

Public Law 110-172  
110th Congress

An Act

To amend the Internal Revenue Code of 1986 to make technical corrections, and for other purposes.

Dec. 29, 2007  
[H.R. 4839]

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

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

(a) SHORT TITLE.—This Act may be cited as the “Tax Technical Corrections Act of 2007”.

26 USC 1 note.

(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.

26 USC 1 *et seq.*

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Amendment related to the Tax Relief and Health Care Act of 2006.
- Sec. 3. Amendments related to title XII of the Pension Protection Act of 2006.
- Sec. 4. Amendments related to the Tax Increase Prevention and Reconciliation Act of 2005.
- Sec. 5. Amendments related to the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.
- Sec. 6. Amendments related to the Energy Policy Act of 2005.
- Sec. 7. Amendments related to the American Jobs Creation Act of 2004.
- Sec. 8. Amendments related to the Economic Growth and Tax Relief Reconciliation Act of 2001.
- Sec. 9. Amendments related to the Tax Relief Extension Act of 1999.
- Sec. 10. Amendment related to the Internal Revenue Service Restructuring and Reform Act of 1998.
- Sec. 11. Clerical corrections.

**SEC. 2. AMENDMENT RELATED TO THE TAX RELIEF AND HEALTH CARE ACT OF 2006.**

(a) AMENDMENT RELATED TO SECTION 402 OF DIVISION A OF THE ACT.—Subparagraph (A) of section 53(e)(2) is amended to read as follows:

26 USC 53.

“(A) IN GENERAL.—The term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount (not in excess of the long-term unused minimum tax credit for such taxable year) equal to the greater of—

- “(i) \$5,000,
- “(ii) 20 percent of the long-term unused minimum tax credit for such taxable year, or
- “(iii) the amount (if any) of the AMT refundable credit amount determined under this paragraph for

26 USC 53 note.

the taxpayer's preceding taxable year (as determined before any reduction under subparagraph (B)).".

(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. 3. AMENDMENTS RELATED TO TITLE XII OF THE PENSION PROTECTION ACT OF 2006.**

26 USC 408.

(a) AMENDMENT RELATED TO SECTION 1201 OF THE ACT.—Subparagraph (D) of section 408(d)(8) is amended by striking "all amounts distributed from all individual retirement plans were treated as 1 contract under paragraph (2)(A) for purposes of determining the inclusion of such distribution under section 72" and inserting "all amounts in all individual retirement plans of the individual were distributed during such taxable year and all such plans were treated as 1 contract for purposes of determining under section 72 the aggregate amount which would have been so includible".

(b) AMENDMENT RELATED TO SECTION 1203 OF THE ACT.—Subsection (d) of section 1366 is amended by adding at the end the following new paragraph:

“(4) APPLICATION OF LIMITATION ON CHARITABLE CONTRIBUTIONS.—In the case of any charitable contribution of property to which the second sentence of section 1367(a)(2) applies, paragraph (1) shall not apply to the extent of the excess (if any) of—

“(A) the shareholder's pro rata share of such contribution, over

“(B) the shareholder's pro rata share of the adjusted basis of such property.”.

(c) AMENDMENT RELATED TO SECTION 1215 OF THE ACT.—Subclause (I) of section 170(e)(7)(D)(i) is amended by striking "related" and inserting "substantial and related".

(d) AMENDMENTS RELATED TO SECTION 1218 OF THE ACT.—

(1) Section 2055 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(2) Subsection (e) of section 2522 is amended—

(A) by striking paragraphs (2) and (4),

(B) by redesignating paragraph (3) as paragraph (2), and

(C) by adding at the end of paragraph (2), as so redesignated, the following new subparagraph:

“(C) INITIAL FRACTIONAL CONTRIBUTION.—For purposes of this paragraph, the term 'initial fractional contribution' means, with respect to any donor, the first gift of an undivided portion of the donor's entire interest in any tangible personal property for which a deduction is allowed under subsection (a) or (b).”.

(e) AMENDMENTS RELATED TO SECTION 1219 OF THE ACT.—

(1) Paragraph (2) of section 6695A(a) is amended by inserting "a substantial estate or gift tax valuation understatement (within the meaning of section 6662(g)),” before “or a gross valuation misstatement”.

(2) Paragraph (1) of section 6696(d) is amended by striking “or under section 6695” and inserting “, section 6695, or 6695A”.

## (f) AMENDMENT RELATED TO SECTION 1221 OF THE ACT.—

Subparagraph (A) of section 4940(c)(4) is amended to read as follows:

“(A) There shall not be taken into account any gain or loss from the sale or other disposition of property to the extent that such gain or loss is taken into account for purposes of computing the tax imposed by section 511.”.

## (g) AMENDMENT RELATED TO SECTION 1225 OF THE ACT.—

(1) Subsection (b) of section 6104 is amended—

(A) by striking “INFORMATION” in the heading, and  
 (B) by adding at the end the following: “Any annual return which is filed under section 6011 by an organization described in section 501(c)(3) and which relates to any tax imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations) shall be treated for purposes of this subsection in the same manner as if furnished under section 6033.”.

(2) Clause (ii) of section 6104(d)(1)(A) is amended to read as follows:

“(ii) any annual return which is filed under section 6011 by an organization described in section 501(c)(3) and which relates to any tax imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).”.

(3) Paragraph (2) of section 6104(d) is amended by striking “section 6033” and inserting “section 6011 or 6033”.

## (h) AMENDMENT RELATED TO SECTION 1231 OF THE ACT.—

Subsection (b) of section 4962 is amended by striking “or D” and inserting “D, or G”.

## (i) AMENDMENT RELATED TO SECTION 1242 OF THE ACT.—

(1) Subclause (II) of section 4958(c)(3)(A)(i) is amended by striking “paragraph (1), (2), or (4) of section 509(a)” and inserting “subparagraph (C)(ii)”.

(2) Clause (ii) of section 4958(c)(3)(C) is amended to read as follows:

“(ii) EXCEPTION.—Such term shall not include—  
 “(I) any organization described in paragraph (1), (2), or (4) of section 509(a), and  
 “(II) any organization which is treated as described in such paragraph (2) by reason of the last sentence of section 509(a) and which is a supported organization (as defined in section 509(f)(3)) of the organization to which subparagraph (A) applies.”.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Pension Protection Act of 2006 to which they relate.

26 USC 170 note.

**SEC. 4. AMENDMENTS RELATED TO THE TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2005.**

(a) AMENDMENTS RELATED TO SECTION 103 OF THE ACT.—Paragraph (6) of section 954(c) is amended by redesignating subparagraph (B) as subparagraph (C) and inserting after subparagraph (A) the following new subparagraph:

“(B) EXCEPTION.—Subparagraph (A) shall not apply in the case of any interest, rent, or royalty to the extent such interest, rent, or royalty creates (or increases) a deficit

26 USC 355.

which under section 952(c) may reduce the subpart F income of the payor or another controlled foreign corporation.”.

(b) AMENDMENTS RELATED TO SECTION 202 OF THE ACT.—

(1) Subparagraph (A) of section 355(b)(2) is amended to read as follows:

“(A) it is engaged in the active conduct of a trade or business.”.

(2) Paragraph (3) of section 355(b) is amended to read as follows:

“(3) SPECIAL RULES FOR DETERMINING ACTIVE CONDUCT IN THE CASE OF AFFILIATED GROUPS.—

“(A) IN GENERAL.—For purposes of determining whether a corporation meets the requirements of paragraph (2)(A), all members of such corporation’s separate affiliated group shall be treated as one corporation.

“(B) SEPARATE AFFILIATED GROUP.—For purposes of this paragraph, the term ‘separate affiliated group’ means, with respect to any corporation, the affiliated group which would be determined under section 1504(a) if such corporation were the common parent and section 1504(b) did not apply.

“(C) TREATMENT OF TRADE OR BUSINESS CONDUCTED BY ACQUIRED MEMBER.—If a corporation became a member of a separate affiliated group as a result of one or more transactions in which gain or loss was recognized in whole or in part, any trade or business conducted by such corporation (at the time that such corporation became such a member) shall be treated for purposes of paragraph (2) as acquired in a transaction in which gain or loss was recognized in whole or in part.

“(D) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which provide for the proper application of subparagraphs (B), (C), and (D) of paragraph (2), and modify the application of subsection (a)(3)(B), in connection with the application of this paragraph.”.

(3) The Internal Revenue Code of 1986 shall be applied and administered as if the amendments made by section 202 of the Tax Increase Prevention and Reconciliation Act of 2005 and by section 410 of division A of the Tax Relief and Health Care Act of 2006 had never been enacted.

(c) AMENDMENT RELATED TO SECTION 515 OF THE ACT.—Subsection (f) of section 911 is amended to read as follows:

(f) DETERMINATION OF TAX LIABILITY.—

“(1) IN GENERAL.—If, for any taxable year, any amount is excluded from gross income of a taxpayer under subsection (a), then, notwithstanding sections 1 and 55—

“(A) if such taxpayer has taxable income for such taxable year, the tax imposed by section 1 for such taxable year shall be equal to the excess (if any) of—

“(i) the tax which would be imposed by section 1 for such taxable year if the taxpayer’s taxable income were increased by the amount excluded under subsection (a) for such taxable year, over

Applicability.  
26 USC 355 note.

“(ii) the tax which would be imposed by section 1 for such taxable year if the taxpayer’s taxable income were equal to the amount excluded under subsection (a) for such taxable year, and

“(B) if such taxpayer has a taxable excess (as defined in section 55(b)(1)(A)(ii)) for such taxable year, the amount determined under the first sentence of section 55(b)(1)(A)(i) for such taxable year shall be equal to the excess (if any) of—

“(i) the amount which would be determined under such sentence for such taxable year (subject to the limitation of section 55(b)(3)) if the taxpayer’s taxable excess (as so defined) were increased by the amount excluded under subsection (a) for such taxable year, over

“(ii) the amount which would be determined under such sentence for such taxable year if the taxpayer’s taxable excess (as so defined) were equal to the amount excluded under subsection (a) for such taxable year.

“(2) SPECIAL RULES.—

“(A) REGULAR TAX.—In applying section 1(h) for purposes of determining the tax under paragraph (1)(A)(i) for any taxable year in which, without regard to this subsection, the taxpayer’s net capital gain exceeds taxable income (hereafter in this subparagraph referred to as the capital gain excess)—

“(i) the taxpayer’s net capital gain (determined without regard to section 1(h)(11)) shall be reduced (but not below zero) by such capital gain excess,

“(ii) the taxpayer’s qualified dividend income shall be reduced by so much of such capital gain excess as exceeds the taxpayer’s net capital gain (determined without regard to section 1(h)(11) and the reduction under clause (i)), and

“(iii) adjusted net capital gain, unrecaptured section 1250 gain, and 28-percent rate gain shall each be determined after increasing the amount described in section 1(h)(4)(B) by such capital gain excess.

“(B) ALTERNATIVE MINIMUM TAX.—In applying section 55(b)(3) for purposes of determining the tax under paragraph (1)(B)(i) for any taxable year in which, without regard to this subsection, the taxpayer’s net capital gain exceeds the taxable excess (as defined in section 55(b)(1)(A)(ii))—

“(i) the rules of subparagraph (A) shall apply, except that such subparagraph shall be applied by substituting ‘the taxable excess (as defined in section 55(b)(1)(A)(ii))’ for ‘taxable income’, and

“(ii) the reference in section 55(b)(3)(B) to the excess described in section 1(h)(1)(B) shall be treated as a reference to such excess as determined under the rules of subparagraph (A) for purposes of determining the tax under paragraph (1)(A)(i).

“(C) DEFINITIONS.—Terms used in this paragraph which are also used in section 1(h) shall have the respective meanings given such terms by section 1(h), except that

Applicability.

Applicability.  
26 USC 355 note.

in applying subparagraph (B) the adjustments under part VI of subchapter A shall be taken into account.”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect as if included in the provisions of the Tax Increase Prevention and Reconciliation Act of 2005 to which they relate.

(2) MODIFICATION OF ACTIVE BUSINESS DEFINITION UNDER SECTION 355.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by subsection (b) shall apply to distributions made after May 17, 2006.

(B) TRANSITION RULE.—The amendments made by subsection (b) shall not apply to any distribution pursuant to a transaction which is—

(i) made pursuant to an agreement which was binding on May 17, 2006, and at all times thereafter,

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

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

(C) ELECTION OUT OF TRANSITION RULE.—Subparagraph (B) shall not apply if the distributing corporation elects not to have such subparagraph apply to distributions of such corporation. Any such election, once made, shall be irrevocable.

(D) SPECIAL RULE FOR CERTAIN PRE-ENACTMENT DISTRIBUTIONS.—For purposes of determining the continued qualification under section 355(b)(2)(A) of the Internal Revenue Code of 1986 of distributions made on or before May 17, 2006, as a result of an acquisition, disposition, or other restructuring after such date, such distribution shall be treated as made on the date of such acquisition, disposition, or restructuring for purposes of applying subparagraphs (A) through (C) of this paragraph. The preceding sentence shall only apply with respect to the corporation that undertakes such acquisition, disposition, or other restructuring, and only if such application results in continued qualification under section 355(b)(2)(A) of such Code.

(3) AMENDMENT RELATED TO SECTION 515 OF THE ACT.—  
The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2006.

**SEC. 5. AMENDMENTS RELATED TO THE SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS.**

(a) AMENDMENTS RELATED TO SECTION 11113 OF THE ACT.—

(1) Paragraph (3) of section 6427(i) is amended—

(A) by inserting “or under subsection (e)(2) by any person with respect to an alternative fuel (as defined in section 6426(d)(2))” after “section 6426” in subparagraph (A),

(B) by inserting “or (e)(2)” after “subsection (e)(1)” in subparagraphs (A)(i) and (B), and

26 USC 6427.

(C) by striking “ALCOHOL FUEL AND BIODIESEL MIXTURE CREDIT” and inserting “MIXTURE CREDITS AND THE ALTERNATIVE FUEL CREDIT” in the heading thereof.

(2) Subparagraph (F) of section 6426(d)(2) is amended by striking “hydrocarbons” and inserting “fuel”. 26 USC 6426.

(3) Section 6426 is amended by adding at the end the following new subsection:

“(h) DENIAL OF DOUBLE BENEFIT.—No credit shall be determined under subsection (d) or (e) with respect to any fuel with respect to which credit may be determined under subsection (b) or (c) or under section 40 or 40A.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the SAFETEA-LU to which they relate. 26 USC 6426 note.

#### SEC. 6. AMENDMENTS RELATED TO THE ENERGY POLICY ACT OF 2005.

(a) AMENDMENT RELATED TO SECTION 1306 OF THE ACT.— Paragraph (2) of section 45J(b) is amended to read as follows:

“(2) AMOUNT OF NATIONAL LIMITATION.—The aggregate amount of national megawatt capacity limitation allocated by the Secretary under paragraph (3) shall not exceed 6,000 megawatts.”.

(b) AMENDMENTS RELATED TO SECTION 1342 OF THE ACT.—

(1) So much of subsection (b) of section 30C as precedes paragraph (1) thereof is amended to read as follows:

“(b) LIMITATION.—The credit allowed under subsection (a) with respect to all qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year at a location shall not exceed—”.

(2) Subsection (c) of section 30C is amended to read as follows:

“(c) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—For purposes of this section, the term ‘qualified alternative fuel vehicle refueling property’ has the same meaning as the term ‘qualified clean-fuel vehicle refueling property’ would have under section 179A if—

“(1) paragraph (1) of section 179A(d) did not apply to property installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer, and

“(2) only the following were treated as clean-burning fuels for purposes of section 179A(d):

“(A) Any fuel at least 85 percent of the volume of which consists of one or more of the following: ethanol, natural gas, compressed natural gas, liquified natural gas, liquefied petroleum gas, or hydrogen.

“(B) Any mixture—

“(i) which consists of two or more of the following: biodiesel (as defined in section 40A(d)(1)), diesel fuel (as defined in section 4083(a)(3)), or kerosene, and

“(ii) at least 20 percent of the volume of which consists of biodiesel (as so defined) determined without regard to any kerosene in such mixture.”.

(c) AMENDMENTS RELATED TO SECTION 1351 OF THE ACT.—

(1) Paragraph (3) of section 41(a) is amended by inserting “for energy research” before the period at the end.

26 USC 41.

(2) Paragraph (6) of section 41(f) is amended by adding at the end the following new subparagraph:

“(E) ENERGY RESEARCH.—The term ‘energy research’ does not include any research which is not qualified research.”.

(d) AMENDMENTS RELATED TO SECTION 1362 OF THE ACT.—

(1)(A) Paragraph (1) of section 4041(d) is amended by adding at the end the following new sentence: “No tax shall be imposed under the preceding sentence on the sale or use of any liquid if tax was imposed with respect to such liquid under section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.”.

(B) Paragraph (3) of section 4042(b) is amended to read as follows:

“(3) EXCEPTION FOR FUEL ON WHICH LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE SEPARATELY IMPOSED.—The Leaking Underground Storage Tank Trust Fund financing rate under paragraph (2)(B) shall not apply to the use of any fuel if tax was imposed with respect to such fuel under section 4041(d) or 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.”.

26 USC 6430  
note.

(C) Notwithstanding section 6430 of the Internal Revenue Code of 1986, a refund, credit, or payment may be made under subchapter B of chapter 65 of such Code for taxes imposed with respect to any liquid after September 30, 2005, and before the date of the enactment of this Act under section 4041(d)(1) or 4042 of such Code at the Leaking Underground Storage Tank Trust Fund financing rate to the extent that tax was imposed with respect to such liquid under section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.

(2)(A) Paragraph (5) of section 4041(d) is amended—

(i) by striking “(other than with respect to any sale for export under paragraph (3) thereof)”, and

(ii) by adding at the end the following new sentence: “The preceding sentence shall not apply with respect to subsection (g)(3) and so much of subsection (g)(1) as relates to vessels (within the meaning of section 4221(d)(3)) employed in foreign trade or trade between the United States and any of its possessions.”.

(B) Section 4082 is amended—

(i) by striking “(other than such tax at the Leaking Underground Storage Tank Trust Fund financing rate imposed in all cases other than for export)” in subsection (a), and

(ii) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

“(f) EXCEPTION FOR LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—

“(1) IN GENERAL.—Subsection (a) shall not apply to the tax imposed under section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.

“(2) EXCEPTION FOR EXPORT, ETC.—Paragraph (1) shall not apply with respect to any fuel if the Secretary determines that such fuel is destined for export or for use by the purchaser as supplies for vessels (within the meaning of section 4221(d)(3))

employed in foreign trade or trade between the United States and any of its possessions.”.

(C) Subsection (e) of section 4082 is amended—

(i) by striking “an aircraft, the rate of tax under section

4081(a)(2)(A)(iii) shall be zero.” and inserting “an aircraft—

“(1) the rate of tax under section 4081(a)(2)(A)(iii) shall be zero, and

“(2) if such aircraft is employed in foreign trade or trade between the United States and any of its possessions, the increase in such rate under section 4081(a)(2)(B) shall be zero.”; and

(ii) by moving the last sentence flush with the margin of such subsection (following the paragraph (2) added by clause (i)).

(D) Section 6430 is amended to read as follows:

26 USC 4082.

**“SEC. 6430. TREATMENT OF TAX IMPOSED AT LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.**

“No refunds, credits, or payments shall be made under this subchapter for any tax imposed at the Leaking Underground Storage Tank Trust Fund financing rate, except in the case of fuels—

“(1) which are exempt from tax under section 4081(a) by reason of section 4082(f)(2),

“(2) which are exempt from tax under section 4041(d) by reason of the last sentence of paragraph (5) thereof, or

“(3) with respect to which the rate increase under section 4081(a)(2)(B) is zero by reason of section 4082(e)(2).”.

(3) Paragraph (5) of section 4041(d) is amended by inserting “(b)(1)(A),” after “subsections”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect as if included in the provisions of the Energy Policy Act of 2005 to which they relate.

(2) NONAPPLICATION OF EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—The amendment made by subsection (d)(3) shall apply to fuel sold for use or used after the date of the enactment of this Act.

(3) AMENDMENT MADE BY THE SAFETEA-LU.—The amendment made by subsection (d)(2)(C)(ii) shall take effect as if included in section 11161 of the SAFETEA-LU.

26 USC 30c note.

**SEC. 7. AMENDMENTS RELATED TO THE AMERICAN JOBS CREATION ACT OF 2004.**

(a) AMENDMENTS RELATED TO SECTION 339 OF THE ACT.—

(1)(A) Section 45H is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(B) Subsection (d) of section 280C is amended to read as follows:

“(d) CREDIT FOR LOW SULFUR DIESEL FUEL PRODUCTION.—The deductions otherwise allowed under this chapter for the taxable year shall be reduced by the amount of the credit determined for the taxable year under section 45H(a).”.

(C) Subsection (a) of section 1016 is amended by striking paragraph (31) and by redesignating paragraphs (32) through (37) as paragraphs (31) through (36), respectively.

26 USC 6501.

(2)(A) Section 45H, as amended by paragraph (1), is amended by adding at the end the following new subsection: “(g) ELECTION TO NOT TAKE CREDIT.—No credit shall be determined under subsection (a) for the taxable year if the taxpayer elects not to have subsection (a) apply to such taxable year.”.

(B) Subsection (m) of section 6501 is amended by inserting “45H(g),” after “45C(d)(4),”.

(3)(A) Subsections (b)(1)(A), (c)(2), (e)(1), and (e)(2) of section 45H (as amended by paragraph (1)) and section 179B(a) are each amended by striking “qualified capital costs” and inserting “qualified costs”.

(B) The heading of paragraph (2) of section 45H(c) is amended by striking “CAPITAL”.

(C) Subsection (a) of section 179B is amended by inserting “and which are properly chargeable to capital account” before the period at the end.

(b) AMENDMENTS RELATED TO SECTION 710 OF THE ACT.—

(1) Clause (ii) of section 45(c)(3)(A) is amended by striking “which is segregated from other waste materials and”.

(2) Subparagraph (B) of section 45(d)(2) is amended by inserting “and” at the end of clause (i), by striking clause (ii), and by redesignating clause (iii) as clause (ii).

(c) AMENDMENTS RELATED TO SECTION 848 OF THE ACT.—

(1) Paragraph (2) of section 470(c) is amended to read as follows:

“(2) TAX-EXEMPT USE PROPERTY.—

“(A) IN GENERAL.—The term ‘tax-exempt use property’ has the meaning given to such term by section 168(h), except that such section shall be applied—

“(i) without regard to paragraphs (1)(C) and (3) thereof, and

“(ii) as if section 197 intangible property (as defined in section 197), and property described in paragraph (1)(B) or (2) of section 167(f), were tangible property.

“(B) EXCEPTION FOR PARTNERSHIPS.—Such term shall not include any property which would (but for this subparagraph) be tax-exempt use property solely by reason of section 168(h)(6).

“(C) CROSS REFERENCE.—For treatment of partnerships as leases to which section 168(h) applies, see section 7701(e).”.

(2) Subparagraph (A) of section 470(d)(1) is amended by striking “(at any time during the lease term)” and inserting “(at all times during the lease term)”.

(d) AMENDMENTS RELATED TO SECTION 888 OF THE ACT.—

(1) Subparagraph (A) of section 1092(a)(2) is amended by striking “and” at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

“(iii) if the application of clause (ii) does not result in an increase in the basis of any offsetting position in the identified straddle, the basis of each of the offsetting positions in the identified straddle shall be increased in a manner which—

“(I) is reasonable, consistent with the purposes of this paragraph, and consistently applied by the taxpayer, and

“(II) results in an aggregate increase in the basis of such offsetting positions which is equal to the loss described in clause (i), and”.

(2)(A) Subparagraph (B) of section 1092(a)(2) is amended by adding at the end the following flush sentence:

“A straddle shall be treated as clearly identified for purposes of clause (i) only if such identification includes an identification of the positions in the straddle which are offsetting with respect other positions in the straddle.”.

(B) Subparagraph (A) of section 1092(a)(2) is amended—

(i) by striking “identified positions” in clause (i) and inserting “positions”,

(ii) by striking “identified position” in clause (ii) and inserting “position”, and

(iii) by striking “identified offsetting positions” in clause (ii) and inserting “offsetting positions”.

(C) Subparagraph (B) of section 1092(a)(3) is amended by striking “identified offsetting position” and inserting “offsetting position”.

(3) Paragraph (2) of section 1092(a) is amended by redesignating subparagraph (C) as subparagraph (D) and inserting after subparagraph (B) the following new subparagraph:

“(C) APPLICATION TO LIABILITIES AND OBLIGATIONS.— Except as otherwise provided by the Secretary, rules similar to the rules of clauses (ii) and (iii) of subparagraph (A) shall apply for purposes of this paragraph with respect to any position which is, or has been, a liability or obligation.”.

(4) Subparagraph (D) of section 1092(a)(2), as redesignated by paragraph (3), is amended by inserting “the rules for the application of this section to a position which is or has been a liability or obligation, methods of loss allocation which satisfy the requirements of subparagraph (A)(iii),” before “and the ordering rules”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which they relate.

(2) IDENTIFICATION REQUIREMENT OF AMENDMENT RELATED TO SECTION 888 OF THE AMERICAN JOBS CREATION ACT OF 2004.— The amendment made by subsection (d)(2)(A) shall apply to straddles acquired after the date of the enactment of this Act.

26 USC 1092.

26 USC 1092  
note.

Applicability.

#### SEC. 8. AMENDMENTS RELATED TO THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.

(a) AMENDMENTS RELATED TO SECTION 617 OF THE ACT.—

(1) Subclause (II) of section 402(g)(7)(A)(ii) is amended by striking “for prior taxable years” and inserting “permitted for prior taxable years by reason of this paragraph”.

(2) Subparagraph (A) of section 3121(v)(1) is amended by inserting “or consisting of designated Roth contributions (as defined in section 402A(c))” before the comma at the end.

26 USC 402 note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 to which they relate.

26 USC 45.

**SEC. 9. AMENDMENTS RELATED TO THE TAX RELIEF EXTENSION ACT OF 1999.**

(a) **AMENDMENT RELATED TO SECTION 507 OF THE ACT.**—Clause (i) of section 45(e)(7)(A) is amended by striking “placed in service by the taxpayer” and inserting “originally placed in service”.

(b) **AMENDMENT RELATED TO SECTION 542 OF THE ACT.**—Clause (ii) of section 856(d)(9)(D) is amended to read as follows:

(ii) **LODGING FACILITY.**—The term ‘lodging facility’ means a—  
 “(I) hotel,  
 “(II) motel, or  
 “(III) other establishment more than one-half of the dwelling units in which are used on a transient basis.”.

26 USC 45 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the provisions of the Tax Relief Extension Act of 1999 to which they relate.

26 USC 6110 note.

**SEC. 10. AMENDMENT RELATED TO THE INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.**

(a) **AMENDMENT RELATED TO SECTION 3509 OF THE ACT.**—Paragraph (3) of section 6110(i) is amended by inserting “and related background file documents” after “Chief Counsel advice” in the matter preceding subparagraph (A).

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the provision of the Internal Revenue Service Restructuring and Reform Act of 1998 to which it relates.

**SEC. 11. CLERICAL CORRECTIONS.**

(a) **IN GENERAL.**—

(1) Paragraph (5) of section 21(e) is amended by striking “section 152(e)(3)(A)” in the flush matter after subparagraph (B) and inserting “section 152(e)(4)(A)”.

(2) Paragraph (3) of section 25C(c) is amended by striking “section 3280” and inserting “part 3280”.

(3) Paragraph (2) of section 26(b) is amended by redesignating subparagraphs (S) and (T) as subparagraphs (U) and (V), respectively, and by inserting after subparagraph (R) the following new subparagraphs:

“(S) sections 106(e)(3)(A)(ii), 223(b)(8)(B)(i)(II), and 408(d)(9)(D)(i)(II) (relating to certain failures to maintain high deductible health plan coverage),

“(T) section 170(o)(3)(B) (relating to recapture of certain deductions for fractional gifts),”.

(4) Subsection (a) of section 34 is amended—

(A) in paragraph (1), by striking “with respect to gasoline used during the taxable year on a farm for farming purposes”,

(B) in paragraph (2), by striking “with respect to gasoline used during the taxable year: (A) otherwise than as a fuel in a highway vehicle; or (B) in vehicles while engaged

in furnishing certain public passenger land transportation service”, and

(C) in paragraph (3), by striking “with respect to fuels used for nontaxable purposes or resold during the taxable year”.

(5) Paragraph (2) of section 35(d) is amended—

(A) by striking “paragraph (2) or (4) of”, and

(B) by striking “(within the meaning of section 152(e)(1))” and inserting “(as defined in section 152(e)(4)(A))”.

(6) Subsection (b) of section 38 is amended—

(A) by striking “and” each place it appears at the end of any paragraph,

(B) by striking “plus” each place it appears at the end of any paragraph, and

(C) by inserting “plus” at the end of paragraph (30).

(7) Paragraphs (2) and (3) of section 45L(c) are each amended by striking “section 3280” and inserting “part 3280”.

(8) Subsection (c) of section 48 is amended by striking “subsection” in the text preceding paragraph (1) and inserting “section”.

(9) Paragraphs (1)(B) and (2)(B) of section 48(c) are each amended by striking “paragraph (1)” and inserting “subsection (a)”.

(10) Clause (ii) of section 48A(d)(4)(B) is amended by striking “subsection” both places it appears.

(11)(A) Paragraph (9) of section 121(d) is amended by adding at the end the following new subparagraph:

“(E) TERMINATION WITH RESPECT TO EMPLOYEES OF INTELLIGENCE COMMUNITY.—Clause (iii) of subparagraph (A) shall not apply with respect to any sale or exchange after December 31, 2010.”.

(B) Subsection (e) of section 417 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking “and before January 1, 2011”.

(12) The last sentence of section 125(b)(2) is amended by striking “last sentence” and inserting “second sentence”.

(13) Subclause (II) of section 167(g)(8)(C)(ii) is amended by striking “section 263A(j)(2)” and inserting “section 263A(i)(2)”.

(14)(A) Clause (vii) of section 170(b)(1)(A) is amended by striking “subparagraph (E)” and inserting “subparagraph (F)”.

(B) Clause (ii) of section 170(e)(1)(B) is amended by striking “subsection (b)(1)(E)” and inserting “subsection (b)(1)(F)”.

(C) Clause (i) of section 1400S(a)(2)(A) is amended by striking “subparagraph (F)” and inserting “subparagraph (G)”.

(D) Subparagraph (A) of section 4942(i)(1) is amended by striking “section 170(b)(1)(E)(ii)” and inserting “section 170(b)(1)(F)(ii)”.

(15) Subclause (II) of section 170(e)(1)(B)(i) is amended by inserting “, but without regard to clause (ii) thereof” after “paragraph (7)(C)”.

(16)(A) Subparagraph (A) of section 170(o)(1) and subparagraph (A) of section 2522(e)(1) are each amended by striking “all interest in the property is” and inserting “all interests in the property are”.

26 USC 35.

26 USC 121 note.

26 USC 852.

Applicability.

(B) Section 170(o)(3)(A)(i), and section 2522(e)(2)(A)(i) (as redesignated by section 3(d)(2)), are each amended—

(i) by striking “interest” and inserting “interests”, and  
(ii) by striking “before” and inserting “on or before”.

(17)(A) Subparagraph (C) of section 852(b)(4) is amended to read as follows:

“(C) DETERMINATION OF HOLDING PERIODS.—For purposes of this paragraph, in determining the period for which the taxpayer has held any share of stock—

(i) the rules of paragraphs (3) and (4) of section 246(c) shall apply, and

(ii) there shall not be taken into account any day which is more than 6 months after the date on which such share becomes ex-dividend.”.

(B) Subparagraph (B) of section 857(b)(8) is amended to read as follows:

“(B) DETERMINATION OF HOLDING PERIODS.—For purposes of this paragraph, in determining the period for which the taxpayer has held any share of stock or beneficial interest—

(i) the rules of paragraphs (3) and (4) of section 246(c) shall apply, and

(ii) there shall not be taken into account any day which is more than 6 months after the date on which such share or interest becomes ex-dividend.”.

(18) Paragraph (2) of section 856(l) is amended by striking the last sentence and inserting the following: “For purposes of subparagraph (B), securities described in subsection (m)(2)(A) shall not be taken into account.”.

(19) Subparagraph (F) of section 954(c)(1) is amended to read as follows:

“(F) INCOME FROM NOTIONAL PRINCIPAL CONTRACTS.—

(i) IN GENERAL.—Net income from notional principal contracts.

(ii) COORDINATION WITH OTHER CATEGORIES OF FOREIGN PERSONAL HOLDING COMPANY INCOME.—Any item of income, gain, deduction, or loss from a notional principal contract entered into for purposes of hedging any item described in any preceding subparagraph shall not be taken into account for purposes of this subparagraph but shall be taken into account under such other subparagraph.”.

(20) Paragraph (1) of section 954(c) is amended by redesignating subparagraph (I) as subparagraph (H).

(21) Paragraph (33) of section 1016(a), as redesignated by section 7(a)(1)(C), is amended by striking “section 25C(e)” and inserting “section 25C(f)”.

(22) Paragraph (36) of section 1016(a), as redesignated by section 7(a)(1)(C), is amended by striking “section 30C(f)” and inserting “section 30C(e)(1)”.

(23) Subparagraph (G) of section 1260(c)(2) is amended by adding “and” at the end.

(24)(A) Section 1297 is amended by striking subsection (d) and by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(B) Subparagraph (G) of section 1260(c)(2) is amended by striking “subsection (e)” and inserting “subsection (d)”.

(C) Subparagraph (B) of section 1298(a)(2) is amended by 26 USC 1298. striking “Section 1297(e)” and inserting “Section 1297(d)”.

(25) Paragraph (1) of section 1362(f) is amended—

(A) by striking “, section 1361(b)(3)(B)(ii), or section 1361(c)(1)(A)(ii)” and inserting “or section 1361(b)(3)(B)(ii)”, and

(B) by striking “, section 1361(b)(3)(C), or section 1361(c)(1)(D)(iii)” in subparagraph (B) and inserting “or section 1361(b)(3)(C)”.

(26) Paragraph (2) of section 1400O is amended by striking “under of” and inserting “under”.

(27) The table of sections for part II of subchapter Y of chapter 1 is amended by adding at the end the following new item:

“Sec. 1400T. Special rules for mortgage revenue bonds.”.

(28) Subsection (b) of section 4082 is amended to read as follows:

“(b) NONTAXABLE USE.—For purposes of this section, the term ‘nontaxable use’ means—

“(1) any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of a prior imposition of tax,

“(2) any use in a train, and

“(3) any use described in section 4041(a)(1)(C)(iii)(II).

The term ‘nontaxable use’ does not include the use of kerosene in an aircraft and such term shall not include any use described in section 6421(e)(2)(C).”.

(29) Paragraph (4) of section 4101(a) (relating to registration in event of change of ownership) is redesignated as paragraph (5).

(30) Paragraph (6) of section 4965(c) is amended by striking “section 4457(e)(1)(A)” and inserting “section 457(e)(1)(A)”.

(31) Subpart C of part II of subchapter A of chapter 51 is amended by redesignating section 5432 (relating to record-keeping by wholesale dealers) as section 5121.

(32) Paragraph (2) of section 5732(c), as redesignated by section 11125(b)(20)(A) of the SAFETEA-LU, is amended by striking “this subpart” and inserting “this subchapter”.

(33) Subsection (b) of section 6046 is amended—

(A) by striking “subsection (a)(1)” and inserting “sub-  
section (a)(1)(A)”, and

(B) by striking “paragraph (2) or (3) of subsection (a)” and inserting “subparagraph (B) or (C) of subsection (a)(1)”.

(34)(A) Subparagraph (A) of section 6103(b)(5) is amended by striking “the Canal Zone.”.

(B) Section 7651 is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(35) Subparagraph (A) of section 6211(b)(4) is amended by striking “and 34” and inserting “34, and 35”.

(36) Subparagraphs (A) and (B) of section 6230(a)(3) are each amended by striking “section 6013(e)” and inserting “sec-  
tion 6015”.

(37) Paragraph (3) of section 6427(e) (relating to termina-  
tion), as added by section 11113 of the SAFETEA-LU, is redesignated as paragraph (5) and moved after paragraph (4).

26 USC 6427.

(38) Clause (ii) of section 6427(l)(4)(A) is amended by striking “section 4081(a)(2)(iii)” and inserting “section 4081(a)(2)(A)(iii)”.

(39)(A) Section 6427, as amended by section 1343(b)(1) of the Energy Policy Act of 2005, is amended by striking subsection (p) (relating to gasohol used in noncommercial aviation) and redesignating subsection (q) as subsection (p).

(B) The Internal Revenue Code of 1986 shall be applied and administered as if the amendments made by paragraph (2) of section 11151(a) of the SAFETEA-LU had never been enacted.

(40) Subsection (a) of section 6695A is amended by striking “then such person” in paragraph (2) and inserting the following: “then such person”.

(41) Subparagraph (C) of section 6707A(e)(2) is amended by striking “section 6662A(e)(2)(C)” and inserting “section 6662A(e)(2)(B)”.

(42)(A) Paragraph (3) of section 9002 is amended by striking “section 309(a)(1)” and inserting “section 306(a)(1)”.

(B) Paragraph (1) of section 9004(a) is amended by striking “section 320(b)(1)(B)” and inserting “section 315(b)(1)(B)”.

(C) Paragraph (3) of section 9032 is amended by striking “section 309(a)(1)” and inserting “section 306(a)(1)”.

(D) Subsection (b) of section 9034 is amended by striking “section 320(b)(1)(A)” and inserting “section 315(b)(1)(A)”.

(43) Section 9006 is amended by striking “Comptroller General” each place it appears and inserting “Commission”.

(44) Subsection (c) of section 9503 is amended by redesignating paragraph (7) (relating to transfers from the trust fund for certain aviation fuels taxes) as paragraph (6).

26 USC 45 note.

(45) Paragraph (1) of section 1301(g) of the Energy Policy Act of 2005 is amended by striking “shall take effect of the date of the enactment” and inserting “shall take effect on the date of the enactment”.

(46) The Internal Revenue Code of 1986 shall be applied and administered as if the amendments made by section 1(a) of Public Law 109-433 had never been enacted.

(b) CLERICAL AMENDMENTS RELATED TO THE TAX RELIEF AND HEALTH CARE ACT OF 2006.—

(1) AMENDMENT RELATED TO SECTION 209 OF DIVISION A OF THE ACT.—Paragraph (3) of section 168(l) is amended by striking “enzymatic”.

(2) AMENDMENTS RELATED TO SECTION 419 OF DIVISION A OF THE ACT.—

(A) Clause (iv) of section 6724(d)(1)(B) is amended by inserting “or (h)(1)” after “section 6050H(a)”.

(B) Subparagraph (K) of section 6724(d)(2) is amended by inserting “or (h)(2)” after “section 6050H(d)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the provision of the Tax Relief and Health Care Act of 2006 to which they relate.

(c) CLERICAL AMENDMENTS RELATED TO THE GULF OPPORTUNITY ZONE ACT OF 2005.—

(1) AMENDMENTS RELATED TO SECTION 402 OF THE ACT.—Subparagraph (B) of section 24(d)(1) is amended—

(A) by striking “the excess (if any) of” in the matter preceding clause (i) and inserting “the greater of”, and

26 USC 168 note.

Applicability.  
26 USC 6427  
note.

Applicability.  
26 USC 9508  
note.

(B) by striking “section” in clause (ii)(II) and inserting “section 32”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the provisions of the Gulf Opportunity Zone Act of 2005 to which they relate.

(d) CLERICAL AMENDMENTS RELATED TO THE SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS.—

(1) AMENDMENTS RELATED TO SECTION 11163 OF THE ACT.— Subparagraph (C) of section 6416(a)(4) is amended—

(A) by striking “ultimate vendor” and all that follows through “has certified” and inserting “ultimate vendor or credit card issuer has certified”, and

(B) by striking “all ultimate purchasers of the vendor” and all that follows through “are certified” and inserting “all ultimate purchasers of the vendor or credit card issuer are certified”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to which they relate.

(e) CLERICAL AMENDMENTS RELATED TO THE ENERGY POLICY ACT OF 2005.—

(1) AMENDMENT RELATED TO SECTION 1344 OF THE ACT.— Subparagraph (B) of section 6427(e)(5), as redesignated by subsection (a)(37), is amended by striking “2006” and inserting “2008”.

(2) AMENDMENTS RELATED TO SECTION 1351 OF THE ACT.— Subparagraphs (A)(ii) and (B)(ii) of section 41(f)(1) are each amended by striking “qualified research expenses and basic research payments” and inserting “qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the provisions of the Energy Policy Act of 2005 to which they relate.

(f) CLERICAL AMENDMENTS RELATED TO THE AMERICAN JOBS CREATION ACT OF 2004.—

(1) AMENDMENT RELATED TO SECTION 301 OF THE ACT.— Section 9502 is amended by striking subsection (e) and redesignating subsection (f) as subsection (e).

(2) AMENDMENT RELATED TO SECTION 413 OF THE ACT.— Subsection (b) of section 1298 is amended by striking paragraph (7) and by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(3) AMENDMENT RELATED TO SECTION 895 OF THE ACT.— Clause (iv) of section 904(f)(3)(D) is amended by striking “a controlled group” and inserting “an affiliated group”.

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

(g) CLERICAL AMENDMENTS RELATED TO THE FSC REPEAL AND EXTRATERRITORIAL INCOME EXCLUSION ACT OF 2000.—

(1) Subclause (I) of section 56(g)(4)(C)(ii) is amended by striking “921” and inserting “921 (as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000)”.

26 USC 24 note.

26 USC 6416.

26 USC 6416 note.

26 USC 41 note.

26 USC 904 note.

26 USC 56.

(2) Clause (iv) of section 54(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”.

(3) Paragraph (4) of section 245(c) is amended by adding at the end the following new subparagraph:

“(C) FSC.—The term ‘FSC’ has the meaning given such term by section 922.”.

(4) Subsection (c) of section 245 is amended by inserting at the end the following new paragraph:

“(5) REFERENCES TO PRIOR LAW.—Any reference in this subsection to section 922, 923, or 927 shall be treated as a reference to such section as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000.”.

(5) Paragraph (4) of section 275(a) is amended by striking “if” and all that follows and inserting “if the taxpayer chooses to take to any extent the benefits of section 901.”.

(6)(A) Subsection (a) of section 291 is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(B) Paragraph (1) of section 291(c) is amended by striking “subsection (a)(5)” and inserting “subsection (a)(4)”.

(7)(A) Paragraph (4) of section 441(b) is amended by striking “FSC or”.

(B) Subsection (h) of section 441 is amended—

(i) by striking “FSC or” each place it appears, and

(ii) by striking “FSC’S AND” in the heading thereof.

(8) Subparagraph (B) of section 884(d)(2) is amended by inserting before the comma “(as in effect before their repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000)”.

(9) Section 901 is amended by striking subsection (h).

(10) Clause (v) of section 904(d)(2)(B) is amended—

(A) by inserting “and” at the end of subclause (I), by striking subclause (II), and by redesignating subclause (III) as subclause (II),

(B) by striking “a FSC (or a former FSC)” in subclause (II) (as so redesignated) and inserting “a former FSC (as defined in section 922)”, and

(C) by adding at the end the following:

“Any reference in subclause (II) to section 922, 923, or 927 shall be treated as a reference to such section as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000.”.

(11) Subsection (b) of section 906 is amended by striking paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(12) Subparagraph (B) of section 936(f)(2) is amended by striking “FSC or”.

(13) Section 951 is amended by striking subsection (c) and by redesignating subsection (d) as subsection (c).

(14) Subsection (b) of section 952 is amended by striking the second sentence.

(15)(A) Paragraph (2) of section 956(c) is amended—

(i) by striking subparagraph (I) and by redesignating subparagraphs (J) through (M) as subparagraphs (I) through (L), respectively, and

(ii) by striking “subparagraphs (J), (K), and (L)” in the flush sentence at the end and inserting “subparagraphs (I), (J), and (K)”.

(B) Clause (ii) of section 954(c)(2)(C) is amended by striking “section 956(c)(2)(J)” and inserting “section 956(c)(2)(I)”. 26 USC 954.

(16) Paragraph (1) of section 992(a) is amended by striking subparagraph (E), by inserting “and” at the end of subparagraph (C), and by striking “, and” at the end of subparagraph (D) and inserting a period.

(17) Paragraph (5) of section 1248(d) is amended—

(A) by inserting “(as defined in section 922)” after “a FSC”, and

(B) by adding at the end the following new sentence: “Any reference in this paragraph to section 922, 923, or 927 shall be treated as a reference to such section as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000.”.

(18) Subparagraph (D) of section 1297(b)(2) is amended by striking “foreign trade income of a FSC or”.

(19)(A) Paragraph (1) of section 6011(c) is amended by striking “or former DISC or a FSC or former FSC” and inserting “, former DISC, or former FSC (as defined in section 922 as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000)”.

(B) Subsection (c) of section 6011 is amended by striking “AND FSC’s” in the heading thereof.

(20) Subsection (c) of section 6072 is amended by striking “a FSC or former FSC” and inserting “a former FSC (as defined in section 922 as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000)”.

(21) Section 6686 is amended by inserting “FORMER” before “FSC” in the heading thereof.

Approved December 29, 2007.

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