

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—113th Cong., 2d Sess.

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.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by _____

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Expiring Provisions Improvement, Reform, and Effi-
6 ciency Act of 2014” or the “EXPIRE Act of 2014”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-
9 ment or repeal is expressed in terms of an amendment
10 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents of
4 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 non-federally 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.

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- 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

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- 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 MULTIPLE EMPLOYER 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.

1 **SEC. 2. SENSE OF THE SENATE.**

2 It is the sense of the Senate that—

3 (1) a process of comprehensive tax reform
4 should commence in the 114th Congress and should
5 conclude before January 1, 2016;

6 (2) Congress should endeavor, as part of such
7 a tax reform process, to eliminate temporary provi-
8 sions from the Internal Revenue Code of 1986 by
9 making permanent those provisions that merit per-
10 manency and allowing others to expire;

11 (3) a major focus of such tax reform process
12 should be fostering economic growth and lowering
13 tax rates by broadening the tax base; and

14 (4) the chairman and ranking member of the
15 Committee on Finance of the Senate should consult
16 with the chairman and ranking member of the Com-
17 mittee on the Budget of the Senate to ensure that
18 the appropriate baseline is used in determining the
19 economic effects of, and rate adjustments under, tax
20 reform.

1 **TITLE I—EXTENSIONS AND**
2 **MODIFICATIONS OF EXPIRED**
3 **AND EXPIRING TAX PROVI-**
4 **SIONS**

5 **Subtitle A—Provisions Expiring in**
6 **2013**

7 **PART I—INDIVIDUAL TAX EXTENDERS**

8 **SEC. 101. EXTENSION OF HEALTH CARE TAX CREDIT.**

9 (a) IN GENERAL.—Subparagraph (B) of section
10 35(b)(1) is amended by striking “January 1, 2014” and
11 inserting “January 1, 2016”.

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

15 **SEC. 102. EXTENSION OF DEDUCTION FOR CERTAIN EX-**
16 **PENSES OF ELEMENTARY AND SECONDARY**
17 **SCHOOL TEACHERS.**

18 (a) IN GENERAL.—Subparagraph (D) of section
19 62(a)(2) is amended by striking “or 2013” and inserting
20 “2013, 2014, or 2015”.

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

1 **SEC. 103. EXTENSION OF EXCLUSION FROM GROSS INCOME**
2 **OF DISCHARGE OF QUALIFIED PRINCIPAL**
3 **RESIDENCE INDEBTEDNESS.**

4 (a) IN GENERAL.—Subparagraph (E) of section
5 108(a)(1) is amended by striking “January 1, 2014” and
6 inserting “January 1, 2016”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to indebtedness discharged after
9 December 31, 2013.

10 **SEC. 104. EXTENSION OF PARITY AND MODIFICATION OF**
11 **EXCLUSION FROM INCOME FOR EMPLOYER-**
12 **PROVIDED MASS TRANSIT AND PARKING**
13 **BENEFITS.**

14 (a) EXTENSION.—

15 (1) IN GENERAL.—Paragraph (2) of section
16 132(f) is amended by striking “January 1, 2014”
17 and inserting “January 1, 2016”.

18 (2) EFFECTIVE DATE.—The amendment made
19 by this subsection shall apply to months after De-
20 cember 31, 2013.

21 (b) USE OF A BIKE SHARE PROGRAM AS A QUALI-
22 FIED TRANSPORTATION FRINGE.—

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

25 (A) in clause (i), by striking “repair, and
26 storage, if such bicycle” and inserting “repair,

1 and storage (or use of a bike sharing program,
2 in the case of taxable years beginning before
3 January 1, 2016), if such bicycle or bike shar-
4 ing program”, and

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

7 (2) EFFECTIVE DATE.—The amendments made
8 by this subsection shall apply to taxable years begin-
9 ning after December 31, 2013.

10 **SEC. 105. EXTENSION OF MORTGAGE INSURANCE PRE-**
11 **MIUMS TREATED AS QUALIFIED RESIDENCE**
12 **INTEREST.**

13 (a) IN GENERAL.—Subclause (I) of section
14 163(h)(3)(E)(iv) is amended by striking “December 31,
15 2013” and inserting “December 31, 2015”.

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

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

21 (a) IN GENERAL.—Subparagraph (I) of section
22 164(b)(5) is amended by striking “January 1, 2014” and
23 inserting “January 1, 2016”.

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

4 **SEC. 107. EXTENSION OF SPECIAL RULE FOR CONTRIBU-**
5 **TIONS OF CAPITAL GAIN REAL PROPERTY**
6 **MADE FOR CONSERVATION PURPOSES.**

7 (a) IN GENERAL.—Clause (vi) of section
8 170(b)(1)(E) is amended by striking “December 31,
9 2013” and inserting “December 31, 2015”.

10 (b) CONTRIBUTIONS BY CERTAIN CORPORATE FARM-
11 ERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B)
12 is amended by striking “December 31, 2013” and insert-
13 ing “December 31, 2015”.

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

17 **SEC. 108. EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR**
18 **QUALIFIED TUITION AND RELATED EX-**
19 **PENSES.**

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

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

1 **SEC. 109. EXTENSION OF TAX-FREE DISTRIBUTIONS FROM**
2 **INDIVIDUAL RETIREMENT PLANS FOR CHARI-**
3 **TABLE PURPOSES.**

4 (a) IN GENERAL.—Subparagraph (F) of section
5 408(d)(8) is amended by striking “December 31, 2013”
6 and inserting “December 31, 2015”.

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

10 **PART II—BUSINESS TAX EXTENDERS**

11 **SEC. 111. EXTENSION AND MODIFICATION OF RESEARCH**
12 **CREDIT.**

13 (a) EXTENSION.—

14 (1) IN GENERAL.—Paragraph (1) of section
15 41(h) is amended by striking “paid or incurred” and
16 all that follows and inserting “paid or incurred after
17 December 31, 2015.”.

18 (2) CONFORMING AMENDMENT.—Subparagraph
19 (D) of section 45C(b)(1) is amended to read as fol-
20 lows:

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

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

4 (b) TREATMENT OF RESEARCH CREDIT FOR CER-
5 TAIN STARTUP COMPANIES.—

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

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

10 “(1) IN GENERAL.—At the election of a quali-
11 fied small business for any taxable year, section
12 3111(f) shall apply to the payroll tax credit portion
13 of the credit otherwise determined under subsection
14 (a) for the taxable year and such portion shall not
15 be treated (other than for purposes of section 280C)
16 as a credit determined under subsection (a).

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

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

“(B) the credit determined under sub-
section (a) for the taxable year (determined be-
fore 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).

10 “(3) QUALIFIED SMALL BUSINESS.—For pur-
11 poses of this subsection—

12 “(A) IN GENERAL.—The term ‘qualified
13 small business’ means, with respect to any tax-
14 able year—

15 “(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

22 “(II) such entity did not have
23 gross receipts (as so determined) for
24 any taxable year preceding the 5-tax-

1 able-year period ending with such tax-
2 able year, and

3 “(ii) any person (other than a cor-
4 poration or partnership) who meets the re-
5 quirements of subclauses (I) and (II) of
6 clause (i), determined—

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

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

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

16 “(4) ELECTION.—

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

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

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

23 “(I) in the case of a qualified
24 small business which is a partnership,

14

1 the return required to be filed under
2 section 6031,

3 “(II) in the case of a qualified
4 small business which is an S corpora-
5 tion, the return required to be filed
6 under section 6037, and

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

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

12 “(B) LIMITATIONS.—

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

16 “(ii) NUMBER OF TAXABLE YEARS.—
17 A person may not make an election under
18 this subsection if such person (or any other
19 person treated as a single taxpayer with
20 such person under paragraph (5)(A)) has
21 made an election under this subsection for
22 5 or more preceding taxable years.

23 “(C) SPECIAL RULE FOR PARTNERSHIPS
24 AND S CORPORATIONS.—In the case of a quali-
25 fied small business which is a partnership or S

1 corporation, the election made under this sub-
2 section shall be made at the entity level.

3 “(5) AGGREGATION RULES.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), all persons or entities treat-
6 ed as a single taxpayer under subsection (f)(1)
7 shall be treated as a single taxpayer for pur-
8 poses of this subsection.

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

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

15 “(ii) the \$250,000 amount under
16 paragraph (4)(B)(i) shall be allocated
17 among all persons treated as a single tax-
18 payer under subparagraph (A) in the same
19 manner as under subparagraph (A)(ii) or
20 (B)(ii) of subsection (f)(1), whichever is
21 applicable.

22 “(6) REGULATIONS.—The Secretary shall pre-
23 scribe such regulations as may be necessary to carry
24 out the purposes of this subsection, including—

1 “(A) regulations to prevent the avoidance
2 of the purposes of the limitations and aggrega-
3 tion rules under this subsection through the use
4 of successor companies or other means,

5 “(B) regulations to minimize compliance
6 and record-keeping burdens under this sub-
7 section, and

8 “(C) regulations for recapturing the ben-
9 efit of credits determined under section 3111(f)
10 in cases where there is a subsequent adjustment
11 to the payroll tax credit portion of the credit
12 determined under subsection (a), including re-
13 quiring amended income tax returns in the
14 cases where there is such an adjustment.”.

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

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

20 “(1) IN GENERAL.—In the case of a taxpayer
21 who has made an election under section 41(i) for a
22 taxable year, there shall be allowed as a credit
23 against the tax imposed by subsection (a) for the
24 first calendar quarter which begins after the date on
25 which the taxpayer files the return specified in sec-

1 tion 41(i)(4)(A)(ii) an amount equal to the payroll
2 tax credit portion determined under section 41(i)(2).

3 “(2) LIMITATION.—The credit allowed by para-
4 graph (1) shall not exceed the tax imposed by sub-
5 section (a) for any calendar quarter on the wages
6 paid with respect to the employment of all individ-
7 uals in the employ of the employer.

8 “(3) CARRYOVER OF UNUSED CREDIT.—If the
9 amount of the credit under paragraph (1) exceeds
10 the limitation of paragraph (2) for any calendar
11 quarter, such excess shall be carried to the suc-
12 ceeding calendar quarter and allowed as a credit
13 under paragraph (1) for such quarter.

14 “(4) DEDUCTION ALLOWED FOR CREDITED
15 AMOUNTS.—The credit allowed under paragraph (1)
16 shall not be taken into account for purposes of de-
17 termining the amount of any deduction allowed
18 under chapter 1 for taxes imposed under subsection
19 (a).”.

20 “(3) EFFECTIVE DATE.—The amendments made
21 by this subsection shall apply to credits determined
22 for taxable years beginning after December 31,
23 2013.

24 “(c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
25 IMUM TAX.—

1 (1) IN GENERAL.—Subparagraph (B) of section
2 38(c)(4) is amended—

3 (A) by redesignating clauses (ii), (iii), (iv),
4 (v), (vi), (vii), (viii), and (ix) as clauses (iii),
5 (iv), (v), (vi), (vii), (viii), (ix), and (x), respec-
6 tively, and

7 (B) by inserting after clause (i) the fol-
8 lowing new clause:

9 “(ii) the credit determined under sec-
10 tion 41 with respect to an eligible small
11 business (as defined in paragraph (5)(C),
12 after application of rules similar to the
13 rules of paragraph (5)(D)),”.

14 (2) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to credits determined
16 for taxable years beginning after December 31,
17 2013, and to carrybacks of such credits.

18 **SEC. 112. EXTENSION AND MODIFICATION OF TEMPORARY**
19 **MINIMUM LOW-INCOME HOUSING TAX CRED-**
20 **IT RATE FOR NON-FEDERALLY SUBSIDIZED**
21 **BUILDINGS.**

22 (a) IN GENERAL.—Subparagraph (A) of section
23 42(b)(2) is amended by striking “January 1, 2014” and
24 inserting “January 1, 2016”.

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

6 “(3) TEMPORARY MINIMUM CREDIT RATE FOR
7 NON-FEDERALLY SUBSIDIZED EXISTING BUILD-
8 INGS.—In the case of any existing building—

9 “(A) which is placed in service by the tax-
10 payer after the date of the enactment of the
11 EXPIRE Act of 2014 with respect to housing
12 credit dollar amount allocations made before
13 January 1, 2016, and

14 “(B) which is not federally subsidized for
15 the taxable year,
16 the applicable percentage shall not be less than 4
17 percent.”.

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

20 **SEC. 113. EXTENSION OF MILITARY HOUSING ALLOWANCE**
21 **EXCLUSION FOR DETERMINING WHETHER A**
22 **TENANT IN CERTAIN COUNTIES IS LOW-IN-**
23 **COME.**

24 (a) IN GENERAL.—Subsection (b) of section 3005 of
25 the Housing Assistance Tax Act of 2008 is amended by

1 striking “January 1, 2014” each place it appears and in-
2 serting “January 1, 2016”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect as if included in the enact-
5 ment of section 3005 of the Housing Assistance Tax Act
6 of 2008.

7 **SEC. 114. EXTENSION OF INDIAN EMPLOYMENT TAX CRED-**
8 **IT.**

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

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

15 **SEC. 115. EXTENSION AND MODIFICATION OF NEW MAR-**
16 **KETS TAX CREDIT.**

17 (a) IN GENERAL.—Subparagraph (G) of section
18 45D(f)(1) is amended by striking “and 2013” and insert-
19 ing “2013, 2014, and 2015”.

20 (b) CARRYOVER OF UNUSED LIMITATION.—Para-
21 graph (3) of section 45D(f) is amended by striking
22 “2018” and inserting “2020”.

23 (c) ALLOCATIONS DESIGNATED FOR AREAS IM-
24 PACTED BY DECLINE IN MANUFACTURING.—Paragraph

21

1 (3) of section 45D(f), as amended by subsection (b), is
2 amended—

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

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

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

10 (3) by adding at the end, the following new sub-
11 paragraph:

12 “(B) CERTAIN AMOUNTS AVAILABLE FOR
13 AREAS IMPACTED BY DECLINE IN MANUFAC-
14 TURING.—Any amount carried to a calendar
15 year after the year described in the second sen-
16 tence of subparagraph (A) shall be available
17 only for allocation to qualified community devel-
18 opment entities a significant mission of which is
19 providing investments and services to persons in
20 the trade or business of manufacturing prod-
21 ucts in communities which have suffered major
22 manufacturing job losses or a major manufac-
23 turing job loss event, as designated by the Sec-
24 retary.”.

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

4 **SEC. 116. EXTENSION OF RAILROAD TRACK MAINTENANCE**
5 **CREDIT.**

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

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

12 **SEC. 117. EXTENSION OF MINE RESCUE TEAM TRAINING**
13 **CREDIT.**

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

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

1 **SEC. 118. EXTENSION AND MODIFICATION OF EMPLOYER**
2 **WAGE CREDIT FOR EMPLOYEES WHO ARE AC-**
3 **TIVE DUTY MEMBERS OF THE UNIFORMED**
4 **SERVICES.**

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

8 (b) APPLICABILITY TO ALL EMPLOYERS.—

9 (1) IN GENERAL.—Subsection (a) of section
10 45P is amended by striking “, in the case of an eli-
11 gible small business employer”.

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

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

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

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to payments made after December
24 31, 2013.

1 **SEC. 119. EXTENSION AND MODIFICATION OF WORK OP-**
2 **PORTUNITY TAX CREDIT.**

3 (a) IN GENERAL.—Paragraph (4) of section 51(c) is
4 amended by striking “for the employer” and all that fol-
5 lows and inserting “for the employer after December 31,
6 2015”.

7 (b) CREDIT FOR HIRING LONG-TERM UNEMPLOY-
8 MENT RECIPIENTS.—

9 (1) IN GENERAL.—Paragraph (1) of section
10 51(d) is amended by striking “or” at the end of sub-
11 paragraph (H), by striking the period at the end of
12 subparagraph (I) and inserting “, or”, and by add-
13 ing at the end the following new subparagraph:

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

16 (2) QUALIFIED LONG-TERM UNEMPLOYMENT
17 RECIPIENT.—Subsection (d) of section 51 is amend-
18 ed by adding at the end the following new para-
19 graph:

20 “(15) QUALIFIED LONG-TERM UNEMPLOYMENT
21 RECIPIENT.—The term ‘qualified long-term unem-
22 ployment recipient’ means any individual who is cer-
23 tified by the designated local agency as being in a
24 period of unemployment which—

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

1 “(B) includes a period in which the indi-
2 vidual was receiving unemployment compensa-
3 tion under State or Federal law.”.

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

7 **SEC. 120. EXTENSION AND MODIFICATION OF QUALIFIED**
8 **ZONE ACADEMY BONDS.**

9 (a) EXTENSION.—Paragraph (1) of section 54E(c) is
10 amended by striking “and 2013” and inserting “2013,
11 2014, and 2015”.

12 (b) REDUCTION OF PRIVATE BUSINESS CONTRIBU-
13 TION REQUIREMENT.—Subsection (b) of section 54E is
14 amended by striking “10 percent” and inserting “5 per-
15 cent”.

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

19 (d) TECHNICAL CORRECTION AND CONFORMING
20 AMENDMENT.—

21 (1) IN GENERAL.—Clause (iii) of section
22 6431(f)(3)(A) is amended—

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

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

3 (2) EFFECTIVE DATE.—The amendments made
4 by this subsection shall take effect as if included in
5 section 310 of the American Taxpayer Relief Act of
6 2012.

7 **SEC. 121. EXTENSION OF CLASSIFICATION OF CERTAIN**
8 **RACE HORSES AS 3-YEAR PROPERTY.**

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

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

13 (2) by striking “December 31, 2013” in sub-
14 clause (II) and inserting “December 31, 2015”.

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

18 **SEC. 122. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RE-**
19 **COVERY FOR QUALIFIED LEASEHOLD IM-**
20 **PROVEMENTS, QUALIFIED RESTAURANT**
21 **BUILDINGS AND IMPROVEMENTS, AND**
22 **QUALIFIED RETAIL IMPROVEMENTS.**

23 (a) IN GENERAL.—Clauses (iv), (v), and (ix) of sec-
24 tion 168(e)(3)(E) are each amended by striking “January
25 1, 2014” and inserting “January 1, 2016”.

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

4 **SEC. 123. EXTENSION OF 7-YEAR RECOVERY PERIOD FOR**
5 **MOTORSPORTS ENTERTAINMENT COM-**
6 **PLEXES.**

7 (a) IN GENERAL.—Subparagraph (D) of section
8 168(i)(15) is amended by striking “December 31, 2013”
9 and inserting “December 31, 2015”.

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

13 **SEC. 124. EXTENSION OF ACCELERATED DEPRECIATION**
14 **FOR BUSINESS PROPERTY ON AN INDIAN**
15 **RESERVATION.**

16 (a) IN GENERAL.—Paragraph (8) of section 168(j)
17 is amended by striking “December 31, 2013” and insert-
18 ing “December 31, 2015”.

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

22 **SEC. 125. EXTENSION OF BONUS DEPRECIATION.**

23 (a) IN GENERAL.—Paragraph (2) of section 168(k)
24 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 CON-
TRACTS.—Clause (ii) of section 460(c)(6)(B) is amended
by striking “January 1, 2014 (January 1, 2015” and in-
serting “January 1, 2016 (January 1, 2017”.

9 (c) EXTENSION OF ELECTION TO ACCELERATE THE
10 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:

17 “(K) SPECIAL RULES FOR ROUND 4 EX-
18 TENSION PROPERTY.—

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

22 “(I) the limitation described in
23 subparagraph (B)(i) and the business
24 credit increase amount under sub-

1 paragraph (E)(iii) thereof shall not
2 apply, and

3 “(II) the bonus depreciation
4 amount, maximum amount, and max-
5 imum increase amount shall be com-
6 puted separately from amounts com-
7 puted with respect to eligible qualified
8 property which is not round 4 exten-
9 sion property, and, in the case of
10 round 4 extension property, shall be
11 computed separately with respect to
12 round 4 extension property placed in
13 service before January 1, 2015 (Janu-
14 ary 1, 2016, in the case of property
15 described in subparagraph (B) or (C)
16 of paragraph (2)) and with respect to
17 other round 4 extension property.

18 “(ii) ELECTION.—

19 “(I) A taxpayer who has an elec-
20 tion in effect under this paragraph for
21 round 3 extension property shall be
22 treated as having an election in effect
23 for round 4 extension property unless
24 the taxpayer elects to not have this

1 paragraph apply to round 4 extension
2 property.

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

8 “(iii) ROUND 4 EXTENSION PROP-
9 erty.—For purposes of this subpara-
10 graph, the term ‘round 4 extension prop-
11 erty’ means property which is eligible
12 qualified property solely by reason of the
13 extension of the application of the special
14 allowance under paragraph (1) pursuant to
15 the amendments made by section 125(a) of
16 the EXPIRE Act of 2014 (and the appli-
17 cation of such extension to this paragraph
18 pursuant to the amendment made by sec-
19 tion 125(c) of such Act).”.

20 (d) CONFORMING AMENDMENTS.—

21 (1) The heading for subsection (k) of section
22 168 is amended by striking “JANUARY 1, 2014” and
23 inserting “JANUARY 1, 2016”.

1 (2) The heading for clause (ii) of section
2 168(k)(2)(B) is amended by striking “PRE-JANUARY
3 1, 2014” and inserting “PRE-JANUARY 1, 2016”.

4 (3) Subparagraph (C) of section 168(n)(2) is
5 amended by striking “January 1, 2014” and insert-
6 ing “January 1, 2016”.

7 (4) Subparagraph (D) of section 1400L(b)(2) is
8 amended by striking “January 1, 2014” and insert-
9 ing “January 1, 2016”.

10 (5) Subparagraph (B) of section 1400N(d)(3)
11 is amended by striking “January 1, 2014” and in-
12 serting “January 1, 2016”.

13 (e) TECHNICAL AMENDMENT RELATING TO SECTION
14 331 OF THE AMERICAN TAXPAYER RELIEF ACT OF
15 2012.—

16 (1) IN GENERAL.—Clause (iii) of section
17 168(k)(4)(J) is amended by striking “any taxable
18 year” and inserting “its first taxable year”.

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

23 (f) EFFECTIVE DATE.—Except as provided in sub-
24 section (e)(2), the amendments made by this section shall

1 apply to property placed in service after December 31,
2 2013, in taxable years ending after such date.

3 **SEC. 126. EXTENSION OF ENHANCED CHARITABLE DEDUC-**
4 **TION FOR CONTRIBUTIONS OF FOOD INVEN-**
5 **TORY.**

6 (a) IN GENERAL.—Clause (iv) of section
7 170(e)(3)(C) is amended by striking “December 31,
8 2013” and inserting “December 31, 2015”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to contributions made after De-
11 cember 31, 2013.

12 **SEC. 127. EXTENSION AND MODIFICATION OF INCREASED**
13 **EXPENSING LIMITATIONS AND TREATMENT**
14 **OF CERTAIN REAL PROPERTY AS SECTION**
15 **179 PROPERTY.**

16 (a) IN GENERAL.—

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

19 (A) by striking “beginning in 2010, 2011,
20 2012, or 2013” in subparagraph (B) and in-
21 serting “beginning after 2009 and before
22 2016”, and

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

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

3 (A) by striking “beginning in 2010, 2011,
4 2012, or 2013” in subparagraph (B) and in-
5 serting “beginning after 2009 and before
6 2016”, and

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

9 (b) COMPUTER SOFTWARE.—Section
10 179(d)(1)(A)(ii) is amended by striking “2014” and in-
11 serting “2016”.

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

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

16 (1) IN GENERAL.—Section 179(f)(1) is amend-
17 ed by striking “beginning in 2010, 2011, 2012, or
18 2013” and inserting “beginning after 2009 and be-
19 fore 2016”.

20 (2) CARRYOVER LIMITATION.—

21 (A) IN GENERAL.—Section 179(f)(4) is
22 amended by striking “2013” each place it ap-
23 pears and inserting “2015”.

24 (B) CONFORMING AMENDMENT.—The
25 heading of subparagraph (C) of section

1 179(f)(4) is amended by striking “2011 AND
2 2012” and inserting “2011, 2012, 2013, AND
3 2014”.

4 (e) ADJUSTMENT FOR INFLATION.—Subsection (b)
5 of section 179 of the Internal Revenue Code of 1986 is
6 amended by adding at the end the following new para-
7 graph:

8 “(6) INFLATION ADJUSTMENT.—

9 “(A) IN GENERAL.—In the case of any
10 taxable year beginning after 2013, the
11 \$500,000 amount in paragraph (1)(B) and the
12 \$2,000,000 amount in paragraph (2)(B) shall
13 each be increased by an amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-
16 termined under section 1(f)(3) for the cal-
17 endar year in which the taxable year be-
18 gins, by substituting ‘calendar year 2012’
19 for ‘calendar year 1992’ in subparagraph
20 (B) thereof.

21 “(B) ROUNDING.—

22 “(i) DOLLAR LIMITATION.—If the
23 amount in paragraph (1)(B) as increased
24 under subparagraph (A) is not a multiple

1 of \$1,000, such amount shall be rounded
2 to the nearest multiple of \$1,000.

3 “(ii) PHASEOUT AMOUNT.—If the
4 amount in paragraph (2)(B) as increased
5 under subparagraph (A) is not a multiple
6 of \$10,000, such amount shall be rounded
7 to the nearest multiple of \$10,000.”.

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

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

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

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

19 **SEC. 129. EXTENSION OF SPECIAL EXPENSING RULES FOR**
20 **CERTAIN FILM AND TELEVISION PRODUC-**
21 **TIONS; SPECIAL EXPENSING FOR LIVE THE-**
22 **ATRICAL PRODUCTIONS.**

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

1 (b) APPLICATION TO LIVE PRODUCTIONS.—

2 (1) IN GENERAL.—Paragraph (1) of section
3 181(a) is amended by inserting “, and any qualified
4 live theatrical production,” after “any qualified film
5 or television production”.

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

8 (A) by inserting “or any qualified live the-
9 atrical production” after “qualified film or tele-
10 vision production” each place it appears in sub-
11 sections (a)(2), (b), and (c)(1),

12 (B) by inserting “or qualified live theat-
13 rical productions” after “qualified film or tele-
14 vision productions” in subsection (f), and

15 (C) by inserting “**AND LIVE THEAT-**
16 **RICAL**” after “**FILM AND TELEVISION**” in
17 the heading.

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

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

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

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

4 (2) by inserting after subsection (d) the fol-
5 lowing new subsection:

6 “(e) QUALIFIED LIVE THEATRICAL PRODUCTION.—

7 For purposes of this section—

8 “(1) IN GENERAL.—The term ‘qualified live
9 theatrical production’ means any production de-
10 scribed in paragraph (2) if 75 percent of the total
11 compensation of the production is qualified com-
12 pensation (as defined in subsection (d)(3)).

13 “(2) PRODUCTION.—

14 “(A) IN GENERAL.—A production is de-
15 scribed in this paragraph if such production is
16 a live staged production of a play (with or with-
17 out music) which is derived from a written book
18 or script and is produced or presented by a tax-
19 able entity in any venue which has an audience
20 capacity of not more than 3,000 or a series of
21 venues the majority of which have an audience
22 capacity of not more than 3,000.

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

1 “(i) for which the election under this
2 section would be allowable to the same tax-
3 payer, and

4 “(ii) which are—

5 “(I) separate phases of a produc-
6 tion, or

7 “(II) separate simultaneous stag-
8 ings of the same production in dif-
9 ferent geographical locations (not in-
10 cluding multiple performance locations
11 of any one touring production),

12 each such live staged production shall be treat-
13 ed as a separate production.

14 “(C) PHASE.—For purposes of subpara-
15 graph (B), the term ‘phase’ with respect to any
16 qualified live theatrical production refers to
17 each of the following, but only if each of the fol-
18 lowing is treated by the taxpayer as a separate
19 activity for all purposes of this title:

20 “(i) The initial staging of a live theat-
21 rical production.

22 “(ii) Subsequent additional stagings
23 or touring of such production which are
24 produced by the same producer as the ini-
25 tial staging.

1 “(D) EXCEPTION.—A production is not de-
2 scribed in this paragraph if such production in-
3 cludes or consists of any performance of con-
4 duct described in section 2257(h)(1) of title 18,
5 United States Code.”.

6 (d) EFFECTIVE DATES.—

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

10 (2) COMMENCEMENT.—For purposes of para-
11 graph (1), the date on which a qualified live theat-
12 rical production commences is the date of the first
13 public performance of such production for a paying
14 audience.

15 **SEC. 130. EXTENSION OF DEDUCTION ALLOWABLE WITH**
16 **RESPECT TO INCOME ATTRIBUTABLE TO DO-**
17 **MESTIC PRODUCTION ACTIVITIES IN PUERTO**
18 **RICO.**

19 (a) IN GENERAL.—Subparagraph (C) of section
20 199(d)(8) is amended—

21 (1) by striking “first 8 taxable years” and in-
22 serting “first 10 taxable years”, and

23 (2) by striking “January 1, 2014” and insert-
24 ing “January 1, 2016”.

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

4 **SEC. 131. EXTENSION OF MODIFICATION OF TAX TREAT-**
5 **MENT OF CERTAIN PAYMENTS TO CONTROL-**
6 **LING EXEMPT ORGANIZATIONS.**

7 (a) IN GENERAL.—Clause (iv) of section
8 512(b)(13)(E) is amended by striking “December 31,
9 2013” and inserting “December 31, 2015”.

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

13 **SEC. 132. EXTENSION OF TREATMENT OF CERTAIN DIVI-**
14 **DENDS OF REGULATED INVESTMENT COMPA-**
15 **NIES.**

16 (a) IN GENERAL.—Paragraphs (1)(C)(v) and
17 (2)(C)(v) of section 871(k) are each amended by striking
18 “December 31, 2013” and inserting “December 31,
19 2015”.

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

1 **SEC. 133. EXTENSION OF RIC QUALIFIED INVESTMENT EN-**
2 **TITY TREATMENT UNDER FIRPTA.**

3 (a) IN GENERAL.—Clause (ii) of section
4 897(h)(4)(A) is amended by striking “December 31,
5 2013” and inserting “December 31, 2015”.

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendment made by
8 this section shall take effect on January 1, 2014.
9 Notwithstanding the preceding sentence, such
10 amendment shall not apply with respect to the with-
11 holding requirement under section 1445 of the Inter-
12 nal Revenue Code of 1986 for any payment made
13 before the date of the enactment of this Act.

14 (2) AMOUNTS WITHHELD ON OR BEFORE DATE
15 OF ENACTMENT.—In the case of a regulated invest-
16 ment company—

17 (A) which makes a distribution after De-
18 cember 31, 2013, and before the date of the en-
19 actment of this Act, and

20 (B) which would (but for the second sen-
21 tence of paragraph (1)) have been required to
22 withhold with respect to such distribution under
23 section 1445 of such Code,

24 such investment company shall not be liable to any
25 person to whom such distribution was made for any

1 amount so withheld and paid over to the Secretary
2 of the Treasury.

3 **SEC. 134. EXTENSION OF SUBPART F EXCEPTION FOR AC-**
4 **TIVE FINANCING INCOME.**

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

7 (1) by striking “January 1, 2014” and insert-
8 ing “January 1, 2016”, and

9 (2) by striking “December 31, 2013” and in-
10 serting “December 31, 2015”.

11 (b) SPECIAL RULE FOR INCOME DERIVED IN THE
12 ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR
13 BUSINESSES.—Paragraph (9) of section 954(h) is amend-
14 ed by striking “January 1, 2014” and inserting “January
15 1, 2016”.

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

1 **SEC. 135. EXTENSION OF LOOK-THRU TREATMENT OF PAY-**
2 **MENTS BETWEEN RELATED CONTROLLED**
3 **FOREIGN CORPORATIONS UNDER FOREIGN**
4 **PERSONAL HOLDING COMPANY RULES.**

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

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

13 **SEC. 136. EXTENSION OF TEMPORARY EXCLUSION OF 100**
14 **PERCENT OF GAIN ON CERTAIN SMALL BUSI-**
15 **NESS STOCK.**

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

18 (1) by striking “January 1, 2014” and insert-
19 ing “January 1, 2016”, and

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

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to stock acquired after December
24 31, 2013.

1 **SEC. 137. EXTENSION OF BASIS ADJUSTMENT TO STOCK OF**
2 **S CORPORATIONS MAKING CHARITABLE CON-**
3 **TRIBUTIONS OF PROPERTY.**

4 (a) IN GENERAL.—Paragraph (2) of section 1367(a)
5 is amended by striking “December 31, 2013” and insert-
6 ing “December 31, 2015”.

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

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

13 (a) IN GENERAL.—Subparagraph (C) of section
14 1374(d)(7) is amended—

15 (1) by striking “2012 or 2013” and inserting
16 “2012, 2013, 2014, or 2015”, and

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

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

22 **SEC. 139. EXTENSION OF EMPOWERMENT ZONE TAX INCEN-**
23 **TIVES.**

24 (a) IN GENERAL.—Clause (i) of section
25 1391(d)(1)(A) is amended by striking “December 31,
26 2013” and inserting “December 31, 2015”.

1 (b) TREATMENT OF CERTAIN TERMINATION DATES
2 SPECIFIED IN NOMINATIONS.—In the case of a designa-
3 tion of an empowerment zone the nomination for which
4 included a termination date which is contemporaneous
5 with the date specified in subparagraph (A)(i) of section
6 1391(d)(1) of the Internal Revenue Code of 1986 (as in
7 effect before the enactment of this Act), subparagraph (B)
8 of such section shall not apply with respect to such des-
9 ignation if, after the date of the enactment of this section,
10 the entity which made such nomination amends the nomi-
11 nation to provide for a new termination date in such man-
12 ner as the Secretary of the Treasury (or the Secretary’s
13 designee) may provide.

14 (c) TECHNICAL AMENDMENTS RELATING TO SEC-
15 TION 753 OF THE TAX RELIEF, UNEMPLOYMENT INSUR-
16 ANCE REAUTHORIZATION, AND JOB CREATION ACT OF
17 2010; EXTENSION OF NONRECOGNITION OF GAIN ON
18 ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.—
19 Subparagraph (A) of section 1397B(b)(1) is amended by
20 striking “and” at the end of clause (ii), by striking the
21 period at the end of clause (iii) and inserting “, and”, and
22 by adding at the end the following new clause:
23 “(iv) ‘January 1, 2016’ were sub-
24 stituted for ‘January 1, 2010’ each place it
25 appears.”.

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—The amendment made by
3 subsection (a) shall apply to periods after December
4 31, 2013.

5 (2) TECHNICAL AMENDMENTS.—The amend-
6 ments made by subsection (c) shall take effect as if
7 included in section 753 of the Tax Relief, Unemploy-
8 ment Insurance Reauthorization, and Job Creation
9 Act of 2010.

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

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

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

19 **SEC. 141. EXTENSION OF AMERICAN SAMOA ECONOMIC DE-**
20 **VELOPMENT CREDIT.**

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

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

1 (2) by striking “first 8 taxable years” in para-
2 graph (1) and inserting “first 10 taxable years”,
3 and

4 (3) by striking “first 2 taxable years” in para-
5 graph (2) and inserting “first 4 taxable years”.

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

9 **PART III—ENERGY TAX EXTENDERS**

10 **SEC. 151. EXTENSION AND MODIFICATION OF CREDIT FOR**
11 **NONBUSINESS ENERGY PROPERTY.**

12 (a) IN GENERAL.—Paragraph (2) of section 25C(g)
13 is amended by striking “December 31, 2013” and insert-
14 ing “December 31, 2015”.

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

17 (1) IN GENERAL.—Paragraph (1) of section
18 25C(c) is amended by striking “which meets” and
19 all that follows through “requirements)”.

20 (2) ENERGY EFFICIENT BUILDING ENVELOPE
21 COMPONENT.—Subsection (c) of section 25C is
22 amended by redesignating paragraphs (2) and (3) as
23 paragraphs (3) and (4), respectively, and by insert-
24 ing after paragraph (1) the following new para-
25 graph:

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

5 “(A) applicable Energy Star program re-
6 quirements, in the case of a roof or roof prod-
7 ucts,

8 “(B) version 6.0 Energy Star program re-
9 quirements, in the case of an exterior window,
10 a skylight, or an exterior door, and

11 “(C) the prescriptive criteria for such com-
12 ponent established by the 2009 International
13 Energy Conservation Code, as such Code (in-
14 cluding supplements) is in effect on the date of
15 the enactment of the American Recovery and
16 Reinvestment Tax Act of 2009, in the case of
17 any other component.”.

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

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

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

3 (1) IN GENERAL.—Subparagraph (D) of section
4 25C(d)(3) is amended by striking “which has either”
5 and all that follows and inserting “which has ei-
6 ther—

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

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

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

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

22 (d) MODIFICATION OF TESTING STANDARDS FOR
23 BIOMASS STOVES.—Subparagraph (E) of section
24 25C(d)(3) is amended by inserting before the period the
25 following: “, when tested using the higher heating value

1 of the fuel and in accordance with the Canadian Standards
2 Administration B415.1 test protocol”.

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

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

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

12 (a) IN GENERAL.—Subparagraph (E) of section
13 30D(g)(3) is amended by striking “January 1, 2014” and
14 inserting “January 1, 2014 (January 1, 2016, in the case
15 of a vehicle that has 2 wheels).”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to vehicles acquired after Decem-
18 ber 31, 2013.

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

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

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

4 **SEC. 154. EXTENSION OF INCENTIVES FOR BIODIESEL AND**
5 **RENEWABLE DIESEL.**

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

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to fuel sold or used after December
12 31, 2013.

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

16 (a) IN GENERAL.—Subparagraph (A) of section
17 45(e)(10) is amended by striking “8-year period” each
18 place it appears and inserting “10-year period”.

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

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to coal produced after December
25 31, 2013.

1 **SEC. 156. EXTENSION OF CREDITS WITH RESPECT TO FA-**
2 **CILITIES PRODUCING ENERGY FROM CER-**
3 **TAIN RENEWABLE RESOURCES.**

4 (a) IN GENERAL.—The following provisions of sec-
5 tion 45(d) are each amended by striking “January 1,
6 2014” each place it appears and inserting “January 1,
7 2016”:

8 (1) Paragraph (1).

9 (2) Paragraph (2)(A).

10 (3) Paragraph (3)(A).

11 (4) Paragraph (4)(B).

12 (5) Paragraph (6).

13 (6) Paragraph (7).

14 (7) Paragraph (9).

15 (8) Paragraph (11)(B).

16 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
17 FACILITIES AS ENERGY PROPERTY.—Clause (ii) of sec-
18 tion 48(a)(5)(C) is amended by striking “January 1,
19 2014” and inserting “January 1, 2016”.

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

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

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

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to homes acquired after December
3 31, 2013.

4 **SEC. 158. EXTENSION OF SPECIAL ALLOWANCE FOR SEC-**
5 **OND GENERATION BIOFUEL PLANT PROP-**
6 **ERTY.**

7 (a) IN GENERAL.—Subparagraph (D) of section
8 168(l)(2) is amended by striking “January 1, 2014” and
9 inserting “January 1, 2016”.

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

13 **SEC. 159. EXTENSION AND MODIFICATION OF ENERGY EF-**
14 **FICIENT COMMERCIAL BUILDINGS DEDUC-**
15 **TION.**

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

19 (b) ALLOCATIONS TO INDIAN TRIBAL GOVERN-
20 MENTS.—Paragraph (4) of section 179D(d) is amended
21 by striking “or local” and inserting “local, or Indian trib-
22 al”.

23 (c) ALLOCATIONS TO CERTAIN NONPROFIT ORGANI-
24 ZATIONS.—

1 (1) IN GENERAL.—Paragraph (4) of section
2 179D(d), as amended by subsection (b), is amended
3 by inserting “, or by an organization that is de-
4 scribed in section 501(c)(3) and exempt from tax
5 under section 501(a)” after “political subdivision
6 thereof”.

7 (2) CLERICAL AMENDMENT.—The heading of
8 paragraph (4) of section 179D(d) is amended by in-
9 serting “AND PROPERTY HELD BY CERTAIN NON-
10 PROFITS” after “PUBLIC PROPERTY”.

11 (d) UPDATED ASHRAE STANDARDS FOR 2015.—

12 (1) IN GENERAL.—Paragraph (1) of section
13 179D(c) is amended by striking “Standard 90.1-
14 2001” each place it appears and inserting “Stand-
15 ard 90.1-2007”.

16 (2) CONFORMING AMENDMENTS.—

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

19 “(2) STANDARD 90.1-2007.—The term ‘Standard
20 90.1-2007’ means Standard 90.1-2007 of the Amer-
21 ican Society of Heating, Refrigerating, and Air Con-
22 ditioning Engineers and the Illuminating Engineer-
23 ing Society of North America (as in effect on the
24 day before the date of the adoption of Standard
25 90.1-2010 of such Societies).”.

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

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

7 (i) by striking “Table 9.3.1.1” and in-
8 serting “Table 9.5.1”, and

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

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

14 (e) EFFECTIVE DATE.—Except as provided in sub-
15 section (d)(3), the amendments made by this section shall
16 apply to property placed in service after December 31,
17 2013.

18 **SEC. 160. EXTENSION OF SPECIAL RULE FOR SALES OR DIS-**
19 **POSITIONS TO IMPLEMENT FERC OR STATE**
20 **ELECTRIC RESTRUCTURING POLICY FOR**
21 **QUALIFIED ELECTRIC UTILITIES.**

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

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to dispositions after December 31,
3 2013.

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

6 (a) EXCISE TAX CREDITS AND OUTLAY PAYMENTS
7 FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIX-
8 TURES.—

9 (1) Paragraph (6) of section 6426(c) is amend-
10 ed by striking “December 31, 2013” and inserting
11 “December 31, 2015”.

12 (2) Subparagraph (B) of section 6427(e)(6) is
13 amended by striking “December 31, 2013” and in-
14 serting “December 31, 2015”.

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

17 (1) IN GENERAL.—Sections 6426(d)(5) and
18 6426(e)(3) are each amended by striking “December
19 31, 2013” and inserting “December 31, 2015”.

20 (2) OUTLAY PAYMENTS FOR ALTERNATIVE
21 FUELS.—Subparagraph (C) of section 6427(e)(6) is
22 amended by striking “December 31, 2013” and in-
23 serting “December 31, 2015”.

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

1 (1) IN GENERAL.—Sections 6426(d)(5) and
2 6426(e)(3), as amended by subsection (b), are each
3 amended by striking “(September 30, 2014 in the
4 case of any sale or use involving liquefied hydro-
5 gen)”.

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

9 (A) by striking “except as provided in sub-
10 paragraph (D), any” in subparagraph (C), as
11 amended by this Act, and inserting “any”,

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

14 (C) by striking subparagraph (D) and re-
15 designating subparagraph (E) as subparagraph
16 (D).

17 (d) EFFECTIVE DATES.—

18 (1) IN GENERAL.—Except as provided in para-
19 graph (2), the amendments made by this section
20 shall apply to fuel sold or used after December 31,
21 2013.

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

1 (e) SPECIAL RULE FOR CERTAIN PERIODS DURING
2 2014.—Notwithstanding any other provision of law, in the
3 case of—

4 (1) any biodiesel mixture credit properly deter-
5 mined under section 6426(c) of the Internal Revenue
6 Code of 1986 for periods after December 31, 2013,
7 and before the date of the enactment of this Act,
8 and

9 (2) any alternative fuel credit properly deter-
10 mined under section 6426(d) of such Code for such
11 periods,

12 such credit shall be allowed, and any refund or payment
13 attributable to such credit (including any payment under
14 section 6427(e) of such Code) shall be made, only in such
15 manner as the Secretary of the Treasury (or the Sec-
16 retary's delegate) shall provide. Such Secretary shall issue
17 guidance within 30 days after the date of the enactment
18 of this Act providing for a one-time submission of claims
19 covering periods described in the preceding sentence. Such
20 guidance shall provide for a 180-day period for the sub-
21 mission of such claims (in such manner as prescribed by
22 such Secretary) to begin not later than 30 days after such
23 guidance is issued. Such claims shall be paid by such Sec-
24 retary not later than 60 days after receipt. If such Sec-
25 retary has not paid pursuant to a claim filed under this

1 subsection within 60 days after the date of the filing of
2 such claim, the claim shall be paid with interest from such
3 date determined by using the overpayment rate and meth-
4 od under section 6621 of such Code.

5 **Subtitle B—Provisions Expiring in** 6 **2014**

7 **PART I—ENERGY TAX EXTENDERS**

8 **SEC. 171. EXTENSION OF CREDIT FOR NEW QUALIFIED** 9 **FUEL CELL MOTOR VEHICLES.**

10 (a) IN GENERAL.—Paragraph (1) of section 30B(k)
11 is amended by striking “December 31, 2014” and insert-
12 ing “December 31, 2015”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to property purchased after De-
15 cember 31, 2014.

16 **SEC. 172. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL** 17 **VEHICLE REFUELING PROPERTY.**

18 (a) IN GENERAL.—Subsection (g) of section 30C is
19 amended by striking “placed in service” and all that fol-
20 lows and inserting “placed in service after December 31,
21 2015.”.

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

1 **PART II—EXTENDERS RELATING TO MULTIEM-**
2 **PLOYER DEFINED BENEFIT PENSION PLANS**

3 **SEC. 181. EXTENSION OF AUTOMATIC EXTENSION OF AMOR-**
4 **TIZATION PERIODS.**

5 (a) IN GENERAL.—Subparagraph (C) of section
6 431(d)(1) is amended by striking “December 31, 2014”
7 and inserting “December 31, 2015”.

8 (b) AMENDMENT TO EMPLOYEE RETIREMENT IN-
9 COME SECURITY ACT OF 1974.—Subparagraph (C) of sec-
10 tion 304(d)(1) of the Employee Retirement Income Secu-
11 rity Act of 1974 (29 U.S.C. 1084(d)(1)(C)) is amended
12 by striking “December 31, 2014” and inserting “Decem-
13 ber 31, 2015”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to applications submitted under
16 section 431(d)(1)(A) of the Internal Revenue Code of
17 1986 and section 304(d)(1)(C) of the Employee Retire-
18 ment Income Security Act of 1974 after December 31,
19 2014.

20 **SEC. 182. EXTENSION OF FUNDING IMPROVEMENT AND RE-**
21 **HABILITATION PLAN RULES.**

22 (a) IN GENERAL.—Paragraphs (1) and (2) of section
23 221(c) of the Pension Protection Act of 2006 are each
24 amended by striking “December 31, 2014” and inserting
25 “December 31, 2015”.

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

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to plan years beginning after De-
7 cember 31, 2014.

8 **Subtitle C—Revenue Provisions**

9 **SEC. 191. PENALTY FOR FAILURE TO MEET DUE DILIGENCE**

10 **REQUIREMENTS FOR THE CHILD TAX CRED-** 11 **IT.**

12 (a) IN GENERAL.—Section 6695 is amended by add-
13 ing at the end the following new subsection:

14 “(h) FAILURE TO BE DILIGENT IN DETERMINING
15 ELIGIBILITY FOR CHILD TAX CREDIT.—Any person who
16 is a tax return preparer with respect to any return or
17 claim for refund who fails to comply with due diligence
18 requirements imposed by the Secretary by regulations with
19 respect to determining eligibility for, or the amount of,
20 the credit allowable by section 24 shall pay a penalty of
21 \$500 for each such failure.”.

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

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

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

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

11 **SEC. 193. EXCLUSION FROM GROSS INCOME OF CERTAIN**
12 **CLEAN COAL POWER GRANTS TO NON-COR-**
13 **PORATE TAXPAYERS.**

14 (a) GENERAL RULE.—In the case of an eligible tax-
15 payer other than a corporation, gross income for purposes
16 of the Internal Revenue Code of 1986 shall not include
17 any amount received under section 402 of the Energy Pol-
18 icy Act of 2005.

19 (b) REDUCTION IN BASIS.—The basis of any prop-
20 erty subject to the allowance for depreciation under the
21 Internal Revenue Code of 1986 which is acquired with any
22 amount to which subsection (a) applies during the 12-
23 month period beginning on the day such amount is re-
24 ceived shall be reduced by an amount equal to such
25 amount. The excess (if any) of such amount over the
26 amount of the reduction under the preceding sentence

1 shall be applied to the reduction (as of the last day of
2 the period specified in the preceding sentence) of the basis
3 of any other property held by the taxpayer. The particular
4 properties to which the reductions required by this sub-
5 section are allocated shall be determined by the Secretary
6 of the Treasury (or the Secretary's delegate) under regula-
7 tions similar to the regulations under section 362(c)(2) of
8 such Code.

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

14 (d) ELIGIBLE TAXPAYER.—For purposes of this sec-
15 tion, with respect to any amount received under section
16 402 of the Energy Policy Act of 2005, the term “eligible
17 taxpayer” means a taxpayer that makes a payment to the
18 Secretary of the Treasury (or the Secretary's delegate)
19 equal to 1.18 percent of the amount so received. Such pay-
20 ment shall be made at such time and in such manner as
21 such Secretary (or the Secretary's delegate) shall pre-
22 scribe. In the case of a partnership, such Secretary (or
23 the Secretary's delegate) shall prescribe regulations to de-
24 termine the allocation of such payment amount among the
25 partners.

1 (e) EFFECTIVE DATE.—This section shall apply to
2 amounts received under section 402 of the Energy Policy
3 Act of 2005 in taxable years beginning after December
4 31, 2011.

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

7 (a) REQUIREMENT TO COLLECT CERTAIN INACTIVE
8 TAX RECEIVABLES UNDER QUALIFIED TAX COLLECTION
9 CONTRACTS.—Section 6306 is amended by redesignating
10 subsections (c) through (f) as subsections (d) through (g),
11 respectively, and by inserting after subsection (b) the fol-
12 lowing new subsection:

13 “(c) COLLECTION OF INACTIVE TAX RECEIV-
14 ABLES.—

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

19 “(2) INACTIVE TAX RECEIVABLES.—For pur-
20 poses of this section—

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

23 “(i) at any time after assessment, the
24 Internal Revenue Service removes such re-
25 ceivable from the active inventory for lack

1 of resources or inability to locate the tax-
2 payer,

3 “(ii) more than $\frac{1}{3}$ of the period of the
4 applicable statute of limitation has lapsed
5 and such receivable has not been assigned
6 for collection to any employee of the Inter-
7 nal Revenue Service, or

8 “(iii) in the case of a receivable which
9 has been assigned for collection, more than
10 365 days have passed without interaction
11 with the taxpayer or a third party for pur-
12 poses of furthering the collection of such
13 receivable.

14 “(B) TAX RECEIVABLE.—The term ‘tax re-
15 ceivable’ means any outstanding assessment
16 which the Internal Revenue Service includes in
17 potentially collectible inventory.”.

18 (b) CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR
19 COLLECTION UNDER QUALIFIED TAX COLLECTION CON-
20 TRACTS.—Section 6306, as amended by subsection (a), is
21 amended by redesignating subsections (d) through (g) as
22 subsections (e) through (h), respectively, and by inserting
23 after subsection (c) the following new subsection:

24 “(d) CERTAIN TAX RECEIVABLES NOT ELIGIBLE
25 FOR COLLECTION UNDER QUALIFIED TAX COLLECTIONS

1 CONTRACTS.—A tax receivable shall not be eligible for col-
2 lection pursuant to a qualified tax collection contract if
3 such receivable—

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

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

7 “(3) involves a taxpayer identified by the Sec-
8 retary as being—

9 “(A) deceased,

10 “(B) under the age of 18,

11 “(C) in a designated combat zone, or

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

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

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

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

22 “(h) CONTRACTING PRIORITY.—In contracting for
23 the services of any person under this section, the Secretary
24 shall utilize private collection contractors and debt collec-
25 tion centers on the schedule required under section

1 3711(g) of title 31, United States Code, including the
2 technology and communications infrastructure established
3 therein, to the extent such private collection contractors
4 and debt collection centers are appropriate to carry out
5 the purposes of this section.”.

6 (d) DISCLOSURE OF RETURN INFORMATION.—Sec-
7 tion 6103(k) is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(11) QUALIFIED TAX COLLECTION CONTRAC-
10 TORS.—Persons providing services pursuant to a
11 qualified tax collection contract under section 6306
12 may, if speaking to a person who has identified him-
13 self or herself as having the name of the taxpayer
14 to which a tax receivable (within the meaning of
15 such section) relates, identify themselves as contrac-
16 tors of the Internal Revenue Service and disclose the
17 business name of the contractor, and the nature,
18 subject, and reason for the contact. Disclosures
19 under this paragraph shall be made only in such sit-
20 uations and under such conditions as have been ap-
21 proved by the Secretary.”.

22 (e) TAXPAYERS AFFECTED BY FEDERALLY DE-
23 CLARED DISASTERS.—Section 6306, as amended by the
24 preceding provisions of this section, is amended by reds-

1 ignating subsection (i) as subsection (j) and by inserting
2 after subsection (h) the following new subsection:

3 “(i) TAXPAYERS IN PRESIDENTIALLY DECLARED
4 DISASTER AREAS.—The Secretary may prescribe proce-
5 dures under which a taxpayer determined to be affected
6 by a Federally declared disaster (as defined by section
7 165(h)(3)(C)) may request—

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

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

13 (f) REPORT TO CONGRESS.—

14 (1) IN GENERAL.—Section 6306, as amended
15 by the preceding provisions of this section, is amend-
16 ed by redesignating subsection (j) as subsection (k)
17 and by inserting after subsection (i) the following
18 new subsection:

19 “(j) REPORT TO CONGRESS.—Not later than 90 days
20 after the last day of each fiscal year (beginning with the
21 first such fiscal year ending after the date of the enact-
22 ment of this subsection), the Secretary shall submit to the
23 Committee on Ways and Means of the House of Rep-
24 resentatives and the Committee on Finance of the Senate

1 a report with respect to qualified tax collection contracts
2 under this section which shall include—

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

4 “(A) the total number and amount of tax
5 receivables provided to each contractor for col-
6 lection under this section,

7 “(B) the total amounts collected (and
8 amounts of installment agreements entered into
9 under subsection (b)(1)(B)) with respect to
10 each contractor and the collection costs in-
11 curred (directly and indirectly) by the Internal
12 Revenue Service with respect to such amounts,

13 “(C) the impact of such contracts on the
14 total number and amount of unpaid assess-
15 ments, and on the number and amount of as-
16 sessments collected by Internal Revenue Service
17 personnel after initial contact by a contractor,

18 “(D) the amount of fees retained by the
19 Secretary under subsection (e) and a descrip-
20 tion of the use of such funds, and

21 “(E) a disclosure safeguard report in a
22 form similar to that required under section
23 6103(p)(5), and

24 “(2) biannually (beginning with the second re-
25 port submitted under this subsection)—

1 “(A) an independent evaluation of con-
2 tractor performance, and

3 “(B) a measurement plan that includes a
4 comparison of the best practices used by the
5 private collectors to the collection techniques
6 used by the Internal Revenue Service and
7 mechanisms to identify and capture information
8 on successful collection techniques used by the
9 contractors that could be adopted by the Inter-
10 nal Revenue Service.”.

11 (2) REPEAL OF EXISTING REPORTING REQUIRE-
12 MENTS WITH RESPECT TO QUALIFIED TAX COLLEC-
13 TION CONTRACTS.—Section 881 of the American
14 Jobs Creation Act of 2004 is amended by striking
15 subsection (e).

16 (g) EFFECTIVE DATES.—

17 (1) IN GENERAL.—The amendments made by
18 subsections (a) and (b) shall apply to tax receivables
19 identified by the Secretary after the date of the en-
20 actment of this Act.

21 (2) CONTRACTING PRIORITY.—The Secretary
22 shall begin entering into contracts and agreements
23 as described in the amendment made by subsection
24 (c) within 3 months after the date of the enactment
25 of this Act.

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

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

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

8 (a) IN GENERAL.—Subsection (e) of section 6306, as
9 redesignated by section 194, is amended by striking “for
10 collection enforcement activities of the Internal Revenue
11 Service” in paragraph (2) and inserting “to fund the spe-
12 cial compliance personnel program account under section
13 6307”.

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

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

19 “(a) ESTABLISHMENT OF A SPECIAL COMPLIANCE
20 PERSONNEL PROGRAM ACCOUNT.—The Secretary shall
21 establish an account within the Department for carrying
22 out a program consisting of the hiring, training, and em-
23 ployment of special compliance personnel, and shall trans-
24 fer to such account from time to time amounts retained
25 by the Secretary under section 6306(e)(2).

1 “(b) RESTRICTIONS.—The program described in sub-
2 section (a) shall be subject to the following restrictions:

3 “(1) No funds shall be transferred to such ac-
4 count except as described in subsection (a).

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

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

20 “(c) REPORTING.—Not later than March of each
21 year, the Commissioner of Internal Revenue shall submit
22 a report to the Committees on Finance and Appropria-
23 tions of the Senate and the Committees on Ways and
24 Means and Appropriations of the House of Representa-
25 tives consisting of the following:

1 “(1) For the preceding fiscal year, all funds re-
2 ceived in the account established under subsection
3 (a), administrative and program costs for the pro-
4 gram described in such subsection, the number of
5 special compliance personnel hired and employed
6 under the program, and the amount of revenue actu-
7 ally collected by such personnel.

8 “(2) For the current fiscal year, all actual and
9 estimated funds received or to be received in the ac-
10 count, all actual and estimated administrative and
11 program costs, the number of all actual and esti-
12 mated special compliance personnel hired and em-
13 ployed under the program, and the actual and esti-
14 mated revenue actually collected or to be collected by
15 such personnel.

16 “(3) For the following fiscal year, an estimate
17 of all funds to be received in the account, all esti-
18 mated administrative and program costs, the esti-
19 mated number of special compliance personnel hired
20 and employed under the program, and the estimated
21 revenue to be collected by such personnel.

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

23 “(1) SPECIAL COMPLIANCE PERSONNEL.—The
24 term ‘special compliance personnel’ means individ-
25 uals employed by the Internal Revenue Service as

1 field function collection officers or in a similar posi-
2 tion, or employed to collect taxes using the auto-
3 mated collection system or an equivalent replace-
4 ment system.

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

7 “(A) total salaries (including locality pay
8 and bonuses), benefits, and employment taxes
9 for special compliance personnel employed or
10 trained under the program described in sub-
11 section (a), and

12 “(B) direct overhead costs, salaries, bene-
13 fits, and employment taxes relating to support
14 staff, rental payments, office equipment and
15 furniture, travel, data processing services, vehi-
16 cle costs, utilities, telecommunications, postage,
17 printing and reproduction, supplies and mate-
18 rials, lands and structures, insurance claims,
19 and indemnities for special compliance per-
20 sonnel hired and employed under this section.

21 For purposes of subparagraph (B), the cost of man-
22 agement and supervision of special compliance per-
23 sonnel shall be taken into account as direct overhead
24 costs to the extent such costs, when included in total

1 program costs under this paragraph, do not rep-
2 resent more than 10 percent of such total costs.”.

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

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

7 (d) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall apply to amounts collected and re-
9 tained by the Secretary after the date of the enactment
10 of this Act.

11 **SEC. 196. EXCLUSION OF DIVIDENDS FROM CONTROLLED**
12 **FOREIGN CORPORATIONS FROM THE DEFINI-**
13 **TION OF PERSONAL HOLDING COMPANY IN-**
14 **COME FOR PURPOSES OF THE PERSONAL**
15 **HOLDING COMPANY RULES.**

16 (a) IN GENERAL.—Paragraph (1) of section 543(a)
17 is amended by redesignating subparagraphs (C) and (D)
18 as subparagraphs (D) and (E), respectively, and by insert-
19 ing after subparagraph (B) the following new subpara-
20 graph:

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

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

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

7 (a) FAILURE TO FILE TAX RETURN OR PAY TAX.—
8 Section 6651 is amended by adding at the end the fol-
9 lowing new subsection:

10 “(i) ADJUSTMENT FOR INFLATION.—

11 “(1) IN GENERAL.—In the case of any return
12 required to be filed in a calendar year beginning
13 after 2014, the \$135 dollar amount under subsection
14 (a) shall be increased by such dollar amount multi-
15 plied by the cost-of-living adjustment determined
16 under section 1(f)(3) determined by substituting
17 ‘calendar year 2013’ for ‘calendar year 1992’ in sub-
18 paragraph (B) thereof.

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

23 (b) FAILURE TO FILE CERTAIN INFORMATION RE-
24 TURNS, REGISTRATION STATEMENTS, ETC.—

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

3 “(6) ADJUSTMENT FOR INFLATION.—

4 “(A) IN GENERAL.—In the case of any
5 failure relating to a return required to be filed
6 in a calendar year beginning after 2014, each
7 of the dollar amounts under paragraphs (1),
8 (2), and (3) shall be increased by such dollar
9 amount multiplied by the cost-of-living adjust-
10 ment determined under section 1(f)(3) deter-
11 mined by substituting ‘calendar year 2013’ for
12 ‘calendar year 1992’ in subparagraph (B)
13 thereof.

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

16 “(i) is not less than \$5,000 and is not
17 a multiple of \$500, such amount shall be
18 rounded to the next lowest multiple of
19 \$500, and

20 “(ii) is not described in clause (i) and
21 is not a multiple of \$5, such amount shall
22 be rounded to the next lowest multiple of
23 \$5.”.

24 (2) CONFORMING AMENDMENTS.—

1 (A) The last sentence of section
2 6652(c)(1)(A) is amended by striking “the first
3 sentence of this subparagraph shall be applied
4 by substituting ‘\$100’ for ‘\$20’ and” and in-
5 serting “in applying the first sentence of this
6 subparagraph, the amount of the penalty for
7 each day during which a failure continues shall
8 be \$100 in lieu of the amount otherwise speci-
9 fied, and”.

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

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

25 “(h) ADJUSTMENT FOR INFLATION.—

1 “(1) IN GENERAL.—In the case of any failure
2 relating to a return or claim for refund filed in a
3 calendar year beginning after 2014, each of the dol-
4 lar amounts under subsections (a), (b), (c), (d), (e),
5 (f), and (g) shall be increased by such dollar amount
6 multiplied by the cost-of-living adjustment deter-
7 mined under section 1(f)(3) determined by sub-
8 stituting ‘calendar year 2013’ for ‘calendar year
9 1992’ in subparagraph (B) thereof.

10 “(2) ROUNDING.—If any amount adjusted
11 under subparagraph (A)—

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

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

18 (d) FAILURE TO FILE PARTNERSHIP RETURN.—Sec-
19 tion 6698 is amended by adding at the end the following
20 new subsection:

21 “(e) ADJUSTMENT FOR INFLATION.—

22 “(1) IN GENERAL.—In the case of any return
23 required to be filed in a calendar year beginning
24 after 2014, the \$195 dollar amount under subsection
25 (b)(1) shall be increased by such dollar amount mul-

1 tplied by the cost-of-living adjustment determined
2 under section 1(f)(3) determined by substituting
3 ‘calendar year 2013’ for ‘calendar year 1992’ in sub-
4 paragraph (B) thereof.

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

9 (e) FAILURE TO FILE S CORPORATION RETURN.—
10 Section 6699 is amended by adding at the end the fol-
11 lowing new subsection:

12 “(e) ADJUSTMENT FOR INFLATION.—

13 “(1) IN GENERAL.—In the case of any return
14 required to be filed in a calendar year beginning
15 after 2014, the \$195 dollar amount under subsection
16 (b)(1) shall be increased by such dollar amount mul-
17 tplied by the cost-of-living adjustment determined
18 under section 1(f)(3) determined by substituting
19 ‘calendar year 2013’ for ‘calendar year 1992’ in sub-
20 paragraph (B) thereof.

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

1 (f) FAILURE TO FILE CORRECT INFORMATION RE-
2 TURNS.—Paragraph (1) of section 6721(f) is amended by
3 striking “For each fifth calendar year beginning after
4 2012” and inserting “In the case of any failure relating
5 to a return required to be filed in a calendar year begin-
6 ning after 2014”.

7 (g) FAILURE TO FURNISH CORRECT PAYEE STATE-
8 MENTS.—Paragraph (1) of section 6722(f) is amended by
9 striking “For each fifth calendar year beginning after
10 2012” and inserting “In the case of any failure relating
11 to a statement required to be furnished in a calendar year
12 beginning after 2014”.

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

16 **TITLE II—TAX TECHNICAL** 17 **CORRECTIONS**

18 **SEC. 201. SHORT TITLE.**

19 This title may be cited as the “Tax Technical Correc-
20 tions Act of 2014”.

21 **SEC. 202. AMENDMENT RELATING TO MIDDLE CLASS TAX** 22 **RELIEF AND JOB CREATION ACT OF 2012.**

23 (a) AMENDMENT RELATING TO SECTION 7001.—
24 Paragraph (1) of section 7001 of the Middle Class Tax

1 Relief and Job Creation Act of 2012 is amended by strik-
2 ing “201(b)” and inserting “202(b)”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall take effect as if included in section
5 7001 of the Middle Class Tax Relief and Job Creation
6 Act of 2012.

7 **SEC. 203. AMENDMENTS RELATING TO AMERICAN TAX-**
8 **PAYER RELIEF ACT OF 2012.**

9 (a) AMENDMENT RELATING TO SECTION 102.—
10 Clause (ii) of section 911(f)(2)(B) is amended by striking
11 “described in section 1(h)(1)(B) shall be treated as a ref-
12 erence to such excess as determined” and inserting “de-
13 scribed in section 1(h)(1)(B), and the reference in section
14 55(b)(3)(C)(ii) to the excess described in section
15 1(h)(1)(C)(ii), shall each be treated as a reference to each
16 such excess as determined”.

17 (b) AMENDMENTS RELATING TO SECTION 104.—

18 (1) Clause (ii) of section 55(d)(4)(B) is amend-
19 ed by inserting “subparagraphs (A), (B), and (D)
20 of” before “paragraph (1)”.

21 (2) Subparagraph (C) of section 55(d)(4) is
22 amended by striking “increase” and inserting “in-
23 creased amount”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect as if included in the provision

1 of the American Taxpayer Relief Act of 2012 to which
2 they relate.

3 **SEC. 204. AMENDMENTS RELATING TO REGULATED INVEST-**
4 **MENT COMPANY MODERNIZATION ACT OF**
5 **2010.**

6 (a) AMENDMENTS RELATING TO SECTION 101.—

7 (1) Subsection (c) of section 101 of the Regu-
8 lated Investment Company Modernization Act of
9 2010 is amended—

10 (A) by striking “paragraph (2)” in para-
11 graph (1) and inserting “paragraphs (2) and
12 (3)”, and

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

15 “(3) EXCISE TAX.—

16 “(A) IN GENERAL.—Except as provided in
17 subparagraph (B), for purposes of section 4982
18 of the Internal Revenue Code of 1986, para-
19 graphs (1) and (2) shall apply by substituting
20 ‘the 1-year periods taken into account under
21 subsection (b)(1)(B) of such section with re-
22 spect to calendar years beginning after Decem-
23 ber 31, 2010’ for ‘taxable years beginning after
24 the date of the enactment of this Act’.

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

7 (2) The first sentence of paragraph (2) of sec-
8 tion 852(c) is amended—

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

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

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

19 (c) AMENDMENTS RELATING TO SECTION 308.—

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

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

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

5 “(ii) if there is no such loss—

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

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

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

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

21 “(i) the specified losses (as defined in
22 section 4982(e)(5)(B)(ii)) attributable to

1 the portion of the taxable year after Octo-
2 ber 31, over

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

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

10 “(i) the ordinary losses not described
11 in subparagraph (E)(i) and attributable to
12 the portion of the taxable year after De-
13 cember 31, over

14 “(ii) the ordinary income not de-
15 scribed in subparagraph (E)(ii) and attrib-
16 utable to such portion of the taxable
17 year.”.

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

21 (3) The first sentence of paragraph (2) of sec-
22 tion 852(c), as amended by subsection (a), is amend-
23 ed—

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

1 (B) by inserting “, and with such other ad-
2 justments as the Secretary may prescribe” be-
3 fore the period at the end.

4 (d) AMENDMENTS RELATING TO SECTION 402.—

5 (1) Subparagraph (B) of section 4982(e)(6) is
6 amended by inserting before the period at the end
7 the following: “or which determines income by ref-
8 erence to the value of an item on the last day of the
9 taxable year”.

10 (2) Subparagraph (A) of section 4982(e)(7) is
11 amended by striking “such company” and all that
12 follows through “any net ordinary loss” and insert-
13 ing “such company may elect to determine its ordi-
14 nary income and net ordinary loss (as defined in
15 paragraph (2)(C)(ii)) for the calendar year without
16 regard to any portion of any net ordinary loss”.

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

21 (f) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), the amendments made by this section
24 shall take effect as if included in the provision of the

1 Regulated Investment Company Modernization Act
2 of 2010 to which they relate.

3 (2) SAVINGS PROVISION.—In the case of a reg-
4 ulated investment company which, before the date of
5 the enactment of this Act, elected under paragraph
6 (8) of section 852(b) of the Internal Revenue Code
7 of 1986 (as in effect on the date of such election)
8 for any taxable year ending before such date of en-
9 actment to treat any loss as arising in the following
10 taxable year, the amendments made by paragraphs
11 (1) and (2) of subsection (c) shall not apply with re-
12 spect to such election.

13 **SEC. 205. AMENDMENTS RELATING TO TAX RELIEF, UNEM-**
14 **EMPLOYMENT INSURANCE REAUTHORIZATION,**
15 **AND JOB CREATION ACT OF 2010.**

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

19 (b) CLERICAL AMENDMENT RELATING TO SECTION
20 302.—Subsection (f) of section 302 of the Tax Relief, Un-
21 employment Insurance Reauthorization, and Job Creation
22 Act of 2010 is amended by striking “subsection” and in-
23 serting “section”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect as if included in the provisions

1 of the Tax Relief, Unemployment Insurance Reauthoriza-
2 tion, and Job Creation Act of 2010 to which they relate.

3 **SEC. 206. AMENDMENTS RELATING TO CREATING SMALL**
4 **BUSINESS JOBS ACT OF 2010.**

5 (a) AMENDMENTS RELATING TO SECTION 2102.—

6 (1) Subsection (h) of section 2102 of the Cre-
7 ating Small Business Jobs Act of 2010 is amended
8 by inserting “, and payee statements required to be
9 furnished,” after “information returns required to
10 be filed”.

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

16 (3) Subparagraph (B) of section 6722(c)(2) is
17 amended by striking “filed” and inserting “fur-
18 nished”.

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

1 **SEC. 207. CLERICAL AMENDMENT RELATING TO HIRING IN-**
2 **CENTIVES TO RESTORE EMPLOYMENT ACT.**

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

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

11 **SEC. 208. AMENDMENTS RELATING TO AMERICAN RECOV-**
12 **ERY AND REINVESTMENT TAX ACT OF 2009.**

13 (a) AMENDMENT RELATING TO SECTION 1003.—
14 Paragraph (4) of section 24(d) is amended to read as fol-
15 lows:

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

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

25 (c) AMENDMENTS RELATING TO SECTION 1008.—

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

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

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

13 (e) AMENDMENTS RELATING TO SECTION 1141.—

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

15 (A) by inserting “(determined without re-
16 gard to subsection (c))” before the period at the
17 end of paragraph (1), and

18 (B) by inserting “(determined without re-
19 gard to subsection (c))” before the period at the
20 end of paragraph (2).

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

1 (f) AMENDMENTS RELATING TO SECTION 1142.—

2 (1) Subsection (b) of section 38 is amended by
3 striking “plus” at the end of paragraph (35), by re-
4 designating paragraph (36) as paragraph (37), and
5 by inserting after paragraph (35) the following new
6 paragraph:

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

10 (2)(A) Subsection (e) of section 30 is amend-
11 ed—

12 (i) by inserting “(determined without re-
13 gard to subsection (c))” before the period at the
14 end of paragraph (1), and

15 (ii) by inserting “(determined without re-
16 gard to subsection (c))” before the period at the
17 end of paragraph (2).

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

23 (g) AMENDMENT RELATING TO SECTION 1302.—

24 Paragraph (3) of section 48C(b) is amended by inserting

1 “as the qualified investment” after “The amount which
2 is treated”.

3 (h) AMENDMENTS RELATED TO SECTION 1541.—

4 (1) Paragraph (2) of section 853A(a) is amend-
5 ed by inserting “(determined after the application of
6 this section)” before the comma at the end.

7 (2) Subsection (a) of section 853A is amend-
8 ed—

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

12 (B) by inserting “(determined without re-
13 gard to this section and sections 54(c),
14 54A(c)(1), 54AA(c)(1), and 1397E(c))” after
15 “credits allowable”.

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

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

21 “(1) the regulated investment company—

22 “(A) shall not be allowed such credits,

23 “(B) shall include in gross income (as in-
24 terest) for such taxable year the amount which
25 would have been so included with respect to

1 such credits had the application of this section
2 not been elected,

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

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

13 “(2) each shareholder of such investment com-
14 pany shall—

15 “(A) be treated as receiving such share-
16 holder’s proportionate share of any distribution
17 of money which is treated as made by such in-
18 vestment company under paragraph (1)(D), and

19 “(B) be allowed credits against the tax im-
20 posed by this chapter equal to the amount of
21 such distribution, subject to the provisions of
22 this title applicable to the credit involved.”.

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

1 “(c) NOTICE TO SHAREHOLDERS.—The amount
2 treated as a distribution of money received by a share-
3 holder under subsection (b)(2)(A) (and as credits allowed
4 to such shareholder under subsection (b)(2)(B)) shall not
5 exceed the amount so reported by the regulated invest-
6 ment company in a written statement furnished to such
7 shareholder.”.

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

12 (i) AMENDMENTS RELATING TO SECTION 2202.—

13 (1) Subparagraph (A) of section 2202(b)(1) of
14 the division B of the American Recovery and Rein-
15 vestment Act of 2009 is amended by inserting “po-
16 litical subdivision of a State,” after “any State,”.

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

20 “(e) TREATMENT OF POSSESSIONS.—

21 “(1) PAYMENTS TO MIRROR CODE POSSES-
22 SIONS.—The Secretary of the Treasury shall pay to
23 each possession of the United States with a mirror
24 code tax system amounts equal to the loss to that
25 possession by reason of credits allowed under sub-

1 section (a) with respect to taxable years beginning in
2 2009. Such amounts shall be determined by the Sec-
3 retary of the Treasury based on information pro-
4 vided by the government of the respective possession.

5 “(2) COORDINATION WITH CREDIT ALLOWED
6 AGAINST UNITED STATES INCOME TAXES.—No cred-
7 it shall be allowed against United States income
8 taxes for any taxable year under this section to any
9 person to whom a credit is allowed against taxes im-
10 posed by the possession by reason of the credit al-
11 lowed under subsection (a) for such taxable year.

12 “(3) DEFINITIONS AND SPECIAL RULES.—

13 “(A) POSSESSION OF THE UNITED
14 STATES.—For purposes of this subsection, the
15 term ‘possession of the United States’ includes
16 the Commonwealth of the Northern Mariana Is-
17 lands.

18 “(B) MIRROR CODE TAX SYSTEM.—For
19 purposes of this subsection, the term ‘mirror
20 code tax system’ means, with respect to any
21 possession of the United States, the income tax
22 system of such possession if the income tax li-
23 ability of the residents of such possession under
24 such system is determined by reference to the

1 income tax laws of the United States as if such
2 possession were the United States.

3 “(C) TREATMENT OF PAYMENTS.—For
4 purposes of section 1324(b)(2) of title 31,
5 United States Code, the payments under this
6 subsection shall be treated in the same manner
7 as a refund due from the credit allowed under
8 section 36A of the Internal Revenue Code of
9 1986 (as added by this Act).”.

10 (j) CLERICAL AMENDMENTS.—

11 (1) AMENDMENT RELATING TO SECTION
12 1131.—Paragraph (2) of section 45Q(d) is amended
13 by striking “Administrator of the Environmental
14 Protection Agency” and all that follows through
15 “shall establish” and inserting “Administrator of the
16 Environmental Protection Agency, the Secretary of
17 Energy, and the Secretary of the Interior, shall es-
18 tablish”.

19 (2) AMENDMENT RELATING TO SECTION
20 1141.—Paragraph (37) of section 1016(a) is amend-
21 ed by striking “section 30D(e)(4)” and inserting
22 “section 30D(f)(1)”.

23 (3) AMENDMENT RELATING TO SECTION
24 3001.—Subparagraph (A) of section 3001(a)(14) of
25 the American Recovery and Reinvestment Act of

1 2009 is amended by striking “is amended by redес-
2 ignating paragraph (9) as paragraph (10)” and in-
3 serting “, as amended by this Act, is amended by re-
4 designating paragraphs (9) and (10) as paragraphs
5 (10) and (11), respectively,”.

6 (k) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect as if included in the provisions
8 of the American Recovery and Reinvestment Tax Act of
9 2009 to which they relate.

10 **SEC. 209. AMENDMENTS RELATING TO ENERGY IMPROVE-**
11 **MENT AND EXTENSION ACT OF 2008.**

12 (a) AMENDMENT RELATING TO SECTION 108.—Sub-
13 paragraph (E) of section 45K(g)(2) is amended to read
14 as follows:

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

22 (b) AMENDMENT RELATING TO SECTION 113.—
23 Paragraph (1) of section 113(b) of the Energy Improve-
24 ment and Extension Act of 2008 is amended by adding
25 at the end the following new subparagraph:

1 “(F) TRUST FUND.—The term ‘Trust
2 Fund’ means the Black Lung Disability Trust
3 Fund established under section 9501 of the In-
4 ternal Revenue Code of 1986.”.

5 (c) AMENDMENTS RELATING TO SECTION 306.—

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

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

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

16 (e) AMENDMENT RELATING TO SECTION 402.—Sub-
17 paragraph (A) of section 907(f)(4) is amended by striking
18 “this subsection shall be applied” and all that follows
19 through the period at the end and inserting the following:
20 “this subsection, as in effect on the day before the date
21 of the enactment of the Energy Improvement and Exten-
22 sion Act of 2008, shall apply to unused oil and gas extrac-
23 tion taxes carried from such unused credit year to a tax-
24 able year beginning after December 31, 2008.”.

25 (f) AMENDMENTS RELATING TO SECTION 403.—

1 (1) Subsection (c) of section 1012 is amend-
2 ed—

3 (A) by striking “FUNDS” in the heading
4 for paragraph (2) and inserting “REGULATED
5 INVESTMENT COMPANIES”,

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

8 (C) by striking “fund” each place it ap-
9 pears in paragraph (2) and inserting “regulated
10 investment company”.

11 (2) Paragraph (1) of section 1012(d) is amend-
12 ed—

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

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

17 (3) Paragraph (3) of section 1012(d) is amend-
18 ed to read as follows:

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

21 “(A) IN GENERAL.—Rules similar to the
22 rules of subsection (c)(2) shall apply for pur-
23 poses of this subsection.

24 “(B) AVERAGE BASIS FOR PRE-2012
25 STOCK.—Notwithstanding paragraph (1), in the

1 case of an election under rules similar to the
2 rules of subsection (c)(2)(B) with respect to
3 stock held in connection with a dividend rein-
4 vestment plan, the average basis method is per-
5 missible with respect to all such stock without
6 regard to the date of the acquisition of such
7 stock.”.

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

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

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

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

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

4 (a) AMENDMENT RELATING TO SECTION 208.—Sub-
5 section (b) of section 208 of the Tax Extenders and Alter-
6 native Minimum Tax Relief Act of 2008 is amended to
7 read as follows:

8 “(b) EFFECTIVE DATE.—

9 “(1) IN GENERAL.—The amendment made by
10 subsection (a) shall take effect on January 1, 2008.
11 Notwithstanding the preceding sentence, such
12 amendment shall not apply with respect to the with-
13 holding requirement under section 1445 of the Inter-
14 nal Revenue Code of 1986 for any payment made
15 before October 4, 2008.

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

19 “(A) which makes a distribution after De-
20 cember 31, 2007, and before October 4, 2008,
21 and

22 “(B) which would (but for the second sen-
23 tence of paragraph (1)) have been required to
24 withhold with respect to such distribution under
25 section 1445 of such Code,

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

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

10 (c) CLERICAL AMENDMENTS.—

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

14 (2) AMENDMENTS RELATING TO SECTION
15 706.—

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

19 (B) Subclause (II) of section
20 172(b)(1)(F)(ii) is amended by striking “sub-
21 section (h)(3)(C)(i)” and inserting “section
22 165(h)(3)(C)(i)”.

23 (C) The heading for paragraph (1) of sec-
24 tion 165(h) is amended by striking “\$100” and
25 inserting “DOLLAR”.

1 (3) AMENDMENT RELATING TO SECTION 709.—

2 Subsection (k) of section 143 is amended by redesignig-
3 nating the second paragraph (12) (relating to special
4 rules for residences destroyed in Federally declared
5 disasters) as paragraph (13).

6 (4) AMENDMENT RELATING TO SECTION 712.—

7 Section 712 of the Tax Extenders and Alternative
8 Minimum Tax Relief Act of 2008 is amended by
9 striking “section 702(c)(1)(A)” and inserting “sec-
10 tion 702(b)(1)(A)”.

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

15 **SEC. 211. CLERICAL AMENDMENTS RELATING TO HOUSING**

16 **ASSISTANCE TAX ACT OF 2008.**

17 (a) AMENDMENT RELATING TO SECTION 3002.—

18 Paragraph (1) of section 42(b) is amended by striking
19 “For purposes of this section, the term” and inserting the
20 following: “For purposes of this section—

21 “(A) IN GENERAL.—The term”.

22 (b) AMENDMENT RELATING TO SECTION 3081.—

23 Clause (iv) of section 168(k)(4)(E) is amended by striking
24 “adjusted minimum tax” and inserting “adjusted net min-
25 imum tax”.

1 (c) AMENDMENT RELATING TO SECTION 3092.—

2 Subsection (b) of section 121 is amended by redesignating
3 the second paragraph (4) (relating to exclusion of gain al-
4 located to nonqualified use) as paragraph (5).

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

9 **SEC. 212. AMENDMENTS AND PROVISION RELATING TO HE-**
10 **ROES EARNINGS ASSISTANCE AND RELIEF**
11 **TAX ACT OF 2008.**

12 (a) AMENDMENT RELATING TO SECTION 106.—

13 Paragraph (2) of section 106(c) of the Heroes Earnings
14 Assistance and Relief Tax Act of 2008 is amended by
15 striking “substituting for” and inserting “substituting
16 ‘June 17, 2008’ for”.

17 (b) AMENDMENT RELATING TO SECTION 114.—

18 Paragraph (1) of section 125(h) is amended by inserting
19 “(and shall not fail to be treated as an accident or health
20 plan)” before “merely”.

21 (c) CLERICAL AMENDMENTS.—

22 (1) AMENDMENT RELATING TO SECTION 110.—

23 Subparagraph (B) of section 121(d)(12) is amended
24 by inserting “of paragraph (9)” after “and (D)”.

1 (2) AMENDMENT RELATING TO SECTION 301.—

2 Paragraph (2) of section 877(e) is amended by strik-
3 ing “subparagraph (A) or (B) of”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall take effect as if included in the provisions
6 of the Heroes Earnings Assistance and Relief Tax Act of
7 2008 to which they relate.

8 **SEC. 213. AMENDMENTS RELATING TO ECONOMIC STIM-**
9 **ULUS ACT OF 2008.**

10 (a) AMENDMENTS RELATING TO SECTION 101.—

11 Paragraph (2) of section 6213(g) is amended—

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

14 (2) by striking “and” at the end of subpara-
15 graph (O), by striking the period at the end of sub-
16 paragraph (P) and inserting “, and”, and by insert-
17 ing after subparagraph (P) the following new sub-
18 paragraph:

19 “(Q) an omission of a correct TIN re-
20 quired under section 6428(h) (relating to 2008
21 recovery rebates for individuals) to be included
22 on a return.”.

23 (b) CLERICAL AMENDMENT RELATING TO SECTION
24 103.—Subclause (IV) of section 168(k)(2)(B)(i) is amend-

1 ed by striking “clauses also apply” and inserting “clause
2 also applies”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect as if included in the provisions
5 of the Economic Stimulus Act of 2008 to which they re-
6 late.

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

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

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

17 (b) CLERICAL AMENDMENT RELATING TO SECTION
18 11(g).—Clause (iv) of section 56(g)(4)(C) is amended by
19 striking “a cooperative described in section 927(a)(4)”
20 and inserting “an organization to which part I of sub-
21 chapter T (relating to tax treatment of cooperatives) ap-
22 plies which is engaged in the marketing of agricultural or
23 horticultural products”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect as if included in the provisions

1 of the Tax Technical Corrections Act of 2007 to which
2 they relate.

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

5 (a) AMENDMENT RELATING TO SECTION 105.—Sub-
6 paragraph (B) of section 45A(b)(1) is amended by adding
7 at the end the following: “If any portion of wages are
8 taken into account under subsection (e)(1)(A) of section
9 51, the preceding sentence shall be applied by substituting
10 ‘2-year period’ for ‘1-year period’.”.

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

15 **SEC. 216. AMENDMENT RELATING TO SAFE, ACCOUNTABLE,**
16 **FLEXIBLE, EFFICIENT TRANSPORTATION EQ-**
17 **UITY ACT OF 2005: A LEGACY FOR USERS.**

18 (a) AMENDMENT RELATING TO SECTION 11161.—
19 Paragraph (1) of section 9503(b) is amended by inserting
20 before the period at the end the following: “and taxes re-
21 ceived under section 4081 shall be determined without re-
22 gard to tax receipts attributable to the rate specified in
23 section 4081(a)(2)(C)”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 this section shall take effect as if included in the provision

1 of the Safe, Accountable, Flexible, Efficient Transpor-
2 tation Equity Act of 2005: A Legacy for Users to which
3 it relates.

4 **SEC. 217. AMENDMENTS RELATING TO ENERGY TAX INCEN-**
5 **TIVES ACT OF 2005.**

6 (a) AMENDMENT RELATING TO SECTION 1341.—
7 Subparagraph (B) of section 30B(h)(5) is amended by in-
8 serting “(determined without regard to subsection (g))”
9 before the period at the end.

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

13 “(1) REDUCTION IN BASIS.—For purposes of
14 this subtitle, the basis of any property for which a
15 credit is allowable under subsection (a) shall be re-
16 duced by the amount of such credit so allowed (de-
17 termined without regard to subsection (d)).”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect as if included in the provision
20 of the Energy Tax Incentives Act of 2005 to which it re-
21 lates.

22 **SEC. 218. AMENDMENTS RELATING TO AMERICAN JOBS**
23 **CREATION ACT OF 2004.**

24 (a) AMENDMENT RELATING TO SECTION 101.—Sub-
25 section (d) of section 101 of the American Jobs Creation

1 Act of 2004 is amended by adding at the end the following
2 new paragraph:

3 “(3) COORDINATION WITH SECTION 199.—This
4 subsection shall be applied without regard to any de-
5 duction allowable under section 199.”.

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

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

10 (2) by striking “AND DISPOSITIONS” and insert-
11 ing “, DISPOSITIONS, AND SHORT TAXABLE YEARS”.

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

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

19 **SEC. 219. MODIFICATION OF TREATMENT OF CERTAIN**
20 **HEALTH ORGANIZATIONS.**

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

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

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

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

6 **SEC. 220. OTHER CLERICAL CORRECTIONS.**

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

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

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

14 (d) Subparagraph (E) of section 50(a)(2) is amended
15 by inserting “, 48A(b)(3), 48B(b)(3), 48C(b)(2), or
16 48D(b)(4)” after “under section 48(b)”.

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

20 (f) Paragraph (2) of section 125(b) is amended by
21 striking “statutory nontaxable benefits” each place it ap-
22 pears and inserting “qualified benefits”.

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

1 (h) Subparagraph (F) of section 163(h)(4) is amend-
2 ed by striking “Veterans Administration or the Rural
3 Housing Administration” and inserting “Department of
4 Veterans Affairs or the Rural Housing Service”.

5 (i) Subsection (a) of section 249 is amended by strik-
6 ing “1563(a)(1)” and inserting “1563(a)(1))”.

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

10 (k) Clause (iii) of section 402A(c)(4)(E) is amended
11 by striking “403(b)(7)(A)(i)” and inserting
12 “403(b)(7)(A)(ii)”.

13 (l) Subsection (b) of section 858 is amended by strik-
14 ing “857(b)(8)” and inserting “857(b)(9)”.

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

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

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

1 (p) Subsections (e)(3)(B) and (f)(7)(B) of section
2 4943 are each amended by striking “January 1, 1970”
3 and inserting “January 1, 1971”.

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

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

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

11 (t) Subsection (d) of section 6104 is amended by re-
12 designating the second paragraph (6) (relating to disclo-
13 sure of reports by Internal Revenue Service) and third
14 paragraph (6) (relating to application to nonexempt chari-
15 table trusts and nonexempt private foundations) as para-
16 graphs (7) and (8), respectively.

17 (u) Subsection (c) of section 6662A is amended by
18 striking “section 6664(d)(2)(A)” and inserting “section
19 6664(d)(3)(A)”.

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

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

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

5 **SEC. 221. DEADWOOD PROVISIONS.**

6 (a) IN GENERAL.—

7 (1) ADJUSTMENTS IN TAX TABLES SO THAT IN-
8 FLATION WILL NOT RESULT IN TAX INCREASES.—

9 Paragraph (7) of section 1(f) is amended to read as
10 follows:

11 “(7) SPECIAL RULE FOR CERTAIN BRACKETS.—

12 In prescribing tables under paragraph (1) which
13 apply to taxable years beginning in a calendar year
14 after 1994, the cost-of-living adjustment used in
15 making adjustments to the dollar amounts at which
16 the 36 percent rate bracket begins or at which the
17 39.6 percent rate bracket begins shall be determined
18 under paragraph (3) by substituting ‘1993’ for
19 ‘1992’.”.

20 (2) CERTAIN PLUG-IN ELECTRIC VEHICLES.—

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

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

7 (C) Subclause (VI) of section
8 48C(c)(1)(A)(i) is amended by striking “, quali-
9 fied plug-in electric vehicles (as defined by sec-
10 tion 30(d)),”.

11 (D) Section 1016(a) is amended by strik-
12 ing paragraph (25).

13 (E) Section 6501(m) is amended by strik-
14 ing “section 30(e)(6),”.

15 (3) EARNED INCOME CREDIT.—

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

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

20 (ii) by striking “(a) IN GENERAL.—In
21 the case of taxable years beginning after
22 1995:” in subparagraph (A) and moving
23 the table 2 ems to the left.

24 (B) Subparagraph (B) of section 32(b)(2)
25 is amended by striking “increased by” and all

1 that follows and inserting “increased by
2 \$3,000.”.

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

6 (5) MAKING WORK PAY CREDIT.—

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

11 (B) Subparagraph (A) of section
12 6211(b)(4) is amended by striking “, 36A”.

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

15 (6) GENERAL BUSINESS CREDITS.—Subsection
16 (d) of section 38 is amended by striking paragraph
17 (3).

18 (7) LOW-INCOME HOUSING CREDIT.—Subclause
19 (I) of section 42(h)(3)(C)(ii) is amended by striking
20 “(\$1.50 for 2001)”.

21 (8) MINIMUM TAX CREDIT.—

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

24 (ii) The amendment made by clause (i)
25 striking subsection (f) of section 53 of the In-

1 ternal Revenue Code of 1986 shall not be con-
2 strued to allow any tax abated by reason of sec-
3 tion 53(f)(1) of such Code (as in effect before
4 such amendment) to be included in the amount
5 determined under section 53(b)(1) of such
6 Code.

7 (B) Paragraph (4) of section 6211(b)(4) is
8 amended by striking “, 53(e)”.

9 (9) ADJUSTMENTS BASED ON ADJUSTED CUR-
10 RENT EARNINGS.—Clause (ii) of section 56(g)(4)(F)
11 is amended by striking “In the case of any taxable
12 year beginning after December 31, 1992, clause”
13 and inserting “Clause”.

14 (10) ITEMS OF TAX PREFERENCE; DEPLE-
15 TION.—Paragraph (1) of section 57(a) is amended
16 by striking “Effective with respect to taxable years
17 beginning after December 31, 1992, this” and in-
18 serting “This”.

19 (11) INTANGIBLE DRILLING COSTS.—

20 (A) Clause (i) of section 57(a)(2)(E) is
21 amended by striking “In the case of any taxable
22 year beginning after December 31, 1992, this”
23 and inserting “This”.

1 (B) Clause (ii) of section 57(a)(2)(E) is
2 amended by striking “(30 percent in the case of
3 taxable years beginning in 1993)”.

4 (12) ENVIRONMENTAL TAX.—

5 (A) Subchapter A of chapter 1 is amended
6 by striking part VII (and by striking the item
7 relating to such part in the table of parts for
8 such subchapter).

9 (B) Paragraph (2) of section 26(b) is
10 amended by striking subparagraph (B).

11 (C) Section 30A(c) is amended by striking
12 paragraph (1) and by redesignating paragraphs
13 (2), (3), and (4) as paragraphs (1), (2), and
14 (3), respectively.

15 (D) Subsection (a) of section 164 is
16 amended by striking paragraph (5).

17 (E) Section 275(a) is amended by striking
18 the last sentence.

19 (F) Section 882(a)(1) is amended by strik-
20 ing “, 59A”.

21 (G) Section 936(a)(3) is amended by strik-
22 ing subparagraph (A) and by redesignating sub-
23 paragraphs (B), (C), and (D) as subparagraphs
24 (A), (B), and (C), respectively.

25 (H) Section 1561(a) is amended—

1 (i) by inserting “and” at the end of
2 paragraph (2), by striking “, and” at the
3 end of paragraph (3) and inserting a pe-
4 riod, and by striking paragraph (4), and

5 (ii) by striking “, the amount speci-
6 fied in paragraph (3), and the amount
7 specified in paragraph (4)” and inserting
8 “and the amount specified in paragraph
9 (3)”.

10 (I) Section 4611(e) is amended—

11 (i) by striking “section 59A, this sec-
12 tion,” in paragraph (2)(B) and inserting
13 “this section”, and

14 (ii) in paragraph (3)(A)—

15 (I) by striking “section 59A,”,
16 and

17 (II) by striking the comma after
18 “rate)”.

19 (J) Section 6425(c)(1)(A) is amended by
20 inserting “plus” at end of clause (i), by striking
21 “plus” and inserting “over” at the end of
22 clause (ii), and by striking clause (iii).

23 (K) Section 6655 is amended—

24 (i) by striking clause (iii) of sub-
25 section (e)(2)(B) and inserting:

1 “(iii) MODIFIED ALTERNATIVE MIN-
2 IMUM TAXABLE INCOME.—The term ‘modi-
3 fied alternative minimum taxable income’
4 means alternative minimum taxable income
5 (as defined in section 55(b)(2)) but deter-
6 mined without regard to the alternative tax
7 net operating loss deduction (as defined in
8 section 56(d)).”, and

9 (ii) in subsection (g)(1)(A), by insert-
10 ing “plus” at the end of clause (ii), by
11 striking clause (iii), and by redesignating
12 clause (iv) as clause (iii).

13 (L) Section 9507(b)(1) is amended by
14 striking “ 59A,”.

15 (13) STANDARD DEDUCTION.—

16 (A) So much of paragraph (1) of section
17 63(c) as follows “the sum of—“ is amended to
18 read as follows:

19 “(A) the basic standard deduction, and

20 “(B) the additional standard deduction.”.

21 (B) Subsection (e) of section 63 is amend-
22 ed by striking paragraphs (7), (8), and (9).

23 (14) ANNUITIES; CERTAIN PROCEEDS OF EN-
24 DOWMENT AND LIFE INSURANCE CONTRACTS.—Sec-
25 tion 72 is amended—

1 (A) in subsection (c)(4), by striking “; ex-
2 cept that if such date was before January 1,
3 1954, then the annuity starting date is January
4 1, 1954”, and

5 (B) in subsection (g)(3), by striking “Jan-
6 uary 1, 1954, or” and “, whichever is later”.

7 (15) UNEMPLOYMENT COMPENSATION.—Sec-
8 tion 85 is amended by striking subsection (c).

9 (16) ACCIDENT AND HEALTH PLANS.—Section
10 105(f) is amended by striking “or (d)”.

11 (17) FLEXIBLE SPENDING ARRANGEMENTS.—
12 Section 106(c)(1) is amended by striking “Effective
13 on and after January 1, 1997, gross” and inserting
14 “Gross”.

15 (18) CERTAIN COMBAT ZONE COMPENSATION
16 OF MEMBERS OF THE ARMED FORCES.—Subsection
17 (c) of section 112 is amended—

18 (A) by striking “(after June 24, 1950)” in
19 paragraph (2), and

20 (B) striking “such zone;” and all that fol-
21 lows in paragraph (3) and inserting “such
22 zone.”.

23 (19) LEGAL SERVICE PLANS.—

24 (A) Part III of subchapter B of chapter 1
25 is amended by striking section 120 (and by

1 striking the item relating to such section in the
2 table of sections for such subpart).

3 (B)(i) Section 414(n)(3)(C) is amended by
4 striking “120,”.

5 (ii) Section 414(t)(2) is amended by strik-
6 ing “120,”.

7 (iii) Section 501(c) is amended by striking
8 paragraph (20).

9 (iv) Section 3121(a) is amended by strik-
10 ing paragraph (17).

11 (v) Section 3231(e) is amended by striking
12 paragraph (7).

13 (vi) Section 3306(b) is amended by strik-
14 ing paragraph (12).

15 (vii) Section 6039D(d)(1) is amended by
16 striking “120,”.

17 (viii) Section 209(a)(14) of the Social Se-
18 curity Act is amended—

19 (I) by striking subparagraph (B), and

20 (II) by striking “(14)(A)” and insert-
21 ing “(14)”.

22 (20) PRINCIPAL RESIDENCE.—Section
23 121(b)(3) is amended—

24 (A) by striking subparagraph (B), and

1 (B) in subparagraph (A), by striking “(A)
2 IN GENERAL.—” and moving the text 2 ems to
3 the left.

4 (21) CERTAIN REDUCED UNIFORMED SERVICES
5 RETIREMENT PAY.—Section 122(b)(1) is amended
6 by striking “after December 31, 1965,”.

7 (22) GREAT PLAINS CONSERVATION PRO-
8 GRAM.—Section 126(a) is amended by striking para-
9 graph (6) and by redesignating paragraphs (7), (8),
10 (9), and (10) as paragraphs (6), (7), (8), and (9),
11 respectively.

12 (23) TREBLE DAMAGE PAYMENTS UNDER THE
13 ANTITRUST LAW.—Section 162(g) is amended by
14 striking the last sentence.

15 (24) STATE LEGISLATORS’ TRAVEL EXPENSES
16 AWAY FROM HOME.—Paragraph (4) of section
17 162(h) is amended by striking “For taxable years
18 beginning after December 31, 1980, this” and in-
19 serting “This”.

20 (25) INTEREST.—

21 (A) Section 163 is amended—

22 (i) by striking paragraph (6) of sub-
23 section (d), and

24 (ii) by striking paragraph (5) of sub-
25 section (h).

1 (B) Section 56(b)(1)(C) is amended by
2 striking clause (ii) and by redesignating clauses
3 (iii), (iv), and (v) as clauses (ii), (iii), and (iv),
4 respectively.

5 (26) QUALIFIED MOTOR VEHICLE TAXES.—Sec-
6 tion 164 is amended by striking subsections (a)(6)
7 and (b)(6).

8 (27) DISASTER LOSSES.—

9 (A) Subsection (h) of section 165 is
10 amended by striking paragraph (3).

11 (B) Subsection (i) of section 165 is amend-
12 ed—

13 (i) in paragraph (1)—

14 (I) by striking “(as defined by
15 clause (ii) of subsection (h)(3)(C))”,
16 and

17 (II) by striking “(as defined by
18 clause (i) of such subsection)”,

19 (ii) by striking “(as defined by sub-
20 section (h)(3)(C)(i))” in paragraph (4), and

21 (iii) by adding at the end the fol-
22 lowing new paragraph:

23 “(5) FEDERALLY DECLARED DISASTERS.—For
24 purposes of this subsection—

1 “(A) IN GENERAL.—The term ‘Federally
2 declared disaster’ means any disaster subse-
3 quently determined by the President of the
4 United States to warrant assistance by the Fed-
5 eral Government under the Robert T. Stafford
6 Disaster Relief and Emergency Assistance Act.

7 “(B) DISASTER AREA.—The term ‘disaster
8 area’ means the area so determined to warrant
9 such assistance.”.

10 (C) Section 1033(h)(3) is amended by
11 striking “section 165(h)(3)(C)” and inserting
12 “section 165(i)(5)”.

13 (D) Section 6306(i), as added by this Act,
14 is amended by striking “section 165(h)(3)(C)”
15 and inserting “section 165(i)(5)”.

16 (28) CHARITABLE, ETC., CONTRIBUTIONS AND
17 GIFTS.—Section 170 is amended—

18 (A) by striking paragraph (3) of subsection
19 (b),

20 (B) by striking paragraph (6) of sub-
21 section (e), and

22 (C) by striking subsection (k).

23 (29) AMORTIZABLE BOND PREMIUM.—

24 (A) Subparagraph (B) of section 171(b)(1)
25 is amended to read as follows:

1 “(B)(i) with reference to the amount pay-
2 able on maturity (or if it results in a smaller
3 amortizable bond premium attributable to the
4 period before the call date, with reference to the
5 amount payable on the earlier call date), in the
6 case of a bond described in subsection (a)(1),
7 and

8 “(ii) with reference to the amount payable
9 on maturity or on an earlier call date, in the
10 case of a bond described in subsection (a)(2).”.

11 (B) Paragraphs (2) and (3)(B) of section
12 171(b) are each amended by striking “para-
13 graph (1)(B)(ii)” and inserting “paragraph
14 (1)(B)(i)”.

15 (30) NET OPERATING LOSS CARRYBACKS,
16 CARRYOVERS, AND CARRYFORWARDS.—

17 (A) Section 172 is amended—

18 (i) by striking subparagraphs (D),
19 (H), (I) and (J) of subsection (b)(1) and
20 by redesignating subparagraphs (E), (F),
21 and (G) as subparagraphs (D), (E), and
22 (F), respectively, and

23 (ii) by striking subsections (g) and (j)
24 and by redesignating subsections (h), (i),

1 and (k) as subsections (g), (h), and (i), re-
2 spectively.

3 (B) Each of the following provisions of sec-
4 tion 172 (as redesignated by subparagraph (A))
5 are amended as follows:

6 (i) By striking “ending after August
7 2, 1989” in subsection (b)(1)(D)(i)(II).

8 (ii) By striking “subsection (h)” in
9 subsection (b)(1)(D)(ii) and inserting
10 “subsection (g)”.

11 (iii) By striking “section
12 165(h)(3)(C)(i)” in subsection
13 (b)(1)(E)(ii)(II), as amended by this Act,
14 and inserting “section 165(i)(5)”.

15 (iv) By striking “subsection (i)” and
16 all that follows in the last sentence of sub-
17 section (b)(1)(E)(ii) and inserting “sub-
18 section (h)).”.

19 (v) By striking “subsection (i)” in
20 subsection (b)(1)(F) and inserting “sub-
21 section (h)”.

22 (vi) By striking subparagraph (F) of
23 paragraph (2) of subsection (g).

24 (vii) By striking “subsection
25 (b)(1)(E)” each place it appears in sub-

1 section (g)(4) and inserting “subsection
2 (b)(1)(D)”.

3 (viii) By striking the last sentence of
4 subsection (h)(1).

5 (ix) By striking “subsection
6 (b)(1)(G)” each place it appears in sub-
7 section (h)(3) and inserting “subsection
8 (b)(1)(F)”.

9 (C) Paragraph (5) of section 382(l) is
10 amended by striking subparagraph (F) and by
11 redesignating subparagraphs (G) and (H) as
12 subparagraphs (F) and (G), respectively.

13 (31) RESEARCH AND EXPERIMENTAL EXPENDI-
14 TURES.—Subparagraph (A) of section 174(a)(2) is
15 amended to read as follows:

16 “(I) WITHOUT CONSENT.—A taxpayer
17 may, without the consent of the Secretary,
18 adopt the method provided in this subsection
19 for his first taxable year for which expenditures
20 described in paragraph (1) are paid or in-
21 curred.”.

22 (32) AMORTIZATION OF CERTAIN RESEARCH
23 AND EXPERIMENTAL EXPENDITURES.—Paragraph
24 (2) of section 174(b) is amended by striking “begin-
25 ning after December 31, 1953”.

1 (33) SOIL AND WATER CONSERVATION EXPEND-
2 ITURES.—Paragraph (1) of section 175(d) is amend-
3 ed to read as follows:

4 “(1) WITHOUT CONSENT.—A taxpayer may,
5 without the consent of the Secretary, adopt the
6 method provided in this section for the taxpayer’s
7 first taxable year for which expenditures described in
8 subsection (a) are paid or incurred.”.

9 (34) CLEAN-FUEL VEHICLES.—

10 (A) Part VI of subchapter A of chapter 1
11 is amended by striking section 179A (and by
12 striking the item relating to such section in the
13 table of sections for such part).

14 (B) Section 30C(e) is amended by adding
15 at the end the following:

16 “(7) REFERENCE.—For purposes of this sec-
17 tion, any reference to section 179A shall be treated
18 as a reference to such section as in effect imme-
19 diately before its repeal.”.

20 (C) Section 62(a) is amended by striking
21 paragraph (14).

22 (D) Section 263(a)(1) is amended by strik-
23 ing subparagraph (H).

24 (E) Section 280F(a)(1) is amended by
25 striking subparagraph (C).

1 (F) Section 312(k)(3) is amended by strik-
2 ing “179A,” each place it appears.

3 (G) Section 1016(a) is amended by strik-
4 ing paragraph (24).

5 (H) Section 1245(a) is amended by strik-
6 ing “179A,” each place it appears in para-
7 graphs (2)(C) and (3)(C).

8 (35) QUALIFIED DISASTER EXPENSES.—Part
9 VI of subchapter A of chapter 1 is amended by
10 striking section 198A (and by striking the item re-
11 lating to such section in the table of sections for
12 such part).

13 (36) ACTIVITIES NOT ENGAGED IN FOR PROF-
14 IT.—Section 183(e)(1) is amended by striking the
15 last sentence.

16 (37) DOMESTIC PRODUCTION ACTIVITIES.—

17 (A) Subsection (a) of section 199 is
18 amended by striking paragraph (2) and by
19 striking “IN GENERAL.—”, by redesignating
20 subparagraphs (A) and (B) of paragraph (1) as
21 paragraphs (1) and (2), and by moving para-
22 graphs (1) and (2) (as so redesignated) 2 ems
23 to the left.

1 (B) Paragraphs (2) and (6)(B) of section
2 199(d) are each amended by striking
3 “(a)(1)(B)” and inserting “(a)(2)”.

4 (38) RETIREMENT SAVINGS.—

5 (A) Subparagraph (A) of section 219(b)(5)
6 is amended to read as follows:

7 “(A) IN GENERAL.—The deductible
8 amount is \$5,000.”.

9 (B) Clause (ii) of section 219(b)(5)(B) is
10 amended to read:

11 “(ii) APPLICABLE AMOUNT.—For pur-
12 poses of clause (i), the applicable amount
13 is \$1,000.”.

14 (C) Clause (ii) of section 219(g)(2)(A) is
15 amended by striking “for a taxable year begin-
16 ning after December 31, 2006”.

17 (D) Section 219(g)(3)(B) is amended by
18 striking clauses (i) and (ii) and inserting the
19 following:

20 “(i) In the case of a taxpayer filing a
21 joint return, \$80,000.

22 “(ii) In the case of any other taxpayer
23 (other than a married individual filing a
24 separate return), \$50,000.”.

1 (E) Paragraph (8) of section 219(g) is
2 amended by striking “the dollar amount in the
3 last row of the table contained in paragraph
4 (3)(B)(i), the dollar amount in the last row of
5 the table contained in paragraph (3)(B)(ii), and
6 the dollar amount contained in paragraph
7 (7)(A),” and inserting “each of the dollar
8 amounts in paragraphs (3)(B)(i), (3)(B)(ii),
9 and (7)(A)”.

10 (39) REPORTS REGARDING QUALIFIED VOL-
11 UNTARY RETIREMENT CONTRIBUTIONS.—

12 (A) Section 219 is amended by striking
13 paragraph (4) of subsection (f) and subsection
14 (h).

15 (B) Section 6652 is amended by striking
16 subsection (g).

17 (40) INTEREST ON EDUCATION LOANS.—Para-
18 graph (1) of section 221(b) is amended by striking
19 “shall not exceed” and all that follows and inserting
20 “shall not exceed \$2,500.”.

21 (41) DIVIDENDS RECEIVED ON CERTAIN PRE-
22 FERRED STOCK; AND DIVIDENDS PAID ON CERTAIN
23 PREFERRED STOCK OF PUBLIC UTILITIES.—

24 (A) Sections 244 and 247 are hereby re-
25 pealed, and the table of sections for part VIII

1 of subchapter B of chapter 1 is amended by
2 striking the items relating to sections 244 and
3 247.

4 (B) Paragraph (5) of section 172(d) is
5 amended to read as follows:

6 “(5) COMPUTATION OF DEDUCTION FOR DIVI-
7 DENDS RECEIVED.—The deductions allowed by sec-
8 tion 243 (relating to dividends received by corpora-
9 tions) and 245 (relating to dividends received from
10 certain foreign corporations) shall be computed with-
11 out regard to section 246(b) (relating to limitation
12 on aggregate amount of deductions).”.

13 (C) Paragraph (1) of section 243(c) is
14 amended to read as follows:

15 “(1) IN GENERAL.—In the case of any dividend
16 received from a 20-percent owned corporation, sub-
17 section (a)(1) shall be applied by substituting ‘80
18 percent’ for ‘70 percent’.”.

19 (D) Section 243(d) is amended by striking
20 paragraph (4).

21 (E) Section 246 is amended—

22 (i) by striking “, 244,” in subsection
23 (a)(1),

24 (ii) in subsection (b)(1)—

1 (I) by striking “sections
2 243(a)(1), and 244(a),” the first
3 place it appears and inserting “section
4 243(a)(1),”

5 (II) by striking “244(a),” the
6 second place it appears, and

7 (III) by striking “subsection (a)
8 or (b) of section 245, and 247,” and
9 inserting “and subsection (a) or (b) of
10 section 245,” and

11 (iii) by striking “, 244,” in subsection
12 (c)(1).

13 (F) Section 246A is amended by striking
14 “, 244,” both places it appears in subsections
15 (a) and (e).

16 (G) Sections 263(g)(2)(B)(iii), 277(a),
17 301(e)(2), 469(e)(4), 512(a)(3)(A), subpara-
18 graphs (A), (C), and (D) of section 805(a)(4),
19 805(b)(5), 812(e)(2)(A), 815(c)(2)(A)(iii),
20 832(b)(5), 833(b)(3)(E), and 1059(b)(2)(B) are
21 each amended by striking “, 244,” each place
22 it appears.

23 (H) Section 1244(c)(2)(C) is amended by
24 striking “244,”.

1 (I) Section 805(a)(4)(B) is amended by
2 striking “, 244(a),” each place it appears.

3 (J) Section 810(c)(2)(B) is amended by
4 striking “244 (relating to dividends on certain
5 preferred stock of public utilities),”.

6 (K) The amendments made by this para-
7 graph shall not apply to preferred stock issued
8 before October 1, 1942 (determined in the same
9 manner as under section 247 of the Internal
10 Revenue Code of 1986 as in effect before its re-
11 peal by such amendments).

12 (42) ORGANIZATION EXPENSES.—Section
13 248(c) is amended by striking “beginning after De-
14 cember 31, 1953,” and by striking the last sentence.

15 (43) BOND REPURCHASE PREMIUM.—Section
16 249(b)(1) is amended by striking “, in the case of
17 bonds or other evidences of indebtedness issued after
18 February 28, 1913,”.

19 (44) AMOUNT OF GAIN WHERE LOSS PRE-
20 VIOUSLY DISALLOWED.—Section 267(d) is amended
21 by striking “(or by reason of section 24(b) of the In-
22 ternal Revenue Code of 1939)” in paragraph (1), by
23 striking “after December 31, 1953,” in paragraph
24 (2), by striking the second sentence, and by striking

1 “or by reason of section 118 of the Internal Revenue
2 Code of 1939” in the last sentence.

3 (45) ACQUISITIONS MADE TO EVADE OR AVOID
4 INCOME TAX.—Paragraphs (1) and (2) of section
5 269(a) are each amended by striking “or acquired
6 on or after October 8, 1940,”.

7 (46) MEALS AND ENTERTAINMENT.—Para-
8 graph (3) of section 274(n) is amended—

9 (A) by striking “(A) IN GENERAL.—”,

10 (B) by striking “substituting ‘the applica-
11 ble percentage’ for” and inserting “substituting
12 ‘80 percent’ for”, and

13 (C) by striking subparagraph (B).

14 (47) INTEREST ON INDEBTEDNESS INCURRED
15 BY CORPORATIONS TO ACQUIRE STOCK OR ASSETS
16 OF ANOTHER CORPORATION.—

17 (A) Section 279 is amended—

18 (i) by striking “after December 31,
19 1967,” in subsection (a)(2),

20 (ii) by striking “after October 9,
21 1969,” in subsection (b),

22 (iii) by striking “after October 9,
23 1969, and” in subsection (d)(5), and

24 (iv) by striking subsection (i) and re-
25 designating subsection (j) as subsection (i).

1 (B) The amendments made by this para-
2 graph shall not—

3 (i) apply to obligations issued on or
4 before October 9, 1969 (determined in the
5 same manner as under section 279 of the
6 Internal Revenue Code of 1986 as in effect
7 before such amendments), and

8 (ii) be construed to require interest on
9 obligations issued on or before December
10 31, 1967, to be taken into account under
11 section 279(a)(2) of such Code (as in ef-
12 fect after such amendments).

13 (48) BANK HOLDING COMPANIES.—

14 (A) Clause (iii) of section 304(b)(3)(D) is
15 repealed.

16 (B) The heading of subparagraph (D) of
17 section 304(b)(3) is amended by striking “AND
18 SPECIAL RULE.”

19 (49) EFFECT ON EARNINGS AND PROFITS.—

20 Subsection (d) of section 312 is amended by striking
21 paragraph (2) and redesignating paragraph (3) as
22 paragraph (2).

23 (50) DISQUALIFIED STOCK.—Paragraph (3) of
24 section 355(d) is amended by striking “after Octo-
25 ber 9, 1990, and” each place it appears.

1 (51) BASIS TO CORPORATIONS.—Section 362 is
2 amended by striking “on or after June 22, 1954” in
3 subsection (a) and by striking “, on or after June
4 22, 1954,” each place it appears in subsection (c).

5 (52) INDIVIDUAL RETIREMENT ACCOUNTS.—
6 Clause (i) of section 408(p)(2)(E) is amended to
7 read as follows:

8 “(i) IN GENERAL.—For purposes of
9 subparagraph (A)(ii), the applicable
10 amount is \$10,000.”.

11 (53) TAX CREDIT EMPLOYEE STOCK OWNER-
12 SHIP PLANS.—Section 409 is amended by striking
13 subsection (q).

14 (54) CATCH-UP CONTRIBUTIONS.—Subpara-
15 graph (B) of section 414(v)(2) is amended to read
16 as follows:

17 “(II)(i) In the case of an applicable em-
18 ployer plan other than a plan described in sec-
19 tion 401(k)(11) or 408(p), the applicable dollar
20 amount is \$5,000.

21 “(ii) In the case of an applicable employer
22 plan described in section 401(k)(11) or 408(p),
23 the applicable dollar amount is \$2,500.”.

1 (55) EMPLOYEE STOCK PURCHASE PLANS.—

2 Section 423(a) is amended by striking “after De-
3 cember 31, 1963,”.

4 (56) TRANSITION RULES.—

5 (A)(i) Paragraph (5) of section 430(c) is
6 amended by striking subparagraph (B) and by
7 striking “(A) IN GENERAL.—”

8 (ii) Paragraph (5) of section 303(c) of the
9 Employee Retirement Income Security Act of
10 1974 (29 U.S.C.1082(c)) is amended by strik-
11 ing subparagraph (B) and by striking “(A) IN
12 GENERAL.—”

13 (B)(i) Paragraph (2) of section 430(h) is
14 amended by striking subparagraph (G).

15 (ii) Paragraph (2) of section 303(h) of the
16 Employee Retirement Income Security Act of
17 1974 (29 U.S.C.1082(h)) is amended by strik-
18 ing subparagraph (G).

19 (C)(i) Paragraph (3) of section 436(j) is
20 amended by striking subparagraphs (B) and
21 (C) and by striking “(A) IN GENERAL.—”.

22 (ii) Subparagraph (C) of section 206(g)(9)
23 of the Employee Retirement Income Security
24 Act of 1974 (29 U.S.C. 1056(g)(9)) is amended

1 by striking clauses (ii) and (iii) and by striking
2 “(i) IN GENERAL.—”.

3 (D)(i) Section 436 is amended by striking
4 subsection (m).

5 (ii) Section 206(g) of the Employee Retirement
6 Income Security Act of 1974 (29 U.S.C.
7 1056(g)) is amended by striking paragraph
8 (10).

9 (57) LIMITATION ON DEDUCTIONS FOR CER-
10 TAIN FARMING.—

11 (A) Section 464 is amended by striking
12 “any farming syndicate (as defined in sub-
13 section (c))” both places it appears in sub-
14 sections (a) and (b) and inserting “any tax-
15 payer to whom subsection (d) applies”.

16 (B)(i) Subsection (c) of section 464 is
17 hereby moved to the end of section 461 and re-
18 designated as subsection (j).

19 (ii) Such subsection (j) is amended—

20 (I) by striking “For purposes of this
21 section” in paragraph (1) and inserting
22 “For purposes of subsection (i)(4)”, and

23 (II) by adding at the end the fol-
24 lowing new paragraphs:

1 “(3) FARMING.—For purposes of this sub-
2 section, the term ‘farming’ has the meaning given to
3 such term by section 464(e).

4 “(4) LIMITED ENTREPRENEUR.—For purposes
5 of this subsection, the term ‘limited entrepreneur’
6 means a person who—

7 “(A) has an interest in an enterprise other
8 than as a limited partner, and

9 “(B) does not actively participate in the
10 management of such enterprise.”.

11 (iii) Paragraph (4) of section 461(i) is
12 amended by striking “section 464(c)” and
13 inserting “subsection (j)”.

14 (C) Section 464 is amended—

15 (i) by striking subsections (e) and (g)
16 and redesignating subsections (d) and (f)
17 as subsections (c) and (d), respectively,
18 and

19 (ii) by adding at the end the following
20 new subsection:

21 “(e) FARMING.—For purposes of this section, the
22 term ‘farming’ means the cultivation of land or the raising
23 or harvesting of any agricultural or horticultural com-
24 modity including the raising, shearing, feeding, caring for,
25 training, and management of animals. For purposes of the

1 preceding sentence, trees (other than trees bearing fruit
2 or nuts) shall not be treated as an agricultural or horti-
3 cultural commodity.”.

4 (D) Subsection (d) of section 464 of such
5 Code (as redesignated by subparagraph (C)) is
6 amended—

7 (i) by striking paragraph (1) and re-
8 designating paragraphs (2), (3), and (4) as
9 paragraphs (1), (2), and (3), respectively,
10 and

11 (ii) by striking “SUBSECTIONS (A)
12 AND (B) TO APPLY TO” in the heading.

13 (E) Subparagraph (A) of section 58(a)(2)
14 is amended by striking “section 464(c)” and in-
15 serting “section 461(j)”.

16 (58) DEDUCTIONS LIMITED TO AMOUNT AT
17 RISK.—Subparagraph (A) of section 465(c)(3) is
18 amended by striking “In the case of taxable years
19 beginning after December 31, 1978, this” and in-
20 serting “This”.

21 (59) PASSIVE ACTIVITY LOSSES AND CREDITS
22 LIMITED.—

23 (A) Section 469 is amended by striking
24 subsection (m).

1 (B) Subsection (b) of section 58 is amend-
2 ed by adding “and” at the end of paragraph
3 (1), by striking paragraph (2), and by redesign-
4 ating paragraph (3) as paragraph (2).

5 (60) ADJUSTMENTS REQUIRED BY CHANGES IN
6 METHOD OF ACCOUNTING.—Section 481(b)(3) is
7 amended by striking subparagraph (C).

8 (61) EXEMPTION FROM TAX ON CORPORATIONS,
9 CERTAIN TRUSTS, ETC.—Section 501 is amended by
10 striking subsection (s).

11 (62) REQUIREMENTS FOR EXEMPTION.—

12 (A) Section 503(a)(1) is amended to read
13 as follows:

14 “(1) GENERAL RULE.—An organization de-
15 scribed in paragraph (17) or (18) of section 501(c),
16 or described in section 401(a) and referred to in sec-
17 tion 4975(g)(2) or (3), shall not be exempt from
18 taxation under section 501(a) if it has engaged in a
19 prohibited transaction.”.

20 (B) Paragraph (2) of section 503(a) is
21 amended by striking “described in section
22 501(c)(17) or (18) or paragraph (a)(1)(B)” and
23 inserting “described in paragraph (1)”.

24 (C) Subsection (c) of section 503 is
25 amended by striking “described in section

1 501(c)(17) or (18) or subsection (a)(1)(B)” and
2 inserting “described in subsection (a)(1)”.

3 (63) ACCUMULATED TAXABLE INCOME.—Para-
4 graph (1) of section 535(b) and paragraph (1) of
5 section 545(b) are each amended by striking “sec-
6 tion 531” and all that follows and inserting “section
7 531 or the personal holding company tax imposed by
8 section 541.”.

9 (64) DEFINITION OF PROPERTY.—Subsection
10 (b) of section 614 is amended—

11 (A) by striking paragraphs (3)(C) and (5),
12 and

13 (B) in paragraph (4), by striking “which-
14 ever of the following years is later: The first
15 taxable year beginning after December 31,
16 1963, or”.

17 (65) AMOUNTS RECEIVED BY SURVIVING ANNU-
18 ITANT UNDER JOINT AND SURVIVOR ANNUITY CON-
19 TRACT.—Subparagraph (A) of section 691(d)(1) is
20 amended by striking “after December 31, 1953,
21 and”.

22 (66) INCOME TAXES OF MEMBERS OF ARMED
23 FORCES ON DEATH.—Section 692(a)(1) is amended
24 by striking “after June 24, 1950”.

1 (67) SPECIAL RULES FOR COMPUTING RE-
2 SERVES.—Paragraph (7) of section 807(e) is amend-
3 ed by striking subparagraph (B) and redesignating
4 subparagraph (C) as subparagraph (B).

5 (68) INSURANCE COMPANY TAXABLE INCOME.—

6 (A) Section 832(e) is amended by striking
7 “of taxable years beginning after December 31,
8 1966,”.

9 (B) Section 832(e)(6) is amended by strik-
10 ing “In the case of any taxable year beginning
11 after December 31, 1970, the” and inserting
12 “The”.

13 (69) CAPITALIZATION OF CERTAIN POLICY AC-
14 QUISITION EXPENSES.—Section 848 is amended by
15 striking subsection (j).

16 (70) TAX ON NONRESIDENT ALIEN INDIVID-
17 UALS.—Subparagraph (B) of section 871(a)(1) is
18 amended to read as follows:

19 “(II) gains described in subsection (b) or
20 (c) of section 631,”.

21 (71) LIMITATION ON CREDIT.—Paragraph (2)
22 of section 904(d) is amended by striking subpara-
23 graph (J).

24 (72) FOREIGN EARNED INCOME.—Clause (i) of
25 section 911(b)(2)(D) is amended to read as follows:

1 “(i) IN GENERAL.—The exclusion
2 amount for any calendar year is \$80,000.”.

3 (73) BASIS OF PROPERTY ACQUIRED FROM DE-
4 CEDENT.—Section 1014 is amended—

5 (A) by striking “or section 811(j) of the
6 Internal Revenue Code of 1939 where the dece-
7 dent died after October 21, 1942” in subsection
8 (a)(2), and

9 (B) by striking paragraphs (7) and (8) of
10 subsection (b).

11 (74) ADJUSTED BASIS.—Section 1016(a) is
12 amended by striking paragraph (12).

13 (75) PROPERTY ON WHICH LESSEE HAS MADE
14 IMPROVEMENTS.—Section 1019 is amended by strik-
15 ing the last sentence.

16 (76) INVOLUNTARY CONVERSION.—Section
17 1033 is amended by striking subsection (j) and by
18 redesignating subsections (k) and (l) as subsections
19 (j) and (k), respectively.

20 (77) PROPERTY ACQUIRED DURING AFFILI-
21 ATION.—Section 1051 is hereby repealed, and the
22 table of sections for part IV of subchapter O of
23 chapter 1 is amended by striking the item relating
24 to section 1051.

1 (78) CAPITAL GAINS AND LOSSES.—Section
2 1222 is amended by striking the last sentence.

3 (79) HOLDING PERIOD OF PROPERTY.—

4 (A) Paragraph (1) of section 1223 is
5 amended by striking “after March 1, 1954,”.

6 (B) Paragraph (4) of section 1223 is
7 amended by striking ““(or under so much of
8 section 1052(c) as refers to section 113(a)(23)
9 of the Internal Revenue Code of 1939)’”.

10 (C) Paragraphs (6) and (8) of section
11 1223 are repealed.

12 (80) PROPERTY USED IN THE TRADE OR BUSI-
13 NESS AND INVOLUNTARY CONVERSIONS.—Subpara-
14 graph (A) of section 1231(c)(2) is amended by strik-
15 ing “beginning after December 31, 1981”.

16 (81) SALE OR EXCHANGE OF PATENTS.—Sec-
17 tion 1235 is amended—

18 (A) by striking subsection (c) and by re-
19 designating subsections (d) and (e) as sub-
20 sections (c) and (d), respectively, and

21 (B) by striking “subsection (d)” in sub-
22 section (b)(2)(B) and inserting “subsection
23 (c)”.

1 (82) DEALERS IN SECURITIES.—Subsection (b)
2 of section 1236 is amended by striking “after No-
3 vember 19, 1951,”.

4 (83) SALE OF PATENTS.—Subsection (a) of sec-
5 tion 1249 is amended by striking “after December
6 31, 1962,”.

7 (84) GAIN FROM DISPOSITION OF FARMLAND.—
8 Paragraph (1) of section 1252(a) is amended—

9 (A) by striking “after December 31, 1969”
10 the first place it appears, and

11 (B) by striking “after December 31,
12 1969,” in subparagraph (A).

13 (85) TREATMENT OF AMOUNTS RECEIVED ON
14 RETIREMENT OR SALE OR EXCHANGE OF DEBT IN-
15 STRUMENTS.—Subsection (c) of section 1271 is
16 amended to read as follows:

17 “(c) SPECIAL RULE FOR CERTAIN OBLIGATIONS
18 WITH RESPECT TO WHICH ORIGINAL ISSUE DISCOUNT
19 NOT CURRENTLY INCLUDIBLE.—

20 “(1) IN GENERAL.—On the sale or exchange of
21 debt instruments issued by a government or political
22 subdivision thereof after December 31, 1954, and
23 before July 2, 1982, or by a corporation after De-
24 cember 31, 1954, and on or before May 27, 1969,
25 any gain realized which does not exceed—

1 “(A) an amount equal to the original issue
2 discount, or

3 “(B) if at the time of original issue there
4 was no intention to call the debt instrument be-
5 fore maturity, an amount which bears the same
6 ratio to the original issue discount as the num-
7 ber of complete months that the debt instru-
8 ment was held by the taxpayer bears to the
9 number of complete months from the date of
10 original issue to the date of maturity, shall be
11 considered as ordinary income.

12 “(2) SUBSECTION (A)(2)(A) NOT TO APPLY.—
13 Subsection (a)(2)(A) shall not apply to any debt in-
14 strument referred to in paragraph (1) of this sub-
15 section.

16 “(3) CROSS REFERENCE.—For current inclu-
17 sion of original issue discount, see section 1272.”.

18 (86) AMOUNT AND METHOD OF ADJUST-
19 MENT.—Section 1314 is amended by striking sub-
20 section (d) and by redesignating subsection (e) as
21 subsection (d).

22 (87) ELECTION; REVOCATION; TERMINATION.—
23 Clause (iii) of section 1362(d)(3)(A) is amended by
24 striking “unless” and all that follows and inserting

1 “unless the corporation was an S corporation for
2 such taxable year.”.

3 (88) OLD-AGE, SURVIVORS, AND DISABILITY IN-
4 SURANCE.—Subsection (a) of section 1401 is amend-
5 ed by striking “the following percent” and all that
6 follows and inserting “12.4 percent of the amount of
7 the self-employment income for such taxable year.”.

8 (89) HOSPITAL INSURANCE.—Paragraph (1) of
9 section 1401(b) is amended by striking: “the fol-
10 lowing percent” and all that follows and inserting
11 “2.9 percent of the amount of the self-employment
12 income for such taxable year.”.

13 (90) MINISTERS, MEMBERS OF RELIGIOUS OR-
14 DERS, AND CHRISTIAN SCIENCE PRACTITIONERS.—
15 Paragraph (3) of section 1402(e) is amended—

16 (A) by striking “whichever of the following
17 dates is later: (A)” and

18 (B) by striking “;or (B)’” and all that fol-
19 lows and inserting a period.

20 (91) WITHHOLDING OF TAX ON NONRESIDENT
21 ALIENS.—The first sentence of subsection (b) of sec-
22 tion 1441 and the first sentence of paragraph (5) of
23 section 1441(c) are each amended by striking “gains
24 subject to tax” and all that follows through “Octo-

1 ber 4, 1966” and inserting “and gains subject to tax
2 under section 871(a)(1)(D)”.

3 (92) AFFILIATED GROUP DEFINED.—Subpara-
4 graph (A) of section 1504(a)(3) is amended by strik-
5 ing “for a taxable year which includes any period
6 after December 31, 1984” in clause (i) and by strik-
7 ing “in a taxable year beginning after December 31,
8 1984” in clause (ii).

9 (93) DISALLOWANCE OF THE BENEFITS OF
10 THE GRADUATED CORPORATE RATES AND ACCUMU-
11 LATED EARNINGS CREDIT.—

12 (A) Subsection (a) of section 1551 is
13 amended—

14 (i) by striking paragraph (1) and by
15 redesignating paragraphs (2) and (3) as
16 paragraphs (1) and (2), respectively, and

17 (ii) by striking “after June 12, 1963,”
18 each place it appears.

19 (B) Section 1551(b) is amended—

20 (i) by striking “or (2)” in paragraph
21 (1), and

22 (ii) by striking “(a)(3)” in paragraph
23 (2) and inserting “(a)(2)”.

24 (94) CREDIT FOR STATE DEATH TAXES.—

1 (A)(i) Part II of subchapter A of chapter
2 11 is amended by striking section 2011 (and by
3 striking the item relating to such section in the
4 table of sections for such subpart).

5 (ii) Section 2106(a)(4) is amended by
6 striking “section 2011(a)” and inserting
7 “2058(a)”.

8 (B)(i) Subchapter A of chapter 13 is
9 amended by striking section 2604 (and by strik-
10 ing the item relating to such section in the
11 table of sections for such subpart).

12 (ii) Clause (ii) of section 164(b)(4)(A) is
13 amended by inserting “(as in effect before its
14 repeal)” after “section 2604”.

15 (iii) Section 2654(a)(1) is amended by
16 striking “(computed without regard to section
17 2604)”.

18 (95) GROSS ESTATE.—Subsection (c) of section
19 2031 is amended by striking paragraph (3) and by
20 amending paragraph (1)(B) to read as follows:

21 “(II) \$500,000.”.

22 (96)(A) Part IV of subchapter A of chapter 11
23 is amended by striking section 2057 (and by striking
24 the item relating to such section in the table of sec-
25 tions for such subpart).

1 (B) Paragraph (10) of section 2031(c) is
2 amended by inserting “(as in effect before its re-
3 peal)” immediately before the period at the end
4 thereof.

5 (97) PROPERTY WITHIN THE UNITED
6 STATES.—Subsection (c) of section 2104 is amended
7 by striking “With respect to estates of decedents
8 dying after December 31, 1969, deposits” and in-
9 serting “Deposits”.

10 (98) FICA TAXES.—

11 (A) Subsection (a) of section 3101 is
12 amended by striking “the following percent-
13 ages” and all that follows and inserting “6.2
14 percent of the wages (as defined in section
15 3121(a)) received by the individual with respect
16 to employment (as defined in section 3121(b))”.

17 (B)(i) Subsection (a) of section 3111 is
18 amended by striking “the following percent-
19 ages” and all that follows and inserting “6.2
20 percent of the wages (as defined in section
21 3121(a)) paid by the employer with respect to
22 employment (as defined in section 3121(b)).”

23 (ii) Subsection (b) of section 3111 is
24 amended by striking “the following percent-
25 ages” and all that follows and inserting “1.45

1 percent of the wages (as defined in section
2 3121(a)) paid by the employer with respect to
3 employment (as defined in section 3121(b)).”

4 (C)(i) Section 3121(b) is amended by
5 striking paragraph (17).

6 (ii) Section 210(a) of the Social Security
7 Act is amended by striking paragraph (17).

8 (99) RAILROAD RETIREMENT.—

9 (A) Subsection (b) of section 3201 is
10 amended to read as follows:

11 “(b) TIER 2 TAX.—In addition to other taxes, there
12 is hereby imposed on the income of each employee a tax
13 equal to the percentage determined under section 3241 for
14 any calendar year of the compensation received during
15 such calendar year by such employee for services rendered
16 by such employee.”.

17 (B) Subsection (b) of section 3211 is
18 amended to read as follows:

19 “(b) TIER 2 TAX.—In addition to other taxes, there
20 is hereby imposed on the income of each employee rep-
21 resentative a tax equal to the percentage determined under
22 section 3241 for any calendar year of the compensation
23 received during such calendar year by such employee rep-
24 resentative for services rendered by such employee rep-
25 resentative.”.

1 (C) Subsection (b) of section 3221 is
2 amended to read as follows:

3 “(b) TIER 2 TAX.—In addition to other taxes, there
4 is hereby imposed on the income of each employer a tax
5 equal to the percentage determined under section 3241 for
6 any calendar year of the compensation paid during such
7 calendar year by such employer for services rendered for
8 such employer.”.

9 (D) Subsection (b) of section 3231 is
10 amended—

11 (i) by striking “compensation; except”
12 and all that follows in the first sentence
13 and inserting “compensation.”, and

14 (ii) by striking the second sentence.

15 (100) CREDITS AGAINST FEDERAL UNEMPLOY-
16 MENT TAX.—

17 (A) Paragraph (4) of section 3302(f) is
18 amended—

19 (i) by striking “subsection—” and all
20 that follows through “(A) IN GENERAL.—
21 The” and inserting “subsection, the”

22 (ii) by striking subparagraph (B),

23 (iii) by redesignating clauses (i) and
24 (ii) as subparagraphs (A) and (B), respec-
25 tively, and

1 (iv) by moving the text of such sub-
2 paragraphs (as so redesignated) 2 ems to
3 the left.

4 (B) Paragraph (5) of section 3302(f) is
5 amended by striking subparagraph (D) and by
6 redesignating subparagraph (E) as subpara-
7 graph (D).

8 (101) DOMESTIC SERVICE EMPLOYMENT
9 TAXES.—Section 3510(b) is amended by striking
10 paragraph (4).

11 (102) LUXURY PASSENGER AUTOMOBILES.—

12 (A) Chapter 31 is amended by striking
13 subchapter A (and by striking the item relating
14 to such subchapter in the table of subchapters
15 for such chapter).

16 (B)(i) Section 4221 is amended—

17 (I) in subsections (a) and (d)(1), by
18 striking “subchapter A or” and inserting
19 “subchapter”,

20 (II) in subsection (a), by striking “In
21 the case of taxes imposed by subchapter A
22 of chapter 31, paragraphs (1), (3), (4),
23 and (5) shall not apply.”, and

24 (III) in subsection (c), by striking
25 “4001(c), 4001(d), or”.

1 (ii) Section 4222 is amended by striking
2 “4001(c), 4001(d),”.

3 (iii) Section 4293 is amended by striking
4 “subchapter A of chapter 31,”.

5 (103) TAX ON FUEL USED IN COMMERCIAL
6 TRANSPORTATION ON INLAND WATERWAYS.—Section
7 4042(b)(2)(A) is amended to read as follows:

8 “(I) The Inland Waterways Trust Fund fi-
9 nancing rate is 20 cents per gallon.”.

10 (104) TRANSPORTATION BY AIR.—Section
11 4261(e) is amended—

12 (A) in paragraph (1), by striking subpara-
13 graph (C), and

14 (B) by striking paragraph (5).

15 (105) TAXES ON FAILURE TO DISTRIBUTE IN-
16 COME.—

17 (A) Subsection (g) of section 4942 is
18 amended by striking “For all taxable years be-
19 ginning on or after January 1, 1975, subject”
20 in paragraph (2)(A) and inserting “Subject”.

21 (B) Section 4942(i)(2) is amended by
22 striking “beginning after December 31, 1969,
23 and”.

24 (106) TAXES ON TAXABLE EXPENDITURES.—
25 Section 4945(f) is amended by striking “(excluding

1 therefrom any preceding taxable year which begins
2 before January 1, 1970”.

3 (107) DEFINITIONS AND SPECIAL RULES.—Sec-
4 tion 4682(h) is amended—

5 (A) by striking paragraph (1) and redesign-
6 nating paragraphs (2), (3), and (4) as para-
7 graphs (1), (2), and (3), respectively, and

8 (B) in paragraph (1) (as so redesign-
9 nated)—

10 (i) by striking the heading and insert-
11 ing “IN GENERAL”, and

12 (ii) by striking “after 1991” in sub-
13 paragraph (C).

14 (108) RETURNS.—Subsection (a) of section
15 6039D is amended by striking “beginning after De-
16 cember 31, 1984,”.

17 (109) INFORMATION RETURNS.—Subsection (c)
18 of section 6060 is amended by striking “‘year’” and
19 all that follows and inserting “year.”.

20 (110) COLLECTION.—Section 6302 is amend-
21 ed—

22 (A) in subsection (e)(2), by striking “im-
23 posed by” and all that follows through “with re-
24 spect to” and inserting “imposed by sections
25 4251, 4261, or 4271 with respect to”,

1 (B) by striking the last sentence of sub-
2 section (f)(1), and

3 (C) in subsection (h)—

4 (i) by striking paragraph (2) and re-
5 designating paragraphs (3) and (4) as
6 paragraphs (2) and (3), respectively, and

7 (ii) by amending paragraph (3) (as so
8 redesignated) to read as follows:

9 “(3) COORDINATION WITH OTHER ELECTRONIC
10 FUND TRANSFER REQUIREMENTS.—Under regula-
11 tions, any tax required to be paid by electronic fund
12 transfer under section 5061(e) or 5703(b) shall be
13 paid in such a manner as to ensure that the require-
14 ments of the second sentence of paragraph (1)(A) of
15 this subsection are satisfied.”.

16 (111) ABATEMENTS.—Section 6404(f) is
17 amended by striking paragraph (3).

18 (112) 2008 RECOVERY REBATE FOR INDIVID-
19 UALS.—

20 (A) Subchapter B of chapter 65 is amend-
21 ed by striking section 6428 (and by striking the
22 item relating to such section in the table of sec-
23 tions for such subchapter).

24 (B) Subparagraph (A) of section
25 6211(b)(4) is amended by striking “6428,”.

1 (C) Paragraph (2) of section 6213(g), as
2 amended by section 213(a)(2) and paragraphs
3 (4) and (5)(C) of this subsection, is amended
4 by striking subparagraph (Q), by redesignating
5 subparagraph (O) as subparagraph (N), by in-
6 serting “and” at the end of subparagraph (M),
7 and by striking the comma at the end of sub-
8 paragraph (N) (as so redesignated) and insert-
9 ing a period.

10 (D) Paragraph (2) of section 1324(b) of
11 title 31, United States Code, is amended by
12 striking “6428, or 6431,” and inserting “or
13 6431”.

14 (113) ADVANCE PAYMENT OF PORTION OF IN-
15 CREASED CHILD CREDIT FOR 2003.—Subchapter B
16 of chapter 65 is amended by striking section 6429
17 (and by striking the item relating to such section in
18 the table of sections for such subchapter).

19 (114) FAILURE BY CORPORATION TO PAY ESTI-
20 MATED INCOME TAX.—Clause (i) of section
21 6655(g)(4)(A) is amended by striking “(or the cor-
22 responding provisions of prior law)”.

23 (115) RETIREMENT.—Section 7447(i)(3)(B)(ii)
24 is amended by striking “at 4 percent per annum to
25 December 31, 1947, and at 3 percent per annum

1 thereafter”, and inserting “at 3 percent per
2 annum”.

3 (116) ANNUITIES TO SURVIVING SPOUSES AND
4 DEPENDENT CHILDREN OF JUDGES.—

5 (A) Paragraph (2) of section 7448(a) is
6 amended—

7 (i) by striking “or under section 1106
8 of the Internal Revenue Code of 1939”
9 and,

10 (ii) by striking “or pursuant to sec-
11 tion 1106(d) of the Internal Revenue Code
12 of 1939”.

13 (B) Subsection (g) of section 7448 is
14 amended by striking “or other than pursuant to
15 section 1106 of the Internal Revenue Code of
16 1939”.

17 (C) Subsections (g), (j)(1), and (j)(2) of
18 section 7448 are each amended by striking “at
19 4 percent per annum to December 31, 1947,
20 and at 3 percent per annum thereafter” and in-
21 serting “at 3 percent per annum”.

22 (117) MERCHANT MARINE CAPITAL CONSTRUC-
23 TION FUNDS.—Paragraph (4) of section 7518(g) is
24 amended by striking “any nonqualified withdrawal”
25 and all that follows through “‘shall be determined”

1 and inserting “any nonqualified withdrawal shall be
2 determined”.

3 (118) VALUATION TABLES.—

4 (A) Subsection (c) of section 7520 is
5 amended by striking paragraph (2) and redesign-
6 nating paragraph (3) as paragraph (2).

7 (B) Paragraph (2) of section 7520(c) (as
8 redesignated by subparagraph (A)) is amend-
9 ed—

10 (i) by striking “Not later than Decem-
11 ber 31, 1989, the” and inserting “The”,
12 and

13 (ii) by striking “thereafter” in the last
14 sentence thereof.

15 (119) DEFINITION OF EMPLOYEE.—Section
16 7701(a)(20) is amended by striking “chapter 21”
17 and all that follows and inserting “chapter 21.”.

18 (b) EFFECTIVE DATE.—

19 (1) GENERAL RULE.—Except as otherwise pro-
20 vided in subsection (a) or paragraph (2) of this sub-
21 section, the amendments made by this section shall
22 take effect on the date of enactment of this Act.

23 (2) SAVINGS PROVISION.—If—

1 (A) any provision amended or repealed by
2 the amendments made by this section applied
3 to—

4 (i) any transaction occurring before
5 the date of the enactment of this Act,

6 (ii) any property acquired before such
7 date of enactment, or

8 (iii) any item of income, loss, deduc-
9 tion, or credit taken into account before
10 such date of enactment, and

11 (B) the treatment of such transaction,
12 property, or item under such provision would
13 (without regard to the amendments or repeals
14 made by this section) affect the liability for tax
15 for periods ending after date of enactment,
16 nothing in the amendments or repeals made by
17 this section shall be construed to affect the
18 treatment of such transaction, property, or item
19 for purposes of determining liability for tax for
20 periods ending after such date of enactment.

21 **TITLE III—HIRE MORE HEROES**

22 **SEC. 301. SHORT TITLE.**

23 This title may be cited as the “Hire More Heroes Act
24 of 2014”.

1 **SEC. 302. EMPLOYEES WITH HEALTH COVERAGE UNDER**
2 **TRICARE OR THE VETERANS ADMINISTRA-**
3 **TION MAY BE EXEMPTED FROM EMPLOYER**
4 **MANDATE UNDER PATIENT PROTECTION AND**
5 **AFFORDABLE CARE ACT.**

6 (a) IN GENERAL.—Section 4980H(c)(2) is amended
7 by adding at the end the following:

8 “(F) EXEMPTION FOR HEALTH COVERAGE
9 UNDER TRICARE OR THE VETERANS ADMINIS-
10 TRATION.—Solely for purposes of determining
11 whether an employer is an applicable large em-
12 ployer under this paragraph for any month, an
13 employer may elect not to take into account for
14 a month as an employee any individual who, for
15 such month, has medical coverage under—

16 “(i) chapter 55 of title 10, United
17 States Code, including coverage under the
18 TRICARE program, or

19 “(ii) under a health care program
20 under chapter 17 or 18 of title 38, United
21 States Code, as determined by the Sec-
22 retary of Veterans Affairs, in coordination
23 with the Secretary of Health and Human
24 Services and the Secretary.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to months beginning after De-
3 cember 31, 2013.

4 **TITLE IV—BUDGETARY EFFECTS**

5 **SEC. 401. BUDGETARY EFFECTS.**

6 (a) PAYGO SCORECARD.—The budgetary effects of
7 this Act shall not be entered on either PAYGO scorecard
8 maintained pursuant to section 4(d) of the Statutory Pay-
9 As-You-Go Act of 2010.

10 (b) SENATE PAYGO SCORECARD.—The budgetary ef-
11 fects of this Act shall not be entered on any PAYGO score-
12 card maintained for purposes of section 201 of S. Con.
13 Res. 21 (110th Congress).