016, in the case of a vehicle that has 2 wheels)”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to vehicles acquired after December 31, 2013.

**SEC. 153. EXTENSION OF SECOND GENERATION BIOFUEL PRODUCER CREDIT.**

(a) IN GENERAL.—Clause (i) of section 40(b)(6)(J) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to qualified second generation biofuel production after December 31, 2013.

**SEC. 154. EXTENSION OF INCENTIVES FOR BIO-DIESEL AND RENEWABLE DIESEL.**

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of section 40A is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to fuel sold or used after December 31, 2013.

**SEC. 155. EXTENSION AND MODIFICATION OF PRODUCTION CREDIT FOR INDIAN COAL FACILITIES PLACED IN SERVICE BEFORE 2009.**

(a) IN GENERAL.—Subparagraph (A) of section 45(e)(10) is amended by striking “8-year period” each place it appears and inserting “10-year period”.

(b) APPLICATION TO NEW LEASES OR SUBLEASES.—Paragraph (10) of section 45(d) is amended by inserting before the period the following: “, and any new lease or sublease of such a facility”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to coal produced after December 31, 2013.

**SEC. 156. EXTENSION OF CREDITS WITH RESPECT TO FACILITIES PRODUCING ENERGY FROM CERTAIN RENEWABLE RESOURCES.**

(a) **IN GENERAL.**—The following provisions of section 45(d) are each amended by striking “January 1, 2014” each place it appears and inserting “January 1, 2016”:

- (1) Paragraph (1).
- (2) Paragraph (2)(A).
- (3) Paragraph (3)(A).
- (4) Paragraph (4)(B).
- (5) Paragraph (6).
- (6) Paragraph (7).
- (7) Paragraph (9).
- (8) Paragraph (11)(B).

(b) **EXTENSION OF ELECTION TO TREAT QUALIFIED FACILITIES AS ENERGY PROPERTY.**—Clause (ii) of section 48(a)(5)(C) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(c) **EFFECTIVE DATES.**—The amendments made by this section shall take effect on January 1, 2014.

**SEC. 157. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT NEW HOMES.**

(a) **IN GENERAL.**—Subsection (g) of section 45L is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to homes acquired after December 31, 2013.

**SEC. 158. EXTENSION OF SPECIAL ALLOWANCE FOR SECOND GENERATION BIOFUEL PLANT PROPERTY.**

(a) **IN GENERAL.**—Subparagraph (D) of section 168(l)(2) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 2013.

**SEC. 159. EXTENSION AND MODIFICATION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.**

(a) **IN GENERAL.**—Subsection (h) of section 179D is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) **ALLOCATIONS TO INDIAN TRIBAL GOVERNMENTS.**—Paragraph (4) of section 179D(d) is amended by striking “or local” and inserting “local, or Indian tribal”.

(c) **ALLOCATIONS TO CERTAIN NONPROFIT ORGANIZATIONS.**—

(1) **IN GENERAL.**—Paragraph (4) of section 179D(d), as amended by subsection (b), is amended by inserting “, or by an organization that is described in section 501(c)(3) and exempt from tax under section 501(a)” after “political subdivision thereof”.

(2) **CLERICAL AMENDMENT.**—The heading of paragraph (4) of section 179D(d) is amended by inserting “AND PROPERTY HELD BY CERTAIN NON-PROFITS” after “PUBLIC PROPERTY”.

(d) **UPDATED ASHRAE STANDARDS FOR 2015.**—

(1) **IN GENERAL.**—Paragraph (1) of section 179D(c) is amended by striking “Standard 90.1-2001” each place it appears and inserting “Standard 90.1-2007”.

(2) **CONFORMING AMENDMENTS.**—

(A) Paragraph (2) of section 179D(c) is amended to read as follows:

“(2) **STANDARD 90.1-2007.**—The term ‘Standard 90.1-2007’ means Standard 90.1-2007 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America (as in effect on the day before the date of the adoption of Standard 90.1-2010 of such Societies).”.

(B) Subsection (f) of section 179D is amended by striking “Standard 90.1-2001” each place it appears in paragraphs (1) and (2)(C)(i) and inserting “Standard 90.1-2007”.

(C) Paragraph (1) of section 179D(f) is amended—

(i) by striking “Table 9.3.1.1” and inserting “Table 9.5.1”, and

(ii) by striking “Table 9.3.1.2” and inserting “Table 9.6.1”.

(3) **EFFECTIVE DATE.**—The amendments made by this paragraph shall apply to property placed in service after December 31, 2014.

(4) **EFFECTIVE DATE.**—Except as provided in subsection (d)(3), the amendments made by this section shall apply to property placed in service after December 31, 2013.

**SEC. 160. EXTENSION OF SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT PERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.**

(a) **IN GENERAL.**—Paragraph (3) of section 451(i) is amended by striking “January 1, 2014” and inserting “January 1, 2016”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to dispositions after December 31, 2013.

**SEC. 161. EXTENSION OF EXCISE TAX CREDITS RELATING TO CERTAIN FUELS.**

(a) **EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.**—

(1) Paragraph (6) of section 6426(c) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(2) Subparagraph (B) of section 6427(e)(6) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(b) **EXTENSION OF ALTERNATIVE FUELS EXCISE TAX CREDITS.**—

(1) **IN GENERAL.**—Sections 6426(d)(5) and 6426(e)(3) are each amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(2) **OUTLAY PAYMENTS FOR ALTERNATIVE FUELS.**—Subparagraph (C) of section 6427(e)(6) is amended by striking “December 31, 2013” and inserting “December 31, 2015”.

(c) **EXTENSION OF ALTERNATIVE FUELS EXCISE TAX CREDITS RELATING TO LIQUEFIED HYDROGEN.**—

(1) **IN GENERAL.**—Sections 6426(d)(5) and 6426(e)(3), as amended by subsection (b), are each amended by striking “(September 30, 2014 in the case of any sale or use involving liquefied hydrogen)”.

(2) **OUTLAY PAYMENTS FOR ALTERNATIVE FUELS.**—Paragraph (6) of section 6427(e) is amended—

(A) by striking “except as provided in subparagraph (D), any” in subparagraph (C), as amended by this Act, and inserting “any”.

(B) by striking the comma at the end of subparagraph (C) and inserting “, and”, and

(C) by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D).

(d) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply to fuel sold or used after December 31, 2013.

(2) **LIQUEFIED HYDROGEN.**—The amendments made by subsection (c) shall apply to fuels sold or used after September 30, 2014.

(e) **SPECIAL RULE FOR CERTAIN PERIODS DURING 2014.**—Notwithstanding any other provision of law, in the case of—

(1) any biodiesel mixture credit properly determined under section 6426(c) of the Internal Revenue Code of 1986 for periods after December 31, 2013, and before the date of the enactment of this Act, and

(2) any alternative fuel credit properly determined under section 6426(d) of such Code for such periods,

such credit shall be allowed, and any refund or payment attributable to such credit (including any payment under section 6427(e) of such Code) shall be made, only in such manner as the Secretary of the Treasury (or the Secretary’s delegate) shall provide. Such

Secretary shall issue guidance within 30 days after the date of the enactment of this Act providing for a one-time submission of claims covering periods described in the preceding sentence. Such guidance shall provide for a 180-day period for the submission of such claims (in such manner as prescribed by such Secretary) to begin not later than 30 days after such guidance is issued. Such claims shall be paid by such Secretary not later than 60 days after receipt. If such Secretary has not paid pursuant to a claim filed under this subsection within 60 days after the date of the filing of such claim, the claim shall be paid with interest from such date determined by using the overpayment rate and method under section 6621 of such Code.

**Subtitle B—Provisions Expiring in 2014**

**PART I—ENERGY TAX EXTENDERS**

**SEC. 171. EXTENSION OF CREDIT FOR NEW QUALIFIED FUEL CELL MOTOR VEHICLES.**

(a) **IN GENERAL.**—Paragraph (1) of section 30B(k) is amended by striking “December 31, 2014” and inserting “December 31, 2015”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property purchased after December 31, 2014.

**SEC. 172. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.**

(a) **IN GENERAL.**—Subsection (g) of section 30C is amended by striking “placed in service” and all that follows and inserting “placed in service after December 31, 2015”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 2013.

**PART II—EXTENDERS RELATING TO MULTIEMPLOYER DEFINED BENEFIT PENSION PLANS**

**SEC. 181. EXTENSION OF AUTOMATIC EXTENSION OF AMORTIZATION PERIODS.**

(a) **IN GENERAL.**—Subparagraph (C) of section 431(d)(1) is amended by striking “December 31, 2014” and inserting “December 31, 2015”.

(b) **AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.**—Subparagraph (C) of section 304(d)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1084(d)(1)(C)) is amended by striking “December 31, 2014” and inserting “December 31, 2015”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to applications submitted under section 431(d)(1)(A) of the Internal Revenue Code of 1986 and section 304(d)(1)(C) of the Employee Retirement Income Security Act of 1974 after December 31, 2014.

**SEC. 182. EXTENSION OF FUNDING IMPROVEMENT AND REHABILITATION PLAN RULES.**

(a) **IN GENERAL.**—Paragraphs (1) and (2) of section 221(c) of the Pension Protection Act of 2006 are each amended by striking “December 31, 2014” and inserting “December 31, 2015”.

(b) **CONFORMING AMENDMENT.**—Paragraph (2) of section 221(c) of the Pension Protection Act of 2006 is amended by striking “January 1, 2015” and inserting “January 1, 2016”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2014.

**Subtitle C—Revenue Provisions**

**SEC. 191. PENALTY FOR FAILURE TO MEET DUE DILIGENCE REQUIREMENTS FOR THE CHILD TAX CREDIT.**

(a) **IN GENERAL.**—Section 6695 is amended by adding at the end the following new subsection:

“(h) **FAILURE TO BE DILIGENT IN DETERMINING ELIGIBILITY FOR CHILD TAX CREDIT.**—

Any person who is a tax return preparer with respect to any return or claim for refund who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining eligibility for, or the amount of, the credit allowable by section 24 shall pay a penalty of \$500 for each such failure.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2014.

**SEC. 192. 100 PERCENT CONTINUOUS LEVY ON PAYMENT TO MEDICARE PROVIDERS AND SUPPLIERS.**

(a) **IN GENERAL.**—Paragraph (3) of section 6331(h) is amended by striking the period at the end and inserting “, or to a Medicare provider or supplier under title XVIII of the Social Security Act.”.

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

**SEC. 193. EXCLUSION FROM GROSS INCOME OF CERTAIN CLEAN COAL POWER GRANTS TO NON-CORPORATE TAXPAYERS.**

(a) **GENERAL RULE.**—In the case of an eligible taxpayer other than a corporation, gross income for purposes of the Internal Revenue Code of 1986 shall not include any amount received under section 402 of the Energy Policy Act of 2005.

(b) **REDUCTION IN BASIS.**—The basis of any property subject to the allowance for depreciation under the Internal Revenue Code of 1986 which is acquired with any amount to which subsection (a) applies during the 12-month period beginning on the day such amount is received shall be reduced by an amount equal to such amount. The excess (if any) of such amount over the amount of the reduction under the preceding sentence shall be applied to the reduction (as of the last day of the period specified in the preceding sentence) of the basis of any other property held by the taxpayer. The particular properties to which the reductions required by this subsection are allocated shall be determined by the Secretary of the Treasury (or the Secretary's delegate) under regulations similar to the regulations under section 362(c)(2) of such Code.

(c) **LIMITATION TO AMOUNTS WHICH WOULD BE CONTRIBUTIONS TO CAPITAL.**—Subsection (a) shall not apply to any amount unless such amount, if received by a corporation, would be excluded from gross income under section 118 of the Internal Revenue Code of 1986.

(d) **ELIGIBLE TAXPAYER.**—For purposes of this section, with respect to any amount received under section 402 of the Energy Policy Act of 2005, the term “eligible taxpayer” means a taxpayer that makes a payment to the Secretary of the Treasury (or the Secretary's delegate) equal to 1.18 percent of the amount so received. Such payment shall be made at such time and in such manner as such Secretary (or the Secretary's delegate) shall prescribe. In the case of a partnership, such Secretary (or the Secretary's delegate) shall prescribe regulations to determine the allocation of such payment amount among the partners.

(e) **EFFECTIVE DATE.**—This section shall apply to amounts received under section 402 of the Energy Policy Act of 2005 in taxable years beginning after December 31, 2011.

**SEC. 194. REFORM OF RULES RELATING TO QUALIFIED TAX COLLECTION CONTRACTS.**

(a) **REQUIREMENT TO COLLECT CERTAIN INACTIVE TAX RECEIVABLES UNDER QUALIFIED TAX COLLECTION CONTRACTS.**—Section 6306 is amended by redesignating subsections (c) through (f) as subsections (d) through (g), respectively, and by inserting after subsection (b) the following new subsection:

“(c) **COLLECTION OF INACTIVE TAX RECEIVABLES.**—

“(1) **IN GENERAL.**—Notwithstanding any other provision of law, the Secretary shall enter into one or more qualified tax collection contracts for the collection of all outstanding inactive tax receivables.

“(2) **INACTIVE TAX RECEIVABLES.**—For purposes of this section—

“(A) **IN GENERAL.**—The term ‘inactive tax receivable’ means any tax receivable if—

“(i) at any time after assessment, the Internal Revenue Service removes such receivable from the active inventory for lack of resources or inability to locate the taxpayer,

“(ii) more than 1/3 of the period of the applicable statute of limitation has lapsed and such receivable has not been assigned for collection to any employee of the Internal Revenue Service, or

“(iii) in the case of a receivable which has been assigned for collection, more than 365 days have passed without interaction with the taxpayer or a third party for purposes of furthering the collection of such receivable.

“(B) **TAX RECEIVABLE.**—The term ‘tax receivable’ means any outstanding assessment which the Internal Revenue Service includes in potentially collectible inventory.”.

(b) **CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR COLLECTION UNDER QUALIFIED TAX COLLECTION CONTRACTS.**—Section 6306, as amended by subsection (a), is amended by redesignating subsections (d) through (g) as subsections (e) through (h), respectively, and by inserting after subsection (c) the following new subsection:

“(d) **CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR COLLECTION UNDER QUALIFIED TAX COLLECTIONS CONTRACTS.**—A tax receivable shall not be eligible for collection pursuant to a qualified tax collection contract if such receivable—

“(1) is subject to a pending or active offer-in-compromise or installment agreement,

“(2) is classified as an innocent spouse case,

“(3) involves a taxpayer identified by the Secretary as being—

“(A) deceased,

“(B) under the age of 18,

“(C) in a designated combat zone, or

“(D) a victim of tax-related identity theft,

“(4) is currently under examination, litigation, criminal investigation, or levy, or

“(5) is currently subject to a proper exercise of a right of appeal under this title.”.

(c) **CONTRACTING PRIORITY.**—Section 6306, as amended by the preceding provisions of this section, is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

“(h) **CONTRACTING PRIORITY.**—In contracting for the services of any person under this section, the Secretary shall utilize private collection contractors and debt collection centers on the schedule required under section 3711(g) of title 31, United States Code, including the technology and communications infrastructure established therein, to the extent such private collection contractors and debt collection centers are appropriate to carry out the purposes of this section.”.

(d) **DISCLOSURE OF RETURN INFORMATION.**—Section 6103(k) is amended by adding at the end the following new paragraph:

“(11) **QUALIFIED TAX COLLECTION CONTRACTORS.**—Persons providing services pursuant to a qualified tax collection contract under section 6306 may, if speaking to a person who has identified himself or herself as having the name of the taxpayer to which a tax receivable (within the meaning of such section) relates, identify themselves as contractors of the Internal Revenue Service and disclose the business name of the contractor,

and the nature, subject, and reason for the contact. Disclosures under this paragraph shall be made only in such situations and under such conditions as have been approved by the Secretary.”.

(e) **TAXPAYERS AFFECTED BY FEDERALLY DECLARED DISASTERS.**—Section 6306, as amended by the preceding provisions of this section, is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

“(i) **TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.**—The Secretary may prescribe procedures under which a taxpayer determined to be affected by a Federally declared disaster (as defined by section 165(h)(3)(C)) may request—

“(1) relief from immediate collection measures by contractors under this section, and

“(2) a return of the inactive tax receivable to the inventory of the Internal Revenue Service to be collected by an employee thereof.”.

(f) **REPORT TO CONGRESS.**—

(1) **IN GENERAL.**—Section 6306, as amended by the preceding provisions of this section, is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

“(j) **REPORT TO CONGRESS.**—Not later than 90 days after the last day of each fiscal year (beginning with the first such fiscal year ending after the date of the enactment of this subsection), the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to qualified tax collection contracts under this section which shall include—

“(1) annually, with respect to such fiscal year—

“(A) the total number and amount of tax receivables provided to each contractor for collection under this section,

“(B) the total amounts collected (and amounts of installment agreements entered into under subsection (b)(1)(B)) with respect to each contractor and the collection costs incurred (directly and indirectly) by the Internal Revenue Service with respect to such amounts,

“(C) the impact of such contracts on the total number and amount of unpaid assessments, and on the number and amount of assessments collected by Internal Revenue Service personnel after initial contact by a contractor,

“(D) the amount of fees retained by the Secretary under subsection (e) and a description of the use of such funds, and

“(E) a disclosure safeguard report in a form similar to that required under section 6103(p)(5), and

“(2) biannually (beginning with the second report submitted under this subsection)—

“(A) an independent evaluation of contractor performance, and

“(B) a measurement plan that includes a comparison of the best practices used by the private collectors to the collection techniques used by the Internal Revenue Service and mechanisms to identify and capture information on successful collection techniques used by the contractors that could be adopted by the Internal Revenue Service.”.

(2) **REPEAL OF EXISTING REPORTING REQUIREMENTS WITH RESPECT TO QUALIFIED TAX COLLECTION CONTRACTS.**—Section 881 of the American Jobs Creation Act of 2004 is amended by striking subsection (e).

(g) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—The amendments made by subsections (a) and (b) shall apply to tax receivables identified by the Secretary after the date of the enactment of this Act.

(2) **CONTRACTING PRIORITY.**—The Secretary shall begin entering into contracts and

agreements as described in the amendment made by subsection (c) within 3 months after the date of the enactment of this Act.

(3) **DISCLOSURES.**—The amendment made by subsection (d) shall apply to disclosures made after the date of the enactment of this Act.

(4) **PROCEDURES; REPORT TO CONGRESS.**—The amendments made by subsections (e) and (f) shall take effect on the date of the enactment of this Act.

**SEC. 195. SPECIAL COMPLIANCE PERSONNEL PROGRAM.**

(a) **IN GENERAL.**—Subsection (e) of section 6306, as redesignated by section 194, is amended by striking “for collection enforcement activities of the Internal Revenue Service” in paragraph (2) and inserting “to fund the special compliance personnel program account under section 6307”.

(b) **SPECIAL COMPLIANCE PERSONNEL PROGRAM ACCOUNT.**—Subchapter A of chapter 64 is amended by adding at the end the following new section:

**“SEC. 6307. SPECIAL COMPLIANCE PERSONNEL PROGRAM ACCOUNT.**

“(a) **ESTABLISHMENT OF A SPECIAL COMPLIANCE PERSONNEL PROGRAM ACCOUNT.**—The Secretary shall establish an account within the Department for carrying out a program consisting of the hiring, training, and employment of special compliance personnel, and shall transfer to such account from time to time amounts retained by the Secretary under section 6306(e)(2).

“(b) **RESTRICTIONS.**—The program described in subsection (a) shall be subject to the following restrictions:

“(1) No funds shall be transferred to such account except as described in subsection (a).

“(2) No other funds from any other source shall be expended for special compliance personnel employed under such program, and no funds from such account shall be expended for the hiring of any personnel other than special compliance personnel.

“(3) Notwithstanding any other authority, the Secretary is prohibited from spending funds out of such account for any purpose other than for costs under such program associated with the employment of special compliance personnel and the retraining and reassignment of current noncollections personnel as special compliance personnel, and to reimburse the Internal Revenue Service or other government agencies for the cost of administering qualified tax collection contracts under section 6306.

“(c) **REPORTING.**—Not later than March of each year, the Commissioner of Internal Revenue shall submit a report to the Committees on Finance and Appropriations of the Senate and the Committees on Ways and Means and Appropriations of the House of Representatives consisting of the following:

“(1) For the preceding fiscal year, all funds received in the account established under subsection (a), administrative and program costs for the program described in such subsection, the number of special compliance personnel hired and employed under the program, and the amount of revenue actually collected by such personnel.

“(2) For the current fiscal year, all actual and estimated funds received or to be received in the account, all actual and estimated administrative and program costs, the number of all actual and estimated special compliance personnel hired and employed under the program, and the actual and estimated revenue actually collected or to be collected by such personnel.

“(3) For the following fiscal year, an estimate of all funds to be received in the account, all estimated administrative and program costs, the estimated number of special

compliance personnel hired and employed under the program, and the estimated revenue to be collected by such personnel.

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

“(1) **SPECIAL COMPLIANCE PERSONNEL.**—The term ‘special compliance personnel’ means individuals employed by the Internal Revenue Service as field function collection officers or in a similar position, or employed to collect taxes using the automated collection system or an equivalent replacement system.

“(2) **PROGRAM COSTS.**—The term ‘program costs’ means—

“(A) total salaries (including locality pay and bonuses), benefits, and employment taxes for special compliance personnel employed or trained under the program described in subsection (a), and

“(B) direct overhead costs, salaries, benefits, and employment taxes relating to support staff, rental payments, office equipment and furniture, travel, data processing services, vehicle costs, utilities, telecommunications, postage, printing and reproduction, supplies and materials, lands and structures, insurance claims, and indemnities for special compliance personnel hired and employed under this section.

For purposes of subparagraph (B), the cost of management and supervision of special compliance personnel shall be taken into account as direct overhead costs to the extent such costs, when included in total program costs under this paragraph, do not represent more than 10 percent of such total costs.”.

(c) **CLERICAL AMENDMENT.**—The table of sections for subchapter A of chapter 64 is amended by inserting after the item relating to section 6306 the following new item:

“Sec. 6307. Special compliance personnel program account.”.

(d) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to amounts collected and retained by the Secretary after the date of the enactment of this Act.

**SEC. 196. EXCLUSION OF DIVIDENDS FROM CONTROLLED FOREIGN CORPORATIONS FROM THE DEFINITION OF PERSONAL HOLDING COMPANY INCOME FOR PURPOSES OF THE PERSONAL HOLDING COMPANY RULES.**

(a) **IN GENERAL.**—Paragraph (1) of section 543(a) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

“(C) dividends received by a United States shareholder (as defined in section 951(b)) from a controlled foreign corporation (as defined in section 957(a)).”.

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

**SEC. 197. INFLATION ADJUSTMENT FOR CERTAIN CIVIL PENALTIES UNDER THE INTERNAL REVENUE CODE OF 1986.**

(a) **FAILURE TO FILE TAX RETURN OR PAY TAX.**—Section 6651 is amended by adding at the end the following new subsection:

“(1) **ADJUSTMENT FOR INFLATION.**—

“(1) **IN GENERAL.**—In the case of any return required to be filed in a calendar year beginning after 2014, the \$135 dollar amount under subsection (a) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) **ROUNDING.**—If any amount adjusted under paragraph (1) is not a multiple of \$5, such amount shall be rounded to the next lowest multiple of \$5.”.

(b) **FAILURE TO FILE CERTAIN INFORMATION RETURNS, REGISTRATION STATEMENTS, ETC.—**

(1) **IN GENERAL.**—Section 6652(c) is amended by adding at the end the following new paragraph:

“(6) **ADJUSTMENT FOR INFLATION.**—

“(A) **IN GENERAL.**—In the case of any failure relating to a return required to be filed in a calendar year beginning after 2014, each of the dollar amounts under paragraphs (1), (2), and (3) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) **ROUNDING.**—If any amount adjusted under subparagraph (A)—

“(i) is not less than \$5,000 and is not a multiple of \$500, such amount shall be rounded to the next lowest multiple of \$500, and

“(ii) is not described in clause (i) and is not a multiple of \$5, such amount shall be rounded to the next lowest multiple of \$5.”.

(2) **CONFORMING AMENDMENTS.**—

(A) The last sentence of section 6652(c)(1)(A) is amended by striking “the first sentence of this subparagraph shall be applied by substituting ‘\$100’ for ‘\$20’ and” and inserting “in applying the first sentence of this subparagraph, the amount of the penalty for each day during which a failure continues shall be \$100 in lieu of the amount otherwise specified, and”.

(B) Clause (ii) of section 6652(c)(2)(C) is amended by striking “the first sentence of paragraph (1)(A)” and all that follows and inserting “in applying the first sentence of paragraph (1)(A), the amount of the penalty for each day during which a failure continues shall be \$100 in lieu of the amount otherwise specified, and in lieu of applying the second sentence of paragraph (1)(A), the maximum penalty under paragraph (1)(A) shall not exceed \$50,000, and”.

(c) **OTHER ASSESSABLE PENALTIES WITH RESPECT TO THE PREPARATION OF TAX RETURNS FOR OTHER PERSONS.**—Section 6695 is amended by adding at the end the following new subsection:

“(h) **ADJUSTMENT FOR INFLATION.**—

(1) **IN GENERAL.**—In the case of any failure relating to a return or claim for refund filed in a calendar year beginning after 2014, each of the dollar amounts under subsections (a), (b), (c), (d), (e), (f), and (g) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

(2) **ROUNDING.**—If any amount adjusted under subparagraph (A)—

“(A) is not less than \$5,000 and is not a multiple of \$500, such amount shall be rounded to the next lowest multiple of \$500, and

“(B) is not described in clause (i) and is not a multiple of \$5, such amount shall be rounded to the next lowest multiple of \$5.”.

(d) **FAILURE TO FILE PARTNERSHIP RETURN.**—Section 6698 is amended by adding at the end the following new subsection:

“(e) **ADJUSTMENT FOR INFLATION.**—

(1) **IN GENERAL.**—In the case of any return required to be filed in a calendar year beginning after 2014, the \$195 dollar amount under subsection (b)(1) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

(2) **ROUNDING.**—If any amount adjusted under paragraph (1) is not a multiple of \$5, such amount shall be rounded to the next lowest multiple of \$5.”.

(e) **FAILURE TO FILE S CORPORATION RETURN.**—Section 6699 is amended by adding at the end the following new subsection:

“(e) **ADJUSTMENT FOR INFLATION.**—

“(1) IN GENERAL.—In the case of any return required to be filed in a calendar year beginning after 2014, the \$195 dollar amount under subsection (b)(1) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) ROUNDING.—If any amount adjusted under paragraph (1) is not a multiple of \$5, such amount shall be rounded to the next lowest multiple of \$5.”.

(f) FAILURE TO FILE CORRECT INFORMATION RETURNS.—Paragraph (1) of section 6721(f) is amended by striking “For each fifth calendar year beginning after 2012” and inserting “In the case of any failure relating to a return required to be filed in a calendar year beginning after 2014”.

(g) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—Paragraph (1) of section 6722(f) is amended by striking “For each fifth calendar year beginning after 2012” and inserting “In the case of any failure relating to a statement required to be furnished in a calendar year beginning after 2014”.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after December 31, 2014.

## TITLE II—TAX TECHNICAL CORRECTIONS

### SEC. 201. SHORT TITLE.

This title may be cited as the “Tax Technical Corrections Act of 2014”.

### SEC. 202. AMENDMENT RELATING TO MIDDLE CLASS TAX RELIEF AND JOB CREATION ACT OF 2012.

(a) AMENDMENT RELATING TO SECTION 7001.—Paragraph (1) of section 7001 of the Middle Class Tax Relief and Job Creation Act of 2012 is amended by striking “201(b)” and inserting “202(b)”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in section 7001 of the Middle Class Tax Relief and Job Creation Act of 2012.

### SEC. 203. AMENDMENTS RELATING TO AMERICAN TAXPAYER RELIEF ACT OF 2012.

(a) AMENDMENT RELATING TO SECTION 102.—Clause (ii) of section 911(f)(2)(B) is amended by striking “described in section 1(h)(1)(B) shall be treated as a reference to such excess as determined” and inserting “described in section 1(h)(1)(B), and the reference in section 55(b)(3)(C)(ii) to the excess described in section 1(h)(1)(C)(ii), shall each be treated as a reference to each such excess as determined”.

(b) AMENDMENTS RELATING TO SECTION 104.—

(1) Clause (ii) of section 55(d)(4)(B) is amended by inserting “subparagraphs (A), (B), and (D) of” before “paragraph (1)”.

(2) Subparagraph (C) of section 55(d)(4) is amended by striking “increase” and inserting “increased amount”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provision of the American Taxpayer Relief Act of 2012 to which they relate.

### SEC. 204. AMENDMENTS RELATING TO REGULATED INVESTMENT COMPANY MODERNIZATION ACT OF 2010.

(a) AMENDMENTS RELATING TO SECTION 101.—

(1) Subsection (c) of section 101 of the Regulated Investment Company Modernization Act of 2010 is amended—

(A) by striking “paragraph (2)” in paragraph (1) and inserting “paragraphs (2) and (3)”, and

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

“(3) EXCISE TAX.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), for purposes of section 4982

of the Internal Revenue Code of 1986, paragraphs (1) and (2) shall apply by substituting ‘the 1-year periods taken into account under subsection (b)(1)(B) of such section with respect to calendar years beginning after December 31, 2010’ for ‘taxable years beginning after the date of the enactment of this Act’.

“(B) ELECTION.—A regulated investment company may elect to apply subparagraph (A) by substituting ‘2011’ for ‘2010’. Such election shall be made at such time and in such form and manner as the Secretary of the Treasury (or the Secretary’s delegate) shall prescribe.”.

(2) The first sentence of paragraph (2) of section 852(c) is amended—

(A) by striking “and without regard to” and inserting “, without regard to”, and

(B) by inserting “, and without regard to any capital loss arising on the first day of the taxable year by reason of clauses (i) and (iii) of section 1212(a)(3)(A)” before the period at the end.

(b) AMENDMENT RELATING TO SECTION 304.—Paragraph (1) of section 855(a) is amended by inserting “on or” before “before”.

(c) AMENDMENTS RELATING TO SECTION 308.—

(1) Paragraph (8) of section 852(b) is amended by redesignating subparagraph (E) as subparagraph (G) and by striking subparagraphs (C) and (D) and inserting the following new subparagraphs:

“(C) POST-OCTOBER CAPITAL LOSS.—For purposes of this paragraph, the term ‘post-October capital loss’ means—

“(i) any net capital loss attributable to the portion of the taxable year after October 31, or

“(ii) if there is no such loss—

“(I) any net long-term capital loss attributable to such portion of the taxable year, or

“(II) any net short-term capital loss attributable to such portion of the taxable year.

“(D) LATE-YEAR ORDINARY LOSS.—For purposes of this paragraph, the term ‘late-year ordinary loss’ means the sum of any post-October specified loss and any post-December ordinary loss.

“(E) POST-OCTOBER SPECIFIED LOSS.—For purposes of this paragraph, the term ‘post-October specified loss’ means the excess (if any) of—

“(i) the specified losses (as defined in section 4982(e)(5)(B)(ii)) attributable to the portion of the taxable year after October 31, over

“(ii) the specified gains (as defined in section 4982(e)(5)(B)(i)) attributable to such portion of the taxable year.

“(F) POST-DECEMBER ORDINARY LOSS.—For purposes of this paragraph, the term ‘post-December ordinary loss’ means the excess (if any) of—

“(i) the ordinary losses not described in subparagraph (E)(i) and attributable to the portion of the taxable year after December 31, over

“(ii) the ordinary income not described in subparagraph (E)(ii) and attributable to such portion of the taxable year.”.

(2) Subparagraph (G) of section 852(b)(8), as so redesignated, is amended by striking “, (D)(i)(I), and (D)(ii)(I)” and inserting “and (E)”.

(3) The first sentence of paragraph (2) of section 852(c), as amended by subsection (a), is amended—

(A) by striking “, and without regard to” and inserting “, without regard to”, and

(B) by inserting “, and with such other adjustments as the Secretary may prescribe” before the period at the end.

(d) AMENDMENTS RELATING TO SECTION 402.—

(1) Subparagraph (B) of section 4982(e)(6) is amended by inserting before the period at the end the following: “or which determines

income by reference to the value of an item on the last day of the taxable year”.

(2) Subparagraph (A) of section 4982(e)(7) is amended by striking “such company” and all that follows through “any net ordinary loss” and inserting “such company may elect to determine its ordinary income and net ordinary loss (as defined in paragraph (2)(C)(ii)) for the calendar year without regard to any portion of any net ordinary loss”.

(e) CLERICAL AMENDMENT RELATING TO SECTION 201.—Subparagraph (A) of section 851(d)(2) is amended by inserting “of this paragraph” after “subparagraph (B)(i)”.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect as if included in the provision of the Regulated Investment Company Modernization Act of 2010 to which they relate.

(2) SAVINGS PROVISION.—In the case of a regulated investment company which, before the date of the enactment of this Act, elected under paragraph (8) of section 852(b) of the Internal Revenue Code of 1986 (as in effect on the date of such election) for any taxable year ending before such date of enactment to treat any loss as arising in the following taxable year, the amendments made by paragraphs (1) and (2) of subsection (c) shall not apply with respect to such election.

### SEC. 205. AMENDMENTS RELATING TO TAX RELIEF, UNEMPLOYMENT INSURANCE REAUTHORIZATION, AND JOB CREATION ACT OF 2010.

(a) AMENDMENT RELATING TO SECTION 103.—Clause (ii) of section 32(b)(3)(B) is amended by striking “in 2010” and inserting “after 2009”.

(b) CLERICAL AMENDMENT RELATING TO SECTION 302.—Subsection (f) of section 302 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 is amended by striking “subsection” and inserting “section”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 to which they relate.

### SEC. 206. AMENDMENTS RELATING TO CREATING SMALL BUSINESS JOBS ACT OF 2010.

(a) AMENDMENTS RELATING TO SECTION 2102.—

(1) Subsection (h) of section 2102 of the Creating Small Business Jobs Act of 2010 is amended by inserting “, and payee statements required to be furnished,” after “information returns required to be filed”.

(2) Paragraphs (1) and (2) of subsection (b), and subsection (c)(1)(C), of section 6722 are each amended by striking “the required filing date” and inserting “the date prescribed for furnishing such statement”.

(3) Subparagraph (B) of section 6722(c)(2) is amended by striking “filed” and inserting “furnished”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provision of the Creating Small Business Jobs Act of 2010 to which they relate.

### SEC. 207. CLERICAL AMENDMENT RELATING TO HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT.

(a) AMENDMENT RELATING TO SECTION 512.—Paragraph (1) of section 512(a) of the Hiring Incentives to Restore Employment Act is amended by striking “after paragraph (6)” and inserting “after paragraph (5)”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provision of the Hiring Incentives to Restore Employment Act to which it relates.

**SEC. 208. AMENDMENTS RELATING TO AMERICAN RECOVERY AND REINVESTMENT TAX ACT OF 2009.**

(a) AMENDMENT RELATING TO SECTION 1003.—Paragraph (4) of section 24(d) is amended to read as follows:

“(4) SPECIAL RULE FOR CERTAIN YEARS.—In the case of any taxable year beginning after 2008 and before 2018, paragraph (1)(B)(i) shall be applied by substituting ‘\$3,000’ for ‘\$10,000’.”

(b) AMENDMENT RELATING TO SECTION 1004.—Paragraph (3) of section 25A(i) is amended by striking “Subsection (f)(1)(A) shall be applied” and inserting “For purposes of determining the Hope Scholarship Credit, subsection (f)(1)(A) shall be applied”.

(c) AMENDMENTS RELATING TO SECTION 1008.—

(1) Paragraph (6) of section 164(b) is amended by striking subparagraph (E) and by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

(2) Subparagraphs (E) and (F) of section 164(b)(6), as so redesignated, are each amended by striking “This paragraph” and inserting “Subsection (a)(6)”.

(d) AMENDMENT RELATING TO SECTION 1104.—Subparagraph (A) of section 48(d)(3) is amended by inserting “or alternative minimum taxable income” after “includible in the gross income”.

(e) AMENDMENTS RELATING TO SECTION 1141.—

(1) Subsection (f) of section 30D is amended—

(A) by inserting “(determined without regard to subsection (c))” before the period at the end of paragraph (1), and

(B) by inserting “(determined without regard to subsection (c))” before the period at the end of paragraph (2).

(2) Paragraph (3) of section 30D(f) is amended by adding at the end the following: “For purposes of subsection (c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”

(f) AMENDMENTS RELATING TO SECTION 1142.—

(1) Subsection (b) of section 38 is amended by striking “plus” at the end of paragraph (35), by redesignating paragraph (36) as paragraph (37), and by inserting after paragraph (35) the following new paragraph:

“(36) the portion of the qualified plug-in electric vehicle credit to which section 30(c)(1) applies, plus”.

(2)(A) Subsection (e) of section 30 is amended—

(i) by inserting “(determined without regard to subsection (c))” before the period at the end of paragraph (1), and

(ii) by inserting “(determined without regard to subsection (c))” before the period at the end of paragraph (2).

(B) Paragraph (3) of section 30(e) is amended by adding at the end the following: “For purposes of subsection (c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”

(g) AMENDMENT RELATING TO SECTION 1302.—Paragraph (3) of section 48C(b) is amended by inserting “as the qualified investment” after “The amount which is treated”.

(h) AMENDMENTS RELATED TO SECTION 1541.—

(1) Paragraph (2) of section 853A(a) is amended by inserting “(determined after the application of this section)” before the comma at the end.

(2) Subsection (a) of section 853A is amended—

(A) by striking “with respect to credits” and inserting “with respect to some or all of the credits”, and

(B) by inserting “(determined without regard to this section and sections 54(c), 54A(c)(1), 54AA(c)(1), and 1397E(c))” after “credits allowable”.

(3) Subsection (b) of section 853A is amended to read as follows:

“(b) EFFECT OF ELECTION.—If the election provided in subsection (a) is in effect with respect to any credits for any taxable year—

“(1) the regulated investment company—

“(A) shall not be allowed such credits,

“(B) shall include in gross income (as interest) for such taxable year the amount which would have been so included with respect to such credits had the application of this section not been elected,

“(C) shall include in earnings and profits the amount so included in gross income, and

“(D) shall be treated as making one or more distributions of money with respect to its stock equal to the amount of such credits on the date or dates (on or after the applicable date for any such credit) during such taxable year (or following the close of the taxable year pursuant to section 855) selected by the company, and

“(2) each shareholder of such investment company shall—

“(A) be treated as receiving such shareholder’s proportionate share of any distribution of money which is treated as made by such investment company under paragraph (1)(D), and

“(B) be allowed credits against the tax imposed by this chapter equal to the amount of such distribution, subject to the provisions of this title applicable to the credit involved.”

(4) Subsection (c) of section 853A is amended to read as follows:

“(c) NOTICE TO SHAREHOLDERS.—The amount treated as a distribution of money received by a shareholder under subsection (b)(2)(A) (and as credits allowed to such shareholder under subsection (b)(2)(B)) shall not exceed the amount so reported by the regulated investment company in a written statement furnished to such shareholder.”

(5) Clause (ii) of section 853A(e)(1)(A) is amended by inserting “other than a qualified bond described in section 54AA(g)” after “as defined in section 54AA(d)”.

(i) AMENDMENTS RELATING TO SECTION 2202.—

(1) Subparagraph (A) of section 2202(b)(1) of the division B of the American Recovery and Reinvestment Act of 2009 is amended by inserting “political subdivision of a State,” after “any State.”

(2) Section 2202 of division B of the American Recovery and Reinvestment Act of 2009 is amended by adding at the end the following new subsection:

“(e) TREATMENT OF POSSESSIONS.—

“(1) PAYMENTS TO MIRROR CODE POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States with a mirror code tax system amounts equal to the loss to that possession by reason of credits allowed under subsection (a) with respect to taxable years beginning in 2009. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

“(2) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes for any taxable year under this section to any person to whom a credit is allowed against taxes imposed by the possession by reason of the credit allowed under subsection (a) for such taxable year.

“(3) DEFINITIONS AND SPECIAL RULES.—

“(A) POSSESSION OF THE UNITED STATES.—For purposes of this subsection, the term ‘possession of the United States’ includes the

Commonwealth of the Northern Mariana Islands.

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

“(C) TREATMENT OF PAYMENTS.—For purposes of section 1324(b)(2) of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from the credit allowed under section 36A of the Internal Revenue Code of 1986 (as added by this Act).”

(j) CLERICAL AMENDMENTS.—

(1) AMENDMENT RELATING TO SECTION 1131.—Paragraph (2) of section 45Q(d) is amended by striking “Administrator of the Environmental Protection Agency” and all that follows through “shall establish” and inserting “Administrator of the Environmental Protection Agency, the Secretary of Energy, and the Secretary of the Interior, shall establish”.

(2) AMENDMENT RELATING TO SECTION 1141.—Paragraph (37) of section 1016(a) is amended by striking “section 30D(e)(4)” and inserting “section 30D(f)(1)”.

(3) AMENDMENT RELATING TO SECTION 3001.—Subparagraph (A) of section 3001(a)(14) of the American Recovery and Reinvestment Act of 2009 is amended by striking “is amended by redesignating paragraph (9) as paragraph (10)” and inserting “, as amended by this Act, is amended by redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively.”

(k) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009 to which they relate.

**SEC. 209. AMENDMENTS RELATING TO ENERGY IMPROVEMENT AND EXTENSION ACT OF 2008.**

(a) AMENDMENT RELATING TO SECTION 108.—Subparagraph (E) of section 45K(g)(2) is amended to read as follows:

“(E) COORDINATION WITH SECTION 45.—No credit shall be allowed with respect to any coke or coke gas which is produced using steel industry fuel (as defined in section 45(c)(7)) as feedstock if a credit is allowed to any taxpayer under section 45 with respect to the production of such steel industry fuel.”

(b) AMENDMENT RELATING TO SECTION 113.—Paragraph (1) of section 113(b) of the Energy Improvement and Extension Act of 2008 is amended by adding at the end the following new subparagraph:

“(F) TRUST FUND.—The term ‘Trust Fund’ means the Black Lung Disability Trust Fund established under section 9501 of the Internal Revenue Code of 1986.”

(c) AMENDMENTS RELATING TO SECTION 306.—

(1) Clause (ii) of section 168(i)(18)(A) is amended by striking “10 years” and inserting “16 years”.

(2) Clause (ii) of section 168(i)(19)(A) is amended by striking “10 years” and inserting “16 years”.

(d) AMENDMENT RELATING TO SECTION 308.—Clause (i) of section 168(m)(2)(B) is amended by striking “section 168(k)” and inserting “subsection (k) (determined without regard to paragraph (4) thereof)”.

(e) AMENDMENT RELATING TO SECTION 402.—Subparagraph (A) of section 907(f)(4) is amended by striking “this subsection shall be applied” and all that follows through the period at the end and inserting the following:

“this subsection, as in effect on the day before the date of the enactment of the Energy Improvement and Extension Act of 2008, shall apply to unused oil and gas extraction taxes carried from such unused credit year to a taxable year beginning after December 31, 2008.”.

(f) AMENDMENTS RELATING TO SECTION 403.—

(1) Subsection (c) of section 1012 is amended—

(A) by striking “FUNDS” in the heading for paragraph (2) and inserting “REGULATED INVESTMENT COMPANIES”;

(B) by striking “FUND” in the heading for paragraph (2)(B), and

(C) by striking “fund” each place it appears in paragraph (2) and inserting “regulated investment company”.

(2) Paragraph (1) of section 1012(d) is amended—

(A) by striking “December 31, 2010” and inserting “December 31, 2011”, and

(B) by striking “an open-end fund” and inserting “a regulated investment company”.

(3) Paragraph (3) of section 1012(d) is amended to read as follows:

“(3) SEPARATE ACCOUNTS; ELECTION FOR TREATMENT AS SINGLE ACCOUNT.—

“(A) IN GENERAL.—Rules similar to the rules of subsection (c)(2) shall apply for purposes of this subsection.

“(B) AVERAGE BASIS FOR PRE-2012 STOCK.—Notwithstanding paragraph (1), in the case of an election under rules similar to the rules of subsection (c)(2)(B) with respect to stock held in connection with a dividend reinvestment plan, the average basis method is permissible with respect to all such stock without regard to the date of the acquisition of such stock.”.

(4) Subsection (g) of section 6045 is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULE FOR CERTAIN STOCK HELD IN CONNECTION WITH DIVIDEND REINVESTMENT PLAN.—For purposes of this subsection, stock acquired before January 1, 2012, in connection with a dividend reinvestment plan shall be treated as stock described in clause (ii) of paragraph (3)(C) (unless the broker with respect to such stock elects not to have this paragraph apply with respect to such stock).”.

(g) CLERICAL AMENDMENT RELATING TO SECTION 108.—Paragraph (2) of section 45(b) is amended by striking “\$3 amount” and inserting “\$2 amount”.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Energy Improvement and Extension Act of 2008 to which they relate.

**SEC. 210. AMENDMENTS RELATING TO TAX EXTENDERS AND ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2008.**

(a) AMENDMENT RELATING TO SECTION 208.—Subsection (b) of section 208 of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 is amended to read as follows:

“(b) EFFECTIVE DATE.—

“(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on January 1, 2008. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before October 4, 2008.

“(2) AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.—In the case of a regulated investment company—

“(A) which makes a distribution after December 31, 2007, and before October 4, 2008, and

“(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.”.

(b) AMENDMENTS RELATING TO SECTION 305.—Paragraphs (7)(B) and (8)(D) of section 168(e) are each amended by inserting “which is not qualified leasehold improvement property” after “Property described in this paragraph”.

(c) CLERICAL AMENDMENTS.—

(1) AMENDMENT RELATING TO SECTION 306.—Paragraph (5) of section 168(b) is amended by striking “(2)(C)” and inserting “(2)(D)”.

(2) AMENDMENTS RELATING TO SECTION 706.—

(A) Paragraph (2) of section 1033(h) is amended by inserting “is” before “compulsorily”.

(B) Subclause (II) of section 172(b)(1)(F)(ii) is amended by striking “subsection (h)(3)(C)(i)” and inserting “section 165(h)(3)(C)(i)”.

(C) The heading for paragraph (1) of section 165(h) is amended by striking “\$100” and inserting “DOLLAR”.

(3) AMENDMENT RELATING TO SECTION 709.—Subsection (k) of section 143 is amended by redesignating the second paragraph (12) (relating to special rules for residences destroyed in Federally declared disasters) as paragraph (13).

(4) AMENDMENT RELATING TO SECTION 712.—Section 712 of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 is amended by striking “section 702(c)(1)(A)” and inserting “section 702(b)(1)(A)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 to which they relate.

**SEC. 211. CLERICAL AMENDMENTS RELATING TO HOUSING ASSISTANCE TAX ACT OF 2008.**

(a) AMENDMENT RELATING TO SECTION 3002.—Paragraph (1) of section 42(b) is amended by striking “For purposes of this section, the term” and inserting the following: “For purposes of this section—

“(A) IN GENERAL.—The term”.

(b) AMENDMENT RELATING TO SECTION 3081.—Clause (iv) of section 168(k)(4)(E) is amended by striking “adjusted minimum tax” and inserting “adjusted net minimum tax”.

(c) AMENDMENT RELATING TO SECTION 3092.—Subsection (b) of section 121 is amended by redesignating the second paragraph (4) (relating to exclusion of gain allocated to nonqualified use) as paragraph (5).

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Housing Assistance Tax Act of 2008 to which they relate.

**SEC. 212. AMENDMENTS AND PROVISION RELATING TO HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008.**

(a) AMENDMENT RELATING TO SECTION 106.—Paragraph (2) of section 106(c) of the Heroes Earnings Assistance and Relief Tax Act of 2008 is amended by striking “substituting for” and inserting “substituting ‘June 17, 2008’ for”.

(b) AMENDMENT RELATING TO SECTION 114.—Paragraph (1) of section 125(h) is amended by inserting “(and shall not fail to be treated as an accident or health plan)” before “merely”.

(c) CLERICAL AMENDMENTS.—

(1) AMENDMENT RELATING TO SECTION 110.—Subparagraph (B) of section 121(d)(12) is amended by inserting “of paragraph (9)” after “and (D)”.

(2) AMENDMENT RELATING TO SECTION 301.—Paragraph (2) of section 877(e) is amended by striking “subparagraph (A) or (B) of”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if

included in the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 to which they relate.

**SEC. 213. AMENDMENTS RELATING TO ECONOMIC STIMULUS ACT OF 2008.**

(a) AMENDMENTS RELATING TO SECTION 101.—Paragraph (2) of section 6213(g) is amended—

(1) by striking “32, or 6428” in subparagraph (L) and inserting “or 32”, and

(2) by striking “and” at the end of subparagraph (O), by striking the period at the end of subparagraph (P) and inserting “, and”, and by inserting after subparagraph (P) the following new subparagraph:

“(Q) an omission of a correct TIN required under section 6428(h) (relating to 2008 recovery rebates for individuals) to be included on a return.”.

(b) CLERICAL AMENDMENT RELATING TO SECTION 103.—Subclause (IV) of section 168(k)(2)(B)(i) is amended by striking “clauses also apply” and inserting “clause also applies”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Economic Stimulus Act of 2008 to which they relate.

**SEC. 214. AMENDMENTS RELATING TO TAX TECHNICAL CORRECTIONS ACT OF 2007.**

(a) AMENDMENT RELATING TO SECTION 4(c).—Paragraph (1) of section 911(f) is amended by adding at the end the following flush sentence:

“For purposes of this paragraph, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.”.

(b) CLERICAL AMENDMENT RELATING TO SECTION 11(g).—Clause (iv) of section 56(g)(4)(C) is amended by striking “a cooperative described in section 927(a)(4)” and inserting “an organization to which part I of subchapter T (relating to tax treatment of cooperatives) applies which is engaged in the marketing of agricultural or horticultural products”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Tax Technical Corrections Act of 2007 to which they relate.

**SEC. 215. AMENDMENT RELATING TO TAX RELIEF AND HEALTH CARE ACT OF 2006.**

(a) AMENDMENT RELATING TO SECTION 105.—Subparagraph (B) of section 45A(b)(1) is amended by adding at the end the following: “If any portion of wages are taken into account under subsection (e)(1)(A) of section 51, the preceding sentence shall be applied by substituting ‘2-year period’ for ‘1-year period’.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provision of the Tax Relief and Health Care Act of 2006 to which it relates.

**SEC. 216. AMENDMENT RELATING TO SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION EQUITY ACT OF 2005: A LEGACY FOR USERS.**

(a) AMENDMENT RELATING TO SECTION 11161.—Paragraph (1) of section 9503(b) is amended by inserting before the period at the end the following: “and taxes received under section 4081 shall be determined without regard to tax receipts attributable to the rate specified in section 4081(a)(2)(C)”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provision of the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users to which it relates.

**SEC. 217. AMENDMENTS RELATING TO ENERGY TAX INCENTIVES ACT OF 2005.**

(a) AMENDMENT RELATING TO SECTION 1341.—Subparagraph (B) of section 30B(h)(5)

is amended by inserting “(determined without regard to subsection (g))” before the period at the end.

(b) AMENDMENT RELATING TO SECTION 1342.—Paragraph (1) of section 30C(e) is amended to read as follows:

“(1) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (d)).”

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provision of the Energy Tax Incentives Act of 2005 to which it relates.

#### SEC. 218. AMENDMENTS RELATING TO AMERICAN JOBS CREATION ACT OF 2004.

(a) AMENDMENT RELATING TO SECTION 101.—Subsection (d) of section 101 of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

“(3) COORDINATION WITH SECTION 199.—This subsection shall be applied without regard to any deduction allowable under section 199.”

(b) AMENDMENTS RELATING TO SECTION 102.—Paragraph (3) of section 199(b) is amended—

(1) by inserting “of a short taxable year or” after “in cases”, and

(2) by striking “AND DISPOSITIONS” and inserting “, DISPOSITIONS, AND SHORT TAXABLE YEARS”.

(c) CLERICAL AMENDMENT RELATING TO SECTION 413.—Paragraph (7) of section 904(h) is amended by striking “as ordinary income under section 1246 or”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provision of the American Jobs Creation Act of 2004 to which they relate.

#### SEC. 219. MODIFICATION OF TREATMENT OF CERTAIN HEALTH ORGANIZATIONS.

(a) IN GENERAL.—Paragraph (5) of section 833(c) is amended—

(1) by striking “this section” and inserting “paragraphs (2) and (3) of subsection (a)”, and

(2) by inserting “and for activities that improve health care quality” after “clinical services”.

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

#### SEC. 220. OTHER CLERICAL CORRECTIONS.

(a) Paragraph (8) of section 30B(h) is amended by striking “vehicle”, except that” and inserting “vehicle), except that”.

(b) Subparagraph (A) of section 38(c)(2) is amended by striking “credit credit” and inserting “credit”.

(c) Section 46 is amended by adding a comma at the end of paragraph (4).

(d) Subparagraph (E) of section 50(a)(2) is amended by inserting “, 48A(b)(3), 48B(b)(3), 48C(b)(2), or 48D(b)(4)” after “under section 48(b)”.

(e) Clause (i) of section 54A(d)(2)(A) is amended by striking “100 percent or more” and inserting “100 percent”.

(f) Paragraph (2) of section 125(b) is amended by striking “statutory nontaxable benefits” each place it appears and inserting “qualified benefits”.

(g) Paragraph (2) of section 125(h) is amended by striking “means, any” and inserting “means any”.

(h) Subparagraph (F) of section 163(h)(4) is amended by striking “Veterans Administration or the Rural Housing Administration” and inserting “Department of Veterans Affairs or the Rural Housing Service”.

(i) Subsection (a) of section 249 is amended by striking “1563(a)(1)” and inserting “1563(a)(1))”.

(j) Paragraphs (8) and (10) of section 280F(d) are each amended by striking “subsection (a)(2)” and inserting “subsection (a)(1)”.

(k) Clause (iii) of section 402A(c)(4)(E) is amended by striking “403(b)(7)(A)(i)” and inserting “403(b)(7)(A)(ii)”.

(l) Subsection (b) of section 858 is amended by striking “857(b)(8)” and inserting “857(b)(9)”.

(m) Subparagraph (A) of section 1012(c)(2) is amended by striking “section 1012” and inserting “this section”.

(n) The heading for section 1394(f) is amended by striking “DESIGNATED UNDER SECTION 1391(g)”.

(o) Paragraphs (1) and (2)(A) of section 1394(f) are each amended by striking “a new empowerment zone facility bond” and inserting “an empowerment zone facility bond”.

(p) Subsections (e)(3)(B) and (f)(7)(B) of section 4943 are each amended by striking “January 1, 1970” and inserting “January 1, 1971”.

(q) Paragraph (2) of section 4982(f) is amended by adding a comma at the end.

(r) Paragraph (3) of section 6011(e) is amended by striking “shall require than” and inserting “shall require that”.

(s) Subsection (b) of section 6072 is amended by striking “6011(e)(2)” and inserting “6011(c)(2)”.

(t) Subsection (d) of section 6104 is amended by redesignating the second paragraph (6) (relating to disclosure of reports by Internal Revenue Service) and third paragraph (6) (relating to application to nonexempt charitable trusts and nonexempt private foundations) as paragraphs (7) and (8), respectively.

(u) Subsection (c) of section 6662A is amended by striking “section 6664(d)(2)(A)” and inserting “section 6664(d)(3)(A)”.

(v) Subparagraph (FF) of section 6724(d)(2) is amended by striking “section 6050W(c)” and inserting “section 6050W(f)”.

(w) Section 9802 is amended by redesignating the second subsection (f) (relating to genetic information of a fetus or embryo) as subsection (g).

(x) Paragraph (3) of section 13(e) of the Worker, Homeownership, and Business Assistance Act of 2009 is amended by striking “subsection (d)” and inserting “subsection (c)”.

#### SEC. 221. DEADWOOD PROVISIONS.

(a) IN GENERAL.—

(1) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—Paragraph (7) of section 1(f) is amended to read as follows:

“(7) SPECIAL RULE FOR CERTAIN BRACKETS.—In prescribing tables under paragraph (1) which apply to taxable years beginning in a calendar year after 1994, the cost-of-living adjustment used in making adjustments to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate bracket begins shall be determined under paragraph (3) by substituting ‘1993’ for ‘1992’.”.

(2) CERTAIN PLUG-IN ELECTRIC VEHICLES.—

(A) Subpart B of part IV of subchapter A of chapter 1 is amended by striking section 30 (and by striking the item relating to such section in the table of sections for such subpart).

(B) Subsection (b) of section 38, as amended by section 208(f)(1) of this Act, is amended by inserting “plus” at the end of paragraph (35), by striking paragraph (36), and by redesignating paragraph (37) as paragraph (36).

(C) Subclause (VI) of section 48C(c)(1)(A)(i) is amended by striking “, qualified plug-in electric vehicles (as defined by section 30(d))”.

(D) Section 1016(a) is amended by striking paragraph (25).

(E) Section 6501(m) is amended by striking “section 30(e)(6)”.

(3) EARNED INCOME CREDIT.—

(A) Paragraph (1) of section 32(b) is amended—

(i) by striking subparagraphs (B) and (C), and

(ii) by striking “(a) IN GENERAL.—In the case of taxable years beginning after 1995:” in subparagraph (A) and moving the table 2 ems to the left.

(B) Subparagraph (B) of section 32(b)(2) is amended by striking “increased by” and all that follows and inserting “increased by \$3,000.”.

(4) FIRST-TIME HOMEBUYER CREDIT.—Section 6213(g)(2) is amended by striking subparagraph (P), as amended by section 213(a)(2).

(5) MAKING WORK PAY CREDIT.—

(A) Subpart C of part IV of subchapter A of chapter 1 is amended by striking section 36A (and by striking the item relating to such section in the table of sections for such subpart).

(B) Subparagraph (A) of section 6211(b)(4) is amended by striking “, 36A”.

(C) Section 6213(g)(2) is amended by striking subparagraph (N).

(6) GENERAL BUSINESS CREDITS.—Subsection (d) of section 38 is amended by striking paragraph (3).

(7) LOW-INCOME HOUSING CREDIT.—Subclause (I) of section 42(h)(3)(C)(ii) is amended by striking “(\$1.50 for 2001)”.

(8) MINIMUM TAX CREDIT.—

(A)(i) Section 53 is amended by striking subsections (e) and (f).

(ii) The amendment made by clause (i) striking subsection (f) of section 53 of the Internal Revenue Code of 1986 shall not be construed to allow any tax abated by reason of section 53(f)(1) of such Code (as in effect before such amendment) to be included in the amount determined under section 53(b)(1) of such Code.

(B) Paragraph (4) of section 6211(b)(4) is amended by striking “, 53(e)”.

(9) ADJUSTMENTS BASED ON ADJUSTED CURRENT EARNINGS.—Clause (ii) of section 56(g)(4)(F) is amended by striking “In the case of any taxable year beginning after December 31, 1992, clause” and inserting “Clause”.

(10) ITEMS OF TAX PREFERENCE; DEPLETION.—Paragraph (1) of section 57(a) is amended by striking “Effective with respect to taxable years beginning after December 31, 1992, this” and inserting “This”.

(11) INTANGIBLE DRILLING COSTS.—

(A) Clause (i) of section 57(a)(2)(E) is amended by striking “In the case of any taxable year beginning after December 31, 1992, this” and inserting “This”.

(B) Clause (ii) of section 57(a)(2)(E) is amended by striking “(30 percent in the case of taxable years beginning in 1993)”.

(12) ENVIRONMENTAL TAX.—

(A) Subchapter A of chapter 1 is amended by striking part VII (and by striking the item relating to such part in the table of parts for such subchapter).

(B) Paragraph (2) of section 26(b) is amended by striking subparagraph (B).

(C) Section 30A(c) is amended by striking paragraph (1) and by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(D) Subsection (a) of section 164 is amended by striking paragraph (5).

(E) Section 275(a) is amended by striking the last sentence.

(F) Section 882(a)(1) is amended by striking “, 59A”.

(G) Section 936(a)(3) is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

(H) Section 1561(a) is amended—

(i) by inserting “and” at the end of paragraph (2), by striking “, and” at the end of paragraph (3) and inserting a period, and by striking paragraph (4), and

(ii) by striking “, the amount specified in paragraph (3), and the amount specified in paragraph (4)” and inserting “and the amount specified in paragraph (3)”.

(I) Section 4611(e) is amended—

(i) by striking “section 59A, this section,” in paragraph (2)(B) and inserting “this section”, and

(ii) in paragraph (3)(A)—

(I) by striking “section 59A,” and

(II) by striking the comma after “rate”.

(J) Section 6425(c)(1)(A) is amended by inserting “plus” at end of clause (i), by striking “plus” and inserting “over” at the end of clause (ii), and by striking clause (iii).

(K) Section 6655 is amended—

(i) by striking clause (iii) of subsection (e)(2)(B) and inserting:

“(iii) MODIFIED ALTERNATIVE MINIMUM TAXABLE INCOME.—The term ‘modified alternative minimum taxable income’ means alternative minimum taxable income (as defined in section 55(b)(2)) but determined without regard to the alternative tax net operating loss deduction (as defined in section 56(d)).”, and

(ii) in subsection (g)(1)(A), by inserting “plus” at the end of clause (ii), by striking clause (iii), and by redesignating clause (iv) as clause (iii).

(L) Section 9507(b)(1) is amended by striking “59A.”.

(13) STANDARD DEDUCTION.—

(A) So much of paragraph (1) of section 63(c) as follows “the sum of—” is amended to read as follows:

“(A) the basic standard deduction, and

“(B) the additional standard deduction.”.

(B) Subsection (e) of section 63 is amended by striking paragraphs (7), (8), and (9).

(14) ANNUITIES; CERTAIN PROCEEDS OF ENDOWMENT AND LIFE INSURANCE CONTRACTS.—Section 72 is amended—

(A) in subsection (c)(4), by striking “; except that if such date was before January 1, 1954, then the annuity starting date is January 1, 1954”, and

(B) in subsection (g)(3), by striking “January 1, 1954, or” and “, whichever is later”.

(15) UNEMPLOYMENT COMPENSATION.—Section 85 is amended by striking subsection (c).

(16) ACCIDENT AND HEALTH PLANS.—Section 105(f) is amended by striking “or (d)”.

(17) FLEXIBLE SPENDING ARRANGEMENTS.—Section 106(c)(1) is amended by striking “Effective on and after January 1, 1997, gross” and inserting “Gross”.

(18) CERTAIN COMBAT ZONE COMPENSATION OF MEMBERS OF THE ARMED FORCES.—Subsection (c) of section 112 is amended—

(A) by striking “(after June 24, 1950)” in paragraph (2), and

(B) striking “such zone;” and all that follows in paragraph (3) and inserting “such zone.”.

(19) LEGAL SERVICE PLANS.—

(A) Part III of subchapter B of chapter 1 is amended by striking section 120 and by striking the item relating to such section in the table of sections for such subpart).

(B)(i) Section 414(n)(3)(C) is amended by striking “120.”.

(ii) Section 414(t)(2) is amended by striking “120.”.

(iii) Section 501(c) is amended by striking paragraph (20).

(iv) Section 3121(a) is amended by striking paragraph (17).

(v) Section 3231(e) is amended by striking paragraph (7).

(vi) Section 3306(b) is amended by striking paragraph (12).

(vii) Section 6039D(d)(1) is amended by striking “120.”.

(viii) Section 209(a)(14) of the Social Security Act is amended—

(I) by striking subparagraph (B), and

(II) by striking “(14)(A)” and inserting “(14)”.

(20) PRINCIPAL RESIDENCE.—Section 121(b)(3) is amended—

(A) by striking subparagraph (B), and

(B) in subparagraph (A), by striking “(A) IN GENERAL.—” and moving the text 2 ems to the left.

(21) CERTAIN REDUCED UNIFORMED SERVICES RETIREMENT PAY.—Section 122(b)(1) is amended by striking “after December 31, 1965.”.

(22) GREAT PLAINS CONSERVATION PROGRAM.—Section 126(a) is amended by striking paragraph (6) and by redesignating paragraphs (7), (8), (9), and (10) as paragraphs (6), (7), (8), and (9), respectively.

(23) TREBLE DAMAGE PAYMENTS UNDER THE ANTITRUST LAW.—Section 162(g) is amended by striking the last sentence.

(24) STATE LEGISLATORS’ TRAVEL EXPENSES AWAY FROM HOME.—Paragraph (4) of section 162(h) is amended by striking “For taxable years beginning after December 31, 1980, this” and inserting “This”.

(25) INTEREST.—

(A) Section 163 is amended—

(i) by striking paragraph (6) of subsection (d), and

(ii) by striking paragraph (5) of subsection (h).

(B) Section 56(b)(1)(C) is amended by striking clause (ii) and by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively.

(26) QUALIFIED MOTOR VEHICLE TAXES.—Section 164 is amended by striking subsections (a)(6) and (b)(6).

(27) DISASTER LOSSES.—

(A) Subsection (h) of section 165 is amended by striking paragraph (3).

(B) Subsection (i) of section 165 is amended—

(I) in paragraph (1)—

(i) by striking “(as defined by clause (ii) of subsection (h)(3)(C))”, and

(II) by striking “(as defined by clause (i) of such subsection)”.

(ii) by striking “(as defined by subsection (h)(3)(C)(i))” in paragraph (4), and

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

“(5) FEDERALLY DECLARED DISASTERS.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘federally declared disaster’ means any disaster subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

“(B) DISASTER AREA.—The term ‘disaster area’ means the area so determined to warrant such assistance.”.

(C) Section 1033(h)(3) is amended by striking “section 165(h)(3)(C)” and inserting “section 165(i)(5)”.

(D) Section 6306(i), as added by this Act, is amended by striking “section 165(h)(3)(C)” and inserting “section 165(i)(5)”.

(28) CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.—Section 170 is amended—

(A) by striking paragraph (3) of subsection (b),

(B) by striking paragraph (6) of subsection (e), and

(C) by striking subsection (k).

(29) AMORTIZABLE BOND PREMIUM.—

(A) Subparagraph (B) of section 171(b)(1) is amended to read as follows:

“(B)(i) with reference to the amount payable on maturity (or if it results in a smaller amortizable bond premium attributable to the period before the call date, with reference to the amount payable on the earlier call date), in the case of a bond described in subsection (a)(1), and

“(ii) with reference to the amount payable on maturity or on an earlier call date, in the

case of a bond described in subsection (a)(2).”.

(B) Paragraphs (2) and (3)(B) of section 171(b) are each amended by striking “paragraph (1)(B)(ii)” and inserting “paragraph (1)(B)(i)”.

(30) NET OPERATING LOSS CARRYBACKS, CARRYOVERS, AND CARRYFORWARDS.—

(A) Section 172 is amended—

(i) by striking subparagraphs (D), (H), (I) and (J) of subsection (b)(1) and by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively, and

(ii) by striking subsections (g) and (j) and by redesignating subsections (h), (i), and (k) as subsections (g), (h), and (i), respectively.

(B) Each of the following provisions of section 172 (as redesignated by subparagraph (A)) are amended as follows:

(i) By striking “ending after August 2, 1989” in subsection (b)(1)(D)(i)(II).

(ii) By striking “subsection (h)” in subsection (b)(1)(D)(ii) and inserting “subsection (g)”.

(iii) By striking “section 165(h)(3)(C)(i)” in subsection (b)(1)(E)(ii)(II), as amended by this Act, and inserting “section 165(i)(5)”.

(iv) By striking “subsection (i)” and all that follows in the last sentence of subsection (b)(1)(E)(ii) and inserting “subsection (h).”.

(v) By striking “subsection (i)” in subsection (b)(1)(F) and inserting “subsection (h).”.

(vi) By striking subparagraph (F) of paragraph (2) of subsection (g).

(vii) By striking “subsection (b)(1)(E)” each place it appears in subsection (g)(4) and inserting “subsection (b)(1)(D)”.

(viii) By striking the last sentence of subsection (h)(1).

(ix) By striking “subsection (b)(1)(G)” each place it appears in subsection (h)(3) and inserting “subsection (b)(1)(F)”.

(C) Paragraph (5) of section 382(l) is amended by striking subparagraph (F) and by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

(31) RESEARCH AND EXPERIMENTAL EXPENDITURES.—Subparagraph (A) of section 174(a)(2) is amended to read as follows:

“(I) WITHOUT CONSENT.—A taxpayer may, without the consent of the Secretary, adopt the method provided in this subsection for his first taxable year for which expenditures described in paragraph (1) are paid or incurred.”.

(32) AMORTIZATION OF CERTAIN RESEARCH AND EXPERIMENTAL EXPENDITURES.—Paragraph (2) of section 174(b) is amended by striking “beginning after December 31, 1953”.

(33) SOIL AND WATER CONSERVATION EXPENDITURES.—Paragraph (1) of section 175(d) is amended to read as follows:

“(1) WITHOUT CONSENT.—A taxpayer may, without the consent of the Secretary, adopt the method provided in this section for the taxpayer’s first taxable year for which expenditures described in subsection (a) are paid or incurred.”.

(34) CLEAN-FUEL VEHICLES.—

(A) Part VI of subchapter A of chapter 1 is amended by striking section 179A (and by striking the item relating to such section in the table of sections for such part).

(B) Section 30C(e) is amended by adding at the end the following:

“(7) REFERENCE.—For purposes of this section, any reference to section 179A shall be treated as a reference to such section as in effect immediately before its repeal.”.

(C) Section 62(a) is amended by striking paragraph (14).

(D) Section 263(a)(1) is amended by striking subparagraph (H).

(E) Section 280F(a)(1) is amended by striking subparagraph (C).

(F) Section 312(k)(3) is amended by striking “179A,” each place it appears.

(G) Section 1016(a) is amended by striking paragraph (24).

(H) Section 1245(a) is amended by striking “179A,” each place it appears in paragraphs (2)(C) and (3)(C).

(35) QUALIFIED DISASTER EXPENSES.—Part VI of subchapter A of chapter 1 is amended by striking section 198A (and by striking the item relating to such section in the table of sections for such part).

(36) ACTIVITIES NOT ENGAGED IN FOR PROFIT.—Section 183(e)(1) is amended by striking the last sentence.

(37) DOMESTIC PRODUCTION ACTIVITIES.—

(A) Subsection (a) of section 199 is amended by striking paragraph (2) and by striking “IN GENERAL.—”, by redesignating subparagraphs (A) and (B) of paragraph (1) as paragraphs (1) and (2), and by moving paragraphs (1) and (2) (as so redesignated) 2 ems to the left.

(B) Paragraphs (2) and (6)(B) of section 199(d) are each amended by striking “(a)(1)(B)” and inserting “(a)(2)”.

(38) RETIREMENT SAVINGS.—

(A) Subparagraph (A) of section 219(b)(5) is amended to read as follows:

“(A) IN GENERAL.—The deductible amount is \$5,000.”

(B) Clause (ii) of section 219(b)(5)(B) is amended to read:

“(ii) APPLICABLE AMOUNT.—For purposes of clause (i), the applicable amount is \$1,000.”

(C) Clause (ii) of section 219(g)(2)(A) is amended by striking “for a taxable year beginning after December 31, 2006”.

(D) Section 219(g)(3)(B) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) In the case of a taxpayer filing a joint return, \$80,000.

“(ii) In the case of any other taxpayer (other than a married individual filing a separate return), \$50,000.”

(E) Paragraph (8) of section 219(g) is amended by striking “the dollar amount in the last row of the table contained in paragraph (3)(B)(i), the dollar amount in the last row of the table contained in paragraph (3)(B)(ii), and the dollar amount contained in paragraph (7)(A),” and inserting “each of the dollar amounts in paragraphs (3)(B)(i), (3)(B)(ii), and (7)(A)”.

(39) REPORTS REGARDING QUALIFIED VOLUNTARY RETIREMENT CONTRIBUTIONS.—

(A) Section 219 is amended by striking paragraph (4) of subsection (f) and subsection (h).

(B) Section 6652 is amended by striking subsection (g).

(40) INTEREST ON EDUCATION LOANS.—Paragraph (1) of section 221(b) is amended by striking “shall not exceed” and all that follows and inserting “shall not exceed \$2,500.”

(41) DIVIDENDS RECEIVED ON CERTAIN PREFERRED STOCK; AND DIVIDENDS PAID ON CERTAIN PREFERRED STOCK OF PUBLIC UTILITIES.—

(A) Sections 244 and 247 are hereby repealed, and the table of sections for part VIII of subchapter B of chapter 1 is amended by striking the items relating to sections 244 and 247.

(B) Paragraph (5) of section 172(d) is amended to read as follows:

“(5) COMPUTATION OF DEDUCTION FOR DIVIDENDS RECEIVED.—The deductions allowed by section 243 (relating to dividends received by corporations) and 245 (relating to dividends received from certain foreign corporations) shall be computed without regard to section 246(b) (relating to limitation on aggregate amount of deductions).”

(C) Paragraph (1) of section 243(c) is amended to read as follows:

“(1) IN GENERAL.—In the case of any dividend received from a 20-percent owned cor-

poration, subsection (a)(1) shall be applied by substituting ‘80 percent’ for ‘70 percent’.”

(D) Section 243(d) is amended by striking paragraph (4).

(E) Section 246 is amended—

(i) by striking “, 244,” in subsection (a)(1),

(ii) in subsection (b)(1)—

(I) by striking “sections 243(a)(1), and 244(a),” the first place it appears and inserting “section 243(a)(1)”.

(II) by striking “244(a),” the second place it appears, and

(III) by striking “subsection (a) or (b) of section 245, and 247,” and inserting “and subsection (a) or (b) of section 245,” and

(iii) by striking “, 244,” in subsection (c)(1).

(F) Section 246A is amended by striking “, 244,” both places it appears in subsections (a) and (e).

(G) Sections 263(g)(2)(B)(iii), 277(a), 301(e)(2), 469(e)(4), 512(a)(3)(A), subparagraphs (A), (C), and (D) of section 805(a)(4), 805(b)(5), 812(e)(2)(A), 815(c)(2)(A)(iii), 832(b)(5), 833(b)(3)(E), and 1059(b)(2)(B) are each amended by striking “, 244,” each place it appears.

(H) Section 1244(c)(2)(C) is amended by striking “244.”

(I) Section 805(a)(4)(B) is amended by striking “, 244(a),” each place it appears.

(J) Section 810(c)(2)(B) is amended by striking “244 (relating to dividends on certain preferred stock of public utilities),”.

(K) The amendments made by this paragraph shall not apply to preferred stock issued before October 1, 1942 (determined in the same manner as under section 247 of the Internal Revenue Code of 1986 as in effect before its repeal by such amendments).

(42) ORGANIZATION EXPENSES.—Section 248(c) is amended by striking “beginning after December 31, 1953,” and by striking the last sentence.

(43) BOND REPURCHASE PREMIUM.—Section 249(b)(1) is amended by striking “, in the case of bonds or other evidences of indebtedness issued after February 28, 1913,”.

(44) AMOUNT OF GAIN WHERE LOSS PREVIOUSLY DISALLOWED.—Section 267(d) is amended by striking “(or by reason of section 24(b) of the Internal Revenue Code of 1939)” in paragraph (1), by striking “after December 31, 1953,” in paragraph (2), by striking the second sentence, and by striking “or by reason of section 118 of the Internal Revenue Code of 1939” in the last sentence.

(45) ACQUISITIONS MADE TO EVADE OR AVOID INCOME TAX.—Paragraphs (1) and (2) of section 269(a) are each amended by striking “or acquired on or after October 8, 1940,”.

(46) MEALS AND ENTERTAINMENT.—Paragraph (3) of section 274(n) is amended—

(A) by striking “(A) IN GENERAL.—”,

(B) by striking “substituting ‘the applicable percentage’ for” and inserting “substituting ‘80 percent’ for”, and

(C) by striking subparagraph (B).

(47) INTEREST ON INDEBTEDNESS INCURRED BY CORPORATIONS TO ACQUIRE STOCK OR ASSETS OF ANOTHER CORPORATION.—

(A) Section 279 is amended—

(i) by striking “after December 31, 1967,” in subsection (a)(2),

(ii) by striking “after October 9, 1969,” in subsection (b),

(iii) by striking “after October 9, 1969, and” in subsection (d)(5), and

(iv) by striking subsection (i) and redesignating subsection (j) as subsection (i).

(B) The amendments made by this paragraph shall not—

(i) apply to obligations issued on or before October 9, 1969 (determined in the same manner as under section 279 of the Internal Revenue Code of 1986 as in effect before such amendments), and

(ii) be construed to require interest on obligations issued on or before December 31, 1967, to be taken into account under section

279(a)(2) of such Code (as in effect after such amendments).

(48) BANK HOLDING COMPANIES.—

(A) Clause (iii) of section 304(b)(3)(D) is repealed.

(B) The heading of subparagraph (D) of section 304(b)(3) is amended by striking “AND SPECIAL RULE.”

(49) EFFECT ON EARNINGS AND PROFITS.—Subsection (d) of section 312 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(50) DISQUALIFIED STOCK.—Paragraph (3) of section 355(d) is amended by striking “after October 9, 1990, and” each place it appears.

(51) BASIS TO CORPORATIONS.—Section 362 is amended by striking “on or after June 22, 1954” in subsection (a) and by striking “, on or after June 22, 1954,” each place it appears in subsection (c).

(52) INDIVIDUAL RETIREMENT ACCOUNTS.—Clause (i) of section 408(p)(2)(E) is amended to read as follows:

“(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable amount is \$10,000.”

(53) TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLANS.—Section 409 is amended by striking subsection (q).

(54) CATCH-UP CONTRIBUTIONS.—Subparagraph (B) of section 414(v)(2) is amended to read as follows:

“(II)(i) In the case of an applicable employer plan other than a plan described in section 401(k)(11) or 408(p), the applicable dollar amount is \$5,000.

“(ii) In the case of an applicable employer plan described in section 401(k)(11) or 408(p), the applicable dollar amount is \$2,500.”

(55) EMPLOYEE STOCK PURCHASE PLANS.—Section 423(a) is amended by striking “after December 31, 1963,”.

(56) TRANSITION RULES.—

(A)(i) Paragraph (5) of section 430(c) is amended by striking subparagraph (B) and by striking “(A) IN GENERAL.—”

(ii) Paragraph (5) of section 303(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C.1082(c)) is amended by striking subparagraph (B) and by striking “(A) IN GENERAL.—”

(B)(i) Paragraph (2) of section 430(h) is amended by striking subparagraph (G).

(ii) Paragraph (2) of section 303(h) of the Employee Retirement Income Security Act of 1974 (29 U.S.C.1082(h)) is amended by striking subparagraph (G).

(C)(i) Paragraph (3) of section 436(j) is amended by striking subparagraphs (B) and (C) and by striking “(A) IN GENERAL.—”

(ii) Subparagraph (C) of section 206(g)(9) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(g)(9)) is amended by striking clauses (ii) and (iii) and by striking “(i) IN GENERAL.—”

(D)(i) Section 436 is amended by striking subsection (m).

(ii) Section 206(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(g)) is amended by striking paragraph (10).

(57) LIMITATION ON DEDUCTIONS FOR CERTAIN FARMING.—

(A) Section 464 is amended by striking “any farming syndicate (as defined in subsection (c))” both places it appears in subsections (a) and (b) and inserting “any taxpayer to whom subsection (d) applies”.

(B)(i) Subsection (c) of section 464 is hereby moved to the end of section 461 and redesignated as subsection (j).

(ii) Such subsection (j) is amended—

(I) by striking “For purposes of this section” in paragraph (1) and inserting “For purposes of subsection (i)(4)”, and

(II) by adding at the end the following new paragraphs:

“(3) FARMING.—For purposes of this subsection, the term ‘farming’ has the meaning given to such term by section 464(e).”

“(4) LIMITED ENTREPRENEUR.—For purposes of this subsection, the term ‘limited entrepreneur’ means a person who—

“(A) has an interest in an enterprise other than as a limited partner, and

“(B) does not actively participate in the management of such enterprise.”

(iii) Paragraph (4) of section 461(i) is amended by striking “section 464(c)” and inserting “subsection (j)”.

(C) Section 464 is amended—

(i) by striking subsections (e) and (g) and redesignating subsections (d) and (f) as subsections (c) and (d), respectively, and

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

“(e) FARMING.—For purposes of this section, the term ‘farming’ means the cultivation of land or the raising or harvesting of any agricultural or horticultural commodity including the raising, shearing, feeding, caring for, training, and management of animals. For purposes of the preceding sentence, trees (other than trees bearing fruit or nuts) shall not be treated as an agricultural or horticultural commodity.”

(D) Subsection (d) of section 464 of such Code (as redesignated by subparagraph (C)) is amended—

(i) by striking paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively, and

(ii) by striking “SUBSECTIONS (A) AND (B) TO APPLY TO” in the heading.

(E) Subparagraph (A) of section 58(a)(2) is amended by striking “section 464(c)” and inserting “section 461(j)”.

(58) DEDUCTIONS LIMITED TO AMOUNT AT RISK.—Subparagraph (A) of section 465(c)(3) is amended by striking “In the case of taxable years beginning after December 31, 1978, this” and inserting “This”.

(59) PASSIVE ACTIVITY LOSSES AND CREDITS LIMITED.—

(A) Section 469 is amended by striking subsection (m).

(B) Subsection (b) of section 58 is amended by adding “and” at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(60) ADJUSTMENTS REQUIRED BY CHANGES IN METHOD OF ACCOUNTING.—Section 481(b)(3) is amended by striking subparagraph (C).

(61) EXEMPTION FROM TAX ON CORPORATIONS, CERTAIN TRUSTS, ETC.—Section 501 is amended by striking subsection (s).

(62) REQUIREMENTS FOR EXEMPTION.—

(A) Section 503(a)(1) is amended to read as follows:

“(1) GENERAL RULE.—An organization described in paragraph (17) or (18) of section 501(c), or described in section 401(a) and referred to in section 4975(g)(2) or (3), shall not be exempt from taxation under section 501(a) if it has engaged in a prohibited transaction.”

(B) Paragraph (2) of section 503(a) is amended by striking “described in section 501(c)(17) or (18) or paragraph (a)(1)(B)” and inserting “described in paragraph (1)”.

(C) Subsection (c) of section 503 is amended by striking “described in section 501(c)(17) or (18) or subsection (a)(1)(B)” and inserting “described in subsection (a)(1)”.

(63) ACCUMULATED TAXABLE INCOME.—Paragraph (1) of section 535(b) and paragraph (1) of section 545(b) are each amended by striking “section 531” and all that follows and inserting “section 531 or the personal holding company tax imposed by section 541.”

(64) DEFINITION OF PROPERTY.—Subsection (b) of section 614 is amended—

(A) by striking paragraphs (3)(C) and (5), and

(B) in paragraph (4), by striking “whichever of the following years is later: The first taxable year beginning after December 31, 1963, or”.

(65) AMOUNTS RECEIVED BY SURVIVING ANNUITY UNDER JOINT AND SURVIVOR ANNUITY CONTRACT.—Subparagraph (A) of section 691(d)(1) is amended by striking “after December 31, 1953, and”.

(66) INCOME TAXES OF MEMBERS OF ARMED FORCES ON DEATH.—Section 692(a)(1) is amended by striking “after June 24, 1950”.

(67) SPECIAL RULES FOR COMPUTING RESERVES.—Paragraph (7) of section 807(e) is amended by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(68) INSURANCE COMPANY TAXABLE INCOME.—(A) Section 832(e) is amended by striking “of taxable years beginning after December 31, 1966.”

(B) Section 832(e)(6) is amended by striking “In the case of any taxable year beginning after December 31, 1970, the” and inserting “The”.

(69) CAPITALIZATION OF CERTAIN POLICY ACQUISITION EXPENSES.—Section 848 is amended by striking subsection (j).

(70) TAX ON NONRESIDENT ALIEN INDIVIDUALS.—Subparagraph (B) of section 871(a)(1) is amended to read as follows:

“(II) gains described in subsection (b) or (c) of section 631.”

(71) LIMITATION ON CREDIT.—Paragraph (2) of section 904(d) is amended by striking subparagraph (J).

(72) FOREIGN EARNED INCOME.—Clause (i) of section 911(b)(2)(D) is amended to read as follows:

“(i) IN GENERAL.—The exclusion amount for any calendar year is \$80,000.”

(73) BASIS OF PROPERTY ACQUIRED FROM DECEDENT.—Section 1014 is amended—

(A) by striking “or section 811(j) of the Internal Revenue Code of 1939 where the decedent died after October 21, 1942” in subsection (a)(2), and

(B) by striking paragraphs (7) and (8) of subsection (b).

(74) ADJUSTED BASIS.—Section 1016(a) is amended by striking paragraph (12).

(75) PROPERTY ON WHICH LESSEE HAS MADE IMPROVEMENTS.—Section 1019 is amended by striking the last sentence.

(76) INVOLUNTARY CONVERSION.—Section 1033 is amended by striking subsection (j) and by redesignating subsections (k) and (l) as subsections (j) and (k), respectively.

(77) PROPERTY ACQUIRED DURING AFFILIATION.—Section 1051 is hereby repealed, and the table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to section 1051.

(78) CAPITAL GAINS AND LOSSES.—Section 1222 is amended by striking the last sentence.

(79) HOLDING PERIOD OF PROPERTY.—

(A) Paragraph (1) of section 1223 is amended by striking “after March 1, 1954.”

(B) Paragraph (4) of section 1223 is amended by striking “(or under so much of section 1052(c) as refers to section 113(a)(23) of the Internal Revenue Code of 1939)”.

(C) Paragraphs (6) and (8) of section 1223 are repealed.

(80) PROPERTY USED IN THE TRADE OR BUSINESS AND INVOLUNTARY CONVERSIONS.—Subparagraph (A) of section 1231(c)(2) is amended by striking “beginning after December 31, 1981”.

(81) SALE OR EXCHANGE OF PATENTS.—Section 1235 is amended—

(A) by striking subsection (c) and by redesignating subsections (d) and (e) as subsections (c) and (d), respectively, and

(B) by striking “subsection (d)” in subsection (b)(2)(B) and inserting “subsection (c)”.

(82) DEALERS IN SECURITIES.—Subsection (b) of section 1236 is amended by striking “after November 19, 1951.”

(83) SALE OF PATENTS.—Subsection (a) of section 1249 is amended by striking “after December 31, 1962.”

(84) GAIN FROM DISPOSITION OF FARMLAND.—Paragraph (1) of section 1252(a) is amended—

(A) by striking “after December 31, 1969” the first place it appears, and

(B) by striking “after December 31, 1969,” in subparagraph (A).

(85) TREATMENT OF AMOUNTS RECEIVED ON RETIREMENT OR SALE OR EXCHANGE OF DEBT INSTRUMENTS.—Subsection (c) of section 1271 is amended to read as follows:

“(c) SPECIAL RULE FOR CERTAIN OBLIGATIONS WITH RESPECT TO WHICH ORIGINAL ISSUE DISCOUNT NOT CURRENTLY INCLUDEABLE.—

“(1) IN GENERAL.—On the sale or exchange of debt instruments issued by a government or political subdivision thereof after December 31, 1954, and before July 2, 1982, or by a corporation after December 31, 1954, and on or before May 27, 1969, any gain realized which does not exceed—

“(A) an amount equal to the original issue discount, or

“(B) if at the time of original issue there was no intention to call the debt instrument before maturity, an amount which bears the same ratio to the original issue discount as the number of complete months that the debt instrument was held by the taxpayer bears to the number of complete months from the date of original issue to the date of maturity, shall be considered as ordinary income.

“(2) SUBSECTION (A)(2)(A) NOT TO APPLY.—Subsection (a)(2)(A) shall not apply to any debt instrument referred to in paragraph (1) of this subsection.

“(3) CROSS REFERENCE.—For current inclusion of original issue discount, see section 1272.”

(86) AMOUNT AND METHOD OF ADJUSTMENT.—Section 1314 is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(87) ELECTION; REVOCATION; TERMINATION.—Clause (iii) of section 1362(d)(3)(A) is amended by striking “unless” and all that follows and inserting “unless the corporation was an S corporation for such taxable year.”

(88) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—Subsection (a) of section 1401 is amended by striking “the following percent” and all that follows and inserting “12.4 percent of the amount of the self-employment income for such taxable year.”

(89) HOSPITAL INSURANCE.—Paragraph (1) of section 1401(b) is amended by striking: “the following percent” and all that follows and inserting “2.9 percent of the amount of the self-employment income for such taxable year.”

(90) MINISTERS, MEMBERS OF RELIGIOUS ORDERS, AND CHRISTIAN SCIENCE PRACTITIONERS.—Paragraph (3) of section 1402(e) is amended—

(A) by striking “whichever of the following dates is later: (A)” and

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

(91) WITHHOLDING OF TAX ON NONRESIDENT ALIENS.—The first sentence of subsection (b) of section 1441 and the first sentence of paragraph (5) of section 1441(c) are each amended by striking “gains subject to tax” and all that follows through “October 4, 1966” and inserting “and gains subject to tax under section 871(a)(1)(D)”.

(92) AFFILIATED GROUP DEFINED.—Subparagraph (A) of section 1504(a)(3) is amended by striking “for a taxable year which includes any period after December 31, 1984” in clause

(i) and by striking “in a taxable year beginning after December 31, 1984” in clause (ii).

(93) DISALLOWANCE OF THE BENEFITS OF THE GRADUATED CORPORATE RATES AND ACCUMULATED EARNINGS CREDIT.—

(A) Subsection (a) of section 1551 is amended—

(i) by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively, and

(ii) by striking “after June 12, 1963,” each place it appears.

(B) Section 1551(b) is amended—

(i) by striking “or (2)” in paragraph (1), and

(ii) by striking “(a)(3)” in paragraph (2) and inserting “(a)(2)”.

(94) CREDIT FOR STATE DEATH TAXES.—

(A)(i) Part II of subchapter A of chapter 11 is amended by striking section 2011 (and by striking the item relating to such section in the table of sections for such subpart).

(ii) Section 2106(a)(4) is amended by striking “section 2011(a)” and inserting “2058(a)”.

(B)(i) Subchapter A of chapter 13 is amended by striking section 2604 (and by striking the item relating to such section in the table of sections for such subpart).

(ii) Clause (ii) of section 164(b)(4)(A) is amended by inserting “(as in effect before its repeal)” after “section 2604”.

(iii) Section 2654(a)(1) is amended by striking “(computed without regard to section 2604)”.

(95) GROSS ESTATE.—Subsection (c) of section 2031 is amended by striking paragraph (3) and by amending paragraph (1)(B) to read as follows:

“(II) \$500,000.”.

(96)(A) Part IV of subchapter A of chapter 11 is amended by striking section 2057 (and by striking the item relating to such section in the table of sections for such subpart).

(B) Paragraph (10) of section 2031(c) is amended by inserting “(as in effect before its repeal)” immediately before the period at the end thereof.

(97) PROPERTY WITHIN THE UNITED STATES.—Subsection (c) of section 2104 is amended by striking “With respect to estates of decedents dying after December 31, 1969, deposits” and inserting “Deposits”.

(98) FICA TAXES.—

(A) Subsection (a) of section 3101 is amended by striking “the following percentages” and all that follows and inserting “6.2 percent of the wages (as defined in section 3121(a)) received by the individual with respect to employment (as defined in section 3121(b))”.

(B)(i) Subsection (a) of section 3111 is amended by striking “the following percentages” and all that follows and inserting “6.2 percent of the wages (as defined in section 3121(a)) paid by the employer with respect to employment (as defined in section 3121(b)).”

(ii) Subsection (b) of section 3111 is amended by striking “the following percentages” and all that follows and inserting “1.45 percent of the wages (as defined in section 3121(a)) paid by the employer with respect to employment (as defined in section 3121(b)).”

(C)(i) Section 3121(b) is amended by striking paragraph (17).

(ii) Section 210(a) of the Social Security Act is amended by striking paragraph (17).

(99) RAILROAD RETIREMENT.—

(A) Subsection (b) of section 3201 is amended to read as follows:

“(b) TIER 2 TAX.—In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the percentage determined under section 3241 for any calendar year of the compensation received during such calendar year by such employee for services rendered by such employee.”.

(B) Subsection (b) of section 3211 is amended to read as follows:

“(b) TIER 2 TAX.—In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the percentage determined under section 3241 for any calendar year of the compensation received during such calendar year by such employee representative for services rendered by such employee representative.”.

(C) Subsection (b) of section 3221 is amended to read as follows:

“(b) TIER 2 TAX.—In addition to other taxes, there is hereby imposed on the income of each employer a tax equal to the percentage determined under section 3241 for any calendar year of the compensation paid during such calendar year by such employer for services rendered for such employer.”.

(D) Subsection (b) of section 3231 is amended—

(i) by striking “compensation; except” and all that follows in the first sentence and inserting “compensation.”, and

(ii) by striking the second sentence.

(100) CREDITS AGAINST FEDERAL UNEMPLOYMENT TAX.—

(A) Paragraph (4) of section 3302(f) is amended—

(i) by striking “subsection—” and all that follows through “(A) IN GENERAL.—The” and inserting “subsection, the”

(ii) by striking subparagraph (B),

(iii) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and

(iv) by moving the text of such subparagraphs (as so redesignated) 2 ems to the left.

(B) Paragraph (5) of section 3302(f) is amended by striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).

(101) DOMESTIC SERVICE EMPLOYMENT TAXES.—Section 3510(b) is amended by striking paragraph (4).

(102) LUXURY PASSENGER AUTOMOBILES.—(A) Chapter 31 is amended by striking subchapter A (and by striking the item relating to such subchapter in the table of subchapters for such chapter).

(B)(i) Section 4221 is amended—

(I) in subsections (a) and (d)(1), by striking “subchapter A or” and inserting “subchapter”.

(II) in subsection (a), by striking “In the case of taxes imposed by subchapter A of chapter 31, paragraphs (1), (3), (4), and (5) shall not apply.”, and

(III) in subsection (c), by striking “4001(c), 4001(d), or”.

(ii) Section 4222 is amended by striking “4001(c), 4001(d).”.

(iii) Section 4293 is amended by striking “subchapter A of chapter 31.”.

(103) TAX ON FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.—Section 4042(b)(2)(A) is amended to read as follows:

“(I) The Inland Waterways Trust Fund financing rate is 20 cents per gallon.”.

(104) TRANSPORTATION BY AIR.—Section 4261(e) is amended—

(A) in paragraph (1), by striking subparagraph (C), and

(B) by striking paragraph (5).

(105) TAXES ON FAILURE TO DISTRIBUTE INCOME.—

(A) Subsection (g) of section 4942 is amended by striking “For all taxable years beginning on or after January 1, 1975, subject” in paragraph (2)(A) and inserting “Subject”.

(B) Section 4942(i)(2) is amended by striking “beginning after December 31, 1969, and”.

(106) TAXES ON TAXABLE EXPENDITURES.—Section 4945(f) is amended by striking “(excluding therefrom any preceding taxable year which begins before January 1, 1970)”.

(107) DEFINITIONS AND SPECIAL RULES.—Section 4682(h) is amended—

(A) by striking paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively, and

(B) in paragraph (1) (as so redesignated)—

(i) by striking the heading and inserting “IN GENERAL”, and

(ii) by striking “after 1991” in subparagraph (C).

(108) RETURNS.—Subsection (a) of section 6039D is amended by striking “beginning after December 31, 1984.”.

(109) INFORMATION RETURNS.—Subsection (c) of section 6060 is amended by striking “year” and all that follows and inserting “year”.

(110) COLLECTION.—Section 6302 is amended—

(A) in subsection (e)(2), by striking “imposed by” and all that follows through “with respect to” and inserting “imposed by sections 4251, 4261, or 4271 with respect to”.

(B) by striking the last sentence of subsection (f)(1), and

(C) in subsection (h)—

(i) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(ii) by amending paragraph (3) (as so redesignated) to read as follows:

“(3) COORDINATION WITH OTHER ELECTRONIC FUND TRANSFER REQUIREMENTS.—Under regulations, any tax required to be paid by electronic fund transfer under section 5061(e) or 5703(b) shall be paid in such a manner as to ensure that the requirements of the second sentence of paragraph (1)(A) of this subsection are satisfied.”.

(111) ABATEMENTS.—Section 6404(f) is amended by striking paragraph (3).

(112) 2008 RECOVERY REBATE FOR INDIVIDUALS.—

(A) Subchapter B of chapter 65 is amended by striking section 6428 (and by striking the item relating to such section in the table of sections for such subchapter).

(B) Subparagraph (A) of section 6211(b)(4) is amended by striking “6428.”.

(C) Paragraph (2) of section 6213(g), as amended by section 213(a)(2) and paragraphs (4) and (5)(C) of this subsection, is amended by striking subparagraph (Q), by redesignating subparagraph (O) as subparagraph (N), by inserting “and” at the end of subparagraph (M), and by striking the comma at the end of subparagraph (N) (as so redesignated) and inserting a period.

(D) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by striking “6428, or 6431,” and inserting “or 6431”.

(113) ADVANCE PAYMENT OF PORTION OF INCREASED CHILD CREDIT FOR 2003.—Subchapter B of chapter 65 is amended by striking section 6429 (and by striking the item relating to such section in the table of sections for such subchapter).

(114) FAILURE BY CORPORATION TO PAY ESTIMATED INCOME TAX.—Clause (i) of section 6655(g)(4)(A) is amended by striking “(or the corresponding provisions of prior law)”.

(115) RETIREMENT.—Section 7447(i)(3)(B)(ii) is amended by striking “at 4 percent per annum to December 31, 1947, and at 3 percent per annum thereafter”, and inserting “at 3 percent per annum”.

(116) ANNUITIES TO SURVIVING SPOUSES AND DEPENDENT CHILDREN OF JUDGES.—

(A) Paragraph (2) of section 7448(a) is amended—

(i) by striking “or under section 1106 of the Internal Revenue Code of 1939” and,

(ii) by striking “or pursuant to section 1106(d) of the Internal Revenue Code of 1939”.

(B) Subsection (g) of section 7448 is amended by striking “or other than pursuant to section 1106 of the Internal Revenue Code of 1939”.

(C) Subsections (g), (j)(1), and (j)(2) of section 7448 are each amended by striking “at 4

percent per annum to December 31, 1947, and at 3 percent per annum thereafter" and inserting "at 3 percent per annum".

(117) **MERCHANT MARINE CAPITAL CONSTRUCTION FUNDS.**—Paragraph (4) of section 7518(g) is amended by striking "any nonqualified withdrawal" and all that follows through "shall be determined" and inserting "any nonqualified withdrawal shall be determined".

(118) **VALUATION TABLES.**—

(A) Subsection (c) of section 7520 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(B) Paragraph (2) of section 7520(c) (as redesignated by subparagraph (A)) is amended—

(i) by striking "Not later than December 31, 1989, the" and inserting "The", and

(ii) by striking "thereafter" in the last sentence thereof.

(119) **DEFINITION OF EMPLOYEE.**—Section 7701(a)(20) is amended by striking "chapter 21" and all that follows and inserting "chapter 21".

(b) **EFFECTIVE DATE.**—

(1) **GENERAL RULE.**—Except as otherwise provided in subsection (a) or paragraph (2) of this subsection, the amendments made by this section shall take effect on the date of enactment of this Act.

(2) **SAVINGS PROVISION.**—If—

(A) any provision amended or repealed by the amendments made by this section applied to—

(i) any transaction occurring before the date of the enactment of this Act,

(ii) any property acquired before such date of enactment, or

(iii) any item of income, loss, deduction, or credit taken into account before such date of enactment, and

(B) the treatment of such transaction, property, or item under such provision would (without regard to the amendments or repeals made by this section) affect the liability for tax for periods ending after date of enactment, nothing in the amendments or repeals made by this section shall be construed to affect the treatment of such transaction, property, or item for purposes of determining liability for tax for periods ending after such date of enactment.

### TITLE III—HIRE MORE HEROES

#### SEC. 301. SHORT TITLE.

This title may be cited as the "Hire More Heroes Act of 2014".

#### SEC. 302. EMPLOYEES WITH HEALTH COVERAGE UNDER TRICARE OR THE VETERANS ADMINISTRATION MAY BE EXEMPTED FROM EMPLOYER MANDATE UNDER PATIENT PROTECTION AND AFFORDABLE CARE ACT.

(a) **IN GENERAL.**—Section 4980H(c)(2) is amended by adding at the end the following:

"(F) **EXEMPTION FOR HEALTH COVERAGE UNDER TRICARE OR THE VETERANS ADMINISTRATION.**—Solely for purposes of determining whether an employer is an applicable large employer under this paragraph for any month, an employer may elect not to take into account for a month as an employee any individual who, for such month, has medical coverage under—

"(i) chapter 55 of title 10, United States Code, including coverage under the TRICARE program, or

"(ii) under a health care program under chapter 17 or 18 of title 38, United States Code, as determined by the Secretary of Veterans Affairs, in coordination with the Secretary of Health and Human Services and the Secretary."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to months beginning after December 31, 2013.

### TITLE IV—BUDGETARY EFFECTS

#### SEC. 401. BUDGETARY EFFECTS.

(a) **PAYGO SCORECARD.**—The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) **SENATE PAYGO SCORECARD.**—The budgetary effects of this Act shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

**SA 3061.** Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the end of part I of subtitle A of title I, insert the following:

#### Subpart B—Certain Provisions Made Permanent

#### SEC. 111. PERMANENT EXTENSION OF DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) **IN GENERAL.**—Subparagraph (D) of section 62(a)(2), as amended by this Act, is amended by striking "In the case of taxable years beginning during 2002" and all that follows through "deductions" and inserting "The deductions".

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 112. PERMANENT EXTENSION OF DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES.

(a) **IN GENERAL.**—Section 164(b)(5), as amended by this Act, is amended by striking subparagraph (I).

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 113. PERMANENT EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) **IN GENERAL.**—Section 222, as amended by this Act, is amended by striking subsection (e).

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

**SA 3062.** Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the end of part II of subtitle A of title I, insert the following:

#### Subpart B—Certain Provisions Made Permanent

#### SEC. 142. PERMANENT EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) **SIMPLIFIED CREDIT FOR QUALIFIED RESEARCH EXPENSES.**—Subsection (a) of section 41 is amended to read as follows:

"(a) **GENERAL RULE.**—For purposes of section 38, the research credit determined under this section for the taxable year shall be an amount equal to 20 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined."

(b) **SPECIAL RULES AND TERMINATION OF BASE AMOUNT CALCULATION.**—

(1) **IN GENERAL.**—Subsection (c) of section 41 is amended to read as follows:

"(c) **SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENSES IN ANY OF 3 PRECEDING TAXABLE YEARS.**—

"(1) **TAXPAYERS TO WHICH SUBSECTION APPLIES.**—The credit under this section shall be determined under this subsection, and not under subsection (a), if, in any one of the 3 taxable years preceding the taxable year for which the credit is being determined, the taxpayer has no qualified research expenses.

"(2) **CREDIT RATE.**—The credit determined under this subsection shall be equal to 10 percent of the qualified research expenses for the taxable year."

(2) **CONSISTENT TREATMENT OF EXPENSES.**—Subsection (b) of section 41 is amended by adding at the end the following new paragraph:

"(5) **CONSISTENT TREATMENT OF EXPENSES REQUIRED.**—

"(A) **IN GENERAL.**—Notwithstanding whether the period for filing a claim for credit or refund has expired for any taxable year in the 3-taxable-year period taken into account under subsection (a), the qualified research expenses taken into account for such year shall be determined on a basis consistent with the determination of qualified research expenses for the credit year.

"(B) **PREVENTION OF DISTORTIONS.**—The Secretary may prescribe regulations to prevent distortions in calculating a taxpayer's qualified research expenses caused by a change in accounting methods used by such taxpayer between the credit year and a year in such 3-taxable-year period."

(c) **INCLUSION OF QUALIFIED RESEARCH EXPENSES OF AN ACQUIRED PERSON.**—

(1) **PARTIAL INCLUSION OF PRE-ACQUISITION QUALIFIED RESEARCH EXPENSES.**—Subparagraph (A) of section 41(f)(3) is amended to read as follows:

"(A) **ACQUISITIONS.**—

"(i) **IN GENERAL.**—If a person acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then the amount of qualified research expenses paid or incurred by the acquiring person during the 3 taxable years preceding the taxable year in which the credit under this section is determined shall be increased by—

"(I) for purposes of applying this section for the taxable year in which such acquisition is made, the amount determined under clause (ii), and

"(II) for purposes of applying this section for any taxable year after the taxable year in which such acquisition is made, so much of the qualified research expenses paid or incurred by the predecessor with respect to the acquired trade or business during the portion of the measurement period that is part of the 3-taxable-year period preceding the taxable year for which the credit is determined as is attributable to the portion of such trade or business or separate unit acquired by such person.

"(ii) **AMOUNT DETERMINED.**—The amount determined under this clause is the amount equal to the product of—

"(I) so much of the qualified research expenses paid or incurred by the predecessor

with respect to the acquired trade or business during the 3 taxable years before the taxable year in which the acquisition is made as is attributable to the portion of such trade or business or separate unit acquired by the acquiring person, and

“(II) the number of months in the period beginning on the date of the acquisition and ending on the last day of the taxable year in which the acquisition is made, divided by 12.

“(iii) SPECIAL RULES FOR COORDINATING TAXABLE YEARS.—In the case of an acquiring person and a predecessor whose taxable years do not begin on the same date—

“(I) each reference to a taxable year in clauses (i) and (ii) shall refer to the appropriate taxable year of the acquiring person,

“(II) the qualified research expenses paid or incurred by the predecessor during each taxable year of the predecessor any portion of which is part of the measurement period shall be allocated equally among the months of such taxable year, and

“(III) the amount of such qualified research expenses taken into account under clauses (i) and (ii) with respect to a taxable year of the acquiring person shall be equal to the total of the expenses attributable under subclause (II) to the months occurring during such taxable year.

“(iv) MEASUREMENT PERIOD.—For purposes of this subparagraph, the term ‘measurement period’ means the taxable year of the acquiring person in which the acquisition is made and the 3 taxable years of the acquiring person preceding such taxable year.”.

(2) EXPENSES OF A PREDECESSOR.—Subparagraph (B) of section 41(f)(3) is amended to read as follows:

“(B) DISPOSITIONS.—If the predecessor furnished to the acquiring person such information as is necessary for the application of subparagraph (A), then, for purposes of applying this section for any taxable year ending after such disposition, the amount of qualified research expenses paid or incurred by the predecessor during the 3 taxable years preceding such taxable year shall be reduced—

“(i) in the case of the taxable year in which such disposition is made, by an amount equal to the product of—

“(I) the amount of qualified research expenses paid or incurred during such 3 taxable years with respect to the acquired business, and

“(II) the number of days in the period beginning on the date of acquisition (as determined for purposes of subparagraph (A)(ii)(II)) and ending on the last day of the taxable year of the predecessor in which the disposition is made, divided by the number of days in the taxable year of the predecessor, and

“(ii) in the case of any taxable year ending after the taxable year in which such disposition is made, the amount described in clause (i)(I).”.

(d) AGGREGATION OF EXPENDITURES.—Paragraph (1) of section 41(f), as amended by the American Taxpayer Relief Act of 2012, is amended—

(1) by striking “of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums,” in subparagraph (A)(ii) and inserting “qualified research expenses”, and

(2) by striking “of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums,” in subparagraph (B)(ii) and inserting “qualified research expenses”.

(e) PERMANENT EXTENSION.—

(1) Section 41 is amended by striking subsection (h), as amended by this Act.

(2) Paragraph (1) of section 45C(b) is amended by striking subparagraph (D), as amended by this Act.

(f) CONFORMING AMENDMENTS.—

(1) TERMINATION OF BASIC RESEARCH PAYMENT CALCULATION.—Section 41 is amended—

(A) by striking subsection (e),

(B) by redesignating subsection (g) as subsection (e), and

(C) by relocating subsection (e), as so redesignated, immediately after subsection (d).

(2) SPECIAL RULES.—

(A) Paragraph (4) of section 41(f) is amended by striking “and gross receipts”.

(B) Subsection (f) of section 41 is amended by striking paragraph (6).

(3) TERMINATION OF CERTAIN 2014 AND 2015 PROVISIONS.—

(A) Section 41 is amended by striking subsection (i), as added by this Act.

(B) Section 3111 is amended by striking subsection (f), as added by this Act.

(C) Subparagraph (B) of section 38(c)(4), as amended by this Act, is amended by striking clause (ii), as added by this Act, and by redesignating clauses (iii), (iv), (v), (vi), (vii), (viii), (ix), and (x) as clauses (ii), (iii), (iv), (v), (vi), (vii), (viii), and (ix), respectively.

(4) CROSS-REFERENCES.—

(A) Paragraph (2) of section 45C(c) is amended by striking “base period research expenses” and inserting “average qualified research expenses”.

(B) Subparagraph (A) of section 54(l)(3) is amended by striking “section 41(g)” and inserting “section 41(e)”.

(C) Clause (1) of section 170(e)(4)(B) is amended to read as follows:

“(i) the contribution is to a qualified organization.”.

(D) Paragraph (4) of section 170(e) is amended by adding at the end the following new subparagraph:

“(E) QUALIFIED ORGANIZATION.—For purposes of this paragraph, the term ‘qualified organization’ means—

“(i) any educational organization which—

“(I) is an institution of higher education (within the meaning of section 3304(f)), and

“(II) is described in subsection (b)(1)(A)(ii), or

“(ii) any organization not described in clause (i) which—

“(I) is described in section 501(c)(3) and is exempt from tax under section 501(a),

“(II) is organized and operated primarily to conduct scientific research, and

“(III) is not a private foundation.”.

(E) Section 280C is amended—

(i) by striking “or basic research expenses (as defined in section 41(e)(2))” in subsection (c)(1),

(ii) by striking “section 41(a)(1)” in subsection (c)(2)(A) and inserting “section 41(a)”, and

(iii) by striking “or basic research expenses” in subsection (c)(2)(B).

(F) Clause (i) of section 1400N(1)(7)(B) is amended by striking “section 41(g)” and inserting “section 41(e)”.

(g) TECHNICAL CORRECTIONS.—Section 409 is amended—

(1) by inserting “, as in effect before the enactment of the Tax Reform Act of 1984)” after “section 41(c)(1)(B)” in subsection (b)(1)(A),

(2) by inserting “, as in effect before the enactment of the Tax Reform Act of 1984” after “relating to the employee stock ownership credit” in subsection (b)(4),

(3) by inserting “(as in effect before the enactment of the Tax Reform Act of 1984)” after “section 41(c)(1)(B)” in subsection (i)(1)(A),

(4) by inserting “(as in effect before the enactment of the Tax Reform Act of 1984)” after “section 41(c)(1)(B)” in subsection (m), and

(5) by inserting “(as so in effect)” after “section 48(n)(1)” in subsection (m).

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), the amendments made by this section shall apply to credits determined for taxable years beginning after December 31, 2015.

(2) PERMANENT EXTENSION.—The amendments made by subsection (e) shall apply to amounts paid or incurred after December 31, 2015.

(3) TERMINATION OF ALLOWANCE OF CREDIT AGAINST ALTERNATIVE MINIMUM TAX.—The amendments made by subsection (f)(3)(C) shall apply to credits determined for taxable years beginning after December 31, 2015, and to carrybacks of such credits.

(4) TECHNICAL CORRECTIONS.—The amendments made by subsection (k) shall take effect on the date of the enactment of this Act.

#### SEC. 143. PERMANENT EXTENSION OF RAILROAD TRACK MAINTENANCE CREDIT.

(a) IN GENERAL.—Section 45G, as amended by this Act, is amended by striking subsection (f).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 144. PERMANENT EXTENSION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.

(a) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E), as amended by this Act, are each amended by striking “placed in service before January 1, 2016”.

(b) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—Clause (ix) of section 168(e)(3)(E), as amended by this Act, is amended by striking “placed in service after December 31, 2008, and before January 1, 2016”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2015.

#### SEC. 145. PERMANENT EXTENSION AND MODIFICATION OF INCREASED EXPENSING LIMITATIONS AND TREATMENT OF CERTAIN REAL PROPERTY AS SECTION 179 PROPERTY.

(a) IN GENERAL.—

(1) DOLLAR LIMITATION.—Paragraph (1) of section 179(b), as amended by this Act, is amended by striking “shall not exceed—” and all that follows and inserting “shall not exceed \$500,000.”.

(2) REDUCTION IN LIMITATION.—Paragraph (2) of section 179(b), as amended by this Act, is amended by striking “exceeds—” and all that follows and inserting “exceeds \$2,000,000.”.

(b) COMPUTER SOFTWARE.—Clause (ii) of section 179(d)(1)(A), as amended by this Act, is amended by striking “, to which section 167 applies, and which is placed in service in a taxable year beginning after 2002 and before 2016” and inserting “and to which section 167 applies”.

(c) ELECTION.—Paragraph (2) of section 179(c), as amended by this Act, is amended—

(1) by striking “may not be revoked” and all that follows through “and before 2016”, and

(2) by striking “IRREVOCABLE” in the heading thereof.

(d) AIR CONDITIONING AND HEATING UNITS.—The last sentence of section 179(d)(1) is amended by striking “and shall not include air conditioning or heating units”.

(e) QUALIFIED REAL PROPERTY.—Subsection (f) of section 179, as amended by this Act, is amended—

(1) by striking “beginning after 2009 and before 2016” in paragraph (1), and

(2) by striking paragraphs (3) and (4).

(f) INFLATION ADJUSTMENT.—Paragraph (6) of section 179(b), as added by this Act, is amended—

(1) by striking “the \$500,000 amount in paragraph (1)(B) and the \$2,000,000 amount in paragraph (2)(B)” in subparagraph (A) and inserting “the dollar amounts in paragraphs (1) and (2)”, and

(2) in subparagraph (B)—

(A) by striking “paragraph (1)(B)” in clause (i) and inserting “paragraph (1)”, and

(B) by striking “paragraph (2)(B)” in clause (ii) and inserting “paragraph (2)”.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 146. PERMANENT SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) BANKING, FINANCING, OR SIMILAR BUSINESSES.—Subsection (h) of section 954, as amended by this Act, is amended by striking paragraph (9).

(b) INSURANCE BUSINESSES.—Subsection (e) of section 953, as amended by this Act, is amended by striking paragraph (10) and by redesignating paragraph (11) as paragraph (10).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of a foreign corporation beginning after December 31, 2015, and to taxable years of United States shareholders with or within which such taxable years of such foreign corporation end.

#### SEC. 147. PERMANENT EXTENSION OF LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.

(a) IN GENERAL.—Section 954(c)(6), as amended by this Act, is amended by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2015, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

#### SEC. 148. PERMANENT FULL EXCLUSION APPLICABLE TO QUALIFIED SMALL BUSINESS STOCK.

(a) IN GENERAL.—Paragraph (4) of section 1202(a), as amended by this Act, is amended—

(1) by striking “and before January 1, 2016”, and

(2) by striking “CERTAIN PERIODS IN 2010, 2011, 2012, 2013, 2014, AND 2015” in the heading and inserting “CERTAIN PERIODS AFTER 2009”.

(b) CONFORMING AMENDMENTS.—

(1) The heading for section 1202 is amended by striking “PARTIAL”.

(2) The item relating to section 1202 in the table of sections for part I of subchapter P of chapter 1 is amended by striking “Partial exclusion” and inserting “Exclusion”.

(3) Section 1223(13) is amended by striking “1202(a)(2)”,

(c) EFFECTIVE DATE.—The amendments made by this section apply to stock acquired after December 31, 2015.

#### SEC. 149. REDUCED RECOGNITION PERIOD FOR BUILT-IN GAINS MADE PERMANENT.

(a) IN GENERAL.—Paragraph (7) of section 1374(d), as amended by this Act, is amended—

(1) by striking subparagraphs (A), (B), (C), and (D),

(2) by redesignating subparagraph (E) as subparagraph (B), and

(3) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

“(A) IN GENERAL.—The term ‘recognition period’ means the 5-year period beginning with the 1st day of the 1st taxable year for which the corporation was an S corporation. For purposes of applying this section to any

amount includible in income by reason of distributions to shareholders pursuant to section 593(e), the preceding sentence shall be applied without regard to the phrase ‘5-year’.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 150. EXTENSION OF TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f), as amended by this Act, is amended to read as follows:

“(1) \$13.25, or”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2015.

**SA 3063.** Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the end of subtitle A of title I, insert the following:

#### PART IV—CERTAIN PROVISIONS MADE PERMANENT

##### SEC. 162. PERMANENT EXTENSION OF MILITARY HOUSING ALLOWANCE EXCLUSION FOR DETERMINING WHETHER A TENANT IN CERTAIN COUNTIES IS LOW-INCOME.

(a) IN GENERAL.—Subsection (b) of section 3005 of the Housing Assistance Tax Act of 2008, as amended by this Act, is amended by striking “and before January 1, 2016” each place it appears.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 3005 of the Housing Assistance Tax Act of 2008.

##### SEC. 163. PERMANENT EXTENSION OF SPECIAL RULE FOR CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Section 170(b)(1)(E), as amended by this Act, is amended by striking clause (vi).

(b) CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—Section 170(b)(2)(B), as amended by this Act, is amended by striking clause (iii).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2015.

##### SEC. 164. PERMANENT EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Section 170(e)(3)(C), as amended by this Act, is amended by striking clause (iv).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2015.

##### SEC. 165. PERMANENT EXTENSION OF TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Section 408(d)(8), as amended by this Act, is amended by striking subparagraph (F).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2015.

##### SEC. 166. PERMANENT EXTENSION OF MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Section 512(b)(13)(E), as amended by this Act, is amended by striking clause (iv).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2015.

##### SEC. 167. PERMANENT EXTENSION OF BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 1367(a), as amended by this Act, is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2015.

**SA 3064.** Mr. MORAN (for himself, Ms. HEITKAMP, Mr. THUNE, Mr. HEINRICH, Mr. BEGICH, Mr. INHOFE, Mr. BENNET, Ms. STABENOW, Mr. ENZI, Mr. HOEVEN, Mr. UDALL of New Mexico, Mr. JOHNSON of South Dakota, Mr. UDALL of Colorado, Mrs. MURRAY, Mr. CRAPO, Mr. TESTER, and Mr. WALSH) submitted an amendment intended to be proposed by him to the bill H.R. 3474, to amend the Internal Revenue Code of 1986 to allow employers to exempt employees with health coverage under TRICARE or the Veterans Administration from being taken into account for purposes of the employer mandate under the Patient Protection and Affordable Care Act; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

#### TITLE —TRIBAL GENERAL WELFARE EXCLUSION

##### SEC. 01. SHORT TITLE.

This title may be cited as the “Tribal General Welfare Exclusion Act of 2013”.

##### SEC. 02. INDIAN GENERAL WELFARE BENEFITS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

##### “SEC. 139E. INDIAN GENERAL WELFARE BENEFITS.

“(a) IN GENERAL.—Gross income does not include the value of any Indian general welfare benefit.

“(b) INDIAN GENERAL WELFARE BENEFIT.—For purposes of this section, the term ‘Indian general welfare benefit’ includes any payment made or services provided to or on behalf of a member of an Indian tribe (or any spouse or dependent of such a member) pursuant to an Indian tribal government program, but only if—

“(1) the program is administered under specified guidelines and does not discriminate in favor of members of the governing body of the tribe, and

“(2) the benefits provided under such program—

“(A) are available to any tribal member who meets such guidelines,

“(B) are for the promotion of general welfare,

“(C) are not lavish or extravagant, and

“(D) are not compensation for services.

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

“(1) INDIAN TRIBAL GOVERNMENT.—For purposes of this section, the term ‘Indian tribal government’ includes any agencies or instrumentalities of an Indian tribal government and any Alaska Native regional or village corporation, as defined in, or established

pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

“(2) **DEPENDENT.**—The term ‘dependent’ has the meaning given such term by section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B).

“(3) **LAVISH OR EXTRAVAGANT.**—The Secretary shall, in consultation with the Tribal Advisory Committee (as established under section 3(a) of the Tribal General Welfare Exclusion Act of 2013), establish guidelines for what constitutes lavish or extravagant benefits with respect to Indian tribal government programs.

“(4) **ESTABLISHMENT OF TRIBAL GOVERNMENT PROGRAM.**—A program shall not fail to be treated as an Indian tribal government program solely by reason of the program being established by tribal custom or government practice.

“(5) **CEREMONIAL ACTIVITIES.**—Any items of cultural significance, reimbursement of costs, or cash honorarium for participation in cultural or ceremonial activities for the transmission of tribal culture shall not be treated as compensation for services.”

(b) **CONFORMING AMENDMENT.**—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

“Sec. 139E. Indian general welfare benefits.”

(c) **STATUTORY CONSTRUCTION.**—Ambiguities in section 139E of the Internal Revenue Code of 1986, as added by this section, shall be resolved in favor of Indian tribal governments and deference shall be given to Indian tribal governments for the programs administered and authorized by the tribe to benefit the general welfare of the tribal community.

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendments made by this section shall apply to taxable years for which the period of limitation on refund or credit under section 6511 of the Internal Revenue Code of 1986 has not expired.

(2) **ONE-YEAR WAIVER OF STATUTE OF LIMITATIONS.**—If the period of limitation on a credit or refund resulting from the amendments made by subsection (a) expires before the end of the 1-year period beginning on the date of the enactment of this Act, refund or credit of such overpayment (to the extent attributable to such amendments) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

#### SEC. 03. TRIBAL ADVISORY COMMITTEE.

(a) **ESTABLISHMENT.**—The Secretary of the Treasury shall establish a Tribal Advisory Committee (hereinafter in this subsection referred to as the “Committee”).

(b) **DUTIES.**—

(1) **IMPLEMENTATION.**—The Committee shall advise the Secretary on matters relating to the taxation of Indians.

(2) **EDUCATION AND TRAINING.**—The Secretary shall, in consultation with the Committee, establish and require—

(A) training and education for internal revenue field agents who administer and enforce internal revenue laws with respect to Indian tribes on Federal Indian law and the Federal Government’s unique legal treaty and trust relationship with Indian tribal governments, and

(B) training of such internal revenue field agents, and provision of training and technical assistance to tribal financial officers, about implementation of this Act and the amendments made thereby.

(c) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The Committee shall be composed of 7 members appointed as follows:

(A) Three members appointed by the Secretary of the Treasury.

(B) One member appointed by the Chairman, and one member appointed by the

Ranking Member, of the Committee on Ways and Means of the House of Representatives.

(C) One member appointed by the Chairman, and one member appointed by the Ranking Member, of the Committee on Finance of the Senate.

(2) **TERM.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), each member’s term shall be 4 years.

(B) **INITIAL STAGGERING.**—The first appointments made by the Secretary under paragraph (1)(A) shall be for a term of 2 years.

#### SEC. 4. OTHER RELIEF FOR INDIAN TRIBES.

(a) **TEMPORARY SUSPENSION OF EXAMINATIONS.**—The Secretary of the Treasury shall suspend all audits and examinations of Indian tribal governments and members of Indian tribes (or any spouse or dependent of such a member), to the extent such an audit or examination relates to the exclusion of a payment or benefit from an Indian tribal government under the general welfare exclusion, until the education and training prescribed by this Act is completed. The running of any period of limitations under section 6501 of the Internal Revenue Code of 1986 with respect to Indian tribal governments and members of Indian tribes shall be suspended during the period during which audits and examinations are suspended under the preceding sentence.

(b) **WAIVER OF PENALTIES AND INTEREST.**—The Secretary of the Treasury may waive any interest and penalties imposed under such Code on any Indian tribal government or member of an Indian tribe (or any spouse or dependent of such a member) to the extent such interest and penalties relate to excluding a payment or benefit from gross income under the general welfare exclusion.

(c) **DEFINITIONS.**—For purposes of this subsection—

(1) **INDIAN TRIBAL GOVERNMENT.**—The term “Indian tribal government” shall have the meaning given such term by section 139E of the Internal Revenue Code of 1986, as added by this Act.

(2) **INDIAN TRIBE.**—The term “Indian tribe” shall have the meaning given such term by section 45A(c)(6) of such Code.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. CARDIN. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on May 13, 2014, at 10 a.m., in room SR-328A of the Russell Senate Office Building, to conduct a hearing entitled “High Frequency and Automated Trading in Futures Markets.”

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CARDIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on May 13, 2014, at 10 a.m., in room SD-366A of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON FOREIGN RELATIONS

Mr. CARDIN. Mr. President, I ask unanimous consent that the Com-

mittee on Foreign Relations be authorized to meet during the session of the Senate on May 13, 2014, at 3:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. CARDIN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet during the session of the Senate on May 13, 2014, at 10 a.m., in room SD-430 of the Dirksen Senate Office Building to conduct a hearing entitled “Strengthening Minority Serving Institutions: Best Practices and Innovations for Student Success.”

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. CARDIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on May 13, 2014, at 10:30 a.m. to conduct a hearing entitled “Improving Financial Management at the Department of Defense.”

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON THE JUDICIARY

Mr. CARDIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate, on May 13, 2014, at 9:30 a.m., in room SD-226 of the Dirksen Senate Office Building, to conduct a hearing entitled “Judicial Nominations.”

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SELECT COMMITTEE ON INTELLIGENCE

Mr. CARDIN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on May 13, 2014, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON CRIME AND TERRORISM

Mr. CARDIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary, Subcommittee on Crime and Terrorism, be authorized to meet during the session of the Senate on May 13, 2014, at 2:30 p.m., in room SD-226 of the Dirksen Senate Office Building, to conduct a hearing entitled “Economic Espionage and Trade Secret Theft: Are Our Laws Adequate for Today’s Threats?”

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SUBCOMMITTEE ON WATER AND WILDLIFE

Mr. CARDIN. Mr. President, I ask unanimous consent that the Subcommittee on Water and Wildlife of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on May 13, at 3 p.m. in room SD-406 of the Dirksen Senate Office Building to conduct a hearing entitled, “Solving the Problem of Polluted Transportation Infrastructure Stormwater Runoff.”