

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—119th Cong., 1st Sess.

H. R. 1

To provide for reconciliation pursuant to title II of H. Con.
Res. 14.

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 Mr. GRAHAM to the Committee
Amendment

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “One Big Beautiful Bill

5 Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Subtitle A—Nutrition

Sec. 10101. Re-evaluation of thrifty food plan.

Sec. 10102. Modifications to SNAP work requirements for able-bodied adults.

2

- Sec. 10103. Availability of standard utility allowances based on receipt of energy assistance.
- Sec. 10104. Restrictions on internet expenses.
- Sec. 10105. Matching funds requirements.
- Sec. 10106. Administrative cost sharing.
- Sec. 10107. National education and obesity prevention grant program.
- Sec. 10108. Alien SNAP eligibility.

Subtitle B—Forestry

- Sec. 10201. Rescission of amounts for forestry.

Subtitle C—Commodities

- Sec. 10301. Effective reference price; reference price.
- Sec. 10302. Base acres.
- Sec. 10303. Producer election.
- Sec. 10304. Price loss coverage.
- Sec. 10305. Agriculture risk coverage.
- Sec. 10306. Equitable treatment of certain entities.
- Sec. 10307. Payment limitations.
- Sec. 10308. Adjusted gross income limitation.
- Sec. 10309. Marketing loans.
- Sec. 10310. Repayment of marketing loans.
- Sec. 10311. Economic adjustment assistance for textile mills.
- Sec. 10312. Sugar program updates.
- Sec. 10313. Dairy policy updates.
- Sec. 10314. Implementation.

Subtitle D—Disaster Assistance Programs

- Sec. 10401. Supplemental agricultural disaster assistance.

Subtitle E—Crop Insurance

- Sec. 10501. Beginning farmer and rancher benefit.
- Sec. 10502. Area-based crop insurance coverage and affordability.
- Sec. 10503. Administrative and operating expense adjustments.
- Sec. 10504. Premium support.
- Sec. 10505. Program compliance and integrity.
- Sec. 10506. Reviews, compliance, and integrity.
- Sec. 10507. Poultry insurance pilot program.

Subtitle F—Additional Investments in Rural America

- Sec. 10601. Conservation.
- Sec. 10602. Supplemental agricultural trade promotion program.
- Sec. 10603. Nutrition.
- Sec. 10604. Research.
- Sec. 10605. Energy.
- Sec. 10606. Horticulture.
- Sec. 10607. Miscellaneous.

TITLE II—COMMITTEE ON ARMED SERVICES

- Sec. 20001. Enhancement of Department of Defense resources for improving the quality of life for military personnel.
- Sec. 20002. Enhancement of Department of Defense resources for shipbuilding.

3

- Sec. 20003. Enhancement of Department of Defense resources for integrated air and missile defense.
- Sec. 20004. Enhancement of Department of Defense resources for munitions and defense supply chain resiliency.
- Sec. 20005. Enhancement of Department of Defense resources for scaling low-cost weapons into production.
- Sec. 20006. Enhancement of Department of Defense resources for improving the efficiency and cybersecurity of the Department of Defense.
- Sec. 20007. Enhancement of Department of Defense resources for air superiority.
- Sec. 20008. Enhancement of resources for nuclear forces.
- Sec. 20009. Enhancement of Department of Defense resources to improve capabilities of United States Indo-Pacific Command.
- Sec. 20010. Enhancement of Department of Defense resources for improving the readiness of the Department of Defense.
- Sec. 20011. Improving Department of Defense border support and counter-drug missions.
- Sec. 20012. Department of Defense oversight.
- Sec. 20013. Military construction projects authorized.
- Sec. 20014. Multi-year operational plan.

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN
AFFAIRS

- Sec. 30001. Funding cap for the Bureau of Consumer Financial Protection.
- Sec. 30002. Rescission of funds for Green and Resilient Retrofit Program for Multifamily Housing.
- Sec. 30003. Securities and Exchange Commission Reserve Fund.
- Sec. 30004. Appropriations for Defense Production Act.

TITLE IV—COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

- Sec. 40001. Coast Guard mission readiness.
- Sec. 40002. Spectrum auctions.
- Sec. 40003. Air traffic control improvements.
- Sec. 40004. Space launch and reentry licensing and permitting user fees.
- Sec. 40005. Mars missions, Artemis missions, and Moon to Mars program.
- Sec. 40006. Corporate average fuel economy civil penalties.
- Sec. 40007. Payments for lease of Metropolitan Washington Airports.
- Sec. 40008. Rescission of certain amounts for the National Oceanic and Atmospheric Administration.
- Sec. 40009. Reduction in annual transfers to Travel Promotion Fund.
- Sec. 40010. Treatment of unobligated funds for alternative fuel and low-emission aviation technology.
- Sec. 40011. Rescission of amounts appropriated to Public Wireless Supply Chain Innovation Fund.
- Sec. 40012. Support for artificial intelligence under the Broadband Equity, Access, and Deployment Program.

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Oil and Gas Leasing

- Sec. 50101. Onshore oil and gas leasing.
- Sec. 50102. Offshore oil and gas leasing.
- Sec. 50103. Royalties on extracted methane.

4

- Sec. 50104. Alaska oil and gas leasing.
- Sec. 50105. National Petroleum Reserve—Alaska.

Subtitle B—Mining

- Sec. 50201. Coal leasing.
- Sec. 50202. Coal royalty.
- Sec. 50203. Leases for known recoverable coal resources.
- Sec. 50204. Authorization to mine Federal coal.

Subtitle C—Lands

- Sec. 50301. Mandatory disposal of Bureau of Land management land for housing.
- Sec. 50302. Timber sales and long-term contracting for the Forest Service and the Bureau of Land Management.
- Sec. 50303. Renewable energy fees on Federal land.
- Sec. 50304. Renewable energy revenue sharing.
- Sec. 50305. Rescission of National Park Service and Bureau of Land Management funds.
- Sec. 50306. Celebrating America's 250th anniversary.

Subtitle D—Energy

- Sec. 50401. Strategic Petroleum Reserve.
- Sec. 50402. Repeals; rescissions.
- Sec. 50403. Energy dominance financing.
- Sec. 50404. Transformational artificial intelligence models.

Subtitle E—Water

- Sec. 50501. Water conveyance and surface water storage enhancement.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

- Sec. 60001. Rescission of funding for clean heavy-duty vehicles.
- Sec. 60002. Repeal of Greenhouse Gas Reduction Fund.
- Sec. 60003. Rescission of funding for diesel emissions reductions.
- Sec. 60004. Rescission of funding to address air pollution.
- Sec. 60005. Rescission of funding to address air pollution at schools.
- Sec. 60006. Rescission of funding for the low emissions electricity program.
- Sec. 60007. Rescission of funding for section 211(o) of the Clean Air Act.
- Sec. 60008. Rescission of funding for implementation of the American Innovation and Manufacturing Act.
- Sec. 60009. Rescission of funding for enforcement technology and public information.
- Sec. 60010. Rescission of funding for greenhouse gas corporate reporting.
- Sec. 60011. Rescission of funding for environmental product declaration assistance.
- Sec. 60012. Rescission of funding for methane emissions and waste reduction incentive program for petroleum and natural gas systems.
- Sec. 60013. Rescission of funding for greenhouse gas air pollution plans and implementation grants.
- Sec. 60014. Rescission of funding for environmental protection agency efficient, accurate, and timely reviews.
- Sec. 60015. Rescission of funding for low-embodied carbon labeling for construction materials.

5

- Sec. 60016. Rescission of funding for environmental and climate justice block grants.
- Sec. 60017. Rescission of funding for ESA recovery plans.
- Sec. 60018. Rescission of funding for environmental and climate data collection.
- Sec. 60019. Rescission of neighborhood access and equity grant program.
- Sec. 60020. Rescission of funding for Federal building assistance.
- Sec. 60021. Rescission of funding for low-carbon materials for Federal buildings.
- Sec. 60022. Rescission of funding for GSA emerging and sustainable technologies.
- Sec. 60023. Rescission of environmental review implementation funds.
- Sec. 60024. Rescission of low-carbon transportation materials grants.
- Sec. 60025. John F. Kennedy Center for the Performing Arts.
- Sec. 60026. Project sponsor opt-in fees for environmental reviews.

TITLE VII—FINANCE

Subtitle A—Tax

- Sec. 70001. References to the Internal Revenue Code of 1986, etc.

CHAPTER 1—PROVIDING PERMANENT TAX RELIEF FOR MIDDLE-CLASS FAMILIES AND WORKERS

- Sec. 70101. Extension and enhancement of reduced rates.
- Sec. 70102. Extension and enhancement of increased standard deduction.
- Sec. 70103. Termination of deduction for personal exemptions other than temporary senior deduction.
- Sec. 70104. Extension and enhancement of increased child tax credit.
- Sec. 70105. Extension and enhancement of deduction for qualified business income.
- Sec. 70106. Extension and enhancement of increased estate and gift tax exemption amounts.
- Sec. 70107. Extension of increased alternative minimum tax exemption amounts and modification of phaseout thresholds.
- Sec. 70108. Extension and modification of limitation on deduction for qualified residence interest.
- Sec. 70109. Extension and modification of limitation on casualty loss deduction.
- Sec. 70110. Termination of miscellaneous itemized deductions other than educator expenses.
- Sec. 70111. Limitation on tax benefit of itemized deductions.
- Sec. 70112. Extension and modification of qualified transportation fringe benefits.
- Sec. 70113. Extension and modification of limitation on deduction and exclusion for moving expenses.
- Sec. 70114. Extension and modification of limitation on wagering losses.
- Sec. 70115. Extension and enhancement of increased limitation on contributions to ABLE accounts.
- Sec. 70116. Extension and enhancement of savers credit allowed for ABLE contributions.
- Sec. 70117. Extension of rollovers from qualified tuition programs to ABLE accounts permitted.

6

- Sec. 70118. Extension of treatment of certain individuals performing services in the Sinai Peninsula and enhancement to include additional areas.
- Sec. 70119. Extension and modification of exclusion from gross income of student loans discharged on account of death or disability.
- Sec. 70120. Limitation on individual deductions for certain state and local taxes, etc.

CHAPTER 2—DELIVERING ON PRESIDENTIAL PRIORITIES TO PROVIDE NEW
MIDDLE-CLASS TAX RELIEF

- Sec. 70201. No tax on tips.
- Sec. 70202. No tax on overtime.
- Sec. 70203. No tax on car loan interest.
- Sec. 70204. Trump accounts and contribution pilot program.

CHAPTER 3—ESTABLISHING CERTAINTY AND COMPETITIVENESS FOR
AMERICAN JOB CREATORS

SUBCHAPTER A—PERMANENT U.S. BUSINESS TAX REFORM AND BOOSTING
DOMESTIC INVESTMENT

- Sec. 70301. Full expensing for certain business property.
- Sec. 70302. Full expensing of domestic research and experimental expenditures.
- Sec. 70303. Modification of limitation on business interest.
- Sec. 70304. Extension and enhancement of paid family and medical leave credit.
- Sec. 70305. Exceptions from limitations on deduction for business meals.
- Sec. 70306. Increased dollar limitations for expensing of certain depreciable business assets.
- Sec. 70307. Special depreciation allowance for qualified production property.
- Sec. 70308. Enhancement of advanced manufacturing investment credit.
- Sec. 70309. Spaceports are treated like airports under exempt facility bond rules.

SUBCHAPTER B—PERMANENT AMERICA-FIRST INTERNATIONAL TAX REFORMS

PART I—FOREIGN TAX CREDIT

- Sec. 70311. Modifications related to foreign tax credit limitation.
- Sec. 70312. Modifications to determination of deemed paid credit for taxes properly attributable to tested income.
- Sec. 70313. Sourcing certain income from the sale of inventory produced in the United States.

PART II—FOREIGN-DERIVED DEDUCTION ELIGIBLE INCOME AND NET CFC
TESTED INCOME

- Sec. 70321. Modification of deduction for foreign-derived deduction eligible income and net CFC tested income.
- Sec. 70322. Determination of deduction eligible income.
- Sec. 70323. Rules related to deemed intangible income.

PART III—BASE EROSION MINIMUM TAX

- Sec. 70331. Extension and modification of base erosion minimum tax amount.

PART IV—BUSINESS INTEREST LIMITATION

7

- Sec. 70341. Coordination of business interest limitation with interest capitalization provisions.
- Sec. 70342. Definition of adjusted taxable income for business interest limitation.

PART V—OTHER INTERNATIONAL TAX REFORMS

- Sec. 70351. Permanent extension of look-thru rule for related controlled foreign corporations.
- Sec. 70352. Repeal of election for 1-month deferral in determination of taxable year of specified foreign corporations.
- Sec. 70353. Restoration of limitation on downward attribution of stock ownership in applying constructive ownership rules.
- Sec. 70354. Modifications to pro rata share rules.

CHAPTER 4—INVESTING IN AMERICAN FAMILIES, COMMUNITIES, AND SMALL BUSINESSES

SUBCHAPTER A—PERMANENT INVESTMENTS IN FAMILIES AND CHILDREN

- Sec. 70401. Enhancement of employer-provided child care credit.
- Sec. 70402. Enhancement of adoption credit.
- Sec. 70403. Recognizing Indian tribal governments for purposes of determining whether a child has special needs for purposes of the adoption credit.
- Sec. 70404. Enhancement of the dependent care assistance program.
- Sec. 70405. Enhancement of child and dependent care tax credit.

SUBCHAPTER B—PERMANENT INVESTMENTS IN STUDENTS AND REFORMS TO TAX-EXEMPT INSTITUTIONS

- Sec. 70411. Tax credit for contributions of individuals to scholarship granting organizations.
- Sec. 70412. Exclusion for employer payments of student loans.
- Sec. 70413. Additional expenses treated as qualified higher education expenses for purposes of 529 accounts.
- Sec. 70414. Certain postsecondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts.
- Sec. 70415. Modification of excise tax on investment income of certain private colleges and universities.
- Sec. 70416. Expanding application of tax on excess compensation within tax-exempt organizations.

SUBCHAPTER C—PERMANENT INVESTMENTS IN COMMUNITY DEVELOPMENT

- Sec. 70421. Permanent renewal and enhancement of opportunity zones.
- Sec. 70422. Permanent enhancement of low-income housing tax credit.
- Sec. 70423. Permanent extension of new markets tax credit.
- Sec. 70424. Permanent and expanded reinstatement of partial deduction for charitable contributions of individuals who do not elect to itemize.
- Sec. 70425. 0.5 percent floor on deduction of contributions made by individuals.
- Sec. 70426. 1-percent floor on deduction of charitable contributions made by corporations.
- Sec. 70427. Permanent increase in limitation on cover over of tax on distilled spirits.

8

- Sec. 70428. Nonprofit community development activities in remote native villages.
- Sec. 70429. Adjustment of charitable deduction for certain expenses incurred in support of Native Alaskan subsistence whaling.
- Sec. 70430. Exception to percentage of completion method of accounting for certain residential construction contracts.

SUBCHAPTER D—PERMANENT INVESTMENTS IN SMALL BUSINESS AND RURAL AMERICA

- Sec. 70431. Expansion of qualified small business stock gain exclusion.
- Sec. 70432. Repeal of revision to de minimis rules for third party network transactions.
- Sec. 70433. Increase in threshold for requiring information reporting with respect to certain payees.
- Sec. 70434. Treatment of certain qualified sound recording productions.
- Sec. 70435. Exclusion of interest on loans secured by rural or agricultural real property.
- Sec. 70436. Reduction of transfer and manufacturing taxes for certain devices.
- Sec. 70437. Treatment of capital gains from the sale of certain farmland property.
- Sec. 70438. Extension of rules for treatment of certain disaster-related personal casualty losses.

CHAPTER 5—ENDING GREEN NEW DEAL SPENDING, PROMOTING AMERICA-FIRST ENERGY, AND OTHER REFORMS

SUBCHAPTER A—TERMINATION OF GREEN NEW DEAL SUBSIDIES

- Sec. 70501. Termination of previously-owned clean vehicle credit.
- Sec. 70502. Termination of clean vehicle credit.
- Sec. 70503. Termination of qualified commercial clean vehicles credit.
- Sec. 70504. Termination of alternative fuel vehicle refueling property credit.
- Sec. 70505. Termination of energy efficient home improvement credit.
- Sec. 70506. Termination of residential clean energy credit.
- Sec. 70507. Termination of energy efficient commercial buildings deduction.
- Sec. 70508. Termination of new energy efficient home credit.
- Sec. 70509. Termination of cost recovery for energy property and qualified clean energy facilities, property, and technology.
- Sec. 70510. Modifications of zero-emission nuclear power production credit.
- Sec. 70511. Termination of clean hydrogen production credit.
- Sec. 70512. Termination and restrictions on clean electricity production credit.
- Sec. 70513. Termination and restrictions on clean electricity investment credit.
- Sec. 70514. Phase-out and restrictions on advanced manufacturing production credit.
- Sec. 70515. Restriction on the extension of advanced energy project credit program.

SUBCHAPTER B—ENHANCEMENT OF AMERICA-FIRST ENERGY POLICY

- Sec. 70521. Extension and modification of clean fuel production credit.
- Sec. 70522. Restrictions on carbon oxide sequestration credit.
- Sec. 70523. Intangible drilling and development costs taken into account for purposes of computing adjusted financial statement income.
- Sec. 70524. Income from hydrogen storage, carbon capture, advanced nuclear, hydropower, and geothermal energy added to qualifying income of certain publicly traded partnerships.

9

Sec. 70525. Allow for payments to certain individuals who dye fuel.

SUBCHAPTER C—OTHER REFORMS

Sec. 70531. Modifications to de minimis entry privilege for commercial shipments.

CHAPTER 6—ENHANCING DEDUCTION AND INCOME TAX CREDIT
GUARDRAILS, AND OTHER REFORMS

Sec. 70601. Modification and extension of limitation on excess business losses of noncorporate taxpayers.

Sec. 70602. Treatment of payments from partnerships to partners for property or services.

Sec. 70603. Excessive employee remuneration from controlled group members and allocation of deduction.

Sec. 70604. Third party litigation funding reform.

Sec. 70605. Excise tax on certain remittance transfers.

Sec. 70606. Enforcement provisions with respect to COVID-related employee retention credits.

Sec. 70607. Social security number requirement for American Opportunity and Lifetime Learning credits.

Sec. 70608. Task force on the replacement of Direct File.

Subtitle B—Health

CHAPTER 1—MEDICAID

SUBCHAPTER A—REDUCING FRAUD AND IMPROVING ENROLLMENT PROCESSES

Sec. 71101. Moratorium on implementation of rule relating to eligibility and enrollment in Medicare Savings Programs.

Sec. 71102. Moratorium on implementation of rule relating to eligibility and enrollment for Medicaid, CHIP, and the Basic Health Program.

Sec. 71103. Reducing duplicate enrollment under the Medicaid and CHIP programs.

Sec. 71104. Ensuring deceased individuals do not remain enrolled.

Sec. 71105. Ensuring deceased providers do not remain enrolled.

Sec. 71106. Payment reduction related to certain erroneous excess payments under Medicaid.

Sec. 71107. Eligibility redeterminations.

Sec. 71108. Revising home equity limit for determining eligibility for long-term care services under the Medicaid program.

Sec. 71109. Alien Medicaid eligibility.

Sec. 71110. Expansion FMAP for certain States providing payments for health care furnished to certain individuals.

Sec. 71111. Expansion FMAP for emergency Medicaid.

SUBCHAPTER B—PREVENTING WASTEFUL SPENDING

Sec. 71112. Moratorium on implementation of rule relating to staffing standards for long-term care facilities under the Medicare and Medicaid programs.

Sec. 71113. Reducing State Medicaid costs.

Sec. 71114. Prohibiting Federal Medicaid and CHIP funding for certain items and services.

10

Sec. 71115. Federal payments to prohibited entities.

SUBCHAPTER C—STOPPING ABUSIVE FINANCING PRACTICES

Sec. 71116. Sunsetting increased FMAP incentive.

Sec. 71117. Provider taxes.

Sec. 71118. State directed payments.

Sec. 71119. Requirements regarding waiver of uniform tax requirement for Medicaid provider tax.

Sec. 71120. Requiring budget neutrality for Medicaid demonstration projects under section 1115.

SUBCHAPTER D—INCREASING PERSONAL ACCOUNTABILITY

Sec. 71121. Requirement for States to establish Medicaid community engagement requirements for certain individuals.

Sec. 71122. Modifying cost sharing requirements for certain expansion individuals under the Medicaid program.

SUBCHAPTER E—EXPANDING ACCESS TO CARE

Sec. 71123. Making certain adjustments to coverage of home or community-based services under Medicaid.

Sec. 71124. Determination of FMAP for high-poverty States.

CHAPTER 2—MEDICARE

SUBCHAPTER A—STRENGTHENING ELIGIBILITY REQUIREMENTS

Sec. 71201. Limiting Medicare coverage of certain individuals.

SUBCHAPTER B—IMPROVING SERVICES FOR SENIORS

Sec. 71202. Temporary payment increase under the medicare physician fee schedule to account for exceptional circumstances.

Sec. 71203. Expanding and clarifying the exclusion for orphan drugs under the Drug Price Negotiation Program.

Sec. 71204. Application of cost-of-living adjustment to non-labor related portion for hospital outpatient department services furnished in Alaska and Hawaii.

CHAPTER 3—HEALTH TAX

SUBCHAPTER A—IMPROVING ELIGIBILITY CRITERIA

Sec. 71301. Permitting premium tax credit only for certain individuals.

Sec. 71302. Disallowing premium tax credit during periods of medicaid ineligibility due to alien status.

SUBCHAPTER B—PREVENTING WASTE, FRAUD, AND ABUSE

Sec. 71303. Requiring verification of eligibility for premium tax credit.

Sec. 71304. Disallowing premium tax credit in case of certain coverage enrolled in during special enrollment period.

Sec. 71305. Eliminating limitation on recapture of advance payment of premium tax credit.

SUBCHAPTER C—ENHANCING CHOICE FOR PATIENTS

11

- Sec. 71306. Permanent extension of safe harbor for absence of deductible for telehealth services.
- Sec. 71307. Allowance of bronze and catastrophic plans in connection with health savings accounts.
- Sec. 71308. Treatment of direct primary care service arrangements.

CHAPTER 4—PROTECTING RURAL HOSPITALS AND PROVIDERS

- Sec. 71401. Rural Health Transformation Program.

Subtitle C—Increase in Debt Limit

- Sec. 72001. Modification of limitation on the public debt.

TITLE VIII—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A—Exemption of Certain Assets

- Sec. 80001. Exemption of certain assets.

Subtitle B—Loan Limits

- Sec. 81001. Establishment of loan limits for graduate and professional students and parent borrowers; termination of graduate and professional PLUS loans.

Subtitle C—Loan Repayment

- Sec. 82001. Loan repayment.
- Sec. 82002. Deferment; forbearance.
- Sec. 82003. Loan rehabilitation.
- Sec. 82004. Public service loan forgiveness.
- Sec. 82005. Student loan servicing.

Subtitle D—Pell Grants

- Sec. 83001. Eligibility.
- Sec. 83002. Workforce Pell Grants.
- Sec. 83003. Pell shortfall.
- Sec. 83004. Federal Pell Grant exclusion relating to other grant aid.

Subtitle E—Accountability

- Sec. 84001. Ineligibility based on low earning outcomes.

Subtitle F—Regulatory Relief

- Sec. 85001. Delay of rule relating to borrower defense to repayment.
- Sec. 85002. Delay of rule relating to closed school discharges.

Subtitle G—Limitation on Authority

- Sec. 86001. Limitation on proposing or issuing regulations and executive actions.

Subtitle H—Garden of Heroes

- Sec. 87001. Garden of Heroes.

12

Subtitle I—Office of Refugee Resettlement

Sec. 88001. Potential sponsor vetting for unaccompanied alien children appropriation.

TITLE IX—COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS

Subtitle A—Homeland Security Provisions

- Sec. 90001. Border infrastructure and wall system.
- Sec. 90002. U.S. Customs and Border Protection personnel, fleet vehicles, and facilities.
- Sec. 90003. Detention capacity.
- Sec. 90004. Border security, technology, and screening.
- Sec. 90005. State and local assistance.
- Sec. 90006. Presidential residence protection.
- Sec. 90007. Department of Homeland Security appropriations for border support.

Subtitle B—Governmental Affairs Provisions

- Sec. 90101. FEHB improvements.
- Sec. 90102. Pandemic Response Accountability Committee.
- Sec. 90103. Appropriation for the Office of Management and Budget.

TITLE X—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration and Law Enforcement Matters

PART I—IMMIGRATION FEES

- Sec. 100001. Applicability of the immigration laws.
- Sec. 100002. Asylum fee.
- Sec. 100003. Employment authorization document fees.
- Sec. 100004. Immigration parole fee.
- Sec. 100005. Special immigrant juvenile fee.
- Sec. 100006. Temporary protected status fee.
- Sec. 100007. Visa integrity fee.
- Sec. 100008. Form I-94 fee.
- Sec. 100009. Annual asylum fee.
- Sec. 100010. Fee relating to renewal and extension of employment authorization for parolees.
- Sec. 100011. Fee relating to renewal or extension of employment authorization for asylum applicants.
- Sec. 100012. Fee relating to renewal and extension of employment authorization for aliens granted temporary protected status.
- Sec. 100013. Fees relating to applications for adjustment of status.
- Sec. 100014. Electronic System for Travel Authorization fee.
- Sec. 100015. Electronic Visa Update System fee.
- Sec. 100016. Fee for aliens ordered removed in absentia.
- Sec. 100017. Inadmissible alien apprehension fee.
- Sec. 100018. Amendment to authority to apply for asylum.

PART II—IMMIGRATION AND LAW ENFORCEMENT FUNDING

- Sec. 100051. Appropriation for the Department of Homeland Security.
- Sec. 100052. Appropriation for U.S. Immigration and Customs Enforcement.

13

- Sec. 100053. Appropriation for Federal Law Enforcement Training Centers.
Sec. 100054. Appropriation for the Department of Justice.
Sec. 100055. Bridging Immigration-related Deficits Experienced Nationwide Reimbursement Fund.
Sec. 100056. Appropriation for the Bureau of Prisons.
Sec. 100057. Appropriation for the United States Secret Service.

Subtitle B—Judiciary Matters

- Sec. 100101. Appropriation to the Administrative Office of the United States Courts.
Sec. 100102. Appropriation to the Federal Judicial Center.

Subtitle C—Radiation Exposure Compensation Matters

- Sec. 100201. Extension of fund.
Sec. 100202. Claims relating to atmospheric testing.
Sec. 100203. Claims relating to uranium mining.
Sec. 100205. Limitations on claims.

1 **TITLE I—COMMITTEE ON AGRI-**
2 **CULTURE, NUTRITION, AND**
3 **FORESTRY**

4 **Subtitle A—Nutrition**

5 **SEC. 10101. RE-EVALUATION OF THRIFTY FOOD PLAN.**

6 (a) IN GENERAL.—Section 3 of the Food and Nutri-
7 tion Act of 2008 (7 U.S.C. 2012) is amended by striking
8 subsection (u) and inserting the following:

9 “(u) THRIFTY FOOD PLAN.—

10 “(1) IN GENERAL.—The term ‘thrifty food
11 plan’ means the diet required to feed a family of 4
12 persons consisting of a man and a woman ages 20
13 through 50, a child ages 6 through 8, and a child
14 ages 9 through 11 using the items and quantities of
15 food described in the report of the Department of
16 Agriculture entitled ‘Thrifty Food Plan, 2021’, and

1 each successor report updated pursuant to this sub-
2 section, subject to the conditions that—

3 “(A) the relevant market baskets of the
4 thrifty food plan shall only be changed pursuant
5 to paragraph (4);

6 “(B) the cost of the thrifty food plan shall
7 be the basis for uniform allotments for all
8 households, regardless of the actual composition
9 of the household; and

10 “(C) the cost of the thrifty food plan may
11 only be adjusted in accordance with this sub-
12 section.

13 “(2) HOUSEHOLD ADJUSTMENTS.—The Sec-
14 retary shall make household adjustments using the
15 following ratios of household size as a percentage of
16 the maximum 4-person allotment:

17 “(A) For a 1-person household, 30 per-
18 cent.

19 “(B) For a 2-person household, 55 per-
20 cent.

21 “(C) For a 3-person household, 79 percent.

22 “(D) For a 4-person household, 100 per-
23 cent.

24 “(E) For a 5-person household, 119 per-
25 cent.

1 “(F) For a 6-person household, 143 per-
2 cent.

3 “(G) For a 7-person household, 158 per-
4 cent.

5 “(H) For an 8-person household, 180 per-
6 cent.

7 “(I) For a household of 9 persons or more,
8 an additional 22 percent per person, which ad-
9 ditional percentage shall not total more than
10 200 percent.

11 “(3) ALLOWABLE COST ADJUSTMENTS.—The
12 Secretary shall—

13 “(A) make cost adjustments in the thrifty
14 food plan for Hawaii and the urban and rural
15 parts of Alaska to reflect the cost of food in
16 Hawaii and urban and rural Alaska;

17 “(B) make cost adjustments in the sepa-
18 rate thrifty food plans for Guam and the Virgin
19 Islands of the United States to reflect the cost
20 of food in those States, but not to exceed the
21 cost of food in the 50 States and the District
22 of Columbia; and

23 “(C) on October 1, 2025, and on each Oc-
24 tober 1 thereafter, adjust the cost of the thrifty
25 food plan to reflect changes in the Consumer

1 Price Index for All Urban Consumers, pub-
2 lished by the Bureau of Labor Statistics of the
3 Department of Labor, for the most recent 12-
4 month period ending in June.

5 “(4) RE-EVALUATION OF MARKET BASKETS.—

6 “(A) RE-EVALUATION.—Not earlier than
7 October 1, 2027, the Secretary may re-evaluate
8 the market baskets of the thrifty food plan
9 based on current food prices, food composition
10 data, consumption patterns, and dietary guid-
11 ance.

12 “(B) COST NEUTRALITY.—The Secretary
13 shall not increase the cost of the thrifty food
14 plan based on a re-evaluation under this para-
15 graph.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 16(c)(1)(A)(ii)(II) of the Food and
18 Nutrition Act of 2008 (7 U.S.C.
19 2025(c)(1)(A)(ii)(II)) is amended by striking “sec-
20 tion 3(u)(4)” and inserting “section 3(u)(3)”.

21 (2) Section 19(a)(2)(A)(ii) of the Food and Nu-
22 trition Act of 2008 (7 U.S.C. 2028(a)(2)(A)(ii)) is
23 amended by striking “section 3(u)(4)” and inserting
24 “section 3(u)(3)”.

1 (3) Section 27(a)(2) of the Food and Nutrition
2 Act of 2008 (7 U.S.C. 2036(a)(2))) is amended by
3 striking “section 3(u)(4)” each place it appears and
4 inserting “section 3(u)(3)”.

5 **SEC. 10102. MODIFICATIONS TO SNAP WORK REQUIRE-**
6 **MENTS FOR ABLE-BODIED ADULTS.**

7 (a) EXCEPTIONS.—Section 6(o) of the Food and Nu-
8 trition Act of 2008 (7 U.S.C. 2015(o)) is amended by
9 striking paragraph (3) and inserting the following:

10 “(3) EXCEPTIONS.—Paragraph (2) shall not
11 apply to an individual if the individual is—

12 “(A) under 18, or over 65, years of age;

13 “(B) medically certified as physically or
14 mentally unfit for employment;

15 “(C) a parent or other member of a house-
16 hold with responsibility for a dependent child
17 under 14 years of age;

18 “(D) otherwise exempt under subsection
19 (d)(2);

20 “(E) a pregnant woman;

21 “(F) an Indian or an Urban Indian (as
22 such terms are defined in paragraphs (13) and
23 (28) of section 4 of the Indian Health Care Im-
24 provement Act); or

1 “(G) a California Indian described in sec-
2 tion 809(a) of the Indian Health Care Improve-
3 ment Act.”.

4 (b) STANDARDIZING ENFORCEMENT.—Section
5 6(o)(4) of the Food and Nutrition Act of 2008 (7 U.S.C.
6 2015(o)(4)) is amended—

7 (1) in subparagraph (A), by striking clause (ii)
8 and inserting the following:

9 “(ii) is in a noncontiguous State and
10 has an unemployment rate that is at or
11 above 1.5 times the national unemployment
12 rate8 percent.”; and

13 (2) by adding at the end the following:

14 “(C) DEFINITION OF NONCONTIGUOUS
15 STATE.—

16 “(i) IN GENERAL.—In this paragraph,
17 the term ‘noncontiguous State’ means a
18 State that is not 1 of the contiguous 48
19 States or the District of Columbia.

20 “(ii) EXCLUSIONS.—The term ‘non-
21 contiguous State’ does not include Gaum
22 or the Virgin Islands of the United
23 States.”.

1 (c) WAIVER FOR NONCONTIGUOUS STATES.—Section
2 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C.
3 2015(o)) is amended—

4 (1) by redesignating paragraph (7) as para-
5 graph (8); and

6 (2) by inserting after paragraph (6) the fol-
7 lowing:

8 “(7) EXEMPTION FOR NONCONTIGUOUS
9 STATES.—

10 “(A) DEFINITION OF NONCONTIGUOUS
11 STATE.—

12 “(i) IN GENERAL.—In this paragraph,
13 the term ‘noncontiguous State’ means a
14 State that is not 1 of the contiguous 48
15 States or the District of Columbia.

16 “(ii) EXCLUSIONS.—In this para-
17 graph, the term ‘noncontiguous State’ does
18 not include Guam or the Virgin Islands of
19 the United States.

20 “(B) EXEMPTION.—Subject to subpara-
21 graph (D), the Secretary may exempt individ-
22 uals in a noncontiguous State from compliance
23 with the requirements of paragraph (2) if—

24 “(i) the State agency submits to the
25 Secretary a request for that exemption,

1 made in such form and at such time as the
2 Secretary may require, and including the
3 information described in subparagraph (C);
4 and

5 “(ii) the Secretary determines that
6 based on that request, the State agency is
7 demonstrating a good faith effort to com-
8 ply with the requirements of paragraph
9 (2).

10 “(C) GOOD FAITH EFFORT DETERMINA-
11 TION.—In determining whether a State agency
12 is demonstrating a good faith effort for pur-
13 poses of subparagraph (B)(ii), the Secretary
14 shall consider—

15 “(i) any actions taken by the State
16 agency toward compliance with the require-
17 ments of paragraph (2);

18 “(ii) any significant barriers to or
19 challenges in meeting those requirements,
20 including barriers or challenges relating to
21 funding, design, development, procurement,
22 or installation of necessary systems or re-
23 sources;

24 “(iii) the detailed plan and timeline of
25 the State agency for achieving full compli-

1 ance with those requirements, including
2 any milestones (as defined by the Sec-
3 retary); and

4 “(iv) any other criteria determined ap-
5 propriate by the Secretary.

6 “(D) DURATION OF EXEMPTION.—

7 “(i) IN GENERAL.—An exemption
8 granted under subparagraph (B) shall ex-
9 pire not later than December 31, 2028,
10 and may not be renewed beyond that date.

11 “(ii) EARLY TERMINATION.—The Sec-
12 retary may terminate an exemption grant-
13 ed under subparagraph (B) prior to the ex-
14 piration date of that exemption if the Sec-
15 retary determines that the State agency—

16 “(I) has failed to comply with the
17 reporting requirements described in
18 subparagraph (E); or

19 “(II) based on the information
20 provided pursuant to subparagraph
21 (E), failed to make continued good
22 faith efforts toward compliance with
23 the requirements of this subsection.

1 “(E) REPORTING REQUIREMENTS.—A

2 State agency granted an exemption under sub-

3 paragraph (B) shall submit to the Secretary—

4 “(i) quarterly progress reports on the

5 status of the State agency in achieving the

6 milestones toward full compliance de-

7 scribed in subparagraph (C)(iii); and

8 “(ii) information on specific risks or

9 newly identified barriers or challenges to

10 full compliance, including the plan of the

11 State agency to mitigate those risks, bar-

12 riers, or challenges.”.

13 **SEC. 10103. AVAILABILITY OF STANDARD UTILITY ALLOW-**

14 **ANCES BASED ON RECEIPT OF ENERGY AS-**

15 **SISTANCE.**

16 (a) STANDARD UTILITY ALLOWANCE.—Section

17 5(e)(6)(C)(iv)(I) of the Food and Nutrition Act of 2008

18 (7 U.S.C. 2014(e)(6)(C)(iv)(I)) is amended by inserting

19 “with an elderly or disabled member” after “households”.

20 (b) THIRD-PARTY ENERGY ASSISTANCE PAY-

21 MENTS.—Section 5(k)(4) of the Food and Nutrition Act

22 of 2008 (7 U.S.C. 2014(k)(4)) is amended—

23 (1) in subparagraph (A), by inserting “without

24 an elderly or disabled member” before “shall be”;

25 and

1 (2) in subparagraph (B), by inserting “with an
2 elderly or disabled member” before “under a State
3 law”.

4 **SEC. 10104. RESTRICTIONS ON INTERNET EXPENSES.**

5 Section 5(e)(6) of the Food and Nutrition Act of
6 2008 (7 U.S.C. 2014(e)(6)) is amended by adding at the
7 end the following:

8 “(E) RESTRICTIONS ON INTERNET EX-
9 PENSES.—Any service fee associated with inter-
10 net connection shall not be used in computing
11 the excess shelter expense deduction under this
12 paragraph.”.

13 **SEC. 10105. MATCHING FUNDS REQUIREMENTS.**

14 (a) IN GENERAL.—Section 4(a) of the Food and Nu-
15 trition Act of 2008 (7 U.S.C. 2013(a)) is amended—

16 (1) by striking “(a) Subject to” and inserting
17 the following:

18 “(a) PROGRAM.—

19 “(1) ESTABLISHMENT.—Subject to”; and

20 (2) by adding at the end the following:

21 “(2) STATE QUALITY CONTROL INCENTIVE.—

22 “(A) DEFINITION OF PAYMENT ERROR
23 RATE.—In this paragraph, the term ‘payment
24 error rate’ has the meaning given the term in
25 section 16(c)(2).

1 “(B) STATE COST SHARE.—

2 “(i) IN GENERAL.—Beginning in fis-
3 cal year 2028, if the payment error rate of
4 a State as determined under clause (ii)
5 is—

6 “(I) less than 6 percent, the Fed-
7 eral share of the cost of the allotment
8 described in paragraph (1) for that
9 State in a fiscal year shall be 100 per-
10 cent, and the State share shall be 0
11 percent;

12 “(II) equal to or greater than 6
13 percent but less than 8 percent, the
14 Federal share of the cost of the allot-
15 ment described in paragraph (1) for
16 that State in a fiscal year shall be 95
17 percent, and the State share shall be
18 5 percent;

19 “(III) equal to or greater than 8
20 percent but less than 10 percent, the
21 Federal share of the cost of the allot-
22 ment described in paragraph (1) for
23 that State in a fiscal year shall be 90
24 percent, and the State share shall be
25 10 percent; and

25

1 “(IV) equal to or greater than 10
2 percent, the Federal share of the cost
3 of the allotment described in para-
4 graph (1) for that State in a fiscal
5 year shall be 85 percent, and the
6 State share shall be 15 percent.

7 “(ii) ELECTIONS.—

8 “(I) FISCAL YEAR 2028.—For fis-
9 cal year 2028, to calculate the appli-
10 cable State share under clause (i), a
11 State may elect to use the payment
12 error rate of the State from fiscal
13 year 2025 or 2026.

14 “(II) FISCAL YEAR 2029 AND
15 THEREAFTER.—For fiscal year 2029
16 and each fiscal year thereafter, to cal-
17 culate the applicable State share
18 under clause (i), the Secretary shall
19 use the payment error rate of the
20 State for the third fiscal year pre-
21 ceding the fiscal year for which the
22 State share is being calculated.

23 “(3) MAXIMUM FEDERAL PAYMENT.—The Sec-
24 retary may not pay towards the cost of an allotment
25 described in paragraph (1) an amount that is great-

1 er than the applicable Federal share under para-
2 graph (2).

3 “(4) WAIVER AUTHORITY.—

4 “(A) IN GENERAL.—The Secretary may
5 waive the requirement under paragraph (2) for
6 a noncontiguous State (excluding Guam and the
7 Virgin Islands of the United States) for a pe-
8 riod of not more than 2 years if—

9 “(i) the Secretary determines that the
10 waiver is necessary; and

11 “(ii) the noncontiguous State is—

12 “(I) actively implementing a cor-
13 rective action plan (as described in
14 section 275.17 of title 7, Code of Fed-
15 eral Regulations (or a successor regu-
16 lation)); and

17 “(II) carrying out any other ac-
18 tivities determined necessary by the
19 Secretary to reduce its payment error
20 rate (as defined in paragraph (2)).

21 “(B) TERMINATION OF AUTHORITY.—The
22 waiver authority under subparagraph (A) shall
23 terminate on the date that is 4 years after the
24 date of enactment of this paragraph.”.

1 (b) LIMITATION ON AUTHORITY.—Section 13(a)(1)
2 of the Food and Nutrition Act of 2008 (7 U.S.C.
3 2022(a)(1)) is amended in the first sentence by inserting
4 “or the payment or disposition of a State share under sec-
5 tion 4(a)(2)” after “16(c)(1)(D)(i)(II)”.

6 **SEC. 10106. ADMINISTRATIVE COST SHARING.**

7 Section 16(a) of the Food and Nutrition Act of 2008
8 (7 U.S.C. 2025(a)) is amended in the matter preceding
9 paragraph (1) by striking “agency an amount equal to 50
10 per centum” and inserting “agency, through fiscal year
11 2026, 50 percent, and for fiscal year 2027 and each fiscal
12 year thereafter, 25 percent,”.

13 **SEC. 10107. NATIONAL EDUCATION AND OBESITY PREVEN-**
14 **TION GRANT PROGRAM.**

15 Section 28(d)(1)(F) of the Food and Nutrition Act
16 of 2008 (7 U.S.C. 2036a(d)(1)(F)) is amended by striking
17 “for fiscal year 2016 and each subsequent fiscal year” and
18 inserting “for each of fiscal years 2016 through 2025”.

19 **SEC. 10108. ALIEN SNAP ELIGIBILITY.**

20 Section 6(f) of the Food and Nutrition Act of 2008
21 (7 U.S.C. 2015(f)) is amended to read as follows:

22 “(f) No individual who is a member of a household
23 otherwise eligible to participate in the supplemental nutri-
24 tion assistance program under this section shall be eligible
25 to participate in the supplemental nutrition assistance

1 program as a member of that or any other household un-
2 less he or she is—

3 “(1) a resident of the United States; and

4 “(2) either—

5 “(A) a citizen or national of the United
6 States;

7 “(B) an alien lawfully admitted for perma-
8 nent residence as an immigrant as defined by
9 sections 101(a)(15) and 101(a)(20) of the Im-
10 migration and Nationality Act, excluding,
11 among others, alien visitors, tourists, diplomats,
12 and students who enter the United States tem-
13 porarily with no intention of abandoning their
14 residence in a foreign country;

15 “(C) an alien who has been granted the
16 status of Cuban and Haitian entrant, as de-
17 fined in section 501(e) of the Refugee Edu-
18 cation Assistance Act of 1980 (Public Law 96–
19 422); or

20 “(D) an individual who lawfully resides in
21 the United States in accordance with a Com-
22 pact of Free Association referred to in section
23 402(b)(2)(G) of the Personal Responsibility and
24 Work Opportunity Reconciliation Act of 1996.

1 The income (less, at State option, a pro rata share)
2 and financial resources of the individual rendered in-
3 eligible to participate in the supplemental nutrition
4 assistance program under this subsection shall be
5 considered in determining the eligibility and the
6 value of the allotment of the household of which
7 such individual is a member.”.

8 **Subtitle B—Forestry**

9 **SEC. 10201. RESCISSION OF AMOUNTS FOR FORESTRY.**

10 The unobligated balances of amounts appropriated by
11 the following provisions of Public Law 117–169 are re-
12 scinded:

13 (1) Paragraphs (3) and (4) of section 23001(a)
14 (136 Stat. 2023).

15 (2) Paragraphs (1) through (4) of section
16 23002(a) (136 Stat. 2025).

17 (3) Section 23003(a)(2) (136 Stat. 2026).

18 (4) Section 23005 (136 Stat. 2027).

19 **Subtitle C—Commodities**

20 **SEC. 10301. EFFECTIVE REFERENCE PRICE; REFERENCE** 21 **PRICE.**

22 (a) EFFECTIVE REFERENCE PRICE.—Section
23 1111(8)(B)(ii) of the Agricultural Act of 2014 (7 U.S.C.
24 9011(8)(B)(ii)) is amended by striking “85” and inserting
25 “beginning with the crop year 2025, 88”.

1 (b) REFERENCE PRICE.—Section 1111 of the Agri-
2 cultural Act of 2014 (7 U.S.C. 9011) is amended by strik-
3 ing paragraph (19) and inserting the following:

4 “(19) REFERENCE PRICE.—

5 “(A) IN GENERAL.—Effective beginning
6 with the 2025 crop year, subject to subpara-
7 graphs (B) and (C), the term ‘reference price’,
8 with respect to a covered commodity for a crop
9 year, means the following:

10 “(i) For wheat, \$6.35 per bushel.

11 “(ii) For corn, \$4.10 per bushel.

12 “(iii) For grain sorghum, \$4.40 per
13 bushel.

14 “(iv) For barley, \$5.45 per bushel.

15 “(v) For oats, \$2.65 per bushel.

16 “(vi) For long grain rice, \$16.90 per
17 hundredweight.

18 “(vii) For medium grain rice, \$16.90
19 per hundredweight.

20 “(viii) For soybeans, \$10.00 per bush-
21 el.

22 “(ix) For other oilseeds, \$23.75 per
23 hundredweight.

24 “(x) For peanuts, \$630.00 per ton.

1 “(xi) For dry peas, \$13.10 per hun-
2 dredweight.

3 “(xii) For lentils, \$23.75 per hundred-
4 weight.

5 “(xiii) For small chickpeas, \$22.65
6 per hundredweight.

7 “(xiv) For large chickpeas, \$25.65 per
8 hundredweight.

9 “(xv) For seed cotton, \$0.42 per
10 pound.

11 “(B) EFFECTIVENESS.—Effective begin-
12 ning with the 2031 crop year, the reference
13 prices defined in subparagraph (A) with respect
14 to a covered commodity shall equal the ref-
15 erence price in the previous crop year multiplied
16 by 1.005.

17 “(C) LIMITATION.—In no case shall a ref-
18 erence price for a covered commodity exceed
19 113 percent of the reference price for such cov-
20 ered commodity listed in subparagraph (A).”.

21 **SEC. 10302. BASE ACRES.**

22 Section 1112 of the Agricultural Act of 2014 (7
23 U.S.C. 9012) is amended—

24 (1) in subsection (d)(3)(A), by striking “2023”
25 and inserting “2031”; and

1 (2) by adding at the end the following:

2 “(e) ADDITIONAL BASE ACRES.—

3 “(1) IN GENERAL.—As soon as practicable
4 after the date of enactment of this subsection, and
5 notwithstanding subsection (a), the Secretary shall
6 provide notice to owners of eligible farms pursuant
7 to paragraph (3) and allocate to those eligible farms
8 a total of not more than an additional 30,000,000
9 base acres in the manner provided in this subsection.
10 An owner of a farm that is eligible to receive an allo-
11 cation of base acres may elect to not receive that al-
12 location by notifying the Secretary not later than 90
13 days after receipt of the notice provided by the Sec-
14 retary under this paragraph.

15 “(2) CONTENT OF NOTICE.—The notice under
16 paragraph (1) shall include the following:

17 “(A) Information that the allocation is oc-
18 curring.

19 “(B) Information regarding the eligibility
20 of the farm for an allocation of base acres
21 under paragraph (3).

22 “(C) Information regarding how an owner
23 may appeal a determination of ineligibility for
24 an allocation of base acres under paragraph (3)

1 through an appeals process established by the
2 Secretary.

3 “(3) ELIGIBILITY.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graph (D), effective beginning with the 2026
6 crop year, a farm is eligible to receive an alloca-
7 tion of base acres if, with respect to the farm,
8 the amount described in subparagraph (B) ex-
9 ceeds the amount described in subparagraph
10 (C).

11 “(B) 5-YEAR AVERAGE SUM.—The amount
12 described in this subparagraph, with respect to
13 a farm, is the sum of—

14 “(i) the 5-year average of—

15 “(I) the acreage planted on the
16 farm to all covered commodities for
17 harvest, grazing, haying, silage or
18 other similar purposes for the 2019
19 through 2023 crop years; and

20 “(II) any acreage on the farm
21 that the producers were prevented
22 from planting during the 2019
23 through 2023 crop years to covered
24 commodities because of drought,
25 flood, or other natural disaster, or

1 other condition beyond the control of
2 the producers, as determined by the
3 Secretary; plus

4 “(ii) the lesser of—

5 “(I) 15 percent of the total acres
6 on the farm; and

7 “(II) the 5-year average of—

8 “(aa) the acreage planted on
9 the farm to eligible noncovered
10 commodities for harvest, grazing,
11 haying, silage, or other similar
12 purposes for the 2019 through
13 2023 crop years; and

14 “(bb) any acreage on the
15 farm that the producers were
16 prevented from planting during
17 the 2019 through 2023 crop
18 years to eligible noncovered com-
19 modities because of drought,
20 flood, or other natural disaster,
21 or other condition beyond the
22 control of the producers, as de-
23 termined by the Secretary.

24 “(C) TOTAL NUMBER OF BASE ACRES FOR
25 COVERED COMMODITIES.—The amount de-

1 scribed in this subparagraph, with respect to a
2 farm, is the total number of base acres for cov-
3 ered commodities on the farm (excluding unas-
4 signed crop base), as in effect on September 30,
5 2024.

6 “(D) EFFECT OF NO RECENT PLANTINGS
7 OF COVERED COMMODITIES.—In the case of a
8 farm for which the amount determined under
9 clause (i) of subparagraph (B) is equal to zero,
10 that farm shall be ineligible to receive an alloca-
11 tion of base acres under this subsection.

12 “(E) ACREAGE PLANTED ON THE FARM TO
13 ELIGIBLE NONCOVERED COMMODITIES DE-
14 FINED.—In this paragraph, the term ‘acreage
15 planted on the farm to eligible noncovered com-
16 modities’ means acreage planted on a farm to
17 commodities other than covered commodities,
18 trees, bushes, vines, grass, or pasture (including
19 cropland that was idle or fallow), as determined
20 by the Secretary.

21 “(4) NUMBER OF BASE ACRES.—Subject to
22 paragraphs (3) and (8), the number of base acres al-
23 located to an eligible farm shall—

24 “(A) be equal to the difference obtained by
25 subtracting the amount determined under sub-

1 paragraph (C) of paragraph (3) from the
2 amount determined under subparagraph (B) of
3 that paragraph; and

4 “(B) include unassigned crop base.

5 “(5) ALLOCATION OF ACRES.—

6 “(A) ALLOCATION.—The Secretary shall
7 allocate the number of base acres under para-
8 graph (4) among those covered commodities
9 planted on the farm at any time during the
10 2019 through 2023 crop years.

11 “(B) ALLOCATION FORMULA.—The alloca-
12 tion of additional base acres for covered com-
13 modities shall be in proportion to the ratio of—

14 “(i) the 5-year average of—

15 “(I) the acreage planted on the
16 farm to each covered commodity for
17 harvest, grazing, haying, silage, or
18 other similar purposes for the 2019
19 through 2023 crop years; and

20 “(II) any acreage on the farm
21 that the producers were prevented
22 from planting during the 2019
23 through 2023 crop years to that cov-
24 ered commodity because of drought,
25 flood, or other natural disaster, or

1 other condition beyond the control of
2 the producers, as determined by the
3 Secretary; to

4 “(ii) the 5-year average determined
5 under paragraph (3)(B)(i).

6 “(C) INCLUSION OF ALL 5 YEARS IN AVER-
7 AGE.—For the purpose of determining a 5-year
8 acreage average under subparagraph (B) for a
9 farm, the Secretary shall not exclude any crop
10 year in which a covered commodity was not
11 planted.

12 “(D) TREATMENT OF MULTIPLE PLANTING
13 OR PREVENTED PLANTING.—For the purpose of
14 determining under subparagraph (B) the acre-
15 age on a farm that producers planted or were
16 prevented from planting during the 2019
17 through 2023 crop years to covered commod-
18 ities, if the acreage that was planted or pre-
19 vented from being planted was devoted to an-
20 other covered commodity in the same crop year
21 (other than a covered commodity produced
22 under an established practice of double crop-
23 ping), the owner may elect the covered com-
24 modity to be used for that crop year in deter-
25 mining the 5-year average, but may not include

1 both the initial covered commodity and the sub-
2 sequent covered commodity.

3 “(E) LIMITATION.—The allocation of addi-
4 tional base acres among covered commodities on
5 a farm under this paragraph may not result in
6 a total number of base acres for the farm in ex-
7 cess of the total number of acres on the farm.

8 “(6) REDUCTION BY THE SECRETARY.—In car-
9 rying out this subsection, if the total number of eli-
10 gible acres allocated to base acres across all farms
11 in the United States under this subsection would ex-
12 ceed 30,000,000 acres, the Secretary shall apply an
13 across-the-board, pro-rata reduction to the number
14 of eligible acres to ensure the number of allocated
15 base acres under this subsection is equal to
16 30,000,000 acres.

17 “(7) PAYMENT YIELD.—Beginning with crop
18 year 2026, for the purpose of making price loss cov-
19 erage payments under section 1116, the Secretary
20 shall establish payment yields to base acres allocated
21 under this subsection equal to—

22 “(A) the payment yield established on the
23 farm for the applicable covered commodity; and

1 “(B) if no such payment yield for the ap-
2 plicable covered commodity exists, a payment
3 yield—

4 “(i) equal to the average payment
5 yield for the covered commodity for the
6 county in which the farm is situated; or

7 “(ii) determined pursuant to section
8 1113(c).

9 “(8) TREATMENT OF NEW OWNERS.—In the
10 case of a farm for which the owner on the date of
11 enactment of this subsection was not the owner for
12 the 2019 through 2023 crop years, the Secretary
13 shall use the planting history of the prior owner or
14 owners of that farm for purposes of determining—

15 “(A) eligibility under paragraph (3);

16 “(B) eligible acres under paragraph (4);

17 and

18 “(C) the allocation of acres under para-
19 graph (5).”.

20 **SEC. 10303. PRODUCER ELECTION.**

21 (a) IN GENERAL.—Section 1115 of the Agricultural
22 Act of 2014 (7 U.S.C. 9015) is amended—

23 (1) in subsection (a), in the matter preceding
24 paragraph (1), by striking “2023” and inserting
25 “2031”;

1 (2) in subsection (c)—

2 (A) in the matter preceding paragraph

3 (1)—

4 (i) by striking “crop year or” and in-
5 serting “crop year,”; and

6 (ii) by inserting “or the 2026 crop
7 year,” after “2019 crop year,”;

8 (B) in paragraph (1)—

9 (i) by striking “crop year or” and in-
10 serting “crop year,”; and

11 (ii) by inserting “or the 2026 crop
12 year,” after “2019 crop year,”; and

13 (C) in paragraph (2)—

14 (i) in subparagraph (A), by striking
15 “and” at the end;

16 (ii) in subparagraph (B), by striking
17 the period at the end and inserting “;
18 and”; and

19 (iii) by adding at the end the fol-
20 lowing:

21 “(C) the same coverage for each covered
22 commodity on the farm for the 2027 through
23 2031 crop years as was applicable for the 2025
24 crop year.”; and

25 (3) by adding at the end the following:

1 “(i) HIGHER OF PRICE LOSS COVERAGE PAYMENTS
2 AND AGRICULTURE RISK COVERAGE PAYMENTS.—For
3 the 2025 crop year, the Secretary shall, on a covered com-
4 modity-by-covered commodity basis, make the higher of
5 price loss coverage payments under section 1116 and agri-
6 culture risk coverage county coverage payments under sec-
7 tion 1117 to the producers on a farm for the payment
8 acres for each covered commodity on the farm.”.

9 (b) FEDERAL CROP INSURANCE SUPPLEMENTAL
10 COVERAGE OPTION.—Section 508(c)(4)(C)(iv) of the Fed-
11 eral Crop Insurance Act (7 U.S.C. 1508(c)(4)(C)(iv)) is
12 amended by striking “Crops for which the producer has
13 elected under section 1116 of the Agricultural Act of 2014
14 to receive agriculture risk coverage and acres” and insert-
15 ing “Acres”.

16 **SEC. 10304. PRICE LOSS COVERAGE.**

17 Section 1116 of the Agricultural Act of 2014 (7
18 U.S.C. 9016) is amended—

19 (1) in subsection (a)(2), in the matter pre-
20 ceding subparagraph (A), by striking “2023” and
21 inserting “2031”;

22 (2) in subsection (c)(1)(B)—

23 (A) in the subparagraph heading, by strik-
24 ing “2023” and inserting “2031”; and

1 (B) in the matter preceding clause (i), by
2 striking “2023” and inserting “2031”;

3 (3) in subsection (d), in the matter preceding
4 paragraph (1), by striking “2025” and inserting
5 “2031”; and

6 (4) in subsection (g)—

7 (A) by striking “subparagraph (F) of sec-
8 tion 1111(19)” and inserting “paragraph
9 (19)(A)(vi) of section 1111”; and

10 (B) by striking “2012 through 2016” each
11 place it appears and inserting “2017 through
12 2021”.

13 **SEC. 10305. AGRICULTURE RISK COVERAGE.**

14 Section 1117 of the Agricultural Act of 2014 (7
15 U.S.C. 9017) is amended—

16 (1) in subsection (a), in the matter preceding
17 paragraph (1), by striking “2023” and inserting
18 “2031”;

19 (2) in subsection (c)—

20 (A) in paragraph (1), by inserting “for
21 each of the 2014 through 2024 crop years and
22 90 percent of the benchmark revenue for each
23 of the 2025 through 2031 crop years” before
24 the period at the end;

1 (B) by striking “2023” each place it ap-
2 pears and inserting “2031”; and

3 (C) in paragraph (4)(B), in the subpara-
4 graph heading, by striking “2023” and inserting
5 “2031”;

6 (3) in subsection (d)(1), by striking subpara-
7 graph (B) and inserting the following:

8 “(B)(i) for each of the 2014 through 2024
9 crop years, 10 percent of the benchmark rev-
10 enue for the crop year applicable under sub-
11 section (c); and

12 “(ii) for each of the 2025 through 2031
13 crop years, 12 percent of the benchmark rev-
14 enue for the crop year applicable under sub-
15 section (c).”; and

16 (4) in subsections (e), (g)(5), and (i)(5), by
17 striking “2023” each place it appears and inserting
18 “2031”.

19 **SEC. 10306. EQUITABLE TREATMENT OF CERTAIN ENTITIES.**

20 (a) IN GENERAL.—Section 1001 of the Food Security
21 Act of 1985 (7 U.S.C. 1308) is amended—

22 (1) in subsection (a)—

23 (A) by redesignating paragraph (5) as
24 paragraph (6); and

1 (B) by inserting after paragraph (4) the
2 following:

3 “(5) QUALIFIED PASS-THROUGH ENTITY.—The
4 term ‘qualified pass-through entity’ means—

5 “(A) a partnership (within the meaning of
6 subchapter K of chapter 1 of the Internal Rev-
7 enue Code of 1986);

8 “(B) an S corporation (as defined in sec-
9 tion 1361 of that Code);

10 “(C) a limited liability company that does
11 not affirmatively elect to be treated as a cor-
12 poration; and

13 “(D) a joint venture or general partner-
14 ship.”;

15 (2) in subsections (b) and (c), by striking “ex-
16 cept a joint venture or general partnership” each
17 place it appears and inserting “except a qualified
18 pass-through entity”; and

19 (3) in subsection (d), by striking “subtitle B of
20 title I of the Agricultural Act of 2014 or”.

21 (b) CONTRIBUTION OF PAYMENTS.—Section
22 1001(e)(3)(B)(ii) of the Food Security Act of 1985 (7
23 U.S.C. 1308(e)(3)(B)(ii)) is amended—

1 (1) in the clause heading, by striking “JOINT
2 VENTURES AND GENERAL PARTNERSHIPS” and in-
3 serting “QUALIFIED PASS-THROUGH ENTITIES”;

4 (2) by striking “a joint venture or a general
5 partnership” and inserting “a qualified pass-through
6 entity”;

7 (3) by striking “joint ventures and general
8 partnerships” and inserting “qualified pass-through
9 entities”; and

10 (4) by striking “the joint venture or general
11 partnership” and inserting “the qualified pass-
12 through entity”.

13 (c) PERSONS ACTIVELY ENGAGED IN FARMING.—
14 Section 1001A(b)(2) of the Food Security Act of 1985 (7
15 U.S.C. 1308–1(b)(2)) is amended—

16 (1) subparagraphs (A) and (B), by striking “a
17 general partnership, a participant in a joint venture”
18 each place it appears and inserting “a qualified
19 pass-through entity”; and

20 (2) in subparagraph (C), by striking “a general
21 partnership, joint venture, or similar entity” and in-
22 serting “a qualified pass-through entity or a similar
23 entity”.

24 (d) JOINT AND SEVERAL LIABILITY.—Section
25 1001B(d) of the Food Security Act of 1985 (7 U.S.C.

1 1308–2(d)) is amended by striking “partnerships and
2 joint ventures” and inserting “qualified pass-through enti-
3 ties”.

4 (e) EXCLUSION FROM AGI CALCULATION.—Section
5 1001D(d) of the Food Security Act of 1985 (7 U.S.C.
6 1308–3a(d)) is amended by striking “, general partner-
7 ship, or joint venture” each place it appears.

8 **SEC. 10307. PAYMENT LIMITATIONS.**

9 Section 1001 of the Food Security Act of 1985 (7
10 U.S.C. 1308) is amended—

11 (1) in subsection (b)—

12 (A) by striking “The” and inserting “Sub-
13 ject to subsection (i), the”; and

14 (B) by striking “\$125,000” and inserting
15 “\$155,000”;

16 (2) in subsection (c)—

17 (A) by striking “The” and inserting “Sub-
18 ject to subsection (i), the”; and

19 (B) by striking “\$125,000” and inserting
20 “\$155,000”; and

21 (3) by adding at the end the following:

22 “(i) ADJUSTMENT.—For the 2025 crop year and
23 each crop year thereafter, the Secretary shall annually ad-
24 just the amounts described in subsections (b) and (c) for
25 inflation based on the Consumer Price Index for All Urban

1 Consumers published by the Bureau of Labor Statistics
2 of the Department of Labor.”.

3 **SEC. 10308. ADJUSTED GROSS INCOME LIMITATION.**

4 Section 1001D(b) of the Food Security Act of 1985
5 (7 U.S.C. 1308–3a(b)) is amended—

6 (1) in paragraph (1), by striking “paragraph
7 (3)” and inserting “paragraphs (3) and (4)”; and
8 (2) by adding at the end the following:

9 “(4) EXCEPTION FOR CERTAIN OPERATIONS.—

10 “(A) DEFINITIONS.—In this paragraph:

11 “(i) EXCEPTED PAYMENT OR BEN-
12 EFIT.—The term ‘excepted payment or
13 benefit’ means—

14 “(I) a payment or benefit under
15 subtitle E of title I of the Agricultural
16 Act of 2014 (7 U.S.C. 9081 et seq.);

17 “(II) a payment or benefit under
18 section 196 of the Federal Agriculture
19 Improvement and Reform Act of 1996
20 (7 U.S.C. 7333); and

21 “(III) a payment or benefit de-
22 scribed in paragraph (2)(C) received
23 on or after October 1, 2024.

24 “(ii) FARMING, RANCHING, OR
25 SILVICULTURE ACTIVITIES.—The term

1 ‘farming, ranching, or silviculture activi-
2 ties’ includes agri-tourism, direct-to-con-
3 sumer marketing of agricultural products,
4 the sale of agricultural equipment owned
5 by the person or legal entity, and other ag-
6 riculture-related activities, as determined
7 by the Secretary.

8 “(B) EXCEPTION.—In the case of an ex-
9 cepted payment or benefit, the limitation estab-
10 lished by paragraph (1) shall not apply to a
11 person or legal entity during a crop, fiscal, or
12 program year, as appropriate, if greater than or
13 equal to 75 percent of the average gross income
14 of the person or legal entity derives from farm-
15 ing, ranching, or silviculture activities.”.

16 **SEC. 10309. MARKETING LOANS.**

17 (a) AVAILABILITY OF NONRECOURSE MARKETING
18 ASSISTANCE LOANS FOR LOAN COMMODITIES.—Section
19 1201(b)(1) of the Agricultural Act of 2014 (7 U.S.C.
20 9031(b)(1)) is amended by striking “2023” and inserting
21 “2031”.

22 (b) LOAN RATES FOR NONRECOURSE MARKETING
23 ASSISTANCE LOANS.—Section 1202 of the Agricultural
24 Act of 2014 (7 U.S.C. 9032) is amended—

25 (1) in subsection (b)—

1 (A) in the subsection heading, by striking
2 “2023” and inserting “2025”; and

3 (B) in the matter preceding paragraph (1),
4 by striking “2023” and inserting “2025”;

5 (2) by redesignating subsections (c) and (d) as
6 subsections (d) and (e), respectively;

7 (3) by inserting after subsection (b) the fol-
8 lowing:

9 “(c) 2026 THROUGH 2031 CROP YEARS.—For pur-
10 poses of each of the 2026 through 2031 crop years, the
11 loan rate for a marketing assistance loan under section
12 1201 for a loan commodity shall be equal to the following:

13 “(1) In the case of wheat, \$3.72 per bushel.

14 “(2) In the case of corn, \$2.42 per bushel.

15 “(3) In the case of grain sorghum, \$2.42 per
16 bushel.

17 “(4) In the case of barley, \$2.75 per bushel.

18 “(5) In the case of oats, \$2.20 per bushel.

19 “(6) In the case of upland cotton, \$0.55 per
20 pound.

21 “(7) In the case of extra long staple cotton,
22 \$1.00 per pound.

23 “(8) In the case of long grain rice, \$7.70 per
24 hundredweight.

1 “(9) In the case of medium grain rice, \$7.70
2 per hundredweight.

3 “(10) In the case of soybeans, \$6.82 per bushel.

4 “(11) In the case of other oilseeds, \$11.10 per
5 hundredweight for each of the following kinds of oil-
6 seeds:

7 “(A) Sunflower seed.

8 “(B) Rapeseed.

9 “(C) Canola.

10 “(D) Safflower.

11 “(E) Flaxseed.

12 “(F) Mustard seed.

13 “(G) Crambe.

14 “(H) Sesame seed.

15 “(I) Other oilseeds designated by the Sec-
16 retary.

17 “(12) In the case of dry peas, \$6.87 per hun-
18 dredweight.

19 “(13) In the case of lentils, \$14.30 per hun-
20 dredweight.

21 “(14) In the case of small chickpeas, \$11.00
22 per hundredweight.

23 “(15) In the case of large chickpeas, \$15.40 per
24 hundredweight.

1 “(16) In the case of graded wool, \$1.60 per
2 pound.

3 “(17) In the case of nongraded wool, \$0.55 per
4 pound.

5 “(18) In the case of mohair, \$5.00 per pound.

6 “(19) In the case of honey, \$1.50 per pound.

7 “(20) In the case of peanuts, \$390 per ton.”;

8 (4) in subsection (d) (as so redesignated), by
9 striking “(a)(11) and (b)(11)” and inserting
10 “(a)(11), (b)(11), and (c)(11)”; and

11 (5) in subsection (e) (as so redesignated), in
12 paragraph (1), by striking “\$0.25” and inserting
13 “\$0.30”.

14 (c) PAYMENT OF COTTON STORAGE COSTS.—Section
15 1204(g) of the Agricultural Act of 2014 (7 U.S.C.
16 9034(g)) is amended—

17 (1) by striking “Effective” and inserting the
18 following:

19 “(1) CROP YEARS 2014 THROUGH 2025.—Effec-
20 tive”;

21 (2) in paragraph (1) (as so designated), by
22 striking “2023” and inserting “2025”; and

23 (3) by adding at the end the following:

24 “(2) PAYMENT OF COTTON STORAGE COSTS.—
25 Effective for each of the 2026 through 2031 crop

1 years, the Secretary shall make cotton storage pay-
2 ments for upland cotton and extra long staple cotton
3 available in the same manner as the Secretary pro-
4 vided storage payments for the 2006 crop of upland
5 cotton, except that the payment rate shall be equal
6 to the lesser of—

7 “(A) the submitted storage charge for the
8 current marketing year; and

9 “(B) in the case of storage in—

10 “(i) California or Arizona, a payment
11 rate of \$4.90; and

12 “(ii) any other State, a payment rate
13 of \$3.00.”.

14 (d) LOAN DEFICIENCY PAYMENTS.—

15 (1) CONTINUATION.—Section 1205(a)(2)(B) of
16 the Agricultural Act of 2014 (7 U.S.C.
17 9035(a)(2)(B)) is amended by striking “2023” and
18 inserting “2031”.

19 (2) PAYMENTS IN LIEU OF LDPS.—Section
20 1206 of the Agricultural Act of 2014 (7 U.S.C.
21 9036) is amended, in subsections (a) and (d), by
22 striking “2023” each place it appears and inserting
23 “2031”.

24 (e) SPECIAL COMPETITIVE PROVISIONS FOR EXTRA
25 LONG STAPLE COTTON.—Section 1208(a) of the Agricul-

1 tural Act of 2014 (7 U.S.C. 9038(a)) is amended, in the
2 matter preceding paragraph (1), by striking “2026” and
3 inserting “2032”.

4 (f) AVAILABILITY OF RECOURSE LOANS.—Section
5 1209 of the Agricultural Act of 2014 (7 U.S.C. 9039) is
6 amended, in subsections (a)(2), (b), and (c), by striking
7 “2023” each place it appears and inserting “2031”.

8 **SEC. 10310. REPAYMENT OF MARKETING LOANS.**

9 Section 1204 of the Agricultural Act of 2014 (7
10 U.S.C. 9034) is amended—

11 (1) in subsection (b)—

12 (A) by redesignating paragraph (1) as sub-
13 paragraph (A) and indenting appropriately;

14 (B) in the matter preceding subparagraph
15 (A) (as so redesignated), by striking “The Sec-
16 retary” and inserting the following:

17 “(1) IN GENERAL.—The Secretary”; and

18 (C) by striking paragraph (2) and insert-
19 ing the following:

20 “(B)(i) in the case of long grain rice and
21 medium grain rice, the prevailing world market
22 price for the commodity, as determined and ad-
23 justed by the Secretary in accordance with this
24 section; or

“(ii) in the case of upland cotton, the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.

1 “(2) the prevailing world market price for the
2 commodity, as determined and adjusted by the Sec-
3 retary in accordance with this section.”;

4 (3) in subsection (d)—

5 (A) in paragraph (1), by striking “and me-
6 dium grain rice” and inserting “medium grain
7 rice, and extra long staple cotton”;

8 (B) by redesignating paragraphs (1) and
9 (2) as subparagraphs (A) and (B), respectively,
10 and indenting appropriately;

11 (C) in the matter preceding subparagraph
12 (A) (as so redesignated), by striking “For pur-
13 poses” and inserting the following:

14 “(1) IN GENERAL.—For purposes”; and

15 (D) by adding at the end the following:

16 “(2) UPLAND COTTON.—In the case of upland
17 cotton, for any period when price quotations for
18 Middling (M) $1\frac{3}{32}$ -inch cotton are available, the for-
19 mula under paragraph (1)(A) shall be based on the
20 average of the 3 lowest-priced growths that are
21 quoted.”; and

22 (4) in subsection (e)—

23 (A) in the subsection heading, by inserting
24 “EXTRA LONG STAPLE COTTON,” after “UP-
25 LAND COTTON,”;

1 (B) in paragraph (2)—

2 (i) in the paragraph heading, by in-
3 serting “UPLAND” before “COTTON”; and

4 (ii) in subparagraph (B), in the mat-
5 ter preceding clause (i), by striking
6 “2024” and inserting “2032”;

7 (C) by redesignating paragraph (3) as
8 paragraph (4); and

9 (D) by inserting after paragraph (2) the
10 following:

11 “(3) EXTRA LONG STAPLE COTTON.—The pre-
12 vailing world market price for extra long staple cot-
13 ton determined under subsection (d)—

14 “(A) shall be adjusted to United States
15 quality and location, with the adjustment to in-
16 clude the average costs to market the com-
17 modity, including average transportation costs,
18 as determined by the Secretary; and

19 “(B) may be further adjusted, during the
20 period beginning on the date of enactment of
21 the Act entitled ‘An Act to provide for reconcili-
22 ation pursuant to title II of H. Con. Res. 14’
23 (119th Congress) and ending on July 31, 2032,
24 if the Secretary determines the adjustment is
25 necessary—

1 “(i) to minimize potential loan forfeit-
2 ures;

3 “(ii) to minimize the accumulation of
4 stocks of extra long staple cotton by the
5 Federal Government;

6 “(iii) to ensure that extra long staple
7 cotton produced in the United States can
8 be marketed freely and competitively; and

9 “(iv) to ensure an appropriate transi-
10 tion between current-crop and forward-
11 crop price quotations, except that the Sec-
12 retary may use forward-crop price
13 quotations prior to July 31 of a marketing
14 year only if—

15 “(I) there are insufficient cur-
16 rent-crop price quotations; and

17 “(II) the forward-crop price
18 quotation is the lowest such quotation
19 available.”.

20 **SEC. 10311. ECONOMIC ADJUSTMENT ASSISTANCE FOR TEX-**
21 **TILE MILLS.**

22 Section 1207(c) of the Agricultural Act of 2014 (7
23 U.S.C. 9037(c)) is amended by striking paragraph (2) and
24 inserting the following:

1 “(2) VALUE OF ASSISTANCE.—The value of the
2 assistance provided under paragraph (1) shall be—

3 “(A) for the period beginning on August 1,
4 2013, and ending on July 31, 2025, 3 cents per
5 pound; and

6 “(B) beginning on August 1, 2025, 5 cents
7 per pound.”.

8 **SEC. 10312. SUGAR PROGRAM UPDATES.**

9 (a) LOAN RATE MODIFICATIONS.—Section 156 of the
10 Federal Agriculture Improvement and Reform Act of 1996
11 (7 U.S.C. 7272) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (4), by striking “and” at
14 the end;

15 (B) in paragraph (5), by striking “2023
16 crop years.” and inserting “2024 crop years;
17 and”; and

18 (C) by adding at the end the following:

19 “(6) 24.00 cents per pound for raw cane sugar
20 for each of the 2025 through 2031 crop years.”;

21 (2) in subsection (b)—

22 (A) in paragraph (1), by striking “and” at
23 the end;

1 (B) in paragraph (2), by striking “2023
2 crop years.” and inserting “2024 crop years;
3 and”; and

4 (C) by adding at the end the following:

5 “(3) a rate that is equal to 136.55 percent of
6 the loan rate per pound of raw cane sugar under
7 subsection (a)(6) for each of the 2025 through 2031
8 crop years.”; and

9 (3) in subsection (i), by striking “2023” and in-
10 serting “2031”.

11 (b) ADJUSTMENTS TO COMMODITY CREDIT COR-
12 PORATION STORAGE RATES.—Section 167 of the Federal
13 Agriculture Improvement and Reform Act of 1996 (7
14 U.S.C. 7287) is amended—

15 (1) by striking subsection (a) and inserting the
16 following:

17 “(a) IN GENERAL.—For the 2025 crop year and each
18 subsequent crop year, the Commodity Credit Corporation
19 shall establish rates for the storage of forfeited sugar in
20 an amount that is not less than—

21 “(1) in the case of refined sugar, 34 cents per
22 hundredweight per month; and

23 “(2) in the case of raw cane sugar, 27 cents per
24 hundredweight per month.”; and

25 (2) in subsection (b)—

1 (A) in the subsection heading, by striking
2 “SUBSEQUENT” and inserting “PRIOR”; and

3 (B) by striking “and subsequent” and in-
4 serting “through 2024”.

5 (c) MODERNIZING BEET SUGAR ALLOTMENTS.—

6 (1) SUGAR ESTIMATES.—Section 359b(a)(1) of
7 the Agricultural Adjustment Act of 1938 (7 U.S.C.
8 1359bb(a)(1)) is amended by striking “2023” and
9 inserting “2031”.

10 (2) ALLOCATION TO PROCESSORS.—Section
11 359c(g)(2) of the Agricultural Adjustment Act of
12 1938 (7 U.S.C. 1359cc(g)(2)) is amended—

13 (A) by striking “In the case” and inserting
14 the following:

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), in the case”; and

17 (B) by adding at the end the following:

18 “(B) EXCEPTION.—If the Secretary makes
19 an upward adjustment under paragraph (1)(A),
20 in adjusting allocations among beet sugar proc-
21 essors, the Secretary shall give priority to beet
22 sugar processors with available sugar.”.

23 (3) TIMING OF REASSIGNMENT.—Section
24 359e(b)(2) of the Agricultural Adjustment Act of
25 1938 (7 U.S.C. 1359ee(b)(2)) is amended—

1 (A) by redesignating subparagraphs (A)
2 through (C) as clauses (i) through (iii), respec-
3 tively, and indenting appropriately;

4 (B) in the matter preceding clause (i) (as
5 so redesignated), by striking “If the Secretary”
6 and inserting the following:

7 “(A) IN GENERAL.—If the Secretary”; and
8 (C) by adding at the end the following:

9 “(B) TIMING.—In carrying out subpara-
10 graph (A), the Secretary shall—

11 “(i) make an initial determination
12 based on the World Agricultural Supply
13 and Demand Estimates approved by the
14 World Agricultural Outlook Board for Jan-
15 uary that shall be applicable to the crop
16 year for which allotments are required; and

17 “(ii) provide for an initial reassign-
18 ment under subparagraph (A)(i) not later
19 than 30 days after the date on which the
20 World Agricultural Supply and Demand
21 Estimates described in clause (i) is re-
22 leased.”.

23 (d) REALLOCATIONS OF TARIFF-RATE QUOTA
24 SHORTFALL.—Section 359k of the Agricultural Adjust-

1 ment Act of 1938 (7 U.S.C. 1359kk) is amended by add-
2 ing at the end the following:

3 “(c) REALLOCATION.—

4 “(1) INITIAL REALLOCATION.—Subject to para-
5 graph (3), following the establishment of the tariff-
6 rate quotas under subsection (a) for a quota year,
7 the Secretary shall—

8 “(A) determine which countries do not in-
9 tend to fulfill their allocation for the quota
10 year; and

11 “(B) reallocate any forecasted shortfall in
12 the fulfillment of the tariff-rate quotas as soon
13 as practicable.

14 “(2) SUBSEQUENT REALLOCATION.—Subject to
15 paragraph (3), not later than March 1 of a quota
16 year, the Secretary shall reallocate any additional
17 forecasted shortfall in the fulfillment of the tariff-
18 rate quotas for raw cane sugar established under
19 subsection (a)(1) for that quota year.

20 “(3) CESSATION OF EFFECTIVENESS.—Para-
21 graphs (1) and (2) shall cease to be in effect if—

22 “(A) the Agreement Suspending the Coun-
23 tervailing Duty Investigation on Sugar from
24 Mexico, signed December 19, 2014, is termi-
25 nated; and

1 “(B) no countervailing duty order under
2 subtitle A of title VII of the Tariff Act of 1930
3 (19 U.S.C. 1671 et seq.) is in effect with re-
4 spect to sugar from Mexico.

5 “(d) REFINED SUGAR.—

6 “(1) DEFINITION OF DOMESTIC SUGAR INDUS-
7 TRY.—In this subsection, the term ‘domestic sugar
8 industry’ means domestic—

9 “(A) sugar beet producers and processors;

10 “(B) producers and processors of sugar
11 cane; and

12 “(C) refiners of raw cane sugar.

13 “(2) STUDY REQUIRED.—

14 “(A) IN GENERAL.—Not later than 180
15 days after the date of enactment of this sub-
16 section, the Secretary shall conduct a study on
17 whether the establishment of additional terms
18 and conditions with respect to refined sugar im-
19 ports is necessary and appropriate.

20 “(B) ELEMENTS.—In conducting the study
21 under subparagraph (A), the Secretary shall ex-
22 amine the following:

23 “(i) The need for—

1 “(I) defining ‘refined sugar’ as
2 having a minimum polarization of
3 99.8 degrees or higher;

4 “(II) establishing a standard for
5 color- or reflectance-based units for
6 refined sugar such as those utilized by
7 the International Commission of Uni-
8 form Methods of Sugar Analysis;

9 “(III) prescribing specifications
10 for packaging type for refined sugar;

11 “(IV) prescribing specifications
12 for transportation modes for refined
13 sugar;

14 “(V) requiring evidence that
15 sugar imported as refined sugar will
16 not undergo further refining in the
17 United States;

18 “(VI) prescribing appropriate
19 terms and conditions to avoid unlaw-
20 ful sugar imports; and

21 “(VII) establishing other defini-
22 tions, terms and conditions, or other
23 requirements.

24 “(ii) The potential impact of modifica-
25 tions described in each of subclauses (I)

1 through (VII) of clause (i) on the domestic
2 sugar industry.

3 “(iii) Whether, based on the needs de-
4 scribed in clause (i) and the impact de-
5 scribed in clause (ii), the establishment of
6 additional terms and conditions is appro-
7 priate.

8 “(C) CONSULTATION.—In conducting the
9 study under subparagraph (A), the Secretary
10 shall consult with representatives of the domes-
11 tic sugar industry and users of refined sugar.

12 “(D) REPORT.—Not later than 1 year
13 after the date of enactment of this subsection,
14 the Secretary shall submit to the Committee on
15 Agriculture of the House of Representatives
16 and the Committee on Agriculture, Nutrition,
17 and Forestry of the Senate a report that de-
18 scribes the findings of the study conducted
19 under subparagraph (A).

20 “(3) ESTABLISHMENT OF ADDITIONAL TERMS
21 AND CONDITIONS PERMITTED.—

22 “(A) IN GENERAL.—Based on the findings
23 in the report submitted under paragraph
24 (2)(D), and after providing notice to the Com-
25 mittee on Agriculture of the House of Rep-

1 representatives and the Committee on Agriculture,
2 Nutrition, and Forestry of the Senate, the Sec-
3 retary may issue regulations in accordance with
4 subparagraph (B) to establish additional terms
5 and conditions with respect to refined sugar im-
6 ports that are necessary and appropriate.

7 “(B) PROMULGATION OF REGULATIONS.—
8 The Secretary may issue regulations under sub-
9 paragraph (A) if the regulations—

10 “(i) do not have an adverse impact on
11 the domestic sugar industry; and

12 “(ii) are consistent with the require-
13 ments of this part, section 156 of the Fed-
14 eral Agriculture Improvement and Reform
15 Act of 1996 (7 U.S.C. 7272), and obliga-
16 tions under international trade agreements
17 that have been approved by Congress.”.

18 (e) CLARIFICATION OF TARIFF-RATE QUOTA AD-
19 JUSTMENTS.—Section 359k(b)(1) of the Agricultural Ad-
20 justment Act of 1938 (7 U.S.C. 1359kk(b)(1)) is amend-
21 ed, in the matter preceding subparagraph (A), by striking
22 “if there is an” and inserting “for the sole purpose of re-
23 sponding directly to an”.

24 (f) PERIOD OF EFFECTIVENESS.—Section 359l(a) of
25 the Agricultural Adjustment Act of 1938 (7 U.S.C.

1 1359ll(a)) is amended by striking “2023” and inserting
2 “2031”.

3 **SEC. 10313. DAIRY POLICY UPDATES.**

4 (a) DAIRY MARGIN COVERAGE PRODUCTION HIS-
5 TORY.—

6 (1) DEFINITION.—Section 1401(8) of the Agri-
7 cultural Act of 2014 (7 U.S.C. 9051(8)) is amended
8 by striking “when the participating dairy operation
9 first registers to participate in dairy margin cov-
10 erage”.

11 (2) PRODUCTION HISTORY OF PARTICIPATING
12 DAIRY OPERATIONS.—Section 1405 of the Agricul-
13 tural Act of 2014 (7 U.S.C. 9055) is amended by
14 striking subsections (a) and (b) and inserting the
15 following:

16 “(a) PRODUCTION HISTORY.—Except as provided in
17 subsection (b), the production history of a dairy operation
18 for dairy margin coverage is equal to the highest annual
19 milk marketings of the participating dairy operation dur-
20 ing any 1 of the 2021, 2022, or 2023 calendar years.

21 “(b) ELECTION BY NEW DAIRY OPERATIONS.—In
22 the case of a participating dairy operation that has been
23 in operation for less than a year, the participating dairy
24 operation shall elect 1 of the following methods for the

1 Secretary to determine the production history of the par-
2 ticipating dairy operation:

3 “(1) The volume of the actual milk marketings
4 for the months the participating dairy operation has
5 been in operation extrapolated to a yearly amount.

6 “(2) An estimate of the actual milk marketings
7 of the participating dairy operation based on the
8 herd size of the participating dairy operation relative
9 to the national rolling herd average data published
10 by the Secretary.”.

11 (b) DAIRY MARGIN COVERAGE PAYMENTS.—Section
12 1406(a)(1)(C) of the Agricultural Act of 2014 (7 U.S.C.
13 9056(a)(1)(C)) is amended by striking “5,000,000” each
14 place it appears and inserting “6,000,000”.

15 (c) PREMIUMS FOR DAIRY MARGINS.—

16 (1) TIER I.—Section 1407(b) of the Agricul-
17 tural Act of 2014 (7 U.S.C. 9057(b)) is amended—

18 (A) in the subsection heading, by striking
19 “5,000,000” and inserting “6,000,000”; and

20 (B) in paragraph (1), by striking
21 “5,000,000” and inserting “6,000,000”.

22 (2) TIER II.—Section 1407(c) of the Agricul-
23 tural Act of 2014 (7 U.S.C. 9057(c)) is amended—

24 (A) in the subsection heading, by striking
25 “5,000,000” and inserting “6,000,000”; and

1 (B) in paragraph (1), by striking
2 “5,000,000” and inserting “6,000,000”.

3 (3) PREMIUM DISCOUNTS.—Section 1407(g) of
4 the Agricultural Act of 2014 (7 U.S.C. 9057(g)) is
5 amended—

6 (A) in paragraph (1)—

7 (i) by striking “2019 through 2023”
8 and inserting “2026 through 2031”; and

9 (ii) by striking “January 2019” and
10 inserting “January 2026”; and

11 (B) in paragraph (2), by striking “2023”
12 each place it appears and inserting “2031”.

13 (d) DURATION.—Section 1409 of the Agricultural
14 Act of 2014 (7 U.S.C. 9059) is amended by striking
15 “2025” and inserting “2031”.

16 **SEC. 10314. IMPLEMENTATION.**

17 Section 1614(c) of the Agricultural Act of 2014 (7
18 U.S.C. 9097(c)) is amended by adding at the end the fol-
19 lowing:

20 “(5) FURTHER FUNDING.—The Secretary shall
21 make available to carry out subtitle C of title I of
22 the Act entitled ‘An Act to provide for reconciliation
23 pursuant to title II of H. Con. Res. 14’ (119th Con-
24 gress) and the amendments made by that subtitle

1 \$50,000,000, to remain available until expended, of
2 which—

3 “(A) not less than \$5,000,000 shall be
4 used to carry out paragraphs (3) and (4) of
5 subsection (b);

6 “(B) \$3,000,000 shall be used for activi-
7 ties described in paragraph (3)(A);

8 “(C) \$3,000,000 shall be used for activities
9 described in paragraph (3)(B);

10 “(D) \$9,000,000 shall be used—

11 “(i) to carry out mandatory surveys of
12 dairy production cost and product yield in-
13 formation to be reported by manufacturers
14 required to report under section 273 of the
15 Agricultural Marketing Act of 1946 (7
16 U.S.C. 1637b), for all products processed
17 in the same facility or facilities; and

18 “(ii) to publish the results of such
19 surveys biennially; and

20 “(E) \$1,000,000 shall be used to conduct
21 the study under subsection (d) of section 359k
22 of the Agricultural Adjustment Act of 1938 (7
23 U.S.C. 1359kk).”.

1 **Subtitle D—Disaster Assistance**
2 **Programs**

3 **SEC. 10401. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**
4 **SISTANCE.**

5 (a) LIVESTOCK INDEMNITY PAYMENTS.—Section
6 1501(b) of the Agricultural Act of 2014 (7 U.S.C.
7 9081(b)) is amended—

8 (1) by striking paragraph (2) and inserting the
9 following:

10 “(2) PAYMENT RATES.—

11 “(A) LOSSES DUE TO PREDATION.—In-
12 demnity payments to an eligible producer on a
13 farm under paragraph (1)(A) shall be made at
14 a rate of 100 percent of the market value of the
15 affected livestock on the applicable date, as de-
16 termined by the Secretary.

17 “(B) LOSSES DUE TO ADVERSE WEATHER
18 OR DISEASE.—Indemnity payments to an eligi-
19 ble producer on a farm under subparagraph (B)
20 or (C) of paragraph (1) shall be made at a rate
21 of 75 percent of the market value of the af-
22 fected livestock on the applicable date, as deter-
23 mined by the Secretary.

24 “(C) DETERMINATION OF MARKET
25 VALUE.—In determining the market value de-

1 scribed in subparagraphs (A) and (B), the Sec-
2 retary may consider the ability of eligible pro-
3 ducers to document regional price premiums for
4 affected livestock that exceed the national aver-
5 age market price for those livestock.

6 “(D) APPLICABLE DATE DEFINED.—In
7 this paragraph, the term ‘applicable date’
8 means, with respect to livestock, as applicable—

9 “(i) the day before the date of death
10 of the livestock; or

11 “(ii) the day before the date of the
12 event that caused the harm to the livestock
13 that resulted in a reduced sale price.”; and

14 (2) by adding at the end the following:

15 “(5) ADDITIONAL PAYMENT FOR UNBORN LIVE-
16 STOCK.—

17 “(A) IN GENERAL.—In the case of unborn
18 livestock death losses incurred on or after Janu-
19 ary 1, 2024, the Secretary shall make an addi-
20 tional payment to eligible producers on farms
21 that have incurred such losses in excess of the
22 normal mortality due to a condition specified in
23 paragraph (1).

1 “(B) PAYMENT RATE.—Additional pay-
2 ments under subparagraph (A) shall be made at
3 a rate—

4 “(i) determined by the Secretary; and

5 “(ii) less than or equal to 85 percent
6 of the payment rate established with re-
7 spect to the lowest weight class of the live-
8 stock, as determined by the Secretary, act-
9 ing through the Administrator of the Farm
10 Service Agency.

11 “(C) PAYMENT AMOUNT.—The amount of
12 a payment to an eligible producer that has in-
13 curred unborn livestock death losses shall be
14 equal to the payment rate determined under
15 subparagraph (B) multiplied, in the case of live-
16 stock described in—

17 “(i) subparagraph (A), (B), or (F) of
18 subsection (a)(4), by 1;

19 “(ii) subparagraph (D) of such sub-
20 section, by 2;

21 “(iii) subparagraph (E) of such sub-
22 section, by 12; and

23 “(iv) subparagraph (G) of such sub-
24 section, by the average number of birthed
25 animals (for one gestation cycle) for the

1 species of each such livestock, as deter-
2 mined by the Secretary.

3 “(D) UNBORN LIVESTOCK DEATH LOSSES
4 DEFINED.—In this paragraph, the term ‘unborn
5 livestock death losses’ means losses of any live-
6 stock described in subparagraph (A), (B), (D),
7 (E), (F), or (G) of subsection (a)(4) that was
8 gestating on the date of the death of the live-
9 stock.”.

10 (b) LIVESTOCK FORAGE DISASTER PROGRAM.—Sec-
11 tion 1501(c)(3)(D)(ii)(I) of the Agricultural Act of 2014
12 (7 U.S.C. 9081(c)(3)(D)(ii)(I)) is amended—

13 (1) by striking “1 monthly payment” and in-
14 serting “2 monthly payments”; and

15 (2) by striking “county for at least 8 consecu-
16 tive” and inserting the following: “county for not
17 less than—

18 “(aa) 4 consecutive weeks
19 during the normal grazing period
20 for the county, as determined by
21 the Secretary, shall be eligible to
22 receive assistance under this
23 paragraph in an amount equal to
24 1 monthly payment using the
25 monthly payment rate deter-

1 mined under subparagraph (B);
2 or
3 “(bb) 7 of the previous 8
4 consecutive”.

5 (c) EMERGENCY ASSISTANCE FOR LIVESTOCK,
6 HONEY BEES, AND FARM-RAISED FISH.—

7 (1) IN GENERAL.—Section 1501(d) of the Agri-
8 cultural Act of 2014 (7 U.S.C. 9081(d)) is amended
9 by adding at the end the following:

10 “(5) ASSISTANCE FOR LOSSES DUE TO BIRD
11 DEPREDATION.—

12 “(A) DEFINITION OF FARM-RAISED
13 FISH.—In this paragraph, the term ‘farm-raised
14 fish’ means fish propagated and reared in a
15 controlled fresh water environment.

16 “(B) PAYMENTS.—Eligible producers of
17 farm-raised fish, including fish grown as food
18 for human consumption, shall be eligible to re-
19 ceive payments under this subsection to aid in
20 the reduction of losses due to piscivorous birds.

21 “(C) PAYMENT RATE.—

22 “(i) IN GENERAL.—The payment rate
23 for payments under subparagraph (B)
24 shall be determined by the Secretary, tak-
25 ing into account—

1 “(I) costs associated with the de-
2 terrence of piscivorous birds;

3 “(II) the value of lost fish and
4 revenue due to bird depredation; and

5 “(III) costs associated with dis-
6 ease loss from bird depredation.

7 “(ii) MINIMUM RATE.—The payment
8 rate for payments under subparagraph (B)
9 shall be not less than \$600 per acre of
10 farm-raised fish.

11 “(D) PAYMENT AMOUNT.—The amount of
12 a payment under subparagraph (B) shall be the
13 product obtained by multiplying—

14 “(i) the applicable payment rate under
15 subparagraph (C); and

16 “(ii) 85 percent of the total number of
17 acres of farm-raised fish farms that the eli-
18 gible producer has in production for the
19 calendar year.”.

20 (2) EMERGENCY ASSISTANCE FOR HONEY-
21 BEES.—In determining honeybee colony losses eligi-
22 ble for assistance under section 1501(d) of the Agri-
23 cultural Act of 2014 (7 U.S.C. 9081(d)), the Sec-
24 retary shall utilize a normal mortality rate of 15
25 percent.

1 (d) TREE ASSISTANCE PROGRAM.—Section 1501(e)
2 of the Agricultural Act of 2014 (7 U.S.C. 9081(e)) is
3 amended—

4 (1) in paragraph (2)(B), by striking “15 per-
5 cent (adjusted for normal mortality)” and inserting
6 “normal mortality”; and

7 (2) in paragraph (3)—

8 (A) in subparagraph (A)(i), by striking
9 “15 percent mortality (adjusted for normal
10 mortality)” and inserting “normal mortality”;
11 and

12 (B) in subparagraph (B)—

13 (i) by striking “50” and inserting
14 “65”; and

15 (ii) by striking “15 percent damage or
16 mortality (adjusted for normal tree dam-
17 age and mortality)” and inserting “normal
18 tree damage or mortality”.

19 **Subtitle E—Crop Insurance**

20 **SEC. 10501. BEGINNING FARMER AND RANCHER BENEFIT.**

21 (a) DEFINITIONS.—

22 (1) IN GENERAL.—Section 502(b)(3) of the
23 Federal Crop Insurance Act (7 U.S.C. 1502(b)(3))
24 is amended by striking “5” and inserting “10”.

1 (2) CONFORMING AMENDMENT.—Section
2 522(c)(7) of the Federal Crop Insurance Act (7
3 U.S.C. 1522(c)(7)) is amended by striking subpara-
4 graph (F).

5 (b) INCREASE IN ASSISTANCE.—Section 508(e) of
6 the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is
7 amended by adding at the end the following:

8 “(9) ADDITIONAL SUPPORT.—

9 “(A) IN GENERAL.—In addition to any
10 other provision of this subsection (except para-
11 graph (2)(A)) regarding payment of a portion
12 of premiums, a beginning farmer or rancher
13 shall receive additional premium assistance that
14 is the number of percentage points specified in
15 subparagraph (B) greater than the premium as-
16 sistance that would otherwise be available for
17 the applicable policy, plan of insurance, and
18 coverage level selected by the beginning farmer
19 or rancher.

20 “(B) PERCENTAGE POINTS ADJUST-
21 MENTS.—The percentage points referred to in
22 subparagraph (A) are the following:

23 “(i) For each of the first and second
24 reinsurance years that a beginning farmer
25 or rancher participates as a beginning

1 farmer or rancher in the applicable policy
2 or plan of insurance, 5 percentage points.

3 “(ii) For the third reinsurance year
4 that a beginning farmer or rancher partici-
5 pates as a beginning farmer or rancher in
6 the applicable policy or plan of insurance,
7 3 percentage points.

8 “(iii) For the fourth reinsurance year
9 that a beginning farmer or rancher partici-
10 pates as a beginning farmer or rancher in
11 the applicable policy or plan of insurance,
12 1 percentage point.”.

13 **SEC. 10502. AREA-BASED CROP INSURANCE COVERAGE AND**
14 **AFFORDABILITY.**

15 (a) **COVERAGE LEVEL.**—Section 508(c)(4) of the
16 Federal Crop Insurance Act (7 U.S.C. 1508(c)(4)) is
17 amended—

18 (1) in subparagraph (A), by striking clause (ii)
19 and inserting the following:

20 “(ii) may be purchased at any level
21 not to exceed—

22 “(I) in the case of the individual
23 yield or revenue coverage, 85 percent;

24 “(II) in the case of individual
25 yield or revenue coverage aggregated

1 across multiple commodities, 90 per-
2 cent; and

3 “(III) in the case of area yield or
4 revenue coverage (as determined by
5 the Corporation), 95 percent.”; and

6 (2) in subparagraph (C)—

7 (A) in clause (ii), by striking “14” and in-
8 serting “10”; and

9 (B) in clause (iii)(I), by striking “86” and
10 inserting “90”.

11 (b) PREMIUM SUBSIDY.—Section 508(e)(2)(H)(i) of
12 the Federal Crop Insurance Act (7 U.S.C.
13 1508(e)(2)(H)(i)) is amended by striking “65” and insert-
14 ing “80”.

15 **SEC. 10503. ADMINISTRATIVE AND OPERATING EXPENSE**
16 **ADJUSTMENTS.**

17 Section 508(k) of the Federal Crop Insurance Act (7
18 U.S.C. 1508(k)) is amended by adding at the end the fol-
19 lowing:

20 “(10) ADDITIONAL EXPENSES.—

21 “(A) IN GENERAL.—Beginning with the
22 2026 reinsurance year, and for each reinsur-
23 ance year thereafter, in addition to the terms
24 and conditions of the Standard Reinsurance
25 Agreement, to cover additional expenses for loss

1 adjustment procedures, the Corporation shall
2 pay an additional administrative and operating
3 expense subsidy to approved insurance pro-
4 viders for eligible contracts.

5 “(B) PAYMENT AMOUNT.—In the case of
6 an eligible contract, the payment to an ap-
7 proved insurance provider required under sub-
8 paragraph (A) shall be the amount equal to 6
9 percent of the net book premium.

10 “(C) DEFINITIONS.—In this paragraph:

11 “(i) ELIGIBLE CONTRACT.—The term
12 ‘eligible contract’—

13 “(I) means a crop insurance con-
14 tract entered into by an approved in-
15 surance provider in an eligible State;
16 and

17 “(II) does not include a contract
18 for—

19 “(aa) catastrophic risk pro-
20 tection under subsection (b);

21 “(bb) an area-based plan of
22 insurance or similar plan of in-
23 surance, as determined by the
24 Corporation; or

1 “(cc) a policy under which
2 an approved insurance provider
3 does not incur loss adjustment
4 expenses, as determined by the
5 Corporation.

6 “(ii) ELIGIBLE STATE.—The term ‘el-
7 igible State’ means a State in which, with
8 respect to an insurance year, the loss ratio
9 for eligible contracts is greater than 120
10 percent of the total net book premium
11 written by all approved insurance pro-
12 viders.

13 “(11) SPECIALTY CROPS.—

14 “(A) MINIMUM REIMBURSEMENT.—Begin-
15 ning with the 2026 reinsurance year, and for
16 each reinsurance year thereafter, the rate of re-
17 imbursement to approved insurance providers
18 and agents for administrative and operating ex-
19 penses with respect to crop insurance contracts
20 covering agricultural commodities described in
21 section 101 of the Specialty Crops Competitive-
22 ness Act of 2004 (7 U.S.C. 1621 note; Public
23 Law 108–465) shall be equal to or greater than
24 the percentage that is the greater of the fol-
25 lowing:

1 “(i) 17 percent of the premium used
2 to define loss ratio.

3 “(ii) The percent of the premium used
4 to define loss ratio that is otherwise appli-
5 cable for the reinsurance year under the
6 terms of the Standard Reinsurance Agree-
7 ment in effect for the reinsurance year.

8 “(B) OTHER CONTRACTS.—In carrying out
9 subparagraph (A), the Corporation shall not re-
10 duce, with respect to any reinsurance year, the
11 amount or the rate of reimbursement to ap-
12 proved insurance providers and agents under
13 the Standard Reinsurance Agreement described
14 in clause (ii) of such subparagraph for adminis-
15 trative and operating expenses with respect to
16 contracts covering agricultural commodities
17 that are not subject to such subparagraph.

18 “(C) ADMINISTRATION.—The requirements
19 of this paragraph and the adjustments made
20 pursuant to this paragraph shall not be consid-
21 ered a renegotiation under paragraph (8)(A).

22 “(12) A&O INFLATION ADJUSTMENT.—

23 “(A) IN GENERAL.—Subject to subpara-
24 graph (B), beginning with the 2026 reinsurance
25 year, and for each reinsurance year thereafter,

1 the Corporation shall increase the total admin-
2 istrative and operating expense reimbursements
3 otherwise required under the Standard Reinsur-
4 ance Agreement in effect for the reinsurance
5 year in order to account for inflation, in a man-
6 ner consistent with the increases provided with
7 respect to the 2011 through 2015 reinsurance
8 years under the enclosure included in Risk
9 Management Agency Bulletin numbered MGR-
10 10-007 and dated June 30, 2010.

11 “(B) SPECIAL RULE FOR 2026 REINSUR-
12 ANCE YEAR.—The increase under subparagraph
13 (A) for the 2026 reinsurance year shall not ex-
14 ceed the percentage change for the preceding
15 reinsurance year included in the Consumer
16 Price Index for All Urban Consumers published
17 by the Bureau of Labor Statistics of the De-
18 partment of Labor.

19 “(C) ADMINISTRATION.—An increase
20 under subparagraph (A)—

21 “(i) shall apply with respect to all
22 contracts covering agricultural commodities
23 that were subject to an increase during the
24 period of the 2011 through 2015 reinsur-

1 ance years under the enclosure referred to
2 in that subparagraph; and
3 “(ii) shall not be considered a renego-
4 tiation under paragraph (8)(A).”.

5 **SEC. 10504. PREMIUM SUPPORT.**

6 Section 508(e)(2) of the Federal Crop Insurance Act
7 (7 U.S.C. 1508(e)(2)) is amended—

8 (1) in subparagraph (C)(i), by striking “64”
9 and inserting “69”;

10 (2) in subparagraph (D)(i), by striking “59”
11 and inserting “64”;

12 (3) in subparagraph (E)(i), by striking “55”
13 and inserting “60”;

14 (4) in subparagraph (F)(i), by striking “48”
15 and inserting “51”; and

16 (5) in subparagraph (G)(i), by striking “38”
17 and inserting “41”.

18 **SEC. 10505. PROGRAM COMPLIANCE AND INTEGRITY.**

19 Section 515(l)(2) of the Federal Crop Insurance Act
20 (7 U.S.C. 1515(l)(2)) is amended by striking “than” and
21 all that follows through the period at the end and inserting
22 the following: “than—

23 “(A) \$4,000,000 for each of fiscal years
24 2009 through 2025; and

1 “(B) \$6,000,000 for fiscal year 2026 and
2 each subsequent fiscal year.”.

3 **SEC. 10506. REVIEWS, COMPLIANCE, AND INTEGRITY.**

4 Section 516(b)(2)(C)(i) of the Federal Crop Insur-
5 ance Act (7 U.S.C. 1516(b)(2)(C)(i)) is amended, in the
6 matter preceding subclause (I), by striking “for each fiscal
7 year” and inserting “for each of fiscal years 2014 through
8 2025 and \$10,000,000 for fiscal year 2026 and each fiscal
9 year thereafter”.

10 **SEC. 10507. POULTRY INSURANCE PILOT PROGRAM.**

11 Section 523 of the Federal Crop Insurance Act (7
12 U.S.C. 1523) is amended by adding at the end the fol-
13 lowing:

14 “(j) POULTRY INSURANCE PILOT PROGRAM.—

15 “(1) IN GENERAL.—Notwithstanding subsection
16 (a)(2), the Corporation shall establish a pilot pro-
17 gram under which contract poultry growers, includ-
18 ing growers of broilers and laying hens, may elect to
19 receive index-based insurance from extreme weather-
20 related risk resulting in increased utility costs (in-
21 cluding costs of natural gas, propane, electricity,
22 water, and other appropriate costs, as determined by
23 the Corporation) associated with poultry production.

24 “(2) STAKEHOLDER ENGAGEMENT.—The Cor-
25 poration shall engage with poultry industry stake-

1 holders in establishing the pilot program under para-
2 graph (1).

3 “(3) LOCATION.—The pilot program established
4 under paragraph (1) shall be conducted in a suffi-
5 cient number of counties to provide a comprehensive
6 evaluation of the feasibility, effectiveness, and de-
7 mand among producers in the top poultry producing
8 States, as determined by the Corporation.

9 “(4) APPROVAL OF POLICY OR PLAN.—Notwith-
10 standing section 508(l), the Board shall approve a
11 policy or plan of insurance based on the pilot pro-
12 gram under paragraph (1)—

13 “(A) in accordance with section 508(h);
14 and

15 “(B) not later than 2 years after the date
16 of enactment of this subsection.”.

17 **Subtitle F—Additional Investments**
18 **in Rural America**

19 **SEC. 10601. CONSERVATION.**

20 (a) IN GENERAL.—Section 1241(a) of the Food Se-
21 curity Act of 1985 (16 U.S.C. 3841(a)) is amended—

22 (1) in paragraph (2), by striking subparagraphs
23 (A) through (F) and inserting the following:

24 “(A) \$625,000,000 for fiscal year 2026;

25 “(B) \$650,000,000 for fiscal year 2027;

1 “(C) \$675,000,000 for fiscal year 2028;

2 “(D) \$700,000,000 for fiscal year 2029;

3 “(E) \$700,000,000 for fiscal year 2030;

4 and

5 “(F) \$700,000,000 for fiscal year 2031.”;

6 and

7 (2) in paragraph (3)—

8 (A) in subparagraph (A), by striking
9 clauses (i) through (v) and inserting the fol-
10 lowing:

11 “(i) \$2,655,000,000 for fiscal year
12 2026;

13 “(ii) \$2,855,000,000 for fiscal year
14 2027;

15 “(iii) \$3,255,000,000 for fiscal year
16 2028;

17 “(iv) \$3,255,000,000 for fiscal year
18 2029;

19 “(v) \$3,255,000,000 for fiscal year
20 2030; and

21 “(vi) \$3,255,000,000 for fiscal year
22 2031; and”; and

23 (B) in subparagraph (B), by striking
24 clauses (i) through (v) and inserting the fol-
25 lowing:

1 “(i) \$1,300,000,000 for fiscal year
2 2026;

3 “(ii) \$1,325,000,000 for fiscal year
4 2027;

5 “(iii) \$1,350,000,000 for fiscal year
6 2028;

7 “(iv) \$1,375,000,000 for fiscal year
8 2029;

9 “(v) \$1,375,000,000 for fiscal year
10 2030; and

11 “(vi) \$1,375,000,000 for fiscal year
12 2031.”.

13 (b) REGIONAL CONSERVATION PARTNERSHIP PRO-
14 GRAM.—Section 1271D of the Food Security Act of 1985
15 (16 U.S.C. 3871d) is amended by striking subsection (a)
16 and inserting the following:

17 “(a) AVAILABILITY OF FUNDING.—Of the funds of
18 the Commodity Credit Corporation, the Secretary shall
19 use to carry out the program, to the maximum extent
20 practicable—

21 “(1) \$425,000,000 for fiscal year 2026;

22 “(2) \$450,000,000 for fiscal year 2027;

23 “(3) \$450,000,000 for fiscal year 2028;

24 “(4) \$450,000,000 for fiscal year 2029;

25 “(5) \$450,000,000 for fiscal year 2030; and

1 “(6) \$450,000,000 for fiscal year 2031.”.

2 (c) GRASSROOTS SOURCE WATER PROTECTION PRO-
3 GRAM.—Section 1240O(b) of the Food Security Act of
4 1985 (16 U.S.C. 3839bb–2(b)) is amended—

5 (1) in paragraph (1), by striking “2023” and
6 inserting “2031”; and

7 (2) in paragraph (3)—

8 (A) in subparagraph (A), by striking
9 “and” at the end;

10 (B) in subparagraph (B), by striking the
11 period at the end and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(C) \$1,000,000 beginning in fiscal year
14 2026, to remain available until expended.”.

15 (d) VOLUNTARY PUBLIC ACCESS AND HABITAT IN-
16 CENTIVE PROGRAM.—Section 1240R(f)(1) of the Food
17 Security Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is
18 amended—

19 (1) by striking “2023, and” and inserting
20 “2023,”; and

21 (2) by inserting “, and \$70,000,000 for the pe-
22 riod of fiscal years 2025 through 2031” before the
23 period at the end.

24 (e) WATERSHED PROTECTION AND FLOOD PREVEN-
25 TION.—Section 15 of the Watershed Protection and Flood

1 Prevention Act (16 U.S.C. 1012a) is amended by striking
2 “\$50,000,000 for fiscal year 2019 and each fiscal year
3 thereafter” and inserting “\$150,000,000 for fiscal year
4 2026 and each fiscal year thereafter, to remain available
5 until expended”.

6 (f) FERAL SWINE ERADICATION AND CONTROL
7 PILOT PROGRAM.—Section 2408(g)(1) of the Agriculture
8 Improvement Act of 2018 (7 U.S.C. 8351 note; Public
9 Law 115–334) is amended—

10 (1) by striking “2023 and” and inserting
11 “2023,”; and

12 (2) by inserting “, and \$105,000,000 for the
13 period of fiscal years 2025 through 2031” before the
14 period at the end.

15 (g) RESCISSION.—The unobligated balances of
16 amounts appropriated by section 21001(a) of Public Law
17 117–169 (136 Stat. 2015) are rescinded.

18 **SEC. 10602. SUPPLEMENTAL AGRICULTURAL TRADE PRO-**
19 **MOTION PROGRAM.**

20 (a) IN GENERAL.—The Secretary of Agriculture shall
21 carry out a program to encourage the accessibility, devel-
22 opment, maintenance, and expansion of commercial export
23 markets for United States agricultural commodities.

24 (b) FUNDING.—Of the funds of the Commodity Cred-
25 it Corporation, the Secretary of Agriculture shall make

1 available to carry out this section \$285,000,000 for fiscal
2 year 2027 and each fiscal year thereafter.

3 **SEC. 10603. NUTRITION.**

4 Section 203D(d)(5) of the Emergency Food Assist-
5 ance Act of 1983 (7 U.S.C. 7507(d)(5)) is amended by
6 striking “2024” and inserting “2031”.

7 **SEC. 10604. RESEARCH.**

8 (a) URBAN, INDOOR, AND OTHER EMERGING AGRI-
9 CULTURAL PRODUCTION RESEARCH, EDUCATION, AND
10 EXTENSION INITIATIVE.—Section 1672E(d)(1)(B) of the
11 Food, Agriculture, Conservation, and Trade Act of 1990
12 (7 U.S.C. 5925g(d)(1)(B)) is amended by striking “fiscal
13 year 2024, to remain available until expended” and insert-
14 ing “each of fiscal years 2024 through 2031”.

15 (b) FOUNDATION FOR FOOD AND AGRICULTURE RE-
16 SEARCH.—Section 7601(g)(1)(A) of the Agricultural Act
17 of 2014 (7 U.S.C. 5939(g)(1)(A)) is amended by adding
18 at the end the following:

19 “(iv) FURTHER FUNDING.—Not later
20 than 30 days after the date of enactment
21 of this clause, of the funds of the Com-
22 modity Credit Corporation, the Secretary
23 shall transfer to the Foundation to carry
24 out this section \$37,000,000, to remain
25 available until expended.”.

1 (c) SCHOLARSHIPS FOR STUDENTS AT 1890 INSTI-
2 TUTIONS.—Section 1446(b)(1) of the National Agricul-
3 tural Research, Extension, and Teaching Policy Act of
4 1977 (7 U.S.C. 3222a(b)(1)) is amended by adding at the
5 end the following:

6 “(C) FURTHER FUNDING.—Of the funds
7 of the Commodity Credit Corporation, the Sec-
8 retary shall make available to carry out this
9 section \$60,000,000 for fiscal year 2026, to re-
10 main available until expended.”.

11 (d) ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-
12 ERS WITH DISABILITIES.—Section 1680 of the Food, Ag-
13 riculture, Conservation, and Trade Act of 1990 (7 U.S.C.
14 5933) is amended—

15 (1) in subsection (c)(2), by inserting “and sub-
16 section (d)” after “paragraph (1)”; and

17 (2) by adding at the end the following:

18 “(d) MANDATORY FUNDING.—Subject to subsection
19 (c)(2), of the funds of the Commodity Credit Corporation,
20 the Secretary shall use to carry out this section
21 \$8,000,000 for fiscal year 2026, to remain available until
22 expended.”.

23 (e) SPECIALTY CROP RESEARCH INITIATIVE.—Sec-
24 tion 412(k)(1)(B) of the Agricultural Research, Exten-
25 sion, and Education Reform Act of 1998 (7 U.S.C.

1 7632(k)(1)(B)) is amended by striking “section
2 \$80,000,000 for fiscal year 2014” and inserting the fol-
3 lowing: “section—

4 “(i) \$80,000,000 for each of fiscal
5 years 2014 through 2025; and

6 “(ii) \$175,000,000 for fiscal year
7 2026”.

8 (f) RESEARCH FACILITIES ACT.—Section 6 of the
9 Research Facilities Act (7 U.S.C. 390d) is amended—

10 (1) in subsection (c), by striking “subsection
11 (a)” and inserting “subsections (a) and (e)”; and

12 (2) by adding at the end the following:

13 “(e) MANDATORY FUNDING.—Subject to subsections
14 (b), (c), and (d), of the funds of the Commodity Credit
15 Corporation, the Secretary shall make available to carry
16 out the competitive grant program under section 4
17 \$125,000,000 for fiscal year 2026 and each fiscal year
18 thereafter.”.

19 **SEC. 10605. ENERGY.**

20 Section 9005(g)(1)(F) of the Farm Security and
21 Rural Investment Act of 2002 (7 U.S.C. 8105(g)(1)(F))
22 is amended by striking “2024” and inserting “2031”.

1 **SEC. 10606. HORTICULTURE.**

2 (a) PLANT PEST AND DISEASE MANAGEMENT AND
3 DISASTER PREVENTION.—Section 420(f) of the Plant
4 Protection Act (7 U.S.C. 7721(f)) is amended—

5 (1) in paragraph (5), by striking “and” at the
6 end;

7 (2) by redesignating paragraph (6) as para-
8 graph (7);

9 (3) by inserting after paragraph (5) the fol-
10 lowing:

11 “(6) \$75,000,000 for each of fiscal years 2018
12 through 2025; and”; and

13 (4) in paragraph (7) (as so redesignated), by
14 striking “\$75,000,000 for fiscal year 2018” and in-
15 serting “\$90,000,000 for fiscal year 2026”.

16 (b) SPECIALTY CROP BLOCK GRANTS.—Section
17 101(l)(1) of the Specialty Crops Competitiveness Act of
18 2004 (7 U.S.C. 1621 note; Public Law 108–465) is
19 amended—

20 (1) in subparagraph (D), by striking “and” at
21 the end;

22 (2) by redesignating subparagraph (E) as sub-
23 paragraph (F);

24 (3) by inserting after subparagraph (D) the fol-
25 lowing:

1 “(E) \$85,000,000 for each of fiscal years
2 2018 through 2025; and”; and
3 (4) in subparagraph (F) (as so redesignated),
4 by striking “\$85,000,000 for fiscal year 2018” and
5 inserting “\$100,000,000 for fiscal year 2026”.

6 (c) ORGANIC PRODUCTION AND MARKET DATA INI-
7 TIATIVE.—Section 7407(d)(1) of the Farm Security and
8 Rural Investment Act of 2002 (7 U.S.C. 5925c(d)(1)) is
9 amended—

10 (1) in subparagraph (B), by striking “and” at
11 the end;

12 (2) in subparagraph (C), by striking the period
13 at the end and inserting “; and”; and

14 (3) by adding at the end the following:

15 “(D) \$10,000,000 for the period of fiscal
16 years 2026 through 2031.”.

17 (d) MODERNIZATION AND IMPROVEMENT OF INTER-
18 NATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA
19 COLLECTION.—Section 2123(c)(4) of the Organic Foods
20 Production Act of 1990 (7 U.S.C. 6522(c)(4)) is amended,
21 in the matter preceding subparagraph (A), by striking
22 “and \$1,000,000 for fiscal year 2024” and inserting “,
23 \$1,000,000 for fiscal years 2024 and 2025, and
24 \$5,000,000 for fiscal year 2026”.

1 (e) NATIONAL ORGANIC CERTIFICATION COST-SHARE
2 PROGRAM.—Section 10606(d)(1)(C) of the Farm Security
3 and Rural Investment Act of 2002 (7 U.S.C.
4 6523(d)(1)(C)) is amended by striking “2024” and insert-
5 ing “2031”.

6 (f) MULTIPLE CROP AND PESTICIDE USE SURVEY.—
7 Section 10109(c) of the Agriculture Improvement Act of
8 2018 (Public Law 115–334; 132 Stat. 4907) is amended
9 by adding at the end the following:

10 “(3) FURTHER MANDATORY FUNDING.—Of the
11 funds of the Commodity Credit Corporation, the
12 Secretary shall use to carry out this section
13 \$5,000,000 for fiscal year 2026, to remain available
14 until expended.”.

15 **SEC. 10607. MISCELLANEOUS.**

16 (a) ANIMAL DISEASE PREVENTION AND MANAGE-
17 MENT.—Section 10409A(d)(1) of the Animal Health Pro-
18 tection Act (7 U.S.C. 8308a(d)(1)) is amended—

19 (1) in subparagraph (B)—

20 (A) in the heading, by striking “SUBSE-
21 QUENT FISCAL YEARS” and inserting “FISCAL
22 YEARS 2023 THROUGH 2025”; and

23 (B) by striking “fiscal year 2023 and each
24 fiscal year thereafter” and inserting “each of
25 fiscal years 2023 through 2025”; and

1 (2) by adding at the end the following:

2 “(C) FISCAL YEARS 2026 THROUGH 2030.—

3 Of the funds of the Commodity Credit Corpora-
4 tion, the Secretary shall make available to carry
5 out this section \$233,000,000 for each of fiscal
6 years 2026 through 2030, of which—

7 “(i) not less than \$10,000,000 shall
8 be made available for each such fiscal year
9 to carry out subsection (a);

10 “(ii) not less than \$70,000,000 shall
11 be made available for each such fiscal year
12 to carry out subsection (b); and

13 “(iii) not less than \$153,000,000 shall
14 be made available for each such fiscal year
15 to carry out subsection (c).

16 “(D) SUBSEQUENT FISCAL YEARS.—Of the
17 funds of the Commodity Credit Corporation, the
18 Secretary shall make available to carry out this
19 section \$75,000,000 for fiscal year 2031 and
20 each fiscal year thereafter, of which not less
21 than \$45,000,000 shall be made available for
22 each of those fiscal years to carry out sub-
23 section (b).”.

1 (b) SHEEP PRODUCTION AND MARKETING GRANT
2 PROGRAM.—Section 209(c) of the Agricultural Marketing
3 Act of 1946 (7 U.S.C. 1627a(c)) is amended—

4 (1) by striking “2019, and” and inserting
5 “2019,”; and

6 (2) by inserting “and \$3,000,000 for fiscal year
7 2026,” after “fiscal year 2024,”

8 (c) PIMA AGRICULTURE COTTON TRUST FUND.—
9 Section 12314 of the Agricultural Act of 2014 (7 U.S.C.
10 2101 note; Public Law 113–79) is amended—

11 (1) in subsection (b), in the matter preceding
12 paragraph (1), by striking “2024” and inserting
13 “2031”; and

14 (2) in subsection (h), by striking “2024” and in-
15 serting “2031”.

16 (d) AGRICULTURE WOOL APPAREL MANUFACTURERS
17 TRUST FUND.—Section 12315 of the Agricultural Act of
18 2014 (7 U.S.C. 7101 note; Public Law 113–79) is amend-
19 ed by striking “2024” each place it appears and inserting
20 “2031”.

21 (e) WOOL RESEARCH AND PROMOTION.—Section
22 12316(a) of the Agricultural Act of 2014 (7 U.S.C. 7101
23 note; Public Law 113–79) is amended by striking “2024”
24 and inserting “2031”.

1 (f) EMERGENCY CITRUS DISEASE RESEARCH AND
2 DEVELOPMENT TRUST FUND.—Section 12605(d) of the
3 Agriculture Improvement Act of 2018 (7 U.S.C. 7632
4 note; Public Law 115–334) is amended by striking
5 “2024” and inserting “2031”.

6 **TITLE II—COMMITTEE ON**
7 **ARMED SERVICES**

8 **SEC. 20001. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
9 **RESOURCES FOR IMPROVING THE QUALITY**
10 **OF LIFE FOR MILITARY PERSONNEL.**

11 (a) APPROPRIATIONS.—In addition to amounts other-
12 wise available, there are appropriated to the Secretary of
13 Defense for fiscal year 2025, out of any money in the
14 Treasury not otherwise appropriated, to remain available
15 until September 30, 2029—

16 (1) \$230,480,000 for restoration and mod-
17 ernization costs under the Marine Corps Barracks
18 2030 initiative;

19 (2) \$119,000,000 for base operating support
20 costs under the Marine Corps;

21 (3) \$1,000,000,000 for Army, Navy, Air Force,
22 and Space Force sustainment, restoration, and mod-
23 ernization of military unaccompanied housing;

24 (4) \$2,000,000,000 for the Defense Health
25 Program;

1 (5) \$2,900,000,000 to supplement the basic al-
2 lowance for housing payable to members of the
3 Army, Air Force, Navy, Marine Corps, and Space
4 Force , notwithstanding section 403 of title 37,
5 United States Code;

6 (6) \$50,000,000 for bonuses, special pays, and
7 incentive pays for members of the Army, Air Force,
8 Navy, Marine Corps, and Space Force pursuant to
9 titles 10 and 37, United States Code;

10 (7) \$10,000,000 for the Defense Activity for
11 Non-Traditional Education Support's Online Aca-
12 demic Skills Course program for members of the
13 Army, Air Force, Navy, Marine Corps, and Space
14 Force;

15 (8) \$100,000,000 for tuition assistance for
16 members of the Army, Air Force, Navy, Marine
17 Corps, and Space Force pursuant to title 10, United
18 States Code;

19 (9) \$100,000,000 for child care fee assistance
20 for members of the Army, Air Force, Navy, Marine
21 Corps, and Space Force under part II of chapter 88
22 of title 10, United States Code;

23 (10) \$590,000,000 to increase the Temporary
24 Lodging Expense Allowance under chapter 8 of title
25 37, United States Code, to 21 days;

1 (11) \$100,000,000 for Department of Defense
2 Impact Aid payments to local educational agencies
3 under section 2008 of title 10, United States Code;

4 (12) \$10,000,000 for military spouse profes-
5 sional licensure under section 1784 of title 10,
6 United States Code;

7 (13) \$6,000,000 for Armed Forces Retirement
8 Home facilities;

9 (14) \$100,000,000 for the Defense Community
10 Infrastructure Program;

11 (15) \$100,000,000 for Defense Advanced Re-
12 search Projects Agency (DARPA) casualty care re-
13 search; and

14 (16) \$62,000,000 for modernization of Depart-
15 ment of Defense childcare center staffing.

16 (b) TEMPORARY INCREASE IN PERCENTAGE OF
17 VALUE OF AUTHORIZED INVESTMENT IN CERTAIN
18 PRIVATIZED MILITARY HOUSING PROJECTS.—

19 (1) IN GENERAL.—During the period beginning
20 on the date of the enactment of this section and
21 ending on September 30, 2029, the Secretary con-
22 cerned shall apply—

23 (A) paragraph (1) of subsection (c) of sec-
24 tion 2875 of title 10, United States Code, by

1 substituting “60 percent” for “33 1/3 percent”;
2 and

3 (B) paragraph (2) of such subsection by
4 substituting “60 percent” for “45 percent”.

5 (2) SECRETARY CONCERNED DEFINED.—In this
6 subsection, the term “Secretary concerned” has the
7 meaning given such term in section 101 of title 10,
8 United States Code.

9 (c) TEMPORARY AUTHORITY FOR ACQUISITION OR
10 CONSTRUCTION OF PRIVATIZED MILITARY UNACCOM-
11 PANIED HOUSING.—Section 2881a of title 10, United
12 States Code, is amended—

13 (1) by striking the heading and inserting
14 **“Temporary authority for acquisition or**
15 **construction of privatized military unac-**
16 **companied housing”**;

17 (2) by striking “Secretary of the Navy” each
18 place it appears and inserting “Secretary con-
19 cerned”;

20 (3) by striking “under the pilot projects” each
21 place it appears and inserting “pursuant to this sec-
22 tion”;

23 (4) in subsection (a)—

24 (A) by striking the heading and inserting
25 **“IN GENERAL”**; and

1 (B) by striking “carry out not more than
2 three pilot projects under the authority of this
3 section or another provision of this subchapter
4 to use the private sector” and inserting “use
5 the authority under this subchapter to enter
6 into contracts with appropriate private sector
7 entities”;

8 (5) in subsection (c), by striking “privatized
9 housing” and inserting “privatized housing units”;

10 (6) by redesignating subsection (f) as sub-
11 section (e); and

12 (7) in subsection (e) (as so redesignated)—

13 (A) by striking “under the pilot programs”
14 and inserting “under this section”; and

15 (B) by striking “September 30, 2009” and
16 inserting “September 30, 2029”.

17 **SEC. 20002. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
18 **RESOURCES FOR SHIPBUILDING.**

19 In addition to amounts otherwise available, there are
20 appropriated to the Secretary of Defense for fiscal year
21 2025, out of any money in the Treasury not otherwise ap-
22 propriated, to remain available until September 30,
23 2029—

24 (1) \$250,000,000 for the expansion of acceler-
25 ated Training in Defense Manufacturing program;

1 (2) \$250,000,000 for United States production
2 of turbine generators for shipbuilding industrial
3 base;

4 (3) \$450,000,000 for United States additive
5 manufacturing for wire production and machining
6 capacity for shipbuilding industrial base;

7 (4) \$492,000,000 for next-generation ship-
8 building techniques;

9 (5) \$85,000,000 for United States-made steel
10 plate for shipbuilding industrial base;

11 (6) \$50,000,000 for machining capacity for
12 naval propellers for shipbuilding industrial base;

13 (7) \$110,000,000 for rolled steel and fabrica-
14 tion facility for shipbuilding industrial base;

15 (8) \$400,000,000 for expansion of collaborative
16 campus for naval shipbuilding;

17 (9) \$450,000,000 for application of autonomy
18 and artificial intelligence to naval shipbuilding;

19 (10) \$500,000,000 for the adoption of advanced
20 manufacturing techniques in the shipbuilding indus-
21 trial base;

22 (11) \$500,000,000 for additional dry-dock ca-
23 pability;

24 (12) \$50,000,000 for the expansion of cold
25 spray repair technologies;

1 (13) \$450,000,000 for additional maritime in-
2 dustrial workforce development programs;

3 (14) \$750,000,000 for additional supplier devel-
4 opment across the naval shipbuilding industrial base;

5 (15) \$250,000,000 for additional advanced
6 manufacturing processes across the naval ship-
7 building industrial base;

8 (16) \$4,600,000,000 for a second Virginia-class
9 submarine in fiscal year 2026;

10 (17) \$5,400,000,000 for two additional Guided
11 Missile Destroyer (DDG) ships;

12 (18) \$160,000,000 for advanced procurement
13 for Landing Ship Medium;

14 (19) \$1,803,941,000 for procurement of Land-
15 ing Ship Medium;

16 (20) \$295,000,000 for development of a second
17 Landing Craft Utility shipyard and production of
18 additional Landing Craft Utility;

19 (21) \$100,000,000 for advanced procurement
20 for light replenishment oiler program;

21 (22) \$600,000,000 for the lease or purchase of
22 new ships through the National Defense Sealift
23 Fund;

24 (23) \$2,725,000,000 for the procurement of T-
25 AO oilers;

1 (24) \$500,000,000 for cost-to-complete for res-
2 cue and salvage ships;

3 (25) \$300,000,000 for production of ship-to-
4 shore connectors;

5 (26) \$1,470,000,000 for the implementation of
6 a multi-ship amphibious warship contract;

7 (27) \$80,000,000 for accelerated development
8 of vertical launch system reloading at sea;

9 (28) \$250,000,000 for expansion of Navy corro-
10 sion control programs;

11 (29) \$159,000,000 for leasing of ships for Ma-
12 rine Corps operations;

13 (30) \$1,534,000,000 for expansion of small un-
14 manned surface vessel production;

15 (31) \$2,100,000,000 for development, procure-
16 ment, and integration of purpose-built medium un-
17 manned surface vessels;

18 (32) \$1,300,000,000 for expansion of un-
19 manned underwater vehicle production;

20 (33) \$188,360,000 for the development and
21 testing of maritime robotic autonomous systems and
22 enabling technologies;

23 (34) \$174,000,000 for the development of a
24 Test Resource Management Center robotic autono-
25 mous systems proving ground;

1 (35) \$250,000,000 for the development, produc-
2 tion, and integration of wave-powered unmanned un-
3 derwater vehicles; and

4 (36) \$150,000,000 for retention of inactive re-
5 serve fleet ships.

6 **SEC. 20003. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
7 **RESOURCES FOR INTEGRATED AIR AND MIS-**
8 **SILE DEFENSE.**

9 (a) NEXT GENERATION MISSILE DEFENSE TECH-
10 NOLOGIES.—In addition to amounts otherwise available,
11 there are appropriated to the Secretary of Defense for fis-
12 cal year 2025, out of any money in the Treasury not other-
13 wise appropriated, to remain available until September 30,
14 2029—

15 (1) \$250,000,000 for development and testing
16 of directed energy capabilities by the Under Sec-
17 retary for Research and Engineering;

18 (2) \$500,000,000 for national security space
19 launch infrastructure;

20 (3) \$2,000,000,000 for air moving target indi-
21 cator military satellites;

22 (4) \$400,000,000 for expansion of Multi-Serv-
23 ice Advanced Capability Hypersonic Test Bed pro-
24 gram;

1 (5) \$5,600,000,000 for development of space-
2 based and boost phase intercept capabilities;

3 (6) \$7,200,000,000 for the development, pro-
4 curement, and integration of military space-based
5 sensors; and

6 (7) \$2,550,000,000 for the development, pro-
7 curement, and integration of military missile defense
8 capabilities.

9 (b) LAYERED HOMELAND DEFENSE.—In addition to
10 amounts otherwise available, there are appropriated to the
11 Secretary of Defense for fiscal year 2025, out of any
12 money in the Treasury not otherwise appropriated, to re-
13 main available until September 30, 2029—

14 (1) \$2,200,000,000 for acceleration of
15 hypersonic defense systems;

16 (2) \$800,000,000 for accelerated development
17 and deployment of next-generation intercontinental
18 ballistic missile defense systems;

19 (3) \$408,000,000 for Army space and strategic
20 missile test range infrastructure restoration and
21 modernization in the United States Indo-Pacific
22 Command area of operations west of the inter-
23 national dateline;

24 (4) \$1,975,000,000 for improved ground-based
25 missile defense radars; and

1 (5) \$530,000,000 for the design and construc-
2 tion of Missile Defense Agency missile instrumenta-
3 tion range safety ship.

4 **SEC. 20004. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
5 **RESOURCES FOR MUNITIONS AND DEFENSE**
6 **SUPPLY CHAIN RESILIENCY.**

7 (a) APPROPRIATIONS.—In addition to amounts other-
8 wise available, there are appropriated to the Secretary of
9 Defense for fiscal year 2025, out of any money in the
10 Treasury not otherwise appropriated, to remain available
11 until September 30, 2029—

12 (1) \$400,000,000 for the development, produc-
13 tion, and integration of Navy and Air Force long-
14 range anti-ship missiles;

15 (2) \$380,000,000 for production capacity ex-
16 pansion for Navy and Air Force long-range anti-ship
17 missiles;

18 (3) \$490,000,000 for the development, produc-
19 tion, and integration of Navy and Air Force long-
20 range air-to-surface missiles;

21 (4) \$94,000,000 for the development, produc-
22 tion, and integration of alternative Navy and Air
23 Force long-range air-to-surface missiles;

1 (5) \$630,000,000 for the development, produc-
2 tion, and integration of long-range Navy air defense
3 and anti-ship missiles;

4 (6) \$688,000,000 for the development, produc-
5 tion, and integration of long-range multi-service
6 cruise missiles;

7 (7) \$250,000,000 for production capacity ex-
8 pansion and supplier base strengthening of long-
9 range multi-service cruise missiles;

10 (8) \$70,000,000 for the development, produc-
11 tion, and integration of short-range Navy and Ma-
12 rine Corps anti-ship missiles;

13 (9) \$100,000,000 for the development of an
14 anti-ship seeker for short-range Army ballistic mis-
15 siles;

16 (10) \$175,000,000 for production capacity ex-
17 pansion for next-generation Army medium-range
18 ballistic missiles;

19 (11) \$50,000,000 for the mitigation of dimin-
20 ishing manufacturing sources for medium-range air-
21 to-air missiles;

22 (12) \$250,000,000 for the procurement of me-
23 dium-range air-to-air missiles;

24 (13) \$225,000,000 for the expansion of produc-
25 tion capacity for medium-range air-to-air missiles;

1 (14) \$50,000,000 for the development of second
2 sources for components of short-range air-to-air mis-
3 siles;

4 (15) \$325,000,000 for production capacity im-
5 provements for air-launched anti-radiation missiles;

6 (16) \$50,000,000 for the accelerated develop-
7 ment of Army next-generation medium-range anti-
8 ship ballistic missiles;

9 (17) \$114,000,000 for the production of Army
10 next-generation medium-range ballistic missiles;

11 (18) \$300,000,000 for the production of Army
12 medium-range ballistic missiles;

13 (19) \$85,000,000 for the accelerated develop-
14 ment of Army long-range ballistic missiles;

15 (20) \$400,000,000 for the production of heavy-
16 weight torpedoes;

17 (21) \$200,000,000 for the development, pro-
18 curement, and integration of mass-producible auton-
19 omous underwater munitions;

20 (22) \$70,000,000 for the improvement of
21 heavyweight torpedo maintenance activities;

22 (23) \$200,000,000 for the production of light-
23 weight torpedoes;

24 (24) \$500,000,000 for the development, pro-
25 curement, and integration of maritime mines;

1 (25) \$50,000,000 for the development, procure-
2 ment, and integration of new underwater explosives;

3 (26) \$55,000,000 for the development, procure-
4 ment, and integration of lightweight multi-mission
5 torpedoes;

6 (27) \$80,000,000 for the production of
7 sonobuoys;

8 (28) \$150,000,000 for the development, pro-
9 curement, and integration of air-delivered long-range
10 maritime mines;

11 (29) \$61,000,000 for the acceleration of Navy
12 expeditionary loitering munitions deployment;

13 (30) \$50,000,000 for the acceleration of one-
14 way attack unmanned aerial systems with advanced
15 autonomy;

16 (31) \$1,000,000,000 for the expansion of the
17 one-way attack unmanned aerial systems industrial
18 base;

19 (32) \$200,000,000 for investments in solid
20 rocket motor industrial base through the Industrial
21 Base Fund established under section 4817 of title
22 10, United States Code;

23 (33) \$400,000,000 for investments in the
24 emerging solid rocket motor industrial base through

1 the Industrial Base Fund established under section
2 4817 of title 10, United States Code;

3 (34) \$42,000,000 for investments in second
4 sources for large-diameter solid rocket motors for
5 hypersonic missiles;

6 (35) \$1,000,000,000 for the creation of next-
7 generation automated munitions production fac-
8 tories;

9 (36) \$170,000,000 for the development of ad-
10 vanced radar depot for repair, testing, and produc-
11 tion of radar and electronic warfare systems;

12 (37) \$25,000,000 for the expansion of the De-
13 partment of Defense industrial base policy analysis
14 workforce;

15 (38) \$30,300,000 for the repair of Army mis-
16 siles;

17 (39) \$100,000,000 for the production of small
18 and medium ammunition;

19 (40) \$2,000,000,000 for additional activities to
20 improve the United States stockpile of critical min-
21 erals through the National Defense Stockpile Trans-
22 action Fund, authorized by subchapter III of chap-
23 ter 5 of title 50, United States Code;

1 (41) \$10,000,000 for the expansion of the De-
2 partment of Defense armaments cooperation work-
3 force;

4 (42) \$500,000,000 for the expansion of the De-
5 fense Exportability Features program;

6 (43) \$350,000,000 for production of Navy long-
7 range air and missile defense interceptors;

8 (44) \$93,000,000 for replacement of Navy long-
9 range air and missile defense interceptors;

10 (45) \$100,000,000 for development of a second
11 solid rocket motor source for Navy air defense and
12 anti ship missiles;

13 (46) \$65,000,000 for expansion of production
14 capacity of Missile Defense Agency long-range anti-
15 ballistic missiles;

16 (47) \$225,000,000 for expansion of production
17 capacity for Navy air defense and anti-ship missiles;

18 (48) \$103,300,000 for expansion of depot level
19 maintenance facility for Navy long-range air and
20 missile defense interceptors;

21 (49) \$18,000,000 for creation of domestic
22 source for guidance section of Navy short-range air
23 defense missiles;

1 (50) \$65,000,000 for integration of Army me-
2 dium-range air and missile defense interceptor with
3 Navy ships;

4 (51) \$176,100,000 for production of Army
5 long-range movable missile defense radar;

6 (52) \$167,000,000 for accelerated fielding of
7 Army short-range gun-based air and missile defense
8 system;

9 (53) \$40,000,000 for development of low-cost
10 alternatives to air and missile defense interceptors;

11 (54) \$50,000,000 for acceleration of Army
12 next-generation shoulder-fired air defense system;

13 (55) \$91,000,000 for production of Army next-
14 generation shoulder-fired air defense system;

15 (56) \$500,000,000 for development, production,
16 and integration of counter-unmanned aerial systems
17 programs;

18 (57) \$350,000,000 for development, production,
19 and integration of non-kinetic counter-unmanned
20 aerial systems programs;

21 (58) \$250,000,000 for development, production,
22 and integration of land-based counter-unmanned
23 aerial systems programs;

1 (59) \$200,000,000 for development, production,
2 and integration of ship-based counter-unmanned aer-
3 ial systems programs;

4 (60) \$400,000,000 for acceleration of
5 hypersonic strike programs;

6 (61) \$167,000,000 for procurement of addi-
7 tional launchers for Army medium-range air and
8 missile defense interceptors;

9 (62) \$500,000,000 for expansion of defense ad-
10 vanced manufacturing techniques;

11 (63) \$1,000,000 for establishment of the Joint
12 Energetics Transition Office;

13 (64) \$200,000,000 for acceleration of Army
14 medium-range air and missile defense interceptors;

15 (65) \$150,000,000 for additive manufacturing
16 for propellant;

17 (66) \$250,000,000 for expansion and accelera-
18 tion of penetrating munitions production; and

19 (67) \$50,000,000 for development, procure-
20 ment, and integration of precision extended-range
21 artillery.

22 (b) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated to the Secretary of
24 Defense for fiscal year 2025, out of any money in the
25 Treasury not otherwise appropriated, to remain available

1 until September 30, 2029, \$3,300,000,000 for grants and
2 purchase commitments made pursuant to the Industrial
3 Base Fund established under section 4817 of title 10,
4 United States Code.

5 (c) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Secretary of
7 Defense for fiscal year 2025, out of any money in the
8 Treasury not otherwise appropriated, to remain available
9 until September 30, 2029, \$5,000,000,000 for invest-
10 ments in critical minerals supply chains made pursuant
11 to the Industrial Base Fund established under section
12 4817 of title 10, United States Code.

13 (d) APPROPRIATIONS.—In addition to amounts other-
14 wise available, there is appropriated to the Secretary of
15 Defense, out of any money in the Treasury not otherwise
16 appropriated, to remain available until September 30,
17 2029, \$500,000,000 to the “Department of Defense Cred-
18 it Program Account” to carry out the capital assistance
19 program, including loans, loan guarantees, and technical
20 assistance, established under section 149(e) of title 10,
21 United States Code, for critical minerals and related in-
22 dustries and projects, including related Covered Tech-
23 nology Categories: *Provided*, That—

24 (1) such amounts are available to subsidize
25 gross obligations for the principal amount of direct

1 loans, and total loan principal, any part of which is
2 to be guaranteed, not to exceed \$100,000,000,000;
3 and

4 (2) such amounts are available to cover all costs
5 and expenditures as provided under section
6 149(e)(5)(B) of title 10, United States Code.

7 **SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
8 **RESOURCES FOR SCALING LOW-COST WEAP-**
9 **ONS INTO PRODUCTION.**

10 (a) APPROPRIATIONS.—In addition to amounts other-
11 wise available, there are appropriated to the Secretary of
12 Defense for fiscal year 2025, out of any money in the
13 Treasury not otherwise appropriated, to remain available
14 until September 30, 2029—

15 (1) \$25,000,000 for the Office of Strategic
16 Capital Global Technology Scout program;

17 (2) \$1,400,000,000 for the expansion of the
18 small unmanned aerial system industrial base;

19 (3) \$400,000,000 for the development and de-
20 ployment of the Joint Fires Network and associated
21 joint battle management capabilities;

22 (4) \$400,000,000 for the expansion of advanced
23 command-and-control tools to combatant commands
24 and military departments;

1 (5) \$100,000,000 for the development of shared
2 secure facilities for the defense industrial base;

3 (6) \$50,000,000 for the creation of additional
4 Defense Innovation Unit OnRamp Hubs;

5 (7) \$600,000,000 for the acceleration of Stra-
6 tegic Capabilities Office programs;

7 (8) \$650,000,000 for the expansion of Mission
8 Capabilities office joint prototyping and experimen-
9 tation activities for military innovation;

10 (9) \$500,000,000 for the accelerated develop-
11 ment and integration of advanced 5G/6G tech-
12 nologies for military use;

13 (10) \$25,000,000 for testing of simultaneous
14 transmit and receive technology for military spec-
15 trum agility;

16 (11) \$50,000,000 for the development, procure-
17 ment, and integration of high-altitude stratospheric
18 balloons for military use;

19 (12) \$120,000,000 for the development, pro-
20 curement, and integration of long-endurance un-
21 manned aerial systems for surveillance;

22 (13) \$40,000,000 for the development, procure-
23 ment, and integration of alternative positioning and
24 navigation technology to enable military operations
25 in contested electromagnetic environments;

1 (14) \$750,000,000 for the acceleration of inno-
2 vative military logistics and energy capability devel-
3 opment and deployment;

4 (15) \$125,000,000 for the acceleration of devel-
5 opment of small, portable modular nuclear reactors
6 for military use;

7 (16) \$1,000,000,000 for the expansion of pro-
8 grams to accelerate the procurement and fielding of
9 innovative technologies;

10 (17) \$90,000,000 for the development of reus-
11 able hypersonic technology for military strikes;

12 (18) \$2,000,000,000 for the expansion of De-
13 fense Innovation Unit scaling of commercial tech-
14 nology for military use;

15 (19) \$500,000,000 to prevent delays in delivery
16 of attritable autonomous military capabilities;

17 (20) \$1,500,000,000 for the development, pro-
18 curement, and integration of low-cost cruise missiles;

19 (21) \$124,000,000 for improvements to Test
20 Resource Management Center artificial intelligence
21 capabilities;

22 (22) \$145,000,000 for the development of arti-
23 ficial intelligence to enable one-way attack un-
24 manned aerial systems and naval systems;

1 (23) \$250,000,000 for the development of the
2 Test Resource Management Center digital test envi-
3 ronment;

4 (24) \$250,000,000 for the advancement of the
5 artificial intelligence ecosystem;

6 (25) \$250,000,000 for the expansion of Cyber
7 Command artificial intelligence lines of effort;

8 (26) \$250,000,000 for the acceleration of the
9 Quantum Benchmarking Initiative;

10 (27) \$1,000,000,000 for the expansion and ac-
11 celeration of qualification activities and technical
12 data management to enhance competition in defense
13 industrial base;

14 (28) \$400,000,000 for the expansion of the de-
15 fense manufacturing technology program;

16 (29) \$1,685,000,000 for military cryptographic
17 modernization activities;

18 (30) \$90,000,000 for APEX Accelerators, the
19 Mentor-Protege Program, and cybersecurity support
20 to small non-traditional contractors;

21 (31) \$250,000,000 for the development, pro-
22 curement, and integration of Air Force low-cost
23 counter-air capabilities;

24 (32) \$10,000,000 for additional Air Force
25 wargaming activities; and

1 (33) \$20,000,000 for the Office of Strategic
2 Capital workforce.

3 (b) APPROPRIATIONS.—In addition to amounts other-
4 wise available, there are appropriated to the Secretary of
5 Defense, out of any money in the Treasury not otherwise
6 appropriated, to remain available until September 30,
7 2029, \$1,000,000,000 to the “Department of Defense
8 Credit Program Account” to carry out the capital assist-
9 ance program, including loans, loan guarantees, and tech-
10 nical assistance, established under section 149(e) of title
11 10, United States Code: *Provided*, That—

12 (1) such amounts are available to subsidize
13 gross obligations for the principal amount of direct
14 loans, and total loan principal, any part of which is
15 to be guaranteed, not to exceed \$100,000,000,000;
16 and

17 (2) such amounts are available to cover all costs
18 and expenditures as provided under section
19 149(e)(5)(B) of title 10, United States Code.

20 **SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
21 **RESOURCES FOR IMPROVING THE EFFI-**
22 **CIENCY AND CYBERSECURITY OF THE DE-**
23 **PARTMENT OF DEFENSE.**

24 In addition to amounts otherwise available, there are
25 appropriated to the Secretary of Defense for fiscal year

1 2025, out of any money in the Treasury not otherwise ap-
2 propriated, to remain available until September 30,
3 2029—

4 (1) \$150,000,000 for business systems replace-
5 ment to accelerate the audits of the financial state-
6 ments of the Department of Defense pursuant to
7 chapter 9A and section 2222 of title 10, United
8 States Code;

9 (2) \$200,000,000 for the deployment of auto-
10 mation and artificial intelligence to accelerate the
11 audits of the financial statements of the Department
12 of Defense pursuant to chapter 9A and section 2222
13 of title 10, United States Code;

14 (3) \$10,000,000 for the improvement of the
15 budgetary and programmatic infrastructure of the
16 Office of the Secretary of Defense; and

17 (4) \$20,000,000 for defense cybersecurity pro-
18 grams of the Defense Advanced Research Projects
19 Agency.

20 **SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
21 **RESOURCES FOR AIR SUPERIORITY.**

22 In addition to amounts otherwise available, there are
23 appropriated to the Secretary of Defense for fiscal year
24 2025, out of any money in the Treasury not otherwise ap-

1 appropriated, to remain available until September 30,
2 2029—

3 (1) \$3,150,000,000 to increase F-15EX air-
4 craft production;

5 (2) \$361,220,000 to prevent the retirement of
6 F-22 aircraft;

7 (3) \$127,460,000 to prevent the retirement of
8 F-15E aircraft;

9 (4) \$187,000,000 to accelerate installation of
10 F-16 electronic warfare capability;

11 (5) \$116,000,000 for C-17A Mobility Aircraft
12 Connectivity;

13 (6) \$84,000,000 for KC-135 Mobility Aircraft
14 Connectivity;

15 (7) \$440,000,000 to increase C-130J produc-
16 tion;

17 (8) \$474,000,000 to increase EA-37B produc-
18 tion;

19 (9) \$678,000,000 to accelerate the Collabo-
20 rative Combat Aircraft program;

21 (10) \$400,000,000 to accelerate production of
22 the F-47 aircraft;

23 (11) \$750,000,000 accelerate the FA/XX air-
24 craft;

1 (12) \$100,000,000 for production of Advanced
2 Aerial Sensors;

3 (13) \$160,000,000 to accelerate V-22 nacelle
4 and reliability and safety improvements;

5 (14) \$100,000,000 to accelerate production of
6 MQ-25 aircraft;

7 (15) \$270,000,000 for development, procure-
8 ment, and integration of Marine Corps unmanned
9 combat aircraft;

10 (16) \$96,000,000 for the procurement and inte-
11 gration of infrared search and track pods;

12 (17) \$50,000,000 for the procurement and inte-
13 gration of additional F-15EX conformal fuel tanks;

14 (18) \$600,000,000 for the development, pro-
15 curement, and integration of Air Force long-range
16 strike aircraft; and

17 (19) \$500,000,000 for the development, pro-
18 curement, and integration of Navy long-range strike
19 aircraft.

20 **SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR**
21 **FORCES.**

22 (a) DOD APPROPRIATIONS.—In addition to amounts
23 otherwise available, there are appropriated to the Sec-
24 retary of Defense for fiscal year 2025, out of any money

1 in the Treasury not otherwise appropriated, to remain
2 available until September 30, 2029—

3 (1) \$2,500,000,000 for risk reduction activities
4 for the Sentinel intercontinental ballistic missile pro-
5 gram;

6 (2) \$4,500,000,000 only for expansion of pro-
7 duction capacity of B-21 long-range bomber aircraft
8 and the purchase of aircraft only available through
9 the expansion of production capacity;

10 (3) \$500,000,000 for improvements to the Min-
11 uteman III intercontinental ballistic missile system;

12 (4) \$100,000,000 for capability enhancements
13 to intercontinental ballistic missile reentry vehicles;

14 (5) \$148,000,000 for the expansion of D5 mis-
15 sile motor production;

16 (6) \$400,000,000 to accelerate the development
17 of Trident D5LE2 submarine-launched ballistic mis-
18 siles;

19 (7) \$2,000,000,000 to accelerate the develop-
20 ment, procurement, and integration of the nuclear-
21 armed sea-launched cruise missile;

22 (8) \$62,000,000 to convert Ohio-class sub-
23 marine tubes to accept additional missiles, not to be
24 obligated before March 1, 2026;

1 (9) \$168,000,000 to accelerate the production
2 of the Survivable Airborne Operations Center pro-
3 gram;

4 (10) \$65,000,000 to accelerate the moderniza-
5 tion of nuclear command, control, and communica-
6 tions;

7 (11) \$210,300,000 for the increased production
8 of MH-139 helicopters; and

9 (12) \$150,000,000 to accelerate the develop-
10 ment, procurement, and integration of military nu-
11 clear weapons delivery programs.

12 (b) NNSA APPROPRIATIONS.—In addition to
13 amounts otherwise available, there are appropriated to the
14 Administrator of the National Nuclear Security Adminis-
15 tration for fiscal year 2025, out of any money in the
16 Treasury not otherwise appropriated, to remain available
17 until September 30, 2029—

18 (1) \$200,000,000 to perform National Nuclear
19 Security Administration Phase 1 studies pursuant to
20 section 3211 of the National Nuclear Security Ad-
21 ministration Act (50 U.S.C. 2401);

22 (2) \$540,000,000 to address deferred mainte-
23 nance and repair needs of the National Nuclear Se-
24 curity Administration pursuant to section 3211 of

1 the National Nuclear Security Administration Act
2 (50 U.S.C. 2401);

3 (3) \$1,000,000,000 to accelerate the construc-
4 tion of National Nuclear Security Administration fa-
5 cilities pursuant to section 3211 of the National Nu-
6 clear Security Administration Act (50 U.S.C. 2401);

7 (4) \$400,000,000 to accelerate the develop-
8 ment, procurement, and integration of the warhead
9 for the nuclear-armed sea-launched cruise missile
10 pursuant to section 3211 of the National Nuclear
11 Security Administration Act (50 U.S.C. 2401);

12 (5) \$750,000,000 to accelerate primary capa-
13 bility modernization pursuant to section 3211 of the
14 National Nuclear Security Administration Act (50
15 U.S.C. 2401);

16 (6) \$750,000,000 to accelerate secondary capa-
17 bility modernization pursuant to section 3211 of the
18 National Nuclear Security Administration Act (50
19 U.S.C. 2401);

20 (7) \$120,000,000 to accelerate domestic ura-
21 nium enrichment centrifuge deployment for defense
22 purposes pursuant to section 3211 of the National
23 Nuclear Security Administration Act (50 U.S.C.
24 2401);

1 (8) \$10,000,000 for National Nuclear Security
2 Administration evaluation of spent fuel reprocessing
3 technology; and

4 (9) \$115,000,000 for accelerating nuclear na-
5 tional security missions through artificial intel-
6 ligence.

7 **SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
8 **RESOURCES TO IMPROVE CAPABILITIES OF**
9 **UNITED STATES INDO-PACIFIC COMMAND.**

10 In addition to amounts otherwise available, there are
11 appropriated to the Secretary of Defense for fiscal year
12 2025, out of any money in the Treasury not otherwise ap-
13 propriated, to remain available until September 30,
14 2029—

15 (1) \$365,000,000 for Army exercises and oper-
16 ations in the Western Pacific area of operations;

17 (2) \$53,000,000 for Special Operations Com-
18 mand exercises and operations in the Western Pa-
19 cific area of operations;

20 (3) \$47,000,000 for Marine Corps exercises and
21 operations in Western Pacific area of operations;

22 (4) \$90,000,000 for Air Force exercises and op-
23 erations in Western Pacific area of operations;

24 (5) \$532,600,000 for the Pacific Air Force bi-
25 ennial large-scale exercise;

1 (6) \$19,000,000 for the development of naval
2 small craft capabilities;

3 (7) \$35,000,000 for military additive manufac-
4 turing capabilities in the United States Indo-Pacific
5 Command area of operations west of the inter-
6 national dateline;

7 (8) \$450,000,000 for the development of air-
8 fields within the area of operations of United States
9 Indo-Pacific Command;

10 (9) \$1,100,000,000 for development of infra-
11 structure within the area of operations of United
12 States Indo-Pacific Command;

13 (10) \$124,000,000 for mission networks for
14 United States Indo-Pacific Command;

15 (11) \$100,000,000 for Air Force regionally
16 based cluster pre-position base kits;

17 (12) \$115,000,000 for exploration and develop-
18 ment of existing Arctic infrastructure;

19 (13) \$90,000,000 for the accelerated develop-
20 ment of non-kinetic capabilities;

21 (14) \$20,000,000 for United States Indo-Pa-
22 cific Command military exercises;

23 (15) \$143,000,000 for anti-submarine sonar ar-
24 rays;

1 (16) \$30,000,000 for surveillance and recon-
2 naissance capabilities for United States Africa Com-
3 mand;

4 (17) \$30,000,000 for surveillance and recon-
5 naissance capabilities for United States Indo-Pacific
6 Command;

7 (18) \$500,000,000 for the development, coordi-
8 nation, and deployment of economic competition ef-
9 fects within the Department of Defense;

10 (19) \$10,000,000 for the expansion of Depart-
11 ment of Defense workforce for economic competition;

12 (20) \$1,000,000,000 for offensive cyber oper-
13 ations;

14 (21) \$500,000,000 for personnel and operations
15 costs associated with forces assigned to United
16 States Indo-Pacific Command;

17 (22) \$300,000,000 for the procurement of mesh
18 network communications capabilities for Special Op-
19 erations Command Pacific;

20 (23) \$850,000,000 for the replenishment of
21 military articles;

22 (24) \$200,000,000 for acceleration of Guam
23 Defense System program;

24 (25) \$68,000,000 for Space Force facilities im-
25 provements;

1 (26) \$150,000,000 for ground moving target
2 indicator military satellites;

3 (27) \$528,000,000 for DARC and
4 SILENTBARKER military space situational aware-
5 ness programs;

6 (28) \$80,000,000 for Navy Operational Sup-
7 port Division;

8 (29) \$1,000,000,000 for the X-37B military
9 spacecraft program;

10 (30) \$3,650,000,000 for the development, pro-
11 curement, and integration of United States military
12 satellites and the protection of United States mili-
13 tary satellites.

14 (31) \$125,000,000 for the development, pro-
15 curement, and integration of military space commu-
16 nications.

17 (32) \$350,000,000 for the development, pro-
18 curement, and integration of military space com-
19 mand and control systems.

20 **SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
21 **RESOURCES FOR IMPROVING THE READI-**
22 **NESS OF THE DEPARTMENT OF DEFENSE.**

23 In addition to amounts otherwise available, there are
24 appropriated to the Secretary of Defense for fiscal year
25 2025, out of any money in the Treasury not otherwise ap-

1 appropriated, to remain available until September 30,
2 2029—

3 (1) \$1,400,000,000 for a pilot program on
4 OPN-8 maritime spares and repair rotatable pool;

5 (2) \$700,000,000 for a pilot program on OPN-
6 8 maritime spares and repair rotatable pool for am-
7 phibious ships;

8 (3) \$2,118,000,000 for spares and repairs to
9 keep Air Force aircraft mission capable;

10 (4) \$1,500,000,000 for Army depot moderniza-
11 tion and capacity enhancement;

12 (5) \$2,000,000,000 for Navy depot and ship-
13 yard modernization and capacity enhancement;

14 (6) \$250,000,000 for Air Force depot mod-
15 ernization and capacity enhancement;

16 (7) \$1,640,000,000 for Special Operations
17 Command equipment, readiness, and operations;

18 (8) \$500,000,000 for National Guard unit
19 readiness;

20 (9) \$400,000,000 for Marine Corps readiness
21 and capabilities;

22 (10) \$20,000,000 for upgrades to Marine Corps
23 utility helicopters;

1 (11) \$310,000,000 for next-generation vertical
2 lift, assault, and intra-theater aeromedical evacu-
3 ation aircraft;

4 (12) \$75,000,000 for the procurement of anti-
5 lock braking systems for Army wheeled transport ve-
6 hicles;

7 (13) \$230,000,000 for the procurement of
8 Army wheeled combat vehicles;

9 (14) \$63,000,000 for the development of ad-
10 vanced rotary-wing engines;

11 (15) \$241,000,000 for the development, pro-
12 curement, and integration of Marine Corps amphib-
13 ious vehicles;

14 (16) \$250,000,000 for the procurement of
15 Army tracked combat transport vehicles;

16 (17) \$98,000,000 for additional Army light ro-
17 tary-wing capabilities;

18 (18) \$1,500,000,000 for increased depot main-
19 tenance and shipyard maintenance activities;

20 (19) \$2,500,000,000 for Air Force facilities
21 sustainment, restoration, and modernization;

22 (20) \$92,500,000 for the completion of Robotic
23 Combat Vehicle prototyping;

24 (21) \$125,000,000 for Army operations;

1 (22) \$10,000,000 for the Air Force Concepts,
2 Development, and Management Office; and
3 (23) \$320,000,000 for Joint Special Operations
4 Command.

5 **SEC. 20011. IMPROVING DEPARTMENT OF DEFENSE BOR-**
6 **DER SUPPORT AND COUNTER-DRUG MIS-**
7 **SIONS.**

8 In addition to amounts otherwise available, there are
9 appropriated to the Secretary of Defense for fiscal year
10 2025, out of any money in the Treasury not otherwise ap-
11 propriated, to remain available until September 30, 2029,
12 \$1,000,000,000 for the deployment of military personnel
13 in support of border operations, operations and mainte-
14 nance activities in support of border operations, counter-
15 narcotics and counter-transnational criminal organization
16 mission support, the operation of national defense areas
17 and construction in national defense areas, and the tem-
18 porary detention of migrants on Department of Defense
19 installations, in accordance with chapter 15 of title 10,
20 United States Code.

21 **SEC. 20012. DEPARTMENT OF DEFENSE OVERSIGHT.**

22 In addition to amounts otherwise available, there is
23 appropriated to the Inspector General of the Department
24 of Defense for fiscal year 2025, out of any money in the
25 Treasury not otherwise appropriated, \$10,000,000, to re-

1 main available through September 30, 2029, to monitor
2 Department of Defense activities for which funding is ap-
3 propriated in this title, including—

4 (1) programs with mutual technological depend-
5 encies;

6 (2) programs with related data management
7 and data ownership considerations; and

8 (3) programs particularly vulnerable to supply
9 chain disruptions and long lead time components.

10 **SEC. 20013. MILITARY CONSTRUCTION PROJECTS AUTHOR-**
11 **IZED.**

12 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
13 are hereby authorized to be appropriated for military con-
14 struction, land acquisition, and military family housing
15 functions of each military department (as defined in sec-
16 tion 101(a) of title 10, United States Code) as specified
17 in this title.

18 (b) **SPENDING PLAN.**—Not later than 30 days after
19 the date of the enactment of this title, the Secretary of
20 each military department shall submit to the Committees
21 on Armed Services of the Senate and House of Represent-
22 atives a detailed spending plan by project for all funds
23 made available by this title to be expended on military con-
24 struction projects.

1 **SEC. 20014. MULTI-YEAR OPERATIONAL PLAN.**

2 (a) IN GENERAL.—Not later than 60 days after the
3 date of the enactment of this Act, the Secretary of Defense
4 and the Administrator of the National Nuclear Security
5 Administration shall submit to the Committees on Armed
6 Services of the Senate and the House of Representatives
7 a plan detailing how the funds appropriated to the Depart-
8 ment of Defense and the National Nuclear Security Ad-
9 ministration under the Act will be spent over the four-
10 year period ending with fiscal year 2029.

11 (b) QUARTERLY UPDATES.—

12 (1) IN GENERAL.—Not later than the last day
13 of each calendar quarter beginning during the appli-
14 cable period, the Secretary of Defense shall submit
15 to the Committees on Armed Services of the Senate
16 and the House of Representatives a report on the
17 plan established under subsection (a), including—

18 (A) any updates to the plan;

19 (B) progress made in implementing the
20 plan; and

21 (C) any changes in circumstances or chal-
22 lenges in implementing the plan.

23 (2) APPLICABLE PERIOD.—For purposes of
24 paragraph (1), the applicable period is the period be-
25 ginning one year after the date the plan required

1 under subsection (a) is due and ending on Sep-
2 tember 30, 2029.

3 (c) REDUCTION IN APPROPRIATION.—

4 (1) IN GENERAL.—In the case of any failure to
5 submit a plan required under subsection (a) or a re-
6 port required under subsection (b) by the date speci-
7 fied in paragraph (2), the amounts made available to
8 the Department of Defense under this Act shall be
9 reduced by \$100,000 for each day after such speci-
10 fied date that the report has not been submitted to
11 Congress.

12 (2) SPECIFIED DATE.—For purposes of the re-
13 duction in appropriations under paragraph (1), the
14 specified date is the date that is 60 days after the
15 date the plan or report is required to be submitted
16 under subsection (a) or (b), as the case may be.

17 **TITLE III—COMMITTEE ON**
18 **BANKING, HOUSING, AND**
19 **URBAN AFFAIRS**

20 **SEC. 30001. FUNDING CAP FOR THE BUREAU OF CONSUMER**
21 **FINANCIAL PROTECTION.**

22 Section 1017(a)(2)(A)(iii) of the Consumer Financial
23 Protection Act of 2010 (12 U.S.C. 5497(a)(2)(A)(iii)) is
24 amended by striking “12” and inserting “6.5”.

1 **SEC. 30002. RESCISSION OF FUNDS FOR GREEN AND RESIL-**
2 **IENT RETROFIT PROGRAM FOR MULTI-**
3 **FAMILY HOUSING.**

4 The unobligated balances of amounts made available
5 under section 30002(a) of the Act entitled “An Act to pro-
6 vide for reconciliation pursuant to title II of S. Con. Res.
7 14”, approved August 16, 2022 (Public Law 117–169;
8 136 Stat. 2027) are rescinded.

9 **SEC. 30003. SECURITIES AND EXCHANGE COMMISSION RE-**
10 **SERVE FUND.**

11 (a) IN GENERAL.—Section 4 of the Securities Ex-
12 change Act of 1934 (15 U.S.C. 78d) is amended—

13 (1) by striking subsection (i); and

14 (2) by redesignating subsections (j) and (k) as
15 subsections (i) and (j), respectively.

16 (b) TECHNICAL AND CONFORMING AMENDMENT.—
17 Section 21F(g)(2) of the Securities Exchange Act of 1934
18 (15 U.S.C. 78u–6(g)(2)) is amended to read as follows:

19 “(a) USE OF FUND.—The Fund shall be available to
20 the Commission, without further appropriation or fiscal
21 year limitation, for paying awards to whistleblowers as
22 provided in subsection (b).”.

23 (c) TRANSITION PROVISION.—During the period be-
24 ginning on the date of enactment of this Act and ending
25 on October 1, 2025, the Securities and Exchange Commis-
26 sion may expend amounts in the Securities and Exchange

1 Commission Reserve Fund that were obligated before the
2 date of enactment of this Act for any program, project,
3 or activity that is ongoing (as of the day before the date
4 of enactment of this Act) in accordance with subsection
5 (i) of section 4 of the Securities Exchange Act of 1934
6 (15 U.S.C. 78d), as in effect on the day before the date
7 of enactment of this Act.

8 (d) TRANSFER OF REMAINING AMOUNTS.—Effective
9 on October 1, 2025, the obligated and unobligated bal-
10 ances of amounts in the Securities and Exchange Commis-
11 sion Reserve Fund shall be transferred to the general fund
12 of the Treasury.

13 (e) CLOSING OF ACCOUNT.—For the purposes of sec-
14 tion 1555 of title 31, United States Code, the Securities
15 and Exchange Commission Reserve Fund shall be consid-
16 ered closed, and thereafter shall not be available for obli-
17 gation or expenditure for any purpose, upon execution of
18 the transfer required under subsection (d).

19 **SEC. 30004. APPROPRIATIONS FOR DEFENSE PRODUCTION**
20 **ACT.**

21 In addition to amounts otherwise available, there is
22 appropriated for fiscal year 2025, out of amounts not oth-
23 erwise appropriated, \$1,000,000,000, to remain available
24 until September 30, 2027, to carry out the Defense Pro-
25 duction Act (50 U.S.C. 4501 et seq.).

1 **TITLE IV—COMMITTEE ON COM-**
2 **MERCE, SCIENCE, AND**
3 **TRANSPORTATION**

4 **SEC. 40001. COAST GUARD MISSION READINESS.**

5 (a) IN GENERAL.—Chapter 11 of title 14, United
6 States Code, is amended by adding at the end the fol-
7 lowing:

8 **“Subchapter V—Coast Guard Mission**
9 **Readiness**

10 **“§ 1181. Special appropriations**

11 “In addition to amounts otherwise available, there is
12 appropriated to the Coast Guard for fiscal year 2025, out
13 of any money in the Treasury not otherwise appropriated,
14 \$24,593,500,000, to remain available until September 30,
15 2029, notwithstanding paragraphs (1) and (2) of section
16 1105(a) and sections 1131, 1132, 1133, and 1156, to use
17 expedited processes to procure or acquire new operational
18 assets and systems, to maintain existing assets and sys-
19 tems, to design, construct, plan, engineer, and improve
20 necessary shore infrastructure, and to enhance operational
21 resilience for monitoring, search and rescue, interdiction,
22 hardening of maritime approaches, and navigational safe-
23 ty, of which—

24 “(1) \$1,142,500,000 is provided for procure-
25 ment and acquisition of fixed-wing aircraft, equip-

1 ment related to such aircraft and training simulators
2 and program management for such aircraft, to pro-
3 vide for security of the maritime border;

4 “(2) \$2,283,000,000 is provided for procure-
5 ment and acquisition of rotary-wing aircraft, equip-
6 ment related to such aircraft and training simulators
7 and program management for such aircraft, to pro-
8 vide for security of the maritime border;

9 “(3) \$266,000,000 is provided for procurement
10 and acquisition of long-range unmanned aircraft and
11 base stations, equipment related to such aircraft and
12 base stations, and program management for such
13 aircraft and base stations, to provide for security of
14 the maritime border;

15 “(4) \$4,300,000,000 is provided for procure-
16 ment of Offshore Patrol Cutters, equipment related
17 to such cutters, and program management for such
18 cutters, to provide operational presence and security
19 of the maritime border and for interdiction of per-
20 sons and controlled substances;

21 “(5) \$1,000,000,000 is provided for procure-
22 ment of Fast Response Cutters, equipment related
23 to such cutters, and program management for such
24 cutters, to provide operational presence and security

1 of the maritime border and for interdiction of per-
2 sons and controlled substances;

3 “(6) \$4,300,000,000 is provided for procure-
4 ment of Polar Security Cutters, equipment related to
5 such cutters, and program management for such
6 cutters, to ensure timely presence of the Coast
7 Guard in the Arctic and Antarctic regions;

8 “(7) \$3,500,000,000 is provided for procure-
9 ment of Arctic Security Cutters, equipment related
10 to such cutters, and program management for such
11 cutters, to ensure timely presence of the Coast
12 Guard in the Arctic and Antarctic regions;

13 “(8) \$816,000,000 is provided for procurement
14 of light and medium icebreaking cutters, and equip-
15 ment relating to such cutters, from shipyards that
16 have demonstrated success in the cost-effective ap-
17 plication of design standards and in delivering, on
18 schedule and within budget, vessels of a size and
19 tonnage that are not less than the size and tonnage
20 of the cutters described in this paragraph, and for
21 program management for such cutters, to expand
22 domestic icebreaking capacity;

23 “(9) \$162,000,000 is provided for procurement
24 of Waterways Commerce Cutters, equipment related
25 to such cutters, and program management for such

1 cutters, to support aids to navigation, waterways
2 and coastal security, and search and rescue in inland
3 waterways;

4 “(10) \$4,379,000,000 is provided for design,
5 planning, engineering, recapitalization, construction,
6 rebuilding, and improvement of, and program man-
7 agement for, shore facilities, of which—

8 “(A) \$425,000,000 is provided for design,
9 planning, engineering, construction of, and pro-
10 gram management for—

11 “(i) the enlisted boot camp barracks
12 and multi-use training center; and

13 “(ii) other related facilities at the en-
14 listed boot camp;

15 “(B) \$500,000,000 is provided for—

16 “(i) construction, improvement, and
17 dredging at the Coast Guard Yard; and

18 “(ii) acquisition of a floating drydock
19 for the Coast Guard Yard;

20 “(C) not more than \$2,729,500,000 is pro-
21 vided for homeports and hangars for cutters
22 and aircraft for which funds are appropriated
23 under paragraph (1) through (9); and

1 “(D) \$300,000,000 is provided for home-
2 porting of the existing polar icebreaker commis-
3 sioned into service in 2025;

4 “(11) \$2,200,000,000 is provided for aviation,
5 cutter, and shore facility depot maintenance and
6 maintenance of command, control, communication,
7 computer, and cyber assets;

8 “(12) \$170,000,000 is provided for improving
9 maritime domain awareness on the maritime border,
10 at United States ports, at land-based facilities and
11 in the cyber domain; and

12 “(13) \$75,000,000 is provided to contract the
13 services of, acquire, or procure autonomous maritime
14 systems.”.

15 (b) TECHNICAL AND CONFORMING AMENDMENT.—
16 The analysis for chapter 11 of title 14, United States
17 Code, is amended by adding at the end the following:

“SUBCHAPTER V—COAST GUARD MISSION READINESS

“1181. Special appropriations.”.

18 **SEC. 40002. SPECTRUM AUCTIONS.**

19 (a) DEFINITIONS.—In this section:

20 (1) ASSISTANT SECRETARY.—The term “Assist-
21 ant Secretary” means the Assistant Secretary of
22 Commerce for Communications and Information.

23 (2) COMMISSION.—The term “Commission”
24 means the Federal Communications Commission.

1 (3) COVERED BAND.—The term “covered
2 band”—

3 (A) except as provided in subparagraph
4 (B), means the band of frequencies between 1.3
5 gigahertz and 10.5 gigahertz; and

6 (B) does not include—

7 (i) the band of frequencies between
8 3.1 gigahertz and 3.45 gigahertz for pur-
9 poses of auction, reallocation, modification,
10 or withdrawal; or

11 (ii) the band of frequencies between
12 7.4 gigahertz and 8.4 gigahertz for pur-
13 poses of auction, reallocation, modification,
14 or withdrawal.

15 (4) FULL-POWER COMMERCIAL LICENSED USE
16 CASES.—The term “full-power commercial licensed
17 use cases” means flexible use wireless broadband
18 services with base station power levels sufficient for
19 high-power, high-density, and wide-area commercial
20 mobile services, consistent with the service rules
21 under part 27 of title 47, Code of Federal Regula-
22 tions, or any successor regulations, for wireless
23 broadband deployments throughout the covered
24 band.

25 (b) GENERAL AUCTION AUTHORITY.—

1 (1) AMENDMENT.—Section 309(j)(11) of the
2 Communications Act of 1934 (47 U.S.C. 309(j)(11))
3 is amended by striking “grant a license or permit
4 under this subsection shall expire March 9, 2023”
5 and all that follows and inserting the following:
6 “complete a system of competitive bidding under this
7 subsection shall expire September 30, 2034, except
8 that, with respect to the electromagnetic spectrum—
9 “

10 “(A) between the frequencies of 3.1
11 gigahertz and 3.45 gigahertz, such authority
12 shall not apply; and

13 “(B) between the frequencies of 7.4
14 gigahertz and 8.4 gigahertz, such authority
15 shall not apply.”.

16 (2) SPECTRUM AUCTIONS.—The Commission
17 shall grant licenses through systems of competitive
18 bidding, before the expiration of the general auction
19 authority of the Commission under section
20 309(j)(11) of the Communications Act of 1934 (47
21 U.S.C. 309(j)(11)), as amended by paragraph (1) of
22 this subsection, for not less than 300 megahertz, in-
23 cluding by completing a system of competitive bid-
24 ding not later than 2 years after the date of enact-

1 ment of this Act for not less than 100 megahertz in
2 the band between 3.98 gigahertz and 4.2 gigahertz.

3 (c) IDENTIFICATION FOR REALLOCATION.—

4 (1) IN GENERAL.—The Assistant Secretary, in
5 consultation with the Commission, shall identify 500
6 megahertz of frequencies in the covered band for re-
7 allocation to non-Federal use, shared Federal and
8 non-Federal use, or a combination thereof, for full-
9 power commercial licensed use cases, that—

10 (A) as of the date of enactment of this
11 Act, are allocated for Federal use; and

12 (B) shall be in addition to the 300 mega-
13 hertz of frequencies for which the Commission
14 grants licenses under subsection (b)(2).

15 (2) SCHEDULE.—The Assistant Secretary shall
16 identify the frequencies under paragraph (1) accord-
17 ing to the following schedule:

18 (A) Not later than 2 years after the date
19 of enactment of this Act, the Assistant Sec-
20 retary shall identify not less than 200 mega-
21 hertz of frequencies within the covered band.

22 (B) Not later than 4 years after the date
23 of enactment of this Act, the Assistant Sec-
24 retary shall identify any remaining bandwidth
25 required to be identified under paragraph (1).

1 (3) REQUIRED ANALYSIS.—

2 (A) IN GENERAL.—In determining under
3 paragraph (1) which specific frequencies within
4 the covered band to reallocate, the Assistant
5 Secretary shall determine the feasibility of the
6 reallocation of frequencies.

7 (B) REQUIREMENTS.—In conducting the
8 analysis under subparagraph (A), the Assistant
9 Secretary shall assess net revenue potential, re-
10 location or sharing costs, as applicable, and the
11 feasibility of reallocating specific frequencies,
12 with the goal of identifying the best approach
13 to maximize net proceeds of systems of competi-
14 tive bidding for the Treasury, consistent with
15 section 309(j) of the Communications Act of
16 1934 (47 U.S.C. 309(j)).

17 (d) AUCTIONS.—The Commission shall grant licenses
18 for the frequencies identified for reallocation under sub-
19 section (c) through systems of competitive bidding in ac-
20 cordance with the following schedule:

21 (1) Not later than 4 years after the date of en-
22 actment of this Act, the Commission shall, after no-
23 tifying the Assistant Secretary, complete 1 or more
24 systems of competitive bidding for not less than 200
25 megahertz of the frequencies.

1 (2) Not later than 8 years after the date of en-
2 actment of this Act, the Commission shall, after no-
3 tifying the Assistant Secretary, complete 1 or more
4 systems of competitive bidding for any frequencies
5 identified under subsection (c) that remain to be
6 auctioned after compliance with paragraph (1) of
7 this subsection.

8 (e) LIMITATION.—The President shall modify or
9 withdraw any frequency proposed for reallocation under
10 this section not later than 60 days before the commence-
11 ment of a system of competitive bidding scheduled by the
12 Commission with respect to that frequency, if the Presi-
13 dent determines that such modification or withdrawal is
14 necessary to protect the national security of the United
15 States.

16 (f) APPROPRIATION.—In addition to amounts other-
17 wise available, there is appropriated to the Department
18 of Commerce for fiscal year 2025, out of any money in
19 the Treasury not otherwise appropriated, \$50,000,000, to
20 remain available through September 30, 2034, to provide
21 additional support to the Assistant Secretary to—

22 (1) conduct a timely spectrum analysis of the
23 bands of frequencies—

24 (A) between 2.7 gigahertz and 2.9
25 gigahertz;

1 (B) between 4.4 gigahertz and 4.9
2 gigahertz; and

3 (C) between 7.25 gigahertz and 7.4
4 gigahertz; and

5 (2) publish a biennial report, with the last re-
6 port to be published not later than June 30, 2034,
7 on the value of all spectrum used by Federal entities
8 (as defined in section 113(l) of the National Tele-
9 communications and Information Administration Or-
10 ganization Act (47 U.S.C. 923(l))), that assesses the
11 value of bands of frequencies in increments of not
12 more than 100 megahertz.

13 **SEC. 40003. AIR TRAFFIC CONTROL IMPROVEMENTS.**

14 (a) IN GENERAL.—For the purpose of the acquisi-
15 tion, construction, sustainment, and improvement of facili-
16 ties and equipment necessary to improve or maintain avia-
17 tion safety, in addition to amounts otherwise made avail-
18 able, there is appropriated to the Administrator of the
19 Federal Aviation Administration for fiscal year 2025, out
20 of any money in the Treasury not otherwise appropriated,
21 to remain available until September 30, 2029—

22 (1) \$4,750,000,000 for telecommunications in-
23 frastructure modernization and systems upgrades;

24 (2) \$3,000,000,000 for radar systems replace-
25 ment;

1 (3) \$500,000,000 for runway safety tech-
2 nologies, runway lighting systems, airport surface
3 surveillance technologies, and to carry out section
4 347 of the FAA Reauthorization Act of 2024;

5 (4) \$300,000,000 for Enterprise Information
6 Display Systems;

7 (5) \$80,000,000 to acquire and install not less
8 than 50 Automated Weather Observing Systems, to
9 acquire and install not less than 60 Visual Weather
10 Observing Systems, to acquire and install not less
11 than 64 weather camera sites, and to acquire and
12 install weather stations;

13 (6) \$40,000,000 to carry out section 44745 of
14 title 49, United States Code, (except for activities
15 described in paragraph (5));

16 (7) \$1,900,000,000 for necessary actions to
17 construct a new air route traffic control center (in
18 this subsection referred to as “ARTCC”): *Provided*,
19 That not more than 2 percent of such amount is
20 used for planning or administrative purposes: *Pro-*
21 *vided further*, That at least 3 existing ARTCCs are
22 divested and integrated into the newly constructed
23 ARTCC;

24 (8) \$100,000,000 to conduct an ARTCC Re-
25 alignment and Consolidation Effort under which at

1 least 10 existing ARTCCs are closed or consolidated
2 to facilitate recapitalization of ARTCC facilities
3 owned and operated by the Federal Aviation Admin-
4 istration;

5 (9) \$1,000,000,000 to support recapitalization
6 and consolidation of terminal radar approach control
7 facilities (in this subsection referred to as
8 “TRACONs”), the analysis and identification of
9 TRACONs for divestment, consolidation, or integra-
10 tion, planning, site selection, facility acquisition, and
11 transition activities and other appropriate activities
12 for carrying out such divestment, consolidation, or
13 integration, and the establishment of brand new
14 TRACONs;

15 (10) \$350,000,000 for unstaffed infrastructure
16 sustainment and replacement;

17 (11) \$50,000,000 to carry out section 961 of
18 the FAA Reauthorization Act of 2024;

19 (12) \$300,000,000 to carry out section 619 of
20 the FAA Reauthorization Act of 2024;

21 (13) \$50,000,000 to carry out section 621 of
22 the FAA Reauthorization Act of 2024 and to deploy
23 remote tower technology at untowered airports; and

24 (14) \$100,000,000 for air traffic controller ad-
25 vanced training technologies.

1 (b) QUARTERLY REPORTING.—Not later than 180
2 days after the date of enactment of this Act, and every
3 90 days thereafter, the Administrator of the Federal Avia-
4 tion Administration shall submit to Congress a report that
5 describes any expenditures under this section.

6 **SEC. 40004. SPACE LAUNCH AND REENTRY LICENSING AND**
7 **PERMITTING USER FEES.**

8 (a) IN GENERAL.—Chapter 509 of title 51, United
9 States Code, is amended by adding at the end the fol-
10 lowing new section:

11 **“§ 50924. Space launch and reentry licensing and per-**
12 **mitting user fees**

13 “(a) FEES.—

14 “(1) IN GENERAL.—The Secretary of Transpor-
15 tation shall impose a fee, which shall be deposited in
16 the account established under subsection (b), on
17 each launch or reentry carried out under a license
18 or permit issued under section 50904 during 2026
19 or a subsequent year, in an amount equal to the
20 lesser of—

21 “(A) the amount specified in paragraph
22 (2) for the year involved per pound of the
23 weight of the payload; or

24 “(B) the amount specified in paragraph
25 (3) for the year involved.

1 “(2) PARAGRAPH (2) SPECIFIED AMOUNT.—The
2 amount specified in this paragraph is—

3 “(A) for 2026, \$0.25;

4 “(B) for 2027, \$0.35;

5 “(C) for 2028, \$0.50;

6 “(D) for 2029, \$0.60;

7 “(E) for 2030, \$0.75;

8 “(F) for 2031, \$1;

9 “(G) for 2032, \$1.25;

10 “(H) for 2033, \$1.50; and

11 “(I) for 2034 and each subsequent year,
12 the amount specified in this paragraph for the
13 previous year increased by the percentage in-
14 crease in the consumer price index for all urban
15 consumers (all items; United States city aver-
16 age) over the previous year.

17 “(3) PARAGRAPH (3) SPECIFIED AMOUNT.—The
18 amount specified in this paragraph is—

19 “(A) for 2026, \$30,000;

20 “(B) for 2027, \$40,000;

21 “(C) for 2028, \$50,000;

22 “(D) for 2029, \$75,000;

23 “(E) for 2030, \$100,000;

24 “(F) for 2031, \$125,000;

25 “(G) for 2032, \$170,000;

1 “(H) for 2033, \$200,000; and

2 “(I) for 2034 and each subsequent year,
3 the amount specified in this paragraph for the
4 previous year increased by the percentage in-
5 crease in the consumer price index for all urban
6 consumers (all items; United States city aver-
7 age) over the previous year.

8 “(b) OFFICE OF COMMERCIAL SPACE TRANSPOR-
9 TATION LAUNCH AND REENTRY LICENSING AND PERMIT-
10 TING FUND.—There is established in the Treasury of the
11 United States a separate account, which shall be known
12 as the ‘Office of Commercial Space Transportation
13 Launch and Reentry Licensing and Permitting Fund’, for
14 the purposes of expenses of the Office of Commercial
15 Space Transportation of the Federal Aviation Administra-
16 tion and to carry out section 630(b) of the FAA Reauthor-
17 ization Act of 2024. 70 percent of the amounts deposited
18 into the fund shall be available for such purposes and shall
19 be available without further appropriation and without fis-
20 cal year limitation.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 for chapter 509 of title 51, United States Code, is amend-
23 ed by inserting after the item relating to section 50923
24 the following:

“50924. Space launch and reentry licensing and permitting user fees.”.

1 **SEC. 40005. MARS MISSIONS, ARTEMIS MISSIONS, AND**
2 **MOON TO MARS PROGRAM.**

3 (a) IN GENERAL.—Chapter 203 of title 51, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“§ 20306. Special appropriations for Mars missions,**
7 **Artemis missions, and Moon to Mars pro-**
8 **gram**

9 “(a) IN GENERAL.—In addition to amounts other-
10 wise available, there is appropriated to the Administration
11 for fiscal year 2025, out of any money in the Treasury
12 not otherwise appropriated, \$9,995,000,000, to remain
13 available until September 30, 2032, to use as follows:

14 “(1) \$700,000,000, to be obligated not later
15 than fiscal year 2026, for the procurement, using a
16 competitively bid, firm fixed-price contract with a
17 United States commercial provider (as defined in
18 section 50101(7)), of a high-performance Mars tele-
19 communications orbiter—

20 “(A) that—

21 “(i) is capable of providing robust,
22 continuous communications for—

23 “(I) a Mars sample return mis-
24 sion, as described in section 432(3)(C)
25 of the National Aeronautics and
26 Space Administration Transition Au-

1 thorization Act of 2017 (51 U.S.C.
2 20302 note; Public Law 115–10); and

3 “(II) future Mars surface, or-
4 bital, and human exploration mis-
5 sions;

6 “(ii) supports autonomous operations,
7 onboard processing, and extended mission
8 duration capabilities; and

9 “(iii) is selected from among the com-
10 mercial proposals that—

11 “(I) received funding from the
12 Administration in fiscal year 2024 or
13 2025 for commercial design studies
14 for Mars Sample Return; and

15 “(II) proposed a separate, inde-
16 pendently launched Mars tele-
17 communication orbiter supporting an
18 end-to-end Mars sample return mis-
19 sion; and

20 “(B) which shall be delivered to the Ad-
21 ministration not later than December 31, 2028.

22 “(2) \$2,600,000,000 to meet the requirements
23 of section 20302(a) using the program of record
24 known, as of the date of the enactment of this sec-
25 tion, as ‘Gateway’, and as described in section

1 10811(b)(2)(B)(iv) of the National Aeronautics and
2 Space Administration Authorization Act of 2022 (51
3 U.S.C. 20302 note; Public Law 117–167), of which
4 not less than \$750,000,000 shall be obligated for
5 each of fiscal years 2026, 2027, and 2028.

6 “(3) \$4,100,000,000 for expenses related to
7 meeting the requirements of section 10812 of the
8 National Aeronautics and Space Administration Au-
9 thorization Act of 2022 (51 U.S.C. 20301; Public
10 Law 117–167) for the procurement, transportation,
11 integration, operation, and other necessary expenses
12 of the Space Launch System for Artemis Missions
13 IV and V, of which not less than \$1,025,000,000
14 shall be obligated for each of fiscal years 2026,
15 2027, 2028, and 2029.

16 “(4) \$20,000,000 for expenses related to the
17 continued procurement of the multi-purpose crew ve-
18 hicle described in section 303 of the National Aero-
19 nautics and Space Administration Authorization Act
20 of 2010 (42 U.S.C. 18323), known as the ‘Orion’,
21 for use with the Space Launch System on the
22 Artemis IV Mission and reuse in subsequent Artemis
23 Missions, of which not less than \$20,000,000 shall
24 be obligated not later than fiscal year 2026.

1 “(5) \$1,250,000,000 for expenses related to the
2 operation of the International Space Station and for
3 the purpose of meeting the requirement under sec-
4 tion 503(a) of the National Aeronautics and Space
5 Administration Authorization Act of 2010 (42
6 U.S.C. 18353(a)), of which not less than
7 \$250,000,000 shall be obligated for such expenses
8 for each of fiscal years 2025, 2026, 2027, 2028, and
9 2029.

10 “(6) \$1,000,000,000 for infrastructure im-
11 provements at the manned spaceflight centers of the
12 Administration, of which not less than—

13 “(A) \$120,000,000 shall be obligated not
14 later than fiscal year 2026 for construction, re-
15 vitalization, recapitalization, or other infrastruc-
16 ture projects and improvements at the center
17 described in Executive Order 12641 (53 Fed.
18 Reg. 18816; relating to designating certain fa-
19 cilities of the National Aeronautics and Space
20 Administration in the State of Mississippi as
21 the John C. Stennis Space Center);

22 “(B) \$250,000,000 shall be obligated not
23 later than fiscal year 2026 for construction, re-
24 vitalization, recapitalization, or other infrastruc-
25 ture projects and improvements at the center

1 described in Executive Order 11129 (28 Fed.
2 Reg. 12787; relating to designating certain fa-
3 cilities of the National Aeronautics and Space
4 Administration and of the Department of De-
5 fense, in the State of Florida, as the John F.
6 Kennedy Space Center);

7 “(C) \$300,000,000 shall be obligated not
8 later than fiscal year 2026 for construction, re-
9 vitalization, recapitalization, or other infrastruc-
10 ture projects and improvements at the center
11 described in the Joint Resolution entitled ‘Joint
12 Resolution to designate the Manned Spacecraft
13 Center in Houston, Texas, as the “Lyndon B.
14 Johnson Space Center” in honor of the late
15 President’, approved February 17, 1973 (Public
16 Law 93–8; 87 Stat. 7);

17 “(D) \$100,000,000 shall be obligated not
18 later than fiscal year 2026 for construction, re-
19 vitalization, recapitalization, or other infrastruc-
20 ture projects and improvements at the center
21 described in Executive Order 10870 (25 Fed.
22 Reg. 2197; relating to designating the facilities
23 of the National Aeronautics and Space Admin-
24 istration at Huntsville, Alabama, as the George
25 C. Marshall Space Flight Center);

1 “(E) \$30,000,000 shall be obligated not
2 later than fiscal year 2026 for construction, re-
3 vitalization, recapitalization, or other infrastruc-
4 ture projects and improvements at the Michoud
5 Assembly Facility in New Orleans, Louisiana;
6 and

7 “(F) \$85,000,000 shall be obligated to
8 carry out subsection (b), of which not less than
9 \$5,000,000 shall be obligated for the transpor-
10 tation of the space vehicle described in that
11 subsection, with the remainder transferred not
12 later than the date that is 18 months after the
13 date of the enactment of this section to the en-
14 tity designated under that subsection, for the
15 purpose of construction of a facility to house
16 the space vehicle referred to in that subsection.

17 “(7) \$325,000,000 to fulfill contract number
18 80JSC024CA002 issued by the National Aero-
19 nautics and Space Administration on June 26, 2024.

20 “(b) SPACE VEHICLE TRANSFER.—

21 “(1) IN GENERAL.—Not later than 30 days
22 after the date of the enactment of this section, the
23 Administrator shall identify a space vehicle described
24 in paragraph (2) to be—

1 “(A) transferred to a field center of the
2 Administration that is involved in the adminis-
3 tration of the Commercial Crew Program (as
4 described in section 302 of the National Aero-
5 nautics and Space Administration Transition
6 Authorization Act of 2017 (51 U.S.C. 50111
7 note; Public Law 115–10)); and

8 “(B) placed on public exhibition at an enti-
9 ty within the Metropolitan Statistical Area
10 where such center is located.

11 “(2) SPACE VEHICLE DESCRIBED.—A space ve-
12 hicle described in this paragraph is a vessel that—

13 “(A) has flown into space;

14 “(B) has carried astronauts; and

15 “(C) is selected with the concurrence of an
16 entity designated by the Administrator.

17 “(3) TRANSFER.—

18 “(A) IN GENERAL.—Not later than 18
19 months after the date of the enactment of this
20 section, the space vehicle identified under para-
21 graph (1) shall be transferred to an entity des-
22 ignated by the Administrator.

23 “(B) TITLE.—Not later than 1 year after
24 the date on which a space vehicle is identified
25 under paragraph (1), the Federal Government

1 shall, as applicable, transfer the title to the
2 space vehicle to the entity designated by the
3 Administrator.

4 “(C) RESPONSIBILITY.—The transfer
5 under this paragraph shall be carried out under
6 the Administrator or acting Administrator.

7 “(c) OBLIGATION OF FUNDS.—Funds appropriated
8 under subsection (a) shall be obligated as follows:

9 “(1) Not less than 50 percent of the total funds
10 in subsection (a) shall be obligated not later than
11 September 30, 2028.

12 “(2) 100 percent of funds shall be obligated not
13 later than September 30, 2029.

14 “(3) All associated outlays shall occur not later
15 than September 30, 2034.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for chapter 203 of title 51, United States Code, is amend-
18 ed by adding at the end the following:

 “20306. Special appropriations for Mars missions, Artemis missions, and Moon
 to Mars program.”.

19 **SEC. 40006. CORPORATE AVERAGE FUEL ECONOMY CIVIL**
20 **PENALTIES.**

21 (a) IN GENERAL.—Section 32912 of title 49, United
22 States Code, is amended—

1 (1) in subsection (b), in the matter preceding
2 paragraph (1), by striking “\$5” and inserting
3 “\$0.00”; and

4 (2) in subsection (c)(1)(B), by striking “\$10”
5 and inserting “\$0.00”.

6 (b) EFFECT; APPLICABILITY.—The amendments
7 made by subsection (a) shall—

8 (1) take effect on the date of enactment of this
9 section; and

10 (2) apply to all model years of a manufacturer
11 for which the Secretary of Transportation has not
12 provided a notification pursuant to section
13 32903(b)(2)(B) of title 49, United States Code,
14 specifying the penalty due for the average fuel econ-
15 omy of that manufacturer being less than the appli-
16 cable standard prescribed under section 32902 of
17 that title.

18 **SEC. 40007. PAYMENTS FOR LEASE OF METROPOLITAN**
19 **WASHINGTON AIRPORTS.**

20 Section 49104(b) of title 49, United States Code, is
21 amended to read as follows:

22 “(b) PAYMENTS.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 under the lease, the Airports Authority must pay to

1 the general fund of the Treasury annually an
2 amount, computed using the GNP Price Deflator—

3 “(A) during the period from 1987 to 2026,
4 equal to \$3,000,000 in 1987 dollars; and

5 “(B) for 2027 and subsequent years, equal
6 to \$15,000,000 in 2027 dollars.

7 “(2) RENEGOTIATION.—The Secretary and the
8 Airports Authority shall renegotiate the level of lease
9 payments at least once every 10 years to ensure that
10 in no year the amount specified in paragraph (1)(B)
11 is less than \$15,000,000 in 2027 dollars.”.

12 **SEC. 40008. RESCISSION OF CERTAIN AMOUNTS FOR THE**
13 **NATIONAL OCEANIC AND ATMOSPHERIC AD-**
14 **MINISTRATION.**

15 Any unobligated balances of amounts appropriated or
16 otherwise made available by sections 40001, 40002,
17 40003, and 40004 of Public Law 117–169 (136 Stat.
18 2028) are hereby rescinded.

19 **SEC. 40009. REDUCTION IN ANNUAL TRANSFERS TO TRAV-**
20 **EL PROMOTION FUND.**

21 Subsection (d)(2)(B) of the Travel Promotion Act of
22 2009 (22 U.S.C. 2131(d)(2)(B)) is amended by striking
23 “\$100,000,000” and inserting “\$20,000,000”.

1 **SEC. 40010. TREATMENT OF UNOBLIGATED FUNDS FOR AL-**
2 **TERNATIVE FUEL AND LOW-EMISSION AVIA-**
3 **TION TECHNOLOGY.**

4 Out of the amounts made available by section
5 40007(a) of title IV of Public Law 117–169 (49 U.S.C.
6 44504 note), any unobligated balances of such amounts
7 are hereby rescinded.

8 **SEC. 40011. RESCISSION OF AMOUNTS APPROPRIATED TO**
9 **PUBLIC WIRELESS SUPPLY CHAIN INNOVA-**
10 **TION FUND.**

11 Of the unobligated balances of amounts made avail-
12 able under section 106(a) of the CHIPS Act of 2022
13 (Public Law 117–167; 136 Stat. 1392), \$850,000,000 are
14 permanently rescinded.

15 **SEC. 40012. SUPPORT FOR ARTIFICIAL INTELLIGENCE**
16 **UNDER THE BROADBAND EQUITY, ACCESS,**
17 **AND DEPLOYMENT PROGRAM.**

18 (a) IN GENERAL.—Section 60102 of division F of
19 Public Law 117–58 (47 U.S.C. 1702) is amended—

20 (1) in subsection (a)(2)—

21 (A) by redesignating subparagraphs (B)
22 through (N) as subparagraphs (F) through (R),
23 respectively;

24 (B) by redesignating subparagraph (A) as
25 subparagraph (D);

1 (C) by inserting before subparagraph (D),
2 as so redesignated, the following:

3 “(A) ARTIFICIAL INTELLIGENCE.—The
4 term ‘artificial intelligence’ has the meaning
5 given the term in section 5002 of the National
6 Artificial Intelligence Initiative Act of 2020 (15
7 U.S.C. 9401).

8 “(B) ARTIFICIAL INTELLIGENCE MODEL.—
9 The term ‘artificial intelligence model’ means a
10 software component of an information system
11 that implements artificial intelligence tech-
12 nology and uses computational, statistical, or
13 machine-learning techniques to produce outputs
14 from a defined set of inputs.

15 “(C) ARTIFICIAL INTELLIGENCE SYS-
16 TEM.—The term ‘artificial intelligence system’
17 means any data system, software, hardware, ap-
18 plication, tool, or utility that operates, in whole
19 or in part, using artificial intelligence.”;

20 (D) by inserting after subparagraph (D),
21 as so redesignated, the following:

22 “(E) AUTOMATED DECISION SYSTEM.—
23 The term ‘automated decision system’ means
24 any computational process derived from ma-
25 chine learning, statistical modeling, data ana-

1 lytics, or artificial intelligence that issues a sim-
2 plified output, including a score, classification,
3 or recommendation, to materially influence or
4 replace human decision making.”; and

5 (E) by striking subparagraph (O), as so
6 redesignated, and inserting the following:

7 “(O) PROJECT.—The term ‘project’ means
8 an undertaking by a subgrantee under this sec-
9 tion to construct and deploy infrastructure for
10 the provision of—

11 “(i) broadband service; or

12 “(ii) artificial intelligence models, arti-
13 ficial intelligence systems, or automated
14 decision systems.”;

15 (2) in subsection (b), by adding at the end the
16 following:

17 “(5) APPROPRIATION FOR FISCAL YEAR 2025.—

18 “(A) IN GENERAL.—In addition to any
19 amounts otherwise appropriated to the Pro-
20 gram, there is appropriated to the Assistant
21 Secretary for fiscal year 2025, out of any funds
22 in the Treasury not otherwise appropriated,
23 \$500,000,000, to remain available until ex-
24 pended, to carry out the Program.

1 “(B) SET-ASIDE FOR ARTIFICIAL INTEL-
2 LIGENCE INFRASTRUCTURE MASTER SERVICES
3 AGREEMENTS.—Of the amount appropriated
4 under subparagraph (A), \$25,000,000 shall be
5 used by the Assistant Secretary for the purpose
6 of negotiating master services agreements on
7 behalf of subgrantees of an eligible entity or po-
8 litical subdivision to enable access to quantity
9 purchasing and licensing discounts for the con-
10 struction, acquisition, and deployment of infra-
11 structure for the provision of artificial intel-
12 ligence models, artificial intelligence systems, or
13 automated decision systems funded under this
14 section.”;

15 (3) in subsection (f)—

16 (A) in paragraph (5), by striking “and” at
17 the end;

18 (B) by redesignating paragraph (6) as
19 paragraph (7); and

20 (C) by inserting after paragraph (5) the
21 following:

22 “(6) the construction and deployment of infra-
23 structure for the provision of artificial intelligence
24 models, artificial intelligence systems, or automated
25 decision systems; and”;

1 (4) in subsection (g)(3), by striking subpara-
2 graph (B) and inserting the following:

3 “(B) may, in addition to other authority
4 under applicable law, deobligate grant funds
5 awarded to an eligible entity that—

6 “(i) violates paragraph (2);

7 “(ii) demonstrates an insufficient level
8 of performance, or wasteful or fraudulent
9 spending, as defined in advance by the As-
10 sistant Secretary; or

11 “(iii) if obligated any funds made
12 available under subsection (b)(5)(A), is not
13 in compliance with subsection (q) or (r);
14 and”;

15 (5) in subsection (j)(1)—

16 (A) in subparagraph (A)—

17 (i) in clause (iii), by striking “and” at
18 the end;

19 (ii) by redesignating clause (iv) as
20 clause (v); and

21 (iii) by inserting after clause (iii) the
22 following:

23 “(iv) certifies that the eligible entity,
24 if obligated any funds made available

1 under subsection (b)(5)(A), is in compli-
2 ance with subsections (q) and (r); and”;

3 (B) in subparagraph (B)—

4 (i) in clause (iii), by striking “and” at
5 the end;

6 (ii) by redesignating clause (iv) as
7 clause (v); and

8 (iii) by inserting after clause (iii) the
9 following:

10 “(iv) certifies that the eligible entity,
11 if obligated any funds made available
12 under subsection (b)(5)(A), is in compli-
13 ance with subsections (q) and (r); and”;
14 and

15 (C) in subparagraph (C)—

16 (i) by redesignating clauses (iv) and
17 (v) as clauses (v) and (vi), respectively;
18 and

19 (ii) by inserting after clause (iii) the
20 following:

21 “(iv) certifies that the eligible entity,
22 if obligated any funds made available
23 under subsection (b)(5)(A), is in compli-
24 ance with subsections (q) and (r);” and

25 (6) by adding at the end the following:

1 “(p) RECEIPT OF FUNDS CONDITIONED ON TEM-
2 PORARY PAUSE AND EFFICIENCIES.—On and after the
3 date of enactment of this subsection, no funds made avail-
4 able under subsection (b)(5)(A) may be obligated to an
5 eligible entity or a political subdivision thereof that is not
6 in compliance with subsections (q) and (r).

7 “(q) TEMPORARY PAUSE.—

8 “(1) IN GENERAL.—Except as provided in para-
9 graph (2), no eligible entity or political subdivision
10 thereof to which funds made available under sub-
11 section (b)(5)(A) are obligated on or after the date
12 of enactment of this subsection may enforce, during
13 the 10-year period beginning on the date of enact-
14 ment of this subsection, any law or regulation of
15 that eligible entity or a political subdivision thereof
16 limiting, restricting, or otherwise regulating artificial
17 intelligence models, artificial intelligence systems, or
18 automated decision systems entered into interstate
19 commerce.

20 “(2) RULE OF CONSTRUCTION.—Paragraph (1)
21 may not be construed to prohibit the enforcement of
22 any law or regulation—

23 “(A) the primary purpose and effect of
24 which is to—

1 “(i) remove legal impediments to, or
2 facilitate the deployment or operation of,
3 an artificial intelligence model, artificial in-
4 telligence system, or automated decision
5 system; or

6 “(ii) streamline licensing, permitting,
7 routing, zoning, procurement, or reporting
8 procedures in a manner that facilitates the
9 adoption of artificial intelligence models,
10 artificial intelligence systems, or automated
11 decision systems; or

12 “(B) that does not impose any substantive
13 design, performance, data-handling, documenta-
14 tion, civil liability, taxation, fee, or other re-
15 quirement on artificial intelligence models, arti-
16 ficial intelligence systems, or automated deci-
17 sion systems unless that requirement is imposed
18 under—

19 “(i) Federal law; or

20 “(ii) a generally applicable law, such
21 as a body of common law; and

22 “(C) that does not impose a fee or bond
23 unless—

24 “(i) the fee or bond is reasonable and
25 cost-based; and

1 “(ii) under the fee or bond, artificial
2 intelligence models, artificial intelligence
3 systems, and automated decision systems
4 are treated in the same manner as other
5 models and systems that perform com-
6 parable functions.

7 “(r) MASTER SERVICES AGREEMENTS.—An eligible
8 entity, or political subdivision thereof, to which funds
9 made available under subsection (b)(5)(A) are obligated
10 on or after the date of enactment of this subsection shall
11 certify to the Assistant Secretary either that—

12 “(1) each subgrantee of the eligible entity or
13 political subdivision is utilizing applicable master
14 services agreements negotiated using amounts made
15 available under subsection (b)(5)(B); or

16 “(2) each contract, license, purchase order, or
17 services agreement entered into, procured, or made
18 by a subgrantee of the eligible entity or political sub-
19 division for purposes described in subsection
20 (b)(5)(B) is at least as cost-effective as the terms of
21 executable master services agreements, as applicable,
22 negotiated by the Assistant Secretary using amounts
23 made available under subsection (b)(5)(B).”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—
Section 60102(a)(1) of division F of Public Law 117–58
(47 U.S.C. 1702(a)(1)) is amended—

(1) in subparagraph (B), by striking “a
project” and inserting “a project described in sub-
section (a)(2)(O)(i)”;

(2) in subparagraph (D), by striking “a
project” and inserting “a project described in sub-
section (a)(2)(O)(i)”.

TITLE V—COMMITTEE ON EN- ERGY AND NATURAL RE- SOURCES

Subtitle A—Oil and Gas Leasing

SEC. 50101. ONSHORE OIL AND GAS LEASING.

(a) REPEAL OF INFLATION REDUCTION ACT PROVI-
SIONS.—

(1) ONSHORE OIL AND GAS ROYALTY RATES.—
Subsection (a) of section 50262 of Public Law 117–
169 (136 Stat. 2056) is repealed, and any provision
of law amended or repealed by that subsection is re-
stored or revived as if that subsection had not been
enacted into law.

(2) NONCOMPETITIVE LEASING.—Subsection
(e) of section 50262 of Public Law 117–169 (136
Stat. 2057) is repealed, and any provision of law

1 amended or repealed by that subsection is restored
2 or revived as if that subsection had not been enacted
3 into law.

4 (b) REQUIREMENT TO IMMEDIATELY RESUME ON-
5 SHORE OIL AND GAS LEASE SALES.—

6 (1) IN GENERAL.—The Secretary of the Inte-
7 rior shall immediately resume quarterly onshore oil
8 and gas lease sales in compliance with the Mineral
9 Leasing Act (30 U.S.C. 181 et seq.).

10 (2) REQUIREMENT.—The Secretary of the Inte-
11 rior shall ensure—

12 (A) that any oil and gas lease sale required
13 under paragraph (1) is conducted immediately
14 on completion of all applicable scoping, public
15 comment, and environmental analysis require-
16 ments under the Mineral Leasing Act (30
17 U.S.C. 181 et seq.) and the National Environ-
18 mental Policy Act of 1969 (42 U.S.C. 4321 et
19 seq.); and

20 (B) that the processes described in sub-
21 paragraph (A) are conducted in a timely man-
22 ner to ensure compliance with subsection (b)(1).

23 (3) LEASE OF OIL AND GAS LANDS.—Section
24 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C.
25 226(b)(1)(A)), as amended by subsection (a), is

1 amended by inserting “For purposes of the previous
2 sentence, the term ‘eligible lands’ means all lands
3 that are subject to leasing under this Act and are
4 not excluded from leasing by a statutory prohibition,
5 and the term ‘available’, with respect to eligible
6 lands, means those lands that have been designated
7 as open for leasing under a land use plan developed
8 under section 202 of the Federal Land Policy and
9 Management Act of 1976 (43 U.S.C. 1712) and that
10 have been nominated for leasing through the submis-
11 sion of an expression of interest, are subject to
12 drainage in the absence of leasing, or are otherwise
13 designated as available pursuant to regulations
14 adopted by the Secretary.” after “sales are nec-
15 essary.”.

16 (c) QUARTERLY LEASE SALES.—

17 (1) IN GENERAL.—In accordance with the Min-
18 eral Leasing Act (30 U.S.C. 181 et seq.), each fiscal
19 year, the Secretary of the Interior shall conduct a
20 minimum of 4 oil and gas lease sales of available
21 land in each of the following States:

22 (A) Wyoming.

23 (B) New Mexico.

24 (C) Colorado.

25 (D) Utah.

1 (E) Montana.

2 (F) North Dakota.

3 (G) Oklahoma.

4 (H) Nevada.

5 (I) Alaska.

6 (2) REQUIREMENT.—In conducting a lease sale
7 under paragraph (1) in a State described in that
8 paragraph, the Secretary of the Interior—

9 (A) shall offer not less than 50 percent of
10 available parcels nominated for oil and gas de-
11 velopment under the applicable resource man-
12 agement plan in effect for relevant Bureau of
13 Land Management resource management areas
14 within the applicable State; and

15 (B) shall not restrict the parcels offered to
16 1 Bureau of Land Management field office
17 within the applicable State unless all nominated
18 parcels are located within the same Bureau of
19 Land Management field office.

20 (3) REPLACEMENT SALES.—The Secretary of
21 the Interior shall conduct a replacement sale during
22 the same fiscal year if—

23 (A) a lease sale under paragraph (1) is
24 canceled, delayed, or deferred, including for a
25 lack of eligible parcels; or

1 (B) during a lease sale under paragraph
2 (1) the percentage of acreage that does not re-
3 ceive a bid is equal to or greater than 25 per-
4 cent of the acreage offered.

5 (d) MINERAL LEASING ACT REFORMS.—Section 17
6 of the Mineral Leasing Act (30 U.S.C. 226), as amended
7 by subsection (a), is amended—

8 (1) by striking the section designation and all
9 that follows through the end of subsection (a) and
10 inserting the following:

11 **“SEC. 17. LEASING OF OIL AND GAS PARCELS.**

12 **“(a) LEASING AUTHORIZED.—**

13 **“(1) IN GENERAL.—**Any parcel of land subject
14 to disposition under this Act that is known or be-
15 lieved to contain oil or gas deposits shall be made
16 available for leasing, subject to paragraph (2), by
17 the Secretary of the Interior, not later than 18
18 months after the date of receipt by the Secretary of
19 an expression of interest in leasing the applicable
20 parcel of land available for disposition under this
21 section, if the Secretary determines that the parcel
22 of land is open to oil or gas leasing under the ap-
23 proved resource management plan applicable to the
24 planning area in which the parcel of land is located
25 that is in effect on the date on which the expression

1 of interest was submitted to the Secretary (referred
2 to in this subsection as the ‘approved resource man-
3 agement plan’).

4 “(2) RESOURCE MANAGEMENT PLANS.—

5 “(A) LEASE TERMS AND CONDITIONS.—A
6 lease issued by the Secretary under this section
7 with respect to an applicable parcel of land
8 made available for leasing under paragraph
9 (1)—

10 “(i) shall be subject to the terms and
11 conditions of the approved resource man-
12 agement plan; and

13 “(ii) may not require any stipulations
14 or mitigation requirements not included in
15 the approved resource management plan.

16 “(B) EFFECT OF AMENDMENT.—The initi-
17 ation of an amendment to an approved resource
18 management plan shall not prevent or delay the
19 Secretary from making the applicable parcel of
20 land available for leasing in accordance with
21 that approved resource management plan if the
22 other requirements of this section have been
23 met, as determined by the Secretary.”;

24 (2) in subsection (p), by adding at the end the
25 following:

1 “(4) TERM.—A permit to drill approved under
2 this subsection shall be valid for a single, non-renew-
3 able 4-year period beginning on the date that the
4 permit to drill is approved.”; and

5 (3) by striking subsection (q) and inserting the
6 following:

7 “(q) COMMINGLING OF PRODUCTION.—The Sec-
8 retary of the Interior shall approve applications allowing
9 for the commingling of production from 2 or more sources
10 (including the area of an oil and gas lease, the area in-
11 cluded in a drilling spacing unit, a unit participating area,
12 a communitized area, or non-Federal property) before pro-
13 duction reaches the point of royalty measurement regard-
14 less of ownership, the royalty rates, and the number or
15 percentage of acres for each source if the applicant agrees
16 to install measurement devices for each source, utilize an
17 allocation method that achieves volume measurement un-
18 certainty levels within plus or minus 2 percent during the
19 production phase reported on a monthly basis, or utilize
20 an approved periodic well testing methodology. Production
21 from multiple oil and gas leases, drilling spacing units,
22 communitized areas, or participating areas from a single
23 wellbore shall be considered a single source. Nothing in
24 this subsection shall prevent the Secretary of the Interior
25 from continuing the current practice of exercising discre-

1 tion to authorize higher percentage volume measurement
2 uncertainty levels if appropriate technical and economic
3 justifications have been provided.”.

4 **SEC. 50102. OFFSHORE OIL AND GAS LEASING.**

5 (a) LEASE SALES.—

6 (1) GULF OF AMERICA REGION.—

7 (A) IN GENERAL.—Notwithstanding the
8 2024–2029 National Outer Continental Shelf
9 Oil and Gas Leasing Program (and any suc-
10 cessor leasing program that does not satisfy the
11 requirements of this section), in addition to
12 lease sales which may be held under that pro-
13 gram, and except within areas subject to exist-
14 ing oil and gas leasing moratoria, the Secretary
15 of the Interior shall conduct a minimum of 30
16 region-wide oil and gas lease sales, in a manner
17 consistent with the schedule described in sub-
18 paragraph (B), in the region identified in the
19 map depicting lease terms and economic condi-
20 tions accompanying the final notice of sale of
21 the Bureau of Ocean Energy Management enti-
22 tled “Gulf of Mexico Outer Continental Shelf
23 Region-Wide Oil and Gas Lease Sale 254” (85
24 Fed. Reg. 8010 (February 12, 2020)).

1 (B) TIMING REQUIREMENT.—Of the not
2 fewer than 30 region-wide lease sales required
3 under this paragraph, the Secretary of the Inte-
4 rior shall—

5 (i) hold not fewer than 1 lease sale in
6 the region described in subparagraph (A)
7 by December 15, 2025;

8 (ii) hold not fewer than 2 lease sales
9 in that region in each of calendar years
10 2026 through 2039, 1 of which shall be
11 held by March 15 of the applicable cal-
12 endar year and 1 of which shall be held
13 after March 15 but not later than August
14 15 of the applicable calendar year; and

15 (iii) hold not fewer than 1 lease sale
16 in that region in calendar year 2040, which
17 shall be held by March 15, 2040.

18 (2) ALASKA REGION.—

19 (A) IN GENERAL.—The Secretary of the
20 Interior shall conduct a minimum of 6 offshore
21 lease sales, in a manner consistent with the
22 schedule described in subparagraph (B), in the
23 Cook Inlet Planning Area as identified in the
24 2017–2022 Outer Continental Shelf Oil and
25 Gas Leasing Proposed Final Program published

1 on November 18, 2016, by the Bureau of Ocean
2 Energy Management (as announced in the no-
3 tice of availability of the Bureau of Ocean En-
4 ergy Management entitled “Notice of Avail-
5 ability of the 2017–2022 Outer Continental
6 Shelf Oil and Gas Leasing Proposed Final Pro-
7 gram” (81 Fed. Reg. 84612 (November 23,
8 2016))).

9 (B) TIMING REQUIREMENT.—Of the not
10 fewer than 6 lease sales required under this
11 paragraph, the Secretary of the Interior shall
12 hold not fewer than 1 lease sale in the area de-
13 scribed in subparagraph (A) in each of calendar
14 years 2026 through 2028, and in each of cal-
15 endar years 2030 through 2032, by March 15
16 of the applicable calendar year.

17 (b) REQUIREMENTS.—

18 (1) TERMS AND STIPULATIONS FOR GULF OF
19 AMERICA SALES.—In conducting lease sales under
20 subsection (a)(1), the Secretary of the Interior—

21 (A) shall, subject to subparagraph (C),
22 offer the same lease form, lease terms, eco-
23 nomic conditions, and lease stipulations 4
24 through 9 as contained in the final notice of
25 sale of the Bureau of Ocean Energy Manage-

1 ment entitled “Gulf of Mexico Outer Conti-
2 nental Shelf Region-Wide Oil and Gas Lease
3 Sale 254” (85 Fed. Reg. 8010 (February 12,
4 2020));

5 (B) may update lease stipulations 1
6 through 3 and 10 described in that final notice
7 of sale to reflect current conditions for lease
8 sales conducted under subsection (a)(1);

9 (C) shall set the royalty rate at not less
10 than 12½ percent but not greater than 16⅔
11 percent; and

12 (D) shall, for a lease in water depths of
13 800 meters or deeper issued as a result of a
14 sale, set the primary term for 10 years.

15 (2) TERMS AND STIPULATIONS FOR ALASKA RE-
16 GION SALES.—

17 (A) IN GENERAL.—In conducting lease
18 sales under subsection (a)(2), the Secretary of
19 the Interior shall offer the same lease form,
20 lease terms, economic conditions, and stipula-
21 tions as contained in the final notice of sale of
22 the Bureau of Ocean Energy Management enti-
23 tled “Cook Inlet Planning Area Outer Conti-
24 nental Shelf Oil and Gas Lease Sale 244” (82
25 Fed. Reg. 23291 (May 22, 2017)).

1 (B) REVENUE SHARING.—Notwithstanding
2 section 8(g) and section 9 of the Outer Conti-
3 nental Shelf Lands Act (43 U.S.C. 1337(g),
4 1338), and beginning in fiscal year 2034, of the
5 bonuses, rents, royalties, and other revenues de-
6 rived from lease sales conducted under sub-
7 section (a)(2)—

8 (i) 70 percent shall be paid to the
9 State of Alaska; and

10 (ii) 30 percent shall be deposited in
11 the Treasury and credited to miscellaneous
12 receipts.

13 (3) AREA OFFERED FOR LEASE.—

14 (A) GULF OF AMERICA REGION.—For each
15 offshore lease sale conducted under subsection
16 (a)(1), the Secretary of the Interior shall—

17 (i) offer not fewer than 80,000,000
18 acres; or

19 (ii) if there are fewer than 80,000,000
20 acres that are unleased and available, offer
21 all unleased and available acres.

22 (B) ALASKA REGION.—For each offshore
23 lease sale conducted under subsection (a)(2),
24 the Secretary of the Interior shall—

1 (i) offer not fewer than 1,000,000
2 acres; or

3 (ii) if there are fewer than 1,000,000
4 acres that are unleased and available, offer
5 all unleased and available acres.

6 (c) OFFSHORE COMMINGLING.—The Secretary of the
7 Interior shall approve a request of an operator to com-
8 mingle oil or gas production from multiple reservoirs with-
9 in a single wellbore completed on the outer Continental
10 Shelf in the Gulf of America Region unless the Secretary
11 of the Interior determines that conclusive evidence estab-
12 lishes that the commingling—

13 (1) could not be conducted by the operator in
14 a safe manner; or

15 (2) would result in an ultimate recovery from
16 the applicable reservoirs to be reduced in comparison
17 to the expected recovery of those reservoirs if they
18 had not been commingled.

19 (d) OFFSHORE OIL AND GAS ROYALTY RATE.—

20 (1) REPEAL.—Section 50261 of Public Law
21 117–169 (136 Stat. 2056) is repealed, and any pro-
22 vision of law amended or repealed by that section is
23 restored or revived as if that section had not been
24 enacted into law.

1 (2) ROYALTY RATE.—Section 8(a)(1) of the
2 Outer Continental Shelf Lands Act (43 U.S.C.
3 1337(a)(1)) (as amended by paragraph (1)) is
4 amended—

5 (A) in subparagraph (A), by striking “not
6 less than 12½ per centum” and inserting “not
7 less than 12½ percent, but not more than 16⅔
8 percent,”;

9 (B) in subparagraph (C), by striking “not
10 less than 12½ per centum” and inserting “not
11 less than 12½ percent, but not more than 16⅔
12 percent,”;

13 (C) in subparagraph (F), by striking “no
14 less than 12½ per centum” and inserting “not
15 less than 12½ percent, but not more than 16⅔
16 percent,”; and

17 (D) in subparagraph (H), by striking “no
18 less than 12 and ½ per centum” and inserting
19 “not less than 12½ percent, but not more than
20 16⅔ percent,”.

21 (e) LIMITATIONS ON AMOUNT OF DISTRIBUTED
22 QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—
23 Section 105(f)(1) of the Gulf of Mexico Energy Security
24 Act of 2006 (43 U.S.C. 1331 note; Public Law 109–432)
25 is amended—

1 (1) in subparagraph (B), by striking “and” at
2 the end;

3 (2) in subparagraph (C), by striking “2055.”
4 and inserting “2024;”; and

5 (3) by adding at the end the following:

6 “(D) \$650,000,000 for each of fiscal years
7 2025 through 2034; and

8 “(E) \$500,000,000 for each of fiscal years
9 2035 through 2055.”.

10 **SEC. 50103. ROYALTIES ON EXTRACTED METHANE.**

11 Section 50263 of Public Law 117–169 (30 U.S.C.
12 1727) is repealed.

13 **SEC. 50104. ALASKA OIL AND GAS LEASING.**

14 (a) DEFINITIONS.—In this section:

15 (1) COASTAL PLAIN.—The term “Coastal
16 Plain” has the meaning given the term in section
17 20001(a) of Public Law 115–97 (16 U.S.C. 3143
18 note).

19 (2) OIL AND GAS PROGRAM.—The term “oil
20 and gas program” means the oil and gas program
21 established under section 20001(b)(2) of Public Law
22 115–97 (16 U.S.C. 3143 note).

23 (3) SECRETARY.—The term “Secretary” means
24 the Secretary of the Interior, acting through the Bu-
25 reau of Land Management.

1 (b) LEASE SALES REQUIRED.—

2 (1) IN GENERAL.—Subject to paragraph (3), in
3 addition to the lease sales required under section
4 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C.
5 3143 note), the Secretary shall conduct not fewer
6 than 4 lease sales area-wide under the oil and gas
7 program by not later than 10 years after the date
8 of enactment of this Act.

9 (2) TERMS AND CONDITIONS.—In conducting
10 lease sales under paragraph (1), the Secretary shall
11 offer the same terms and conditions as contained in
12 the record of decision described in the notice of
13 availability of the Bureau of Land Management enti-
14 tled “Notice of Availability of the Record of Decision
15 for the Final Environmental Impact Statement for
16 the Coastal Plain Oil and Gas Leasing Program,
17 Alaska” (85 Fed. Reg. 51754 (August 21, 2020)).

18 (3) SALE ACREAGES; SCHEDULE.—

19 (A) ACREAGES.—In conducting the lease
20 sales required under paragraph (1), the Sec-
21 retary shall offer for lease under the oil and gas
22 program—

23 (i) not fewer than 400,000 acres area-
24 wide in each lease sale; and

1 (ii) those areas that have the highest
2 potential for the discovery of hydrocarbons.

3 (B) SCHEDULE.—The Secretary shall
4 offer—

5 (i) the initial lease sale under para-
6 graph (1) not later than 1 year after the
7 date of enactment of this Act;

8 (ii) a second lease sale under para-
9 graph (1) not later than 3 years after the
10 date of enactment of this Act;

11 (iii) a third lease sale under para-
12 graph (1) not later than 5 years after the
13 date of enactment of this Act; and

14 (iv) a fourth lease sale under para-
15 graph (1) not later than 7 years after the
16 date of enactment of this Act.

17 (4) RIGHTS-OF-WAY.—Section 20001(c)(2) of
18 Public Law 115–97 (16 U.S.C. 3143 note) shall
19 apply to leases awarded under this subsection.

20 (5) SURFACE DEVELOPMENT.—Section
21 20001(c)(3) of Public Law 115–97 (16 U.S.C. 3143
22 note) shall apply to leases awarded under this sub-
23 section.

24 (c) RECEIPTS.—Notwithstanding section 35 of the
25 Mineral Leasing Act (30 U.S.C. 191) and section

1 20001(b)(5) of Public Law 115–97 (16 U.S.C. 3143
2 note), of the amount of adjusted bonus, rental, and royalty
3 receipts derived from the oil and gas program and oper-
4 ations on the Coastal Plain pursuant to this section—

5 (1)(A) for each of fiscal years 2025 through
6 2033, 50 percent shall be paid to the State of Alas-
7 ka; and

8 (B) for fiscal year 2034 and each fiscal year
9 thereafter, 70 percent shall be paid to the State of
10 Alaska; and

11 (2) the balance shall be deposited into the
12 Treasury as miscellaneous receipts.

13 **SEC. 50105. NATIONAL PETROLEUM RESERVE–ALASKA.**

14 (a) DEFINITIONS.—In this section:

15 (1) NPR–A FINAL ENVIRONMENTAL IMPACT
16 STATEMENT.—The term “NPR–A final environ-
17 mental impact statement” means the final environ-
18 mental impact statement published by the Bureau of
19 Land Management entitled “National Petroleum Re-
20 serve in Alaska Integrated Activity Plan Final Envi-
21 ronmental Impact Statement” and dated June 2020,
22 including the errata sheet dated October 6, 2020,
23 and excluding the errata sheet dated September 20,
24 2022.

1 (2) NPR–A RECORD OF DECISION.—The term
2 “NPR–A record of decision” means the record of de-
3 cision published by the Bureau of Land Manage-
4 ment entitled “National Petroleum Reserve in Alas-
5 ka Integrated Activity Plan Record of Decision” and
6 dated December 2020.

7 (3) PROGRAM.—The term “Program” means
8 the competitive oil and gas leasing, exploration, de-
9 velopment, and production program established
10 under section 107 of the Naval Petroleum Reserves
11 Production Act of 1976 (42 U.S.C. 6506a).

12 (4) SECRETARY.—The term “Secretary” means
13 the Secretary of the Interior.

14 (b) RESTORATION OF NPR–A OIL AND GAS LEASING
15 PROGRAM.—Effective beginning on the date of enactment
16 of this Act—

17 (1) the Secretary shall expeditiously restore and
18 resume oil and gas lease sales under the Program
19 for domestic energy production and Federal revenue,
20 subject to the requirements of this section; and

21 (2) the final rule of the Bureau of Land Man-
22 agement entitled “Management and Protection of
23 the National Petroleum Reserve in Alaska” (89 Fed.
24 Reg. 38712 (May 7, 2024)) shall have no force or
25 effect until January 1, 2035.

1 (c) RESUMPTION OF NPR–A LEASE SALES.—

2 (1) IN GENERAL.—Subject to paragraph (2),
3 the Secretary shall conduct not fewer than 5 lease
4 sales under the Program by not later than 10 years
5 after the date of enactment of this Act.

6 (2) SALES ACREAGES; SCHEDULE.—

7 (A) ACREAGES.—In conducting the lease
8 sales required under paragraph (1), the Sec-
9 retary shall offer not fewer than 4,000,000
10 acres in each lease sale.

11 (B) SCHEDULE.—The Secretary shall
12 offer—

13 (i) an initial lease sale under para-
14 graph (1) not later than 1 year after the
15 date of enactment of this Act; and

16 (ii) an additional lease sale under
17 paragraph (1) not later than every 2 years
18 after the date of enactment of this Act.

19 (d) TERMS AND STIPULATIONS FOR NPR–A LEASE
20 SALES.—In conducting lease sales under subsection (c),
21 the Secretary shall offer the same lease form, lease terms,
22 economic conditions, and stipulations as described in the
23 NPR–A final environmental impact statement and the
24 NPR–A record of decision.

1 (e) RECEIPTS.—Section 107(l) of the Naval Petro-
2 leum Reserves Production Act of 1976 (42 U.S.C.
3 6506a(l)) is amended—

4 (1) by striking “All receipts from” and insert-
5 ing the following:

6 “(1) IN GENERAL.—Except as provided in para-
7 graph (2), all receipts from”; and

8 (2) by adding at the end the following:

9 “(2) PERCENT SHARE FOR FISCAL YEAR 2034
10 AND THEREAFTER.—Beginning in fiscal year 2034,
11 of the receipts from sales, rentals, bonuses, and roy-
12 alties on leases issued pursuant to this section after
13 the date of enactment of the Act entitled ‘An Act to
14 provide for reconciliation pursuant to title II of H.
15 Con. Res. 14’ (119th Congress)—

16 “(A) 70 percent shall be paid to the State
17 of Alaska; and

18 “(B) 30 percent shall be paid into the
19 Treasury of the United States.”.

20 **Subtitle B—Mining**

21 **SEC. 50201. COAL LEASING.**

22 (a) DEFINITIONS.—In this section:

23 (1) COAL LEASE.—The term “coal lease”
24 means a lease entered into by the United States as
25 lessor, through the Bureau of Land Management,

1 and an applicant on Bureau of Land Management
2 Form 3400-012 (or a successor form that contains
3 the terms of a coal lease).

4 (2) QUALIFIED APPLICATION.—The term
5 “qualified application” means an application for a
6 coal lease pending as of the date of enactment of
7 this Act or submitted within 90 days thereafter
8 under the lease by application program administered
9 by the Bureau of Land Management pursuant to the
10 Mineral Leasing Act (30 U.S.C. 181 et seq.) for
11 which any required environmental review has com-
12 menced or the Director of the Bureau of Land Man-
13 agement determines can commence within 90 days
14 after receiving the application.

15 (b) COAL LEASING ACTIVITIES.—Not later than 90
16 days after the date of enactment of this Act, the Secretary
17 of the Interior—

18 (1) shall—

19 (A) with respect to each qualified applica-
20 tion—

21 (i) if not previously published for pub-
22 lic comment, publish any required environ-
23 mental review;

24 (ii) establish the fair market value of
25 the applicable coal tract;

1 (iii) hold a lease sale with respect to
2 the applicable coal tract; and
3 (iv) identify the highest bidder at or
4 above the fair market value and take all
5 other intermediate actions necessary to
6 identify the winning bidder and grant the
7 qualified application; and

8 (2) may—

9 (A) with respect to a previously issued coal
10 lease, grant any additional approvals of the De-
11 partment of the Interior required for mining ac-
12 tivities to commence; and

13 (B) after completing the actions required
14 by clauses (i) through (iv) of paragraph (1)(A),
15 grant the qualified application and issue the ap-
16 plicable lease to the person that submitted the
17 qualified application if that person submitted
18 the winning bid in the lease sale held under
19 clause (iii) of paragraph (1)(A).

20 **SEC. 50202. COAL ROYALTY.**

21 (a) RATE.—Section 7(a) of the Mineral Leasing Act
22 (30 U.S.C. 207(a)) is amended, in the fourth sentence,
23 by striking “12½ per centum” and inserting “12½ per-
24 cent, except such amount shall be not more than 7 percent
25 during the period that begins on the date of enactment

1 of the Act entitled ‘An Act to provide for reconciliation
2 pursuant to title II of H. Con. Res. 14’ (119th Congress)
3 and ends September 30, 2034,”.

4 (b) **APPLICABILITY TO EXISTING LEASES.**—The
5 amendment made by subsection (a) shall apply to a coal
6 lease—

7 (1) issued under section 2 of the Mineral Leas-
8 ing Act (30 U.S.C. 201) before, on, or after the date
9 of the enactment of this Act; and

10 (2) that has not been terminated.

11 (c) **ADVANCE ROYALTIES.**—With respect to a lease
12 issued under section 2 of the Mineral Leasing Act (30
13 U.S.C. 201) for which the lessee has paid advance roy-
14 ties under section 7(b) of that Act (30 U.S.C. 207(b)),
15 the Secretary of the Interior shall provide to the lessee
16 a credit for the difference between the amount paid by
17 the lessee in advance royalties for the lease before the date
18 of the enactment of this Act and the amount the lessee
19 would have been required to pay if the amendment made
20 by subsection (a) had been made before the lessee paid
21 advance royalties for the lease.

22 **SEC. 50203. LEASES FOR KNOWN RECOVERABLE COAL RE-**
23 **SOURCES.**

24 Notwithstanding section 2(a)(3)(A) of the Mineral
25 Leasing Act (30 U.S.C. 201(a)(3)(A)) and section 202(a)

1 of the Federal Land Policy and Management Act of 1976
2 (43 U.S.C. 1712(a)), not later than 90 days after the date
3 of enactment of this Act, the Secretary of the Interior
4 shall make available for lease known recoverable coal re-
5 sources of not less than 4,000,000 additional acres on
6 Federal land located in the 48 contiguous States and Alas-
7 ka subject to the jurisdiction of the Secretary, but which
8 shall not include any Federal land within—

9 (1) a National Monument;

10 (2) a National Recreation Area;

11 (3) a component of the National Wilderness
12 Preservation System;

13 (4) a component of the National Wild and Sce-
14 nic Rivers System;

15 (5) a component of the National Trails System;

16 (6) a National Conservation Area;

17 (7) a unit of the National Wildlife Refuge Sys-
18 tem;

19 (8) a unit of the National Fish Hatchery Sys-
20 tem; or

21 (9) a unit of the National Park System.

22 **SEC. 50204. AUTHORIZATION TO MINE FEDERAL COAL.**

23 (a) AUTHORIZATION.—In order to provide access to
24 coal reserves in adjacent State or private land that without
25 an authorization could not be mined economically, Federal

1 coal reserves located in Federal land subject to a mining
2 plan previously approved by the Secretary of the Interior
3 as of the date of enactment of this Act and adjacent to
4 coal reserves in adjacent State or private land are author-
5 ized to be mined.

6 (b) REQUIREMENT.—Not later than 90 days after the
7 date of enactment of this Act, the Secretary of the Interior
8 shall, without substantial modification, take such steps as
9 are necessary to authorize the mining of Federal land de-
10 scribed in subsection (a).

11 (c) NEPA.—Nothing in this section shall prevent a
12 review under the National Environmental Policy Act of
13 1969 (42 U.S.C. 4321 et seq.).

14 **Subtitle C—Lands**

15 **SEC. 50301. MANDATORY DISPOSAL OF BUREAU OF LAND** 16 **MANAGEMENT LAND FOR HOUSING.**

17 (a) DEFINITIONS.—In this section:

18 (1) BUREAU OF LAND MANAGEMENT LAND.—
19 The term “Bureau of Land Management land” has
20 the meaning given the term “public lands” in section
21 103 of the Federal Land Policy and Management
22 Act of 1976 (43 U.S.C. 1702).

23 (2) COVERED FEDERAL LAND.—The term “cov-
24 ered Federal land” means Bureau of Land Manage-
25 ment land selected for disposal under this section.

1 (3) ELIGIBLE STATE.—The term “eligible
2 State” means any of the States of—

- 3 (A) Alaska;
4 (B) Arizona;
5 (C) California;
6 (D) Colorado;
7 (E) Idaho;
8 (F) Nevada;
9 (G) New Mexico;
10 (H) Oregon;
11 (I) Utah;
12 (J) Washington; or
13 (K) Wyoming.

14 (4) FEDERALLY PROTECTED LAND.—The term
15 “federally protected land” means—

- 16 (A) a National Monument;
17 (B) a National Recreation Area;
18 (C) a component of the National Wilder-
19 ness Preservation System;
20 (D) a component of the National Wild and
21 Scenic Rivers System;
22 (E) a component of the National Trails
23 System;
24 (F) a National Conservation Area;

1 (G) a unit of the National Wildlife Refuge
2 System;

3 (H) a unit of the National Fish Hatchery
4 System; or

5 (I) a unit of the National Park System.

6 (5) POPULATION CENTER.—The term “popu-
7 lation center” means a census-designated place or
8 incorporated municipality with a population of not
9 less than 1,000 persons, as determined by the most
10 recent census or official census estimate by the Cen-
11 sus Bureau.

12 (6) SECRETARY.—The term “Secretary” means
13 the Secretary of the Interior (acting through the Di-
14 rector of the Bureau of Land Management).

15 (7) TRACT.—The term “tract” means a contig-
16 uous parcel of not more than 1 square mile.

17 (b) REQUIREMENT.—Subject to valid existing rights
18 and the requirements of this section, as soon as prac-
19 ticable after the date of enactment of this Act, the Sec-
20 retary shall select for disposal not less than 0.25 percent
21 and not more than 0.50 percent of Bureau of Land Man-
22 agement land, and shall, subject to subsection (f)(2), dis-
23 pose of all right, title, and interest of the United States
24 in and to those tracts selected for disposal under this sec-
25 tion.

1 (c) SELECTION PROCESS; PRIORITY FOR DIS-
2 POSAL.—

3 (1) IN GENERAL.—Notwithstanding section
4 202(a) of the Federal Land Policy and Management
5 Act of 1976 (43 U.S.C. 1712(a)), not later than 60
6 days after the date of enactment of this Act and
7 every 60 days thereafter, the Secretary shall publish
8 a list of tracts of Bureau of Land Management land
9 identified by the Secretary for disposal by the Sec-
10 retary or nominated for disposal under paragraph
11 (2) that have been selected by the Secretary for dis-
12 posal under this section.

13 (2) NOMINATIONS FROM QUALIFIED BID-
14 DERS.—

15 (A) IN GENERAL.—Not later than 30 days
16 after the date of enactment of this Act, the Sec-
17 retary shall publish a notice soliciting nomina-
18 tions of tracts of Bureau of Land Management
19 land for disposal by the Secretary under this
20 section from qualified bidders, including States
21 and units of local government.

22 (B) CONSULTATION.—Before selecting for
23 disposal under this section any tract of Bureau
24 of Land Management land nominated for dis-

1 posal under subparagraph (A), the Secretary
2 shall consult with—

3 (i) the Governor of the State in which
4 the nominated tract is located regarding
5 the suitability of the area for residential
6 development;

7 (ii) each applicable unit of local gov-
8 ernment; and

9 (iii) each applicable Indian Tribe.

10 (C) REQUIREMENTS.—A nomination of a
11 tract of Bureau of Land Management land for
12 disposal submitted by a qualified bidder under
13 subparagraph (A) shall include a description
14 of—

15 (i) the planned use of the tract of Bu-
16 reau of Land Management land; and

17 (ii) the extent to which the develop-
18 ment of the tract of Bureau of Land Man-
19 agement land would address local housing
20 needs (including housing supply and af-
21 fordability) or any infrastructure and
22 amenities to support local needs associated
23 with housing.

24 (3) PRIORITY FOR DISPOSAL.—In selecting
25 tracts of Bureau of Land Management land for dis-

1 posal under this section, the Secretary shall
2 prioritize the disposal of tracts of Bureau of Land
3 Management land that, as determined by the Sec-
4 retary—

5 (A) have the highest value;

6 (B) are nominated by States or units of
7 local governments;

8 (C) are adjacent to existing developed
9 areas;

10 (D) have access to existing infrastructure;

11 (E) are suitable for residential housing;

12 (F) reduce checkerboard land patterns; or

13 (G) are isolated tracts that are inefficient
14 to manage.

15 (d) METHOD OF DISPOSAL.—The Secretary shall dis-
16 pose of tracts of covered Federal land under this section
17 to a qualified bidder by competitive sale, auction, or other
18 methods designed to secure not less than fair market value
19 for the tracts of covered Federal land conveyed.

20 (e) RIGHT OF FIRST REFUSAL.—The Secretary shall
21 provide a State or unit of local government in which a
22 tract of covered Federal land is located a right of first
23 refusal to purchase the applicable tract of covered Federal
24 land.

25 (f) LIMITATIONS.—

1 (1) USE.—A tract of covered Federal land dis-
2 posed of under this section shall be used solely for
3 the development of housing or to address any infra-
4 structure and amenities to support local needs asso-
5 ciated with housing.

6 (2) RESTRICTIVE COVENANT.—As a condition
7 of the conveyance of a tract of covered Federal land
8 under this section, the conveyance shall include a re-
9 strictive covenant requiring that the tract of covered
10 Federal land conveyed be used in accordance with
11 the planned use of the tract of covered Federal
12 land—

13 (A) as described pursuant to paragraph
14 (2)(C)(i) of subsection (c), in the case of a tract
15 of covered Federal land nominated under that
16 paragraph; or

17 (B) as identified by the Secretary, in the
18 case of a tract of covered Federal land initially
19 identified for disposal by the Secretary.

20 (3) EXCLUDED LAND.—The Secretary may not
21 dispose of any tract of covered Federal land that
22 is—

23 (A) federally protected land;

1 (B) as of the date of the nomination or
2 identification of the tract of covered Federal
3 land, subject to—

4 (i) an existing grazing permit or lease;
5 or

6 (ii) a valid existing right that is in-
7 compatible with the development of hous-
8 ing or any infrastructure and amenities to
9 support local needs associated with hous-
10 ing;

11 (C) not located in an eligible State; or

12 (D) not located within 5 miles of—

13 (i) the border of an incorporated mu-
14 nicipality; or

15 (ii) the center of the population center
16 of a census-designated place.

17 (4) NUMBER OF TRACTS.—A person may not
18 purchase more than 2 tracts of covered Federal land
19 in any 1 sale under this section unless the person
20 owns land surrounding the tracts of covered Federal
21 land to be sold under this section.

22 (g) DISPOSITION OF PROCEEDS.—

23 (1) IN GENERAL.—Subject to paragraphs (2)
24 and (3) and any provision of an applicable State en-
25 abling Act, any proceeds from the disposal of a tract

1 of covered Federal land under this section shall be
2 deposited in the general fund of the Treasury.

3 (2) REVENUE SHARING WITH UNIT OF LOCAL
4 GOVERNMENT.—

5 (A) DISTRIBUTION.—Notwithstanding
6 paragraph (1), 5 percent of the gross proceeds
7 from each sale of a tract of covered Federal
8 land under this section (other than a sale to a
9 unit of local government) shall be distributed
10 to—

11 (i) the unit of local government with
12 sole jurisdiction over the tract sold; or

13 (ii) in a case in which more than 1
14 unit of local government has jurisdiction
15 over the tract sold, the unit of local gov-
16 ernment that the Secretary determines ex-
17 ercises primary land use authority over the
18 tract sold, as of the date of the sale.

19 (B) USE.—Amounts distributed to a unit
20 of local government under subparagraph (A)
21 shall be used by the unit of local government
22 solely for essential infrastructure directly sup-
23 porting housing development or other associated
24 infrastructure to support local housing needs,
25 as determined by the Secretary.

1 (3) HUNTING, FISHING, AND RECREATIONAL
2 AMENITIES; DEFERRED MAINTENANCE BACKLOG.—
3 Notwithstanding paragraph (1), 10 percent of the
4 gross proceeds from each sale of a tract of covered
5 Federal land under this section shall be used by the
6 Secretary—

7 (A) for hunting, fishing, and recreational
8 amenities on Bureau of Land Management land
9 in the State in which the tract sold is located;
10 and

11 (B) to address the deferred maintenance
12 backlog on Bureau of Land Management land
13 in the State in which the tract sold is located.

14 (h) DEADLINE.—Not later than 10 years after the
15 date of enactment of this Act, the Secretary shall complete
16 all conveyances of tracts of covered Federal land required
17 under this section.

18 (i) FUNDING.—In addition to amounts otherwise
19 made available, out of any funds in the Treasury not oth-
20 erwise appropriated, there is appropriated to the Secretary
21 to carry out this section \$15,000,000 for fiscal year 2025,
22 to remain available until expended.

23 (j) TERMINATION OF AUTHORITY.—The authority to
24 carry out this section terminates on September 30, 2034.

1 **SEC. 50302. TIMBER SALES AND LONG-TERM CONTRACTING**
2 **FOR THE FOREST SERVICE AND THE BUREAU**
3 **OF LAND MANAGEMENT.**

4 (a) FOREST SERVICE.—

5 (1) DEFINITIONS.—In this subsection:

6 (A) FOREST PLAN.—The term “forest
7 plan” means a land and resource management
8 plan prepared by the Secretary for a unit of the
9 National Forest System pursuant to section 6
10 of the Forest and Rangeland Renewable Re-
11 sources Planning Act of 1974 (16 U.S.C.
12 1604).

13 (B) NATIONAL FOREST SYSTEM.—

14 (i) IN GENERAL.—The term “Na-
15 tional Forest System” means land of the
16 National Forest System (as defined in sec-
17 tion 11(a) of the Forest and Rangeland
18 Renewable Resources Planning Act of
19 1974 (16 U.S.C. 1609(a))) administered
20 by the Secretary.

21 (ii) EXCLUSIONS.—The term “Na-
22 tional Forest System” does not include any
23 forest reserve not created from the public
24 domain.

1 (C) SECRETARY.—The term “Secretary”
2 means the Secretary of Agriculture, acting
3 through the Chief of the Forest Service.

4 (2) TIMBER SALES ON PUBLIC DOMAIN FOREST
5 RESERVES.—

6 (A) IN GENERAL.—For each of fiscal years
7 2026 through 2034, the Secretary shall sell
8 timber annually on National Forest System
9 land in a total quantity that is not less than
10 250,000,000 board-feet greater than the quan-
11 tity of board-feet sold in the previous fiscal
12 year.

13 (B) LIMITATION.—The timber sales under
14 subparagraph (A) shall be subject to the max-
15 imum allowable sale quantity of timber or the
16 projected timber sale quantity under the appli-
17 cable forest plan in effect on the date of enact-
18 ment of this Act.

19 (3) LONG-TERM CONTRACTING FOR THE FOR-
20 EST SERVICE.—

21 (A) LONG-TERM CONTRACTING.—For the
22 period of fiscal years 2025 through 2034, the
23 Secretary shall enter into not fewer than 40
24 long-term timber sale contracts with private
25 persons or other public or private entities under

1 subsection (a) of section 14 of the National
2 Forest Management Act of 1976 (16 U.S.C.
3 472a) for the sale of national forest materials
4 (as defined in subsection (e)(1) of that section)
5 in the National Forest System.

6 (B) CONTRACT LENGTH.—The period of a
7 timber sale contract entered into to meet the
8 requirement under subparagraph (A) shall be
9 not less than 20 years, with options for exten-
10 sions or renewals, as determined by the Sec-
11 retary.

12 (C) RECEIPTS.—Any monies derived from
13 a timber sale contract entered into to meet the
14 requirements under subparagraphs (A) and (B)
15 shall be deposited in the general fund of the
16 Treasury.

17 (b) BUREAU OF LAND MANAGEMENT.—

18 (1) DEFINITIONS.—In this subsection:

19 (A) PUBLIC LANDS.—The term “public
20 lands” has the meaning given the term in sec-
21 tion 103 of the Federal Land Policy and Man-
22 agement Act of 1976 (43 U.S.C. 1702).

23 (B) RESOURCE MANAGEMENT PLAN.—The
24 term “resource management plan” means a
25 land use plan prepared for public lands under

1 section 202 of the Federal Land Policy and
2 Management Act of 1976 (43 U.S.C. 1712).

3 (C) SECRETARY.—The term “Secretary”
4 means the Secretary of the Interior, acting
5 through the Director of the Bureau of Land
6 Management.

7 (2) TIMBER SALES ON PUBLIC LANDS.—

8 (A) IN GENERAL.—For each of fiscal years
9 2026 through 2034, the Secretary shall sell
10 timber annually on public lands in a total quan-
11 tity that is not less than 20,000,000 board-feet
12 greater than the quantity of board-feet sold in
13 the previous fiscal year.

14 (B) LIMITATION.—The timber sales under
15 subparagraph (A) shall be subject to the appli-
16 cable resource management plan in effect on
17 the date of enactment of this Act.

18 (3) LONG-TERM CONTRACTING FOR THE BU-
19 REAU OF LAND MANAGEMENT.—

20 (A) LONG-TERM CONTRACTING.—For the
21 period of fiscal years 2025 through 2034, the
22 Secretary shall enter into not fewer than 5
23 long-term contracts with private persons or
24 other public or private entities under section 1
25 of the Act of July 31, 1947 (commonly known

1 as the “Materials Act of 1947”) (61 Stat. 681,
2 chapter 406; 30 U.S.C. 601), for the disposal
3 of vegetative materials described in that section
4 on public lands.

5 (B) CONTRACT LENGTH.—The period of a
6 contract entered into to meet the requirement
7 under subparagraph (A) shall be not less than
8 20 years, with options for extensions or renew-
9 als, as determined by the Secretary.

10 (C) RECEIPTS.—Any monies derived from
11 a contract entered into to meet the require-
12 ments under subparagraphs (A) and (B) shall
13 be deposited in the general fund of the Treas-
14 ury.

15 **SEC. 50303. RENEWABLE ENERGY FEES ON FEDERAL LAND.**

16 (a) DEFINITIONS.—In this section:

17 (1) ANNUAL ADJUSTMENT FACTOR.—The term
18 “Annual Adjustment Factor” means 3 percent.

19 (2) ENCUMBRANCE FACTOR.—The term “En-
20 cumbrance Factor” means—

21 (A) 100 percent for a solar energy genera-
22 tion facility; and

23 (B) an amount determined by the Sec-
24 retary, but not less than 10 percent for a wind
25 energy generation facility.

1 (3) NATIONAL FOREST SYSTEM.—

2 (A) IN GENERAL.—The term “National
3 Forest System” means land of the National
4 Forest System (as defined in section 11(a) of
5 the Forest and Rangeland Renewable Resources
6 Planning Act of 1974 (16 U.S.C. 1609(a))) ad-
7 ministered by the Secretary of Agriculture.

8 (B) EXCLUSION.—The term “National
9 Forest System” does not include any forest re-
10 serve not created from the public domain.

11 (4) PER-ACRE RATE.—The term “Per-Acre
12 Rate”, with respect to a right-of-way, means the av-
13 erage of the per-acre pastureland rental rates pub-
14 lished in the Cash Rents Survey by the National Ag-
15 ricultural Statistics Service for the State in which
16 the right-of-way is located over the 5 calendar-year
17 period preceding the issuance or renewal of the
18 right-of-way.

19 (5) PROJECT.—The term “project” means a
20 system described in section 2801.9(a)(4) of title 43,
21 Code of Federal Regulations (as in effect on the
22 date of enactment of this Act).

23 (6) PUBLIC LAND.—The term “public land”
24 means—

1 (A) public lands (as defined in section 103
2 of the Federal Land Policy and Management
3 Act of 1976 (43 U.S.C. 1702)); and

4 (B) National Forest System land.

5 (7) RENEWABLE ENERGY PROJECT.—The term
6 “renewable energy project” means a project located
7 on public land that uses wind or solar energy to gen-
8 erate energy.

9 (8) RIGHT-OF-WAY.—The term “right-of-way”
10 has the meaning given the term in section 103 of the
11 Federal Land Policy and Management Act of 1976
12 (43 U.S.C. 1702).

13 (9) SECRETARY.—The term “Secretary”
14 means—

15 (A) the Secretary of the Interior, with re-
16 spect to land controlled or administered by the
17 Secretary of the Interior; and

18 (B) the Secretary of Agriculture, with re-
19 spect to National Forest System land.

20 (b) ACREAGE RENT FOR WIND AND SOLAR RIGHTS-
21 OF-WAY.—

22 (1) IN GENERAL.—Pursuant to section 504(g)
23 of the Federal Land Policy and Management Act of
24 1976 (43 U.S.C. 1764(g)), the Secretary shall, sub-
25 ject to paragraph (3) and not later than January 1

1 of each calendar year, collect from the holder of a
2 right-of-way for a renewable energy project an acre-
3 age rent in an amount determined by the equation
4 described in paragraph (2).

5 (2) CALCULATION OF ACREAGE RENT RATE.—

6 (A) EQUATION.—The amount of an acre-
7 age rent collected under paragraph (1) shall be
8 determined using the following equation: Acre-
9 age rent = $A \times B \times ((1 + C)^D)$.

10 (B) DEFINITIONS.—For purposes of the
11 equation described in subparagraph (A):

12 (i) The letter “A” means the Per-Acre
13 Rate.

14 (ii) The letter “B” means the Encum-
15 brance Factor.

16 (iii) The letter “C” means the Annual
17 Adjustment Factor.

18 (iv) The letter “D” means the year in
19 the term of the right-of-way.

20 (3) PAYMENT UNTIL PRODUCTION.—The holder
21 of a right-of-way for a renewable energy project shall
22 pay an acreage rent collected under paragraph (1)
23 until the date on which energy generation begins.

24 (c) CAPACITY FEES.—

1 (1) IN GENERAL.—The Secretary shall, subject
2 to paragraph (3), annually collect a capacity fee
3 from the holder of a right-of-way for a renewable en-
4 ergy project based on the amount described in para-
5 graph (2).

6 (2) CALCULATION OF CAPACITY FEE.—The
7 amount of a capacity fee collected under paragraph
8 (1) shall be equal to the greater of—

9 (A) an amount equal to the acreage rent
10 described in subsection (b); and

11 (B) 3.9 percent of the gross proceeds from
12 the sale of electricity produced by the renewable
13 energy project.

14 (3) MULTIPLE-USE REDUCTION FACTOR.—

15 (A) APPLICATION.—The holder of a right-
16 of-way for a wind energy generation project
17 may request that the Secretary apply a mul-
18 tiple-use reduction factor of 10-percent to the
19 amount of a capacity fee determined under
20 paragraph (2) by submitting to the Secretary
21 an application at such time, in such manner,
22 and containing such information as the Sec-
23 retary may require.

24 (B) APPROVAL.—The Secretary may ap-
25 prove an application submitted under subpara-

graph (A) only if not less than 25 percent of the land within the area of the right-of-way is authorized for use, occupancy, or development with respect to an activity other than the generation of wind energy for the entirety of the year in which the capacity fee is collected.

(C) LATE DETERMINATION.—

(i) IN GENERAL.—If the Secretary approves an application under subparagraph (B) for a wind energy generation project after the date on which the holder of the right-of-way for the project begins paying a capacity fee, the Secretary shall apply the multiple-use reduction factor described in subparagraph (A) to the capacity fee for the first year beginning after the date of approval and each year thereafter for the period during which the right-of-way remains in effect.

(ii) REFUND.—The Secretary may not refund the holder of a right-of-way for the difference in the amount of a capacity fee paid in a previous year.

(d) LATE PAYMENT FEE; TERMINATION.—

1 (1) IN GENERAL.—The Secretary may charge
2 the holder of a right-of-way for a renewable energy
3 project a late payment fee if the Secretary does not
4 receive payment for the acreage rent under sub-
5 section (b) or the capacity fee under subsection (c)
6 by the date that is 15 days after the date on which
7 the payment was due.

8 (2) TERMINATION OF RIGHT-OF-WAY.—The
9 Secretary may terminate a right-of-way for a renew-
10 able energy project if the Secretary does not receive
11 payment for the acreage rent under subsection (b)
12 or the capacity fee under subsection (c) by the date
13 that is 90 days after the date on which the payment
14 was due.

15 **SEC. 50304. RENEWABLE ENERGY REVENUE SHARING.**

16 (a) DEFINITIONS.—In this section:

17 (1) COUNTY.—The term “county” includes a
18 parish, township, borough, and any other similar,
19 independent unit of local government.

20 (2) COVERED LAND.—The term “covered land”
21 means land that is—

22 (A) public land administered by the Sec-
23 retary; and

24 (B) not excluded from the development of
25 solar or wind energy under—

1 (i) a land use plan; or

2 (ii) other Federal law.

3 (3) NATIONAL FOREST SYSTEM.—

4 (A) IN GENERAL.—The term “National
5 Forest System” means land of the National
6 Forest System (as defined in section 11(a) of
7 the Forest and Rangeland Renewable Resources
8 Planning Act of 1974 (16 U.S.C. 1609(a))) ad-
9 ministered by the Secretary of Agriculture.

10 (B) EXCLUSION.—The term “National
11 Forest System” does not include any forest re-
12 serve not created from the public domain.

13 (4) PUBLIC LAND.—The term “public land”
14 means—

15 (A) public lands (as defined in section 103
16 of the Federal Land Policy and Management
17 Act of 1976 (43 U.S.C. 1702)); and

18 (B) National Forest System land.

19 (5) RENEWABLE ENERGY PROJECT.—The term
20 “renewable energy project” means a system de-
21 scribed in section 2801.9(a)(4) of title 43, Code of
22 Federal Regulations (as in effect on the date of en-
23 actment of this Act), located on covered land that
24 uses wind or solar energy to generate energy.

1 (6) SECRETARY.—The term “Secretary”
2 means—

3 (A) the Secretary of the Interior, with re-
4 spect to land controlled or administered by the
5 Secretary of the Interior; and

6 (B) the Secretary of Agriculture, with re-
7 spect to National Forest System land.

8 (b) DISPOSITION OF REVENUE.—

9 (1) DISPOSITION OF REVENUES.—Beginning on
10 January 1, 2026, the amounts collected from a re-
11 newable energy project as bonus bids, rentals, fees,
12 or other payments under a right-of-way, permit,
13 lease, or other authorization shall—

14 (A) be deposited in the general fund of the
15 Treasury; and

16 (B) without further appropriation or fiscal
17 year limitation, be allocated as follows:

18 (i) 25 percent shall be paid from
19 amounts in the general fund of the Treas-
20 ury to the State within the boundaries of
21 which the revenue is derived.

22 (ii) 25 percent shall be paid from
23 amounts in the general fund of the Treas-
24 ury to each county in a State within the
25 boundaries of which the revenue is derived,

1 to be allocated among each applicable
2 county based on the percentage of county
3 land from which the revenue is derived.

4 (2) PAYMENTS TO STATES AND COUNTIES.—

5 (A) IN GENERAL.—Amounts paid to States
6 and counties under paragraph (1) shall be used
7 in accordance with the requirements of section
8 35 of the Mineral Leasing Act (30 U.S.C. 191).

9 (B) PAYMENTS IN LIEU OF TAXES.—A
10 payment to a county under paragraph (1) shall
11 be in addition to a payment in lieu of taxes re-
12 ceived by the county under chapter 69 of title
13 31, United States Code.

14 (C) TIMING.—The amounts required to be
15 paid under paragraph (1)(B) for an applicable
16 fiscal year shall be made available in the fiscal
17 year that immediately follows the fiscal year for
18 which the amounts were collected.

19 **SEC. 50305. RESCISSION OF NATIONAL PARK SERVICE AND**
20 **BUREAU OF LAND MANAGEMENT FUNDS.**

21 There are rescinded the unobligated balances of
22 amounts made available by the following sections of Public
23 Law 117–169 (commonly known as the “Inflation Reduc-
24 tion Act of 2022”) (136 Stat. 1818):

25 (1) Section 50221 (136 Stat. 2052).

1 (2) Section 50222 (136 Stat. 2052).

2 (3) Section 50223 (136 Stat. 2052).

3 **SEC. 50306. CELEBRATING AMERICA’S 250TH ANNIVERSARY.**

4 In addition to amounts otherwise available, there is
5 appropriated to the Secretary of the Interior (acting
6 through the Director of the National Park Service) for fis-
7 cal year 2025, out of any money in the Treasury not other-
8 wise appropriated, \$150,000,000 for events, celebrations,
9 and activities surrounding the observance and commemo-
10 ration of the 250th anniversary of the founding of the
11 United States, to remain available through fiscal year
12 2028.

13 **Subtitle D—Energy**

14 **SEC. 50401. STRATEGIC PETROLEUM RESERVE.**

15 (a) ENERGY POLICY AND CONSERVATION ACT DEFINI-
16 TIONS.—In this section, the terms “related facility”,
17 “storage facility”, and “Strategic Petroleum Reserve”
18 have the meanings given those terms in section 152 of the
19 Energy Policy and Conservation Act (42 U.S.C. 6232).

20 (b) APPROPRIATIONS.—In addition to amounts other-
21 wise available, there is appropriated to the Department
22 of Energy for fiscal year 2025, out of any money in the
23 Treasury not otherwise appropriated, to remain available
24 until September 30, 2029—

1 (1) \$218,000,000 for maintenance of, including
2 repairs to, storage facilities and related facilities of
3 the Strategic Petroleum Reserve; and

4 (2) \$171,000,000 to acquire, by purchase, pe-
5 troleum products for storage in the Strategic Petro-
6 leum Reserve.

7 (c) REPEAL OF STRATEGIC PETROLEUM RESERVE
8 DRAWDOWN AND SALE MANDATE.—Section 20003 of
9 Public Law 115–97 (42 U.S.C. 6241 note) is repealed.

10 **SEC. 50402. REPEALS; RESCISSIONS.**

11 (a) REPEAL AND RESCISSION.—Section 50142 of
12 Public Law 117–169 (136 Stat. 2044) (commonly known
13 as the “Inflation Reduction Act of 2022”) is repealed and
14 the unobligated balance of amounts made available under
15 that section (as in effect on the day before the date of
16 enactment of this Act) is rescinded.

17 (b) RESCISSIONS.—

18 (1) IN GENERAL.—The unobligated balances of
19 amounts made available under the sections described
20 in paragraph (2) are rescinded.

21 (2) SECTIONS DESCRIBED.—The sections re-
22 ferred to in paragraph (1) are the following sections
23 of Public Law 117–169 (commonly known as the
24 “Inflation Reduction Act of 2022”):

25 (A) Section 50123 (42 U.S.C. 18795b).

1 (B) Section 50141 (136 Stat. 2042).

2 (C) Section 50144 (136 Stat. 2044).

3 (D) Section 50145 (136 Stat. 2045).

4 (E) Section 50151 (42 U.S.C. 18715).

5 (F) Section 50152 (42 U.S.C. 18715a).

6 (G) Section 50153 (42 U.S.C. 18715b).

7 (H) Section 50161 (42 U.S.C. 17113b).

8 **SEC. 50403. ENERGY DOMINANCE FINANCING.**

9 (a) IN GENERAL.—Section 1706 of the Energy Policy
10 Act of 2005 (42 U.S.C. 16517) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1), by striking “or” at
13 the end;

14 (B) in paragraph (2), by striking “avoid”
15 and all that follows through the period at the
16 end and inserting “increase capacity or output;
17 or”; and

18 (C) by adding at the end the following:

19 “(3) support or enable the provision of known
20 or forecastable electric supply at time intervals nec-
21 essary to maintain or enhance grid reliability or
22 other system adequacy needs.”;

23 (2) by striking subsection (c);

24 (3) by redesignating subsections (d) through (f)
25 as subsections (c) through (e), respectively;

1 (4) in subsection (c) (as so redesignated)—

2 (A) in paragraph (1), by adding “and” at
3 the end;

4 (B) by striking paragraph (2); and

5 (C) by redesignating paragraph (3) as
6 paragraph (2);

7 (5) in subsection (e) (as so redesignated), by
8 striking “for—” in the matter preceding paragraph
9 (1) and all that follows through the period at the
10 end of paragraph (2) and inserting “for enabling the
11 identification, leasing, development, production,
12 processing, transportation, transmission, refining,
13 and generation needed for energy and critical min-
14 erals.”; and

15 (6) by adding at the end the following:

16 “(f) FUNDING.—

17 “(1) IN GENERAL.—In addition to amounts
18 otherwise available, there is appropriated to the Sec-
19 retary for fiscal year 2025, out of any money in the
20 Treasury not otherwise appropriated,
21 \$1,000,000,000, to remain available through Sep-
22 tember 30, 2028, to carry out activities under this
23 section.

24 “(2) ADMINISTRATIVE COSTS.—Of the amount
25 made available under paragraph (1), the Secretary

1 shall use not more than 3 percent for administrative
2 expenses.”.

3 (b) COMMITMENT AUTHORITY.—Section 50144(b) of
4 Public Law 117–169 (commonly known as the “Inflation
5 Reduction Act of 2022”) (136 Stat. 2045) is amended by
6 striking “2026” and inserting “2028”.

7 **SEC. 50404. TRANSFORMATIONAL ARTIFICIAL INTEL-**
8 **LIGENCE MODELS.**

9 (a) DEFINITIONS.—In this section:

10 (1) AMERICAN SCIENCE CLOUD.—The term
11 “American science cloud” means a system of United
12 States government, academic, and private sector
13 programs and infrastructures utilizing cloud com-
14 puting technologies to facilitate and support sci-
15 entific research, data sharing, and computational
16 analysis across various disciplines while ensuring
17 compliance with applicable legal, regulatory, and pri-
18 vacy standards.

19 (2) ARTIFICIAL INTELLIGENCE.—The term “ar-
20 tificial intelligence” has the meaning given the term
21 in section 5002 of the National Artificial Intelligence
22 Initiative Act of 2020 (15 U.S.C. 9401).

23 (b) TRANSFORMATIONAL MODELS.—The Secretary
24 of Energy shall—

1 (1) mobilize National Laboratories to partner
2 with industry sectors within the United States to cu-
3 rate the scientific data of the Department of Energy
4 across the National Laboratory complex so that the
5 data is structured, cleaned, and preprocessed in a
6 way that makes it suitable for use in artificial intel-
7 ligence and machine learning models; and

8 (2) initiate seed efforts for self-improving artifi-
9 cial intelligence models for science and engineering
10 powered by the data described in paragraph (1).

11 (c) USES.—

12 (1) MICROELECTRONICS.—The curated data de-
13 scribed in subsection (b)(1) may be used to rapidly
14 develop next-generation microelectronics that have
15 greater capabilities beyond Moore’s law while requir-
16 ing lower energy consumption.

17 (2) NEW ENERGY TECHNOLOGIES.—The artifi-
18 cial intelligence models developed under subsection
19 (b)(2) shall be provided to the scientific community
20 through the American science cloud to accelerate in-
21 novation in discovery science and engineering for
22 new energy technologies.

23 (d) APPROPRIATIONS.—There is appropriated, out of
24 any funds in the Treasury not otherwise appropriated,

1 \$150,000,000, to remain available through September 30,
2 2026, to carry out this section.

3 **Subtitle E—Water**

4 **SEC. 50501. WATER CONVEYANCE AND SURFACE WATER**
5 **STORAGE ENHANCEMENT.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Secretary of the Interior, acting
8 through the Commissioner of Reclamation, for fiscal year
9 2025, out of any funds in the Treasury not otherwise ap-
10 propriated, \$1,000,000,000, to remain available through
11 September 30, 2034, for construction and associated ac-
12 tivities that restore or increase the capacity or use of exist-
13 ing conveyance facilities constructed by the Bureau of
14 Reclamation or for construction and associated activities
15 that increase the capacity of existing Bureau of Reclama-
16 tion surface water storage facilities, in a manner as deter-
17 mined by the Secretary of the Interior, acting through the
18 Commissioner of Reclamation: *Provided*, That, for the
19 purposes of section 203 of the Reclamation Reform Act
20 of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Rec-
21 lamation Projects Authorization and Adjustment Act of
22 1992 (Public Law 102–575; 106 Stat. 4708), a contract
23 or agreement entered into pursuant to this section shall
24 not be treated as a new or amended contract: *Provided*
25 *further*, That none of the funds provided under this section

1 shall be reimbursable or subject to matching or cost-shar-
2 ing requirements.

3 **TITLE VI—COMMITTEE ON ENVI-**
4 **RONMENT AND PUBLIC**
5 **WORKS**

6 **SEC. 60001. RESCISSION OF FUNDING FOR CLEAN HEAVY-**
7 **DUTY VEHICLES.**

8 The unobligated balances of amounts made available
9 to carry out section 132 of the Clean Air Act (42 U.S.C.
10 7432) are rescinded.

11 **SEC. 60002. REPEAL OF GREENHOUSE GAS REDUCTION**
12 **FUND.**

13 Section 134 of the Clean Air Act (42 U.S.C. 7434)
14 is repealed and the unobligated balances of amounts made
15 available to carry out that section (as in effect on the day
16 before the date of enactment of this Act) are rescinded.

17 **SEC. 60003. RESCISSION OF FUNDING FOR DIESEL EMIS-**
18 **SIONS REDUCTIONS.**

19 The unobligated balances of amounts made available
20 to carry out section 60104 of Public Law 117–169 (136
21 Stat. 2067) are rescinded.

1 **SEC. 60004. RESCISSION OF FUNDING TO ADDRESS AIR**
2 **POLLUTION.**

3 The unobligated balances of amounts made available
4 to carry out section 60105 of Public Law 117–169 (136
5 Stat. 2067) are rescinded.

6 **SEC. 60005. RESCISSION OF FUNDING TO ADDRESS AIR**
7 **POLLUTION AT SCHOOLS.**

8 The unobligated balances of amounts made available
9 to carry out section 60106 of Public Law 117–169 (136
10 Stat. 2069) are rescinded.

11 **SEC. 60006. RESCISSION OF FUNDING FOR THE LOW EMIS-**
12 **SIONS ELECTRICITY PROGRAM.**

13 The unobligated balances of amounts made available
14 to carry out section 135 of the Clean Air Act (42 U.S.C.
15 7435) are rescinded.

16 **SEC. 60007. RESCISSION OF FUNDING FOR SECTION 211(O)**
17 **OF THE CLEAN AIR ACT.**

18 The unobligated balances of amounts made available
19 to carry out section 60108 of Public Law 117–169 (136
20 Stat. 2070) are rescinded.

21 **SEC. 60008. RESCISSION OF FUNDING FOR IMPLEMENTA-**
22 **TION OF THE AMERICAN INNOVATION AND**
23 **MANUFACTURING ACT.**

24 The unobligated balances of amounts made available
25 to carry out section 60109 of Public Law 117–169 (136
26 Stat. 2071) are rescinded.

1 **SEC. 60009. RESCISSION OF FUNDING FOR ENFORCEMENT**
2 **TECHNOLOGY AND PUBLIC INFORMATION.**

3 The unobligated balances of amounts made available
4 to carry out section 60110 of Public Law 117–169 (136
5 Stat. 2071) are rescinded.

6 **SEC. 60010. RESCISSION OF FUNDING FOR GREENHOUSE**
7 **GAS CORPORATE REPORTING.**

8 The unobligated balances of amounts made available
9 to carry out section 60111 of Public Law 117–169 (136
10 Stat. 2072) are rescinded.

11 **SEC. 60011. RESCISSION OF FUNDING FOR ENVIRON-**
12 **MENTAL PRODUCT DECLARATION ASSIST-**
13 **ANCE.**

14 The unobligated balances of amounts made available
15 to carry out section 60112 of Public Law 117–169 (42
16 U.S.C. 4321 note; 136 Stat. 2072) are rescinded.

17 **SEC. 60012. RESCISSION OF FUNDING FOR METHANE EMIS-**
18 **SIONS AND WASTE REDUCTION INCENTIVE**
19 **PROGRAM FOR PETROLEUM AND NATURAL**
20 **GAS SYSTEMS.**

21 (a) RESCISSION.—The unobligated balances of
22 amounts made available to carry out subsections (a) and
23 (b) of section 136 of the Clean Air Act (42 U.S.C. 7436)
24 are rescinded.

1 (b) PERIOD.—Section 136(g) of the Clean Air Act
2 (42 U.S.C. 7436(g)) is amended by striking “calendar
3 year 2024” and inserting “calendar year 2034”.

4 **SEC. 60013. RESCISSION OF FUNDING FOR GREENHOUSE**
5 **GAS AIR POLLUTION PLANS AND IMPLEMEN-**
6 **TATION GRANTS.**

7 The unobligated balances of amounts made available
8 to carry out section 137 of the Clean Air Act (42 U.S.C.
9 7437) are rescinded.

10 **SEC. 60014. RESCISSION OF FUNDING FOR ENVIRON-**
11 **MENTAL PROTECTION AGENCY EFFICIENT,**
12 **ACCURATE, AND TIMELY REVIEWS.**

13 The unobligated balances of amounts made available
14 to carry out section 60115 of Public Law 117–169 (136
15 Stat. 2077) are rescinded.

16 **SEC. 60015. RESCISSION OF FUNDING FOR LOW-EMBODIED**
17 **CARBON LABELING FOR CONSTRUCTION MA-**
18 **TERIALS.**

19 The unobligated balances of amounts made available
20 to carry out section 60116 of Public Law 117–169 (42
21 U.S.C. 4321 note; 136 Stat. 2077) are rescinded.

1 **SEC. 60016. RESCISSION OF FUNDING FOR ENVIRON-**
2 **MENTAL AND CLIMATE JUSTICE BLOCK**
3 **GRANTS.**

4 The unobligated balances of amounts made available
5 to carry out section 138 of the Clean Air Act (42 U.S.C.
6 7438) are rescinded.

7 **SEC. 60017. RESCISSION OF FUNDING FOR ESA RECOVERY**
8 **PLANS.**

9 The unobligated balances of amounts made available
10 to carry out section 60301 of Public Law 117–169 (136
11 Stat. 2079) are rescinded.

12 **SEC. 60018. RESCISSION OF FUNDING FOR ENVIRON-**
13 **MENTAL AND CLIMATE DATA COLLECTION.**

14 The unobligated balances of amounts made available
15 to carry out section 60401 of Public Law 117–169 (136
16 Stat. 2079) are rescinded.

17 **SEC. 60019. RESCISSION OF NEIGHBORHOOD ACCESS AND**
18 **EQUITY GRANT PROGRAM.**

19 The unobligated balances of amounts made available
20 to carry out section 177 of title 23, United States Code,
21 are rescinded.

22 **SEC. 60020. RESCISSION OF FUNDING FOR FEDERAL BUILD-**
23 **ING ASSISTANCE.**

24 The unobligated balances of amounts made available
25 to carry out section 60502 of Public Law 117–169 (136
26 Stat. 2083) are rescinded.

1 **SEC. 60021. RESCISSION OF FUNDING FOR LOW-CARBON**
2 **MATERIALS FOR FEDERAL BUILDINGS.**

3 The unobligated balances of amounts made available
4 to carry out section 60503 of Public Law 117–169 (136
5 Stat. 2083) are rescinded.

6 **SEC. 60022. RESCISSION OF FUNDING FOR GSA EMERGING**
7 **AND SUSTAINABLE TECHNOLOGIES.**

8 The unobligated balances of amounts made available
9 to carry out section 60504 of Public Law 117–169 (136
10 Stat. 2083) are rescinded.

11 **SEC. 60023. RESCISSION OF ENVIRONMENTAL REVIEW IM-**
12 **PLEMENTATION FUNDS.**

13 The unobligated balances of amounts made available
14 to carry out section 178 of title 23, United States Code,
15 are rescinded.

16 **SEC. 60024. RESCISSION OF LOW-CARBON TRANSPOR-**
17 **TATION MATERIALS GRANTS.**

18 The unobligated balances of amounts made available
19 to carry out section 179 of title 23, United States Code,
20 are rescinded.

21 **SEC. 60025. JOHN F. KENNEDY CENTER FOR THE PER-**
22 **FORMING ARTS.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 available, there is appropriated for fiscal year 2025, out
25 of any money in the Treasury not otherwise appropriated,
26 \$256,657,000, to remain available until September 30,

1 2029, for necessary expenses for capital repair, restora-
2 tion, maintenance backlog, and security structures of the
3 building and site of the John F. Kennedy Center for the
4 Performing Arts.

5 (b) ADMINISTRATIVE COSTS.—Of the amounts made
6 available under subsection (a), not more than 3 percent
7 may be used for administrative costs necessary to carry
8 out this section.

9 **SEC. 60026. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**
10 **MENTAL REVIEWS.**

11 Title I of the National Environmental Policy Act of
12 1969 (42 U.S.C. 4331 et seq.) is amended by adding at
13 the end the following:

14 **“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**
15 **MENTAL REVIEWS.**

16 “(a) PROCESS.—

17 “(1) PROJECT SPONSOR.—A project sponsor
18 that intends to pay a fee under this section for the
19 preparation, or supervision of the preparation, of an
20 environmental assessment or environmental impact
21 statement for a project shall submit to the Council—

22 “(A) a description of the project; and

23 “(B) a declaration of whether the project
24 sponsor intends to prepare the environmental

1 assessment or environmental impact statement
2 under section 107(f).

3 “(2) COUNCIL ON ENVIRONMENTAL QUALITY.—
4 Not later than 15 days after the date on which the
5 Council receives information described in paragraph
6 (1) from a project sponsor, the Council shall provide
7 to the project sponsor notice of the amount of the
8 fee to be paid under this section, as determined
9 under subsection (b).

10 “(3) PAYMENT OF FEE.—A project sponsor
11 may pay a fee under this section after receipt of the
12 notice described in paragraph (2).

13 “(4) DEADLINE FOR ENVIRONMENTAL REVIEWS
14 FOR WHICH A FEE IS PAID.—Notwithstanding sec-
15 tion 107(g)(1)—

16 “(A) an environmental assessment for
17 which a fee is paid under this section shall be
18 completed not later than 180 days after the
19 date on which the fee is paid; and

20 “(B) an environmental impact statement
21 for which a fee is paid under this section shall
22 be completed not later than 1 year after the
23 date of publication of the notice of intent to
24 prepare the environmental impact statement.

1 “(b) FEE AMOUNT.—The amount of a fee under this
2 section shall be—

3 “(1) 125 percent of the anticipated costs to
4 prepare the environmental assessment or environ-
5 mental impact statement; and

6 “(2) in the case of an environmental assessment
7 or environmental impact statement to be prepared in
8 whole or in part by a project sponsor under section
9 107(f), 125 percent of the anticipated costs to su-
10 pervise preparation of, and, as applicable, prepare,
11 the environmental assessment or environmental im-
12 pact statement.”.

13 **TITLE VII—FINANCE**

14 **Subtitle A—Tax**

15 **SEC. 70001. REFERENCES TO THE INTERNAL REVENUE**

16 **CODE OF 1986, ETC.**

17 (a) REFERENCES.—Except as otherwise expressly
18 provided, whenever in this title, an amendment or repeal
19 is expressed in terms of an amendment to, or repeal of,
20 a section or other provision, the reference shall be consid-
21 ered to be made to a section or other provision of the In-
22 ternal Revenue Code of 1986.

23 (b) CERTAIN RULES REGARDING EFFECT OF RATE
24 CHANGES NOT APPLICABLE.—Section 15 of the Internal
25 Revenue Code of 1986 shall not apply to any change in

1 rate of tax by reason of any provision of, or amendment
2 made by, this title.

3 **CHAPTER 1—PROVIDING PERMANENT TAX**
4 **RELIEF FOR MIDDLE-CLASS FAMILIES**
5 **AND WORKERS**

6 **SEC. 70101. EXTENSION AND ENHANCEMENT OF REDUCED**
7 **RATES.**

8 (a) IN GENERAL.—Section 1(j) is amended—

9 (1) in paragraph (1), by striking “, and before
10 January 1, 2026”, and

11 (2) by striking “2018 THROUGH 2025” in the
12 heading and inserting “BEGINNING AFTER 2017”.

13 (b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i)
14 is amended by inserting “solely for purposes of deter-
15 mining the dollar amounts at which any rate bracket high-
16 er than 12 percent ends and at which any rate bracket
17 higher than 22 percent begins,” before “subsection
18 (f)(3)”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

22 **SEC. 70102. EXTENSION AND ENHANCEMENT OF IN-**
23 **CREASED STANDARD DEDUCTION.**

24 (a) IN GENERAL.—Section 63(c)(7) is amended—

1 (1) by striking “, and before January 1, 2026”

2 in the matter preceding subparagraph (A), and

3 (2) by striking “2018 THROUGH 2025” in the

4 heading and inserting “BEGINNING AFTER 2017”.

5 (b) ADDITIONAL INCREASE IN STANDARD DEDUC-
6 TION.—Paragraph (7) of section 63(c) is amended—

7 (1) by striking “\$18,000” both places it ap-
8 pears in subparagraphs (A)(i) and (B)(ii) and in-
9 serting “\$23,625”,

10 (2) by striking “\$12,000” both places it ap-
11 pears in subparagraphs (A)(ii) and (B)(ii) and in-
12 serting “\$15,750”,

13 (3) by striking “2018” in subparagraph (B)(ii)
14 and inserting “2025”, and

15 (4) by striking “2017” in subparagraph
16 (B)(ii)(II) and inserting “2024”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2024.

20 **SEC. 70103. TERMINATION OF DEDUCTION FOR PERSONAL**
21 **EXEMPTIONS OTHER THAN TEMPORARY SEN-**
22 **IOR DEDUCTION.**

23 (a) IN GENERAL.—Section 151(d)(5) is amended—

24 (1) by striking “2018 THROUGH 2025” in the
25 heading and inserting “BEGINNING AFTER 2017”,

1 (2) by striking “, and before January 1, 2026”,

2 and

3 (3) by adding at the end the following new sub-

4 paragraph:

5 “(C) DEDUCTION FOR SENIORS.—

6 “(i) IN GENERAL.—In the case of a

7 taxable year beginning before January 1,

8 2029, there shall be allowed a deduction in

9 an amount equal to \$6,000 for each quali-

10 fied individual with respect to the tax-

11 payer.

12 “(ii) QUALIFIED INDIVIDUAL.—For

purposes of clause (i), the term ‘qualified

14 individual' means—

15 “(I) the taxpayer, if the taxpayer

16 has attained age 65 before the close of

17 the taxable year, and

18 “(II) in the case of a joint re-

19 turn, the taxpayer's spouse, if such

20 spouse has attained age 65 before the

21 close of the taxable year.

22 “(iii) LIMITATION BASED ON MODI-

23 FIED ADJUSTED GROSS INCOME.—

24 “(I) IN GENERAL.—In the case

25 of any taxpayer for any taxable year,

1 the \$6,000 amount in clause (i) shall
2 be reduced (but not below zero) by 6
3 percent of so much of the taxpayer's
4 modified adjusted gross income as ex-
5 ceeds \$75,000 (\$150,000 in the case
6 of a joint return).

7 “(II) MODIFIED ADJUSTED
8 GROSS INCOME.—For purposes of this
9 clause, the term ‘modified adjusted
10 gross income’ means the adjusted
11 gross income of the taxpayer for the
12 taxable year increased by any amount
13 excluded from gross income under sec-
14 tion 911, 931, or 933.

15 “(iv) SOCIAL SECURITY NUMBER RE-
16 QUIRED.—

17 “(I) IN GENERAL.—Clause (i)
18 shall not apply with respect to a quali-
19 fied individual unless the taxpayer in-
20 cludes such qualified individual's so-
21 cial security number on the return of
22 tax for the taxable year.

23 “(II) SOCIAL SECURITY NUM-
24 BER.—For purposes of subclause (I),
25 the term ‘social security number’ has

1 the meaning given such term in sec-
2 tion 24(h)(7).

3 “(v) MARRIED INDIVIDUALS.—If the
4 taxpayer is a married individual (within
5 the meaning of section 7703), this sub-
6 paragraph shall apply only if the taxpayer
7 and the taxpayer’s spouse file a joint re-
8 turn for the taxable year.”.

9 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-
10 BER TREATED AS MATHEMATICAL OR CLERICAL
11 ERROR.—Section 6213(g)(2) is amended by striking
12 “and” at the end of subparagraph (U), by striking the
13 period at the end of subparagraph (V) and inserting “,
14 and”, and by inserting after subparagraph (V) the fol-
15 lowing new subparagraph:

16 “(W) an omission of a correct social secu-
17 rity number required under section
18 151(d)(5)(C) (relating to deduction for sen-
19 iors).”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2024.

1 **SEC. 70104. EXTENSION AND ENHANCEMENT OF IN-**
2 **CREASED CHILD TAX CREDIT.**

3 (a) EXTENSION AND INCREASE OF EXPANDED
4 CHILD TAX CREDIT.—Section 24(h) is amended—

5 (1) in paragraph (1), by striking “, and before
6 January 1, 2026”,

7 (2) in paragraph (2), by striking “\$2,000” and
8 inserting “\$2,200”, and

9 (3) by striking “2018 THROUGH 2025” in the
10 heading and inserting “BEGINNING AFTER 2017”.

11 (b) SOCIAL SECURITY NUMBER REQUIRED.—Section
12 24(h)(7) is amended to read as follows:

13 “(7) SOCIAL SECURITY NUMBER REQUIRED.—

14 “(A) IN GENERAL.—No credit shall be al-
15 lowed under this section to a taxpayer with re-
16 spect to any qualifying child unless the taxpayer
17 includes on the return of tax for the taxable
18 year—

19 “(i) the taxpayer’s social security
20 number (or, in the case of a joint return,
21 the social security number of at least 1
22 spouse), and

23 “(ii) the social security number of
24 such qualifying child.

25 “(B) SOCIAL SECURITY NUMBER.—For
26 purposes of this paragraph, the term ‘social se-

1 curity number’ means a social security number
2 issued to an individual by the Social Security
3 Administration, but only if the social security
4 number is issued—

5 “(i) to a citizen of the United States
6 or pursuant to subclause (I) (or that por-
7 tion of subclause (III) that relates to sub-
8 clause (I)) of section 205(c)(2)(B)(i) of the
9 Social Security Act, and

10 “(ii) before the due date for such re-
11 turn.”.

12 (c) INFLATION ADJUSTMENTS.—

13 (1) IN GENERAL.—Section 24(i) is amended to
14 read as follows:

15 “(i) INFLATION ADJUSTMENTS.—

16 “(1) MAXIMUM AMOUNT OF REFUNDABLE
17 CREDIT.—In the case of a taxable year beginning
18 after 2024, the \$1,400 amount in subsection (h)(5)
19 shall be increased by an amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting ‘2017’ for ‘2016’ in sub-
25 paragraph (A)(ii) thereof.

1 “(2) SPECIAL RULE FOR ADJUSTMENT OF
2 CREDIT AMOUNT.—In the case of a taxable year be-
3 ginning after 2025, the \$2,200 amount in subsection
4 (h)(2) shall be increased by an amount equal to—

5 “(A) such dollar amount, multiplied by

6 “(B) the cost-of-living adjustment deter-
7 mined under section 1(f)(3) for the calendar
8 year in which the taxable year begins, deter-
9 mined by substituting ‘2024’ for ‘2016’ in sub-
10 paragraph (A)(ii) thereof.

11 “(3) ROUNDING.—If any increase under this
12 subsection is not a multiple of \$100, such increase
13 shall be rounded to the next lowest multiple of
14 \$100.”.

15 (d) CONFORMING AMENDMENT.—Section 24(h)(5) is
16 amended to read as follows:

17 “(5) MAXIMUM AMOUNT OF REFUNDABLE
18 CREDIT.—The amount determined under subsection
19 (d)(1)(A) with respect to any qualifying child shall
20 not exceed \$1,400, and such subsection shall be ap-
21 plied without regard to paragraph (4) of this sub-
22 section.”.

23 (e) OMISSION OF CORRECT SOCIAL SECURITY NUM-
24 BER TREATED AS MATHEMATICAL OR CLERICAL

250

1 ERROR.—Section 6213(g)(2)(I) is amended by striking
2 “section 24(e)” and inserting “section 24”.

3 (f) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2024.

6 **SEC. 70105. EXTENSION AND ENHANCEMENT OF DEDUC-**
7 **TION FOR QUALIFIED BUSINESS INCOME.**

8 (a) INCREASE IN TAXABLE INCOME LIMITATION
9 PHASE-IN AMOUNTS.—

10 (1) IN GENERAL.—Subparagraph (B) of section
11 199A(b)(3) is amended by striking “\$50,000
12 (\$100,000 in the case of a joint return)” each place
13 it appears and inserting “\$75,000 (\$150,000 in the
14 case of a joint return)”.

15 (2) CONFORMING AMENDMENT.—Paragraph (3)
16 of section 199A(d) is amended by striking “\$50,000
17 (\$100,000 in the case of a joint return)” each place
18 it appears and inserting “\$75,000 (\$150,000 in the
19 case of a joint return)”.

20 (b) MINIMUM DEDUCTION FOR ACTIVE QUALIFIED
21 BUSINESS INCOME.—

22 (1) IN GENERAL.—Subsection (i) of section
23 199A is amended to read as follows:

24 “(i) MINIMUM DEDUCTION FOR ACTIVE QUALIFIED
25 BUSINESS INCOME.—

251

1 “(1) IN GENERAL.—In the case of an applicable
2 taxpayer for any taxable year, the deduction allowed
3 under subsection (a) for the taxable year shall be
4 equal to the greater of—

5 “(A) the amount of such deduction deter-
6 mined without regard to this subsection, or

7 “(B) \$400.

8 “(2) APPLICABLE TAXPAYER.—For purposes of
9 this subsection—

10 “(A) IN GENERAL.—The term ‘applicable
11 taxpayer’ means, with respect to any taxable
12 year, a taxpayer whose aggregate qualified busi-
13 ness income with respect to all active qualified
14 trades or businesses of the taxpayer for such
15 taxable year is at least \$1,000.

16 “(B) ACTIVE QUALIFIED TRADE OR BUSI-
17 NESS.—The term ‘active qualified trade or busi-
18 ness’ means, with respect to any taxpayer for
19 any taxable year, any qualified trade or busi-
20 ness of the taxpayer in which the taxpayer ma-
21 terially participates (within the meaning of sec-
22 tion 469(h)).

23 “(3) INFLATION ADJUSTMENT.—In the case of
24 any taxable year beginning after 2026, the \$400
25 amount in paragraph (1)(B) and the \$1,000 amount

1 in paragraph (2)(A) shall each be increased by an
2 amount equal to —

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 2025’ for
8 ‘calendar year 2016’ in subparagraph (A)(ii)
9 thereof.

10 If any increase under this paragraph is not a mul-
11 tiple of \$5, such increase shall be rounded to the
12 nearest multiple of \$5.”.

13 (2) CONFORMING AMENDMENT.—Section
14 199A(a) is amended by inserting “except as pro-
15 vided in subsection (i),” before “there”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2025.

19 **SEC. 70106. EXTENSION AND ENHANCEMENT OF IN-**
20 **CREASED ESTATE AND GIFT TAX EXEMPTION**
21 **AMOUNTS.**

22 (a) IN GENERAL.—Section 2010(c)(3) is amended—

23 (1) in subparagraph (A) by striking
24 “\$5,000,000” and inserting “\$15,000,000”,

25 (2) in subparagraph (B)—

1 (A) in the matter preceding clause (i), by
2 striking “2011” and inserting “2026”, and

3 (B) in clause (ii), by striking “calendar
4 year 2010” and inserting “calendar year
5 2025”, and

6 (3) by striking subparagraph (C).

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to estates of decedents dying and
9 gifts made after December 31, 2025.

10 **SEC. 70107. EXTENSION OF INCREASED ALTERNATIVE MIN-**
11 **IMUM TAX EXEMPTION AMOUNTS AND MODI-**
12 **FICATION OF PHASEOUT THRESHOLDS.**

13 (a) IN GENERAL.—Section 55(d)(4) is amended—

14 (1) in subparagraph (A), by striking “, and be-
15 fore January 1, 2026”, and

16 (2) by striking “AND BEFORE 2026” in the
17 heading.

18 (b) MODIFICATION OF INFLATION ADJUSTMENT.—
19 Section 55(d)(4)(B) is amended—

20 (1) by striking “2018” and inserting “2018
21 (2026, in the case of the \$1,000,000 amount in sub-
22 paragraph (A)(ii)(I))”, and

23 (2) by striking “determined by substituting ‘cal-
24 endar year 2017’ for ‘calendar year 2016’ in sub-
25 paragraph (A)(ii) thereof.” and inserting “deter-

1 mined by substituting for ‘calendar year 2016’ in
2 subparagraph (A)(ii) thereof—

3 “(1) ‘calendar year 2017’, in the case of the
4 \$109,400 amount in subparagraph (A)(i)(I) and the
5 \$70,300 amount in subparagraph (A)(i)(II), and

6 “(2) ‘calendar year 2025’, in the case of the
7 \$1,000,000 amount in subparagraph (A)(ii)(I).”.

8 (c) MODIFICATION OF PHASEOUT AMOUNT.—Section
9 55(d)(4)(A)(ii) is amended by striking “and” at the end
10 of subclause (II), and by adding at the end the following
11 new subclause:

12 “(IV) by substituting ‘50 per-
13 cent’ for ‘25 percent’, and”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2025.

17 **SEC. 70108. EXTENSION AND MODIFICATION OF LIMITA-**
18 **TION ON DEDUCTION FOR QUALIFIED RESI-**
19 **DENCE INTEREST.**

20 (a) IN GENERAL.—Section 163(h)(3)(F) is amend-
21 ed—

22 (1) in clause (i)—

23 (A) by striking “, and before January 1,
24 2026”,

1 (B) by redesignating subclauses (III) and
2 (IV) as subclauses (IV) and (V), respectively,

3 (C) by striking “subclause (III)” in sub-
4 clause (V), as so redesignated, and inserting
5 “subclause (IV)”, and

6 (D) by inserting after subclause (II) the
7 following new subclause:

8 “(III) MORTGAGE INSURANCE
9 PREMIUMS TREATED AS INTEREST.—

10 Clause (iv) of subparagraph (E) shall
11 not apply.”,

12 (2) by striking clause (ii) and redesignating
13 clauses (iii) and (iv) as clauses (ii) and (iii), respec-
14 tively, and

15 (3) by striking “2018 THROUGH 2025” in the
16 heading and inserting “BEGINNING AFTER 2017”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2025.

20 **SEC. 70109. EXTENSION AND MODIFICATION OF LIMITA-**
21 **TION ON CASUALTY LOSS DEDUCTION.**

22 (a) IN GENERAL.—Section 165(h)(5) is amended—

23 (1) in subparagraph (A), by striking “, and be-
24 fore January 1, 2026”, and

1 (2) by striking “2018 THROUGH 2025” in the
2 heading and inserting “BEGINNING AFTER 2017”.

3 (b) EXTENSION TO STATE DECLARED DISASTERS.—

4 (1) IN GENERAL.—Subparagraph (A) of section
5 165(h)(5), as amended by subsection (a), is further
6 amended by striking “(i)(5))” and inserting “(i)(5))
7 or a State declared disaster”.

8 (2) EXCEPTION RELATED TO PERSONAL CAS-
9 UALTY GAINS.—Clause (i) of section 165(h)(5)(B) is
10 amended by striking “(as so defined)” and inserting
11 “(as so defined) or a State declared disaster”.

12 (3) STATE DECLARED DISASTER.—Paragraph
13 (5) of section 165(h) is amended by adding at the
14 end the following new subparagraph:

15 “(C) STATE DECLARED DISASTER.—For
16 purposes of this paragraph—

17 “(i) IN GENERAL.—The term ‘State
18 declared disaster’ means, with respect to
19 any State, any natural catastrophe (includ-
20 ing any hurricane, tornado, storm, high
21 water, wind-driven water, tidal wave, tsu-
22 nami, earthquake, volcanic eruption, land-
23 slide, mudslide, snowstorm, or drought),
24 or, regardless of cause, any fire, flood, or
25 explosion, in any part of the State, which

1 in the determination of the Governor of
2 such State (or the Mayor, in the case of
3 the District of Columbia) and the Sec-
4 retary causes damage of sufficient severity
5 and magnitude to warrant the application
6 of the rules of this section.

7 “(ii) STATE.—The term ‘State’ in-
8 cludes the District of Columbia, the Com-
9 monwealth of Puerto Rico, the Virgin Is-
10 lands, Guam, American Samoa, and the
11 Commonwealth of the Northern Mariana
12 Islands.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2025.

16 **SEC. 70110. TERMINATION OF MISCELLANEOUS ITEMIZED**
17 **DEDUCTIONS OTHER THAN EDUCATOR EX-**
18 **PENSES.**

19 (a) IN GENERAL.—Section 67(g) is amended—

20 (1) by striking “, and before January 1, 2026”,
21 and

22 (2) by striking “2018 THROUGH 2025” in the
23 heading and inserting “BEGINNING AFTER 2017”.

24 (b) DEDUCTION FOR EDUCATOR EXPENSES.—

1 (1) IN GENERAL.—Section 67(b) is amended by
2 striking “and” at the end of paragraph (11), by
3 striking the period at the end of paragraph (12) and
4 inserting “, and”, and by adding at the end the fol-
5 lowing new paragraph:

6 “(13) the deductions allowed by section 162 for
7 educator expenses (as defined in subsection (g)).”.

8 (2) INCLUSION OF COACHES AND CERTAIN NON-
9 ATHLETIC INSTRUCTIONAL EQUIPMENT.—Section 67
10 is amended by redesignating subsection (g), as
11 amended by this section, as subsection (h), and by
12 inserting after subsection (f) the following new sec-
13 tion:

14 “(g) EDUCATOR EXPENSES.—For purposes of sub-
15 section (b)(13), the term ‘educator expenses’ means ex-
16 penses of a type which would be described in section
17 62(a)(2)(D) if—

18 “(1) such section were applied—

19 “(A) without regard to the dollar limita-
20 tion,

21 “(B) without regard to ‘(other than non-
22 athletic supplies for courses of instruction in
23 health or physical education)’ in clause (ii)
24 thereof, and

1 “(C) by substituting ‘as part of instruc-
2 tional activity’ for ‘in the classroom’ in clause
3 (ii) thereof, and

4 “(2) section 62(d)(1)(A) were applied by insert-
5 ing ‘, interscholastic sports administrator or coach,’
6 after ‘counselor’.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

10 **SEC. 70111. LIMITATION ON TAX BENEFIT OF ITEMIZED DE-**
11 **DUCTIONS.**

12 (a) IN GENERAL.—Section 68 is amended to read as
13 follows:

14 “(a) IN GENERAL.—In the case of an individual, the
15 amount of the itemized deductions otherwise allowable for
16 the taxable year (determined without regard to this sec-
17 tion) shall be reduced by $\frac{2}{37}$ of the lesser of—

18 “(1) such amount of itemized deductions, or

19 “(2) so much of the taxable income of the tax-
20 payer for the taxable year (determined without re-
21 gard to this section and increased by such amount
22 of itemized deductions) as exceeds the dollar amount
23 at which the 37 percent rate bracket under section
24 1 begins with respect to the taxpayer.

1 “(b) COORDINATION WITH OTHER LIMITATIONS.—
2 This section shall be applied after the application of any
3 other limitation on the allowance of any itemized deduc-
4 tion.”.

5 (b) LIMITATION NOT APPLICABLE TO DETERMINA-
6 TION OF DEDUCTION FOR QUALIFIED BUSINESS IN-
7 COME.—

8 (1) IN GENERAL.—Section 199A(e)(1) is
9 amended by inserting “without regard to section 68
10 and” after “shall be computed”.

11 (2) PATRONS OF SPECIFIED AGRICULTURAL
12 AND HORTICULTURAL COOPERATIVES.—Section
13 199A(g)(2)(B) is amended by inserting “section 68
14 or” after “without regard to”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2025.

18 **SEC. 70112. EXTENSION AND MODIFICATION OF QUALIFIED**
19 **TRANSPORTATION FRINGE BENEFITS.**

20 (a) IN GENERAL.—Section 132(f) is amended—

21 (1) by striking subparagraph (D) of paragraph
22 (1),

23 (2) in paragraph (2), by inserting “and” at the
24 end of subparagraph (A), by striking “, and” at the

1 end of subparagraph (B) and inserting a period, and
2 by striking subparagraph (C),

3 (3) by striking “(other than a qualified bicycle
4 commuting reimbursement)” in paragraph (4),

5 (4) by striking subparagraph (F) of paragraph
6 (5), and

7 (5) by striking paragraph (8).

8 (b) INFLATION ADJUSTMENT.—Clause (ii) of section
9 132(f)(6)(A) is amended by striking “1998” in clause (ii)
10 and inserting “1997”.

11 (c) COORDINATION WITH DISALLOWANCE OF CER-
12 TAIN EXPENSES.—Subsection (l) of section 274 is amend-
13 ed—

14 (1) by striking “BENEFITS.—” and all that fol-
15 lows through “No deduction” and inserting “BENE-
16 FITS.—No deduction”, and

17 (2) by striking paragraph (2).

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2025.

21 **SEC. 70113. EXTENSION AND MODIFICATION OF LIMITA-**
22 **TION ON DEDUCTION AND EXCLUSION FOR**
23 **MOVING EXPENSES.**

24 (a) EXTENSION OF LIMITATION ON DEDUCTION.—
25 Section 217(k) is amended—

1 (1) by striking “, and before January 1, 2026”,
2 and

3 (2) by striking “2018 THROUGH 2025” in the
4 heading and inserting “BEGINNING AFTER 2017”.

5 (b) ALLOWANCE OF DEDUCTION FOR MEMBERS OF
6 THE INTELLIGENCE COMMUNITY.—Section 217(k), as
7 amended by subsection (a), is further amended—

8 (1) by striking “2017.—Except in the case”
9 and inserting “2017.—

10 “(1) IN GENERAL.—Except in the case”, and

11 (2) by adding at the end the following new
12 paragraph:

13 “(2) MEMBERS OF THE INTELLIGENCE COMMU-
14 NITY.—An employee or new appointee of the intel-
15 ligence community (as defined in section 3 of the
16 National Security Act of 1947 (50 U.S.C. 3003))
17 (other than a member of the Armed Forces of the
18 United States) who moves pursuant to a change in
19 assignment which requires relocation shall be treated
20 for purposes of this section in the same manner as
21 an individual to whom subsection (g) applies.”.

22 (c) EXTENSION OF LIMITATION ON EXCLUSION.—
23 Section 132(g)(2) is amended—

24 (1) by striking “, and before January 1, 2026”,
25 and

1 (2) by striking “2018 THROUGH 2025” in the
2 heading and inserting “BEGINNING AFTER 2017”.

3 (d) ALLOWANCE OF EXCLUSION FOR MEMBERS OF
4 THE INTELLIGENCE COMMUNITY.—Section 132(g)(2) of
5 the Internal Revenue Code of 1986 is amended by insert-
6 ing “, or an employee or new appointee of the intelligence
7 community (as defined in section 3 of the National Secu-
8 rity Act of 1947 (50 U.S.C. 3003)) (other than a member
9 of the Armed Forces of the United States) who moves pur-
10 suant to a change in assignment that requires relocation”
11 after “change of station”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

15 **SEC. 70114. EXTENSION AND MODIFICATION OF LIMITA-**
16 **TION ON WAGERING LOSSES.**

17 (a) IN GENERAL.—Section 165 is amended by strik-
18 ing subsection (d) and inserting the following:

19 “(d) WAGERING LOSSES.—

20 “(1) IN GENERAL.—For purposes of losses
21 from wagering transactions, the amount allowed as
22 a deduction for any taxable year—

23 “(A) shall be equal to 90 percent of the
24 amount of such losses during such taxable year,
25 and

1 “(B) shall be allowed only to the extent of
2 the gains from such transactions during such
3 taxable year.

4 “(2) SPECIAL RULE.—For purposes of para-
5 graph (1), the term ‘losses from wagering trans-
6 actions’ includes any deduction otherwise allowable
7 under this chapter incurred in carrying on any wa-
8 gering transaction.”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2025.

12 **SEC. 70115. EXTENSION AND ENHANCEMENT OF IN-**
13 **CREASED LIMITATION ON CONTRIBUTIONS**
14 **TO ABLE ACCOUNTS.**

15 (a) IN GENERAL.—Section 529A(b)(2)(B) is amend-
16 ed—

17 (1) in clause (i), by inserting “(determined by
18 substituting ‘1996’ for ‘1997’ in paragraph (2)(B)
19 thereof)” after “section 2503(b)”, and

20 (2) in clause (ii), by striking “before January
21 1, 2026”.

22 (b) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as otherwise pro-
24 vided in this subsection, the amendments made by

1 this section shall apply to contributions made after
2 December 31, 2025.

3 (2) MODIFIED INFLATION ADJUSTMENT.—The
4 amendment made by subsection (a)(1) shall apply to
5 taxable years beginning after December 31, 2025.

6 **SEC. 70116. EXTENSION AND ENHANCEMENT OF SAVERS**
7 **CREDIT ALLOWED FOR ABLE CONTRIBU-**
8 **TIONS.**

9 (a) EXTENSION.—

10 (1) IN GENERAL.—Section 25B(d)(1) is amend-
11 ed to read as follows:

12 “(1) IN GENERAL.—The term ‘qualified retire-
13 ment savings contributions’ means, with respect to
14 any taxable year, the sum of—

15 “(A) the amount of contributions made by
16 the eligible individual during such taxable year
17 to the ABLE account (within the meaning of
18 section 529A) of which such individual is the
19 designated beneficiary, and

20 “(B) in the case of any taxable year begin-
21 ning before January 1, 2027—

22 “(i) the amount of the qualified retire-
23 ment contributions (as defined in section
24 219(e)) made by the eligible individual,

25 “(ii) the amount of—

266

1 “(I) any elective deferrals (as de-
2 fined in section 402(g)(3)) of such in-
3 dividual, and

4 “(II) any elective deferral of com-
5 pensation by such individual under an
6 eligible deferred compensation plan
7 (as defined in section 457(b)) of an
8 eligible employer described in section
9 457(e)(1)(A), and

10 “(iii) the amount of voluntary em-
11 ployee contributions by such individual to
12 any qualified retirement plan (as defined
13 in section 4974(c)).”.

14 (2) COORDINATION WITH SECURE 2.0 ACT OF
15 2022 AMENDMENT.—Paragraph (1) of section 103(e)
16 of the SECURE 2.0 Act of 2022 is repealed, and
17 the Internal Revenue Code of 1986 shall be applied
18 and administered as though such paragraph were
19 never enacted.

20 (3) EFFECTIVE DATE.—The amendments and
21 repeal made by this subsection shall apply to taxable
22 years ending after December 31, 2025.

23 (b) INCREASE OF CREDIT AMOUNT.—

24 (1) IN GENERAL.—Section 25B(a) is amended
25 by striking “\$2,000” and inserting “\$2,100”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by this subsection shall apply to taxable years begin-
3 ning after December 31, 2026.

4 **SEC. 70117. EXTENSION OF ROLLOVERS FROM QUALIFIED**
5 **TUITION PROGRAMS TO ABLE ACCOUNTS**
6 **PERMITTED.**

7 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is
8 amended by striking “before January 1, 2026,”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2025.

12 **SEC. 70118. EXTENSION OF TREATMENT OF CERTAIN INDIVIDUALS**
13 **PERFORMING SERVICES IN THE**
14 **SINAI PENINSULA AND ENHANCEMENT TO IN-**
15 **CLUDE ADDITIONAL AREAS.**

16 (a) TREATMENT MADE PERMANENT.—Section
17 11026(a) of Public Law 115–97 is amended by striking
18 “, with respect to the applicable period”.

19 (b) KENYA, MALI, BURKINA FASO, AND CHAD INCLUDED AS HAZARDOUS DUTY AREAS.—Section
20 11026(b) of Public Law 115–97 is amended to read as
21 follows:
22 follows:

23 “(b) QUALIFIED HAZARDOUS DUTY AREA.—For
24 purposes of this section, the term ‘qualified hazardous
25 duty area’ means each of the following locations, but only

1 during the period for which any member of the Armed
2 Forces of the United States is entitled to special pay under
3 section 310 of title 37, United States Code (relating to
4 special pay; duty subject to hostile fire or imminent dan-
5 ger), for services performed in such location:

6 “(1) the Sinai Peninsula of Egypt.

7 “(2) Kenya.

8 “(3) Mali.

9 “(4) Burkina Faso.

10 “(5) Chad.”.

11 (c) CONFORMING AMENDMENT.—Section 11026 of
12 Public Law 115–97 is amended by striking subsections (c)
13 and (d).

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on January 1, 2026.

16 **SEC. 70119. EXTENSION AND MODIFICATION OF EXCLUSION**
17 **FROM GROSS INCOME OF STUDENT LOANS**
18 **DISCHARGED ON ACCOUNT OF DEATH OR**
19 **DISABILITY.**

20 (a) IN GENERAL.—Section 108(f)(5) is amended to
21 read as follows:

22 “(5) DISCHARGES ON ACCOUNT OF DEATH OR
23 DISABILITY.—

24 “(A) IN GENERAL.—In the case of an indi-
25 vidual, gross income does not include any

1 amount which (but for this subsection) would
2 be includible in gross income for such taxable
3 year by reason of the discharge (in whole or in
4 part) of any loan described in subparagraph
5 (B), if such discharge was—

6 “(i) pursuant to subsection (a) or (d)
7 of section 437 of the Higher Education
8 Act of 1965 or the parallel benefit under
9 part D of title IV of such Act (relating to
10 the repayment of loan liability),

11 “(ii) pursuant to section 464(c)(1)(F)
12 of such Act, or

13 “(iii) otherwise discharged on account
14 of death or total and permanent disability
15 of the student.

16 “(B) LOANS DISCHARGED.—A loan is de-
17 scribed in this subparagraph if such loan is—

18 “(i) a student loan (as defined in
19 paragraph (2)), or

20 “(ii) a private education loan (as de-
21 fined in section 140(a) of the Consumer
22 Credit Protection Act (15 U.S.C. 1650(a)).

23 “(C) SOCIAL SECURITY NUMBER REQUIRE-
24 MENT.—

1 “(i) IN GENERAL.—Subparagraph (A)
2 shall not apply with respect to any dis-
3 charge during any taxable year unless the
4 taxpayer includes the taxpayer’s social se-
5 curity number on the return of tax for
6 such taxable year.

7 “(ii) SOCIAL SECURITY NUMBER.—
8 For purposes of this subparagraph, the
9 term ‘social security number’ has the
10 meaning given such term in section
11 24(h)(7).”.

12 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-
13 BER TREATED AS MATHEMATICAL OR CLERICAL
14 ERROR.—Section 6213(g)(2), as amended by this Act, is
15 further amended by striking “and” at the end of subpara-
16 graph (V), by striking the period at the end of subpara-
17 graph (W) and inserting “, and”, and by inserting after
18 subparagraph (W) the following new subparagraph:

19 “(X) an omission of a correct social secu-
20 rity number required under section
21 108(f)(5)(C) (relating to discharges on account
22 of death or disability).”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to discharges after December 31,
25 2025.

1 **SEC. 70120. LIMITATION ON INDIVIDUAL DEDUCTIONS FOR**
2 **CERTAIN STATE AND LOCAL TAXES, ETC.**

3 (a) IN GENERAL.—Section 164(b)(6) is amended—

4 (1) by striking “and before January 1, 2026”,

5 and

6 (2) by striking “\$10,000 (\$5,000 in the case of

7 a married individual filing a separate return)” and

8 inserting “the applicable limitation amount (half the

9 applicable limitation amount in the case of a mar-

10 ried individual filing a separate return)”.

11 (b) APPLICABLE LIMITATION AMOUNT.—Section

12 164(b) is amended by adding at the end the following new

13 paragraph:

14 “(7) APPLICABLE LIMITATION AMOUNT.—

15 “(A) IN GENERAL.—For purposes of para-

16 graph (6), the term ‘applicable limitation

17 amount’ means—

18 “(i) in the case of any taxable year

19 beginning in calendar year 2025, \$40,000,

20 “(ii) in the case of any taxable year

21 beginning in calendar year 2026, \$40,400,

22 “(iii) in the case of any taxable year

23 beginning after calendar year 2026 and be-

24 fore 2030, 101 percent of the dollar

25 amount in effect under this subparagraph

1 for taxable years beginning in the pre-
2 ceding calendar year, and

3 “(iv) in the case of any taxable year
4 beginning after calendar year 2029,
5 \$10,000.

6 “(B) PHASEDOWN BASED ON MODIFIED
7 ADJUSTED GROSS INCOME.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (iii), in the case of any tax-
10 able year beginning before January 1,
11 2030, the applicable limitation amount
12 shall be reduced by 30 percent of the ex-
13 cess (if any) of the taxpayer’s modified ad-
14 justed gross income over the threshold
15 amount (half the threshold amount in the
16 case of a married individual filing a sepa-
17 rate return).

18 “(ii) THRESHOLD AMOUNT.—For pur-
19 poses of this subparagraph, the term
20 ‘threshold amount’ means—

21 “(I) in the case of any taxable
22 year beginning in calendar year 2025,
23 \$500,000,

273

1 “(II) in the case of any taxable
2 year beginning in calendar year 2026,
3 \$505,000, and

4 “(III) in the case of any taxable
5 year beginning after calendar year
6 2026, 101 percent of the dollar
7 amount in effect under this subpara-
8 graph for taxable years beginning in
9 the preceding calendar year.

10 “(iii) LIMITATION ON REDUCTION.—
11 The reduction under clause (i) shall not re-
12 sult in the applicable limitation amount
13 being less than \$10,000.

14 “(iv) MODIFIED ADJUSTED GROSS IN-
15 COME.—For purposes of this paragraph,
16 the term ‘modified adjusted gross income’
17 means adjusted gross income increased by
18 any amount excluded from gross income
19 under section 911, 931, or 933.’’.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2024.

1 CHAPTER 2—DELIVERING ON PRESI-
2 DENTIAL PRIORITIES TO PROVIDE
3 NEW MIDDLE-CLASS TAX RELIEF

4 SEC. 70201. NO TAX ON TIPS.

5 (a) DEDUCTION ALLOWED.—Part VII of subchapter
6 B of chapter 1 is amended by redesignating section 224
7 as section 225 and by inserting after section 223 the fol-
8 lowing new section:

9 “SEC. 224. QUALIFIED TIPS.

10 “(a) IN GENERAL.—There shall be allowed as a de-
11 duction an amount equal to the qualified tips received dur-
12 ing the taxable year that are included on statements fur-
13 nished to the individual pursuant to section 6041(d)(3),
14 6041A(e)(3), 6050W(f)(2), or 6051(a)(18), or reported by
15 the taxpayer on Form 4137 (or successor).

16 “(b) LIMITATION.—

17 “(1) IN GENERAL.—The amount allowed as a
18 deduction under this section for any taxable year
19 shall not exceed \$25,000.

20 “(2) LIMITATION BASED ON ADJUSTED GROSS
21 INCOME.—

22 “(A) IN GENERAL.—The amount allowable
23 as a deduction under subsection (a) (after ap-
24 plication of paragraph (1)) shall be reduced
25 (but not below zero) by \$100 for each \$1,000

1 by which the taxpayer's modified adjusted gross
2 income exceeds \$150,000 (\$300,000 in the case
3 of a joint return).

4 “(B) MODIFIED ADJUSTED GROSS IN-
5 COME.—For purposes of this paragraph, the
6 term ‘modified adjusted gross income’ means
7 the adjusted gross income of the taxpayer for
8 the taxable year increased by any amount ex-
9 cluded from gross income under section 911,
10 931, or 933.

11 “(c) TIPS RECEIVED IN COURSE OF TRADE OR BUSI-
12 NESS.—In the case of qualified tips received by an indi-
13 vidual during any taxable year in the course of a trade
14 or business (other than the trade or business of per-
15 forming services as an employee) of such individual, such
16 qualified tips shall be taken into account under subsection
17 (a) only to the extent that the gross income for the tax-
18 payer from such trade or business for such taxable year
19 (including such qualified tips) exceeds the sum of the de-
20 ductions (other than the deduction allowed under this sec-
21 tion) allocable to the trade or business in which such quali-
22 fied tips are received by the individual for such taxable
23 year.

24 “(d) QUALIFIED TIPS.—For purposes of this sec-
25 tion—

1 “(1) IN GENERAL.—The term ‘qualified tips’
2 means cash tips received by an individual in an oc-
3 cupation which customarily and regularly received
4 tips on or before December 31, 2024, as provided by
5 the Secretary.

6 “(2) EXCLUSIONS.—Such term shall not in-
7 clude any amount received by an individual unless—

8 “(A) such amount is paid voluntarily with-
9 out any consequence in the event of non-
10 payment, is not the subject of negotiation, and
11 is determined by the payor,

12 “(B) the trade or business in the course of
13 which the individual receives such amount is
14 not a specified service trade or business (as de-
15 fined in section 199A(d)(2)), and

16 “(C) such other requirements as may be
17 established by the Secretary in regulations or
18 other guidance are satisfied.

19 For purposes of subparagraph (B), in the case of an
20 individual receiving tips in the trade or business of
21 performing services as an employee, such individual
22 shall be treated as receiving tips in the course of a
23 trade or business which is a specified service trade
24 or business if the trade or business of the employer
25 is a specified service trade or business.

1 “(3) CASH TIPS.—For purposes of paragraph
2 (1), the term ‘cash tips’ includes tips received from
3 customers that are paid in cash or charged and, in
4 the case of an employee, tips received under any tip-
5 sharing arrangement.

6 “(e) SOCIAL SECURITY NUMBER REQUIRED.—

7 “(1) IN GENERAL.—No deduction shall be al-
8 lowed under this section unless the taxpayer includes
9 on the return of tax for the taxable year such indi-
10 vidual’s social security number.

11 “(2) SOCIAL SECURITY NUMBER DEFINED.—

12 For purposes of paragraph (1), the term ‘social se-
13 curity number’ shall have the meaning given such
14 term in section 24(h)(7).

15 “(f) MARRIED INDIVIDUALS.—If the taxpayer is a
16 married individual (within the meaning of section 7703),
17 this section shall apply only if the taxpayer and the tax-
18 payer’s spouse file a joint return for the taxable year.

19 “(g) REGULATIONS.—The Secretary shall prescribe
20 such regulations or other guidance as may be necessary
21 to prevent reclassification of income as qualified tips, in-
22 cluding regulations or other guidance to prevent abuse of
23 the deduction allowed by this section.

1 “(h) TERMINATION.—No deduction shall be allowed
2 under this section for any taxable year beginning after De-
3 cember 31, 2028.”.

4 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—
5 Section 63(b) is amended by striking “and” at the end
6 of paragraph (3), by striking the period at the end of para-
7 graph (4) and inserting “, and”, and by adding at the
8 end the following new paragraph:

9 “(5) the deduction provided in section 224.”.

10 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-
11 BER TREATED AS MATHEMATICAL OR CLERICAL
12 ERROR.—Section 6213(g)(2), as amended by the pre-
13 ceding provisions of this Act, is amended by striking
14 “and” at the end of subparagraph (W), by striking the
15 period at the end of subparagraph (X) and inserting “,
16 and”, and by inserting after subparagraph (X) the fol-
17 lowing new subparagraph:

18 “(Y) an omission of a correct social secu-
19 rity number required under section 224(e) (re-
20 lating to deduction for qualified tips).”.

21 (d) EXCLUSION FROM QUALIFIED BUSINESS IN-
22 COME.—Section 199A(c)(4) is amended by striking “and”
23 at the end of subparagraph (B), by striking the period
24 at the end of subparagraph (C) and inserting “, and”, and
25 by adding at the end the following new subparagraph:

1 “(D) any amount with respect to which a
2 deduction is allowable to the taxpayer under
3 section 224(a) for the taxable year.”.

4 (e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE
5 BUSINESS.—

6 (1) IN GENERAL.—Section 45B(b)(2) is amend-
7 ed to read as follows:

8 “(2) APPLICATION ONLY TO CERTAIN LINES OF
9 BUSINESS.—In applying paragraph (1) there shall
10 be taken into account only tips received from cus-
11 tomers or clients in connection with the following
12 services:

13 “(A) The providing, delivering, or serving
14 of food or beverages for consumption, if the tip-
15 ping of employees delivering or serving food or
16 beverages by customers is customary.

17 “(B) The providing of any of the following
18 services to a customer or client if the tipping of
19 employees providing such services is customary:

20 “(i) Barbering and hair care.

21 “(ii) Nail care.

22 “(iii) Esthetics.

23 “(iv) Body and spa treatments.”.

1 (2) CREDIT DETERMINED WITH RESPECT TO
2 MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B)
3 is amended—

4 (A) by striking “as in effect on January 1,
5 2007, and”, and

6 (B) by inserting “, and in the case of food
7 or beverage establishments, as in effect on Jan-
8 uary 1, 2007” after “without regard to section
9 3(m) of such Act”.

10 (f) REPORTING REQUIREMENTS.—

11 (1) RETURNS FOR PAYMENTS MADE IN THE
12 COURSE OF A TRADE OR BUSINESS.—

13 (A) STATEMENT FURNISHED TO SEC-
14 RETARY.—Section 6041(a) is amended by in-
15 serting “(including a separate accounting of
16 any such amounts reasonably designated as
17 cash tips and the occupation described in sec-
18 tion 224(d)(1) of the person receiving such
19 tips)” after “such gains, profits, and income”.

20 (B) STATEMENT FURNISHED TO PAYEE.—
21 Section 6041(d) is amended by striking “and”
22 at the end of paragraph (1), by striking the pe-
23 riod at the end of paragraph (2) and inserting
24 “, and”, and by inserting after paragraph (2)
25 the following new paragraph:

1 “(3) in the case of compensation to non-employ-
2 ees, the portion of payments that have been reason-
3 ably designated as cash tips and the occupation de-
4 scribed in section 224(d)(1) of the person receiving
5 such tips.”.

6 (2) RETURNS FOR PAYMENTS MADE FOR SERV-
7 ICES AND DIRECT SALES.—

8 (A) STATEMENT FURNISHED TO SEC-
9 RETARY.—Section 6041A(a) is amended by in-
10 sserting “(including a separate accounting of
11 any such amounts reasonably designated as
12 cash tips and the occupation described in sec-
13 tion 224(d)(1) of the person receiving such
14 tips)” after “amount of such payments”.

15 (B) STATEMENT FURNISHED TO PAYEE.—
16 Section 6041A(e) is amended by striking “and”
17 at the end of paragraph (1), by striking the pe-
18 riod at the end of paragraph (2) and inserting
19 “, and”, and by inserting after paragraph (2)
20 the following new paragraph:

21 “(3) in the case of subsection (a), the portion
22 of payments that have been reasonably designated as
23 cash tips and the occupation described in section
24 224(d)(1) of the person receiving such tips.”.

1 (3) RETURNS RELATING TO THIRD PARTY SET-
2 TLEMENT ORGANIZATIONS.—

3 (A) STATEMENT FURNISHED TO SEC-
4 RETARY.—Section 6050W(a) is amended by
5 striking “and” at the end of paragraph (1), by
6 striking the period at the end of paragraph (2)
7 and inserting “and”, and by adding at the end
8 the following new paragraph:

9 “(3) in the case of a third party settlement or-
10 ganization, the portion of reportable payment trans-
11 actions that have been reasonably designated by
12 payors as cash tips and the occupation described in
13 section 224(d)(1) of the person receiving such tips.”.

14 (B) STATEMENT FURNISHED TO PAYEE.—
15 Section 6050W(f)(2) is amended by inserting
16 “(including a separate accounting of any such
17 amounts that have been reasonably designated
18 by payors as cash tips and the occupation de-
19 scribed in section 224(d)(1) of the person re-
20 ceiving such tips)” after “reportable payment
21 transactions”.

22 (4) RETURNS RELATED TO WAGES.—Section
23 6051(a) is amended by striking “and” at the end of
24 paragraph (16), by striking the period at the end of
25 paragraph (17) and inserting “, and”, and by insert-

1 ing after paragraph (17) the following new para-
2 graph:

3 “(18) the total amount of cash tips reported by
4 the employee under section 6053(a) and the occupa-
5 tion described in section 224(d)(1) such person.”.

6 (g) CLERICAL AMENDMENT.—The table of sections
7 for part VII of subchapter B of chapter 1 is amended by
8 redesignating the item relating to section 224 as relating
9 to section 225 and by inserting after the item relating to
10 section 223 the following new item:

 “Sec. 224. Qualified tips.”.

11 (h) PUBLISHED LIST OF OCCUPATIONS TRADITION-
12 ALLY RECEIVING TIPS.—Not later than 90 days after the
13 date of the enactment of this Act, the Secretary of the
14 Treasury (or the Secretary’s delegate) shall publish a list
15 of occupations which customarily and regularly received
16 tips on or before December 31, 2024, for purposes of sec-
17 tion 224(d)(1) of the Internal Revenue Code of 1986 (as
18 added by subsection (a)).

19 (i) WITHHOLDING.—The Secretary of the Treasury
20 (or the Secretary’s delegate) shall modify the procedures
21 prescribed under section 3402(a) of the Internal Revenue
22 Code of 1986 for taxable years beginning after December
23 31, 2025, to take into account the deduction allowed under
24 section 224 of such Code (as added by this Act).

1 (j) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2024.

4 (k) TRANSITION RULE.—In the case of any cash tips
5 required to be reported for periods before January 1,
6 2026, persons required to file returns or statements under
7 section 6041(a), 6041(d)(3), 6041A(a), 6041A(e)(3),
8 6050W(a), or 6050W(f)(2) of the Internal Revenue Code
9 of 1986 (as amended by this section) may approximate
10 a separate accounting of amounts designated as cash tips
11 by any reasonable method specified by the Secretary.

12 **SEC. 70202. NO TAX ON OVERTIME.**

13 (a) DEDUCTION ALLOWED.—Part VII of subchapter
14 B of chapter 1, as amended by the preceding provisions
15 of this Act, is amended by redesignating section 225 as
16 section 226 and by inserting after section 224 the fol-
17 lowing new section:

18 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

19 “(a) IN GENERAL.—There shall be allowed as a de-
20 duction an amount equal to the qualified overtime com-
21 pensation received during the taxable year and included
22 on statements furnished to the individual pursuant to sec-
23 tion 6041(d)(4) or 6051(a)(19).

24 “(b) LIMITATION.—

1 “(1) IN GENERAL.—The amount allowed as a
2 deduction under this section for any taxable year
3 shall not exceed \$12,500 (\$25,000 in the case of a
4 joint return).

5 “(2) LIMITATION BASED ON ADJUSTED GROSS
6 INCOME.—

7 “(A) IN GENERAL.—The amount allowable
8 as a deduction under subsection (a) (after ap-
9 plication of paragraph (1)) shall be reduced
10 (but not below zero) by \$100 for each \$1,000
11 by which the taxpayer’s modified adjusted gross
12 income exceeds \$150,000 (\$300,000 in the case
13 of a joint return).

14 “(B) MODIFIED ADJUSTED GROSS IN-
15 COME.—For purposes of this paragraph, the
16 term ‘modified adjusted gross income’ means
17 the adjusted gross income of the taxpayer for
18 the taxable year increased by any amount ex-
19 cluded from gross income under section 911,
20 931, or 933.

21 “(c) QUALIFIED OVERTIME COMPENSATION.—

22 “(1) IN GENERAL.—For purposes of this sec-
23 tion, the term ‘qualified overtime compensation’
24 means overtime compensation paid to an individual
25 required under section 7 of the Fair Labor Stand-

1 ards Act of 1938 that is in excess of the regular rate
2 (as used in such section) at which such individual is
3 employed.

4 “(2) EXCLUSIONS.—Such term shall not in-
5 clude any qualified tip (as defined in section
6 224(d)).

7 “(d) SOCIAL SECURITY NUMBER REQUIRED.—

8 “(1) IN GENERAL.—No deduction shall be al-
9 lowed under this section unless the taxpayer includes
10 on the return of tax for the taxable year such indi-
11 vidual’s social security number.

12 “(2) SOCIAL SECURITY NUMBER DEFINED.—

13 For purposes of paragraph (1), the term ‘social se-
14 curity number’ shall have the meaning given such
15 term in section 24(h)(7).

16 “(e) MARRIED INDIVIDUALS.—If the taxpayer is a
17 married individual (within the meaning of section 7703),
18 this section shall apply only if the taxpayer and the tax-
19 payer’s spouse file a joint return for the taxable year.

20 “(f) REGULATIONS.—The Secretary shall issue such
21 regulations or other guidance as may be necessary or ap-
22 propriate to carry out the purposes of this section, includ-
23 ing regulations or other guidance to prevent abuse of the
24 deduction allowed by this section.

1 “(g) TERMINATION.—No deduction shall be allowed
2 under this section for any taxable year beginning after De-
3 cember 31, 2028.”.

4 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—
5 Section 63(b), as amended by the preceding provisions of
6 this Act, is amended by striking “and” at the end of para-
7 graph (4), by striking the period at the end of paragraph
8 (5) and inserting “, and”, and by adding at the end the
9 following new paragraph:

10 “(6) the deduction provided in section 225.”.

11 (c) REPORTING.—

12 (1) REQUIREMENT TO INCLUDE OVERTIME
13 COMPENSATION ON W-2.—Section 6051(a), as
14 amended by the preceding provision of this Act, is
15 amended by striking “and” at the end of paragraph
16 (17), by striking the period at the end of paragraph
17 (18) and inserting “, and”, and by inserting after
18 paragraph (18) the following new paragraph:

19 “(19) the total amount of qualified overtime
20 compensation (as defined in section 225(c)).”.

21 (2) PAYMENTS TO PERSONS NOT TREATED AS
22 EMPLOYEES UNDER TAX LAWS.—

23 (A) STATEMENT FURNISHED TO SEC-
24 RETARY.—Section 6041(a), as amended by sec-
25 tion 70201(e)(1)(A), is amended by inserting

1 “and a separate accounting of any amount of
2 qualified overtime compensation (as defined in
3 section 225(c))” after “occupation of the person
4 receiving such tips”.

5 (B) STATEMENT FURNISHED TO PAYEE.—
6 Section 6041(d), as amended by section
7 70201(e)(1)(B), is amended by striking “and”
8 at the end of paragraph (2), by striking the pe-
9 riod at the end of paragraph (3) and inserting
10 “, and”, and by inserting after paragraph (3)
11 the following new paragraph:

12 “(4) the portion of payments that are qualified
13 overtime compensation (as defined in section
14 225(c)).”.

15 (d) OMISSION OF CORRECT SOCIAL SECURITY NUM-
16 BER TREATED AS MATHEMATICAL OR CLERICAL
17 ERROR.—Section 6213(g)(2), as amended by the pre-
18 ceding provisions of this Act, is amended by striking
19 “and” at the end of subparagraph (X), by striking the
20 period at the end of subparagraph (Y) and inserting “,
21 and”, and by inserting after subparagraph (Y) the fol-
22 lowing new subparagraph:

23 “(Z) an omission of a correct social secu-
24 rity number required under section 225(d) (re-
25 lating to deduction for qualified overtime).”.

1 (e) CLERICAL AMENDMENT.—The table of sections
2 for part VII of subchapter B of chapter 1, as amended
3 by the preceding provisions of this Act, is amended by re-
4 designating the item relating to section 225 as an item
5 relating to section 226 and by inserting after the item re-
6 lating to section 224 the following new item:

“Sec. 225. Qualified overtime compensation.”.

7 (f) WITHHOLDING.—The Secretary of the Treasury
8 (or the Secretary’s delegate) shall modify the procedures
9 prescribed under section 3402(a) of the Internal Revenue
10 Code of 1986 for taxable years beginning after December
11 31, 2025, to take into account the deduction allowed under
12 section 225 of such Code (as added by this Act).

13 (g) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2024.

16 (h) TRANSITION RULE.—In the case of qualified
17 overtime compensation required to be reported for periods
18 before January 1, 2026, persons required to file returns
19 or statements under section 6051(a)(19), 6041(a), or
20 6041(d)(4) of the Internal Revenue Code of 1986 (as
21 amended by this section) may approximate a separate ac-
22 counting of amounts designated as qualified overtime com-
23 pensation by any reasonable method specified by the Sec-
24 retary.

1 **SEC. 70203. NO TAX ON CAR LOAN INTEREST.**

2 (a) IN GENERAL.—Section 163(h) is amended by re-
3 designating paragraph (4) as paragraph (5) and by insert-
4 ing after paragraph (3) the following new paragraph:

5 “(4) SPECIAL RULES FOR TAXABLE YEARS 2025
6 THROUGH 2028 RELATING TO QUALIFIED PASSENGER
7 VEHICLE LOAN INTEREST.—

8 “(A) IN GENERAL.—In the case of taxable
9 years beginning after December 31, 2024, and
10 before January 1, 2029, for purposes of this
11 subsection the term ‘personal interest’ shall not
12 include qualified passenger vehicle loan interest.

13 “(B) QUALIFIED PASSENGER VEHICLE
14 LOAN INTEREST DEFINED.—

15 “(i) IN GENERAL.—For purposes of
16 this paragraph, the term ‘qualified pas-
17 senger vehicle loan interest’ means any in-
18 terest which is paid or accrued during the
19 taxable year on indebtedness incurred by
20 the taxpayer after December 31, 2024, for
21 the purchase of, and that is secured by a
22 first lien on, an applicable passenger vehi-
23 cle for personal use.

24 “(ii) EXCEPTIONS.—Such term shall
25 not include any amount paid or incurred
26 on any of the following:

291

1 “(I) A loan to finance fleet sales.

2 “(II) A loan incurred for the pur-
3 chase of a commercial vehicle that is
4 not used for personal purposes.

5 “(III) Any lease financing.

6 “(IV) A loan to finance the pur-
7 chase of a vehicle with a salvage title.

8 “(V) A loan to finance the pur-
9 chase of a vehicle intended to be used
10 for scrap or parts.

11 “(iii) VIN REQUIREMENT.—Interest
12 shall not be treated as qualified passenger
13 vehicle loan interest under this paragraph
14 unless the taxpayer includes the vehicle
15 identification number of the applicable pas-
16 senger vehicle described in clause (i) on the
17 return of tax for the taxable year.

18 “(C) LIMITATIONS.—

19 “(i) DOLLAR LIMIT.—The amount of
20 interest taken into account by a taxpayer
21 under subparagraph (B) for any taxable
22 year shall not exceed \$10,000.

23 “(ii) LIMITATION BASED ON MODI-
24 FIED ADJUSTED GROSS INCOME.—

1 “(I) IN GENERAL.—The amount
2 which is otherwise allowable as a de-
3 duction under subsection (a) as quali-
4 fied passenger vehicle loan interest
5 (determined without regard to this
6 clause and after the application of
7 clause (i)) shall be reduced (but not
8 below zero) by \$200 for each \$1,000
9 (or portion thereof) by which the
10 modified adjusted gross income of the
11 taxpayer for the taxable year exceeds
12 \$100,000 (\$200,000 in the case of a
13 joint return).

14 “(II) MODIFIED ADJUSTED
15 GROSS INCOME.—For purposes of this
16 clause, the term ‘modified adjusted
17 gross income’ means the adjusted
18 gross income of the taxpayer for the
19 taxable year increased by any amount
20 excluded from gross income under sec-
21 tion 911, 931, or 933.

22 “(D) APPLICABLE PASSENGER VEHICLE.—
23 The term ‘applicable passenger vehicle’ means
24 any vehicle—

1 “(i) the original use of which com-
2 mences with the taxpayer,

3 “(ii) which is manufactured primarily
4 for use on public streets, roads, and high-
5 ways (not including a vehicle operated ex-
6 clusively on a rail or rails),

7 “(iii) which has at least 2 wheels,

8 “(iv) which is a car, minivan, van,
9 sport utility vehicle, pickup truck, or mo-
10 torcycle,

11 “(v) which is treated as a motor vehi-
12 cle for purposes of title II of the Clean Air
13 Act, and

14 “(vi) which has a gross vehicle weight
15 rating of less than 14,000 pounds.

16 Such term shall not include any vehicle the
17 final assembly of which did not occur within the
18 United States.

19 “(E) OTHER DEFINITIONS AND SPECIAL
20 RULES.—For purposes of this paragraph—

21 “(i) FINAL ASSEMBLY.—For purposes
22 of subparagraph (D), the term ‘final as-
23 sembly’ means the process by which a
24 manufacturer produces a vehicle at, or
25 through the use of, a plant, factory, or

1 other place from which the vehicle is deliv-
2 ered to a dealer with all component parts
3 necessary for the mechanical operation of
4 the vehicle included with the vehicle,
5 whether or not the component parts are
6 permanently installed in or on the vehicle.

7 “(ii) TREATMENT OF REFINANCING.—
8 Indebtedness described in subparagraph
9 (B) shall include indebtedness that results
10 from refinancing any indebtedness de-
11 scribed in such subparagraph, and that is
12 secured by a first lien on the applicable
13 passenger vehicle with respect to which the
14 refinanced indebtedness was incurred, but
15 only to the extent the amount of such re-
16 sulting indebtedness does not exceed the
17 amount of such refinanced indebtedness.

18 “(iii) RELATED PARTIES.—Indebted-
19 ness described in subparagraph (B) shall
20 not include any indebtedness owed to a
21 person who is related (within the meaning
22 of section 267(b) or 707(b)(1)) to the tax-
23 payer.”.

24 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—

25 Section 63(b), as amended by the preceding provisions of

1 this Act, is amended by striking “and” at the end of para-
2 graph (5), by striking the period at the end of paragraph
3 (6) and inserting “and”, and by adding at the end the
4 following new paragraph:

5 “(7) so much of the deduction allowed by sec-
6 tion 163(a) as is attributable to the exception under
7 section 163(h)(4)(A).”.

8 (c) REPORTING.—

9 (1) IN GENERAL.—Subpart B of part III of
10 subchapter A of chapter 61 is amended by adding at
11 the end the following new section:

12 **“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PAS-**
13 **SENGER VEHICLE LOAN INTEREST RECEIVED**
14 **IN TRADE OR BUSINESS FROM INDIVIDUALS.**

15 “(a) IN GENERAL.—Any person—

16 “(1) who is engaged in a trade or business, and

17 “(2) who, in the course of such trade or busi-
18 ness, receives from any individual interest aggre-
19 gating \$600 or more for any calendar year on a
20 specified passenger vehicle loan,

21 shall make the return described in subsection (b) with re-
22 spect to each individual from whom such interest was re-
23 ceived at such time as the Secretary may provide.

24 “(b) FORM AND MANNER OF RETURNS.—A return
25 is described in this subsection if such return—

1 “(1) is in such form as the Secretary may pre-
2 scribe, and

3 “(2) contains—

4 “(A) the name and address of the indi-
5 vidual from whom the interest described in sub-
6 section (a)(2) was received,

7 “(B) the amount of such interest received
8 for the calendar year,

9 “(C) the amount of outstanding principal
10 on the specified passenger vehicle loan as of the
11 beginning of such calendar year,

12 “(D) the date of the origination of such
13 loan,

14 “(E) the year, make, model, and vehicle
15 identification number of the applicable pas-
16 senger vehicle which secures such loan (or such
17 other description of such vehicle as the Sec-
18 retary may prescribe), and

19 “(F) such other information as the Sec-
20 retary may prescribe.

21 “(c) STATEMENTS TO BE FURNISHED TO INDIVID-
22 UALS WITH RESPECT TO WHOM INFORMATION IS RE-
23 QUIRED.—Every person required to make a return under
24 subsection (a) shall furnish to each individual whose name

1 is required to be set forth in such return a written state-
2 ment showing—

3 “(1) the name, address, and phone number of
4 the information contact of the person required to
5 make such return, and

6 “(2) the information described in subpara-
7 graphs (B), (C), (D), and (E) of subsection (b)(2)
8 with respect to such individual (and such informa-
9 tion as is described in subsection (b)(2)(F) with re-
10 spect to such individual as the Secretary may pro-
11 vide for purposes of this subsection).

12 The written statement required under the preceding sen-
13 tence shall be furnished on or before January 31 of the
14 year following the calendar year for which the return
15 under subsection (a) was required to be made.

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

17 “(1) IN GENERAL.—Terms used in this section
18 which are also used in paragraph (4) of section
19 163(h) shall have the same meaning as when used
20 in such paragraph.

21 “(2) SPECIFIED PASSENGER VEHICLE LOAN.—

22 The term ‘specified passenger vehicle loan’ means
23 the indebtedness described in section 163(h)(4)(B)
24 with respect to any applicable passenger vehicle.

1 “(e) REGULATIONS.—The Secretary shall issue such
2 regulations or other guidance as may be necessary or ap-
3 propriate to carry out the purposes of this section, includ-
4 ing regulations or other guidance to prevent the duplicate
5 reporting of information under this section.

6 “(f) APPLICABILITY.—No return shall be required
7 under this section for any period to which section
8 163(h)(4) does not apply.”.

9 (2) PENALTIES.—Section 6724(d) is amend-
10 ed—

11 (A) in paragraph (1)(B), by striking “or”
12 at the end of clause (xxvii), by striking “and”
13 at the end of clause (xxviii) and inserting “or”,
14 and by adding at the end the following new
15 clause:

16 “(xxix) section 6050AA(a) (relating to
17 returns relating to applicable passenger ve-
18 hicle loan interest received in trade or
19 business from individuals),”, and

20 (B) in paragraph (2), by striking “or” at
21 the end of subparagraph (KK), by striking the
22 period at the end of subparagraph (LL) and in-
23 serting “, or”, and by inserting after subpara-
24 graph (LL) the following new subparagraph:

1 “(MM) section 6050AA(c) (relating to
2 statements relating to applicable passenger ve-
3 hicle loan interest received in trade or business
4 from individuals).”.

5 (d) CONFORMING AMENDMENTS.—

6 (1) Section 56(e)(1)(B) is amended by striking
7 “section 163(h)(4)” and inserting “section
8 163(h)(5)”.

9 (2) The table of sections for subpart B of part
10 III of subchapter A of chapter 61 is amended by
11 adding at the end the following new item:

“Sec. 6050AA. Returns relating to applicable passenger vehicle loan interest re-
ceived in trade or business from individuals.”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to indebtedness incurred after De-
14 cember 31, 2024.

15 **SEC. 70204. TRUMP ACCOUNTS AND CONTRIBUTION PILOT**
16 **PROGRAM.**

17 (a) TRUMP ACCOUNTS.—

18 (1) IN GENERAL.—Subchapter F of chapter 1
19 is amended by adding at the end the following new
20 part:

21 **“PART IX—TRUMP ACCOUNTS**

“Sec. 530A. Trump accounts.

1 **“SEC. 530A. TRUMP ACCOUNTS.**

2 “(a) GENERAL RULE.—Except as provided in this
3 section or under regulations or guidance established by the
4 Secretary, a Trump account shall be treated for purposes
5 of this title in the same manner as an individual retire-
6 ment account under section 408(a).

7 “(b) TRUMP ACCOUNT.—For purposes of this sec-
8 tion—

9 “(1) IN GENERAL.—The term ‘Trump account’
10 means an individual retirement account (as defined
11 in section 408(a)) which is not designated as a Roth
12 IRA and which meets the following requirements:

13 “(A) The account—

14 “(i) is created or organized by the
15 Secretary for the exclusive benefit of an el-
16 igible individual or such eligible individ-
17 ual’s beneficiaries, or

18 “(ii) is—

19 “(I) created or organized in the
20 United States for the exclusive benefit
21 of an individual who has not attained
22 the age of 18 before the end of the
23 calendar year, or such individual’s
24 beneficiaries, and

25 “(II) funded by a qualified roll-
26 over contribution.

1 “(B) The account is designated (in such
2 manner as the Secretary shall prescribe) at the
3 time of the establishment of the account as a
4 Trump account.

5 “(C) The written governing instrument
6 creating the account meets the following re-
7 quirements:

8 “(i) No contribution will be accept-
9 ed—

10 “(I) before the date that is 12
11 months after the date of the enact-
12 ment of this section, or

“(II) in the case of a contribu-
tion made in any calendar year before
the calendar year in which the ac-
count beneficiary attains age 18, if
such contribution would result in ag-
gregate contributions (other than ex-
empt contributions) for such calendar
year in excess of the contribution limit
specified in subsection (c)(2)(A).

22 “(ii) Except as provided in subsection
23 (d), no distribution will be allowed before
24 the first day of the calendar year in which
25 the account beneficiary attains age 18.

1 “(iii) No part of the account funds
2 will be invested in any asset other than an
3 eligible investment during any period be-
4 fore the first day of the calendar year in
5 which the account beneficiary attains age
6 18.

7 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible
8 individual’ means any individual—

9 “(A) who has not attained the age of 18
10 before the close of the calendar year in which
11 the election under subparagraph (C) is made,

12 “(B) for whom a social security number
13 (within the meaning of section 24(h)(7)) has
14 been issued before the date on which an election
15 under subsection (C) is made, and

16 “(C) for whom—

17 “(i) an election is made under this
18 subparagraph by the Secretary if the Sec-
19 retary determines (based on information
20 available to the Secretary from tax returns
21 or otherwise) that such individual meets
22 the requirements of subparagraphs (A) and
23 (B) and no prior election has been made
24 for such individual under clause (ii), or

1 “(ii) an election is made under this
2 subparagraph by a person other than the
3 Secretary (at such time and in such man-
4 ner as the Secretary may prescribe) for the
5 establishment of a Trump account if no
6 prior election has been made for such indi-
7 vidual under clause (i).

8 “(3) ELIGIBLE INVESTMENT.—

9 “(A) IN GENERAL.—The term ‘eligible in-
10 vestment’ means any mutual fund or exchange
11 traded fund which—

12 “(i) tracks the returns of a qualified
13 index,

14 “(ii) does not use leverage,

15 “(iii) does not have annual fees and
16 expenses of more than 0.1 percent of the
17 balance of the investment in the fund, and

18 “(iv) meets such other criteria as the
19 Secretary determines appropriate for pur-
20 poses of this section.

21 “(B) QUALIFIED INDEX.—The term ‘quali-
22 fied index’ means—

23 “(i) the Standard and Poor’s 500
24 stock market index, or

25 “(ii) any other index—

1 “(I) which is comprised of equity
2 investments in United States compa-
3 nies, and

4 “(II) for which regulated futures
5 contracts (as defined in section
6 1256(g)(1)) are traded on a qualified
7 board or exchange (as defined in sec-
8 tion 1256(g)(7)).

9 Such term shall not include any industry
10 or sector-specific index, but may include an
11 index based on market capitalization.

12 “(4) ACCOUNT BENEFICIARY.—The term ‘ac-
13 count beneficiary’ means the individual on whose be-
14 half the Trump account was established.

15 “(c) TREATMENT OF CONTRIBUTIONS.—

16 “(1) NO DEDUCTION ALLOWED.—No deduction
17 shall be allowed under section 219 for any contribu-
18 tion which is made before the first day of the cal-
19 endar year in which the account beneficiary attains
20 age 18.

21 “(2) CONTRIBUTION LIMIT.—In the case of any
22 contribution made before the calendar year in which
23 the account beneficiary attains age 18—

24 “(A) IN GENERAL.—The aggregate
25 amount of contributions (other than exempt

1 contributions) for such calendar year shall not
2 exceed \$5,000.

3 “(B) EXEMPT CONTRIBUTION.—For pur-
4 poses of this paragraph, the term ‘exempt con-
5 tribution’ means—

6 “(i) a qualified rollover contribution,

7 “(ii) any qualified general contribu-
8 tion, or

9 “(iii) any contribution provided under
10 section 6434.

11 “(C) COST-OF-LIVING ADJUSTMENT.—

12 “(i) IN GENERAL.—In the case of any
13 calendar year after 2027, the \$5,000
14 amount under subparagraph (A) shall be
15 increased by an amount equal to—

16 “(I) such dollar amount, multi-
17 plied by

18 “(II) the cost-of-living adjust-
19 ment determined under section 1(f)(3)
20 for the calendar year, determined by
21 substituting ‘calendar year 2026’ for
22 ‘calendar year 2016’ in subparagraph
23 (A)(ii) thereof.

24 “(ii) ROUNDING.—If any increase
25 under this subparagraph is not a multiple

1 of \$100, such amount shall be rounded to
2 the next lower multiple of \$100.

3 “(3) TIMING OF CONTRIBUTIONS.—Section
4 219(f)(3) shall not apply to any contribution made
5 to a Trump account for any taxable year ending be-
6 fore the calendar year in which the account bene-
7 ficiary attains age 18.

8 “(d) DISTRIBUTIONS.—

9 “(1) IN GENERAL.—Except as otherwise pro-
10 vided in this subsection, no distribution shall be al-
11 lowed before the first day of the calendar year in
12 which the account beneficiary attains age 18.

13 “(2) TAX TREATMENT OF ALLOWABLE DIS-
14 TRIBUTIONS.—For purposes of applying section 72
15 to any amount distributed from a Trump account,
16 the investment in the contract shall not include—

17 “(A) any qualified general contribution,

18 “(B) any contribution provided under sec-
19 tion 6434, and

20 “(C) the amount of any contribution which
21 is excluded from gross income under section
22 128.

23 “(3) QUALIFIED ROLLOVER CONTRIBUTIONS.—
24 Paragraph (1) shall not apply to any distribution
25 which is a qualified rollover contribution and the

1 amount of such distribution shall not be included in
2 the gross income of the beneficiary.

3 “(4) QUALIFIED ABLE ROLLOVER CONTRIBU-
4 TIONS.—

5 “(A) IN GENERAL.—Paragraph (1) shall
6 not apply to any distribution which is a quali-
7 fied ABLE rollover contribution and the
8 amount of such distribution shall not be in-
9 cluded in the gross income of the beneficiary.

10 “(B) QUALIFIED ABLE ROLLOVER CON-
11 TRIBUTION.—For purposes of this section, the
12 term ‘qualified ABLE rollover contribution’
13 means an amount which is paid during the cal-
14 endar year in which the account beneficiary at-
15 tains age 17 in a direct trustee-to-trustee trans-
16 fer from a Trump account maintained for the
17 benefit of the account beneficiary to an ABLE
18 account (as defined in section 529A(e)(6)) for
19 the benefit of the such account beneficiary, but
20 only if the amount of such payment is equal to
21 the entire balance of the Trump account from
22 which the payment is made.

23 “(5) DISTRIBUTIONS OF EXCESS CONTRIBU-
24 TIONS.—In the case of any contribution which is
25 made before the calendar year in which the account

1 beneficiary attains age 18 and which is in excess of
2 the limitation in effect under subsection (c)(2)(A)
3 for the calendar year—

4 “(A) paragraph (1) shall not apply to the
5 distribution of such excess,

6 “(B) the amount of such distribution shall
7 not be included in gross income of the account
8 beneficiary, and

9 “(C) the tax imposed by this chapter on
10 the distributee for the taxable year in which the
11 distribution is made shall be increased by 100
12 percent of the amount of net income attrib-
13 utable to such excess (determined without re-
14 gard to subparagraph (B)).

15 “(6) TREATMENT OF DEATH OF ACCOUNT BEN-
16 EFICIARY.—If, by reason of the death of the account
17 beneficiary before the first day of the calendar year
18 in which the account beneficiary attains age 18, any
19 person acquires the account beneficiary’s interest in
20 the Trump account—

21 “(A) paragraph (1) shall not apply,

22 “(B) such account shall cease to be a
23 Trump account as of the date of death, and

24 “(C) an amount equal to the fair market
25 value of the assets (reduced by the investment

1 in the contract) in such account on such date
2 shall—

3 “(i) if such person is not the estate of
4 such beneficiary, be includible in such per-
5 son’s gross income for the taxable year
6 which includes such date, or

7 “(ii) if such person is the estate of
8 such beneficiary, be includible in such
9 beneficiary’s gross income for the last tax-
10 able year of such beneficiary.

11 “(e) QUALIFIED ROLLOVER CONTRIBUTION.—For
12 purposes of this section, the term ‘qualified rollover con-
13 tribution’ means an amount which is paid in a direct trust-
14 ee-to-trustee transfer from a Trump account maintained
15 for the benefit of the account beneficiary to a Trump ac-
16 count maintained for such beneficiary, but only if the
17 amount of such payment is equal to the entire balance
18 of the Trump account from which the payment is made.

19 “(f) QUALIFIED GENERAL CONTRIBUTION.—For
20 purposes of this section—

21 “(1) IN GENERAL.—The term ‘qualified general
22 contribution’ means any contribution which—

23 “(A) is made by the Secretary pursuant to
24 a general funding contribution,

1 “(B) is made to the Trump account of an
2 account beneficiary in the qualified class of ac-
3 count beneficiaries specified in the general
4 funding contribution, and

5 “(C) is in an amount which is equal to the
6 ratio of—

7 “(i) the amount of such general fund-
8 ing contribution, to

9 “(ii) the number of account bene-
10 ficiaries in such qualified class.

11 “(2) GENERAL FUNDING CONTRIBUTION.—The
12 term ‘general funding contribution’ means a con-
13 tribution which—

14 “(A) is made by—

15 “(i) an entity described in section
16 170(c)(1) (other than a possession of the
17 United States or a political subdivision
18 thereof) or an Indian tribal government, or

19 “(ii) an organization described in sec-
20 tion 501(c)(3) and exempt from tax under
21 section 501(a), and

22 “(B) which specifies a qualified class of ac-
23 count beneficiaries to whom such contribution is
24 to be distributed.

25 “(3) QUALIFIED CLASS.—

1 “(A) IN GENERAL.—The term ‘qualified
2 class’ means any of the following:

3 “(i) All account beneficiaries who have
4 not attained the age of 18 before the close
5 of the calendar year in which the contribu-
6 tion is made.

7 “(ii) All account beneficiaries who
8 have not attained the age of 18 before the
9 close of the calendar year in which the con-
10 tribution is made and who reside in one or
11 more States or other qualified geographic
12 areas specified by the terms of the general
13 funding contribution.

14 “(iii) All account beneficiaries who
15 have not attained the age of 18 before the
16 close of the calendar year in which the con-
17 tribution is made and who were born in
18 one or more calendar years specified by the
19 terms of the general funding contribution.

20 “(B) QUALIFIED GEOGRAPHIC AREA.—The
21 term ‘qualified geographic area’ means any geo-
22 graphic area in which not less than 5,000 ac-
23 count beneficiaries reside and which is des-
24 ignated by the Secretary as a qualified geo-
25 graphic area under this subparagraph.

1 “(g) TRUSTEE SELECTION.—In the case of any
2 Trump account created or organized by the Secretary, the
3 Secretary shall take into account the following criteria in
4 selecting the trustee:

5 “(1) The history of reliability and regulatory
6 compliance of the trustee.

7 “(2) The customer service experience of the
8 trustee.

9 “(3) The costs imposed by the trustee on the
10 account or the account beneficiary.

11 “(h) OTHER SPECIAL RULES AND COORDINATION
12 WITH INDIVIDUAL RETIREMENT ACCOUNT RULES.—

13 “(1) IN GENERAL.—The rules of subsections
14 (k) and (p) of section 408 shall not apply to a
15 Trump account, and the rules of subsections (d) and
16 (i) of section 408 shall not apply to a Trump ac-
17 count for any taxable year beginning before the cal-
18 endar year in which the account beneficiary attains
19 age 18.

20 “(2) CUSTODIAL ACCOUNTS.—In the case of a
21 Trump account, section 408(h) shall be applied by
22 substituting ‘a Trump account described in section
23 530A(b)(1)’ for ‘an individual retirement account
24 described in subsection (a)’.

1 “(3) CONTRIBUTIONS.—In the case of any tax-
2 able year beginning before the first day of the cal-
3 endar year in which the account beneficiary attains
4 age 18, a contribution to a Trump account shall not
5 be taken into account in applying any contribution
6 limit to any individual retirement plan other than a
7 Trump account.

8 “(4) DISTRIBUTIONS.—Section 408(d)(2) shall
9 be applied separately with respect to Trump Ac-
10 counts and other individual retirement plans.

11 “(5) EXCESS CONTRIBUTIONS.—For purposes
12 of applying section 4973(b) to a Trump account for
13 any taxable year beginning before the first day of
14 the calendar year in which the account beneficiary
15 attains age 18, the term ‘excess contributions’
16 means the sum of—

17 “(A) the amount by which the amount con-
18 tributed to the account for the calendar year in
19 which taxable year begins exceeds the amount
20 permitted to be contributed to the account
21 under subsection (c)(2), and

22 “(B) the amount determined under this
23 paragraph for the preceding taxable year.

24 For purposes of this paragraph, the excess contribu-
25 tions for a taxable year are reduced by the distribu-

1 tions to which subsection (d)(5) applies that are
2 made during the taxable year or by the date pre-
3 scribed by law (including extensions of time) for fil-
4 ing the account beneficiary's return for the taxable
5 year.

6 “(i) REPORTS.—

7 “(1) IN GENERAL.—The trustee of a Trump ac-
8 count shall make such reports regarding such ac-
9 count to the Secretary and to the beneficiary of the
10 account at such time and in such manner as may be
11 required by the Secretary. Such reports shall include
12 information with respect to—

13 “(A) contributions (including the amount
14 and source of any contribution in excess of \$25
15 made from a person other than the Secretary,
16 the account beneficiary, or the parent or legal
17 guardian of the account beneficiary),

18 “(B) distributions (including distributions
19 which are qualified rollover contributions),

20 “(C) the fair market value of the account,

21 “(D) the investment in the contract with
22 respect to such account, and

23 “(E) such other matters as the Secretary
24 may require.

1 “(2) QUALIFIED ROLLOVER CONTRIBUTIONS.—

2 Not later than 30 days after the date of any quali-
3 fied rollover contribution, the trustee of the Trump
4 account to which the contribution was made shall
5 make a report to the Secretary. Such report shall in-
6 clude—

7 “(A) the name, address, and social security
8 number of the account beneficiary,

9 “(B) the name and address of such trust-
10 ee,

11 “(C) the account number,

12 “(D) the routing number of the trustee,
13 and

14 “(E) such other information as the Sec-
15 retary may require.

16 “(3) PERIOD OF REPORTING.—This subsection
17 shall not apply to any period after the calendar year
18 in which the beneficiary attains age 17.”.

19 (2) QUALIFIED ABLE ROLLOVER CONTRIBU-
20 TIONS EXEMPT FROM ABLE CONTRIBUTION LIMITA-
21 TION.—

22 (A) IN GENERAL.—Section 529A(b)(2)(B)
23 is amended by inserting “or received in a quali-
24 fied ABLE rollover contribution described in
25 section 530A(d)(4)(B)” after “except as pro-

1 vided in the case of contributions under sub-
2 section (c)(1)(C)’’.

3 (B) PROHIBITION ON EXCESS CONTRIBU-
4 TIONS.—The second sentence of section
5 529A(b)(6) is amended by inserting “but do not
6 include any contributions received in a qualified
7 ABLE rollover contribution described in section
8 530A(d)(4)(B)” before the period at the end.

9 (C) CONFORMING AMENDMENT.—Section
10 4973(h)(1) is amended by inserting “or con-
11 tributions received in a qualified ABLE rollover
12 contribution described in section
13 530A(d)(4)(B)” after “other than contributions
14 under section 529A(c)(1)(C)’’.

15 (3) FAILURE TO PROVIDE REPORTS ON TRUMP
16 ACCOUNTS.—Section 6693(a)(2) is amended by
17 striking “and” at the end of subparagraph (E), by
18 striking the period at the end of subparagraph (F)
19 and inserting “, and”, and by inserting after sub-
20 paragraph (F) the following new subparagraph:

21 “(G) section 530A(i) (relating to Trump
22 accounts).”.

23 (4) CLERICAL AMENDMENT.—

1 (A) The table of parts for subchapter F of
2 chapter 1 is amended by adding at the end the
3 following new item:

“PART IX—TRUMP ACCOUNTS”.

4 (b) EMPLOYER CONTRIBUTIONS.—

5 (1) IN GENERAL.—Part III of subchapter B of
6 chapter 1 is amended by inserting after section 127
7 the following new section:

8 **“SEC. 128. EMPLOYER CONTRIBUTIONS TO TRUMP AC-**
9 **COUNTS.**

10 “(a) IN GENERAL.—Gross income of an employee
11 does not include amounts paid by the employer as a con-
12 tribution to the Trump account of such employee or of
13 any dependent of such employee if the amounts are paid
14 or incurred pursuant to a program which is described in
15 subsection (c).

16 “(b) LIMITATION.—

17 “(1) IN GENERAL.—The amount which may be
18 excluded under subsection (a) with respect to any
19 employee shall not exceed \$2,500.

20 “(2) INFLATION ADJUSTMENT.—

21 “(A) IN GENERAL.—In the case of any
22 taxable year beginning after 2027, the \$2,500
23 amount in paragraph (1) shall be increased by
24 an amount equal to—

25 “(i) such dollar amount, multiplied by

1 “(ii) the cost-of-living adjustment de-
2 termined under section 1(f)(3) for such
3 calendar year by substituting ‘calendar
4 year 2026’ for ‘calendar year 2016’ in sub-
5 paragraph (A)(ii) thereof.

6 “(B) ROUNDING.—If any increase deter-
7 mined under subparagraph (A) is not a multiple
8 of \$100, such increase shall be rounded to the
9 nearest multiple of \$100.

10 “(c) TRUMP ACCOUNT CONTRIBUTION PROGRAM.—
11 For purposes of this section, a Trump account contribu-
12 tion program is a separate written plan of an employer
13 for the exclusive benefit of his employees to provide con-
14 tributions to the Trump accounts of such employees or
15 dependents of such employees which meets requirements
16 similar to the requirements of paragraphs (2), (3), (6),
17 (7), and (8) of section 129(d).”.

18 (2) CLERICAL AMENDMENT.—The table of sec-
19 tions for part III of subchapter B of chapter 1 is
20 amended by inserting after the item relating to sec-
21 tion 127 the following new item:

“Sec. 128. Employer contributions to Trump accounts.”.

22 (c) CERTAIN CONTRIBUTIONS EXCLUDED FROM
23 GROSS INCOME.—

1 (1) IN GENERAL.—Part III of subchapter B of
2 chapter 1 is amended by inserting before section 140
3 the following new section:

4 **“SEC. 139J. CERTAIN CONTRIBUTIONS TO TRUMP AC-**
5 **COUNTS.**

6 “(a) IN GENERAL.—Gross income of an account ben-
7 eficiary shall not include any qualified general contribution
8 to a Trump account of the account beneficiary.

9 “(b) DEFINITIONS.—Any term used in this section
10 which is used in section 530A shall have the meaning
11 given such term under section 530A.”.

12 (2) CLERICAL AMENDMENT.—The table of sec-
13 tions for part III of subchapter B is amended by in-
14 serting before the item relating to section 140 the
15 following new item:

“Sec. 139J. Certain contributions to Trump accounts.”.

16 (d) TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-
17 GRAM.—

18 (1) IN GENERAL.—Subchapter B of chapter 65
19 is amended by adding at the end the following new
20 section:

21 **“SEC. 6434. TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-**
22 **GRAM.**

23 “(a) IN GENERAL.—In the case of an individual who
24 makes an election under this section with respect to an
25 eligible child of the individual, such eligible child shall be

1 treated as making a payment against the tax imposed by
2 subtitle A (for the taxable year for which the election was
3 made) in an amount equal to \$1,000.

4 “(b) REFUND OF PAYMENT.—The amount treated as
5 a payment under subsection (a) shall be paid by the Sec-
6 retary to the Trump account with respect to which such
7 eligible child is the account beneficiary.

8 “(c) ELIGIBLE CHILD.—For purposes of this section,
9 the term ‘eligible child’ means a qualifying child (as de-
10 fined in section 152(c))—

11 “(1) who is born after December 31, 2024, and
12 before January 1, 2029,

13 “(2) with respect to whom no prior election has
14 been made under this section by such individual or
15 any other individual,

16 “(3) who is a United States citizen, and

17 “(4) at least one parent of whom was a United
18 States citizen at the time of such qualifying child’s
19 birth.

20 “(d) ELECTION.—An election under this section shall
21 be made at such time and in such manner as the Secretary
22 shall provide.

23 “(e) SOCIAL SECURITY NUMBER REQUIRED.—

1 “(1) IN GENERAL.—This section shall not apply
2 to any taxpayer unless such individual includes with
3 the election made under this section—

4 “(A) such individual’s social security num-
5 ber, and

6 “(B) the social security number of the eli-
7 gible child with respect to whom the election is
8 made.

9 “(2) SOCIAL SECURITY NUMBER DEFINED.—
10 For purposes of paragraph (1), the term ‘social se-
11 curity number’ shall have the meaning given such
12 term in section 24(h)(7), determined by substituting
13 ‘before the date of the election made under section
14 6434’ for ‘before the due date of such return’ in
15 subparagraph (B) thereof.

16 “(f) EXCEPTION FROM REDUCTION OR OFFSET.—
17 Any payment made to any individual under this section
18 shall not be—

19 “(1) subject to reduction or offset pursuant to
20 subsection (c), (d), (e), or (f) of section 6402 or any
21 similar authority permitting offset, or

22 “(2) reduced or offset by other assessed Federal
23 taxes that would otherwise be subject to levy or col-
24 lection.

1 “(g) SPECIAL RULE REGARDING INTEREST.—The
2 period determined under section 6611(a) with respect to
3 any payment under this section shall not begin before Jan-
4 uary 1, 2028.

5 “(h) MIRROR CODE POSSESSIONS.—In the case of
6 any possession of the United States with a mirror code
7 tax system (as defined in section 24(k)), this section shall
8 not be treated as part of the income tax laws of the United
9 States for purposes of determining the income tax law of
10 such possession unless such possession elects to have this
11 section be so treated.

12 “(i) DEFINITIONS.—For purposes of this section, the
13 terms ‘Trump account’ and ‘account beneficiary’ have the
14 meaning given such terms in section 530A(b).”.

15 (2) PENALTY FOR NEGLIGENT CLAIM OR
16 FRAUDULENT CLAIM.—Part I of subchapter A of
17 chapter 68 is amended by adding at the end the fol-
18 lowing new section:

19 **“SEC. 6659. IMPROPER CLAIM FOR TRUMP ACCOUNT CON-**
20 **TRIBUTION PILOT PROGRAM CREDIT.**

21 “(a) IN GENERAL.—In the case of any individual who
22 makes an election under section 6434 with respect to an
23 individual who is not an eligible child of the taxpayer—

1 “(1) if such election was made due to neg-
2 ligence or disregard of the rules or regulations, there
3 shall be imposed a penalty of \$500, or

4 “(2) if such election was made due to fraud,
5 there shall be imposed a penalty of \$1,000.

6 “(b) DEFINITIONS.—

7 “(1) ELIGIBLE CHILD.—The term ‘eligible
8 child’ has the meaning given such term under sec-
9 tion 6434.

10 “(2) NEGLIGENCE; DISREGARD.—The terms
11 ‘negligence’ and ‘disregard’ have the same meaning
12 as when such terms are used in section 6662.”.

13 (3) OMISSION OF CORRECT SOCIAL SECURITY
14 NUMBER TREATED AS MATHEMATICAL OR CLERICAL
15 ERROR.—Section 6213(g)(2), as amended by the
16 preceding provisions of this Act, is amended by
17 striking “and” at the end of subparagraph (Y), by
18 striking the period at the end of subparagraph (Z)
19 and inserting “, and”, and by inserting after sub-
20 paragraph (Z) the following new subparagraph:

21 “(AA) an omission of a correct social secu-
22 rity number required under section 6434(e)(1)
23 (relating to the Trump accounts contribution
24 pilot program).”.

25 (4) CONFORMING AMENDMENTS.—

1 (A) The table of sections for subchapter B
2 of chapter 65 is amended by adding at the end
3 the following new item:

“Sec. 6434. Trump accounts contribution pilot program.”.

4 (B) The table of sections for part I of sub-
5 chapter A of chapter 68 is amended by insert-
6 ing after the item relating to section 6658 the
7 following new item:

“Sec. 6659. Improper claim for Trump account contribution pilot program credit.”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 (f) FUNDING.—In addition to amounts otherwise
12 available, there is appropriated to the Department of the
13 Treasury, out of any money in the Treasury not otherwise
14 appropriated, \$410,000,000, to remain available until
15 September 30, 2034, to carry out the amendments made
16 by this section.

1 CHAPTER 3—ESTABLISHING CERTAINTY
2 AND COMPETITIVENESS FOR AMER-
3 ICAN JOB CREATORS

4 Subchapter A—Permanent U.S. Business Tax
5 Reform and Boosting Domestic Investment

6 SEC. 70301. FULL EXPENSING FOR CERTAIN BUSINESS
7 PROPERTY.

8 (a) MADE PERMANENT.—

9 (1) IN GENERAL.—Section 168(k)(2)(A) is
10 amended by adding “and” at the end of clause (i),
11 by striking “, and” at the end of clause (ii) and in-
12 serting a period, and by striking clause (iii).

13 (2) PROPERTY WITH LONGER PRODUCTION PE-
14 RIODS.—Section 168(k)(2)(B) is amended—

15 (A) in clause (i), by striking subclauses
16 (II) and (III) and redesignating subclauses
17 (IV), (V), and (VI), as subclauses (II), (III),
18 and (IV), respectively, and

19 (B) by striking clause (ii) and redesignig-
20 nating clauses (iii) and (iv) as clauses (ii) and
21 (iii), respectively.

22 (3) SELF-CONSTRUCTED PROPERTY.—Section
23 168(k)(2)(E) is amended by striking clause (i) and
24 redesignating clauses (ii) and (iii) as clauses (i) and
25 (ii), respectively.

1 (4) CERTAIN PLANTS.—Section 168(k)(5)(A) is
2 amended by striking “planted before January 1,
3 2027, or is grafted before such date to a plant that
4 has already been planted,” in the matter preceding
5 clause (i) and inserting “planted or grafted”.

6 (5) CONFORMING AMENDMENTS.—

7 (A) Section 168(k)(2)(A)(ii) is amended by
8 striking “clause (ii) of subparagraph (E)” and
9 inserting “clause (i) of subparagraph (E)”.

10 (B) Section 168(k)(2)(C)(i) is amended by
11 striking “and subclauses (II) and (III) of sub-
12 paragraph (B)(i)”.

13 (C) Section 168(k)(2)(C)(ii) is amended by
14 striking “subparagraph (B)(iii)” and inserting
15 “subparagraph (B)(ii)”.

16 (D) Section 460(c)(6)(B) is amended by
17 striking “which” and all that follows through
18 the period and inserting “which has a recovery
19 period of 7 years or less.”.

20 (b) 100 PERCENT EXPENSING.—

21 (1) IN GENERAL.—Section 168(k) is amend-
22 ed—

23 (A) in paragraph (1)(A), by striking “the
24 applicable percentage” and inserting “100 per-
25 cent”, and

1 (B) by striking paragraphs (6) and (8).

2 (2) CERTAIN PLANTS.—Section 168(k)(5)(A)(i)
3 is amended by striking “the applicable percentage”
4 and inserting “100 percent”.

5 (3) TRANSITIONAL ELECTION OF REDUCED
6 PERCENTAGE.—Section 168(k)(10) is amended by
7 striking subparagraph (A), by redesignating sub-
8 paragraph (B) as subparagraph (C), and by insert-
9 ing before subparagraph (C) (as so redesignated) the
10 following new subparagraphs:

11 “(A) IN GENERAL.—In the case of quali-
12 fied property placed in service by the taxpayer
13 during the first taxable year ending after Janu-
14 ary 19, 2025, if the taxpayer elects to have this
15 paragraph apply for such taxable year, para-
16 graph (1)(A) shall be applied—

17 “(i) in the case of property which is
18 not described in clause (ii), by substituting
19 ‘40 percent’ for ‘100 percent’, or

20 “(ii) in the case of property which is
21 described in subparagraph (B) or (C) of
22 paragraph (2), by substituting ‘60 percent’
23 for ‘100 percent’.

24 “(B) SPECIFIED PLANTS.—In the case of
25 any specified plant planted or grafted by the

1 taxpayer during the first taxable year ending
2 after January 19, 2025, if the taxpayer elects
3 to have this paragraph apply for such taxable
4 year, paragraph (5)(A)(i) shall be applied by
5 substituting ‘40 percent’ for ‘100 percent.’.”.

6 (c) EFFECTIVE DATE.—

7 (1) IN GENERAL.—Except as otherwise pro-
8 vided in this subsection, the amendments made by
9 this section shall apply to property acquired after
10 January 19, 2025.

11 (2) SPECIFIED PLANTS.—Except as provided in
12 paragraph (3), in the case of any specified plant (as
13 defined in section 168(k)(5)(B) of the Internal Rev-
14 enue Code of 1986, as amended by this section), the
15 amendments made by this section shall apply to
16 such plants which are planted or grafted after Janu-
17 ary 19, 2025.

18 (3) TRANSITIONAL ELECTION OF REDUCED
19 PERCENTAGE.—The amendment made by subsection
20 (b)(3) shall apply to taxable years ending after Jan-
21 uary 19, 2025.

22 (4) ACQUISITION DATE DETERMINATION.—For
23 purposes of paragraph (1), property shall not be
24 treated as acquired after the date on which a written
25 binding contract is entered into for such acquisition.

1 **SEC. 70302. FULL EXPENSING OF DOMESTIC RESEARCH**
2 **AND EXPERIMENTAL EXPENDITURES.**

3 (a) IN GENERAL.—Part VI of subchapter B of chap-
4 ter 1 is amended by inserting after section 174 the fol-
5 lowing new section:

6 **“SEC. 174A. DOMESTIC RESEARCH OR EXPERIMENTAL EX-**
7 **PENDITURES.**

8 “(a) TREATMENT AS EXPENSES.—Notwithstanding
9 section 263, there shall be allowed as a deduction any do-
10 mestic research or experimental expenditures which are
11 paid or incurred by the taxpayer during the taxable year.

12 “(b) DOMESTIC RESEARCH OR EXPERIMENTAL EX-
13 PENDITURES.—For purposes of this section, the term ‘do-
14 mestic research or experimental expenditures’ means re-
15 search or experimental expenditures paid or incurred by
16 the taxpayer in connection with the taxpayer’s trade or
17 business other than such expenditures which are attrib-
18 utable to foreign research (within the meaning of section
19 41(d)(4)(F)).

20 “(c) AMORTIZATION OF CERTAIN DOMESTIC RE-
21 SEARCH OR EXPERIMENTAL EXPENDITURES.—

22 “(1) IN GENERAL.—At the election of the tax-
23 payer, made in accordance with regulations or other
24 guidance provided by the Secretary, in the case of
25 domestic research or experimental expenditures
26 which would (but for subsection (a)) be chargeable

1 to capital account but not chargeable to property of
2 a character which is subject to the allowance under
3 section 167 (relating to allowance for depreciation,
4 etc.) or section 611 (relating to allowance for deple-
5 tion), subsection (a) shall not apply and the tax-
6 payer shall—

7 “(A) charge such expenditures to capital
8 account, and

9 “(B) be allowed an amortization deduction
10 of such expenditures ratably over such period of
11 not less than 60 months as may be selected by
12 the taxpayer (beginning with the month in
13 which the taxpayer first realizes benefits from
14 such expenditures).

15 “(2) TIME FOR AND SCOPE OF ELECTION.—The
16 election provided by paragraph (1) may be made for
17 any taxable year, but only if made not later than the
18 time prescribed by law for filing the return for such
19 taxable year (including extensions thereof). The
20 method so elected, and the period selected by the
21 taxpayer, shall be adhered to in computing taxable
22 income for the taxable year for which the election is
23 made and for all subsequent taxable years unless,
24 with the approval of the Secretary, a change to a
25 different method (or to a different period) is author-

1 ized with respect to part or all of such expenditures.

2 The election shall not apply to any expenditure paid
3 or incurred during any taxable year before the tax-
4 able year for which the taxpayer makes the election.

5 “(d) SPECIAL RULES.—

6 “(1) LAND AND OTHER PROPERTY.—This sec-
7 tion shall not apply to any expenditure for the acqui-
8 sition or improvement of land, or for the acquisition
9 or improvement of property to be used in connection
10 with the research or experimentation and of a char-
11 acter which is subject to the allowance under section
12 167 (relating to allowance for depreciation, etc.) or
13 section 611 (relating to allowance for depletion); but
14 for purposes of this section allowances under section
15 167, and allowances under section 611, shall be con-
16 sidered as expenditures.

17 “(2) EXPLORATION EXPENDITURES.—This sec-
18 tion shall not apply to any expenditure paid or in-
19 curred for the purpose of ascertaining the existence,
20 location, extent, or quality of any deposit of ore or
21 other mineral (including oil and gas).

22 “(3) SOFTWARE DEVELOPMENT.—For purposes
23 of this section, any amount paid or incurred in con-
24 nection with the development of any software shall

1 be treated as a research or experimental expendi-
2 ture.”.

3 (b) COORDINATION WITH CERTAIN OTHER PROVI-
4 SIONS.—

5 (1) FOREIGN RESEARCH EXPENSES.—Section
6 174 is amended—

7 (A) in subsection (a)—

8 (i) by striking “a taxpayer’s specified
9 research or experimental expenditures”
10 and inserting “a taxpayer’s foreign re-
11 search or experimental expenditures”, and

12 (ii) by striking “over the 5-year period
13 (15-year period in the case of any specified
14 research or experimental expenditures
15 which are attributable to foreign research
16 (within the meaning of section
17 41(d)(4)(F)))” in paragraph (2)(B) and
18 inserting “over the 15-year period”,

19 (B) in subsection (b)—

20 (i) by striking “specified research”
21 and inserting “foreign research”,

22 (ii) by inserting “and which are at-
23 tributable to foreign research (within the
24 meaning of section 41(d)(4)(F))” before
25 the period at the end, and

1 (iii) by striking “SPECIFIED” in the
2 heading thereof and inserting “FOREIGN”,
3 and
4 (C) in subsection (d)—

5 (i) by striking “specified research or
6 experimental expenditures” and inserting
7 “foreign research or experimental expendi-
8 tures”, and

9 (ii) by inserting “or reduction to
10 amount realized” after “no deduction”.

11 (2) RESEARCH CREDIT.—

12 (A) Section 41(d)(1)(A) is amended to
13 read as follows:

14 “(A) with respect to which expenditures
15 are treated as domestic research or experi-
16 mental expenditures under section 174A,”.

17 (B) Section 280C(c)(1) is amended to read
18 as follows:

19 “(1) IN GENERAL.—The domestic research or
20 experimental expenditures otherwise taken into ac-
21 count under section 174A shall be reduced by the
22 amount of the credit allowed under section 41(a).”.

23 (3) AMT ADJUSTMENT.—Section 56(b)(2) is
24 amended—

25 (A) in subparagraph (A)—

1 (i) by striking “or 174(a)” in the
2 matter preceding clause (i) and inserting
3 “, 174(a), or 174A(a)”, and

4 (ii) by striking “research and experi-
5 mental expenditures described in section
6 174(a)” in clause (ii) thereof and inserting
7 “foreign research or experimental expendi-
8 tures described in section 174(a) and do-
9 mestic research or experimental expendi-
10 tures in section 174A(a)”, and

11 (B) in subparagraph (C), by inserting “or
12 174A(a)” after “174(a)”.

13 (4) OPTIONAL 10-YEAR WRITEOFF.—Section
14 59(e)(2)(B) is amended by striking “section 174(a)
15 (relating to research and experimental expendi-
16 tures)” and inserting “section 174A(a) (relating to
17 domestic research or experimental expenditures)”.

18 (5) QUALIFIED SMALL ISSUE BONDS.—Section
19 144(a)(4)(C)(iv) is amended by striking “174(a)”
20 and inserting “174A(a)”.

21 (6) START-UP EXPENDITURES.—Section
22 195(c)(1) is amended by striking “or 174” in the
23 last sentence and inserting “174, or 174A”.

24 (7) CAPITAL EXPENDITURES.—

1 (A) Section 263(a)(1)(B) is amended by
2 inserting “or 174A” after “174”.

3 (B) Section 263A(c)(2) is amended by in-
4 serting “or 174A” after “174”.

5 (8) ACTIVE BUSINESS COMPUTER SOFTWARE
6 ROYALTIES.—Section 543(d)(4)(A)(i) is amended by
7 inserting “174A,” after “174,”.

8 (9) SOURCE RULES.—Section 864(g)(2) is
9 amended—

10 (A) by striking “research and experimental
11 expenditures within the meaning of section
12 174” in the first sentence and inserting “for-
13 eign research or experimental expenditures
14 within the meaning of section 174 or domestic
15 research or experimental expenditures within
16 the meaning of section 174A”, and

17 (B) in the last sentence—

18 (i) by striking “treated as deferred ex-
19 penses under subsection (b) of section
20 174” and inserting “allowed as an amorti-
21 zation deduction under section 174(a) or
22 section 174A(c),”, and

23 (ii) by striking “such subsection” and
24 inserting “such section (as the case may
25 be)”.

1 (10) BASIS ADJUSTMENT.—Section
2 1016(a)(14) is amended by striking “deductions as
3 deferred expenses under section 174(b)(1) (relating
4 to research and experimental expenditures)” and in-
5 serting “deductions under section 174 or 174A(c)”.

6 (11) SMALL BUSINESS STOCK.—Section
7 1202(e)(2)(B) is amended by striking “which may
8 be treated as research and experimental expendi-
9 tures under section 174” and inserting “which are
10 treated as foreign research or experimental expendi-
11 tures under section 174 or domestic research or ex-
12 perimental expenditures under section 174A”.

13 (c) CHANGE IN METHOD OF ACCOUNTING.—

14 (1) IN GENERAL.—The amendments made by
15 subsection (a) shall be treated as a change in meth-
16 od of accounting for purposes of section 481 of the
17 Internal Revenue Code of 1986 and—

18 (A) such change shall be treated as initi-
19 ated by the taxpayer,

20 (B) such change shall be treated as made
21 with the consent of the Secretary, and

22 (C) such change shall be applied only on a
23 cut-off basis for any domestic research or ex-
24 perimental expenditures (as defined in section
25 174A(b) of such Code (as added by this sec-

1 tion) and determined by applying the rules of
2 section 174A(d) of such Code) paid or incurred
3 in taxable years beginning after December 31,
4 2024, and no adjustments under section 481(a)
5 shall be made.

6 (2) SPECIAL RULES.—In the case of a taxable
7 year which begins after December 31, 2024, and
8 ends before the date of the enactment of this Act—

9 (A) paragraph (1)(C) shall not apply, and

10 (B) the change in method of accounting
11 under paragraph (1) shall be applied on a modi-
12 fied cut-off basis, taking into account for pur-
13 poses of section 481(a) of such Code only the
14 domestic research or experimental expenditures
15 (as defined in section 174A(b) of such Code (as
16 added by this section) and determined by apply-
17 ing the rules of section 174A(d) of such Code)
18 paid or incurred in such taxable year but not
19 allowed as a deduction in such taxable year.

20 (d) CLERICAL AMENDMENT.—The table of sections
21 for part VI of subchapter B of chapter 1 is amended by
22 inserting after the item relating to section 174 the fol-
23 lowing new item:

 “Sec. 174A. Domestic research or experimental expenditures.”.

24 (e) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as otherwise pro-
2 vided in this subsection or subsection (f)(1), the
3 amendments made by this section shall apply to
4 amounts paid or incurred in taxable years beginning
5 after December 31, 2024.

6 (2) TREATMENT OF FOREIGN RESEARCH OR
7 EXPERIMENTAL EXPENDITURES UPON DISPOSI-
8 TION.—

9 (A) IN GENERAL.—The amendment by
10 subsection (b)(1)(C)(ii) shall apply to property
11 disposed, retired, or abandoned after May 12,
12 2025.

13 (B) NO INFERENCE.—The amendment
14 made by subsection (b)(1)(C)(ii) shall not be
15 construed to create any inference with respect
16 to the proper application of section 174(d) of
17 the Internal Revenue Code of 1986 with respect
18 to taxable years beginning before May 13,
19 2025.

20 (3) COORDINATION WITH RESEARCH CREDIT.—
21 The amendment made by subsection (b)(2)(B) shall
22 apply to taxable years beginning after December 31,
23 2024.

24 (4) NO INFERENCE WITH RESPECT TO COORDI-
25 NATION WITH RESEARCH CREDIT FOR PRIOR PERI-

1 ODS.—The amendment made by subsection
2 (b)(2)(B) shall not be construed to create any infer-
3 ence with respect to the proper application of section
4 280C(c) of the Internal Revenue Code of 1986 with
5 respect to taxable years beginning before January 1,
6 2025.

7 (f) TRANSITION RULES.—

8 (1) ELECTION FOR RETROACTIVE APPLICATION
9 BY CERTAIN SMALL BUSINESSES.—

10 (A) IN GENERAL.—At the election of an el-
11 igible taxpayer, paragraphs (1) and (3) of sub-
12 section (e) shall each be applied by substituting
13 “December 31, 2021” for “December 31,
14 2024”. An election made under this subpara-
15 graph shall be made in such manner as the Sec-
16 retary may provide and not later than the date
17 that is 1 year after the date of the enactment
18 of this Act. The taxpayer shall file an amended
19 return for each taxable year affected by such
20 election.

21 (B) ELIGIBLE TAXPAYER.—For purposes
22 of this paragraph, the term “eligible taxpayer”
23 means any taxpayer (other than a tax shelter
24 prohibited from using the cash receipts and dis-
25 bursements method of accounting under section

1 448(a)(3)) which meets the gross receipts test
2 of section 448(c) for the first taxable year be-
3 ginning after December 31, 2024.

4 (C) ELECTION TREATED AS CHANGE IN
5 METHOD OF ACCOUNTING.—In the case of any
6 taxpayer which elects the application of sub-
7 paragraph (A)—

8 (i) such election may be treated as a
9 change in method of accounting for pur-
10 poses of section 481 of such Code for the
11 taxpayer's first taxable year affected by
12 such election,

13 (ii) such change shall be treated as
14 initiated by the taxpayer for such taxable
15 year,

16 (iii) such change shall be treated as
17 made with the consent of the Secretary,
18 and

19 (iv) subsection (c) shall not apply to
20 such taxpayer.

21 (D) ELECTION REGARDING COORDINATION
22 WITH RESEARCH CREDIT.—An election under
23 section 280C(c)(2) of the Internal Revenue
24 Code of 1986 (or revocation of such election)
25 for any taxable year beginning after December

1 31, 2021, by an eligible taxpayer making an
2 election under subparagraph (A) shall not fail
3 to be treated as timely made (or as made on the
4 return) if made during the 1-year period begin-
5 ning on the date of the enactment of this Act
6 on an amended return for such taxable year.

7 (2) ELECTION TO DEDUCT CERTAIN
8 UNAMORTIZED AMOUNTS PAID OR INCURRED IN
9 TAXABLE YEARS BEGINNING BEFORE JANUARY 1,
10 2025.—

11 (A) IN GENERAL.—In the case of any do-
12 mestic research or experimental expenditures
13 (as defined in section 174A, as added by sub-
14 section (a)) which are paid or incurred in tax-
15 able years beginning after December 31, 2021,
16 and before January 1, 2025, and which was
17 charged to capital account, a taxpayer may
18 elect—

19 (i) to deduct any remaining
20 unamortized amount with respect to such
21 expenditures in the first taxable year be-
22 ginning after December 31, 2024, or

23 (ii) to deduct such remaining
24 unamortized amount with respect to such
25 expenditures ratably over the 2-taxable

1 year period beginning with the first taxable
2 year beginning after December 31, 2024.

3 (B) CHANGE IN METHOD OF ACCOUNT-
4 ING.—In the case of a taxpayer who makes an
5 election under this paragraph—

6 (i) such taxpayer shall be treated as
7 initiating a change in method of account-
8 ing for purposes of section 481 of the In-
9 ternal Revenue Code of 1986 with respect
10 to the expenditures to which the election
11 applies,

12 (ii) such change shall be treated as
13 made with the consent of the Secretary,
14 and

15 (iii) such change shall be applied only
16 on a cut-off basis for such expenditures
17 and no adjustments under section 481(a)
18 shall be made.

19 (C) REGULATIONS.—The Secretary of the
20 Treasury (or the Secretary's delegate) shall
21 publish such guidance or regulations as may be
22 necessary to carry out the purposes of this
23 paragraph, including regulations or guidance al-
24 lowing for the deduction allowed under subpara-
25 graph (A) in the case of taxpayers with taxable

1 years beginning after December 31, 2024, and
2 ending before the date of the enactment of this
3 Act.

4 **SEC. 70303. MODIFICATION OF LIMITATION ON BUSINESS**
5 **INTEREST.**

6 (a) IN GENERAL.—Section 163(j)(8)(A)(v) is amend-
7 ed by striking “in the case of taxable years beginning be-
8 fore January 1, 2022,”.

9 (b) FLOOR PLAN FINANCING APPLICABLE TO CER-
10 TAIN TRAILERS AND CAMPERS.—Section 163(j)(9)(C) is
11 amended by adding at the end the following new flush sen-
12 tence:

13 “Such term shall also include any trailer or
14 camper which is designed to provide temporary
15 living quarters for recreational, camping, or
16 seasonal use and is designed to be towed by, or
17 affixed to, a motor vehicle.”.

18 (c) EFFECTIVE DATE AND SPECIAL RULE.—

19 (1) IN GENERAL.—The amendments made by
20 this section shall apply to taxable years beginning
21 after December 31, 2024.

22 (2) SPECIAL RULE FOR SHORT TAXABLE
23 YEARS.—The Secretary of the Treasury (or the Sec-
24 retary’s delegate) may prescribe such rules as are
25 necessary or appropriate to provide for the applica-

1 tion of the amendments made by this section in the
2 case of any taxable year of less than 12 months that
3 begins after December 31, 2024, and ends before
4 the date of the enactment of this Act.

5 **SEC. 70304. EXTENSION AND ENHANCEMENT OF PAID FAM-**
6 **ILY AND MEDICAL LEAVE CREDIT.**

7 (a) IN GENERAL.—Section 45S is amended—

8 (1) in subsection (a)—

9 (A) by striking paragraph (1) and insert-
10 ing the following:

11 “(1) IN GENERAL.—For purposes of section 38,
12 in the case of an eligible employer, the paid family
13 and medical leave credit is an amount equal to ei-
14 ther of the following (as elected by such employer):

15 “(A) The applicable percentage of the
16 amount of wages paid to qualifying employees
17 with respect to any period in which such em-
18 ployees are on family and medical leave.

19 “(B) If such employer has an insurance
20 policy with regards to the provision of paid
21 family and medical leave which is in force dur-
22 ing the taxable year, the applicable percentage
23 of the total amount of premiums paid or in-
24 curred by such employer during such taxable

1 year with respect to such insurance policy.”,
2 and

3 (B) by adding at the end the following:

4 “(3) RATE OF PAYMENT DETERMINED WITH-
5 OUT REGARD TO WHETHER LEAVE IS TAKEN.—For
6 purposes of determining the applicable percentage
7 with respect to paragraph (1)(B), the rate of pay-
8 ment under the insurance policy shall be determined
9 without regard to whether any qualifying employees
10 were on family and medical leave during the taxable
11 year.”,

12 (2) in subsection (b)(1), by striking “credit al-
13 lowed” and inserting “wages taken into account”,

14 (3) in subsection (c), by striking paragraphs (3)
15 and (4) and inserting the following:

16 “(3) AGGREGATION RULE.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), all persons which are treated
19 as a single employer under subsections (b) and
20 (c) of section 414 shall be treated as a single
21 employer.

22 “(B) EXCEPTION.—

23 “(i) IN GENERAL.—Subparagraph (A)
24 shall not apply to any person who estab-
25 lishes to the satisfaction of the Secretary

1 that such person has a substantial and le-
2 gitimate business reason for failing to pro-
3 vide a written policy described in para-
4 graph (1) or (2).

5 “(ii) SUBSTANTIAL AND LEGITIMATE
6 BUSINESS REASON.—For purposes of
7 clause (i), the term ‘substantial and legiti-
8 mate business reason’ shall not include the
9 operation of a separate line of business,
10 the rate of wages or category of jobs for
11 employees (or any similar basis), or the ap-
12 plication of State or local laws relating to
13 family and medical leave, but may include
14 the grouping of employees of a common
15 law employer.

16 “(4) TREATMENT OF BENEFITS MANDATED OR
17 PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For
18 purposes of this section, any leave which is paid by
19 a State or local government or required by State or
20 local law—

21 “(A) except as provided in subparagraph
22 (B), shall be taken into account in determining
23 the amount of paid family and medical leave
24 provided by the employer, and

1 “(B) shall not be taken into account in de-
2 termining the amount of the paid family and
3 medical leave credit under subsection (a).”,
4 (4) in subsection (d)—

5 (A) in paragraph (1), by inserting “(or, at
6 the election of the employer, for not less than
7 6 months)” after “1 year or more”,

8 (B) in paragraph (2)—

9 (i) by inserting “, as determined on
10 an annualized basis (pro-rata for part-time
11 employees),” after “compensation”, and

12 (ii) by striking the period at the end
13 and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(3) is customarily employed for not less than
16 20 hours per week.”, and

17 (5) by striking subsection (i).

18 (b) NO DOUBLE BENEFIT.—Section 280C(a) is
19 amended—

20 (1) by striking “45S(a)” and inserting
21 “45S(a)(1)(A)”, and

22 (2) by inserting after the first sentence the fol-
23 lowing: “No deduction shall be allowed for that por-
24 tion of the premiums paid or incurred for the tax-
25 able year which is equal to that portion of the paid

1 family and medical leave credit which is determined
2 for the taxable year under section 45S(a)(1)(B).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 70305. EXCEPTIONS FROM LIMITATIONS ON DEDUC-**
7 **TION FOR BUSINESS MEALS.**

8 (a) EXCEPTION TO DENIAL OF DEDUCTION FOR
9 BUSINESS MEALS.—Section 274(o), as added by section
10 13304 of Public Law 115-97, is amended by striking “No
11 deduction” and inserting “Except in the case of an ex-
12 pense described in subsection (e)(8) or (n)(2)(C), no de-
13 duction”.

14 (b) MEALS PROVIDED ON CERTAIN FISHING BOATS
15 AND AT CERTAIN FISH PROCESSING FACILITIES NOT
16 SUBJECT TO 50 PERCENT LIMITATION.—Section
17 274(n)(2)(C) of the Internal Revenue Code of 1986 is
18 amended by striking “or” at the end of clause (iii) and
19 by adding at the end the following new clause:

20 “(v) provided—

21 “(I) on a fishing vessel, fish proc-
22 essing vessel, or fish tender vessel (as
23 such terms are defined in section
24 2101 of title 46, United States Code),
25 or

1 “(II) at a facility for the proc-
2 essing of fish for commercial use or
3 consumption which—

4 “(aa) is located in the
5 United States north of 50 de-
6 grees north latitude, and

7 “(bb) is not located in a
8 metropolitan statistical area
9 (within the meaning of section
10 143(k)(2)(B)), or”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to amounts paid or incurred after
13 December 31, 2025.

14 **SEC. 70306. INCREASED DOLLAR LIMITATIONS FOR EX-**
15 **PENSING OF CERTAIN DEPRECIABLE BUSI-**
16 **NESS ASSETS.**

17 (a) IN GENERAL.—Section 179(b) is amended—

18 (1) in paragraph (1), by striking “\$1,000,000”
19 and inserting “\$2,500,000”, and

20 (2) in paragraph (2), by striking “\$2,500,000”
21 and inserting “\$4,000,000”.

22 (b) CONFORMING AMENDMENTS.—Section
23 179(b)(6)(A) is amended—

1 (1) by inserting “(2025 in the case of the dollar
2 amounts in paragraphs (1) and (2))” after “In the
3 case of any taxable year beginning after 2018”, and
4 (2) in clause (ii), by striking “determined by
5 substituting ‘calendar year 2017’ for ‘calendar year
6 2016’ in subparagraph (A)(ii) thereof.” and insert-
7 ing “determined by substituting in subparagraph
8 (A)(ii) thereof— “

9 “(I) in the case of amounts in
10 paragraphs (1) and (2), ‘calendar year
11 2024’ for ‘calendar year 2016’, and

12 “(II) in the case of the amount
13 in paragraph (5)(A), ‘calendar year
14 2017’ for ‘calendar year 2016’.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to property placed in service in
17 taxable years beginning after December 31, 2024.

18 **SEC. 70307. SPECIAL DEPRECIATION ALLOWANCE FOR**
19 **QUALIFIED PRODUCTION PROPERTY.**

20 (a) IN GENERAL.—Section 168 is amended by adding
21 at the end the following new subsection:

22 “(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUC-
23 TION PROPERTY.—

1 “(1) IN GENERAL.—In the case of any qualified
2 production property of a taxpayer making an elec-
3 tion under this subsection—

4 “(A) the depreciation deduction provided
5 by section 167(a) for the taxable year in which
6 such property is placed in service shall include
7 an allowance equal to 100 percent of the ad-
8 justed basis of the qualified production prop-
9 erty, and

10 “(B) the adjusted basis of the qualified
11 production property shall be reduced by the
12 amount of such deduction before computing the
13 amount otherwise allowable as a depreciation
14 deduction under this chapter for such taxable
15 year and any subsequent taxable year.

16 “(2) QUALIFIED PRODUCTION PROPERTY.—For
17 purposes of this subsection—

18 “(A) IN GENERAL.—The term ‘qualified
19 production property’ means that portion of any
20 nonresidential real property—

21 “(i) to which this section applies,

22 “(ii) which is used by the taxpayer as
23 an integral part of a qualified production
24 activity,

1 “(iii) which is placed in service in the
2 United States or any possession of the
3 United States,

4 “(iv) the original use of which com-
5 mences with the taxpayer,

6 “(v) the construction of which begins
7 after January 19, 2025, and before Janu-
8 ary 1, 2029,

9 “(vi) which is designated by the tax-
10 payer in the election made under this sub-
11 section, and

12 “(vii) which is placed in service before
13 January 1, 2031.

14 For purposes of clause (ii), in the case of prop-
15 erty with respect to which the taxpayer is a les-
16 sor, property used by a lessee shall not be con-
17 sidered to be used by the taxpayer as part of
18 a qualified production activity.

19 “(B) SPECIAL RULE FOR CERTAIN PROP-
20 ERTY NOT PREVIOUSLY USED IN QUALIFIED
21 PRODUCTION ACTIVITIES.—

22 “(i) IN GENERAL.—In the case of
23 property acquired by the taxpayer during
24 the period described in subparagraph
25 (A)(v), the requirements of clauses (iv) and

1 (v) of subparagraph (A) shall be treated as
2 satisfied if—

3 “(I) such property was not used
4 in a qualified production activity (de-
5 termined without regard to the second
6 sentence of subparagraph (D)) by any
7 person at any time during the period
8 beginning on January 1, 2021, and
9 ending on May 12, 2025,

10 “(II) such property was not used
11 by the taxpayer at any time prior to
12 such acquisition, and

13 “(III) the acquisition of such
14 property meets the requirements of
15 paragraphs (2)(A), (2)(B), (2)(C),
16 and (3) of section 179(d).

17 “(ii) WRITTEN BINDING CON-
18 TRACTS.—For purposes of determining
19 under clause (i)—

20 “(I) whether such property is ac-
21 quired before the period described in
22 subparagraph (A)(v), such property
23 shall be treated as acquired not later
24 than the date on which the taxpayer

1 enters into a written binding contract
2 for such acquisition, and

3 “(II) whether such property is
4 acquired after such period, such prop-
5 erty shall be treated as acquired not
6 earlier than such date.

7 “(C) EXCLUSION OF OFFICE SPACE,
8 ETC.—The term ‘qualified production property’
9 shall not include that portion of any nonresi-
10 dential real property which is used for offices,
11 administrative services, lodging, parking, sales
12 activities, research activities, software develop-
13 ment or engineering activities, or other func-
14 tions unrelated to the manufacturing, produc-
15 tion, or refining of tangible personal property.

16 “(D) QUALIFIED PRODUCTION ACTIVITY.—
17 The term ‘qualified production activity’ means
18 the manufacturing, production, or refining of a
19 qualified product. The activities of any taxpayer
20 do not constitute manufacturing, production, or
21 refining of a qualified product unless the activi-
22 ties of such taxpayer result in a substantial
23 transformation of the property comprising the
24 product.

1 “(E) PRODUCTION.—The term ‘produc-
2 tion’ shall not include activities other than agri-
3 cultural production and chemical production.

4 “(F) QUALIFIED PRODUCT.—The term
5 ‘qualified product’ means any tangible personal
6 property if such property is not a food or bev-
7 erage prepared in the same building as a retail
8 establishment in which such property is sold.

9 “(G) SYNDICATION.—For purposes of sub-
10 paragraph (A)(iv), rules similar to the rules of
11 subsection (k)(2)(E)(iii) shall apply.

12 “(H) EXTENSION OF PLACED IN SERVICE
13 DATE UNDER CERTAIN CIRCUMSTANCES.—The
14 Secretary may extend the date under subpara-
15 graph (A)(vii) with respect to any property that
16 meets the requirements of clauses (i) through
17 (vi) of subparagraph (A) if the Secretary deter-
18 mines that an act of God (as defined in section
19 101(1) of the Comprehensive Environmental
20 Response, Compensation, and Liability Act of
21 1980) prevents the taxpayer from placing such
22 property in service before such date.

23 “(3) DEDUCTION ALLOWED IN COMPUTING
24 MINIMUM TAX.—For purposes of determining alter-
25 native minimum taxable income under section 55,

1 the deduction under section 167 for qualified pro-
2 duction property shall be determined under this sec-
3 tion without regard to any adjustment under section
4 56.

5 “(4) COORDINATION WITH CERTAIN OTHER
6 PROVISIONS.—

7 “(A) OTHER SPECIAL DEPRECIATION AL-
8 LOWANCES.—For purposes of subsections
9 (k)(7), (l)(3)(D), and (m)(2)(B)(iii)—

10 “(i) qualified production property
11 shall be treated as a separate class of
12 property, and

13 “(ii) the taxpayer shall be treated as
14 having made an election under such sub-
15 sections with respect to such class.

16 “(B) ALTERNATIVE DEPRECIATION PROP-
17 ERTY.—The term ‘qualified production prop-
18 erty’ shall not include any property to which the
19 alternative depreciation system under sub-
20 section (g) applies. For purposes of subsection
21 (g)(7)(A), qualified production property to
22 which this subsection applies shall be treated as
23 separate nonresidential real property.

24 “(5) RECAPTURE.—If, at any time during the
25 10-year period beginning on the date that any quali-

1 fied production property is placed in service by the
2 taxpayer, such property ceases to be used as de-
3 scribed in paragraph (2)(A)(ii) and is used by the
4 taxpayer in a productive use not described in para-
5 graph (2)(A)(ii)—

6 “(A) section 1245 shall be applied—

7 “(i) by treating such property as hav-
8 ing been disposed of by the taxpayer as of
9 the first time such property is so used in
10 a productive use not described in para-
11 graph (2)(A)(ii), and

12 “(ii) by treating the amount described
13 in subparagraph (B) of section 1245(a)(1)
14 with respect to such disposition as being
15 not less than the amount described in sub-
16 paragraph (A) of such section, and

17 “(B) the basis of the taxpayer in such
18 property, and the taxpayer’s allowance for de-
19 preciation with respect to such property, shall
20 be appropriately adjusted to take into account
21 amounts recognized by reason of subparagraph
22 (A).

23 “(6) ELECTION.—

24 “(A) IN GENERAL.—An election under this
25 subsection for any taxable year shall—

1 “(i) specify the nonresidential real
2 property subject to the election and the
3 portion of such property designated under
4 paragraph (2)(A)(vi), and

5 “(ii) except as otherwise provided by
6 the Secretary, be made on the taxpayer’s
7 return of the tax imposed by this chapter
8 for the taxable year.

9 Such election shall be made in such manner as
10 the Secretary may prescribe by regulations or
11 other guidance.

12 “(B) ELECTION.—Any election made
13 under this subsection, and any specification
14 contained in any such election, may not be re-
15 voked except with the consent of the Secretary
16 (and the Secretary shall provide such consent
17 only in extraordinary circumstances).

18 “(7) REGULATIONS.—The Secretary shall issue
19 such regulations or other guidance as may be nec-
20 essary or appropriate to carry out the purposes of
21 this subsection, including regulations or other guid-
22 ance—

23 “(A) providing rules for regarding what
24 constitutes substantial transformation of prop-

1 erty which are consistent with guidance pro-
2 vided under section 954(d), and

3 “(B) providing for the application of para-
4 graph (5) with respect to a change in use de-
5 scribed in such paragraph by a transferee fol-
6 lowing a fully or partially tax free transfer of
7 qualified production property.”.

8 (b) TREATMENT OF QUALIFIED PRODUCTION PROP-
9 ERTY AS SECTION 1245 PROPERTY.—Section 1245(a)(3)
10 is amended by striking “or” at the end of subparagraph
11 (E), by striking the period at the end of subparagraph
12 (F) and inserting “, or”, and by adding at the end the
13 following new subparagraph:

14 “(G) any qualified production property (as
15 defined in section 168(n)(2)).”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property placed in service after
18 the date of the enactment of this Act.

19 **SEC. 70308. ENHANCEMENT OF ADVANCED MANUFAC-**
20 **TURING INVESTMENT CREDIT.**

21 (a) IN GENERAL.—Section 48D(a) is amended by
22 striking “25 percent” and inserting “35 percent”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property placed in service after
25 December 31, 2025.

1 **SEC. 70309. SPACEPORTS ARE TREATED LIKE AIRPORTS**
2 **UNDER EXEMPT FACILITY BOND RULES.**

3 (a) IN GENERAL.—Section 142(a)(1) is amended to
4 read as follows:

5 “(1) airports and spaceports,”.

6 (b) TREATMENT OF GROUND LEASES.—Section
7 142(b)(1) is amended by adding at the end the following
8 new subparagraph:

9 “(C) SPECIAL RULE FOR SPACEPORT
10 GROUND LEASES.—For purposes of subpara-
11 graph (A), spaceport property located on land
12 leased by a governmental unit from the United
13 States shall not fail to be treated as owned by
14 a governmental unit if the requirements of this
15 paragraph are met by the lease and any sub-
16 leases of the property.”.

17 (c) DEFINITION OF SPACEPORT.—Section 142 is
18 amended by adding at the end the following new sub-
19 section:

20 “(p) SPACEPORT.—

21 “(1) IN GENERAL.—For purposes of subsection
22 (a)(1), the term ‘spaceport’ means any facility lo-
23 cated at or in close proximity to a launch site or re-
24 entry site used for—

25 “(A) manufacturing, assembling, or repair-
26 ing spacecraft, space cargo, other facilities de-

1 scribed in this paragraph, or any component of
2 the foregoing,

3 “(B) flight control operations,

4 “(C) providing launch services and reentry
5 services, or

6 “(D) transferring crew, spaceflight partici-
7 pants, or space cargo to or from spacecraft.

8 “(2) ADDITIONAL TERMS.—For purposes of
9 paragraph (1)—

10 “(A) SPACE CARGO.—The term ‘space
11 cargo’ includes satellites, scientific experiments,
12 other property transported into space, and any
13 other type of payload, whether or not such
14 property returns from space.

15 “(B) SPACECRAFT.—The term ‘spacecraft’
16 means a launch vehicle or a reentry vehicle.

17 “(C) OTHER TERMS.—The terms ‘launch
18 site’, ‘crew’, ‘space flight participant’, ‘launch
19 services’, ‘launch vehicle’, ‘payload’, ‘reentry
20 services’, ‘reentry site’, a ‘reentry vehicle’ shall
21 have the respective meanings given to such
22 terms by section 50902 of title 51, United
23 States Code (as in effect on the date of enact-
24 ment of this subsection).

1 “(3) PUBLIC USE REQUIREMENT.—Notwith-
2 standing any other provision of law, a facility shall
3 not be required to be available for use by the general
4 public to be treated as a spaceport for purposes of
5 this section.

6 “(4) MANUFACTURING FACILITIES AND INDUS-
7 TRIAL PARKS ALLOWED.—With respect to space-
8 ports, subsection (c)(2)(E) shall not apply to space-
9 port property described in paragraph (1)(A).”.

10 (d) EXCEPTION FROM FEDERALLY GUARANTEED
11 BOND PROHIBITION.—Section 149(b)(3) is amended by
12 adding at the end the following new subparagraph:

13 “(F) EXCEPTION FOR SPACEPORTS.—A
14 bond shall not be treated as federally guaran-
15 teed merely because of the payment of rent,
16 user fees, or other charges by the United States
17 (or any agency or instrumentality thereof) in
18 exchange for the use of the spaceport by the
19 United States (or any agency or instrumentality
20 thereof).”.

21 (e) CONFORMING AMENDMENT.—The heading for
22 section 142(c) is amended by inserting “SPACEPORTS,”
23 after “AIRPORTS,”.

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

4 **Subchapter B—Permanent America-first**
5 **International Tax Reforms**

6 **PART I—FOREIGN TAX CREDIT**

7 **SEC. 70311. MODIFICATIONS RELATED TO FOREIGN TAX**
8 **CREDIT LIMITATION.**

9 (a) RULES FOR ALLOCATION OF CERTAIN DEDUC-
10 TIONS TO FOREIGN SOURCE NET CFC TESTED INCOME
11 FOR PURPOSES OF FOREIGN TAX CREDIT LIMITATION.—
12 Section 904(b) is amended by adding at the end the fol-
13 lowing new paragraph:

14 “(5) DEDUCTIONS TREATED AS ALLOCABLE TO
15 FOREIGN SOURCE NET CFC TESTED INCOME.—Solely
16 for purposes of the application of subsection (a) with
17 respect to amounts described in subsection
18 (d)(1)(A), the taxpayer’s taxable income from
19 sources without the United States shall be deter-
20 mined by allocating and apportioning—

21 “(A) any deduction allowed under section
22 250(a)(1)(B) (and any deduction allowed under
23 section 164(a)(3) for taxes imposed on amounts
24 described in section 250(a)(1)(B)) to such in-
25 come,

1 “(B) no amount of interest expense or re-
2 search and experimental expenditures to such
3 income, and

4 “(C) any other deduction to such income
5 only if such deduction is directly allocable to
6 such income.

7 Any amount or deduction which would (but for sub-
8 paragraphs (B) and (C)) have been allocated or ap-
9 portioned to such income shall only be allocated or
10 apportioned to income which is from sources within
11 the United States.”.

12 (b) OTHER MODIFICATIONS.—

13 (1) Section 904(d)(2)(H)(i) is amended by
14 striking “paragraph (1)(B)” and inserting “para-
15 graph (1)(D)”.

16 (2) Section 904(d)(4)(C)(ii) is amended by
17 striking “paragraph (1)(A)” and inserting “para-
18 graph (1)(C)”.

19 (3) Section 951A(f)(1)(A) is amended by strik-
20 ing “904(h)(1)” and inserting “904(h)”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2025.

1 **SEC. 70312. MODIFICATIONS TO DETERMINATION OF**
2 **DEEMED PAID CREDIT FOR TAXES PROPERLY**
3 **ATTRIBUTABLE TO TESTED INCOME.**

4 (a) INCREASE IN DEEMED PAID CREDIT.—

5 (1) IN GENERAL.—Section 960(d)(1) is amend-
6 ed by striking “80 percent” and inserting “90 per-
7 cent”.

8 (2) GROSS UP FOR DEEMED PAID FOREIGN TAX
9 CREDIT.—Section 78 is amended—

10 (A) by striking “subsections (a), (b), and
11 (d)” and inserting “subsections (a) and (d)”,
12 and

13 (B) by striking “80 percent” and inserting
14 “90 percent”.

15 (b) DISALLOWANCE OF FOREIGN TAX CREDIT WITH
16 RESPECT TO DISTRIBUTIONS OF PREVIOUSLY TAXED
17 NET CFC TESTED INCOME.—Section 960(d) is amended
18 by adding at the end the following new paragraph:

19 “(4) DISALLOWANCE OF FOREIGN TAX CREDIT
20 WITH RESPECT TO DISTRIBUTIONS OF PREVIOUSLY
21 TAXED NET CFC TESTED INCOME.—No credit shall
22 be allowed under section 901 for 10 percent of any
23 foreign income taxes paid or accrued (or deemed
24 paid under subsection (b)(1)) with respect to any
25 amount excluded from gross income under section

1 959(a) by reason of an inclusion in gross income
2 under section 951A(a).”.

3 (c) EFFECTIVE DATES.—

4 (1) IN GENERAL.—The amendments made by
5 subsection (a) shall apply to taxable years beginning
6 after December 31, 2025.

7 (2) DISALLOWANCE.—The amendment made by
8 subsection (b) shall apply to amounts distributed
9 after June 28, 2025.

10 **SEC. 70313. SOURCING CERTAIN INCOME FROM THE SALE**
11 **OF INVENTORY PRODUCED IN THE UNITED**
12 **STATES.**

13 (a) IN GENERAL.—Section 904(b), as amended by
14 section 70311, is amended by adding at the end the fol-
15 lowing new paragraph:

16 “(6) SOURCE RULES FOR CERTAIN INVENTORY
17 PRODUCED IN THE UNITED STATES AND SOLD
18 THROUGH FOREIGN BRANCHES.—For purposes of
19 this section, if a United States person maintains an
20 office or other fixed place of business in a foreign
21 country (determined under rules similar to the rules
22 of section 864(c)(5)), the portion of income which—

23 “(A) is from the sale or exchange outside
24 the United States of inventory property (within
25 the meaning of section 865(i)(1))—

1 “(i) which is produced in the United
2 States,

3 “(ii) which is for use outside the
4 United States, and

5 “(iii) to which the third sentence of
6 section 863(b) applies, and

7 “(B) is attributable (determined under
8 rules similar to the rules of section 864(c)(5))
9 to such office or other fixed place of business,
10 shall be treated as from sources without the United
11 States, except that the amount so treated shall not
12 exceed 50 percent of the income from the sale or ex-
13 change of such inventory property.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2025.

17 **PART II—FOREIGN-DERIVED DEDUCTION ELIGI-**
18 **BLE INCOME AND NET CFC TESTED INCOME**

19 **SEC. 70321. MODIFICATION OF DEDUCTION FOR FOREIGN-**
20 **DERIVED DEDUCTION ELIGIBLE INCOME AND**
21 **NET CFC TESTED INCOME.**

22 (a) IN GENERAL.—Section 250(a) is amended—

23 (1) by striking “37.5 percent” in paragraph
24 (1)(A) and inserting “33.34 percent”,

1 (2) by striking “50 percent” in paragraph
2 (1)(B) and inserting “40 percent”, and
3 (3) by striking paragraph (3).

4 (b) **EFFECTIVE DATE.**—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2025.

7 **SEC. 70322. DETERMINATION OF DEDUCTION ELIGIBLE IN-**
8 **COME.**

9 (a) **SALES OR OTHER DISPOSITIONS OF CERTAIN**
10 **PROPERTY.**—

11 (1) **IN GENERAL.**—Section 250(b)(3)(A)(i) is
12 amended—

13 (A) by striking “and” at the end of sub-
14 clause (V),

15 (B) by striking “over” at the end of sub-
16 clause (VI) and inserting “and”, and

17 (C) by adding at the end the following new
18 subclause:

19 “(VII) except as otherwise pro-
20 vided by the Secretary, any income
21 and gain from the sale or other dis-
22 position (including pursuant to a
23 transaction subject to section 367(d))
24 of—

369

1 “(aa) intangible property (as
2 defined in section 367(d)(4)),
3 and
4 “(bb) any other property of
5 a type that is subject to deprecia-
6 tion, amortization, or depletion
7 by the seller, over”.

8 (2) CONFORMING AMENDMENT.—Section
9 250(b)(5)(E) is amended by inserting “(other than
10 paragraph (3)(A)(i)(VII))” after “For purposes of
11 this subsection”.

12 (3) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply to sales or other dis-
14 positions (including pursuant to a transaction sub-
15 ject to section 367(d) of the Internal Revenue Code
16 of 1986) occurring after June 16, 2025.

17 (b) EXPENSE APPORTIONMENT LIMITED TO PROP-
18 ERLY ALLOCABLE EXPENSES.—

19 (1) IN GENERAL.—Section 250(b)(3)(A)(ii) is
20 amended to read as follows:

21 “(ii) expenses and deductions (includ-
22 ing taxes), other than interest expense and
23 research or experimental expenditures,
24 properly allocable to such gross income.”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by this subsection shall apply to taxable years begin-
3 ning after December 31, 2025.

4 **SEC. 70323. RULES RELATED TO DEEMED INTANGIBLE IN-**
5 **COME.**

6 (a) TAXATION OF NET CFC TESTED INCOME.—

7 (1) IN GENERAL.—Section 951A(a) is amended
8 by striking “global intangible low-taxed income” and
9 inserting “net CFC tested income”.

10 (2) REPEAL OF TAX-FREE DEEMED RETURN ON
11 FOREIGN INVESTMENTS.—Section 951A, as amend-
12 ed by the preceding provisions of this Act, is amend-
13 ed by striking subsections (b) and (d) and by redes-
14 ignating subsections (c), (e), and (f) as subsections
15 (b), (c), and (d), respectively.

16 (3) CONFORMING AMENDMENTS.—

17 (A)(i) Section 250 is amended by striking
18 “global intangible low-taxed income” each place
19 it appears in subsections (a)(1)(B)(i), (a)(2),
20 and (b)(3)(A)(i)(II) and inserting “net CFC
21 tested income”.

22 (ii) The heading for section 250 of such
23 Code is amended by striking “**GLOBAL INTAN-**
24 **GIBLE LOW-TAXED INCOME**” and inserting
25 “**NET CFC TESTED INCOME**”.

1 (iii) The item relating to section 250 in the
2 table of sections for part VII of subchapter B
3 of chapter 1 of such Code is amended by strik-
4 ing “global intangible low-taxed income” and
5 inserting “net CFC tested income”.

6 (B) Section 951A(c)(1), as redesignated by
7 paragraph (2), is amended by striking “sub-
8 sections (b), (c)(1)(A), and (c)(1)(B)” and in-
9 serting “subsections (b)(1)(A) and (b)(1)(B)”.

10 (C) Section 951A(d), as redesignated by
11 paragraph (2), is amended—

12 (i) by striking “global intangible low-
13 taxed income” each place it appears and
14 inserting “net CFC tested income”, and

15 (ii) by striking “subsection (c)(1)(A)”
16 in paragraph (2)(B)(ii) and inserting “sub-
17 section (b)(1)(A)”.

18 (D) Section 960(d)(2) is amended—

19 (i) by striking “global intangible low-
20 taxed income” in subparagraph (A) and in-
21 serting “net CFC tested income”, and

22 (ii) by striking “section
23 951A(c)(1)(A)” in subparagraph (B) and
24 inserting “section 951A(b)(1)(A)”.

1 (E)(i) The heading for section 951A is
2 amended by striking “**GLOBAL INTANGIBLE**
3 **LOW-TAXED INCOME**” and inserting “**NET**
4 **CFC TESTED INCOME**”.

5 (ii) The item relating to section 951A in
6 the table of sections for subpart F of part III
7 of subchapter N of chapter 1 is amended by
8 striking “Global intangible low-taxed income”
9 and inserting “Net CFC tested income”.

10 (b) DEDUCTION FOR FOREIGN-DERIVED DEDUCTION
11 ELIGIBLE INCOME.—

12 (1) IN GENERAL.—Section 250(a)(1)(A) is
13 amended by striking “foreign-derived intangible in-
14 come” and inserting “foreign-derived deduction eligi-
15 ble income”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) Section 250(a)(2) is amended by strik-
18 ing “foreign-derived intangible income” each
19 place it appears and inserting “foreign-derived
20 deduction eligible income”.

21 (B) Section 250(b), as amended by sub-
22 section (a), is amended—

23 (i) by striking paragraphs (1) and (2),

24 (ii) by redesignating paragraphs (4)

25 and (5) as paragraphs (1) and (2), respec-

1 tively, and by moving such paragraphs be-
2 fore paragraph (3),

3 (iii) in paragraph (2)(B)(ii), as so re-
4 designated, by striking “paragraph (4)(B)”
5 and inserting “paragraph (1)(B)”, and

6 (iv) by striking “INTANGIBLE” in the
7 heading thereof and inserting “DEDUC-
8 TION ELIGIBLE”.

9 (C)(i) The heading for section 250 is
10 amended by striking “**INTANGIBLE**” in the
11 heading thereof and inserting “**DEDUCTION**
12 **ELIGIBLE**”.

13 (ii) The heading for section 172(d)(9) is
14 amended by striking “INTANGIBLE” and insert-
15 ing “DEDUCTION ELIGIBLE”.

16 (iii) The item relating to section 250 in the
17 table of sections for part VIII of subchapter B
18 of chapter 1 is amended by striking “intan-
19 gible” and inserting “deduction eligible”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2025.

1 **PART III—BASE EROSION MINIMUM TAX**

2 **SEC. 70331. EXTENSION AND MODIFICATION OF BASE ERO-**
3 **SION MINIMUM TAX AMOUNT.**

4 (a) IN GENERAL.—Section 59A(b) is amended—

5 (1) by striking “10 percent” in paragraph (1)
6 and inserting “10.5 percent”, and

7 (2) by striking paragraph (2) and by redesignig-
8 nating paragraphs (3) and (4) as paragraphs (2)
9 and (3), respectively.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 59A(b)(1) is amended by striking
12 “Except as provided in paragraphs (2) and (3)” and
13 inserting “Except as provided in paragraph (2)”.

14 (2) Section 59A(b)(2), as redesignated by sub-
15 section (a)(2), is amended by striking “the percent-
16 age otherwise in effect under paragraphs (1)(A) and
17 (2)(A) shall each be increased” and inserting “the
18 percentages otherwise in effect under paragraph
19 (1)(A) shall be increased”.

20 (3) Section 59A(e)(1)(C) is amended by strik-
21 ing “in the case of a taxpayer described in sub-
22 section (b)(3)(B)” and inserting “in the case of a
23 taxpayer described in subsection (b)(2)(B)”.

24 (c) OTHER MODIFICATIONS.—

25 (1) Section 59A(b)(2)(B)(ii), as redesignated by
26 subsection (a)(2), is amended by striking “registered

1 securities dealer” and inserting “securities dealer
2 registered”.

3 (2) Section 59A(h)(2)(B) is amended by strik-
4 ing “section 6038B(b)(2)” and inserting “section
5 6038A(b)(2)”.

6 (3) Section 59A(i)(2) is amended—

7 (A) by striking “subsection (g)” and in-
8 serting “subsection (h)”, and

9 (B) by striking “subsection (g)(3)” and in-
10 serting “subsection (h)(3)”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2025.

14 **PART IV—BUSINESS INTEREST LIMITATION**

15 **SEC. 70341. COORDINATION OF BUSINESS INTEREST LIM-**
16 **TATION WITH INTEREST CAPITALIZATION**
17 **PROVISIONS.**

18 (a) IN GENERAL.—Section 163(j) is amended by re-
19 designating paragraphs (10) and (11) as paragraphs (11)
20 and (12) and by inserting after paragraph (9) the fol-
21 lowing:

22 “(10) COORDINATION WITH INTEREST CAPITAL-
23 IZATION PROVISIONS.—

24 “(A) IN GENERAL.—In applying this sub-
25 section—

1 “(i) the limitation under paragraph
2 (1) shall apply to business interest without
3 regard to whether the taxpayer would oth-
4 erwise deduct such business interest or
5 capitalize such business interest under an
6 interest capitalization provision, and

7 “(ii) any reference in this subsection
8 to a deduction for business interest shall
9 be treated as including a reference to the
10 capitalization of business interest.

11 “(B) AMOUNT ALLOWED APPLIED FIRST
12 TO CAPITALIZED INTEREST.—The amount al-
13 lowed after taking into account the limitation
14 described in paragraph (1)—

15 “(i) shall be applied first to the aggre-
16 gate amount of business interest which
17 would otherwise be capitalized, and

18 “(ii) the remainder (if any) shall be
19 applied to the aggregate amount of busi-
20 ness interest which would be deducted.

21 “(C) TREATMENT OF DISALLOWED INTER-
22 EST CARRIED FORWARD.—No portion of any
23 business interest carried forward under para-
24 graph (2) from any taxable year to any suc-
25 ceeding taxable year shall, for purposes of this

1 title (including any interest capitalization provi-
2 sion which previously applied to such portion)
3 be treated as interest to which an interest cap-
4 italization provision applies.

5 “(D) INTEREST CAPITALIZATION PROVI-
6 SION.—For purposes of this section, the term
7 ‘interest capitalization provision’ means any
8 provision of this subtitle under which interest—

9 “(i) is required to be charged to cap-
10 ital account, or

11 “(ii) may be deducted or charged to
12 capital account.”.

13 (b) CERTAIN CAPITALIZED INTEREST NOT TREATED
14 AS BUSINESS INTEREST.—Section 163(j)(5) is amended
15 by adding at the end the following new sentence: “Such
16 term shall not include any interest which is capitalized
17 under section 263(g) or 263A(f).”.

18 (c) REGULATORY AUTHORITY.—Section 163(j), as
19 amended by subsection (a), is amended by redesignating
20 paragraphs (11) and (12) as paragraphs (12) and (13)
21 and by inserting after paragraph (10) the following:

22 “(11) REGULATORY AUTHORITY.—The Sec-
23 retary shall issue such regulations or guidance as
24 may be necessary or appropriate to carry out the
25 purposes of this subsection, including regulations or

1 guidance to determine which business interest is
2 taken into account under this subsection and section
3 59A(c)(3).”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2025.

7 **SEC. 70342. DEFINITION OF ADJUSTED TAXABLE INCOME**
8 **FOR BUSINESS INTEREST LIMITATION.**

9 (a) IN GENERAL.—Subparagraph (A) of section
10 163(j)(8) is amended—

11 (1) by striking “and” at the end of clause (iv),
12 and

13 (2) by adding at the end the following new
14 clause:

15 “(vi) the amounts included in gross
16 income under sections 951(a), 951A(a),
17 and 78 (and the portion of the deductions
18 allowed under sections 245A(a) (by reason
19 of section 964(e)(4)) and 250(a)(1)(B) by
20 reason of such inclusions), and”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2025.

1 **PART V—OTHER INTERNATIONAL TAX REFORMS**

2 **SEC. 70351. PERMANENT EXTENSION OF LOOK-THRU RULE**

3 **FOR RELATED CONTROLLED FOREIGN COR-**

4 **PORATIONS.**

5 (a) IN GENERAL.—Section 954(c)(6)(C) is amended
6 by striking “and before January 1, 2026,”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years of foreign corpora-
9 tions beginning after December 31, 2025.

10 **SEC. 70352. REPEAL OF ELECTION FOR 1-MONTH DEFER-**

11 **RAL IN DETERMINATION OF TAXABLE YEAR**

12 **OF SPECIFIED FOREIGN CORPORATIONS.**

13 (a) IN GENERAL.—Section 898(c) is amended by
14 striking paragraph (2) and redesignating paragraph (3)
15 as paragraph (2).

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years of specified foreign
18 corporations beginning after November 30, 2025.

19 (c) TRANSITION RULE.—

20 (1) IN GENERAL.—In the case of a corporation
21 that is a specified foreign corporation as of Novem-
22 ber 30, 2025, such corporation’s first taxable year
23 beginning after such date shall end at the same time
24 as the first required year (within the meaning of sec-
25 tion 898(c)(1) of the Internal Revenue Code of
26 1986) ending after such date. If any specified for-

1 eign corporation is required by the amendments
2 made by this section to change its taxable year for
3 its first taxable year beginning after November 30,
4 2025—

5 (A) such change shall be treated as initi-
6 ated by such corporation,

7 (B) such change shall be treated as having
8 been made with the consent of the Secretary,
9 and

10 (C) the Secretary shall issue regulations or
11 other guidance for allocating foreign taxes that
12 are paid or accrued in such first taxable year
13 and the succeeding taxable year among such
14 taxable years in the manner the Secretary de-
15 termines appropriate to carry out the purposes
16 of this section.

17 (2) SECRETARY.—For purposes of this sub-
18 section, the term “Secretary” means the Secretary
19 of the Treasury or the Secretary’s delegate.

20 **SEC. 70353. RESTORATION OF LIMITATION ON DOWNWARD**
21 **ATTRIBUTION OF STOCK OWNERSHIP IN AP-**
22 **PLYING CONSTRUCTIVE OWNERSHIP RULES.**

23 (a) IN GENERAL.—Section 958(b) is amended—

24 (1) by inserting after paragraph (3) the fol-
25 lowing:

1 “(4) Subparagraphs (A), (B), and (C) of sec-
2 tion 318(a)(3) shall not be applied so as to consider
3 a United States person as owning stock which is
4 owned by a person who is not a United States per-
5 son.”, and

6 (2) by striking “Paragraph (1)” in the last sen-
7 tence and inserting “Paragraphs (1) and (4)”.

8 (b) FOREIGN CONTROLLED UNITED STATES SHARE-
9 HOLDERS.—Subpart F of part III of subchapter N of
10 chapter 1 is amended by inserting after section 951A the
11 following new section:

12 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF**
13 **FOREIGN CONTROLLED UNITED STATES**
14 **SHAREHOLDERS.**

15 “(a) IN GENERAL.—In the case of any foreign con-
16 trolled United States shareholder of a foreign controlled
17 foreign corporation—

18 “(1) this subpart (other than sections 951A,
19 951(b), and 957) shall be applied with respect to
20 such shareholder (separately from, and in addition
21 to, the application of this subpart without regard to
22 this section)—

23 “(A) by substituting ‘foreign controlled
24 United States shareholder’ for ‘United States
25 shareholder’ each place it appears therein, and

1 “(B) by substituting ‘foreign controlled
2 foreign corporation’ for ‘controlled foreign cor-
3 poration’ each place it appears therein, and

4 “(2) section 951A (and such other provisions of
5 this subpart as provided by the Secretary) shall be
6 applied with respect to such shareholder—

7 “(A) by treating each reference to ‘United
8 States shareholder’ in such section as including
9 a reference to such shareholder, and

10 “(B) by treating each reference to ‘con-
11 trolled foreign corporation’ in such section as
12 including a reference to such foreign controlled
13 foreign corporation.

14 “(b) FOREIGN CONTROLLED UNITED STATES
15 SHAREHOLDER.—For purposes of this section, the term
16 ‘foreign controlled United States shareholder’ means, with
17 respect to any foreign corporation, any United States per-
18 son which would be a United States shareholder with re-
19 spect to such foreign corporation if—

20 “(1) section 951(b) were applied by substituting
21 ‘more than 50 percent’ for ‘10 percent or more’, and

22 “(2) section 958(b) were applied without regard
23 to paragraph (4) thereof.

24 “(c) FOREIGN CONTROLLED FOREIGN CORPORA-
25 TION.—For purposes of this section, the term ‘foreign con-

1 trolled foreign corporation’ means a foreign corporation,
2 other than a controlled foreign corporation, which would
3 be a controlled foreign corporation if section 957(a) were
4 applied—

5 “(1) by substituting ‘foreign controlled United
6 States shareholders’ for ‘United States share-
7 holders’, and

8 “(2) by substituting ‘section 958(b) (other than
9 paragraph (4) thereof)’ for ‘section 958(b)’.

10 “(d) REGULATIONS.—The Secretary shall prescribe
11 such regulations or other guidance as may be necessary
12 or appropriate to carry out the purposes of this section,
13 including regulations or other guidance—

14 “(1) to treat a foreign controlled United States
15 shareholder or a foreign controlled foreign corpora-
16 tion as a United States shareholder or as a con-
17 trolled foreign corporation, respectively, for purposes
18 of provisions of this title other than this subpart (in-
19 cluding any reporting requirement), and

20 “(2) with respect to the treatment of foreign
21 controlled foreign corporations that are passive for-
22 eign investment companies (as defined in section
23 1297).”.

24 (c) CLERICAL AMENDMENT.—The table of sections
25 for subpart F of part III of subchapter N of chapter 1

1 is amended by inserting after the item relating to section
2 951A the following new item:

“Sec. 951B. Amounts included in gross income of foreign controlled United
States shareholders.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years of foreign corpora-
5 tions beginning after December 31, 2025.

6 (e) SPECIAL RULE.—

7 (1) IN GENERAL.—Except to the extent pro-
8 vided by the Secretary of the Treasury (or the Sec-
9 retary’s delegate), the effective date of any amend-
10 ment to the Internal Revenue Code of 1986 shall be
11 applied by treating references to United States
12 shareholders as references to foreign controlled
13 United States shareholders, and by treating ref-
14 erences to controlled foreign corporations as ref-
15 erences to foreign controlled foreign corporations.

16 (2) DEFINITIONS.—Any term used in para-
17 graph (1) which is used in subpart F of part III of
18 subchapter N of chapter 1 of the Internal Revenue
19 Code of 1986 (as amended by this section) shall
20 have the meaning given such term in such subpart.

21 (f) NO INFERENCE.—The amendments made by this
22 section shall not be construed to create any inference with
23 respect to the proper application of any provision of the
24 Internal Revenue Code of 1986 with respect to taxable

1 years beginning before the taxable years to which such
2 amendments apply.

3 **SEC. 70354. MODIFICATIONS TO PRO RATA SHARE RULES.**

4 (a) IN GENERAL.—Subsection (a) of section 951 is
5 amended to read as follows:

6 “(a) AMOUNTS INCLUDED.—

7 “(1) IN GENERAL.—If a foreign corporation is
8 a controlled foreign corporation at any time during
9 a taxable year of the foreign corporation (in this
10 subsection referred to as the ‘CFC year’)—

11 “(A) each United States shareholder which
12 owns (within the meaning of section 958(a))
13 stock in such corporation on any day during the
14 CFC year shall include in gross income such
15 shareholder’s pro rata share (determined under
16 paragraph (2)) of the corporation’s subpart F
17 income for the CFC year, and

18 “(B) each United States shareholder which
19 owns (within the meaning of section 958(a))
20 stock in such corporation on the last day, in the
21 CFC year, on which such corporation is a con-
22 trolled foreign corporation shall include in gross
23 income the amount determined under section
24 956 with respect to such shareholder for the

1 CFC year (but only to the extent not excluded
2 from gross income under section 959(a)(2)).

3 “(2) PRO RATA SHARE OF SUBPART F IN-
4 COME.—A United States shareholder’s pro rata
5 share of a controlled foreign corporation’s subpart F
6 income for a CFC year shall be the portion of such
7 income which is attributable to—

8 “(A) the stock of such corporation owned
9 (within the meaning of section 958(a)) by such
10 shareholder, and

11 “(B) any period of the CFC year during
12 which—

13 “(i) such shareholder owned (within
14 the meaning of section 958(a)) such stock,

15 “(ii) such shareholder was a United
16 States shareholder of such corporation,
17 and

18 “(iii) such corporation was a con-
19 trolled foreign corporation.

20 “(3) TAXABLE YEAR OF INCLUSION.—Any
21 amount required to be included in gross income by
22 a United States shareholder under paragraph (1)
23 with respect to a CFC year shall be included in
24 gross income for the shareholder’s taxable year
25 which includes the last day on which the shareholder

1 owns (within the meaning of section 958(a)) stock in
2 the controlled foreign corporation during such CFC
3 year.

4 “(4) REGULATORY AUTHORITY.—The Secretary
5 shall prescribe such regulations or other guidance as
6 may be necessary or appropriate to carry out the
7 purposes of this subsection, including regulations or
8 other guidance allowing taxpayers to elect, or requir-
9 ing taxpayers, to close the taxable year of a con-
10 trolled foreign corporation upon a direct or indirect
11 disposition of stock of such corporation.”.

12 (b) COORDINATION WITH SECTION 951A.—Section
13 951A(c), as redesignated by section 70323(a)(2), is
14 amended—

15 (1) in paragraph (1), by striking “in which or
16 with which the taxable year of the controlled foreign
17 corporation ends” and inserting “determined under
18 section 951(a)(3)”, and

19 (2) in paragraph (2), by striking “the last day
20 in the taxable year of such foreign corporation on
21 which such foreign corporation is a controlled for-
22 eign corporation” and inserting “any day in such
23 taxable year”.

24 (c) EFFECTIVE DATES.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall apply to taxable years of foreign
3 corporations beginning after December 31, 2025.

4 (2) TRANSITION RULE FOR DIVIDENDS.—A div-
5 idend paid (or deemed paid) by a controlled foreign
6 corporation shall not be treated as a dividend for
7 purposes of applying section 951(a)(2)(B) of the In-
8 ternal Revenue Code of 1986 (as in effect before the
9 amendments made by this section) if—

10 (A) such dividend—

11 (i) was paid (or deemed paid) on or
12 before June 28, 2025, during the taxable
13 year of such controlled foreign corporation
14 which includes such date and the United
15 States shareholder described in section
16 951(a)(1) of such Code (as so in effect)
17 did not own (within the meaning of section
18 958(a) of such Code) the stock of such
19 controlled foreign corporation during the
20 portion of such taxable year on or before
21 June 28, 2025, or

22 (ii) was paid (or deemed paid) after
23 June 28, 2025, and before such controlled
24 foreign corporation's first taxable year be-
25 ginning after December 31, 2025, and

1 (B) such dividend does not increase the
2 taxable income of a United States person (in-
3 cluding by reason of a dividends received deduc-
4 tion, an exclusion from gross income, or an ex-
5 clusion from subpart F income).

6 **CHAPTER 4—INVESTING IN AMERICAN**
7 **FAMILIES, COMMUNITIES, AND SMALL**
8 **BUSINESSES**

9 **Subchapter A—Permanent Investments in**
10 **Families and Children**

11 **SEC. 70401. ENHANCEMENT OF EMPLOYER-PROVIDED**
12 **CHILD CARE CREDIT.**

13 (a) INCREASE OF AMOUNT OF QUALIFIED CHILD
14 CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section
15 45F(a)(1) is amended by striking “25 percent” and in-
16 serting “40 percent (50 percent in the case of an eligible
17 small business)”.

18 (b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Sub-
19 section (b) of section 45F is amended to read as follows:

20 “(b) DOLLAR LIMITATION.—

21 “(1) IN GENERAL.—The credit allowable under
22 subsection (a) for any taxable year shall not exceed
23 \$500,000 (\$600,000 in the case of an eligible small
24 business).

1 “(2) INFLATION ADJUSTMENT.—In the case of
2 any taxable year beginning after 2026, the
3 \$500,000 and \$600,000 amounts in paragraph (1)
4 shall each be increased by an amount equal to—

5 “(A) such dollar amount, multiplied by

6 “(B) the cost-of-living adjustment deter-
7 mined under section 1(f)(3) for the calendar
8 year in which the taxable year begins, deter-
9 mined by substituting ‘calendar year 2025’ for
10 ‘calendar year 2016’ in subparagraph (A)(ii)
11 thereof.”.

12 (c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is
13 amended by adding at the end the following new para-
14 graph:

15 “(4) ELIGIBLE SMALL BUSINESS.—The term
16 ‘eligible small business’ means a business that meets
17 the gross receipts test of section 448(c), deter-
18 mined—

19 “(A) by substituting ‘5-taxable-year’ for ‘3-
20 taxable-year’ in paragraph (1) thereof, and

21 “(B) by substituting ‘5-year’ for ‘3-year’ in
22 paragraph (3)(A) thereof.”.

23 (d) CREDIT ALLOWED FOR THIRD-PARTY INTER-
24 MEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by in-
25 serting “, or under a contract with an intermediate entity

1 that contracts with one or more qualified child care facili-
2 ties to provide such child care services” before the period
3 at the end.

4 (e) TREATMENT OF JOINTLY OWNED OR OPERATED
5 CHILD CARE FACILITY.—Section 45F(c)(2) is amended
6 by adding at the end the following new subparagraph:

7 “(C) TREATMENT OF JOINTLY OWNED OR
8 OPERATED CHILD CARE FACILITY.—A facility
9 shall not fail to be treated as a qualified child
10 care facility of the taxpayer merely because
11 such facility is jointly owned or operated by the
12 taxpayer and other persons.”.

13 (f) REGULATIONS AND GUIDANCE.—Section 45F is
14 amended by adding at the end the following new sub-
15 section:

16 “(g) REGULATIONS AND GUIDANCE.—The Secretary
17 shall issue such regulations or other guidance as may be
18 necessary to carry out the purposes of this section, includ-
19 ing guidance to carry out the purposes of paragraphs
20 (1)(A)(iii) and (2)(C) of subsection (c).”.

21 (g) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to amounts paid or incurred after
23 December 31, 2025.

1 **SEC. 70402. ENHANCEMENT OF ADOPTION CREDIT.**

2 (a) IN GENERAL.—Section 23(a) is amended by add-
3 ing at the end the following new paragraph:

4 “(4) PORTION OF CREDIT REFUNDABLE.—So
5 much of the credit allowed under paragraph (1) as
6 does not exceed \$5,000 shall be treated as a credit
7 allowed under subpart C and not as a credit allowed
8 under this subpart.”.

9 (b) ADJUSTMENTS FOR INFLATION.—Section 23(h)
10 is amended to read as follows:

11 “(h) ADJUSTMENTS FOR INFLATION.—

12 “(1) IN GENERAL.—In the case of a taxable
13 year beginning after December 31, 2002, each of the
14 dollar amounts in paragraphs (3) and (4) of sub-
15 section (a) and paragraphs (1) and (2)(A)(i) of sub-
16 section (b) shall be increased by an amount equal
17 to—

18 “(A) such dollar amount, multiplied by

19 “(B) the cost-of-living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year in which the taxable year begins, deter-
22 mined by substituting ‘calendar year 2001’ for
23 ‘calendar year 2016’ in subparagraph (A)(ii)
24 thereof.

25 “(2) ROUNDING.—If any amount as increased
26 under paragraph (1) is not a multiple of \$10, such

1 amount shall be rounded to the nearest multiple of
2 \$10.

3 “(3) SPECIAL RULE FOR REFUNDABLE POR-
4 TION.—In the case of the dollar amount in sub-
5 section (a)(4), paragraph (1) shall be applied—

6 “(A) by substituting ‘2025’ for ‘2002’ in
7 the matter preceding subparagraph (A), and

8 “(B) by substituting ‘calendar year 2024’
9 for ‘calendar year 2001’ in subparagraph (B)
10 thereof.”.

11 (c) EXCLUSION OF REFUNDABLE PORTION OF CRED-
12 IT FROM CARRYFORWARD.—Section 23(c)(1) is amended
13 by striking “credit allowable under subsection (a)” and in-
14 serting “portion of the credit allowable under subsection
15 (a) which is allowed under this subpart”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2024.

19 **SEC. 70403. RECOGNIZING INDIAN TRIBAL GOVERNMENTS**
20 **FOR PURPOSES OF DETERMINING WHETHER**
21 **A CHILD HAS SPECIAL NEEDS FOR PURPOSES**
22 **OF THE ADOPTION CREDIT.**

23 (a) IN GENERAL.—Section 23(d)(3) is amended—

24 (1) in subparagraph (A), by inserting “or In-
25 dian tribal government” after “a State”, and

1 (2) in subparagraph (B), by inserting “or In-
2 dian tribal government” after “such State”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2024.

6 **SEC. 70404. ENHANCEMENT OF THE DEPENDENT CARE AS-**
7 **SISTANCE PROGRAM.**

8 (a) IN GENERAL.—Section 129(a)(2)(A) is amended
9 by striking “\$5,000 (\$2,500” and inserting “\$7,500
10 (\$3,750”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to taxable years beginning after
13 December 31, 2025.

14 **SEC. 70405. ENHANCEMENT OF CHILD AND DEPENDENT**
15 **CARE TAX CREDIT.**

16 (a) IN GENERAL.—Paragraph (2) of section 21(a) is
17 amended to read as follows:

18 “(2) APPLICABLE PERCENTAGE DEFINED.—For
19 purposes of paragraph (1), the term ‘applicable per-
20 centage’ means 50 percent—

21 “(A) reduced (but not below 35 percent)
22 by 1 percentage point for each \$2,000 or frac-
23 tion thereof by which the taxpayer’s adjusted
24 gross income for the taxable year exceeds
25 \$15,000, and

1 “(B) further reduced (but not below 20
2 percent) by 1 percentage point for each \$2,000
3 (\$4,000 in the case of a joint return) or frac-
4 tion thereof by which the taxpayer’s adjusted
5 gross income for the taxable year exceeds
6 \$75,000 (\$150,000 in the case of a joint re-
7 turn).”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 **Subchapter B—Permanent Investments in**
12 **Students and Reforms to Tax-exempt In-**
13 **stitutions**

14 **SEC. 70411. TAX CREDIT FOR CONTRIBUTIONS OF INDIVID-**
15 **UALS TO SCHOLARSHIP GRANTING ORGANI-**
16 **ZATIONS.**

17 (a) ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF
18 INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZA-
19 TIONS.—

20 (1) IN GENERAL.—Subpart A of part IV of sub-
21 chapter A of chapter 1 is amended by inserting after
22 section 25E the following new section:

1 **“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDU-**
2 **CATION SCHOLARSHIPS.**

3 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
4 dividual who is a citizen or resident of the United States
5 (within the meaning of section 7701(a)(9)), there shall be
6 allowed as a credit against the tax imposed by this chapter
7 for the taxable year an amount equal to the aggregate
8 amount of qualified contributions made by the taxpayer
9 during the taxable year.

10 “(b) LIMITATIONS.—

11 “(1) IN GENERAL.—The credit allowed under
12 subsection (a) to any taxpayer for any taxable year
13 shall not exceed an amount equal to the greater of—

14 “(A) 10 percent of the adjusted gross in-
15 come of the taxpayer for the taxable year, or

16 “(B) \$5,000.

17 “(2) ALLOCATION OF VOLUME CAP.—The credit
18 allowed under subsection (a) to any taxpayer for any
19 taxable year shall not exceed the amount of the vol-
20 ume cap allocated by the Secretary to such taxpayer
21 under subsection (h) with respect to qualified con-
22 tributions made by the taxpayer during the taxable
23 year.

24 “(3) REDUCTION BASED ON STATE CREDIT.—
25 The amount allowed as a credit under subsection (a)
26 for a taxable year shall be reduced by the amount

1 allowed as a credit on any State tax return of the
2 taxpayer for qualified contributions made by the tax-
3 payer during the taxable year.

4 “(c) DEFINITIONS.—For purposes of this section—

5 “(1) ELIGIBLE STUDENT.—The term ‘eligible
6 student’ means an individual who—

7 “(A) is a member of a household with an
8 income which, for the calendar year prior to the
9 date of the application for a scholarship, is not
10 greater than 300 percent of the area median
11 gross income (as such term is used in section
12 42), and

13 “(B) is eligible to enroll in a public ele-
14 mentary or secondary school.

15 “(2) QUALIFIED CONTRIBUTION.—The term
16 ‘qualified contribution’ means a charitable contribu-
17 tion (as defined by section 170(c)) to a scholarship
18 granting organization in the form of cash or publicly
19 traded securities (as defined in section
20 6050L(a)(2)(B)).

21 “(3) QUALIFIED ELEMENTARY OR SECONDARY
22 EDUCATION EXPENSE.—The term ‘qualified elemen-
23 tary or secondary education expense’ means the fol-
24 lowing expenses in connection with enrollment or at-
25 tendance at, or for students enrolled at or attending,

1 an elementary or secondary public, private, or reli-
2 gious school:

3 “(A) Tuition.

4 “(B) Curriculum and curricular materials.

5 “(C) Books or other instructional mate-
6 rials.

7 “(D) Online educational materials.

8 “(E) Tuition for tutoring or educational
9 classes outside of the home, including at a tu-
10 toring facility, but only if the tutor or instruc-
11 tor does not bear a relationship to the student
12 which is described in section 152(d)(2) and—

13 “(i) is licensed as a teacher in any
14 State,

15 “(ii) has taught at—

16 “(I) a public or private elemen-
17 tary or secondary school, or

18 “(II) an institution of higher
19 education (as defined in section
20 101(a) of the Higher Education Act
21 of 1965 (20 U.S.C. 1001(a))), or

22 “(iii) is a subject matter expert in the
23 relevant subject.

24 “(F) Fees for a nationally standardized
25 norm-referenced achievement test, an advanced

1 placement examination, or any examinations re-
2 lated to college or university admission.

3 “(G) Fees for dual enrollment in an insti-
4 tution of higher education.

5 “(H) Educational therapies for students
6 with disabilities provided by a licensed or ac-
7 credited practitioner or provider, including oc-
8 cupational, behavioral, physical, and speech-lan-
9 guage therapies, but only if the practitioner or
10 provider does not bear a relationship to the stu-
11 dent which is described in section 152(d)(2).

12 “(4) SCHOLARSHIP GRANTING ORGANIZA-
13 TION.—The term ‘scholarship granting organization’
14 means any organization—

15 “(A) which—

16 “(i) is described in section 501(c)(3)
17 and exempt from tax under section 501(a),
18 and

19 “(ii) is not a private foundation,

20 “(B) substantially all of the activities of
21 which are providing scholarships for qualified
22 elementary or secondary education expenses of
23 eligible students,

24 “(C) which prevents the co-mingling of
25 qualified contributions with other amounts by

1 maintaining one or more separate accounts ex-
2 clusively for qualified contributions,

3 “(D) is approved to operate in the State in
4 which such organization grants scholarships,
5 and

6 “(E) which satisfies the requirements of
7 subsection (d).

8 “(d) REQUIREMENTS FOR SCHOLARSHIP GRANTING
9 ORGANIZATIONS.—

10 “(1) IN GENERAL.—An organization meets the
11 requirements of this subsection if—

12 “(A) such organization provides scholar-
13 ships to 10 or more students who do not all at-
14 tend the same school,

15 “(B) such organization spends not less
16 than 90 percent of revenues on scholarships for
17 eligible students,

18 “(C) such organization does not provide
19 scholarships for any expenses other than quali-
20 fied elementary or secondary education ex-
21 penses,

22 “(D) such organization provides a scholar-
23 ship to eligible students with a priority for—

24 “(i) students awarded a scholarship
25 the previous school year, and

1 “(ii) after application of clause (i),
2 any eligible students who have a sibling
3 who was awarded a scholarship from such
4 organization,

5 “(E) such organization does not earmark
6 or set aside contributions for scholarships on
7 behalf of any particular student,

8 “(F) such organization—

9 “(i) verifies the annual household in-
10 come and family size of eligible students
11 who apply for scholarships in a manner
12 which complies with the requirement de-
13 scribed in paragraph (2), and

14 “(ii) limits the awarding of scholar-
15 ships to eligible students who are a mem-
16 ber of a household for which the income
17 does not exceed the amount established
18 under subsection (c)(1)(A),

19 “(G) such organization—

20 “(i) obtains from an independent cer-
21 tified public accountant annual financial
22 and compliance audits, and

23 “(ii) certifies to the Secretary (at such
24 time, and in such form and manner, as the
25 Secretary may prescribe) that the audit de-

1 scribed in clause (i) has been completed,
2 and

3 “(H) no officer or board member of such
4 organization has been convicted of a felony.

5 “(2) INCOME VERIFICATION.—The requirement
6 described in this paragraph is that the organization
7 review all of the following documents which are ap-
8 plicable with respect to members of the household of
9 the applicant for the calendar year prior to applica-
10 tion for a scholarship:

11 “(A) Federal and State income tax returns
12 or tax return transcripts with applicable sched-
13 ules.

14 “(B) Income reporting statements for tax
15 purposes or wage and income transcripts from
16 the Internal Revenue Service.

17 “(C) Notarized income verification letter
18 from employers.

19 “(D) Unemployment or workers compensa-
20 tion statements.

21 “(E) Benefit verification letters regarding
22 public assistance payments and Supplemental
23 Nutrition Assistance Program payments, in-
24 cluding a list of household members.

1 “(3) INDEPENDENT CERTIFIED PUBLIC AC-
2 COUNTANT.—For purposes of paragraph (1)(F), the
3 term ‘independent certified public accountant’
4 means, with respect to an organization, a certified
5 public accountant who is not a person described in
6 section 465(b)(3)(A) with respect to such organiza-
7 tion or any employee of such organization.

8 “(4) PROHIBITION ON SELF-DEALING.—

9 “(A) IN GENERAL.—A scholarship grant-
10 ing organization may not award a scholarship
11 to—

12 “(i) any disqualified person, or

13 “(ii) an eligible student if, during the
14 taxable year or the period of the 3 taxable
15 years preceding such taxable year, such
16 scholarship granting organization has re-
17 ceived a qualified contribution from an in-
18 dividual who bears a relationship to such
19 student which is described in section
20 152(d)(2).

21 “(B) DISQUALIFIED PERSON.—For pur-
22 poses of this paragraph, a disqualified person
23 shall be determined pursuant to rules similar to
24 the rules of section 4946.

1 “(e) DENIAL OF DOUBLE BENEFIT.—Any qualified
2 contribution for which a credit is allowed under this sec-
3 tion shall not be taken into account as a charitable con-
4 tribution for purposes of section 170.

5 “(f) CARRYFORWARD OF UNUSED CREDIT.—

6 “(1) IN GENERAL.—If the credit allowable
7 under subsection (a) for any taxable year exceeds
8 the limitation imposed by section 26(a) for such tax-
9 able year reduced by the sum of the credits allowable
10 under this subpart (other than this section, section
11 23, and section 25D), such excess shall be carried to
12 the succeeding taxable year and added to the credit
13 allowable under subsection (a) for such taxable year.

14 “(2) LIMITATION.—No credit may be carried
15 forward under this subsection to any taxable year
16 following the fifth taxable year after the taxable year
17 in which the credit arose. For purposes of the pre-
18 ceding sentence, credits shall be treated as used on
19 a first-in first-out basis.

20 “(g) RULE OF CONSTRUCTION.—Nothing in this sec-
21 tion shall be construed to permit, allow, encourage, or au-
22 thorize any Federal control over any aspect of any private
23 or religious school.

24 “(h) VOLUME CAP.—

1 “(1) IN GENERAL.—The volume cap applicable
2 under this section shall be \$4,000,000,000 for cal-
3 endar year 2027 and each calendar year thereafter.
4 Such amount shall be allocated by the Secretary as
5 provided in paragraph (2) to taxpayers with respect
6 to qualified contributions made by such taxpayers,
7 except that 10 percent of such amount shall be di-
8 vided evenly among the States, and shall be available
9 with respect to individuals residing in such States.

10 “(2) FIRST-COME, FIRST-SERVED.—For pur-
11 poses of applying the volume cap under this section,
12 such volume cap for any calendar year shall be allo-
13 cated by the Secretary on a first-come, first-served
14 basis, as determined based on the time (during such
15 calendar year) at which the taxpayer made the quali-
16 fied contribution with respect to which the allocation
17 is made. The Secretary shall not make any alloca-
18 tion of the volume cap for any calendar year after
19 December 31 of such calendar year.

20 “(3) REAL-TIME INFORMATION.—For purposes
21 of this section, the Secretary shall develop a system
22 to track the amount of qualified contributions made
23 during the calendar year for which a credit may be
24 claimed under this section, with such information to
25 be updated in real time.

1 “(4) STATE.—For purposes of this subsection,
2 the term ‘State’ means only the States and the Dis-
3 trict of Columbia.

4 “(i) REGULATIONS AND GUIDANCE.—The Secretary
5 shall issue such regulations or other guidance as the Sec-
6 retary determines necessary to carry out the purposes of
7 this section, including regulations or other guidance—

8 “(1) providing for enforcement of the require-
9 ments under subsection (d)(4), and

10 “(2) with respect to recordkeeping or informa-
11 tion reporting for purposes of administering the re-
12 quirements of this section.”.

13 (2) CONFORMING AMENDMENTS.—

14 (A) Section 25(e)(1)(C) is amended by
15 striking “and 25D” and inserting “25D, and
16 25F”.

17 (B) The table of sections for subpart A of
18 part IV of subchapter A of chapter 1 is amend-
19 ed by inserting after the item relating to section
20 25E the following new item:

“Sec. 25F. Qualified elementary and secondary education scholarships.”.

21 (b) EXCLUSION FROM GROSS INCOME FOR SCHOLAR-
22 SHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY
23 EDUCATION EXPENSES OF ELIGIBLE STUDENTS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

4 **“SEC. 139K. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY**
5 **OR SECONDARY EDUCATION EXPENSES OF**
6 **ELIGIBLE STUDENTS.**

7 “(a) IN GENERAL.—In the case of an individual,
8 gross income shall not include any amounts provided to
9 such individual or any dependent of such individual pursu-
10 ant to a scholarship for qualified elementary or secondary
11 education expenses of an eligible student which is provided
12 by a scholarship granting organization.

“(b) DEFINITIONS.—In this section, the terms ‘qualified elementary or secondary education expense’, ‘eligible student’, and ‘scholarship granting organization’ have the same meaning given such terms under section 25F(c).”.

(2) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

“Sec. 139K. Scholarships for qualified elementary or secondary education expenses of eligible students.”.

21 (c) FAILURE OF SCHOLARSHIP GRANTING ORGANI-
22 ZATIONS TO MAKE DISTRIBUTIONS.—

(1) IN GENERAL.—Chapter 42 is amended by adding at the end the following new subchapter:

1 **“Subchapter I—Scholarship Granting**
2 **Organizations**

“Sec. 4969. Failure to distribute receipts.

3 **“SEC. 4969. FAILURE TO DISTRIBUTE RECEIPTS.**

4 “(a) IN GENERAL.—In the case of any scholarship
5 granting organization (as defined in section 25F) which
6 has been determined by the Secretary to have failed to
7 satisfy the requirement under subsection (b) for any tax-
8 able year, any contribution made to such organization dur-
9 ing the first taxable year beginning after the date of such
10 determination shall not be treated as a qualified contribu-
11 tion (as defined in section 25F(c)(2)) for purposes of sec-
12 tion 25F.

13 “(b) REQUIREMENT.—The requirement described in
14 this subsection is that the amount of receipts of the schol-
15 arship granting organization for the taxable year which
16 are distributed before the distribution deadline with re-
17 spect to such receipts shall not be less than the required
18 distribution amount with respect to such taxable year.

19 “(c) DEFINITIONS.—For purposes of this section—

20 “(1) REQUIRED DISTRIBUTION AMOUNT.—

21 “(A) IN GENERAL.—The required distribu-
22 tion amount with respect to a taxable year is
23 the amount equal to 100 percent of the total re-

1 ceipts of the scholarship granting organization
2 for such taxable year—

3 “(i) reduced by the sum of such re-
4 ceipts that are retained for reasonable ad-
5 ministrative expenses for the taxable year
6 or are carried to the succeeding taxable
7 year under subparagraph (C), and

8 “(ii) increased by the amount of the
9 carryover under subparagraph (C) from
10 the preceding taxable year.

11 “(B) SAFE HARBOR FOR REASONABLE AD-
12 MINISTRATIVE EXPENSES.—For purposes of
13 subparagraph (A)(i), if the percentage of total
14 receipts of a scholarship granting organization
15 for a taxable year which are used for adminis-
16 trative expenses is equal to or less than 10 per-
17 cent, such expenses shall be deemed to be rea-
18 sonable for purposes of such subparagraph.

19 “(C) CARRYOVER.—With respect to the
20 amount of the total receipts of a scholarship
21 granting organization with respect to any tax-
22 able year, an amount not greater than 15 per-
23 cent of such amount may, at the election of
24 such organization, be carried to the succeeding
25 taxable year.

1 “(2) DISTRIBUTIONS.—The term ‘distribution’
2 includes amounts which are formally committed but
3 not distributed. A formal commitment described in
4 the preceding sentence may include contributions set
5 aside for eligible students for more than one year.

6 “(3) DISTRIBUTION DEADLINE.—The distribu-
7 tion deadline with respect to receipts for a taxable
8 year is the first day of the third taxable year fol-
9 lowing the taxable year in which such receipts are
10 received by the scholarship granting organization.

11 “(d) REGULATIONS AND GUIDANCE.—The Secretary
12 shall issue such regulations or other guidance as the Sec-
13 retary determines necessary to carry out the purposes of
14 this section, including regulations or other guidance which
15 provides for requirements for recordkeeping or informa-
16 tion reporting for purposes of administering the require-
17 ments of this section.”.

18 (2) CLERICAL AMENDMENT.—The table of sub-
19 chapters for chapter 42 is amended by adding at the
20 end the following new item:

“SUBCHAPTER I—SCHOLARSHIP GRANTING ORGANIZATIONS”.

21 (d) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as otherwise pro-
23 vided in this subsection, the amendments made by
24 this section shall apply to taxable years ending after
25 December 31, 2026.

1 (2) EXCLUSION FROM GROSS INCOME.—The
2 amendments made by subsection (b) shall apply to
3 amounts received after December 31, 2026, in tax-
4 able years ending after such date.

5 **SEC. 70412. EXCLUSION FOR EMPLOYER PAYMENTS OF STU-**
6 **DENT LOANS.**

7 (a) IN GENERAL.—Section 127(c)(1)(B) is amended
8 by striking “in the case of payments made before January
9 1, 2026,”.

10 (b) INFLATION ADJUSTMENT.—Section 127 is
11 amended—

12 (1) by redesignating subsection (d) as sub-
13 section (e), and

14 (2) by inserting after subsection (c) the fol-
15 lowing new subsection:

16 “(d) INFLATION ADJUSTMENT.—

17 “(1) IN GENERAL.—In the case of any taxable
18 year beginning after 2026, both of the \$5,250
19 amounts in subsection (a)(2) shall each be increased
20 by an amount equal to—

21 “(A) such dollar amount, multiplied by

22 “(B) the cost-of-living adjustment deter-
23 mined under section 1(f)(3) for the calendar
24 year in which the taxable year begins, deter-
25 mined by substituting ‘calendar year 2025’ for

1 ‘calendar year 2016’ in subparagraph (A)(ii)
2 thereof.

3 “(2) ROUNDING.—If any increase under para-
4 graph (1) is not a multiple of \$50, such increase
5 shall be rounded to the nearest multiple of \$50.”.

6 (c) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to payments made after December
8 31, 2025.

9 **SEC. 70413. ADDITIONAL EXPENSES TREATED AS QUALI-**
10 **FIED HIGHER EDUCATION EXPENSES FOR**
11 **PURPOSES OF 529 ACCOUNTS.**

12 (a) IN GENERAL.—

13 (1) IN GENERAL.—Section 529(c)(7) is amend-
14 ed to read as follows:

15 “(7) TREATMENT OF ELEMENTARY AND SEC-
16 ONDARY TUITION.—Any reference in this section to
17 the term ‘qualified higher education expense’ shall
18 include a reference to the following expenses in con-
19 nection with enrollment or attendance at, or for stu-
20 dents enrolled at or attending, an elementary or sec-
21 ondary public, private, or religious school:

22 “(A) Tuition.

23 “(B) Curriculum and curricular materials.

24 “(C) Books or other instructional mate-
25 rials.

1 “(D) Online educational materials.

2 “(E) Tuition for tutoring or educational
3 classes outside of the home, including at a tu-
4 toring facility, but only if the tutor or instruc-
5 tor is not related to the student and—

6 “(i) is licensed as a teacher in any
7 State,

8 “(ii) has taught at an eligible edu-
9 cational institution, or

10 “(iii) is a subject matter expert in the
11 relevant subject.

12 “(F) Fees for a nationally standardized
13 norm-referenced achievement test, an advanced
14 placement examination, or any examinations re-
15 lated to college or university admission.

16 “(G) Fees for dual enrollment in an insti-
17 tution of higher education.

18 “(H) Educational therapies for students
19 with disabilities provided by a licensed or ac-
20 credited practitioner or provider, including oc-
21 cupational, behavioral, physical, and speech-lan-
22 guage therapies.”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to distributions made
25 after the date of the enactment of this Act.

1 (b) INCREASE IN LIMITATION.—

2 (1) IN GENERAL.—The last sentence of section
3 529(e)(3) is amended by striking “\$10,000” and in-
4 serting “\$20,000”.

5 (2) EFFECTIVE DATE.—The amendment made
6 by this subsection shall apply to taxable years begin-
7 ning after December 31, 2025.

8 **SEC. 70414. CERTAIN POSTSECONDARY CREDENTIALING**
9 **EXPENSES TREATED AS QUALIFIED HIGHER**
10 **EDUCATION EXPENSES FOR PURPOSES OF**
11 **529 ACCOUNTS.**

12 (a) IN GENERAL.—Section 529(e)(3) is amended by
13 adding at the end the following new subparagraph:

14 “(C) CERTAIN POSTSECONDARY
15 CREDENTIALING EXPENSES.—The term ‘quali-
16 fied higher education expenses’ includes quali-
17 fied postsecondary credentialing expenses (as
18 defined in subsection (f)).”.

19 (b) QUALIFIED POSTSECONDARY CREDENTIALING
20 EXPENSES.—Section 529 is amended by redesignating
21 subsection (f) as subsection (g) and by inserting after sub-
22 section (e) the following new subsection:

23 “(f) QUALIFIED POSTSECONDARY CREDENTIALING
24 EXPENSES.—For purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified post-
2 secondary credentialing expenses’ means—

3 “(A) tuition, fees, books, supplies, and
4 equipment required for the enrollment or at-
5 tendance of a designated beneficiary in a recog-
6 nized postsecondary credential program, or any
7 other expense incurred in connection with en-
8 rollment in or attendance at a recognized post-
9 secondary credential program if such expense
10 would, if incurred in connection with enrollment
11 or attendance at an eligible educational institu-
12 tion, be covered under subsection (e)(3)(A),

13 “(B) fees for testing if such testing is re-
14 quired to obtain or maintain a recognized post-
15 secondary credential, and

16 “(C) fees for continuing education if such
17 education is required to maintain a recognized
18 postsecondary credential.

19 “(2) RECOGNIZED POSTSECONDARY CREDEN-
20 TIAL PROGRAM.—The term ‘recognized postsec-
21 ondary credential program’ means any program to
22 obtain a recognized postsecondary credential if—

23 “(A) such program is included on a State
24 list prepared under section 122(d) of the Work-

1 force Innovation and Opportunity Act (29
2 U.S.C. 3152(d)),

3 “(B) such program is listed in the public
4 directory of the Web Enabled Approval Man-
5 agement System (WEAMS) of the Veterans
6 Benefits Administration, or successor directory
7 such program,

8 “(C) an examination (developed or admin-
9 istered by an organization widely recognized as
10 providing reputable credentials in the occupa-
11 tion) is required to obtain or maintain such cre-
12 dential and such organization recognizes such
13 program as providing training or education
14 which prepares individuals to take such exam-
15 ination, or

16 “(D) such program is identified by the
17 Secretary, after consultation with the Secretary
18 of Labor, as being a reputable program for ob-
19 taining a recognized postsecondary credential
20 for purposes of this subparagraph.

21 “(3) RECOGNIZED POSTSECONDARY CREDEN-
22 TIAL.—The term ‘recognized postsecondary creden-
23 tial’ means—

24 “(A) any postsecondary employment cre-
25 dential that is industry recognized and is—

1 “(i) any postsecondary employment
2 credential issued by a program that is ac-
3 credited by the Institute for Credentialing
4 Excellence, the National Commission on
5 Certifying Agencies, or the American Na-
6 tional Standards Institute,

7 “(ii) any postsecondary employment
8 credential that is included in the
9 Credentialing Opportunities On-Line
10 (COOL) directory of credentialing pro-
11 grams (or successor directory) maintained
12 by the Department of Defense or by any
13 branch of the Armed Forces, or

14 “(iii) any postsecondary employment
15 credential identified for purposes of this
16 clause by the Secretary, after consultation
17 with the Secretary of Labor, as being in-
18 dustry recognized,

19 “(B) any certificate of completion of an
20 apprenticeship that is registered and certified
21 with the Secretary of Labor under the Act of
22 August 16, 1937 (commonly known as the ‘Na-
23 tional Apprenticeship Act’; 50 Stat. 664, chap-
24 ter 663; 29 U.S.C. 50 et seq.),

1 “(C) any occupational or professional li-
2 cense issued or recognized by a State or the
3 Federal Government (and any certification that
4 satisfies a condition for obtaining such a li-
5 cense), and

6 “(D) any recognized postsecondary creden-
7 tial as defined in section 3(52) of the Workforce
8 Innovation and Opportunity Act (29 U.S.C.
9 3102(52)), provided through a program de-
10 scribed in paragraph (2)(A).”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to distributions made after the
13 date of the enactment of this Act.

14 **SEC. 70415. MODIFICATION OF EXCISE TAX ON INVESTMENT**
15 **INCOME OF CERTAIN PRIVATE COLLEGES**
16 **AND UNIVERSITIES.**

17 (a) IN GENERAL.—Section 4968 is amended to read
18 as follows:

19 **“SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME**
20 **OF PRIVATE COLLEGES AND UNIVERSITIES.**

21 “(a) TAX IMPOSED.—There is hereby imposed on
22 each applicable educational institution for the taxable year
23 a tax equal to the applicable percentage of the net invest-
24 ment income of such institution for the taxable year.

1 “(b) APPLICABLE PERCENTAGE.—For purposes of
2 this section, the term ‘applicable percentage’ means—

3 “(1) 1.4 percent in the case of an institution
4 with a student adjusted endowment of at least
5 \$500,000, and not in excess of \$750,000,

6 “(2) 4 percent in the case of an institution with
7 a student adjusted endowment in excess of
8 \$750,000, and not in excess of \$2,000,000, and

9 “(3) 8 percent in the case of an institution with
10 a student adjusted endowment in excess of
11 \$2,000,000.

12 “(c) APPLICABLE EDUCATIONAL INSTITUTION.—For
13 purposes of this subchapter, the term ‘applicable edu-
14 cational institution’ means an eligible educational institu-
15 tion (as defined in section 25A(f)(2))—

16 “(1) which had at least 3,000 tuition-paying
17 students during the preceding taxable year,

18 “(2) more than 50 percent of the tuition-paying
19 students of which are located in the United States,

20 “(3) the student adjusted endowment of which
21 is at least \$500,000, and

22 “(4) which is not described in the first sentence
23 of section 511(a)(2)(B) (relating to State colleges
24 and universities).

1 “(d) STUDENT ADJUSTED ENDOWMENT.—For pur-
2 poses of this section, the term ‘student adjusted endow-
3 ment’ means, with respect to any institution for any tax-
4 able year—

5 “(1) the aggregate fair market value of the as-
6 sets of such institution (determined as of the end of
7 the preceding taxable year), other than those assets
8 which are used directly in carrying out the institu-
9 tion’s exempt purpose, divided by

10 “(2) the number of students of such institution.

11 “(e) DETERMINATION OF NUMBER OF STUDENTS.—
12 For purposes of subsections (c) and (d), the number of
13 students of an institution (including for purposes of deter-
14 mining the number of students at a particular location)
15 shall be based on the daily average number of full-time
16 students attending such institution (with part-time stu-
17 dents taken into account on a full-time student equivalent
18 basis).

19 “(f) NET INVESTMENT INCOME.—For purposes of
20 this section—

21 “(1) IN GENERAL.—Net investment income
22 shall be determined under rules similar to the rules
23 of section 4940(c).

24 “(2) OVERRIDE OF CERTAIN REGULATORY EX-
25 CEPTIONS.—

1 “(A) STUDENT LOAN INTEREST.—Net in-
2 vestment income shall be determined by taking
3 into account any interest income from a student
4 loan made by the applicable educational institu-
5 tion (or any related organization) as gross in-
6 vestment income.

7 “(B) FEDERALLY-SUBSIDIZED ROYALTY
8 INCOME.—

9 “(i) IN GENERAL.—Net investment in-
10 come shall be determined by taking into
11 account any Federally-subsidized royalty
12 income as gross investment income.

13 “(ii) FEDERALLY-SUBSIDIZED ROY-
14 ALTY INCOME.—For purposes of this sub-
15 paragraph—

16 “(I) IN GENERAL.—The term
17 ‘Federally-subsidized royalty income’
18 means any otherwise-regulatory-ex-
19 empt royalty income if any Federal
20 funds were used in the research, de-
21 velopment, or creation of the patent,
22 copyright, or other intellectual or in-
23 tangible property from which such
24 royalty income is derived.

1 “(II) OTHERWISE-REGULATORY-
2 EXEMPT ROYALTY INCOME.—For pur-
3 poses of this subparagraph, the term
4 ‘otherwise-regulatory-exempt royalty
5 income’ means royalty income which
6 (but for this subparagraph) would not
7 be taken into account as gross invest-
8 ment income by reason of being de-
9 rived from patents, copyrights, or
10 other intellectual or intangible prop-
11 erty which resulted from the work of
12 students or faculty members in their
13 capacities as such with the applicable
14 educational institution.

15 “(III) FEDERAL FUNDS.—The
16 term ‘Federal funds’ includes any
17 grant made by, and any payment
18 made under any contract with, any
19 Federal agency to the applicable edu-
20 cational institution, any related orga-
21 nization, or any student or faculty
22 member referred to in subclause (II).

23 “(g) ASSETS AND NET INVESTMENT INCOME OF RE-
24 LATED ORGANIZATIONS.—

1 “(1) IN GENERAL.—For purposes of sub-
2 sections (d) and (f), assets and net investment in-
3 come of any related organization with respect to an
4 educational institution shall be treated as assets and
5 net investment income, respectively, of the edu-
6 cational institution, except that—

7 “(A) no such amount shall be taken into
8 account with respect to more than 1 educational
9 institution, and

10 “(B) unless such organization is controlled
11 by such institution or is described in section
12 509(a)(3) with respect to such institution for
13 the taxable year, assets and net investment in-
14 come which are not intended or available for
15 the use or benefit of the educational institution
16 shall not be taken into account.

17 “(2) RELATED ORGANIZATION.—For purposes
18 of this subsection, the term ‘related organization’
19 means, with respect to an educational institution,
20 any organization which—

21 “(A) controls, or is controlled by, such in-
22 stitution,

23 “(B) is controlled by 1 or more persons
24 which also control such institution, or

1 “(C) is a supported organization (as de-
2 fined in section 509(f)(3)), or an organization
3 described in section 509(a)(3), during the tax-
4 able year with respect to such institution.

5 “(h) REGULATIONS.—The Secretary shall prescribe
6 such regulations or other guidance as may be necessary
7 to prevent avoidance of the tax under this section, includ-
8 ing regulations or other guidance to prevent avoidance of
9 such tax through the restructuring of endowment funds
10 or other arrangements designed to reduce or eliminate the
11 value of net investment income or assets subject to the
12 tax imposed by this section.”.

13 (b) REQUIREMENT TO REPORT CERTAIN INFORMA-
14 TION WITH RESPECT TO APPLICATION OF EXCISE TAX
15 BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES
16 AND UNIVERSITIES.—Section 6033 is amended by redes-
17 ignating subsection (o) as subsection (p) and by inserting
18 after subsection (n) the following new subsection:

19 “(o) REQUIREMENT TO REPORT CERTAIN INFORMA-
20 TION WITH RESPECT TO EXCISE TAX BASED ON INVEST-
21 MENT INCOME OF PRIVATE COLLEGES AND UNIVER-
22 SITIES.—Each applicable educational institution described
23 in section 4968(c) which is subject to the requirements
24 of subsection (a) shall include on the return required
25 under subsection (a)—

1 “(1) the number of tuition-paying students
2 taken into account under section 4968(c), and

3 “(2) the number of students of such institution
4 (determined under the rules of section 4968(e)).”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2025.

8 **SEC. 70416. EXPANDING APPLICATION OF TAX ON EXCESS**
9 **COMPENSATION WITHIN TAX-EXEMPT ORGA-**
10 **NIZATIONS.**

11 (a) IN GENERAL.—Section 4960(c)(2) is amended to
12 read as follows:

13 “(2) COVERED EMPLOYEE.—For purposes of
14 this section, the term ‘covered employee’ means any
15 employee of an applicable tax-exempt organization
16 (or any predecessor of such an organization) and
17 any former employee of such an organization (or
18 predecessor) who was such an employee during any
19 taxable year beginning after December 31, 2016.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall apply to taxable years beginning after
22 December 31, 2025.

1 **Subchapter C—Permanent Investments in**
2 **Community Development**

3 **SEC. 70421. PERMANENT RENEWAL AND ENHANCEMENT OF**
4 **OPPORTUNITY ZONES.**

5 (a) DECENNIAL DESIGNATIONS.—

6 (1) DETERMINATION PERIOD.—Section 1400Z-
7 1(c)(2)(B) is amended by striking “beginning on the
8 date of the enactment of the Tax Cuts and Jobs
9 Act” and inserting “beginning on the decennial de-
10 termination date”.

11 (2) DECENNIAL DETERMINATION DATE.—Sec-
12 tion 1400Z-1(c)(2) is amended by adding at the end
13 the following new subparagraph:

14 “(C) DECENNIAL DETERMINATION
15 DATE.—The term ‘decennial determination
16 date’ means—

17 “(i) July 1, 2026, and

18 “(ii) each July 1 of the year that is
19 10 years after the preceding decennial de-
20 termination date under this subpara-
21 graph.”.

22 (3) REPEAL OF SPECIAL RULE FOR PUERTO
23 RICO.—Section 1400Z-1(b) is amended by striking
24 paragraph (3).

1 (4) LIMITATION ON NUMBER OF DESIGNA-
2 TIONS.—Section 1400Z-1(d)(1) is amended—

3 (A) in paragraph (1)—

4 (i) by striking “and subsection
5 (b)(3)”, and

6 (ii) by inserting “during any period”
7 after “the number of population census
8 tracts in a State that may be designated as
9 qualified opportunity zones under this sec-
10 tion”, and

11 (B) in paragraph (2), by inserting “during
12 any period” before the period at the end.

13 (5) EFFECTIVE DATES.—

14 (A) IN GENERAL.—Except as provided in
15 paragraph (2), the amendments made by this
16 subsection shall take effect on the date of the
17 enactment of this Act.

18 (B) PUERTO RICO.—The amendment made
19 by paragraph (3) shall take effect on December
20 31, 2026.

21 (b) QUALIFICATION FOR DESIGNATIONS.—

22 (1) DETERMINATION OF LOW-INCOME COMMU-
23 NITIES.—Section 1400Z-1(c) is amended by striking
24 all that precedes paragraph (2) and inserting the
25 following:

1 “(c) OTHER DEFINITIONS.—For purposes of this
2 section—

3 “(1) LOW-INCOME COMMUNITIES.—The term
4 ‘low-income community’ means any population cen-
5 sus tract if—

6 “(A) such population census tract has a
7 median family income that—

8 “(i) in the case of a population census
9 tract not located within a metropolitan
10 area, does not exceed 70 percent of the
11 statewide median family income, or

12 “(ii) in the case of a population cen-
13 sus tract located within a metropolitan
14 area, does not exceed 70 percent of the
15 metropolitan area median family income,
16 or

17 “(B) such population census tract—

18 “(i) has a poverty rate of at least 20
19 percent, and

20 “(ii) has a median family income
21 that—

22 “(I) in the case of a population
23 census tract not located within a met-
24 ropolitan area, does not exceed 125

1 percent of the statewide median fam-
2 ily income, or

3 “(II) in the case of a population
4 census tract located within a metro-
5 politan area, does not exceed 125 per-
6 cent of the metropolitan area median
7 family income.”.

8 (2) REPEAL OF RULE FOR CONTIGUOUS CEN-
9 SUS TRACTS.—Section 1400Z-1 is amended by strik-
10 ing subsection (e) and by redesignating subsection
11 (f) as subsection (e).

12 (3) PERIOD FOR WHICH DESIGNATION IS IN EF-
13 FECT.—Section 1400Z-1(e), as redesignated by
14 paragraph (2), is amended to read as follows:

15 “(e) PERIOD FOR WHICH DESIGNATION IS IN EF-
16 FECT.—

17 “(1) IN GENERAL.—A designation as a quali-
18 fied opportunity zone shall remain in effect for the
19 period beginning on the applicable start date and
20 ending on the day before the date that is 10 years
21 after the applicable start date.

22 “(2) APPLICABLE START DATE.—For purposes
23 of this section, the term ‘applicable start date’
24 means, with respect to any qualified opportunity
25 zone designated under this section, the January 1

1 following the date on which such qualified oppor-
2 tunity zone was certified and designated by the Sec-
3 retary under subsection (b)(1)(B).”.

4 (4) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply to areas designated
6 under section 1400Z-1 of the Internal Revenue Code
7 of 1986 after the date of the enactment of this Act.

8 (c) APPLICATION OF SPECIAL RULES FOR CAPITAL
9 GAINS.—

10 (1) REPEAL OF SUNSET ON ELECTION.—Sec-
11 tion 1400Z-2(a)(2) is amended to read as follows:

12 “(2) ELECTION.—No election may be made
13 under paragraph (1) with respect to a sale or ex-
14 change if an election previously made with respect to
15 such sale or exchange is in effect.”.

16 (2) MODIFICATION OF RULES FOR DEFERRAL
17 OF GAIN.—Section 1400Z-2(b) is amended to read
18 as follows:

19 “(b) DEFERRAL OF GAIN INVESTED IN OPPOR-
20 TUNITY ZONE PROPERTY.—

21 “(1) YEAR OF INCLUSION.—Gain to which sub-
22 section (a)(1)(B) applies shall be included in gross
23 income in the taxable year which includes the earlier
24 of—

1 “(A) the date on which such investment is
2 sold or exchanged, or

3 “(B) the date which is 5 years after the
4 date the investment in the qualified opportunity
5 fund was made.

6 “(2) AMOUNT INCLUDIBLE.—

7 “(A) IN GENERAL.—The amount of gain
8 included in gross income under subsection
9 (a)(1)(B) shall be the excess of—

10 “(i) the lesser of the amount of gain
11 excluded under subsection (a)(1)(A) or the
12 fair market value of the investment as de-
13 termined as of the date described in para-
14 graph (1), over

15 “(ii) the taxpayer’s basis in the in-
16 vestment.

17 “(B) DETERMINATION OF BASIS.—

18 “(i) IN GENERAL.—Except as other-
19 wise provided in this subparagraph or sub-
20 section (c), the taxpayer’s basis in the in-
21 vestment shall be zero.

22 “(ii) INCREASE FOR GAIN RECOG-
23 NIZED UNDER SUBSECTION (a)(1)(B).—
24 The basis in the investment shall be in-
25 creased by the amount of gain recognized

1 by reason of subsection (a)(1)(B) with re-
2 spect to such investment.

3 “(iii) INVESTMENTS HELD FOR 5
4 YEARS.—

5 “(I) IN GENERAL.—In the case
6 of any investment held for at least 5
7 years, the basis of such investment
8 shall be increased by an amount equal
9 to 10 percent (30 percent in the case
10 of any investment in a qualified rural
11 opportunity fund) of the amount of
12 gain deferred by reason of subsection
13 (a)(1)(A).

14 “(II) APPLICATION OF IN-
15 CREASE.—For purposes of this sub-
16 section, any increase in basis under
17 this clause shall be treated as occur-
18 ring before the date described in para-
19 graph (1)(B).

20 “(C) QUALIFIED RURAL OPPORTUNITY
21 FUND.—For purposes of subparagraph
22 (B)(iii)—

23 “(i) QUALIFIED RURAL OPPORTUNITY
24 FUND.—The term ‘qualified rural oppor-
25 tunity fund’ means a qualified opportunity

1 fund that holds at least 90 percent of its
2 assets in qualified opportunity zone prop-
3 erty which—

4 “(I) is qualified opportunity zone
5 business property substantially all of
6 the use of which, during substantially
7 all of the fund’s holding period for
8 such property, was in a qualified op-
9 portunity zone comprised entirely of a
10 rural area, or

11 “(II) is qualified opportunity
12 zone stock, or a qualified opportunity
13 zone partnership interest, in a quali-
14 fied opportunity zone business in
15 which substantially all of the tangible
16 property owned or leased is qualified
17 opportunity zone business property
18 described in subsection (d)(3)(A)(i)
19 and substantially all the use of which
20 is in a qualified opportunity zone com-
21 prised entirely of a rural area.

22 For purposes of the preceding sentence,
23 property held in the fund shall be meas-
24 ured under rules similar to the rules of
25 subsection (d)(1).

1 “(ii) RURAL AREA.—The term ‘rural
2 area’ means any area other than—

3 “(I) a city or town that has a
4 population of greater than 50,000 in-
5 habitants, and

6 “(II) any urbanized area contig-
7 uous and adjacent to a city or town
8 described in subclause (I).”.

9 (3) SPECIAL RULE FOR INVESTMENTS HELD AT
10 LEAST 10 YEARS.—Section 1400Z-2(c) is amended
11 by striking “makes an election under this clause”
12 and all that follows and inserting “makes an election
13 under this subsection, the basis of such investment
14 shall be equal to—

15 “(A) in the case of an investment sold be-
16 fore the date that is 30 years after the date of
17 the investment, the fair market value of such
18 investment on the date such investment is sold
19 or exchanged, or

20 “(B) in any other case, the fair market
21 value of such investment on the date that is 30
22 years after the date of the investment.”.

23 (4) DETERMINATION OF QUALIFIED OPPOR-
24 TUNITY ZONE PROPERTY.—

1 (A) QUALIFIED OPPORTUNITY ZONE BUSI-
2 NESS PROPERTY.—Section 1400Z-
3 2(d)(2)(D)(i)(I) is amended by striking “De-
4 cember 31, 2017” and inserting “the applicable
5 start date (as defined in section 1400Z-1(e)(2))
6 with respect to the qualified opportunity zone
7 described in subclause (III)”.

8 (B) QUALIFIED OPPORTUNITY ZONE
9 STOCK AND PARTNERSHIP INTERESTS.—Section
10 1400Z-2(d)(2) is amended—

11 (i) by striking “December 31, 2017,”
12 each place it appears in subparagraphs
13 (B)(i)(I) and (C)(i) and inserting “the ap-
14 plicable date”, and

15 (ii) by adding at the end the following
16 new subparagraph:

17 “(E) APPLICABLE DATE.—For purposes of
18 this subparagraph, the term ‘applicable date’
19 means, with respect to any corporation or part-
20 nership which is a qualified opportunity zone
21 business, the earliest date described in subpara-
22 graph (D)(i)(I) with respect to the qualified op-
23 portunity zone business property held by such
24 qualified opportunity zone business.”.

1 (C) SPECIAL RULE FOR IMPROVEMENT OF
2 EXISTING STRUCTURES IN RURAL AREAS.—Sec-
3 tion 1400Z–2(d)(2)(D)(ii) is amended by insert-
4 ing “(50 percent of such adjusted basis in the
5 case of property in a qualified opportunity zone
6 comprised entirely of a rural area (as defined in
7 subsection (b)(2)(C)(ii))” after “the adjusted
8 basis of such property”.

9 (5) EFFECTIVE DATES.—

10 (A) IN GENERAL.—Except as otherwise
11 provided in this paragraph, the amendments
12 made by this subsection shall apply to amounts
13 invested in qualified opportunity funds after
14 December 31, 2026.

15 (B) ACQUISITION OF QUALIFIED OPPOR-
16 TUNITY ZONE PROPERTY.—The amendments
17 made by subparagraphs (A) and (B) of para-
18 graph (4) shall apply to property acquired after
19 December 31, 2026.

20 (C) SUBSTANTIAL IMPROVEMENT.—The
21 amendment made by paragraph (4)(C) shall
22 take effect on the date of the enactment of this
23 Act.

1 (d) INFORMATION REPORTING ON QUALIFIED OP-
2 PORTUNITY FUNDS AND QUALIFIED RURAL OPPOR-
3 TUNITY FUNDS.—

4 (1) FILING REQUIREMENTS FOR FUNDS AND
5 INVESTORS.—Subpart A of part III of subchapter A
6 of chapter 61 is amended by inserting after section
7 6039J the following new sections:

8 **“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OP-**
9 **PORTUNITY FUNDS AND QUALIFIED RURAL**
10 **OPPORTUNITY FUNDS.**

11 “(a) IN GENERAL.—Every qualified opportunity fund
12 shall file an annual return (at such time and in such man-
13 ner as the Secretary may prescribe) containing the infor-
14 mation described in subsection (b).

15 “(b) INFORMATION FROM QUALIFIED OPPORTUNITY
16 FUNDS.—The information described in this subsection
17 is—

18 “(1) the name, address, and taxpayer identifica-
19 tion number of the qualified opportunity fund,

20 “(2) whether the qualified opportunity fund is
21 organized as a corporation or a partnership,

22 “(3) the value of the total assets held by the
23 qualified opportunity fund as of each date described
24 in section 1400Z–2(d)(1),

1 “(4) the value of all qualified opportunity zone
2 property held by the qualified opportunity fund on
3 each such date,

4 “(5) with respect to each investment held by
5 the qualified opportunity fund in qualified oppor-
6 tunity zone stock or a qualified opportunity zone
7 partnership interest—

8 “(A) the name, address, and taxpayer
9 identification number of the corporation in
10 which such stock is held or the partnership in
11 which such interest is held, as the case may be,

12 “(B) each North American Industry Clas-
13 sification System (NAICS) code that applies to
14 the trades or businesses conducted by such cor-
15 poration or partnership,

16 “(C) the population census tract or popu-
17 lation census tracts in which the qualified op-
18 portunity zone business property of such cor-
19 poration or partnership is located,

20 “(D) the amount of the investment in such
21 stock or partnership interest as of each date de-
22 scribed in section 1400Z–2(d)(1),

23 “(E) the value of tangible property held by
24 such corporation or partnership on each such

1 date which is owned by such corporation or
2 partnership,

3 “(F) the value of tangible property held by
4 such corporation or partnership on each such
5 date which is leased by such corporation or
6 partnership,

7 “(G) the approximate number of residen-
8 tial units (if any) for any real property held by
9 such corporation or partnership, and

10 “(H) the approximate average monthly
11 number of full-time equivalent employees of
12 such corporation or partnership for the year
13 (within numerical ranges identified by the Sec-
14 retary) or such other indication of the employ-
15 ment impact of such corporation or partnership
16 as determined appropriate by the Secretary,

17 “(6) with respect to the items of qualified op-
18 portunity zone business property held by the quali-
19 fied opportunity fund—

20 “(A) the North American Industry Classi-
21 fication System (NAICS) code that applies to
22 the trades or businesses in which such property
23 is held,

24 “(B) the population census tract in which
25 the property is located,

1 “(C) whether the property is owned or
2 leased,

3 “(D) the aggregate value of the items of
4 qualified opportunity zone property held by the
5 qualified opportunity fund as of each date de-
6 scribed in section 1400Z-2(d)(1), and

7 “(E) in the case of real property, the num-
8 ber of residential units (if any),

9 “(7) the approximate average monthly number
10 of full-time equivalent employees for the year of the
11 trades or businesses of the qualified opportunity
12 fund in which qualified opportunity zone business
13 property is held (within numerical ranges identified
14 by the Secretary) or such other indication of the em-
15 ployment impact of such trades or businesses as de-
16 termined appropriate by the Secretary,

17 “(8) with respect to each person who disposed
18 of an investment in the qualified opportunity fund
19 during the year—

20 “(A) the name, address, and taxpayer
21 identification number of such person,

22 “(B) the date or dates on which the invest-
23 ment disposed was acquired, and

1 “(C) the date or dates on which any such
2 investment was disposed and the amount of the
3 investment disposed, and

4 “(9) such other information as the Secretary
5 may require.

6 “(c) STATEMENT REQUIRED TO BE FURNISHED TO
7 INVESTORS.—Every person required to make a return
8 under subsection (a) shall furnish to each person whose
9 name is required to be set forth in such return by reason
10 of subsection (b)(8) (at such time and in such manner as
11 the Secretary may prescribe) a written statement show-
12 ing—

13 “(1) the name, address, and phone number of
14 the information contact of the person required to
15 make such return, and

16 “(2) the information required to be shown on
17 such return by reason of subsection (b)(8) with re-
18 spect to the person whose name is required to be so
19 set forth.

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

21 “(1) IN GENERAL.—Any term used in this sec-
22 tion which is also used in subchapter Z of chapter
23 1 shall have the meaning given such term under
24 such subchapter.

1 “(2) FULL-TIME EQUIVALENT EMPLOYEES.—

2 The term ‘full-time equivalent employees’ means,
3 with respect to any month, the sum of—

4 “(A) the number of full-time employees (as
5 defined in section 4980H(c)(4)) for the month,
6 plus

7 “(B) the number of employees determined
8 (under rules similar to the rules of section
9 4980H(c)(2)(E)) by dividing the aggregate
10 number of hours of service of employees who
11 are not full-time employees for the month by
12 120.

13 “(e) APPLICATION TO QUALIFIED RURAL OPPOR-
14 TUNITY FUNDS.—Every qualified rural opportunity fund
15 (as defined in section 1400Z–2(b)(2)(C)) shall file the an-
16 nual return required under subsection (a), and the state-
17 ments required under subsection (c), applied—

18 “(1) by substituting ‘qualified rural oppor-
19 tunity’ for ‘qualified opportunity’ each place it ap-
20 pears,

21 “(2) by substituting ‘section 1400Z–2(b)(2)(C)’
22 for ‘section 1400Z–2(d)(1)’ each place it appears,
23 and

24 “(3) by treating any reference (after the appli-
25 cation of paragraph (1)) to qualified rural oppor-

1 tunity zone stock, a qualified rural opportunity zone
2 partnership interest, a qualified rural opportunity
3 zone business, or qualified opportunity zone business
4 property as stock, an interest, a business, or prop-
5 erty, respectively, described in subclause (I) or (II),
6 as the case may be, of section 1400Z-2(b)(2)(C)(i).

7 **“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED**
8 **OPPORTUNITY ZONE BUSINESSES AND**
9 **QUALIFIED RURAL OPPORTUNITY ZONE**
10 **BUSINESSES.**

11 “(a) IN GENERAL.—Every applicable qualified oppor-
12 tunity zone business shall furnish to the qualified oppor-
13 tunity fund described in subsection (b) a written state-
14 ment at such time, in such manner, and setting forth such
15 information as the Secretary may by regulations prescribe
16 for purposes of enabling such qualified opportunity fund
17 to meet the requirements of section 6039K(b)(5).

18 “(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE
19 BUSINESS.—For purposes of subsection (a), the term ‘ap-
20 plicable qualified opportunity zone business’ means any
21 qualified opportunity zone business—

22 “(1) which is a trade or business of a qualified
23 opportunity fund,

24 “(2) in which a qualified opportunity fund holds
25 qualified opportunity zone stock, or

1 “(3) in which a qualified opportunity fund holds
2 a qualified opportunity zone partnership interest.

3 “(c) OTHER TERMS.—Any term used in this section
4 which is also used in subchapter Z of chapter 1 shall have
5 the meaning given such term under such subchapter.

6 “(d) APPLICATION TO QUALIFIED RURAL OPPOR-
7 TUNITY BUSINESSES.—Every applicable qualified rural
8 opportunity zone business (as defined in subsection (b) de-
9 termined after application of the substitutions described
10 in this sentence) shall furnish the written statement re-
11 quired under subsection (a), applied—

12 “(1) by substituting ‘qualified rural oppor-
13 tunity’ for ‘qualified opportunity’ each place it ap-
14 pears, and

15 “(2) by treating any reference (after the appli-
16 cation of paragraph (1)) to qualified rural oppor-
17 tunity zone stock, a qualified rural opportunity zone
18 partnership interest, or a qualified rural opportunity
19 zone business as stock, an interest, or a business, re-
20 spectively, described in subclause (I) or (II), as the
21 case may be, of section 1400Z-2(b)(2)(C)(i).”.

22 (2) PENALTIES.—

23 (A) IN GENERAL.—Part II of subchapter
24 B of chapter 68 is amended by inserting after
25 section 6725 the following new section:

1 **“SEC. 6726. FAILURE TO COMPLY WITH INFORMATION RE-**
2 **PORTING REQUIREMENTS RELATING TO**
3 **QUALIFIED OPPORTUNITY FUNDS AND**
4 **QUALIFIED RURAL OPPORTUNITY FUNDS.**

5 “(a) IN GENERAL.—If any person required to file a
6 return under section 6039K fails to file a complete and
7 correct return under such section in the time and in the
8 manner prescribed therefor, such person shall pay a pen-
9 alty of \$500 for each day during which such failure con-
10 tinues.

11 “(b) LIMITATION.—

12 “(1) IN GENERAL.—The maximum penalty
13 under this section on failures with respect to any 1
14 return shall not exceed \$10,000.

15 “(2) LARGE QUALIFIED OPPORTUNITY
16 FUNDS.—In the case of any failure described in sub-
17 section (a) with respect to a fund the gross assets
18 of which (determined on the last day of the taxable
19 year) are in excess of \$10,000,000, paragraph (1)
20 shall be applied by substituting ‘\$50,000’ for
21 ‘\$10,000’.

22 “(c) PENALTY IN CASES OF INTENTIONAL DIS-
23 REGARD.—If a failure described in subsection (a) is due
24 to intentional disregard, then—

25 “(1) subsection (a) shall be applied by sub-
26 stituting ‘\$2,500’ for ‘\$500’,

1 “(2) subsection (b)(1) shall be applied by sub-
2 stituting ‘\$50,000’ for ‘\$10,000’, and

3 “(3) subsection (b)(2) shall be applied by sub-
4 stituting ‘\$250,000’ for ‘\$50,000’.

5 “(d) INFLATION ADJUSTMENT.—

6 “(1) IN GENERAL.—In the case of any failure
7 relating to a return required to be filed in a calendar
8 year beginning after 2025, each of the dollar
9 amounts in subsections (a), (b), and (c) shall be in-
10 creased by an amount equal to—

11 “(A) such dollar amount, multiplied by

12 “(B) the cost-of-living adjustment deter-
13 mined under section 1(f)(3) for the calendar
14 year determined by substituting ‘calendar year
15 2024’ for ‘calendar year 2016’ in subparagraph
16 (A)(ii) thereof.

17 “(2) ROUNDING.—

18 “(A) IN GENERAL.—If the \$500 dollar
19 amount in subsection (a) and (c)(1) or the
20 \$2,500 amount in subsection (c)(1), after being
21 increased under paragraph (1), is not a mul-
22 tiple of \$10, such dollar amount shall be round-
23 ed to the next lowest multiple of \$10.

24 “(B) ASSET THRESHOLD.—If the
25 \$10,000,000 dollar amount in subsection (b)(2),

1 after being increased under paragraph (1), is
2 not a multiple of \$10,000, such dollar amount
3 shall be rounded to the next lowest multiple of
4 \$10,000.

5 “(C) OTHER DOLLAR AMOUNTS.—If any
6 dollar amount in subsection (b) or (c) (other
7 than any amount to which subparagraph (A) or
8 (B) applies), after being increased under para-
9 graph (1), is not a multiple of \$1,000, such dol-
10 lar amount shall be rounded to the next lowest
11 multiple of \$1,000.”.

12 (B) INFORMATION REQUIRED TO BE SENT
13 TO OTHER TAXPAYERS.—Section 6724(d)(2), as
14 amended by the preceding provisions of this
15 Act, is amended—

16 (i) by striking “or” at the end of sub-
17 paragraph (LL),

18 (ii) by striking the period at the end
19 of subparagraph (MM) and inserting a
20 comma, and

21 (iii) by inserting after subparagraph
22 (MM) the following new subparagraphs:

23 “(NN) section 6039K(c) (relating to dis-
24 position of qualified opportunity fund invest-
25 ments), or

1 “(OO) section 6039L (relating to informa-
2 tion required from certain qualified opportunity
3 zone businesses and qualified rural opportunity
4 zone businesses).”.

(3) ELECTRONIC FILING.—Section 6011(e) is amended by adding at the end the following new paragraph:

8 “(8) QUALIFIED OPPORTUNITY FUNDS AND
9 QUALIFIED RURAL OPPORTUNITY FUNDS.—Notwith-
10 standing paragraphs (1) and (2), any return filed by
11 a qualified opportunity fund or qualified rural oppor-
12 tunity fund under section 6039K shall be filed on
13 magnetic media or other machine-readable form.”.

14 (4) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6039J the following new items:

“Sec. 6039K. Returns with respect to qualified opportunity funds and qualified rural opportunity funds.

“Sec. 6039L. Information required from qualified opportunity zone businesses and qualified rural opportunity zone businesses.”.

(B) The table of sections for part II of subchapter B of chapter 68 is amended by inserting after the item relating to section 6725 the following new item:

“Sec. 6726. Failure to comply with information reporting requirements relating to qualified opportunity funds and qualified rural opportunity funds.”.

1 (5) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to taxable years begin-
3 ning after the date of the enactment of this Act.

4 (e) SECRETARY REPORTING OF DATA ON OPPOR-
5 TUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX IN-
6 CENTIVES.—

7 (1) IN GENERAL.—In addition to amounts oth-
8 erwise available, there is appropriated, out of any
9 money in the Treasury not otherwise appropriated,
10 \$15,000,000, to remain available until September
11 30, 2028, for necessary expenses of the Internal
12 Revenue Service to make the reports described in
13 paragraph (2).

14 (2) REPORTS.—As soon as practical after the
15 date of the enactment of this Act, and annually
16 thereafter, the Secretary of the Treasury, or the
17 Secretary’s delegate (referred to in this section as
18 the “Secretary”) shall make publicly available a re-
19 port on qualified opportunity funds.

20 (3) INFORMATION INCLUDED.—The report re-
21 quired under paragraph (2) shall include, to the ex-
22 tent available, the following information:

23 (A) The number of qualified opportunity
24 funds.

1 (B) The aggregate dollar amount of assets
2 held in qualified opportunity funds.

3 (C) The aggregate dollar amount of invest-
4 ments made by qualified opportunity funds in
5 qualified opportunity fund property, stated sep-
6 arately for each North American Industry Clas-
7 sification System (NAICS) code.

8 (D) The percentage of population census
9 tracts designated as qualified opportunity zones
10 that have received qualified opportunity fund
11 investments.

12 (E) For each population census tract des-
13 ignated as a qualified opportunity zone, the ap-
14 proximate average monthly number of full-time
15 equivalent employees of the qualified oppor-
16 tunity zone businesses in such qualified oppor-
17 tunity zone for the preceding 12-month period
18 (within numerical ranges identified by the Sec-
19 retary) or such other indication of the employ-
20 ment impact of such qualified opportunity fund
21 businesses as determined appropriate by the
22 Secretary.

23 (F) The percentage of the total amount of
24 investments made by qualified opportunity
25 funds in—

- 1 (i) qualified opportunity zone property
2 which is real property; and
3 (ii) other qualified opportunity zone
4 property.

5 (G) For each population census tract, the
6 aggregate approximate number of residential
7 units resulting from investments made by quali-
8 fied opportunity funds in real property.

9 (H) The aggregate dollar amount of in-
10 vestments made by qualified opportunity funds
11 in each population census tract.

12 (4) ADDITIONAL INFORMATION.—

13 (A) IN GENERAL.—Beginning with the re-
14 port submitted under paragraph (2) for the 6th
15 year after the date of the enactment of this Act,
16 the Secretary shall include in such report the
17 impacts and outcomes of a designation of a
18 population census tract as a qualified oppor-
19 tunity zone as measured by economic indicators,
20 such as job creation, poverty reduction, new
21 business starts, and other metrics as deter-
22 mined by the Secretary.

23 (B) SEMI-DECENNIAL INFORMATION.—

24 (i) IN GENERAL.—In the case of any
25 report submitted under paragraph (2) in

1 the 6th year or the 11th year after the
2 date of the enactment of this Act, the Sec-
3 retary shall include the following informa-
4 tion:

5 (I) For population census tracts
6 designated as a qualified opportunity
7 zone, a comparison (based on aggre-
8 gate information) of the factors listed
9 in clause (iii) between the 5-year pe-
10 riod ending on the date of the enact-
11 ment of Public Law 115–97 and the
12 most recent 5-year period for which
13 data is available.

14 (II) For population census tracts
15 designated as a qualified opportunity
16 zone, a comparison (based on aggre-
17 gate information) of the factors listed
18 in clause (iii) for the most recent 5-
19 year period for which data is available
20 between such population census tracts
21 and similar population census tracts
22 that were not designated as a quali-
23 fied opportunity zone.

24 (ii) CONTROL GROUPS.—For purposes
25 of clause (i), the Secretary may combine

1 population census tracts into such groups
2 as the Secretary determines appropriate
3 for purposes of making comparisons.

4 (iii) FACTORS LISTED.—The factors
5 listed in this clause are the following:

6 (I) The unemployment rate.

7 (II) The number of persons
8 working in the population census
9 tract, including the percentage of such
10 persons who were not residents in the
11 population census tract in the pre-
12 ceding year.

13 (III) Individual, family, and
14 household poverty rates.

15 (IV) Median family income of
16 residents of the population census
17 tract.

18 (V) Demographic information on
19 residents of the population census
20 tract, including age, income, edu-
21 cation, race, and employment.

22 (VI) The average percentage of
23 income of residents of the population
24 census tract spent on rent annually.

454

1 (VII) The number of residences
2 in the population census tract.

3 (VIII) The rate of home owner-
4 ship in the population census tract.

5 (IX) The average value of resi-
6 dential property in the population cen-
7 sus tract.

8 (X) The number of affordable
9 housing units in the population census
10 tract.

11 (XI) The number of new business
12 starts in the population census tract.

13 (XII) The distribution of employ-
14 ees in the population census tract by
15 North American Industry Classifica-
16 tion System (NAICS) code.

17 (5) PROTECTION OF IDENTIFIABLE RETURN IN-
18 FORMATION.—In making reports required under this
19 subsection, the Secretary—

20 (A) shall establish appropriate procedures
21 to ensure that any amounts reported do not dis-
22 close taxpayer return information that can be
23 associated with any particular taxpayer or com-
24 petitive or proprietary information, and

1 (B) if necessary to protect taxpayer return
2 information, may combine information required
3 with respect to individual population census
4 tracts into larger geographic areas.

5 (6) DEFINITIONS.—Any term used in this sub-
6 section which is also used in subchapter Z of chapter
7 1 of the Internal Revenue Code of 1986 shall have
8 the meaning given such term under such subchapter.

9 (7) REPORTS ON QUALIFIED RURAL OPPOR-
10 TUNITY FUNDS.—The Secretary shall make publicly
11 available, with respect to qualified rural opportunity
12 funds, separate reports as required under this sub-
13 section, applied—

14 (A) by substituting “qualified rural oppor-
15 tunity” for “qualified opportunity” each place it
16 appears,

17 (B) by substituting a reference to this Act
18 for “Public Law 115–97”, and

19 (C) by treating any reference (after the ap-
20 plication of subparagraph (A)) to qualified rural
21 opportunity zone stock, qualified rural oppor-
22 tunity zone partnership interest, qualified rural
23 opportunity zone business, or qualified oppor-
24 tunity zone business property as stock, interest,
25 business, or property, respectively, described in

1 subclause (I) or (II), as the case may be, of sec-
2 tion 1400Z-2(b)(2)(C)(i) of the Internal Rev-
3 enue Code of 1986.

4 **SEC. 70422. PERMANENT ENHANCEMENT OF LOW-INCOME**
5 **HOUSING TAX CREDIT.**

6 (a) PERMANENT STATE HOUSING CREDIT CEILING
7 INCREASE FOR LOW-INCOME HOUSING CREDIT.—

8 (1) IN GENERAL.—Section 42(h)(3)(I) is
9 amended—

10 (A) by striking “2018, 2019, 2020, and
11 2021,” and inserting “beginning after Decem-
12 ber 31, 2025,”

13 (B) by striking “1.125” and inserting
14 “1.12”, and

15 (C) by striking “2018, 2019, 2020, AND 2021”
16 in the heading and inserting “CALENDAR YEARS
17 AFTER 2025”.

18 (2) EFFECTIVE DATE.—The amendments made
19 by this subsection shall apply to calendar years be-
20 ginning after December 31, 2025.

21 (b) TAX-EXEMPT BOND FINANCING REQUIRE-
22 MENT.—

23 (1) IN GENERAL.—Section 42(h)(4) is amended
24 by striking subparagraph (B) and inserting the fol-
25 lowing:

“(B) SPECIAL RULE WHERE MINIMUM PERCENT OF BUILDINGS IS FINANCED WITH TAX-EXEMPT BONDS SUBJECT TO VOLUME CAP.—For purposes of subparagraph (A), paragraph (1) shall not apply to any portion of the credit allowable under subsection (a) with respect to a building if—

“(i) 50 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more obligations described in subparagraph (A), or

“(ii)(I) 25 percent or more of the aggregate basis of such building and the land on which the building is located is financed by 1 or more obligations described in subparagraph (A), and

“(II) 1 or more of such obligations—

“(aa) are part of an issue the
issue date of which is after December
31, 2025, and

“(bb) provide the financing for not less than 5 percent of the aggregate basis of such building and the

1 land on which the building is lo-
2 cated.”.

3 (2) EFFECTIVE DATE.—

4 (A) IN GENERAL.—The amendment made
5 by this subsection shall apply to buildings
6 placed in service in taxable years beginning
7 after December 31, 2025.

8 (B) REHABILITATION EXPENDITURES
9 TREATED AS SEPARATE NEW BUILDING.—In
10 the case of any building with respect to which
11 any expenditures are treated as a separate new
12 building under section 42(e) of the Internal
13 Revenue Code of 1986, for purposes of sub-
14 paragraph (A), both the existing building and
15 the separate new building shall be treated as
16 having been placed in service on the date such
17 expenditures are treated as placed in service
18 under section 42(e)(4) of such Code.

19 **SEC. 70423. PERMANENT EXTENSION OF NEW MARKETS TAX**
20 **CREDIT.**

21 (a) IN GENERAL.—Section 45D(f)(1)(H) is amended
22 by striking “for for each of calendar years 2020 through
23 2025” and inserting “ for each calendar year after 2019”.

24 (b) CARRYOVER OF UNUSED LIMITATION.—Section
25 45D(f)(3) is amended—

1 (1) by striking “If the” and inserting the fol-
2 lowing:

3 “(A) IN GENERAL.—If the”, and

4 (2) by striking the second sentence and insert-
5 ing the following:

6 “(B) LIMITATION.—No amount may be
7 carried under subparagraph (A) to any calendar
8 year afer the fifth calendar year after the cal-
9 endar year in which the excess described in
10 such subparagraph occurred. For purposes of
11 this subparagraph, any excess described in sub-
12 paragraph (A) with respect to any calendar
13 year before 2026 shall be treated as occurring
14 in calendar year 2025.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to calendar years beginning after
17 December 31, 2025.

18 **SEC. 70424. PERMANENT AND EXPANDED REINSTATEMENT**
19 **OF PARTIAL DEDUCTION FOR CHARITABLE**
20 **CONTRIBUTIONS OF INDIVIDUALS WHO DO**
21 **NOT ELECT TO ITEMIZE.**

22 (a) IN GENERAL.—Section 170(p) is amended—

23 (1) by striking “\$300 (\$600” and inserting
24 “\$1,000 (\$2,000”, and

25 (2) by striking “beginning in 2021”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2025.

4 **SEC. 70425. 0.5 PERCENT FLOOR ON DEDUCTION OF CON-**
5 **TRIBUTIONS MADE BY INDIVIDUALS.**

6 (a) IN GENERAL.—

7 (1) IN GENERAL.—Paragraph (1) of section
8 170(b) is amended by adding at the end the fol-
9 lowing new subparagraph:

10 “(I) 0.5-PERCENT FLOOR.—Any charitable
11 contribution otherwise allowable (without re-
12 gard to this subparagraph) as a deduction
13 under this section shall be allowed only to the
14 extent that the aggregate of such contributions
15 exceeds 0.5 percent of the taxpayer’s contribu-
16 tion base for the taxable year. The preceding
17 sentence shall be applied—

18 “(i) first, by taking into account char-
19 itable contributions to which subparagraph
20 (D) applies to the extent thereof,

21 “(ii) second, by taking into account
22 charitable contributions to which subpara-
23 graph (C) applies to the extent thereof,

1 “(iii) third, by taking into account
2 charitable contributions to which subpara-
3 graph (B) applies to the extent thereof,

4 “(iv) fourth, by taking into account
5 charitable contributions to which subpara-
6 graph (E) applies to the extent thereof,

7 “(v) fifth, by taking into account
8 charitable contributions to which subpara-
9 graph (A) applies to the extent thereof,
10 and

11 “(vi) sixth, by taking into account
12 charitable contributions to which subpara-
13 graph (G) applies to the extent thereof.”.

14 (2) APPLICATION OF CARRYFORWARD.—Para-
15 graph (1) of section 170(d) is amended by adding at
16 the end the following new subparagraph:

17 “(C) CONTRIBUTIONS DISALLOWED BY 0.5-
18 PERCENT FLOOR CARRIED FORWARD ONLY
19 FROM YEARS IN WHICH LIMITATION IS EXCEED-
20 ED.—

21 “(i) IN GENERAL.—In the case of any
22 taxable year from which an excess is car-
23 ried forward (determined without regard to
24 this subparagraph) under any carryover
25 rule, the applicable carryover rule shall be

1 applied by increasing the excess deter-
2 mined under such applicable carryover rule
3 for the contribution year (before the appli-
4 cation of subparagraph (B)) by the amount
5 attributable to the charitable contributions
6 to which such rule applies which is not al-
7 lowed as a deduction for the contribution
8 year by reason of subsection (b)(1)(I).

9 “(ii) CARRYOVER RULE.—For pur-
10 poses of this subparagraph, the term ‘car-
11 ryover rule’ means—

12 “(I) subparagraph (A) of this
13 paragraph,

14 “(II) subparagraphs (C)(ii),
15 (D)(ii), (E)(ii), and (G)(ii) of sub-
16 section (b)(1), and

17 “(III) the second sentence of
18 subsection (b)(1)(B).

19 “(iii) APPLICABLE CARRYOVER
20 RULE.—For purposes of this subpara-
21 graph, the term ‘applicable carryover rule’
22 means any carryover rule applicable to
23 charitable contributions which were (in
24 whole or in part) not allowed as a deduc-

1 tion for the contribution year by reason of
2 subsection (b)(1)(I).”.

3 (3) COORDINATION WITH DEDUCTION FOR NON-
4 ITEMIZERS.—Section 170(p), as amended by this
5 Act, is further amended by inserting “, (b)(1)(I),”
6 after “subsections (b)(1)(G)(ii)”.

7 (b) MODIFICATION OF LIMITATION FOR CASH CON-
8 TRIBUTIONS.—

9 (1) IN GENERAL.—Clause (i) of section
10 170(b)(1)(G) is amended to read as follows:

11 “(i) IN GENERAL.—For taxable years
12 beginning after December 31, 2017, any
13 contribution of cash to an organization de-
14 scribed in subparagraph (A) shall be al-
15 lowed as a deduction under subsection (a)
16 to the extent that the aggregate of such
17 contributions does not exceed the excess
18 of—

19 “(I) 60 percent of the taxpayer’s
20 contribution base for the taxable year,
21 over

22 “(II) the aggregate amount of
23 contributions taken into account
24 under subparagraph (A) for such tax-
25 able year.”.

1 (2) COORDINATION WITH OTHER LIMITA-
2 TIONS.—

3 (A) IN GENERAL.—Clause (iii) of section
4 170(b)(1)(G) is amended—

5 (i) by striking “SUBPARAGRAPHS (A)
6 AND (B)” in the heading and inserting
7 “SUBPARAGRAPH (A)”, and

8 (ii) in subclause (II), by striking “,
9 and subparagraph (B)” and all that fol-
10 lows through “this subparagraph”.

11 (B) OTHER CONTRIBUTIONS.—Subpara-
12 graph (B) of section 170(b)(1) is amended—

13 (i) by striking “to which subpara-
14 graph (A)” both places it appears and in-
15 serting “to which subparagraph (A) or
16 (G)”, and

17 (ii) in clause (ii), by striking “over the
18 amount” and all that follows through
19 “subparagraph (C)).” and inserting
20 “over—

21 “(I) the amount of charitable
22 contributions allowable under sub-
23 paragraph (A) (determined without
24 regard to subparagraph (C)) and sub-
25 paragraph (G), reduced by

1 “(II) so much of the contribu-
2 tions taken into account under sub-
3 paragraph (G) as does not exceed 10
4 percent of the taxpayer’s contribution
5 base.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2025.

9 **SEC. 70426. 1-PERCENT FLOOR ON DEDUCTION OF CHARI-**
10 **TABLE CONTRIBUTIONS MADE BY CORPORA-**
11 **TIONS.**

12 (a) IN GENERAL.—Section 170(b)(2)(A) is amended
13 to read as follows:

14 “(A) IN GENERAL.—Any charitable con-
15 tribution otherwise allowable (without regard to
16 this subparagraph) as a deduction under this
17 section for any taxable year, other than any
18 contribution to which subparagraph (B) or (C)
19 applies, shall be allowed only to the extent that
20 the aggregate of such contributions—

21 “(i) exceeds 1 percent of the tax-
22 payer’s taxable income for the taxable
23 year, and

1 “(ii) does not exceed 10 percent of the
2 taxpayer’s taxable income for the taxable
3 year.”.

4 (b) APPLICATION OF CARRYFORWARD.—Section
5 170(d)(2) is amended to read as follows:

6 “(2) CORPORATIONS.—

7 “(A) IN GENERAL.—Any charitable con-
8 tribution taken into account under subsection
9 (b)(2)(A) for any taxable year which is not al-
10 lowed as a deduction by reason of clause (ii)
11 thereof shall be taken into account as a chari-
12 table contribution for the succeeding taxable
13 year, except that, for purposes of determining
14 under this subparagraph whether such contribu-
15 tion is allowed in such succeeding taxable year,
16 contributions in such succeeding taxable year
17 (determined without regard to this paragraph)
18 shall be taken into account under subsection
19 (b)(2)(A) before any contribution taken into ac-
20 count by reason of this paragraph.

21 “(B) 5-YEAR CARRYFORWARD.—No chari-
22 table contribution may be carried forward under
23 subparagraph (A) to any taxable year following
24 the fifth taxable year after the taxable year in
25 which the charitable contribution was first

1 taken into account. For purposes of the pre-
2 ceding sentence, contributions shall be treated
3 as allowed on a first-in first-out basis.

4 “(C) CONTRIBUTIONS DISALLOWED BY 1-
5 PERCENT FLOOR CARRIED FORWARD ONLY
6 FROM YEARS IN WHICH 10 PERCENT LIMITA-
7 TION IS EXCEEDED.—In the case of any taxable
8 year from which a charitable contribution is
9 carried forward under subparagraph (A) (deter-
10 mined without regard this subparagraph), sub-
11 paragraph (A) shall be applied by substituting
12 ‘clause (i) or (ii)’ for ‘clause (ii)’.

13 “(D) SPECIAL RULE FOR NET OPERATING
14 LOSS CARRYOVERS.—The amount of charitable
15 contributions carried forward under subpara-
16 graph (A) shall be reduced to the extent that
17 such carryforward would (but for this subpara-
18 graph) reduce taxable income (as computed for
19 purposes of the second sentence of section
20 172(b)(2)) and increase a net operating loss
21 carryover under section 172 to a succeeding
22 taxable year.”.

23 (c) CONFORMING AMENDMENTS.—Subparagraphs
24 (B)(ii) and (C)(ii) of section 170(b)(2) are each amended

1 by inserting “other than subparagraph (C) thereof” after
2 “subsection (d)(2)”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 70427. PERMANENT INCREASE IN LIMITATION ON**
7 **COVER OVER OF TAX ON DISTILLED SPIRITS.**

8 (a) **IN GENERAL.**—Paragraph (1) of section 7652(f)
9 is amended to read as follows:

10 “(1) \$13.25, or”.

11 (b) **EFFECTIVE DATE.**—The amendment made by
12 this section shall apply to distilled spirits brought into the
13 United States after December 31, 2025.

14 **SEC. 70428. NONPROFIT COMMUNITY DEVELOPMENT AC-**
15 **TIVITIES IN REMOTE NATIVE VILLAGES.**

16 (a) **IN GENERAL.**—For purposes of subchapter F of
17 chapter 1 of the Internal Revenue Code of 1986, any activ-
18 ity substantially related to participation or investment in
19 fisheries in the Bering Sea and Aleutian Islands statistical
20 and reporting areas (as described in Figure 1 of section
21 679 of title 50, Code of Federal Regulations) carried on
22 by an entity identified in section 305(i)(1)(D) of the Mag-
23 nuson-Stevens Fishery Conservation and Management Act
24 (16 U.S.C. 1855(i)(1)(D)) (as in effect on the date of en-
25 actment of this section) shall be considered substantially

1 related to the exercise or performance of the purpose con-
2 stituting the basis of such entity's exemption under section
3 501(a) of such Code if the conduct of such activity is in
4 furtherance of 1 or more of the purposes specified in sec-
5 tion 305(i)(1)(A) of such Act (as so in effect). For pur-
6 poses of this paragraph, activities substantially related to
7 participation or investment in fisheries include the har-
8 vesting, processing, transportation, sales, and marketing
9 of fish and fish products of the Bering Sea and Aleutian
10 Islands statistical and reporting areas.

11 (b) APPLICATION TO CERTAIN WHOLLY OWNED
12 SUBSIDIARIES.—If the assets of a trade or business relat-
13 ing to an activity described in subsection (a) of any sub-
14 sidiary wholly owned by an entity identified in section
15 305(i)(1)(D) of the Magnuson-Stevens Fishery Conserva-
16 tion and Management Act (16 U.S.C. 1855(i)(1)(D)) (as
17 in effect on the date of enactment of this section) are
18 transferred to such entity (including in liquidation of such
19 subsidiary) not later than 18 months after the date of the
20 enactment of this Act—

21 (1) no gain or income resulting from such
22 transfer shall be recognized to either such subsidiary
23 or such entity under such Code, and

1 (2) all income derived from such subsidiary
2 from such transferred trade or business shall be ex-
3 empt from taxation under such Code.

4 (c) **EFFECTIVE DATE.**—This section shall take effect
5 on the date of the enactment of this Act and shall remain
6 effective during the existence of the western Alaska com-
7 munity development quota program established by Section
8 305(i)(1) of the Magnuson-Stevens Fishery Conservation
9 and Management Act (16 U.S.C. 1855(i)(1)), as amended.

10 **SEC. 70429. ADJUSTMENT OF CHARITABLE DEDUCTION FOR**
11 **CERTAIN EXPENSES INCURRED IN SUPPORT**
12 **OF NATIVE ALASKAN SUBSISTENCE WHAL-**
13 **ING.**

14 (a) **IN GENERAL.**—Section 170(n)(1) of the Internal
15 Revenue Code of 1986 is amended by striking “\$10,000”
16 and inserting “\$50,000”.

17 (b) **EFFECTIVE DATE.**—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2025.

20 **SEC. 70430. EXCEPTION TO PERCENTAGE OF COMPLETION**
21 **METHOD OF ACCOUNTING FOR CERTAIN RES-**
22 **IDENTIAL CONSTRUCTION CONTRACTS.**

23 (a) **IN GENERAL.**—Section 460(e) is amended—
24 (1) in paragraph (1)—

1 (A) by striking “home construction con-
2 tract” both places it appears and inserting
3 “residential construction contract”, and

4 (B) by inserting “(determined by sub-
5 stituting ‘3-year’ for ‘2-year’ in subparagraph
6 (B)(i) for any residential construction contract
7 which is not a home construction contract)”
8 after “the requirements of clauses (i) and (ii) of
9 subparagraph (B)”,

10 (2) by striking paragraph (4) and redesignating
11 paragraph (5) as paragraph (4), and

12 (3) in subparagraph (A) of paragraph (4), as so
13 redesignated, by striking “paragraph (4)” and in-
14 serting “paragraph (3)”.

15 (b) APPLICATION OF EXCEPTION FOR PURPOSES OF
16 ALTERNATIVE MINIMUM TAX.—Section 56(a)(3) is
17 amended by striking “any home construction contract (as
18 defined in section 460(e)(6))” and inserting “any residen-
19 tial construction contract (as defined in section
20 460(e)(4))”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to contracts entered into after the
23 date of the enactment of this Act.

1 **Subchapter D—Permanent Investments in**
2 **Small Business and Rural America**

3 **SEC. 70431. EXPANSION OF QUALIFIED SMALL BUSINESS**
4 **STOCK GAIN EXCLUSION.**

5 (a) PHASED INCREASE IN EXCLUSION FOR GAIN
6 FROM QUALIFIED SMALL BUSINESS STOCK.—

7 (1) IN GENERAL.—Section 1202(a)(1) is
8 amended to read as follows:

9 “(1) IN GENERAL.— In the case of a taxpayer
10 other than a corporation, gross income shall not in-
11 clude—

12 “(A) except as provided in paragraphs (3)
13 and (4), 50 percent of any gain from the sale
14 or exchange of qualified small business stock
15 acquired on or before the applicable date and
16 held for more than 5 years, and

17 “(B) the applicable percentage of any gain
18 from the sale or exchange of qualified small
19 business stock acquired after the applicable
20 date and held for at least 3 years.”.

21 (2) APPLICABLE PERCENTAGE.—Section
22 1202(a) is amended by adding at the end the fol-
23 lowing new paragraph:

1 “(5) APPLICABLE PERCENTAGE.—The applica-
 2 ble percentage under paragraph (1) shall be deter-
 3 mined under the following table:

“Years stock held:	Applicable percentage:
3 years	50%
4 years	75%
5 years or more	100%”.

4 (3) APPLICABLE DATE; ACQUISITION DATE.—
 5 Section 1202(a), as amended by paragraph (2), is
 6 amended by adding at the end the following new
 7 paragraph:

8 “(6) APPLICABLE DATE; ACQUISITION DATE.—
 9 For purposes of this section—

10 “(A) APPLICABLE DATE.—The term ‘appli-
 11 cable date’ means the date of the enactment of
 12 this paragraph.

13 “(B) ACQUISITION DATE.—In the case of
 14 any stock which would (but for this paragraph)
 15 be treated as having been acquired before, on,
 16 or after the applicable date, whichever is appli-
 17 cable, the acquisition date for purposes of this
 18 section shall be the first day on which such
 19 stock was held by the taxpayer determined after
 20 the application of section 1223.”.

21 (4) CONTINUED TREATMENT AS NOT ITEM OF
 22 TAX PREFERENCE.—

1 (A) IN GENERAL.—Section 57(a)(7) is
2 amended by striking “An amount” and insert-
3 ing “In the case of stock acquired on or before
4 the date of the enactment of the Creating Small
5 Business Jobs Act of 2010, an amount”.

6 (B) CONFORMING AMENDMENT.—Section
7 1202(a)(4) is amended—

8 (i) by striking “, and” at the end of
9 subparagraph (B) and inserting a period,
10 and

11 (ii) by striking subparagraph (C).

12 (5) OTHER CONFORMING AMENDMENTS.—

13 (A) Paragraphs (3)(A) and (4)(A) of sec-
14 tion 1202(a) are each amended by striking
15 “paragraph (1)” and inserting “paragraph
16 (1)(A)”.

17 (B) Paragraph (4)(A) of section 1202(a) is
18 amended by inserting “and on or before the ap-
19 plicable date” after “2010”.

20 (C) Sections 1202(b)(2), 1202(g)(2)(A),
21 and 1202(j)(1)(A) are each amended by strik-
22 ing “more than 5 years” and inserting “at least
23 3 years (more than 5 years in the case of stock
24 acquired on or before the applicable date)”.

25 (6) EFFECTIVE DATES.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), the amendments made by
3 this subsection shall apply to taxable years be-
4 ginning after the date of the enactment of this
5 Act.

6 (B) CONTINUED TREATMENT AS NOT ITEM
7 OF TAX PREFERENCE.—The amendments made
8 by paragraph (4) shall take effect as if included
9 in the enactment of section 2011 of the Cre-
10 ating Small Business Jobs Act of 2010.

11 (b) INCREASE IN PER ISSUER LIMITATION.—

12 (1) IN GENERAL.—Subparagraph (A) of section
13 1202(b)(1) is amended to read as follows:

14 “(A) the applicable dollar limit for the tax-
15 able year, or”.

16 (2) APPLICABLE DOLLAR LIMIT.—Section 1202
17 (b) is amended by adding at the end the following:

18 “(4) APPLICABLE DOLLAR LIMIT.—For pur-
19 poses of paragraph (1)(A), the applicable dollar limit
20 for any taxable year with respect to eligible gain
21 from 1 or more dispositions by a taxpayer of quali-
22 fied business stock of a corporation is—

23 “(A) if such stock was acquired by the tax-
24 payer on or before the applicable date,
25 \$10,000,000, reduced by the aggregate amount

1 of eligible gain taken into account by the tax-
2 payer under subsection (a) for prior taxable
3 years and attributable to dispositions of stock
4 issued by such corporation and acquired by the
5 taxpayer before, on, or after the applicable
6 date, and

7 “(B) if such stock was acquired by the tax-
8 payer after the applicable date, \$15,000,000,
9 reduced by the sum of—

10 “(i) the aggregate amount of eligible
11 gain taken into account by the taxpayer
12 under subsection (a) for prior taxable
13 years and attributable to dispositions of
14 stock issued by such corporation and ac-
15 quired by the taxpayer before, on, or after
16 the applicable date, plus

17 “(ii) the aggregate amount of eligible
18 gain taken into account by the taxpayer
19 under subsection (a) for the taxable year
20 and attributable to dispositions of stock
21 issued by such corporation and acquired by
22 the taxpayer on or before the applicable
23 date.

24 “(5) INFLATION ADJUSTMENT.—

1 “(A) IN GENERAL.—In the case of any
2 taxable year beginning after 2026, the
3 \$15,000,000 amount in paragraph (4)(B) shall
4 be increased by an amount equal to —

5 “(i) such dollar amount, multiplied by

6 “(ii) the cost-of-living adjustment de-
7 termined under section 1(f)(3) for the cal-
8 endar year in which the taxable year be-
9 gins, determined by substituting ‘calendar
10 year 2025’ for ‘calendar year 2016’ in sub-
11 paragraph (A)(ii) thereof.

12 If any increase under this subparagraph is not
13 a multiple of \$10,000, such increase shall be
14 rounded to the nearest multiple of \$10,000.

15 “(B) NO INCREASE ONCE LIMIT
16 REACHED.—If, for any taxable year, the eligible
17 gain attributable to dispositions of stock issued
18 by a corporation and acquired by the taxpayer
19 after the applicable date exceeds the applicable
20 dollar limit, then notwithstanding any increase
21 under subparagraph (A) for any subsequent
22 taxable year, the applicable dollar limit for such
23 subsequent taxable year shall be zero.”.

24 (3) SEPARATE RETURNS.—Subparagraph (A) of
25 section 1202(b)(3) is amended to read as follows:

1 “(A) SEPARATE RETURNS.—In the case of
2 a separate return by a married individual for
3 any taxable year—

4 “(i) paragraph (4)(A) shall be applied
5 by substituting ‘\$5,000,000’ for
6 ‘\$10,000,000’, and

7 “(ii) paragraph (4)(B) shall be ap-
8 plied by substituting one-half of the dollar
9 amount in effect under such paragraph for
10 the taxable year for the amount so in ef-
11 fect.”.

12 (4) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply to taxable years begin-
14 ning after the date of the enactment of this Act.

15 (c) INCREASE IN LIMIT IN AGGREGATE GROSS AS-
16 SETS.—

17 (1) IN GENERAL.—Subparagraphs (A) and (B)
18 of section 1202(d)(1) are each amended by striking
19 “\$50,000,000” and inserting “\$75,000,000”.

20 (2) INFLATION ADJUSTMENT.—Section 1202(b)
21 is amended by adding at the end the following:

22 “(4) INFLATION ADJUSTMENT.—In the case of
23 any taxable year beginning after 2026, the
24 \$75,000,000 amounts in paragraphs (1)(A) and

1 (1)(B) shall each be increased by an amount equal
2 to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 2025’ for
8 ‘calendar year 2016’ in subparagraph (A)(ii)
9 thereof.

10 If any increase under this paragraph is not a mul-
11 tiple of \$10,000, such increase shall be rounded to
12 the nearest multiple of \$10,000.”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection shall apply to stock issued after
15 the date of the enactment of this Act.

16 **SEC. 70432. REPEAL OF REVISION TO DE MINIMIS RULES**
17 **FOR THIRD PARTY NETWORK TRANS-**
18 **ACTIONS.**

19 (a) REINSTATEMENT OF EXCEPTION FOR DE MINI-
20 MIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF
21 AMERICAN RESCUE PLAN ACT OF 2021.—

22 (1) IN GENERAL.—Section 6050W(e) is amend-
23 ed to read as follows:

24 “(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY
25 THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third

1 party settlement organization shall be required to report
2 any information under subsection (a) with respect to third
3 party network transactions of any participating payee only
4 if—

5 “(1) the amount which would otherwise be re-
6 ported under subsection (a)(2) with respect to such
7 transactions exceeds \$20,000, and

8 “(2) the aggregate number of such transactions
9 exceeds 200.”.

10 (2) EFFECTIVE DATE.—The amendment made
11 by this subsection shall take effect as if included in
12 section 9674 of the American Rescue Plan Act.

13 (b) APPLICATION OF DE MINIMIS RULE FOR THIRD
14 PARTY NETWORK TRANSACTIONS TO BACKUP WITH-
15 HOLDING.—

16 (1) IN GENERAL.—Section 3406(b) is amended
17 by adding at the end the following new paragraph:

18 “(8) OTHER REPORTABLE PAYMENTS INCLUDE
19 PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-
20 WORK TRANSACTIONS ONLY WHERE AGGREGATE
21 TRANSACTIONS EXCEED REPORTING THRESHOLD
22 FOR THE CALENDAR YEAR.—

23 “(A) IN GENERAL.—Any payment in set-
24 tlement of a third party network transaction re-
25 quired to be shown on a return required under

1 section 6050W which is made during any cal-
2 endar year shall be treated as a reportable pay-
3 ment only if—

4 “(i) the aggregate number of trans-
5 actions with respect to the participating
6 payee during such calendar year exceeds
7 the number of transactions specified in
8 section 6050W(e)(2), and

9 “(ii) the aggregate amount of trans-
10 actions with respect to the participating
11 payee during such calendar year exceeds
12 the dollar amount specified in section
13 6050W(e)(1) at the time of such payment.

14 “(B) EXCEPTION IF THIRD PARTY NET-
15 WORK TRANSACTIONS MADE IN PRIOR YEAR
16 WERE REPORTABLE.—Subparagraph (A) shall
17 not apply with respect to payments to any par-
18 ticipating payee during any calendar year if one
19 or more payments in settlement of third party
20 network transactions made by the payor to the
21 participating payee during the preceding cal-
22 endar year were reportable payments.”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to calendar years be-
25 ginning after December 31, 2024.

1 **SEC. 70433. INCREASE IN THRESHOLD FOR REQUIRING IN-**
2 **FORMATION REPORTING WITH RESPECT TO**
3 **CERTAIN PAYEES.**

4 (a) IN GENERAL.—Section 6041(a) is amended by
5 striking “\$600” and inserting “\$2,000”.

6 (b) INFLATION ADJUSTMENT.—Section 6041 is
7 amended by adding at the end the following new sub-
8 section:

9 “(h) INFLATION ADJUSTMENT.—In the case of any
10 calendar year after 2026, the dollar amount in subsection
11 (a) shall be increased by an amount equal to—

12 “(1) such dollar amount, multiplied by

13 “(2) the cost-of-living adjustment determined
14 under section 1(f)(3) for such calendar year, deter-
15 mined by substituting ‘calendar year 2025’ for ‘cal-
16 endar year 2016’ in subparagraph (A)(ii) thereof.

17 If any increase under the preceding sentence is not a mul-
18 tiple of \$100, such increase shall be rounded to the nearest
19 multiple of \$100.”.

20 (c) APPLICATION TO REPORTING ON REMUNERATION
21 FOR SERVICES.—Section 6041A(a)(2) is amended by
22 striking “is \$600 or more” and inserting “equals or ex-
23 ceeds the dollar amount in effect for such calendar year
24 under section 6041(a)”.

25 (d) APPLICATION TO BACKUP WITHHOLDING.—Sec-
26 tion 3406(b)(6) is amended—

1 (1) by striking “\$600” in subparagraph (A)
2 and inserting “the dollar amount in effect for such
3 calendar year under section 6041(a)”, and

4 (2) by striking “ONLY WHERE AGGREGATE
5 FOR CALENDAR YEAR IS \$600 OR MORE” in the
6 heading and inserting “ONLY WHERE IN EXCESS OF
7 THRESHOLD”.

8 (e) CONFORMING AMENDMENTS.—

9 (1) The heading of section 6041(a) is amended
10 by striking “OF \$600 OR MORE” and inserting “EX-
11 CEEDING THRESHOLD”.

12 (2) Section 6041(a) is amended by striking
13 “taxable year” and inserting “calendar year”.

14 (f) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to payments made
16 after December 31, 2025.

17 **SEC. 70434. TREATMENT OF CERTAIN QUALIFIED SOUND**
18 **RECORDING PRODUCTIONS.**

19 (a) ELECTION TO TREAT COSTS AS EXPENSES.—
20 Section 181(a)(1) is amended by striking “qualified film
21 or television production, and any qualified live theatrical
22 production,” and inserting “qualified film or television
23 production, any qualified live theatrical production, and
24 any qualified sound recording production”.

1 (b) DOLLAR LIMITATION.—Section 181(a)(2) is
2 amended by adding at the end the following new subpara-
3 graph:

4 “(C) QUALIFIED SOUND RECORDING PRO-
5 Duction.—Paragraph (1) shall not apply to so
6 much of the aggregate cost of any qualified
7 sound recording production, or to so much of
8 the aggregate, cumulative cost of all such quali-
9 fied sound recording productions in the taxable
10 year, as exceeds \$150,000.”.

11 (c) NO OTHER DEDUCTION OR AMORTIZATION DE-
12 Duction ALLOWABLE.—Section 181(b) is amended by
13 striking “qualified film or television production or any
14 qualified live theatrical production” and inserting “quali-
15 fied film or television production, any qualified live theat-
16 rical production, or any qualified sound recording produc-
17 tion”.

18 (d) ELECTION.—Section 181(c)(1) is amended by
19 striking “qualified film or television production or any
20 qualified live theatrical production” and inserting “quali-
21 fied film or television production, any qualified live theat-
22 rical production, or any qualified sound recording produc-
23 tion”.

24 (e) QUALIFIED SOUND RECORDING PRODUCTION
25 DEFINED.—Section 181 is amended by redesignating sub-

1 sections (f) and (g) as subsections (g) and (h), respec-
2 tively, and by inserting after subsection (e) the following
3 new subsection:

4 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—
5 For purposes of this section, the term ‘qualified sound re-
6 cording production’ means a sound recording (as defined
7 in section 101 of title 17, United States Code) produced
8 and recorded in the United States.”.

9 (f) APPLICATION OF TERMINATION.—Section 181(h),
10 as redesignated by subsection (e), is amended by striking
11 “qualified film and television productions or qualified live
12 theatrical productions” and inserting “qualified film and
13 television productions, qualified live theatrical produc-
14 tions, or qualified sound recording productions”.

15 (g) BONUS DEPRECIATION.—

16 (1) QUALIFIED SOUND RECORDING PRODUC-
17 TION AS QUALIFIED PROPERTY.—Section
18 168(k)(2)(A)(i) is amended—

19 (A) by striking “or” at the end of sub-
20 clause (IV), by inserting “or” at the end of sub-
21 clause (V), and by inserting after subclause (V)
22 the following:

23 “(VI) which is a qualified sound
24 recording production (as defined in
25 subsection (f) of section 181) for

1 which a deduction would have been al-
2 lowable under section 181 without re-
3 gard to subsections (a)(2) and (h) of
4 such section or this subsection, and”,
5 and

6 (B) in subclauses (IV) and (V) (as so
7 amended) by striking “without regard to sub-
8 sections (a)(2) and (g)” both places it appears
9 and inserting “without regard to subsections
10 (a)(2) and (h)”.

11 (2) PRODUCTION PLACED IN SERVICE.—Section
12 168(k)(2)(H) is amended by striking “and” at the
13 end of clause (i), by striking the period at the end
14 of clause (ii) and inserting “, and”, and by adding
15 after clause (ii) the following:

16 “(iii) a qualified sound recording pro-
17 duction shall be considered to be placed in
18 service at the time of initial release or
19 broadcast.”.

20 (h) CONFORMING AMENDMENTS.—

21 (1) The heading for section 181 is amended to
22 read as follows: “**TREATMENT OF CERTAIN**
23 **QUALIFIED PRODUCTIONS.**”.

24 (2) The table of sections for part VI of sub-
25 chapter B of chapter 1 is amended by striking the

1 item relating to section 181 and inserting the fol-
2 lowing new item:

“Sec. 181. Treatment of certain qualified productions.”.

3 (i) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to productions commencing in tax-
5 able years ending after the date of the enactment of this
6 Act.

7 **SEC. 70435. EXCLUSION OF INTEREST ON LOANS SECURED**
8 **BY RURAL OR AGRICULTURAL REAL PROP-**
9 **ERTY.**

10 (a) **IN GENERAL.**—Part III of subchapter B of chap-
11 ter 1, as amended by the preceding provisions of this Act,
12 is amended by inserting after section 139K the following
13 new section:

14 **“SEC. 139L. INTEREST ON LOANS SECURED BY RURAL OR**
15 **AGRICULTURAL REAL PROPERTY.**

16 “(a) **IN GENERAL.**—Gross income shall not include
17 25 percent of the interest received by a qualified lender
18 on any qualified real estate loan.

19 “(b) **QUALIFIED LENDER.**—For purposes of this sec-
20 tion, the term ‘qualified lender’ means—

21 “(1) any bank or savings association the depos-
22 its of which are insured under the Federal Deposit
23 Insurance Act (12 U.S.C. 1811 et seq.),

24 “(2) any State- or federally-regulated insurance
25 company,

1 “(3) any entity wholly owned, directly or indi-
2 rectly, by a company that is treated as a bank hold-
3 ing company for purposes of section 8 of the Inter-
4 national Banking Act of 1978 (12 U.S.C. 3106) if—

5 “(A) such entity is organized, incor-
6 porated, or established under the laws of the
7 United States or any State, and

8 “(B) the principal place of business of
9 such entity is in the United States (including
10 any territory of the United States),

11 “(4) any entity wholly owned, directly or indi-
12 rectly, by a company that is considered an insurance
13 holding company under the laws of any State if such
14 entity satisfies the requirements described in sub-
15 paragraphs (A) and (B) of paragraph (3), and

16 “(5) with respect to interest received on a quali-
17 fied real estate loan secured by real estate described
18 in subsection (c)(3)(A), any federally chartered in-
19 strumentality of the United States established under
20 section 8.1(a) of the Farm Credit Act of 1971 (12
21 U.S.C. 2279aa-1(a)).

22 “(c) QUALIFIED REAL ESTATE LOAN.—For purposes
23 of this section—

24 “(1) IN GENERAL.—The term ‘qualified real es-
25 tate loan’ means any loan—

1 “(A) secured by—

2 “(i) rural or agricultural real estate,

3 or

4 “(ii) a leasehold mortgage (with a sta-
5 tus as a lien) on rural or agricultural real
6 estate,

7 “(B) made to a person other than a speci-
8 fied foreign entity (as defined in section
9 7701(a)(51)), and

10 “(C) made after the date of the enactment
11 of this section.

12 For purposes of the preceding sentence, the deter-
13 mination of whether property securing such loan is
14 rural or agricultural real estate shall be made as of
15 the time the interest income on such loan is accrued.

16 “(2) REFINANCINGS.—For purposes of sub-
17 paragraphs (A) and (C) of paragraph (1), a loan
18 shall not be treated as made after the date of the
19 enactment of this section to the extent that the pro-
20 ceeds of such loan are used to refinance a loan
21 which was made on or before the date of the enact-
22 ment of this section (or, in the case of any series of
23 refinancings, the original loan was made on or be-
24 fore such date).

1 “(3) RURAL OR AGRICULTURAL REAL ES-
2 TATE.—The term ‘rural or agricultural real estate’
3 means—

4 “(A) any real property which is substan-
5 tially used for the production of one or more
6 agricultural products,

7 “(B) any real property which is substan-
8 tially used in the trade or business of fishing or
9 seafood processing, and

10 “(C) any aquaculture facility.

11 Such term shall not include any property which is
12 not located in a State or a possession of the United
13 States.

14 “(4) AQUACULTURE FACILITY.—The term
15 ‘aquaculture facility’ means any land, structure, or
16 other appurtenance that is used for aquaculture (in-
17 cluding any hatchery, rearing pond, raceway, pen, or
18 incubator).

19 “(d) COORDINATION WITH SECTION 265.—25 per-
20 cent of any qualified real estate loan shall be treated as
21 an obligation described in section 265(a)(2) the interest
22 on which is wholly exempt from the taxes imposed by this
23 subtitle.”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 for part III of subchapter B of chapter 1, as amended

1 by the preceding provisions of this Act, is amended by in-
2 serting after the item relating to section 139K the fol-
3 lowing new item:

“Sec. 139L. Interest on loans secured by rural or agricultural real property.”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years ending after the
6 date of the enactment of this Act.

7 **SEC. 70436. REDUCTION OF TRANSFER AND MANUFAC-**
8 **TURING TAXES FOR CERTAIN DEVICES.**

9 (a) TRANSFER TAX.—Section 5811(a) is amended to
10 read as follows:

11 “(a) RATE.—There shall be levied, collected, and paid
12 on firearms transferred a tax at the rate of—

13 “(1) \$200 for each firearm transferred in the
14 case of a machinegun or a destructive device, and

15 “(2) \$0 for any firearm transferred which is
16 not described in paragraph (1).”.

17 (b) MAKING TAX.—Section 5821(a) is amended to
18 read as follows:

19 “(a) RATE.—There shall be levied, collected, and paid
20 upon the making of a firearm a tax at the rate of—

21 “(1) \$200 for each firearm made in the case of
22 a machinegun or a destructive device, and

23 “(2) \$0 for any firearm made which is not de-
24 scribed in paragraph (1).”.

1 (c) CONFORMING AMENDMENT.—Section 4182(a) is
2 amended by adding at the end the following: “For pur-
3 poses of the preceding sentence, any firearm described in
4 section 5811(a)(2) shall be deemed to be a firearm on
5 which the tax provided by section 5811 has been paid.”

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to calendar quarters beginning
8 more than 90 days after the date of the enactment of this
9 Act.

10 **SEC. 70437. TREATMENT OF CAPITAL GAINS FROM THE**
11 **SALE OF CERTAIN FARMLAND PROPERTY.**

12 (a) IN GENERAL.—Part IV of subchapter O of chap-
13 ter 1 is amended by redesignating section 1062 as section
14 1063 and by inserting after section 1061 the following new
15 section:

16 **“SEC. 1062. GAIN FROM THE SALE OR EXCHANGE OF QUALI-**
17 **FIED FARMLAND PROPERTY TO QUALIFIED**
18 **FARMERS.**

19 “(a) ELECTION TO PAY TAX IN INSTALLMENTS.—
20 In the case of gain from the sale or exchange of qualified
21 farmland property to a qualified farmer, at the election
22 of the taxpayer, the portion of the net income tax of such
23 taxpayer for the taxable year of the sale or exchange which
24 is equal to the applicable net tax liability shall be paid
25 in 4 equal installments.

1 “(b) RULES RELATING TO INSTALLMENT PAY-
2 MENTS.—

3 “(1) DATE FOR PAYMENT OF INSTALLMENTS.—

4 If an election is made under subsection (a), the first
5 installment shall be paid on the due date (deter-
6 mined without regard to any extension of time for
7 filing the return) for the return of tax for the tax-
8 able year in which the sale or exchange occurs and
9 each succeeding installment shall be paid on the due
10 date (as so determined) for the return of tax for the
11 taxable year following the taxable year with respect
12 to which the preceding installment was made.

13 “(2) ACCELERATION OF PAYMENT.—

14 “(A) IN GENERAL.—If there is an addition
15 to tax for failure to timely pay any installment
16 required under this section, then the unpaid
17 portion of all remaining installments shall be
18 due on the date of such failure.

19 “(B) INDIVIDUALS.—In the case of an in-
20 dividual, if the individual dies, then the unpaid
21 portion of all remaining installment shall be
22 paid on the due date for the return of tax for
23 the taxable year in which the taxpayer dies.

24 “(C) C CORPORATIONS.—In the case of a
25 taxpayer which is a C corporation, trust, or es-

1 tate, if there is a liquidation or sale of substan-
2 tially all the assets of the taxpayer (including in
3 a title 11 or similar case), a cessation of busi-
4 ness by the taxpayer (in the case of a C cor-
5 poration), or any similar circumstance, then the
6 unpaid portion of all remaining installments
7 shall be due on the date of such event (or in the
8 case of a title 11 or similar case, the day before
9 the petition is filed). The preceding sentence
10 shall not apply to the sale of substantially all
11 the assets of a taxpayer to a buyer if such
12 buyer enters into an agreement with the Sec-
13 retary under which such buyer is liable for the
14 remaining installments due under this sub-
15 section in the same manner as if such buyer
16 were the taxpayer.

17 “(3) PRORATION OF DEFICIENCY TO INSTALL-
18 MENTS.—If an election is made under subsection (a)
19 to pay the applicable net tax liability in installments
20 and a deficiency has been assessed with respect to
21 such applicable net tax liability, the deficiency shall
22 be prorated to the installments payable under sub-
23 section (a). The part of the deficiency so prorated to
24 any installment the date for payment of which has
25 not arrived shall be collected at the same time as,

1 and as a part of, such installment. The part of the
2 deficiency so prorated to any installment the date
3 for payment of which has arrived shall be paid upon
4 notice and demand from the Secretary. This section
5 shall not apply if the deficiency is due to negligence,
6 to intentional disregard of rules and regulations, or
7 to fraud with intent to evade tax.

8 “(c) ELECTION.—

9 “(1) IN GENERAL.—Any election under sub-
10 section (a) shall be made not later than the due date
11 for the return of tax for the taxable year described
12 in subsection (a).

13 “(2) PARTNERSHIPS AND S CORPORATIONS.—In
14 the case of a sale or exchange described in sub-
15 section (a) by a partnership or S corporation, the
16 election under subsection (a) shall be made at the
17 partner or shareholder level. The Secretary may pre-
18 scribe such regulations or other guidance as nec-
19 essary to carry out the purposes of this paragraph.

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

21 “(1) APPLICABLE NET TAX LIABILITY.—

22 “(A) IN GENERAL.—The applicable net tax
23 liability with respect to the sale or exchange of
24 any property described in subsection (a) is the
25 excess (if any) of—

1 “(i) such taxpayer’s net income tax
2 for the taxable year, over

3 “(ii) such taxpayer’s net income tax
4 for such taxable year determined without
5 regard to any gain recognized from the
6 sale or exchange of such property.

7 “(B) NET INCOME TAX.—The term ‘net
8 income tax’ means the regular tax liability re-
9 duced by the credits allowed under subparts A,
10 B, and D of part IV of subchapter A.

11 “(2) QUALIFIED FARMLAND PROPERTY.—

12 “(A) IN GENERAL.—The term ‘qualified
13 farmland property’ means real property located
14 in the United States—

15 “(i) which—

16 “(I) has been used by the tax-
17 payer as a farm for farming purposes,
18 or

19 “(II) leased by the taxpayer to a
20 qualified farmer for farming purposes,
21 during substantially all of the 10-year pe-
22 riod ending on the date of the qualified
23 sale or exchange, and

24 “(ii) which is subject to a covenant or
25 other legally enforceable restriction which

1 prohibits the use of such property other
2 than as a farm for farming purposes for
3 any period before the date that is 10 years
4 after the date of the sale or exchange de-
5 scribed in subsection (a).

6 For purposes of clause (i), property which is
7 used or leased by a partnership or S corpora-
8 tion in a manner described in such clause shall
9 be treated as used or leased in such manner by
10 each person who holds a direct or indirect inter-
11 est in such partnership or S corporation.

12 “(B) FARM; FARMING PURPOSES.—The
13 terms ‘farm’ and ‘farming purposes’ have the
14 respective meanings given such terms under
15 section 2032A(e).

16 “(3) QUALIFIED FARMER.—The term ‘qualified
17 farmer’ means any individual who is actively en-
18 gaged in farming (within the meaning of subsections
19 (b) and (c) of section 1001 of the Food Security Act
20 of 1986 (7 U.S.C. 1308–1(b) and (c))).

21 “(e) RETURN REQUIREMENT.—A taxpayer making
22 an election under subsection (a) shall include with the re-
23 turn for the taxable year of the sale or exchange described
24 in subsection (a) a copy of the covenant or other legally

1 enforceable restriction described in subsection
2 (d)(2)(A)(ii).”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for part IV of subchapter O of chapter 1 is amended by
5 redesignating the item relating to section 1062 as relating
6 to section 1063 and by inserting after the item relating
7 to section 1061 the following new item:

“Sec. 1062. Gain from the sale or exchange of qualified farmland property to
qualified farmers.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to sales or exchanges in taxable
10 years beginning after the date of the enactment of this
11 Act.

12 **SEC. 70438. EXTENSION OF RULES FOR TREATMENT OF**
13 **CERTAIN DISASTER-RELATED PERSONAL**
14 **CASUALTY LOSSES.**

15 For purposes of applying section 304(b) of the Tax-
16 payer Certainty and Disaster Tax Relief Act of 2020 (divi-
17 sion EE of Public Law 116–260), section 301 of such Act
18 shall be applied by substituting the date of the enactment
19 of this section for “the date of the enactment of this Act”
20 each place it appears.

1 **CHAPTER 5—ENDING GREEN NEW DEAL**
2 **SPENDING, PROMOTING AMERICA-**
3 **FIRST ENERGY, AND OTHER REFORMS**
4 **Subchapter A—Termination of Green New**
5 **Deal Subsidies**

6 **SEC. 70501. TERMINATION OF PREVIOUSLY-OWNED CLEAN**
7 **VEHICLE CREDIT.**

8 Section 25E(g) is amended by striking “December
9 31, 2032” and inserting “September 30, 2025”.

10 **SEC. 70502. TERMINATION OF CLEAN VEHICLE CREDIT.**

11 (a) IN GENERAL.—Section 30D(h) is amended by
12 striking “placed in service after December 31, 2032” and
13 inserting “acquired after September 30, 2025”.

14 (b) CONFORMING AMENDMENTS.—Section 30D(e) is
15 amended—

16 (1) in paragraph (1)(B)—

17 (A) in clause (iii), by inserting “and” after
18 the comma at the end,

19 (B) in clause (iv), by striking “, and” and
20 inserting a period, and

21 (C) by striking clause (v), and

22 (2) in paragraph (2)(B)—

23 (A) in clause (ii), by inserting “and” after
24 the comma at the end,

1 (B) in clause (iii), by striking the comma
2 at the end and inserting a period, and

3 (C) by striking clauses (iv) through (vi).

4 **SEC. 70503. TERMINATION OF QUALIFIED COMMERCIAL**
5 **CLEAN VEHICLES CREDIT.**

6 Section 45W(g) is amended by striking “December
7 31, 2032” and inserting “September 30, 2025”.

8 **SEC. 70504. TERMINATION OF ALTERNATIVE FUEL VEHICLE**
9 **REFUELING PROPERTY CREDIT.**

10 Section 30C(i) is amended by striking “December 31,
11 2032” and inserting “June 30, 2026”.

12 **SEC. 70505. TERMINATION OF ENERGY EFFICIENT HOME**
13 **IMPROVEMENT CREDIT.**

14 (a) IN GENERAL.—Section 25C(h) is amended by
15 striking “placed in service” and all that follows through
16 “December 31, 2032” and inserting “placed in service
17 after December 31, 2025”.

18 (b) CONFORMING AMENDMENT.—Section
19 25C(d)(2)(C) is amended to read as follows:

20 “(C) Any oil furnace or hot water boiler
21 which—

22 “(i) meets or exceeds 2021 Energy
23 Star efficiency criteria, and

24 “(ii) is rated by the manufacturer for
25 use with fuel blends at least 20 percent of

1 the volume of which consists of an eligible
2 fuel.”.

3 **SEC. 70506. TERMINATION OF RESIDENTIAL CLEAN EN-**
4 **ERGY CREDIT.**

5 (a) IN GENERAL.—Section 25D(h) is amended by
6 striking “to property placed in service after December 31,
7 2034” and inserting “with respect to any expenditures
8 made after December 31, 2025”.

9 (b) CONFORMING AMENDMENTS.—Section 25D(g) is
10 amended—

11 (1) in paragraph (2), by inserting “and” after
12 the comma at the end,

13 (2) in paragraph (3), by striking “ and before
14 January 1, 2033, 30 percent,” and inserting “30
15 percent.”, and

16 (3) by striking paragraphs (4) and (5).

17 **SEC. 70507. TERMINATION OF ENERGY EFFICIENT COM-**
18 **MERCIAL BUILDINGS DEDUCTION.**

19 Section 179D is amended by adding at the end the
20 following new subsection:

21 “(i) TERMINATION.—This section shall not apply
22 with respect to property the construction of which begins
23 after June 30, 2026.”.

1 **SEC. 70508. TERMINATION OF NEW ENERGY EFFICIENT**
2 **HOME CREDIT.**

3 Section 45L(h) is amended by striking “December
4 31, 2032” and inserting “June 30, 2026”.

5 **SEC. 70509. TERMINATION OF COST RECOVERY FOR EN-**
6 **ERGY PROPERTY AND QUALIFIED CLEAN EN-**
7 **ERGY FACILITIES, PROPERTY, AND TECH-**
8 **NOLOGY.**

9 (a) **ENERGY PROPERTY.**—Section 168(e)(3)(B)(vi),
10 as amended by section 13703 of Public Law 117–169, is
11 amended—

12 (1) by striking subclause (I), and

13 (2) by redesignating subclauses (II) and (III)
14 as subclauses (I) and (II), respectively.

15 (b) **QUALIFIED CLEAN ENERGY FACILITIES, PROP-**
16 **ERTY, AND TECHNOLOGY.**—Section 168(e)(3)(B), as
17 amended by section 13703 of Public Law 117–169 and
18 by subsection (a), is amended—

19 (1) in clause (vi)(II), by adding “and” at the
20 end,

21 (2) in clause (vii), by striking “, and” and in-
22 serting a period, and

23 (3) by striking clause (viii).

24 (c) **EFFECTIVE DATES.**—

25 (1) **ENERGY PROPERTY.**—The amendments
26 made by subsection (a) shall apply to property the

1 construction of which begins after December 31,
2 2024.

3 (2) QUALIFIED CLEAN ENERGY FACILITIES,
4 PROPERTY, AND TECHNOLOGY.—The amendments
5 made by subsection (b) shall apply to property
6 placed in service after the date of enactment of this
7 Act.

8 **SEC. 70510. MODIFICATIONS OF ZERO-EMISSION NUCLEAR**
9 **POWER PRODUCTION CREDIT.**

10 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-
11 EIGN ENTITIES.—Section 45U(c) is amended by adding
12 at the end the following new paragraph:

13 “(3) RESTRICTIONS RELATING TO PROHIBITED
14 FOREIGN ENTITIES.—

15 “(A) IN GENERAL.—No credit shall be de-
16 termined under subsection (a) for any taxable
17 year beginning after the date of enactment of
18 this paragraph if the taxpayer is a specified for-
19 eign entity (as defined in section
20 7701(a)(51)(B)).

21 “(B) OTHER PROHIBITED FOREIGN ENTI-
22 TIES.—No credit shall be determined under
23 subsection (a) for any taxable year beginning
24 after the date which is 2 years after the date
25 of enactment of this paragraph if the taxpayer

1 is a foreign-influenced entity (as defined in sec-
2 tion 7701(a)(51)(D), without regard to clause
3 (i)(II) thereof).”.

4 (b) PROHIBITION WITH RESPECT TO NUCLEAR
5 POWER FACILITIES USING NUCLEAR FUEL PRODUCED IN
6 COVERED NATIONS OR BY COVERED ENTITIES.—Section
7 45U, as amended by subsection (a) of this section, is
8 amended—

9 (1) in subsection (b)(1)—

10 (A) by redesignating subparagraphs (B)
11 and (C) as subparagraphs (C) and (D), respec-
12 tively, and

13 (B) by inserting after subparagraph (A)
14 the following new subparagraph:

15 “(B) which satisfies the requirements de-
16 scribed in subsection (c)(4),”, and

17 (2) in subsection (c), by adding at the end the
18 following new paragraph:

19 “(4) RESTRICTIONS RELATING TO USE OF CER-
20 TAIN IMPORTED NUCLEAR FUEL.—

21 “(A) IN GENERAL.—For any taxable year,
22 the requirements described in this paragraph
23 with respect to any nuclear facility are that—

1 “(i) with respect to any nuclear fuel
2 used by such facility during such taxable
3 year, such fuel was not—

4 “(I) produced in a covered nation
5 or by a covered entity,

6 “(II) exchanged with, traded for,
7 or substituted for nuclear fuel de-
8 scribed in subclause (I), or

9 “(III) otherwise obtained in lieu
10 of nuclear fuel described in subclause
11 (I) in a manner which is designed to
12 circumvent the purposes of this para-
13 graph, and

14 “(ii) the taxpayer shall certify to the
15 Secretary (at such time and in such form
16 and manner as the Secretary may pre-
17 scribe) that any fuel used by such facility
18 during such taxable year complies with the
19 requirements described in clause (i).

20 “(B) EXCEPTION.—The requirements de-
21 scribed in subparagraph (A) shall not apply
22 with respect to any nuclear fuel which was ac-
23 quired by the taxpayer pursuant to a binding
24 written contract in effect before January 1,

1 2023, and which was not modified in any mate-
2 rial respect on or after such date.

3 “(C) OTHER DEFINITIONS.—In this para-
4 graph—

5 “(i) COVERED ENTITY.—The term
6 ‘covered entity’ means an entity organized
7 under the laws of, or otherwise subject to
8 the jurisdiction of, the government of a
9 covered nation.

10 “(ii) COVERED NATION.—The term
11 ‘covered nation’ has the same meaning
12 given such term under section 4872(f) of
13 title 10, United States Code.”.

14 (c) EFFECTIVE DATES.—

15 (1) RESTRICTIONS RELATING TO PROHIBITED
16 FOREIGN ENTITIES.—The amendments made by
17 subsection (a) shall apply to taxable years beginning
18 after the date of enactment of this Act.

19 (2) RESTRICTIONS RELATING TO USE OF CER-
20 TAIN IMPORTED NUCLEAR FUEL.—The amendments
21 made by subsection (b) shall apply to taxable years
22 beginning after December 31, 2027.

1 **SEC. 70511. TERMINATION OF CLEAN HYDROGEN PRODUC-**
2 **TION CREDIT.**

3 Section 45V(c)(3)(C) is amended by striking “Janu-
4 ary 1, 2033” and inserting “January 1, 2028”.

5 **SEC. 70512. TERMINATION AND RESTRICTIONS ON CLEAN**
6 **ELECTRICITY PRODUCTION CREDIT.**

7 (a) TERMINATION FOR WIND AND SOLAR FACILI-
8 TIES.—Section 45Y(d) is amended—

9 (1) in paragraph (1), by striking “The amount
10 of” and inserting “Subject to paragraph (4), the
11 amount of”, and

12 (2) by striking paragraph (3) and inserting the
13 following new paragraphs:

14 “(3) APPLICABLE YEAR.—For purposes of this
15 subsection, the term ‘applicable year’ means cal-
16 endar year 2032.

17 “(4) TERMINATION FOR WIND AND SOLAR FA-
18 CILITIES.—

19 “(A) IN GENERAL.—This section shall not
20 apply with respect to any applicable facility
21 placed in service after December 31, 2027.

22 “(B) APPLICABLE FACILITY.—For pur-
23 poses of this paragraph, the term ‘applicable fa-
24 cility’ means a qualified facility which—

25 “(i) uses wind to produce electricity
26 (within the meaning of such term as used

1 in section 45(d)(1), as determined without
2 regard to any requirement under such sec-
3 tion with respect to the date on which con-
4 struction of property begins), or

5 “(ii) uses solar energy to produce elec-
6 tricity (within the meaning of such term as
7 used in section 45(d)(4), as determined
8 without regard to any requirement under
9 such section with respect to the date on
10 which construction of property begins).”.

11 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
12 EIGN ENTITIES.—Section 45Y is amended—

13 (1) in subsection (b)(1), by adding at the end
14 the following new subparagraph:

15 “(E) MATERIAL ASSISTANCE FROM PRO-
16 HIBITED FOREIGN ENTITIES.—The term ‘quali-
17 fied facility’ shall not include any facility for
18 which construction begins after December 31,
19 2025 (or, in the case of an applicable facility,
20 as defined in subsection (d)(4)(B), after June
21 16, 2025), if the construction of such facility
22 includes any material assistance from a prohib-
23 ited foreign entity (as defined in section
24 7701(a)(52)).”, and

1 (2) in subsection (g), by adding at the end the
2 following new paragraph:

3 “(13) RESTRICTIONS RELATING TO PROHIB-
4 ITED FOREIGN ENTITIES.—

5 “(A) IN GENERAL.—No credit shall be de-
6 termined under subsection (a) for any taxable
7 year if the taxpayer is—

8 “(i) a specified foreign entity (as de-
9 fined in section 7701(a)(51)(B)), or

10 “(ii) a foreign-influenced entity (as
11 defined in section 7701(a)(51)(D), without
12 regard to clause (i)(II) thereof).

13 “(B) EFFECTIVE CONTROL.—In the case
14 of a taxpayer for which section
15 7701(a)(51)(D)(i)(II) is determined to apply
16 for any taxable year, no credit shall be deter-
17 mined under subsection (a) for such taxable
18 year if such determination relates to a qualified
19 facility described in subsection (b)(1).”.

20 (c) DEFINITIONS RELATING TO PROHIBITED FOR-
21 EIGN ENTITIES.—Section 7701(a) is amended by adding
22 at the end the following new paragraphs:

23 “(51) PROHIBITED FOREIGN ENTITY.—

24 “(A) IN GENERAL.—

1 “(i) DEFINITION.—The term ‘prohib-
2 ited foreign entity’ means a specified for-
3 eign entity or a foreign-influenced entity.

4 “(ii) DETERMINATION.—

5 “(I) IN GENERAL.—Subject to
6 subclause (II), for any taxable year,
7 the determination as to whether an
8 entity is a specified foreign entity or
9 foreign-influenced entity shall be
10 made as of the last day of such tax-
11 able year.

12 “(II) INITIAL TAXABLE YEAR.—
13 For purposes of the first taxable year
14 beginning after the date of enactment
15 of this paragraph, the determination
16 as to whether an entity is a specified
17 foreign entity described in clauses (i)
18 through (iv) of subparagraph (B)
19 shall be made as of the first day of
20 such taxable year.

21 “(B) SPECIFIED FOREIGN ENTITY.—For
22 purposes of this paragraph, the term ‘specified
23 foreign entity’ means—

24 “(i) a foreign entity of concern de-
25 scribed in subparagraph (A), (B), (D), or

1 (E) of section 9901(8) of the William M.
2 (Mac) Thornberry National Defense Au-
3 thorization Act for Fiscal Year 2021 (Pub-
4 lic Law 116–283; 15 U.S.C. 4651),

5 “(ii) an entity identified as a Chinese
6 military company operating in the United
7 States in accordance with section 1260H
8 of the William M. (Mac) Thornberry Na-
9 tional Defense Authorization Act for Fiscal
10 Year 2021 (Public Law 116–283; 10
11 U.S.C. 113 note),

12 “(iii) an entity included on a list re-
13 quired by clause (i), (ii), (iv), or (v) of sec-
14 tion 2(d)(2)(B) of Public Law 117–78
15 (135 Stat. 1527),

16 “(iv) an entity specified under section
17 154(b) of the National Defense Authoriza-
18 tion Act for Fiscal Year 2024 (Public Law
19 118–31; 10 U.S.C. note prec. 4651), or

20 “(v) a foreign-controlled entity.

21 “(C) FOREIGN-CONTROLLED ENTITY.—For
22 purposes of subparagraph (B), the term ‘for-
23 eign-controlled entity’ means—

1 “(i) the government (including any
2 level of government below the national
3 level) of a covered nation,

4 “(ii) an agency or instrumentality of a
5 government described in clause (i),

6 “(iii) a person who is a citizen or na-
7 tional of a covered nation, provided that
8 such person is not an individual who is a
9 citizen, national, or lawful permanent resi-
10 dent of the United States,

11 “(iv) an entity or a qualified business
12 unit (as defined in section 989(a)) incor-
13 porated or organized under the laws of, or
14 having its principal place of business in, a
15 covered nation, or

16 “(v) an entity (including subsidiary
17 entities) controlled (as determined under
18 subparagraph (G)) by an entity described
19 in clause (i), (ii), (iii), or (iv).

20 “(D) FOREIGN-INFLUENCED ENTITY.—

21 “(i) IN GENERAL.—For purposes of
22 subparagraph (A), the term ‘foreign-influ-
23 enced entity’ means an entity—

24 “(I) with respect to which, dur-
25 ing the taxable year—

1 “(aa) a specified foreign en-
2 tity has the direct authority to
3 appoint a covered officer of such
4 entity,

5 “(bb) a single specified for-
6 eign entity owns at least 25 per-
7 cent of such entity,

8 “(cc) one or more specified
9 foreign entities own in the aggre-
10 gate at least 40 percent of such
11 entity, or

12 “(dd) at least 15 percent of
13 the debt of such entity has been
14 issued, in the aggregate, to 1 or
15 more specified foreign entities, or

16 “(II) which, during the previous
17 taxable year, made a payment to a
18 specified foreign entity pursuant to a
19 contract, agreement, or other arrange-
20 ment which entitles such specified for-
21 eign entity (or an entity related to
22 such specified foreign entity) to exer-
23 cise effective control over—

24 “(aa) any qualified facility
25 or energy storage technology of

514

1 the taxpayer (or any person re-
2 lated to the taxpayer), or

3 “(bb) with respect to any el-
4 igible component produced by the
5 taxpayer (or any person related
6 to the taxpayer)—

7 “(AA) the extraction,
8 processing, or recycling of
9 any applicable critical min-
10 eral, or

11 “(BB) the production
12 of an eligible component
13 which is not an applicable
14 critical mineral.

15 “(ii) EFFECTIVE CONTROL.—

16 “(I) IN GENERAL.—

17 “(aa) GENERAL RULE.—

18 Subject to subclause (II), for
19 purposes of clause (i)(II), the
20 term ‘effective control’ means 1
21 or more agreements or arrange-
22 ments similar to those described
23 in subclauses (II) and (III) which
24 provide 1 or more contractual
25 counterparties of a taxpayer with

specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage which are not included in the measures of control through authority, ownership, or debt held which are described in clause (i)(I).

“(bb) GUIDANCE.—The Secretary shall issue such guidance as is necessary to carry out the purposes of this clause, including the establishment of rules to prevent entities from evading, circumventing, or abusing the application of the restrictions described subparagraph (C) and subclauses (II) and (III) of this clause through a contract, agreement, or other arrangement.

“(II) APPLICATION OF RULES PRIOR TO ISSUANCE OF GUIDANCE.—During any period prior to the date that the guidance described in sub-

1 clause (I)(bb) is issued by the Sec-
2 retary, for purposes of clause (i)(II),
3 the term ‘effective control’ means the
4 unrestricted contractual right of a
5 contractual counterparty to—

6 “(aa) determine the quantity
7 or timing of production of an eli-
8 gible component produced by the
9 taxpayer,

10 “(bb) determine the amount
11 or timing of activities related to
12 the production of electricity un-
13 dertaken at a qualified facility of
14 the taxpayer or the storage of
15 electrical energy in energy stor-
16 age technology of the taxpayer,

17 “(cc) determine which entity
18 may purchase or use the output
19 of a production unit of the tax-
20 payer that produces eligible com-
21 ponents,

22 “(dd) determine which entity
23 may purchase or use the output
24 of a qualified facility of the tax-
25 payer,

1 “(ee) restrict access to data
2 critical to production or storage
3 of energy undertaken at a quali-
4 fied facility of the taxpayer, or to
5 the site of production or any part
6 of a qualified facility or energy
7 storage technology of the tax-
8 payer, to the personnel or agents
9 of such contractual counterparty,
10 or

11 “(ff) on an exclusive basis,
12 maintain, repair, or operate any
13 plant or equipment which is nec-
14 essary to the production by the
15 taxpayer of eligible components
16 or electricity.

17 “(III) LICENSING AND OTHER
18 AGREEMENTS.—

19 “(aa) IN GENERAL.—In ad-
20 dition to subclause (II), for pur-
21 poses of clause (i)(II), the term
22 ‘effective control’ means, with re-
23 spect to a licensing agreement for
24 the provision of intellectual prop-
25 erty or any other contract, agree-

1 ment, or other arrangement en-
2 tered into with a contractual
3 counterparty which is related to
4 such licensing agreement and to
5 a qualified facility, energy stor-
6 age technology, or the production
7 of an eligible component, any of
8 the following:

9 “(AA) A contractual
10 right retained by the con-
11 tractual counterparty to
12 specify or otherwise direct 1
13 or more sources of compo-
14 nents, subcomponents, or
15 applicable critical minerals
16 utilized in a qualified facil-
17 ity, energy storage tech-
18 nology, or in the production
19 of an eligible component.

20 “(BB) A contractual
21 right retained by the con-
22 tractual counterparty to di-
23 rect the operation of any
24 qualified facility, any energy
25 storage technology, or any

1 production unit that pro-
2 duces an eligible component.

3 “(CC) A contractual
4 right retained by the con-
5 tractual counterparty to
6 limit the taxpayer’s utiliza-
7 tion of intellectual property
8 related to the operation of a
9 qualified facility or energy
10 storage technology, or in the
11 production of an eligible
12 component.

13 “(DD) A contractual
14 right retained by the con-
15 tractual counterparty to re-
16 ceive royalties under the li-
17 censing agreement or any
18 similar agreement (or pay-
19 ments under any related
20 agreement) beyond the 10th
21 year of the agreement (in-
22 cluding modifications or ex-
23 tensions thereof).

24 “(EE) A contractual
25 right retained by the con-

1 tractual counterparty to di-
2 rect or otherwise require the
3 taxpayer to enter into an
4 agreement for the provision
5 of services for a duration
6 longer than 2 years (includ-
7 ing any modifications or ex-
8 tensions thereof).

9 “(FF) Such contract,
10 agreement, or other arrange-
11 ment does not provide the li-
12 censee with all the technical
13 data, information, and
14 know-how necessary to en-
15 able the licensee to produce
16 the eligible component or
17 components subject to the
18 contract, agreement, or
19 other arrangement without
20 further involvement from the
21 contractual counterparty or
22 a specified foreign entity.

23 “(GG) Such contract,
24 agreement, or other arrange-
25 ment was entered into (or

1 modified) on or after June
2 16, 2025.

3 “(bb) EXCEPTION.—

4 “(AA) IN GENERAL.—
5 Item (aa) shall not apply in
6 the case of a bona fide pur-
7 chase or sale of intellectual
8 property.

9 “(BB) BONA FIDE PUR-
10 CHASE OR SALE.—For pur-
11 poses of item (aa), any pur-
12 chase or sale of intellectual
13 property where the agree-
14 ment provides that owner-
15 ship of the intellectual prop-
16 erty reverts to the contrac-
17 tual counterparty after a pe-
18 riod of time shall not be
19 considered a bona-fide pur-
20 chase or sale.

21 “(IV) PERSONS RELATED TO
22 THE TAXPAYER.—For purposes of
23 subclauses (I), (II), and (III), the
24 term ‘taxpayer’ shall include any per-
25 son related to the taxpayer.

1 “(V) CONTRACTUAL
2 COUNTERPARTY.—For purposes of
3 this clause, the term ‘contractual
4 counterparty’ means an entity with
5 which the taxpayer has entered into a
6 contract, agreement, or other arrange-
7 ment.

8 “(iii) GUIDANCE.—Not later than De-
9 cember 31, 2026, the Secretary shall issue
10 such guidance as is necessary to carry out
11 the purposes of this subparagraph, includ-
12 ing establishment of rules to prevent enti-
13 ties from evading, circumventing, or abus-
14 ing the application of the restrictions
15 against impermissible technology licensing
16 arrangements with specified foreign enti-
17 ties, such as through temporary transfers
18 of intellectual property, retention by a
19 specified foreign entity of a reversionary
20 interest in transferred intellectual prop-
21 erty, or otherwise.

22 “(E) PUBLICLY TRADED ENTITIES.—

23 “(i) IN GENERAL.—

24 “(I) NONAPPLICATION OF CER-
25 TAIN FOREIGN-CONTROLLED ENTITY

1 RULES.—Subparagraph (C)(v) shall
2 not apply in the case of any entity the
3 securities of which are regularly trad-
4 ed on—

5 “(aa) a national securities
6 exchange which is registered with
7 the Securities and Exchange
8 Commission,

9 “(bb) the national market
10 system established pursuant to
11 section 11A of the Securities and
12 Exchange Act of 1934, or

13 “(cc) any other exchange or
14 other market which the Secretary
15 has determined in guidance
16 issued under section
17 1296(e)(1)(A)(ii) has rules ade-
18 quate to carry out the purposes
19 of part VI of subchapter P of
20 chapter 1 of subtitle A.

21 “(II) NONAPPLICATION OF CER-
22 TAIN FOREIGN-INFLUENCED ENTITY
23 RULES.—Subparagraph (D)(i)(I) shall
24 not apply in the case of any entity—

1 “(aa) the securities of which
2 are regularly traded in a manner
3 described in subclause (I), or

4 “(bb) for which not less
5 than 80 percent of the equity se-
6 curities of such entity are owned
7 directly or indirectly by an entity
8 which is described in item (aa).

9 “(III) EXCLUSION OF EX-
10 CHANGES OR MARKETS IN COVERED
11 NATIONS.—Subclause (I)(cc) shall not
12 apply with respect to any exchange or
13 market which—

14 “(aa) is incorporated or or-
15 ganized under the laws of a cov-
16 ered nation, or

17 “(bb) has its principal place
18 of business in a covered nation.

19 “(ii) ADDITIONAL FOREIGN-CON-
20 TROLLED ENTITY REQUIREMENTS FOR
21 PUBLICLY TRADED COMPANIES.—In the
22 case of an entity described in clause (i)(I),
23 such entity shall be deemed to be a for-
24 eign-controlled entity under subparagraph

1 (C)(v) if such entity is controlled (as deter-
2 mined under subparagraph (G)) by—

3 “(I) 1 or more specified foreign
4 entities (as determined without regard
5 to subparagraph (B)(v)) that are each
6 required to report their beneficial
7 ownership pursuant to a rule de-
8 scribed in clause (iii)(I)(bb), or

9 “(II) 1 or more foreign-controlled
10 entities (as determined without regard
11 to subparagraph (C)(v)) that are each
12 required to report their beneficial
13 ownership pursuant to a rule de-
14 scribed in such clause.

15 “(iii) ADDITIONAL FOREIGN-INFLU-
16 ENCED ENTITY REQUIREMENTS FOR PUB-
17 LICLY TRADED COMPANIES.—In the case
18 of an entity described in clause (i)(II),
19 such entity shall be deemed to be a for-
20 eign-influenced entity under subparagraph
21 (D)(i)(I) if—

22 “(I) during the taxable year—

23 “(aa) a specified foreign en-
24 tity has the authority to appoint
25 a covered officer of such entity,

1 “(bb) a single specified for-
2 eign entity required to report its
3 beneficial ownership under Rule
4 13d-3 of the Securities and Ex-
5 change Act of 1934 (or, in the
6 case of an exchange or market
7 described in clause (i)(I)(cc), an
8 equivalent rule) owns not less
9 than 25 percent of such entity, or

10 “(cc) 1 or more specified
11 foreign entities that are each re-
12 quired to report their beneficial
13 ownership under Rule 13d-3 of
14 the Securities and Exchange Act
15 of 1934 own, in the aggregate,
16 not less than 40 percent of such
17 entity, or

18 “(II) such entity has issued debt,
19 as part of an original issuance, in ex-
20 cess of 15 percent of its publicly-trad-
21 ed debt to 1 or more specified foreign
22 entities.

23 “(F) COVERED OFFICER.—For purposes of
24 this paragraph, the term ‘covered officer’
25 means, with respect to an entity—

1 “(i) a member of the board of direc-
2 tors, board of supervisors, or equivalent
3 governing body,

4 “(ii) an executive-level officer, includ-
5 ing the president, chief executive officer,
6 chief operating officer, chief financial offi-
7 cer, general counsel, or senior vice presi-
8 dent, or

9 “(iii) an individual having powers or
10 responsibilities similar to those of officers
11 or members described in clause (i) or (ii).

12 “(G) DETERMINATION OF CONTROL.—For
13 purposes of subparagraph (C)(v), the term ‘con-
14 trol’ means—

15 “(i) in the case of a corporation, own-
16 ership (by vote or value) of more than 50
17 percent of the stock in such corporation,

18 “(ii) in the case of a partnership,
19 ownership of more than 50 percent of the
20 profits interests or capital interests in such
21 partnership, or

22 “(iii) in any other case, ownership of
23 more than 50 percent of the beneficial in-
24 terests in the entity.

1 “(H) DETERMINATION OF OWNERSHIP.—

2 For purposes of this section, section 318(a)(2)
3 shall apply for purposes of determining owner-
4 ship of stock in a corporation. Similar prin-
5 ciples shall apply for purposes of determining
6 ownership of interests in any other entity.

7 “(I) OTHER DEFINITIONS.—For purposes
8 of this paragraph—

9 “(i) APPLICABLE CRITICAL MIN-
10 ERAL.—The term ‘applicable critical min-
11 eral’ has the same meaning given such
12 term under section 45X(c)(6).

13 “(ii) COVERED NATION.—The term
14 ‘covered nation’ has the same meaning
15 given such term under section 4872(f)(2)
16 of title 10, United States Code.

17 “(iii) ELIGIBLE COMPONENT.—The
18 term ‘eligible component’ has the same
19 meaning given such term under section
20 45X(c)(1).

21 “(iv) ENERGY STORAGE TECH-
22 NOLOGY.—The term ‘energy storage tech-
23 nology’ has the same meaning given such
24 term under section 48E(c)(2).

1 “(v) QUALIFIED FACILITY.—The term
2 ‘qualified facility’ means—

3 “(I) a qualified facility, as de-
4 fined in section 45Y(b)(1), and

5 “(II) a qualified facility, as de-
6 fined in section 48E(b)(3).

7 “(vi) RELATED.—The term ‘related’
8 shall have the same meaning given such
9 term under sections 267(b) and 707(b).

10 “(J) BEGINNING OF CONSTRUCTION.—For
11 purposes of applying any provision under this
12 paragraph, the beginning of construction with
13 respect to any property shall be determined
14 pursuant to rules similar to the rules under In-
15 ternal Revenue Service Notice 2013–29 and In-
16 ternal Revenue Service Notice 2018-59 (as well
17 as any subsequently issued guidance clarifying,
18 modifying, or updating either such Notice), as
19 in effect on January 1, 2025.

20 “(K) REGULATIONS AND GUIDANCE.—The
21 Secretary may prescribe such regulations and
22 guidance as may be necessary or appropriate to
23 carry out the provisions of this paragraph, in-
24 cluding rules to prevent the circumvention of

1 any rules or restrictions with respect to prohib-
2 ited foreign entities.

3 “(52) MATERIAL ASSISTANCE FROM A PROHIB-
4 ITED FOREIGN ENTITY.—

5 “(A) IN GENERAL.—The term ‘material
6 assistance from a prohibited foreign entity’
7 means—

8 “(i) with respect to any qualified facil-
9 ity or energy storage technology, a mate-
10 rial assistance cost ratio which is less than
11 the threshold percentage applicable under
12 subparagraph (B), or

13 “(ii) with respect to any facility which
14 produces eligible components, a material
15 assistance cost ratio which is less than the
16 threshold percentage applicable under sub-
17 paragraph (C).

18 “(B) THRESHOLD PERCENTAGE FOR
19 QUALIFIED FACILITIES AND ENERGY STORAGE
20 TECHNOLOGY.—For purposes of subparagraph
21 (A)(i), the threshold percentage shall be—

22 “(i) in the case of a qualified facility
23 the construction of which begins—

24 “(I) after June 16, 2025, and be-
25 fore January 1, 2026, 37.5 percent,

531

1 “(II) during calendar year 2026,

2 40 percent,

3 “(III) during calendar year 2027,

4 45 percent,

5 “(IV) during calendar year 2028,

6 50 percent,

7 “(V) during calendar year 2029,

8 55 percent, and

9 “(VI) after December 31, 2029,

10 60 percent, and

11 “(ii) in the case of energy storage

12 technology the construction of which be-

13 gins—

14 “(I) during calendar year 2026,

15 55 percent,

16 “(II) during calendar year 2027,

17 60 percent,

18 “(III) during calendar year 2028,

19 65 percent,

20 “(IV) during calendar year 2029,

21 70 percent, and

22 “(V) after December 31, 2029,

23 75 percent.

24 “(C) THRESHOLD PERCENTAGE FOR ELI-

25 GIBLE COMPONENTS.—

1 “(i) IN GENERAL.—For purposes of
2 subparagraph (A)(ii), the threshold per-
3 centage shall be—

4 “(I) in the case of any solar en-
5 ergy component (as such term is de-
6 fined in section 45X(c)(3)(A)) which
7 is sold—

8 “(aa) during calendar year
9 2026, 50 percent,

10 “(bb) during calendar year
11 2027, 60 percent,

12 “(cc) during calendar year
13 2028, 70 percent,

14 “(dd) during calendar year
15 2029, 80 percent, and

16 “(ee) after December 31,
17 2029, 85 percent,

18 “(II) in the case of any wind en-
19 ergy component (as such term is de-
20 fined in section 45X(c)(4)(A)) which
21 is sold—

22 “(aa) during calendar year
23 2026, 85 percent, and

24 “(bb) during calendar year
25 2027, 90 percent,

533

1 “(III) in the case of any inverter
2 described in subparagraphs (B)
3 through (G) of section 45X(c)(2)
4 which is sold—

5 “(aa) during calendar year
6 2026, 50 percent,

7 “(bb) during calendar year
8 2027, 55 percent,

9 “(cc) during calendar year
10 2028, 60 percent,

11 “(dd) during calendar year
12 2029, 65 percent, and

13 “(ee) after December 31,
14 2029, 70 percent,

15 “(IV) in the case of any quali-
16 fying battery component (as such
17 term is defined in section
18 45X(c)(5)(A)) which is sold—

19 “(aa) during calendar year
20 2026, 60 percent,

21 “(bb) during calendar year
22 2027, 65 percent,

23 “(cc) during calendar year
24 2028, 70 percent,

534

1 “(dd) during calendar year
2 2029, 80 percent, and

3 “(ee) after December 31,
4 2029, 85 percent, and

5 “(V) subject to clause (ii), in the
6 case of any applicable critical mineral
7 (as such term is defined in section
8 45X(c)(6)) which is sold—

9 “(aa) after December 31,
10 2025, and before January 1,
11 2030, 0 percent,

12 “(bb) during calendar year
13 2030, 25 percent,

14 “(cc) during calendar year
15 2031, 30 percent,

16 “(dd) during calendar year
17 2032, 40 percent, and

18 “(ee) after December 31,
19 2032, 50 percent.

20 “(ii) ADJUSTED THRESHOLD PER-
21 CENTAGE FOR APPLICABLE CRITICAL MIN-
22 ERALS.—Not later than December 31,
23 2027, the Secretary shall issue threshold
24 percentages for each of the applicable crit-

535

1 ical minerals described in section
2 45X(c)(6)), which shall—

3 “(I) apply in lieu of the threshold
4 percentage determined under clause
5 (i)(V) for each calendar year, and

6 “(II) equal or exceed the thresh-
7 old percentage which would otherwise
8 apply with respect to such applicable
9 critical mineral under such clause for
10 such calendar year, taking into ac-
11 count—

12 “(aa) domestic geographic
13 availability,

14 “(bb) supply chain con-
15 straints,

16 “(cc) domestic processing
17 capacity needs, and

18 “(dd) national security con-
19 cerns.

20 “(D) MATERIAL ASSISTANCE COST
21 RATIO.—

22 “(i) QUALIFIED FACILITIES AND EN-
23 ERGY STORAGE TECHNOLOGY.—For pur-
24 poses of subparagraph (A)(i), the term
25 ‘material assistance cost ratio’ means the

1 amount (expressed as a percentage) equal
2 to the quotient of—

3 “(I) an amount equal to—

4 “(aa) the total direct costs
5 to the taxpayer attributable to all
6 manufactured products (includ-
7 ing components) which are incor-
8 porated into the qualified facility
9 or energy storage technology
10 upon completion of construction,
11 minus

12 “(bb) the total direct costs
13 to the taxpayer attributable to all
14 manufactured products (includ-
15 ing components) which are—

16 “(AA) incorporated into
17 the qualified facility or en-
18 ergy storage technology
19 upon completion of construc-
20 tion, and

21 “(BB) mined, pro-
22 duced, or manufactured by a
23 prohibited foreign entity, di-
24 vided by

1 “(II) the amount described in
2 subclause (I)(aa).

3 “(ii) ELIGIBLE COMPONENTS.—For
4 purposes of subparagraph (A)(ii), the term
5 ‘material assistance cost ratio’ means the
6 amount (expressed as a percentage) equal
7 to the quotient of—

8 “(I) an amount equal to—

9 “(aa) with respect to an eli-
10 gible component, the total direct
11 material costs that are paid or
12 incurred (within the meaning of
13 section 461 and any regulations
14 issued under section 263A) by
15 the taxpayer for production of
16 such eligible component, minus

17 “(bb) with respect to an eli-
18 gible component, the total direct
19 material costs that are paid or
20 incurred (within the meaning of
21 section 461 and any regulations
22 issued under section 263A) by
23 the taxpayer for production of
24 such eligible component that are

538

1 attributable to a prohibited for-
2 eign entity, divided by

3 “(II) the amount described in
4 subclause (I)(aa).

5 “(iii) SAFE HARBOR TABLES.—

6 “(I) IN GENERAL.—Not later
7 than December 31, 2026, the Sec-
8 retary shall issue safe harbor tables
9 (and such other guidance as deemed
10 necessary) to—

11 “(aa) identify the percentage
12 of total direct costs of any manu-
13 factured product which is attrib-
14 utable to a prohibited foreign en-
15 tity,

16 “(bb) identify the percentage
17 of total direct material costs of
18 any eligible component which is
19 attributable to a prohibited for-
20 eign entity, and

21 “(cc) provide all rules nec-
22 essary to determine the amount
23 of a taxpayer’s material assist-
24 ance from a prohibited foreign

1 entity within the meaning of this
2 paragraph.

3 “(II) SAFE HARBORS PRIOR TO
4 ISSUANCE.—For purposes of this
5 paragraph, prior to the date on which
6 the Secretary issues the safe harbor
7 tables described in subclause (I), and
8 for construction of a qualified facility
9 or energy storage technology which
10 begins on or before the date which is
11 60 days after the date of issuance of
12 such tables, a taxpayer may—

13 “(aa) use the tables included
14 in Internal Revenue Service No-
15 tice 2025–08 to establish the per-
16 centage of the total direct costs
17 of any listed eligible component
18 and any manufactured product,
19 and

20 “(bb) rely on a certification
21 by the supplier of the manufac-
22 tured product, eligible compo-
23 nent, or constituent element, ma-
24 terial, or subcomponent of an eli-
25 gible component—

1 “(AA) of the total di-
2 rect costs or the total direct
3 material costs, as applicable,
4 of such product or compo-
5 nent that was not produced
6 or manufactured by a pro-
7 hibited foreign entity, or

8 “(BB) that such prod-
9 uct or component was not
10 produced or manufactured
11 by a prohibited foreign enti-
12 ty.

13 “(III) EXCEPTION.—Notwith-
14 standing subclauses (I) and (II)—

15 “(aa) if the taxpayer knows
16 (or has reason to know) that a
17 manufactured product or eligible
18 component was produced or man-
19 ufactured by a prohibited foreign
20 entity, the taxpayer shall treat all
21 direct costs with respect to such
22 manufactured product, or all di-
23 rect material costs with respect
24 to such eligible component, as at-

541

1 tributable to a prohibited foreign
2 entity, and

3 “(bb) if the taxpayer knows
4 (or has reason to know) that the
5 certification referred to in sub-
6 clause (II)(bb) pertaining to a
7 manufactured product or eligible
8 component is inaccurate, the tax-
9 payer may not rely on such cer-
10 tification.

11 “(IV) CERTIFICATION REQUIRE-
12 MENT.—In a manner consistent with
13 Treasury Regulation section 1.45X-
14 4(c)(4)(i) (as in effect on the date of
15 enactment of this paragraph), the cer-
16 tification referred to in subclause
17 (II)(bb) shall—

18 “(aa) include—

19 “(AA) the supplier’s
20 employer identification num-
21 ber, or

22 “(BB) any such similar
23 identification number issued
24 by a foreign government,

542

1 “(bb) be signed under pen-
2 alties of perjury,

3 “(cc) be retained by the sup-
4 plier and the taxpayer for a pe-
5 riod of not less than 6 years and
6 shall be provided to the Secretary
7 upon request, and

8 “(dd) be from the supplier
9 from which the taxpayer pur-
10 chased any manufactured prod-
11 uct, eligible component, or con-
12 stituent elements, materials, or
13 subcomponents of an eligible
14 component, stating either—

15 “(AA) that such prop-
16 erty was not produced or
17 manufactured by a prohib-
18 ited foreign entity and that
19 the supplier is not aware
20 that any prior supplier in
21 the chain of production of
22 that property is a prohibited
23 foreign entity,

24 “(BB) for purposes of
25 section 45X, the total direct

1 material costs for each com-
2 ponent, constituent element,
3 material, or subcomponent
4 that were not produced or
5 manufactured by a prohib-
6 ited foreign entity, or

7 “(CC) for purposes of
8 section 45Y or section 48E,
9 the total direct costs attrib-
10 utable to all manufactured
11 products that were not pro-
12 duced or manufactured by a
13 prohibited foreign entity.

14 “(iv) EXISTING CONTRACT.—Upon
15 the election of the taxpayer (in such form
16 and manner as the Secretary shall des-
17 ignate), in the case of any manufactured
18 product, eligible component, or constituent
19 element, material, or subcomponent of an
20 eligible component which is—

21 “(I) acquired by the taxpayer, or
22 manufactured or assembled by or for
23 the taxpayer, pursuant to a binding
24 written contract which was entered
25 into prior to June 16, 2025, and

1 “(II)(aa) placed into service be-
2 fore January 1, 2030 (or, in the case
3 of an applicable facility, as defined in
4 section 45Y(d)(4)(B), before January
5 1, 2028), or

6 “(bb) in the case of a constituent
7 element, material, or subcomponent,
8 used in a product sold before January
9 1, 2030,

10 the cost to the taxpayer with respect to
11 such product, component, element, mate-
12 rial, or subcomponent shall not be included
13 for purposes of determining the material
14 assistance cost ratio under this subpara-
15 graph.

16 “(v) ANTI-CIRCUMVENTION RULES.—
17 The Secretary shall prescribe such regula-
18 tions and guidance as may be necessary or
19 appropriate to prevent circumvention of
20 the rules under this subparagraph, includ-
21 ing prevention of—

22 “(I) any abuse of the exception
23 provided under clause (iv) through the
24 stockpiling of any manufactured prod-
25 uct, eligible component, or constituent

1 element, material, or subcomponent of
2 an eligible component during any pe-
3 riod prior to the application of the re-
4 quirements under this paragraph, or

5 “(II) any evasion with respect to
6 the requirements of this subparagraph
7 where the facts and circumstances
8 demonstrate that the beginning of
9 construction of a qualified facility or
10 energy storage technology has not in
11 fact occurred.

12 “(E) OTHER DEFINITIONS.—For purposes
13 of this paragraph—

14 “(i) ELIGIBLE COMPONENT.—The
15 term ‘eligible component’ means—

16 “(I) any property described in
17 section 45X(c)(1), or

18 “(II) any component which is
19 identified by the Secretary pursuant
20 to regulations or guidance issued
21 under subparagraph (G).

22 “(ii) ENERGY STORAGE TECH-
23 NOLOGY.—The term ‘energy storage tech-
24 nology’ has the same meaning given such
25 term under section 48E(c)(2).

1 “(iii) MANUFACTURED PRODUCT.—

2 The term ‘manufactured product’ means—

3 “(I) a manufactured product
4 which is a component of a qualified
5 facility, as described in section
6 45Y(g)(11)(B) and any guidance
7 issued thereunder, or

8 “(II) any product which is identi-
9 fied by the Secretary pursuant to reg-
10 ulations or guidance issued under sub-
11 paragraph (G).

12 “(iv) QUALIFIED FACILITY.—The
13 term ‘qualified facility’ means—

14 “(I) a qualified facility, as de-
15 fined in section 45Y(b)(1),

16 “(II) a qualified facility, as de-
17 fined in section 48E(b)(3), and

18 “(III) any qualified interconnec-
19 tion property (as defined in section
20 48E(b)(4)) which is part of the quali-
21 fied investment with respect to a
22 qualified facility (as described in sec-
23 tion 48E(b)(1)).

24 “(F) BEGINNING OF CONSTRUCTION.—

25 Rules similar to the rules under paragraph

1 (51)(J) shall apply for purposes of this para-
2 graph.

3 “(G) REGULATIONS AND GUIDANCE.—The
4 Secretary may prescribe such regulations and
5 guidance as may be necessary or appropriate to
6 carry out the provisions of this paragraph, in-
7 cluding—

8 “(i) identification of components or
9 products for purposes of clauses (i) and
10 (iii) of subparagraph (E), and

11 “(ii) for purposes of subparagraph
12 (A)(ii), rules to address facilities which
13 produce more than one eligible compo-
14 nent.”.

15 (d) DENIAL OF CREDIT FOR CERTAIN WIND AND
16 SOLAR LEASING ARRANGEMENTS.—Section 45Y is
17 amended by adding at the end the following new sub-
18 section:

19 “(h) DENIAL OF CREDIT FOR WIND AND SOLAR
20 LEASING ARRANGEMENTS.—No credit shall be deter-
21 mined under this section with respect to any production
22 of electricity during the taxable year with respect to prop-
23 erty described in paragraph (1) or (4) of section 25D(d)
24 (as applied by substituting ‘lessee’ for ‘taxpayer’) if the

1 taxpayer rents or leases such property to a third party
2 during such taxable year.”.

3 (e) EMISSIONS RATES TABLES.—Section
4 45Y(b)(2)(C) is amended by adding at the end the fol-
5 lowing new clause:

6 “(iii) EXISTING STUDIES.—For pur-
7 poses of clause (i), in determining green-
8 house gas emissions rates for types or cat-
9 egories of facilities for the purpose of de-
10 termining whether a facility satisfies the
11 requirements under paragraph (1), the
12 Secretary shall consider studies published
13 on or before the date of enactment of this
14 clause which demonstrate a net lifecycle
15 greenhouse gas emissions rate which is not
16 greater than zero using widely accepted
17 lifecycle assessment concepts, such as con-
18 cepts described in standards developed by
19 the International Organization for Stand-
20 ardization.”.

21 (f) NUCLEAR ENERGY COMMUNITIES.—

22 (1) IN GENERAL.—Section 45(b)(11) is amend-
23 ed—

24 (A) in subparagraph (B)—

1 (i) in clause (ii)(II), by striking “or”
2 at the end,

3 (ii) in clause (iii)(II), by striking the
4 period at the end and inserting “, or”, and

5 (iii) by adding at the end the fol-
6 lowing new clause:

7 “(iv) for purposes of any qualified fa-
8 cility which is an advanced nuclear facility,
9 a metropolitan statistical area which has
10 (or, at any time during the period begin-
11 ning after December 31, 2009, had) 0.17
12 percent or greater direct employment re-
13 lated to the advancement of nuclear power,
14 including employment related to—

15 “(I) an advanced nuclear facility,

16 “(II) advanced nuclear power re-
17 search and development,

18 “(III) nuclear fuel cycle research,
19 development, or production, including
20 mining, enrichment, manufacture,
21 storage, disposal, or recycling of nu-
22 clear fuel, and

23 “(IV) the manufacturing or as-
24 sembly of components used in an ad-
25 vanced nuclear facility.”, and

1 (B) by adding at the end the following new
2 subparagraph:

3 “(C) ADVANCED NUCLEAR FACILITIES.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), for purposes of subparagraph (B)(iv),
6 the term ‘advanced nuclear facility’ means
7 any nuclear facility the reactor design for
8 which is approved in the manner described
9 in section 45J(d)(2).

10 “(ii) SPECIAL RULE.—For purposes of
11 clause (i), a facility shall be deemed to
12 have a reactor design which is approved in
13 the manner described in section 45J(d)(2)
14 if the Nuclear Regulatory Commission has
15 authorized construction and issued a site-
16 specific construction permit or combined li-
17 cense with respect to such facility.”.

18 (2) NONAPPLICATION FOR CLEAN ELECTRICITY
19 INVESTMENT CREDIT.—Section 48E(a)(3)(A)(i) is
20 amended by inserting “, as applied without regard to
21 clause (iv) thereof” after “section 45(b)(11)(B)”.

22 (g) CONFORMING AMENDMENTS.—

23 (1) Paragraph (1) of section 48D(c) is amended
24 to read as follows:

1 “(1) is not a specified foreign entity (as defined
2 in section 7701(a)(51)(B)), and”.

3 (2) Section 45Y(b)(1) is amended—

4 (A) by redesignating subparagraph (D) as
5 subparagraph (E), and

6 (B) by inserting after subparagraph (C)
7 the following new subparagraph:

8 “(D) DETERMINATION OF CAPACITY.—For
9 purposes of subparagraph (C), additions of ca-
10 pacity of a facility shall be determined in any
11 reasonable manner, including based on—

12 “(i) determinations by, or reports to,
13 the Federal Energy Regulatory Commis-
14 sion (including interconnection agree-
15 ments), the Nuclear Regulatory Commis-
16 sion, or any similar entity, reflecting addi-
17 tions of capacity,

18 “(ii) determinations or reports reflect-
19 ing additions of capacity made by an inde-
20 pendent professional engineer,

21 “(iii) reports to, or issued by, regional
22 transmission organizations or independent
23 system operators reflecting additions of ca-
24 pacity, or

1 “(iv) any other method or manner
2 provided by the Secretary.”.

3 (h) PROHIBITION ON TRANSFER OF CREDITS TO
4 SPECIFIED FOREIGN ENTITIES.—Section 6418(g) is
5 amended by adding at the end the following new para-
6 graph:

7 “(5) PROHIBITION ON TRANSFER OF CREDITS
8 TO SPECIFIED FOREIGN ENTITIES.—With respect to
9 any eligible credit described in clause (iii), (iv), (vi),
10 (vii), (viii), or (xi) of subsection (f)(1)(A), an eligible
11 taxpayer may not elect to transfer any portion of
12 such credit to a taxpayer that is a specified foreign
13 entity (as defined in section 7701(a)(51)(B)).”.

14 (i) EXTENSION OF PERIOD OF LIMITATIONS FOR ER-
15 RORS RELATING TO DETERMINING OF MATERIAL ASSIST-
16 ANCE FROM A PROHIBITED FOREIGN ENTITY.—Section
17 6501 is amended—

18 (1) by redesignating subsection (o) as sub-
19 section (p), and

20 (2) by inserting after subsection (n) the fol-
21 lowing new subsection:

22 “(o) MATERIAL ASSISTANCE FROM A PROHIBITED
23 FOREIGN ENTITY.—In the case of a deficiency attrib-
24 utable to an error with respect to the determination under
25 section 7701(a)(52) for any taxable year, such deficiency

1 may be assessed at any time within 6 years after the re-
2 turn for such year was filed.”.

3 (j) IMPOSITION OF ACCURACY-RELATED PEN-
4 ALTIES.—

5 (1) IN GENERAL.—Section 6662 is amended by
6 adding at the end the following new subsection:

7 “(m) SUBSTANTIAL UNDERSTATEMENT OF INCOME
8 TAX DUE TO DISALLOWANCE OF APPLICABLE ENERGY
9 CREDITS.—

10 “(1) IN GENERAL.—In the case of a taxpayer
11 for which there is a disallowance of an applicable en-
12 ergy credit for any taxable year, for purposes of de-
13 termining whether there is a substantial understate-
14 ment of income tax for such taxable year, subsection
15 (d)(1) shall be applied—

16 “(A) in subparagraphs (A) and (B), by
17 substituting ‘1 percent’ for ‘10 percent’ each
18 place it appears, and

19 “(B) without regard to subparagraph (C).

20 “(2) DISALLOWANCE OF AN APPLICABLE EN-
21 ERGY CREDIT.—For purposes of this subsection, the
22 term ‘disallowance of an applicable energy credit’
23 means the disallowance of a credit under section
24 45X, 45Y, or 48E by reason of overstating the ma-
25 terial assistance cost ratio (as determined under sec-

1 tion 7701(a)(52)) with respect to any qualified facil-
2 ity, energy storage technology, or facility which pro-
3 duces eligible components.”.

4 (2) CONFORMING AMENDMENT.—Section
5 6417(d)(6) is amended by adding at the end the fol-
6 lowing new subparagraph:

7 “(D) DISALLOWANCE OF AN APPLICABLE
8 ENERGY CREDIT.—In the case of an applicable
9 entity which made an election under subsection
10 (a) with respect to an applicable credit for
11 which there is a disallowance described in sec-
12 tion 6662(m)(2), subparagraph (A) shall apply
13 with respect to any excessive payment resulting
14 from such disallowance.”.

15 (k) PENALTY FOR SUBSTANTIAL MISSTATEMENTS
16 ON CERTIFICATION PROVIDED BY SUPPLIER.—

17 (1) IN GENERAL.—Part I of subchapter B of
18 chapter 68 is amended by inserting after section
19 6695A the following new section:

20 **“SEC. 6695B. PENALTY FOR SUBSTANTIAL MISSTATEMENTS**
21 **ON CERTIFICATION PROVIDED BY SUPPLIER.**

22 “(a) IMPOSITION OF PENALTY.—If—

23 “(1) a person—

24 “(A) provides a certification described in
25 clause (iii)(II)(bb) of section 7701(a)(52)(D)

1 with respect to any manufactured product, eligi-
2 ble component, or constituent element, material,
3 or subcomponent of an eligible component, and

4 “(B) knows, or reasonably should have
5 known, that the certification would be used in
6 connection with a determination under such
7 section,

8 “(2) such certification is inaccurate or false
9 with respect to—

10 “(A) whether such property was produced
11 or manufactured by a prohibited foreign entity,
12 or

13 “(B) the total direct costs or total direct
14 material costs of such property that was not
15 produced or manufactured by a prohibited for-
16 eign entity that were provided on such certifi-
17 cation, and

18 “(3) the inaccuracy or falsity described in para-
19 graph (2) resulted in the disallowance of an applica-
20 ble energy credit (as defined in section 6662(m)(2))
21 and an understatement of income tax (within the
22 meaning of section 6662(d)(2)) for the taxable year
23 in an amount which exceeds the lesser of—

24 “(A) 5 percent of the tax required to be
25 shown on the return for the taxable year, or

1 “(B) \$100,000,

2 then such person shall pay a penalty in the amount
3 determined under subsection (b).

4 “(b) AMOUNT OF PENALTY.—The amount of the
5 penalty imposed under subsection (a) on any person with
6 respect to a certification shall be equal to the greater of—

7 “(1) 10 percent of the amount of the under-
8 payment (as defined in section 6664(a)) solely at-
9 tributable to the inaccuracy or falsity described in
10 subsection (a)(2), or

11 “(2) \$5,000.

12 “(c) EXCEPTION.—No penalty shall be imposed
13 under subsection (a) if the person establishes to the satis-
14 faction of the Secretary that any inaccuracy or falsity de-
15 scribed in subsection (a)(2) is due to a reasonable cause
16 and not willful neglect.

17 “(d) DEFINITIONS.—Any term used in this section
18 which is also used in section 7701(a)(52) shall have the
19 meaning given such term in such section.”.

20 (2) CLERICAL AMENDMENTS.—

21 (A) Section 6696 is amended—

22 (i) in the heading, by striking “**AND**
23 **6695A**” and inserting “**6695A, AND**
24 **6695B**”,

1 (ii) in subsections (a), (b), and (e), by
2 striking “and 6695A” each place it ap-
3 pears and inserting “6695A, and 6695B”,

4 (iii) in subsection (c), by striking “or
5 6695A” and inserting “6695A, or 6695B”,
6 and

7 (iv) in subsection (d)—

8 (I) in paragraph (1), by inserting
9 “(or, in the case of any penalty under
10 section 6695B, 6 years)” after “as-
11 sessed within 3 years”, and

12 (II) in paragraph (2), by insert-
13 ing “(or, in the case of any claim for
14 refund of an overpayment of any pen-
15 alty assessed under section 6695B, 6
16 years)” after “filed within 3 years”.

17 (B) The table of sections for part I of sub-
18 chapter B of chapter 68 is amended by insert-
19 ing after item relating to section 6695A the fol-
20 lowing new item:

“Sec. 6695B. Penalty for substantial misstatements on certification provided by
supplier.”.

21 (I) EXCISE TAX ON FACILITIES THAT RECEIVE MA-
22 TERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTI-
23 TIES.—

1 (1) IN GENERAL.—Subtitle D is amended by
2 adding at the end the following new chapter:

3 **“CHAPTER 50B—MATERIAL ASSISTANCE**
4 **FROM PROHIBITED FOREIGN ENTITIES**

“Sec. 5000E–1. Imposition of tax.

5 **“SEC. 5000E–1. IMPOSITION OF TAX.**

6 “(a) IN GENERAL.—In the case of an applicable facil-
7 ity for which there is a material assistance cost ratio viola-
8 tion, a tax is hereby imposed for the taxable year in which
9 such facility is placed in service in the amount determined
10 under subsection (d) with respect to such facility.

11 “(b) APPLICABLE FACILITY.—For purposes of this
12 section, the term ‘applicable facility’ means a facility
13 owned by the taxpayer—

14 “(1) which—

15 “(A) uses wind to produce electricity (with-
16 in the meaning of such term as used in section
17 45(d)(1), as determined without regard to any
18 requirement under such section with respect to
19 the date on which construction of property be-
20 gins), or

21 “(B) uses solar energy to produce elec-
22 tricity (within the meaning of such term as
23 used in section 45(d)(4), as determined without
24 regard to any requirement under such section

1 with respect to the date on which construction
2 of property begins), and

3 “(2) either—

4 “(A) the construction of which begins after
5 the date of the enactment of this section and
6 before January 1, 2028, and which is placed in
7 service after December 31, 2027, or

8 “(B) the construction of which begins after
9 December 31, 2027, and before January 1,
10 2036.

11 “(c) MATERIAL ASSISTANCE COST RATIO VIOLA-
12 TION.—For purposes of this section, the term ‘material
13 assistance cost ratio violation’ means, with respect to an
14 applicable facility, that the construction of such facility
15 includes any material assistance from a prohibited foreign
16 entity (as defined in section 7701(a)(52)).

17 “(d) AMOUNT OF TAX.—

18 “(1) IN GENERAL.—The amount determined
19 under this subsection with respect to any applicable
20 facility shall be equal to the applicable percentage of
21 the amount equal to the product of—

22 “(A) the amount (expressed in percentage
23 points) by which the threshold percentage (as
24 determined under section 7701(a)(52)(B)(i))
25 exceeds the material assistance cost ratio (as

1 determined under section 7701(a)(52)(D)(i)),
2 multiplied by

3 “(B) the total direct costs to the taxpayer
4 attributable to all manufactured products (in-
5 cluding components) which are incorporated
6 into the applicable facility upon completion of
7 construction (as determined under section
8 7701(a)(52)(D)(i)(I)).

9 “(2) APPLICABLE PERCENTAGE.—For purposes
10 of paragraph (1), the applicable percentage shall
11 be—

12 “(A) in the case of a facility described in
13 subparagraph (A) of subsection (b)(1), 30 per-
14 cent, or

15 “(B) in the case of a facility described in
16 subparagraph (B) of such subsection, 50 per-
17 cent.

18 “(e) RULE OF APPLICATION.—For purposes of this
19 section, with respect to the application of section
20 7701(a)(52) or any provision thereof, such section shall
21 be applied by substituting ‘applicable facility’ for ‘qualified
22 facility’ each place it appears.”.

23 (2) CLERICAL AMENDMENT.—The table of
24 chapters for subtitle D is amended by inserting after

1 the item relating to chapter 50A the following new
2 item:

“CHAPTER 50B—MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN
ENTITIES”.

3 (m) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided in para-
5 graphs (2), (3), (4), and (5), the amendments made
6 by this section shall apply to taxable years beginning
7 after the date of enactment of this Act.

8 (2) MATERIAL ASSISTANCE FROM PROHIBITED
9 FOREIGN ENTITIES.—The amendments made by
10 subsection (b)(1) shall apply to facilities for which
11 construction begins after June 16, 2025.

12 (3) EXCISE TAX ON FACILITIES THAT RECEIVE
13 MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN
14 ENTITIES.—The amendments made by subsection (l)
15 shall apply to facilities for which construction begins
16 after June 16, 2025.

17 (4) PENALTY FOR SUBSTANTIAL
18 MISSTATEMENTS ON CERTIFICATION PROVIDED BY
19 SUPPLIER.—The amendments made by subsection
20 (k) shall apply to certifications provided after De-
21 cember 31, 2025.

22 (5) TERMINATION FOR WIND AND SOLAR FA-
23 CILITIES.—The amendments made by subsection (a)

1 shall apply to facilities the construction of which be-
2 gins after the date of enactment of this Act.

3 **SEC. 70513. TERMINATION AND RESTRICTIONS ON CLEAN**
4 **ELECTRICITY INVESTMENT CREDIT.**

5 (a) TERMINATION FOR WIND AND SOLAR FACILI-
6 TIES.—Section 48E(e) is amended—

7 (1) in paragraph (1), by striking “The amount
8 of” and inserting “Subject to paragraph (4), the
9 amount of”, and

10 (2) by adding at the end the following new
11 paragraph:

12 “(4) TERMINATION FOR WIND AND SOLAR FA-
13 CILITIES.—

14 “(A) IN GENERAL.—This section shall not
15 apply to any qualified property placed in service
16 by the taxpayer after December 31, 2027,
17 which is part of an applicable facility.

18 “(B) APPLICABLE FACILITY.—For pur-
19 poses of this paragraph, the term ‘applicable fa-
20 cility’ means a qualified facility which—

21 “(i) uses wind to produce electricity
22 (within the meaning of such term as used
23 in section 45(d)(1), as determined without
24 regard to any requirement under such sec-

1 tion with respect to the date on which con-
2 struction of property begins), or

3 “(ii) uses solar energy to produce elec-
4 tricity (within the meaning of such term as
5 used in section 45(d)(4), as determined
6 without regard to any requirement under
7 such section with respect to the date on
8 which construction of property begins).

9 “(C) EXCEPTION.—This paragraph shall
10 not apply with respect to any energy storage
11 technology which is placed in service at any ap-
12 plicable facility.”.

13 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
14 EIGN ENTITIES.—

15 (1) IN GENERAL.—Section 48E is amended—

16 (A) in subsection (b)—

17 (i) by redesignating paragraph (6) as
18 paragraph (7), and

19 (ii) by inserting after paragraph (5)
20 the following new paragraph:

21 “(6) MATERIAL ASSISTANCE FROM PROHIBITED
22 FOREIGN ENTITIES.—

23 “(A) IN GENERAL.—Subject to subpara-
24 graph (B), the terms ‘qualified facility’ and
25 ‘qualified interconnection property’ shall not in-

clude any facility or property the construction, reconstruction, or erection of which begins after December 31, 2025, if the construction, reconstruction, or erection of such facility or property includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).

“(B) APPLICABLE FACILITIES.—The term ‘qualified facility’ shall not include any applicable facility (as defined in subsection (e)(4)(B)) for which construction begins after June 16, 2025, if the construction of such facility includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).”, and

(B) in subsection (c), by adding at the end the following new paragraph:

“(3) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—The term ‘energy storage technology’ shall not include any property the construction of which begins after December 31, 2025, if the construction of such property includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)).”.

1 (2) ADDITIONAL RESTRICTIONS.—Section
2 48E(d) is amended by adding at the end the fol-
3 lowing new paragraph:

4 “(6) RESTRICTIONS RELATING TO PROHIBITED
5 FOREIGN ENTITIES.—

6 “(A) IN GENERAL.—No credit shall be de-
7 termined under subsection (a) for any taxable
8 year if the taxpayer is—

9 “(i) a specified foreign entity (as de-
10 fined in section 7701(a)(51)(B)), or

11 “(ii) a foreign-influenced entity (as
12 defined in section 7701(a)(51)(D), without
13 regard to clause (i)(II) thereof).

14 “(B) EFFECTIVE CONTROL.—In the case
15 of a taxpayer for which section
16 7701(a)(51)(D)(i)(II) is determined to apply
17 for any taxable year, no credit shall be deter-
18 mined under subsection (a) for such taxable
19 year if such determination relates to a qualified
20 facility described in subsection (b)(3) or energy
21 storage technology described in subsection
22 (c)(2).”.

23 (3) RECAPTURE.—

24 (A) IN GENERAL.—Section 50(a) is
25 amended—

1 (i) by redesignating paragraphs (4)
2 through (6) as paragraphs (5) through (7),
3 respectively,

4 (ii) by inserting after paragraph (3)
5 the following new paragraph:

6 “(4) PAYMENTS TO PROHIBITED FOREIGN EN-
7 TITIES.—

8 “(A) IN GENERAL.—If there is an applica-
9 ble payment made by a specified taxpayer be-
10 fore the close of the 10-year period beginning
11 on the date such taxpayer placed in service in-
12 vestment credit property which is eligible for
13 the clean electricity investment credit under
14 section 48E(a), then the tax under this chapter
15 for the taxable year in which such applicable
16 payment occurs shall be increased by 100 per-
17 cent of the aggregate decrease in the credits al-
18 lowed under section 38 for all prior taxable
19 years which would have resulted solely from re-
20 ducing to zero any credit determined under sec-
21 tion 46 which is attributable to the clean elec-
22 tricity investment credit under section 48E(a)
23 with respect to such property.

24 “(B) APPLICABLE PAYMENT.—For pur-
25 poses of this paragraph, the term ‘applicable

1 payment’ means, with respect to any taxable
2 year, a payment or payments described in sec-
3 tion 7701(a)(51)(D)(i)(II).

4 “(C) SPECIFIED TAXPAYER.—For pur-
5 poses of this paragraph, the term ‘specified tax-
6 payer’ means any taxpayer who has been al-
7 lowed a credit under section 48E(a) for any
8 taxable year beginning after the date which is
9 2 years after the date of enactment of this
10 paragraph.”,

11 (iii) in paragraph (5), as redesignated
12 by clause (i), by striking “or any applicable
13 transaction to which paragraph (3)(A) ap-
14 plies,” and inserting “any applicable trans-
15 action to which paragraph (3)(A) applies,
16 or any applicable payment to which para-
17 graph (4)(A) applies,” and

18 (iv) in paragraph (7), as redesignated
19 by clause (i), by striking “or (3)” and in-
20 serting “(3), or (4)”.

21 (B) CONFORMING AMENDMENTS.—

22 (i) Section 1371(d)(1) is amended by
23 striking “section 50(a)(5)” and inserting
24 “section 50(a)(6)”.

1 (ii) Section 6418(g)(3) is amended by
2 striking “subsection (a)(5)” each place it
3 appears and inserting “subsection (a)(7)”.

4 (c) DENIAL OF CREDIT FOR EXPENDITURES FOR
5 CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—

6 (1) IN GENERAL.—Section 48E is amended—

7 (A) by redesignating subsection (i) as sub-
8 section (j), and

9 (B) by inserting after subsection (h) the
10 following new subsection:

11 “(i) DENIAL OF CREDIT FOR EXPENDITURES FOR
12 WIND AND SOLAR LEASING ARRANGEMENTS.—No credit
13 shall be determined under this section for any qualified
14 investment during the taxable year with respect to prop-
15 erty described in paragraph (1) or (4) of section 25D(d)
16 (as applied by substituting ‘lessee’ for ‘taxpayer’) if the
17 taxpayer rents or leases such property to a third party
18 during such taxable year.”.

19 (2) CONFORMING RULES.—Section 50 is
20 amended by adding at the end the following new
21 subsection:

22 “(e) RULES FOR GEOTHERMAL HEAT PUMPS.—For
23 purposes of this section and section 168, the ownership
24 of energy property described in section 48(a)(3)(A)(vii)
25 shall be determined without regard to whether such prop-

erty is readily usable by a person other than the lessee or service recipient.”.

(d) DOMESTIC CONTENT RULES.—Subparagraph (B) of section 48E(a)(3) is amended to read as follows:

“(B) DOMESTIC CONTENT.—Rules similar to the rules of section 48(a)(12) shall apply, except that, for purposes of subparagraph (B) of such section and the application of rules similar to the rules of section 45(b)(9)(B), the adjusted percentage (as determined under section 45(b)(9)(C)) shall be determined as follows:

“(i) In the case of any qualified investment with respect to any qualified facility the construction of which begins before June 16, 2025, 40 percent (or, in the case of a qualified facility which is an offshore wind facility, 20 percent).

“(ii) In the case of any qualified investment with respect to any qualified facility the construction of which begins on or after June 16, 2025, and before January 1, 2026, 45 percent (or, in the case of a qualified facility which is an offshore wind facility, 27.5 percent).

1 “(iii) In the case of any qualified in-
2 vestment with respect to any qualified fa-
3 cility the construction of which begins dur-
4 ing calendar year 2026, 50 percent (or, in
5 the case of a qualified facility which is an
6 offshore wind facility, 35 percent).

7 “(iv) In the case of any qualified in-
8 vestment with respect to any qualified fa-
9 cility the construction of which begins after
10 December 31, 2026, 55 percent.”.

11 (e) ELIMINATION OF ENERGY CREDIT FOR CERTAIN
12 ENERGY PROPERTY.—Section 48(a)(2) is amended—

13 (1) in subparagraph (A)(ii), by striking “2 per-
14 cent” and inserting “0 percent”, and

15 (2) by adding at the end the following new sub-
16 paragraph:

17 “(C) NONAPPLICATION OF INCREASES TO
18 ENERGY PERCENTAGE.—For purposes of energy
19 property described in subparagraph (A)(ii), the
20 energy percentage applicable to such property
21 pursuant to such subparagraph shall not be in-
22 creased or otherwise adjusted by any provision
23 of this section.”.

1 (f) APPLICATION OF CLEAN ELECTRICITY INVEST-
2 MENT CREDIT TO QUALIFIED FUEL CELL PROPERTY.—

3 Section 48E, as amended by subsection (c), is amended—

4 (1) by redesignating subsection (j) as sub-
5 section (k), and

6 (2) by inserting after subsection (i) the fol-
7 lowing new subsection:

8 “(j) APPLICATION TO QUALIFIED FUEL CELL PROP-
9 erty.—For purposes of this section, in the case of any
10 qualified fuel cell property (as defined in section 48(c)(1),
11 as applied without regard to subparagraph (E) thereof)—

12 “(1) subsection (b)(3)(A) shall be applied with-
13 out regard to clause (iii) thereof,

14 “(2) for purposes of subsection (a)(1), the ap-
15 plicable percentage shall be 30 percent and such per-
16 centage shall not be increased or otherwise adjusted
17 by any other provision of this section, and

18 “(3) subsection (g) shall not apply.”.

19 (g) EFFECTIVE DATES.—

20 (1) IN GENERAL.—Except as provided in para-
21 graphs (2), (3), (4), and (5), the amendments made
22 by this section shall apply to taxable years beginning
23 after the date of enactment of this Act.

1 (2) DOMESTIC CONTENT RULES.—The amend-
2 ment made by subsection (d) shall apply on or after
3 June 16, 2025.

4 (3) ELIMINATION OF ENERGY CREDIT FOR CER-
5 TAIN ENERGY PROPERTY.—The amendments made
6 by subsection (e) shall apply to property the con-
7 struction of which begins on or after June 16, 2025.

8 (4) APPLICATION OF CLEAN ELECTRICITY IN-
9 VESTMENT CREDIT TO QUALIFIED FUEL CELL PROP-
10 PERTY.—The amendments made by subsection (f)
11 shall apply to property the construction of which be-
12 gins after December 31, 2025.

13 (5) TERMINATION FOR WIND AND SOLAR FA-
14 CILITIES.—The amendments made by subsection (a)
15 shall apply to facilities the construction of which be-
16 gins after the date of enactment of this Act.

17 **SEC. 70514. PHASE-OUT AND RESTRICTIONS ON ADVANCED**
18 **MANUFACTURING PRODUCTION CREDIT.**

19 (a) MODIFICATION OF PROVISION RELATING TO
20 SALE OF INTEGRATED COMPONENTS.—Paragraph (4) of
21 section 45X(d) is amended to read as follows:

22 “(4) SALE OF INTEGRATED COMPONENTS.—

23 “(A) IN GENERAL.—For purposes of this
24 section, a person shall be treated as having sold

1 an eligible component to an unrelated person
2 if—

3 “(i) such component (referred to in
4 this paragraph as the ‘primary compo-
5 nent’) is integrated, incorporated, or as-
6 sembled into another eligible component
7 (referred to in this paragraph as the ‘sec-
8 ondary component’) produced within the
9 same manufacturing facility as the primary
10 component, and

11 “(ii) the secondary component is sold
12 to an unrelated person.

13 “(B) ADDITIONAL REQUIREMENTS.—Sub-
14 paragraph (A) shall only apply with respect to
15 a secondary component for which not less than
16 65 percent of the total direct material costs
17 which are paid or incurred (within the meaning
18 of section 461 and any regulations issued under
19 section 263A) by the taxpayer to produce such
20 secondary component are attributable to pri-
21 mary components which are mined, produced,
22 or manufactured in the United States.”.

23 (b) PHASE OUT AND TERMINATION.—Section
24 45X(b)(3) is amended—

1 (1) in the heading, by inserting “AND TERMI-
2 NATION” after “PHASE OUT”,

3 (2) in subparagraph (A), in the matter pre-
4 ceding clause (i), by striking “subparagraph (C)”
5 and inserting “subparagraphs (C) and (D)”, and

6 (3) by striking subparagraph (C) and inserting
7 the following:

8 “(C) PHASE OUT FOR APPLICABLE CRIT-
9 ICAL MINERALS OTHER THAN METALLURGICAL
10 COAL.—

11 “(i) IN GENERAL.—In the case of any
12 applicable critical mineral (other than met-
13 allurgical coal) produced after December
14 31, 2030, the amount determined under
15 this subsection with respect to such min-
16 eral shall be equal to the product of—

17 “(I) the amount determined
18 under paragraph (1) with respect to
19 such mineral, as determined without
20 regard to this subparagraph, multi-
21 plied by

22 “(II) the phase out percentage
23 under clause (ii).

24 “(ii) PHASE OUT PERCENTAGE FOR
25 APPLICABLE CRITICAL MINERALS OTHER

1 THAN METALLURGICAL COAL.—The phase
2 out percentage under this clause is equal
3 to—

4 “(I) in the case of any applicable
5 critical mineral produced during cal-
6 endar year 2031, 75 percent,

7 “(II) in the case of any applica-
8 ble critical mineral produced during
9 calendar year 2032, 50 percent,

10 “(III) in the case of any applica-
11 ble critical mineral produced during
12 calendar year 2033, 25 percent, and

13 “(IV) in the case of any applica-
14 ble critical mineral produced after De-
15 cember 31, 2033, 0 percent.

16 “(D) TERMINATION FOR WIND ENERGY
17 COMPONENTS.—This section shall not apply to
18 any wind energy component produced and sold
19 after December 31, 2027.

20 “(E) TERMINATION FOR METALLURGICAL
21 COAL.—This section shall not apply to any met-
22 allurgical coal produced after December 31,
23 2029.”.

24 (c) RESTRICTIONS RELATING TO PROHIBITED FOR-
25 EIGN ENTITIES.—Section 45X is amended—

(1) in subsection (c)(1), by adding at the end the following new subparagraph:

“(C) MATERIAL ASSISTANCE FROM PROHIBITED FOREIGN ENTITIES.—In the case of taxable years beginning after the date of enactment of this subparagraph, the term ‘eligible component’ shall not include any property which includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52), as applied by substituting ‘used in a product sold before January 1, 2027’ for ‘used in a product sold before January 1, 2030’ in subparagraph (D)(iii)(V)(bb) thereof).”, and

(2) in subsection (d), as amended by subsection
(a) of this section, by adding at the end the fol-
lowing new paragraph:

17 “(4) RESTRICTIONS RELATING TO PROHIBITED
18 FOREIGN ENTITIES.—

19 “(A) IN GENERAL.—No credit shall be de-
20 termined under subsection (a) for any taxable
21 year if the taxpayer is—

22 “(i) a specified foreign entity (as de-
23 fined in section 7701(a)(51)(B)), or

1 “(ii) a foreign-influenced entity (as
2 defined in section 7701(a)(51)(D), without
3 regard to clause (i)(II) thereof).

4 “(B) EFFECTIVE CONTROL.—In the case
5 of a taxpayer for which section
6 7701(a)(51)(D)(i)(II) is determined to apply
7 for any taxable year, no credit shall be deter-
8 mined under subsection (a) for such taxable
9 year if such determination relates to an eligible
10 component described in subsection (c)(1).”.

11 (d) MODIFICATION OF DEFINITION OF BATTERY
12 MODULE.—Section 45X(c)(5)(B)(iii) is amended—

13 (1) in subclause (I)(bb), by striking “and” at
14 the end,

15 (2) in subclause (II), by striking the period at
16 the end and inserting “, and”, and

17 (3) by adding at the end the following new sub-
18 clause:

19 “(III) which is comprised of all
20 other essential equipment needed for
21 battery functionality, such as current
22 collector assemblies and voltage sense
23 harnesses, thermal collection assem-
24 blies, or other essential energy collec-
25 tion equipment.”.

1 (e) INCLUSION OF METALLURGICAL COAL AS AN AP-
2 PPLICABLE CRITICAL MINERAL FOR PURPOSES OF THE
3 ADVANCED MANUFACTURING PRODUCTION CREDIT.—

4 (1) IN GENERAL.—Section 45X(c)(6) is amend-
5 ed—

6 (A) by redesignating subparagraphs (R)
7 through (Z) as subparagraphs (S) through
8 (AA), respectively, and

9 (B) by inserting after subparagraph (Q)
10 the following new subparagraph:

11 “(R) METALLURGICAL COAL.—Metallur-
12 gical coal which is suitable for use in the pro-
13 duction of steel (within the meaning of the no-
14 tice published by the Department of Energy en-
15 titled ‘Critical Material List; Addition of Met-
16 allurgical Coal Used for Steelmaking’ (90 Fed.
17 Reg. 22711 (May 29, 2025))), regardless of
18 whether such production occurs inside or out-
19 side of the United States.”.

20 (2) CREDIT AMOUNT.—Section 45X(b)(1)(M) is
21 amended by inserting “(2.5 percent in the case of
22 metallurgical coal)” after “10 percent”.

23 (f) EFFECTIVE DATES.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), the amendments made by this section

1 shall apply to taxable years beginning after the date
2 of enactment of this Act.

3 (2) MODIFICATION OF PROVISION RELATING TO
4 SALE OF INTEGRATED COMPONENTS.—The amend-
5 ment made by subsection (a) shall apply to compo-
6 nents sold during taxable years beginning after De-
7 cember 31, 2026.

8 **SEC. 70515. RESTRICTION ON THE EXTENSION OF AD-**
9 **VANCED ENERGY PROJECT CREDIT PRO-**
10 **GRAM.**

11 (a) IN GENERAL.—Section 48C(e)(3)(C) is amended
12 by striking “shall be increased” and inserting “shall not
13 be increased”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall take effect on the date of enactment of
16 this Act.

17 **Subchapter B—Enhancement of America-first**
18 **Energy Policy**

19 **SEC. 70521. EXTENSION AND MODIFICATION OF CLEAN**
20 **FUEL PRODUCTION CREDIT.**

21 (a) PROHIBITION ON FOREIGN FEEDSTOCKS.—

22 (1) IN GENERAL.—Section 45Z(f)(1)(A) is
23 amended—

24 (A) in clause (i)(II)(bb), by striking “and”
25 at the end,

1 (B) in clause (ii), by striking the period at
2 the end and inserting “, and”, and

3 (C) by adding at the end the following new
4 clause:

5 “(iii) such fuel is exclusively derived
6 from a feedstock which was produced or
7 grown in the United States, Mexico, or
8 Canada.”.

9 (2) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to transportation fuel
11 produced after December 31, 2025.

12 (b) PROHIBITION ON NEGATIVE EMISSION RATES.—

13 (1) IN GENERAL.—Section 45Z(b)(1) is amend-
14 ed—

15 (A) by striking subparagraph (C) and in-
16 serting the following:

17 “(C) ROUNDING OF EMISSIONS RATE.—
18 The Secretary may round the emissions rates
19 under subparagraph (B) to the nearest multiple
20 of 5 kilograms of CO₂e per mmBTU.”, and

21 (B) by adding at the end the following new
22 subparagraph:

23 “(E) PROHIBITION ON NEGATIVE EMIS-
24 SION RATES.—For purposes of this section, the

1 emissions rate for a transportation fuel may not
2 be less than zero.”.

3 (2) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to emissions rates pub-
5 lished for transportation fuel produced after Decem-
6 ber 31, 2025.

7 (c) DETERMINATION OF EMISSIONS RATE.—

8 (1) IN GENERAL.—Section 45Z(b)(1)(B) is
9 amended by adding at the end the following new
10 clauses:

11 “(iv) EXCLUSION OF INDIRECT LAND
12 USE CHANGES.—Notwithstanding clauses
13 (i), (ii), and (iii), the emissions rate shall
14 be adjusted as necessary to exclude any
15 emissions attributed to indirect land use
16 change. Any such adjustment shall be
17 based on regulations or methodologies de-
18 termined by the Secretary.

19 “(v) ANIMAL MANURES.—With re-
20 spect to any transportation fuel which is
21 derived from animal manure, the Sec-
22 retary—

23 “(I) shall provide a distinct emis-
24 sions rate with respect to such fuel
25 based on the specific animal manure

1 feedstock, which may include dairy
2 manure, swine manure, poultry ma-
3 nure, or any other sources as are de-
4 termined appropriate by the Sec-
5 retary, and

6 “(II) notwithstanding subpara-
7 graph (E), may provide an emissions
8 rate that is less than zero.”.

9 (2) CONFORMING AMENDMENT.—Section
10 45Z(b)(1)(B)(i) is amended by striking “clauses (ii)
11 and (iii)” and inserting “clauses (ii), (iii), (iv), and
12 (v)”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection shall apply to emissions rates pub-
15 lished for transportation fuel produced after Decem-
16 ber 31, 2025.

17 (d) EXTENSION OF CLEAN FUEL PRODUCTION
18 CREDIT.—Section 45Z(g) is amended by striking “Decem-
19 ber 31, 2027” and inserting “December 31, 2029”.

20 (e) PREVENTING DOUBLE CREDIT.—Section
21 45Z(d)(5) is amended—

22 (1) in subparagraph (A)—

23 (A) in clause (ii), by striking “and” at the
24 end,

1 (B) in clause (iii), by striking the period at
2 the end and inserting “, and”, and

3 (C) by adding at the end the following new
4 clause:

5 “(iv) is not produced from a fuel for
6 which a credit under this section is allow-
7 able.”, and

8 (2) by adding at the end the following new sub-
9 paragraph:

10 “(C) REGULATIONS AND GUIDANCE.—The
11 Secretary shall issue such regulations or other
12 guidance as the Secretary determines necessary
13 to carry out the purposes of subparagraph
14 (A)(iv).”.

15 (f) SALES TO UNRELATED PERSONS.—Section
16 45Z(f)(3) is amended by adding at the end the following:
17 “The Secretary may prescribe additional related person
18 rules similar to the rule described in the preceding sen-
19 tence for entities which are not described in such sentence,
20 including rules for related persons with respect to which
21 the taxpayer has reason to believe will sell fuel to an unre-
22 lated person in a manner described in subsection (a)(4).”.

23 (g) TREATMENT OF SUSTAINABLE AVIATION
24 FUEL.—

25 (1) COORDINATION OF CREDITS.—

1 (A) IN GENERAL.—Section 45Z(a)(3) is
2 amended—

3 (i) in the heading, by striking “SPE-
4 CIAL” and inserting “ADJUSTED”, and

5 (ii) by adding at the end the following
6 new subparagraph:

7 “(C) COORDINATION OF CREDITS.—In the
8 case of a transportation fuel which is sustain-
9 able aviation fuel which is sold before October
10 1, 2025, the amount of the credit determined
11 under paragraph (1) with respect to any gallon
12 of such fuel shall be reduced by an amount
13 equal to the amount of the sustainable aviation
14 fuel credit allowable under section 6426(k)(1).”.

15 (B) EFFECTIVE DATE.—The amendments
16 made by this paragraph shall apply to fuel sold
17 after December 31, 2024.

18 (2) ELIMINATION OF SPECIAL RATE.—

19 (A) IN GENERAL.—Section 45Z(a)(3), as
20 amended by paragraph (1), is amended by—

21 (i) striking subparagraph (A), and

22 (ii) by redesignating subparagraph

23 (C) as subparagraph (A).

24 (B) CONFORMING AMENDMENT.—Section
25 45Z(c)(1) is amended by striking “, the \$1.00

1 amount in subsection (a)(2)(B), the 35 cent
2 amount in subsection (a)(3)(A)(i), and the
3 \$1.75 amount in subsection (a)(3)(A)(ii)” and
4 inserting “and the \$1.00 amount in subsection
5 (a)(2)(B)”.

6 (C) EFFECTIVE DATE.—The amendments
7 made by this paragraph shall apply to fuel pro-
8 duced after December 31, 2025.

9 (h) SUSTAINABLE AVIATION FUEL CREDIT.—Section
10 6426(k) is amended by adding at the end the following
11 new paragraph:

12 “(4) TERMINATION.—This subsection shall not
13 apply to any sale or use for any period after Sep-
14 tember 30, 2025.”.

15 (i) REGISTRATION OF PRODUCERS OF FUEL ELIGI-
16 BLE FOR CLEAN FUEL PRODUCTION CREDIT.—

17 (1) IN GENERAL.—Section 13704(b)(5) of Pub-
18 lic Law 117-169 is amended by striking “after ‘sec-
19 tion 6426(k)(3)),’” and inserting “after ‘section
20 40B),’”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by this subsection shall apply to transportation fuel
23 produced after December 31, 2024.

24 (j) EXTENSION AND MODIFICATION OF SMALL AGRI-
25 BIODIESEL PRODUCER CREDIT.—

1 (1) IN GENERAL.—Section 40A is amended—

2 (A) in subsection (b)(4)—

3 (i) in subparagraph (A), by striking
4 “10 cents” and inserting “20 cents”,

5 (ii) in subparagraph (B), by inserting
6 “in a manner which complies with the re-
7 quirements under section
8 45Z(f)(1)(A)(iii)” after “produced by an
9 eligible small agri-biodiesel producer”, and

10 (iii) by adding at the end the fol-
11 lowing new subparagraph:

12 “(D) COORDINATION WITH CLEAN FUEL
13 PRODUCTION CREDIT.—The credit determined
14 under this paragraph with respect to any gallon
15 of fuel shall be in addition to any credit deter-
16 mined under section 45Z with respect to such
17 gallon of fuel.”, and

18 (B) in subsection (g), by inserting “(or, in
19 the case of the small agri-biodiesel producer
20 credit, any sale or use after December 31,
21 2026)” after “December 31, 2024”.

22 (2) TRANSFER OF CREDIT.—Section
23 6418(f)(1)(A) is amended by adding at the end the
24 following new clause:

1 “(xii) So much of the biodiesel fuels
2 credit determined under section 40A which
3 consists of the small agri-biodiesel pro-
4 ducer credit determined under subsection
5 (b)(4) of such section.”.

6 (3) EFFECTIVE DATE.—The amendments made
7 by this subsection shall apply to fuel sold or used
8 after June 30, 2025.

9 (k) RESTRICTIONS RELATING TO PROHIBITED FOR-
10 EIGN ENTITIES.—

11 (1) IN GENERAL.—Section 45Z(f) is amended
12 by adding at the end the following new paragraph:

13 “(8) RESTRICTIONS RELATING TO PROHIBITED
14 FOREIGN ENTITIES.—

15 “(A) IN GENERAL.—No credit shall be de-
16 termined under subsection (a) for any taxable
17 year beginning after the date of enactment of
18 this paragraph if the taxpayer is a specified for-
19 eign entity (as defined in section
20 7701(a)(51)(B)).

21 “(B) OTHER PROHIBITED FOREIGN ENTI-
22 TIES.—No credit shall be determined under
23 subsection (a) for any taxable year beginning
24 after the date which is 2 years after the date
25 of enactment of this paragraph if the taxpayer

1 is a foreign-influenced entity (as defined in sec-
2 tion 7701(a)(51)(D), without regard to clause
3 (i)(II) thereof).”.

4 (2) EFFECTIVE DATE.—The amendment made
5 by this subsection shall apply to taxable years begin-
6 ning after the date of enactment of this Act.

7 **SEC. 70522. RESTRICTIONS ON CARBON OXIDE SEQUESTRA-**
8 **TION CREDIT.**

9 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-
10 EIGN ENTITIES.—Section 45Q(f) is amended by adding
11 at the end the following new paragraph:

12 “(10) RESTRICTIONS RELATING TO PROHIB-
13 ITED FOREIGN ENTITIES.—No credit shall be deter-
14 mined under subsection (a) for any taxable year be-
15 ginning after the date of enactment of this para-
16 graph if the taxpayer is—

17 “(A) a specified foreign entity (as defined
18 in section 7701(a)(51)(B)), or

19 “(B) a foreign-influenced entity (as defined
20 in section 7701(a)(51)(D), determined without
21 regard to clause (i)(II) thereof).”.

22 (b) PARITY FOR DIFFERENT USES AND UTILIZA-
23 TIONS OF QUALIFIED CARBON OXIDE.—Section 45Q is
24 amended—

25 (1) in subsection (a)—

1 (A) in paragraph (2)(B)(ii), by adding
2 “and” at the end,

3 (B) in paragraph (3), by striking subpara-
4 graph (B) and inserting the following:

5 “(B)(i) disposed of by the taxpayer in se-
6 cure geological storage and not used by the tax-
7 payer as described in clause (ii) or (iii),

8 “(ii) used by the taxpayer as a tertiary
9 injectant in a qualified enhanced oil or natural
10 gas recovery project and disposed of by the tax-
11 payer in secure geological storage, or

12 “(iii) utilized by the taxpayer in a manner
13 described in subsection (f)(5).”, and

14 (C) by striking paragraph (4),
15 (2) in subsection (b)—

16 (A) in paragraph (1)—

17 (i) by striking subparagraph (A) and
18 inserting the following:

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (B) or (C), the applicable dollar
21 amount shall be an amount equal to—

22 “(i) for any taxable year beginning in
23 a calendar year after 2024 and before
24 2027, \$17, and

1 “(ii) for any taxable year beginning in
2 a calendar year after 2026, an amount
3 equal to the product of \$17 and the infla-
4 tion adjustment factor for such calendar
5 year determined under section 43(b)(3)(B)
6 for such calendar year, determined by sub-
7 stituting ‘2025’ for ‘1990’.”, and

8 (ii) in subparagraph (B), by striking
9 “shall be applied” and all that follows
10 through the period and inserting “shall be
11 applied by substituting ‘\$36’ for ‘\$17’ each
12 place it appears.”,

13 (B) in paragraph (2)(B), by striking
14 “paragraphs (3)(A) and (4)(A)” and inserting
15 “paragraph (3)(A)”, and

16 (C) in paragraph (3), by striking “the dol-
17 lar amounts applicable under paragraph (3) or
18 (4)” and inserting “the dollar amount applica-
19 ble under paragraph (3)”,
20 (3) in subsection (f)—

21 (A) in paragraph (5)(B)(i), by striking
22 “(4)(B)(ii)” and inserting “(3)(B)(iii)”, and

23 (B) in paragraph (9), by striking “para-
24 graphs (3) and (4) of subsection (a)” and in-
25 serting “subsection (a)(3)”, and

1 (4) in subsection (h)(3)(A)(ii), by striking
2 “paragraph (3)(A) or (4)(A) of subsection (a)” and
3 inserting “subsection (a)(3)(A)”.

4 (c) CONFORMING AMENDMENT.—Section
5 6417(d)(3)(C)(i)(II)(bb) is amended by striking “para-
6 graph (3)(A) or (4)(A) of section 45Q(a)” and inserting
7 “section 45Q(a)(3)(A)”.

8 (d) EFFECTIVE DATES.—

9 (1) RESTRICTIONS RELATING TO PROHIBITED
10 FOREIGN ENTITIES.—The amendment made by sub-
11 section (a) shall apply to taxable years beginning
12 after the date of enactment of this Act.

13 (2) PARITY FOR DIFFERENT USES AND UTILI-
14 ZATIONS OF QUALIFIED CARBON OXIDE.—The
15 amendments made subsections (b) and (c) shall
16 apply to facilities or equipment placed in service
17 after the date of enactment of this Act.

18 **SEC. 70523. INTANGIBLE DRILLING AND DEVELOPMENT**
19 **COSTS TAKEN INTO ACCOUNT FOR PUR-**
20 **POSES OF COMPUTING ADJUSTED FINANCIAL**
21 **STATEMENT INCOME.**

22 (a) IN GENERAL.—Section 56A(c)(13) is amended—
23 (1) by striking subparagraph (A) and inserting
24 the following:

25 “(A) reduced by—

1 “(i) depreciation deductions allowed
2 under section 167 with respect to property
3 to which section 168 applies to the extent
4 of the amount allowed as deductions in
5 computing taxable income for the year,
6 and

7 “(ii) any deduction allowed for ex-
8 penses under section 263(c) (including any
9 deduction for such expenses under section
10 59(e) or 291(b)(2)) with respect to prop-
11 erty described therein to the extent of the
12 amount allowed as deductions in com-
13 puting taxable income for the year, and”,
14 and

15 (2) by striking subparagraph (B)(i) and insert-
16 ing the following:

17 “(i) to disregard any amount of—

18 “(I) depreciation expense that is
19 taken into account on the taxpayer’s
20 applicable financial statement with re-
21 spect to such property, and

22 “(II) depletion expense that is
23 taken into account on the taxpayer’s
24 applicable financial statement with re-
25 spect to the intangible drilling and de-

1 velopment costs of such property,
2 and”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 70524. INCOME FROM HYDROGEN STORAGE, CARBON**
7 **CAPTURE, ADVANCED NUCLEAR, HYDRO-**
8 **POWER, AND GEOTHERMAL ENERGY ADDED**
9 **TO QUALIFYING INCOME OF CERTAIN PUB-**
10 **LICLY TRADED PARTNERSHIPS.**

11 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-
12 ed—

13 (1) by striking “income and gains derived from
14 the exploration” and inserting the following: “in-
15 come and gains derived from—

16 “(i) the exploration”.

17 (2) by inserting “or” before “industrial
18 source”, and

19 (3) by striking “or the transportation or stor-
20 age” and all that follows and inserting the following:

21 “(ii) the transportation or storage
22 of—

23 “(I) any fuel described in sub-
24 section (b), (c), (d), (e), or (k) of sec-
25 tion 6426, or any alcohol fuel defined

1 in section 6426(b)(4)(A) or any bio-
2 diesel fuel as defined in section
3 40A(d)(1) or sustainable aviation fuel
4 as defined in section 40B(d)(1), or

5 “(II) liquified hydrogen or com-
6 pressed hydrogen,

7 “(iii) in the case of a qualified facility
8 (as defined in section 45Q(d), without re-
9 gard to any date by which construction of
10 the facility or equipment is required to
11 begin) not less than 50 percent of the total
12 carbon oxide production of which is quali-
13 fied carbon oxide (as defined in section
14 45Q(c))—

15 “(I) the generation, availability
16 for such generation, or storage of elec-
17 tric power at such facility, or

18 “(II) the capture of carbon diox-
19 ide by such facility,

20 “(iv) the production of electricity from
21 any advanced nuclear facility (as defined in
22 section 45J(d)(2)),

23 “(v) the production of electricity or
24 thermal energy exclusively using a quali-

1 fied energy resource described in subpara-
2 graph (D) or (H) of section 45(c)(1), or
3 “(vi) the operation of energy property
4 described in clause (iii) or (vii) of section
5 48(a)(3)(A) (determined without regard to
6 any requirement under such section with
7 respect to the date on which construction
8 of property begins).”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2025.

12 **SEC. 70525. ALLOW FOR PAYMENTS TO CERTAIN INDIVID-**
13 **UALS WHO DYE FUEL.**

14 (a) IN GENERAL.—Subchapter B of chapter 65, as
15 amended by the preceding provisions of this Act, is amend-
16 ed by adding at the end the following new section:

17 **“SEC. 6435. DYED FUEL.**

18 “(a) IN GENERAL.—If a person establishes to the
19 satisfaction of the Secretary that such person meets the
20 requirements of subsection (b) with respect to diesel fuel
21 or kerosene, then the Secretary shall pay to such person
22 an amount (without interest) equal to the tax described
23 in subsection (b)(2)(A) with respect to such diesel fuel or
24 kerosene.

25 “(b) REQUIREMENTS.—

1 “(1) IN GENERAL.—A person meets the re-
2 quirements of this subsection with respect to diesel
3 fuel or kerosene if such person removes from a ter-
4 minal eligible indelibly dyed diesel fuel or kerosene.

5 “(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL
6 OR KEROSENE DEFINED.—The term ‘eligible indeli-
7 bly dyed diesel fuel or kerosene’ means diesel fuel or
8 kerosene—

9 “(A) with respect to which a tax under sec-
10 tion 4081 was previously paid (and not credited
11 or refunded), and

12 “(B) which is exempt from taxation under
13 section 4082(a).

14 “(c) CROSS REFERENCE.—For civil penalty for ex-
15 cessive claims under this section, see section 6675.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 6206 is amended—

18 (A) by striking “or 6427” each place it ap-
19 pears and inserting “6427, or 6435”, and

20 (B) by striking “6420 and 6421” and in-
21 serting “6420, 6421, and 6435”.

22 (2) Section 6430 is amended—

23 (A) by striking “or” at the end of para-
24 graph (2), by striking the period at the end of

1 paragraph (3) and inserting “, or”, and by add-
2 ing at the end the following new paragraph:

3 “(4) which are removed as eligible indelibly
4 dyed diesel fuel or kerosene under section 6435.”.

5 (3) Section 6675 is amended—

6 (A) in subsection (a), by striking “or 6427
7 (relating to fuels not used for taxable pur-
8 poses)” and inserting “6427 (relating to fuels
9 not used for taxable purposes), or 6435 (relat-
10 ing to eligible indelibly dyed fuel)”, and

11 (B) in subsection (b)(1), by striking
12 “6421, or 6427,” and inserting “6421, 6427,
13 or 6435,”.

14 (4) The table of sections for subchapter B of
15 chapter 65, as amended by the preceding provisions
16 of this Act, is amended by adding at the end the fol-
17 lowing new item:

“Sec. 6435. Dyed fuel.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to eligible indelibly dyed diesel fuel
20 or kerosene removed on or after the date that is 180 days
21 after the date of the enactment of this section.

22 **Subchapter C—Other Reforms**

23 **SEC. 70531. MODIFICATIONS TO DE MINIMIS ENTRY PRIVI-** 24 **LEGE FOR COMMERCIAL SHIPMENTS.**

25 (a) CIVIL PENALTY.—

1 (1) ADDITIONAL PENALTY IMPOSED.—Section
2 321 of the Tariff Act of 1930 (19 U.S.C. 1321) is
3 amended by adding at the end the following new
4 subsection:

5 “(c) Any person who enters, introduces, facilitates,
6 or attempts to introduce an article into the United States
7 using the privilege of this section, the importation of which
8 violates any other provision of United States customs law,
9 shall be assessed, in addition to any other penalty per-
10 mitted by law, a civil penalty of up to \$5,000 for the first
11 violation and up to \$10,000 for each subsequent viola-
12 tion.”.

13 (2) EFFECTIVE DATE.—The amendment made
14 by paragraph (1) shall take effect 30 days after the
15 date of the enactment of this Act.

16 (b) REPEAL OF COMMERCIAL SHIPMENT EXCEP-
17 TION.—

18 (1) REPEAL.—Section 321(a)(2) of such Act
19 (19 U.S.C. 1321(a)(2)) is amended by striking “of
20 this Act, or” and all that follows through “subdivi-
21 sion (2); and” and inserting “of this Act; and”.

22 (2) CONFORMING REPEAL.—Subsection (c) of
23 such section 321, as added by subsection (a) of this
24 section, is repealed.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall take effect on July 1, 2027.

3 **CHAPTER 6—ENHANCING DEDUCTION**
4 **AND INCOME TAX CREDIT GUARD-**
5 **RAILS, AND OTHER REFORMS**

6 **SEC. 70601. MODIFICATION AND EXTENSION OF LIMITA-**
7 **TION ON EXCESS BUSINESS LOSSES OF NON-**
8 **CORPORATE TAXPAYERS.**

9 (a) RULE MADE PERMANENT.—Section 461(l)(1) is
10 amended by striking “and before January 1, 2029,” each
11 place it appears.

12 (b) ADJUSTMENT OF AMOUNTS FOR CALCULATION
13 OF EXCESS BUSINESS LOSS.—Section 461(l)(3)(C) is
14 amended—

15 (1) in the matter preceding clause (i), by strik-
16 ing “December 31, 2018” and inserting “December
17 31, 2025”, and

18 (2) in clause (ii), by striking “2017” and in-
19 serting “2024”.

20 (c) EFFECTIVE DATES.—

21 (1) RULE MADE PERMANENT.—The amend-
22 ments made by subsection (a) shall apply to taxable
23 years beginning after December 31, 2026.

24 (2) ADJUSTMENT OF AMOUNTS FOR CALCULA-
25 TION OF EXCESS BUSINESS LOSS.—The amendments

1 made by subsection (b) shall apply to taxable years
2 beginning after December 31, 2025.

3 **SEC. 70602. TREATMENT OF PAYMENTS FROM PARTNER-**
4 **SHIPS TO PARTNERS FOR PROPERTY OR**
5 **SERVICES.**

6 (a) IN GENERAL.—Section 707(a)(2) is amended by
7 striking “Under regulations prescribed” and inserting
8 “Except as provided”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to services performed, and property
11 transferred, after the date of the enactment of this Act.

12 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion, or the amendments made by this section, shall be
14 construed to create any inference with respect to the prop-
15 er treatment under section 707(a) of the Internal Revenue
16 Code of 1986 with respect to payments from a partnership
17 to a partner for services performed, or property trans-
18 ferred, on or before the date of the enactment of this Act.

19 **SEC. 70603. EXCESSIVE EMPLOYEE REMUNERATION FROM**
20 **CONTROLLED GROUP MEMBERS AND ALLO-**
21 **CATION OF DEDUCTION.**

22 (a) APPLICATION OF AGGREGATION RULES.—Section
23 162(m) is amended by adding at the end the following new
24 paragraph:

601

1 “(7) REMUNERATION FROM CONTROLLED
2 GROUP MEMBERS.—

3 “(A) IN GENERAL.—In the case of any
4 publicly held corporation which is a member of
5 a controlled group—

6 “(i) paragraph (1) shall be applied by
7 substituting ‘specified covered employee’
8 for ‘covered employee’, and

9 “(ii) if any person which is a member
10 of such controlled group (other than such
11 publicly held corporation) provides applica-
12 ble employee remuneration to an individual
13 who is a specified covered employee of such
14 controlled group and the aggregate amount
15 described in subparagraph (B)(ii) with re-
16 spect to such specified covered employee
17 exceeds \$1,000,000—

18 “(I) paragraph (1) shall apply to
19 such person with respect to such re-
20 muneration, and

21 “(II) paragraph (1) shall apply
22 to such publicly held corporation and
23 to each such related person by sub-
24 stituting ‘the allocable limitation
25 amount’ for ‘\$1,000,000’.

1 “(B) ALLOCABLE LIMITATION AMOUNT.—

2 For purposes of this paragraph, the term ‘allo-
3 cable limitation amount’ means, with respect to
4 any member of the controlled group referred to
5 in subparagraph (A) with respect to any speci-
6 fied covered employee of such controlled group,
7 the amount which bears the same ratio to
8 \$1,000,000 as—

9 “(i) the amount of applicable em-
10 ployee remuneration provided by such
11 member with respect to such specified cov-
12 ered employee, bears to

13 “(ii) the aggregate amount of applica-
14 ble employee remuneration provided by all
15 such members with respect to such speci-
16 fied covered employee.

17 “(C) SPECIFIED COVERED EMPLOYEE.—

18 For purposes of this paragraph, the term ‘spec-
19 ified covered employee’ means, with respect to
20 any controlled group—

21 “(i) any employee described in sub-
22 paragraph (A), (B), or (D) of paragraph
23 (3), with respect to the publicly held cor-
24 poration which is a member of such con-
25 trolled group, and

1 “(ii) any employee who would be de-
2 scribed in subparagraph (C) of paragraph
3 (3) if such subparagraph were applied by
4 taking into account the employees of all
5 members of the controlled group.

6 “(D) CONTROLLED GROUP.—For purposes
7 of this paragraph, the term ‘controlled group’
8 means any group treated as a single employer
9 under subsection (b), (c), (m), or (o) of section
10 414.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to taxable years beginning after
13 December 31, 2025.

14 **SEC. 70604. THIRD PARTY LITIGATION FUNDING REFORM.**

15 (a) IN GENERAL.—Subtitle D, as amended by the
16 preceding provisions of this Act, is amended by adding at
17 the end the following new chapter:

18 **“CHAPTER 50C—LITIGATION FINANCING**

“Sec. 5000F–1. Tax imposed.

“Sec. 5000F–2. Definitions.

“Sec. 5000F–3. Special rules.

19 **“SEC. 5000F–1. TAX IMPOSED.**

20 “(a) IN GENERAL.—A tax is hereby imposed for each
21 taxable year in an amount equal to 31.8 percent of any
22 qualified litigation proceeds received by a covered party.

23 “(b) APPLICATION OF TAX FOR PASS-THROUGH EN-
24 TITIES.—In the case of a covered party that is a partner-

1 ship, S corporation, or other pass-through entity, the tax
2 imposed under subsection (a) shall be applied at the entity
3 level.

4 **“SEC. 5000F-2. DEFINITIONS.**

5 “In this chapter—

6 “(1) CIVIL ACTION.—

7 “(A) IN GENERAL.—The term ‘civil action’
8 means any civil action, administrative pro-
9 ceeding, claim, or cause of action.

10 “(B) MULTIPLE ACTIONS.—The term ‘civil
11 action’ may, unless otherwise indicated, include
12 more than 1 civil action.

13 “(2) COVERED PARTY.—

14 “(A) IN GENERAL.—The term ‘covered
15 party’ means, with respect to any civil action,
16 any third party (including an individual, cor-
17 poration, partnership, or sovereign wealth fund)
18 to such action which—

19 “(i) receives funds pursuant to a liti-
20 gation financing agreement, and

21 “(ii) is not an attorney representing a
22 party to such civil action.

23 “(B) INCLUSION OF DOMESTIC AND FOR-
24 EIGN ENTITIES.—Subparagraph (A) shall apply
25 to any third party without regard to whether

1 such party is created or organized in the United
2 States or under the law of the United States or
3 of any State.

4 “(3) LITIGATION FINANCING AGREEMENT.—

5 “(A) IN GENERAL.—The term ‘litigation
6 financing agreement’ means, with respect to
7 any civil action, a written agreement—

8 “(i) whereby a third party agrees to
9 provide funds to one of the named parties
10 or any law firm affiliated with such civil
11 action, and

12 “(ii) which creates a direct or
13 collateralized interest in the proceeds of
14 such action (by settlement, verdict, judg-
15 ment or otherwise) which—

16 “(I) is based, in whole or in part,
17 on a funding-based obligation to—

18 “(aa) such civil action,

19 “(bb) the appearing counsel,

20 “(cc) any contractual co-
21 counsel, or

22 “(dd) the law firm of such
23 counsel or co-counsel, and

24 “(II) is executed with—

606

1 “(aa) any attorney rep-
2 resenting a party to such civil ac-
3 tion,

4 “(bb) any co-counsel in such
5 civil action with a contingent fee
6 interest in the representation of
7 such party,

8 “(cc) any third party that
9 has a collateral-based interest in
10 the contingency fees of the coun-
11 sel or co-counsel firm which is re-
12 lated, in whole or part, to the
13 fees derived from representing
14 such party, or

15 “(dd) any named party in
16 such civil action.

17 “(B) SUBSTANTIALLY SIMILAR AGREE-
18 MENTS.—The term ‘litigation financing agree-
19 ment’ shall include any contract (including any
20 option, forward contract, futures contract, short
21 position, swap, or similar contract) or other
22 agreement which, as determined by the Sec-
23 retary, is substantially similar to an agreement
24 described in subparagraph (A).

1 “(C) EXCEPTIONS.—The term ‘litigation
2 financing agreement’ shall not include any
3 agreement—

4 “(i) under which the total amount of
5 funds described in subparagraph (A)(i)
6 with respect to an individual civil action is
7 less than \$10,000, or

8 “(ii) in which the third party de-
9 scribed in subparagraph (A)—

10 “(I) has a right to receive pro-
11 ceeds which are derived from, or pur-
12 suant to, such agreement that are lim-
13 ited to—

14 “(aa) repayment of the prin-
15 cipal of a loan,

16 “(bb) repayment of the prin-
17 cipal of a loan plus any interest
18 on such loan, provided that the
19 rate of interest does not exceed
20 the greater of—

21 “(AA) 7 percent, or

22 “(BB) a rate equal to
23 twice the average annual
24 yield on 30-year United
25 States Treasury securities

1 (as determined for the year
2 preceding the date on which
3 such agreement was exe-
4 cuted), or

5 “(cc) reimbursement of at-
6 torney’s fees, or

7 “(II) bears a relationship de-
8 scribed in section 267(b) to the
9 named party receiving the payment
10 described in subparagraph (A)(i).

11 “(4) QUALIFIED LITIGATION PROCEEDS.—

12 “(A) IN GENERAL.—The term ‘qualified
13 litigation proceeds’ means, with respect to any
14 taxable year, an amount equal to the realized
15 gains, net income, or other profit received by a
16 covered party during such taxable year which is
17 derived from, or pursuant to, any litigation fi-
18 nancing agreement.

19 “(B) ANTI-NETTING.—Any gains, income,
20 or profit described in subparagraph (A) shall
21 not be reduced or offset by any ordinary or cap-
22 ital loss in the taxable year.

23 “(C) PROHIBITION ON EXCLUSION OF CER-
24 TAIN AMOUNTS.—In determining the amount of
25 realized gain under subparagraph (A), amounts

1 described in section 104(a)(2) and 892(a)(1)
2 shall not be excluded.

3 **“SEC. 5000F-3. SPECIAL RULES.**

4 “(a) WITHHOLDING OF TAX ON LITIGATION PRO-
5 CEEDS.—Any applicable person having the control, re-
6 ceipt, or custody of any proceeds from a civil action (by
7 settlement, judgment, or otherwise) with respect to which
8 such person had entered into a litigation financing agree-
9 ment shall deduct and withhold from such proceeds a tax
10 equal to 15.9 percent of the qualified litigation proceeds
11 which are required to be paid to a third party pursuant
12 to such agreement.

13 “(b) APPLICABLE PERSON.—For purposes of this
14 section, the term ‘applicable person’ means any person
15 which—

16 “(1) is a named party in a civil action or a law
17 firm affiliated with such civil action, and

18 “(2) has entered into a litigation financing
19 agreement with respect to such civil action.

20 “(c) APPLICATION OF WITHHOLDING PROVISIONS.—

21 “(1) LIABILITY FOR WITHHELD TAX.—Every
22 person required to deduct and withhold any tax
23 under this chapter is hereby made liable for such tax
24 and is hereby indemnified against the claims and de-
25 mands of any person for the amount of any pay-

1 ments made in accordance with the provisions of this
2 chapter.

3 “(2) WITHHELD TAX AS CREDIT TO RECIPIENT
4 OF QUALIFIED LITIGATION PROCEEDS.—Qualified
5 litigation proceeds on which any tax is required to
6 be withheld at the source under this chapter shall be
7 included in the return of the recipient of such pro-
8 ceeds, but any amount of tax so withheld shall be
9 credited against the amount of tax as computed in
10 such return.

11 “(3) TAX PAID BY RECIPIENT OF QUALIFIED
12 LITIGATION PROCEEDS.—If—

13 “(A) any person, in violation of the provi-
14 sions of this chapter, fails to deduct and with-
15 hold any tax under this chapter, and

16 “(B) thereafter the tax against which such
17 tax may be credited is paid,
18 the tax so required to be deducted and withheld
19 shall not be collected from such person, but this
20 paragraph shall in no case relieve such person from
21 liability for interest or any penalties or additions to
22 the tax otherwise applicable in respect of such fail-
23 ure to deduct and withhold.

24 “(4) REFUNDS AND CREDITS WITH RESPECT TO
25 WITHHELD TAX.—Where there has been an overpay-

1 ment of tax under this chapter, any refund or credit
2 made under chapter 65 shall be made to the with-
3 holding agent unless the amount of such tax was ac-
4 tually withheld by the withholding agent.”.

5 (b) EXCLUSION FROM DEFINITION OF CAPITAL
6 ASSET.—Section 1221(a) is amended—

7 (1) in paragraph (7), by striking “or” at the
8 end,

9 (2) in paragraph (8), by striking the period at
10 the end and inserting “; or”, and

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

13 “(9) any financial arrangement created by, or
14 any proceeds derived from, a litigation financing
15 agreement (as defined under section 5000F-2).”.

16 (c) REMOVAL FROM GROSS INCOME.—Part III of
17 subchapter B of chapter 1, as amended by the preceding
18 provisions of this Act, is amended by inserting after sec-
19 tion 139L the following new section:

20 **“SEC. 139M. QUALIFIED LITIGATION PROCEEDS.**

21 “Gross income shall not include any qualified litiga-
22 tion proceeds (as defined in section 5000F-2).”.

23 (d) CLERICAL AMENDMENTS.—

24 (1) Section 7701(a)(16) is amended by insert-
25 ing “5000F-3(c)(1),” before “1441”.

1 (2) The table of chapters for subtitle D, as
2 amended by the preceding provisions of this Act, is
3 amended by inserting after the item relating to
4 chapter 50B the following new item:

“CHAPTER 50C—LITIGATION FINANCING”.

5 (3) The table of sections for part III of sub-
6 chapter B of chapter 1, as amended by the pre-
7 ceding provisions of this Act, is amended by insert-
8 ing after the item relating to section 139L the fol-
9 lowing new item:

“Sec. 139M. Qualified litigation proceeds.”.

10 (e) **EFFECTIVE DATE.**—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2025.

13 **SEC. 70605. EXCISE TAX ON CERTAIN REMITTANCE TRANS-**
14 **FERS.**

15 (a) **IN GENERAL.**—Chapter 36 is amended by insert-
16 ing after subchapter B the following new subchapter:

17 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

18 **“SEC. 4475. IMPOSITION OF TAX.**

19 “(a) **IN GENERAL.**—There is hereby imposed on any
20 remittance transfer a tax equal to 1 percent of the amount
21 of such transfer.

22 “(b) **PAYMENT OF TAX.**—

1 “(1) IN GENERAL.—The tax imposed by this
2 section with respect to any remittance transfer shall
3 be paid by the sender with respect to such transfer.

4 “(2) COLLECTION OF TAX.—The remittance
5 transfer provider with respect to any remittance
6 transfer shall collect the amount of the tax imposed
7 under subsection (a) with respect to such transfer
8 from the sender and remit such tax quarterly to the
9 Secretary at such time and in such manner as pro-
10 vided by the Secretary,

11 “(3) SECONDARY LIABILITY.—Where any tax
12 imposed by subsection (a) is not paid at the time the
13 transfer is made, then to the extent that such tax
14 is not collected, such tax shall be paid by the remit-
15 tance transfer provider.

16 “(c) TAX LIMITED TO CASH AND SIMILAR INSTRU-
17 MENTS.—The tax imposed under subsection (a) shall
18 apply only to any remittance transfer for which the sender
19 provides cash, a money order, a cashier’s check, or any
20 other similar physical instrument (as determined by the
21 Secretary) to the remittance transfer provider.

22 “(d) NONAPPLICATION TO CERTAIN NONCASH RE-
23 MITTANCE TRANSFERS.—Subsection (a) shall not apply to
24 any remittance transfer for which the funds being trans-
25 ferred are—

1 “(1) withdrawn from an account held in or by
2 a financial institution—

3 “(A) which is described in subparagraphs
4 (A) through (H) of section 5312(a)(2) of title
5 31, United States Code, and

6 “(B) that is subject to the requirements
7 under subchapter II of chapter 53 of such title,
8 or

9 “(2) funded with a debit card or a credit card
10 which is issued in the United States.

11 “(e) DEFINITIONS.—For purposes of this section—

12 “(1) IN GENERAL.—The terms ‘remittance
13 transfer’, ‘remittance transfer provider’, and ‘sender’
14 shall each have the respective meanings given such
15 terms by section 919(g) of the Electronic Fund
16 Transfer Act (15 U.S.C. 1693o–1(g)).

17 “(2) CREDIT CARD.—The term ‘credit card’ has
18 the same meaning given such term under section
19 920(c)(3) of the Electronic Fund Transfer Act (15
20 U.S.C. 1693o–2(c)(3)).

21 “(3) DEBIT CARD.—The term ‘debit card’ has
22 the same meaning given such term under section
23 920(c)(2) of the Electronic Fund Transfer Act (15
24 U.S.C. 1693o–2(c)(2)), without regard to subpara-
25 graph (B) of such section.

1 “(f) APPLICATION OF ANTI-CONDUIT RULES.—For
2 purposes of section 7701(l), with respect to any multiple-
3 party arrangements involving the sender, a remittance
4 transfer shall be treated as a financing transaction.”.

5 (b) CONFORMING AMENDMENT.—The table of sub-
6 chapters for chapter 36 is amended by inserting after the
7 item relating to subchapter B the following new item:

“SUBCHAPTER C—REMITTANCE TRANSFERS”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to transfers made after December
10 31, 2025.

11 **SEC. 70606. ENFORCEMENT PROVISIONS WITH RESPECT TO**
12 **COVID-RELATED EMPLOYEE RETENTION**
13 **CREDITS.**

14 (a) ASSESSABLE PENALTY FOR FAILURE TO COMPLY
15 WITH DUE DILIGENCE REQUIREMENTS.—

16 (1) IN GENERAL.—Any COVID-ERTC pro-
17 moter which provides aid, assistance, or advice with
18 respect to any COVID-ERTC document and which
19 fails to comply with due diligence requirements im-
20 posed by the Secretary with respect to determining
21 eligibility for, or the amount of, any credit or ad-
22 vance payment of a credit under section 3134 of the
23 Internal Revenue Code of 1986, shall pay a penalty
24 of \$1,000 for each such failure.

1 (2) DUE DILIGENCE REQUIREMENTS.—The due
2 diligence requirements referred to in paragraph (1)
3 shall be similar to the due diligence requirements
4 imposed under section 6695(g) of the Internal Rev-
5 enue Code of 1986.

6 (3) RESTRICTION TO DOCUMENTS USED IN
7 CONNECTION WITH RETURNS OR CLAIMS FOR RE-
8 FUND.—Paragraph (1) shall not apply with respect
9 to any COVID–ERTC document unless such docu-
10 ment constitutes, or relates to, a return or claim for
11 refund.

12 (4) TREATMENT AS ASSESSABLE PENALTY,
13 ETC.—For purposes of the Internal Revenue Code of
14 1986, the penalty imposed under paragraph (1) shall
15 be treated as a penalty which is imposed under sec-
16 tion 6695(g) of such Code and assessed under sec-
17 tion 6201 of such Code.

18 (5) SECRETARY.—For purposes of this sub-
19 section, the term “Secretary” means the Secretary
20 of the Treasury or the Secretary’s delegate.

21 (b) COVID–ERTC PROMOTER.—For purposes of
22 this section—

23 (1) IN GENERAL.—The term “COVID–ERTC
24 promoter” means, with respect to any COVID–
25 ERTC document, any person which provides aid, as-

1 assistance, or advice with respect to such document
2 if—

(A) such person charges or receives a fee for such aid, assistance, or advice which is based on the amount of the refund or credit with respect to such document and, with respect to such person's taxable year in which such person provided such assistance or the preceding taxable year, the aggregate of the gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents exceeds 20 percent of the gross receipts of such person for such taxable year, or

(B) with respect to such person's taxable year in which such person provided such assistance or the preceding taxable year—

(i) the aggregate of the gross receipts of such person for aid, assistance, and advice with respect to all COVID-ERTC documents exceeds 50 percent of the gross receipts of such person for such taxable year, or

23 (ii) both—

24 (I) such aggregate gross receipts
25 exceed 20 percent of the gross re-

1 ceipts of such person for such taxable
2 year, and

3 (II) the aggregate of the gross
4 receipts of such person for aid, assist-
5 ance, and advice with respect to all
6 COVID-ERTC documents (deter-
7 mined after application of paragraph
8 (3)) exceeds \$500,000.

9 (2) EXCEPTION FOR CERTIFIED PROFESSIONAL
10 EMPLOYER ORGANIZATIONS.—The term “COVID-
11 ERTC promoter” shall not include a certified profes-
12 sional employer organization (as defined in section
13 7705 of the Internal Revenue Code of 1986).

14 (3) AGGREGATION RULE.—For purposes of
15 paragraph (1), all persons treated as a single em-
16 ployer under subsection (a) or (b) of section 52 of
17 the Internal Revenue Code of 1986, or subsection
18 (m) or (o) of section 414 of such Code, shall be
19 treated as 1 person.

20 (4) SHORT TAXABLE YEARS.—In the case of
21 any taxable year of less than 12 months, a person
22 shall be treated as a COVID-ERTC promoter if such
23 person is described in paragraph (1) either with re-
24 spect to such taxable year or by treating any ref-

1 erence to such taxable year as a reference to the cal-
2 endar year in which such taxable year begins.

3 (c) COVID–ERTC DOCUMENT.—For purposes of
4 this section, the term “COVID–ERTC document” means
5 any return, affidavit, claim, or other document related to
6 any credit or advance payment of a credit under section
7 3134 of the Internal Revenue Code of 1986, including any
8 document related to eligibility for, or the calculation or
9 determination of any amount directly related to, any such
10 credit or advance payment.

11 (d) LIMITATION ON CREDITS AND REFUNDS.—Not-
12 withstanding section 6511 of the Internal Revenue Code
13 of 1986, no credit under section 3134 of the Internal Rev-
14 enue Code of 1986 shall be allowed, and no refund with
15 respect to any such credit shall be made, after the date
16 of the enactment of this Act, unless a claim for such credit
17 or refund was filed by the taxpayer on or before January
18 31, 2024.

19 (e) EXTENSION OF LIMITATION ON ASSESSMENT.—
20 Section 3134(l) is amended to read as follows:

21 “(l) EXTENSION OF LIMITATION ON ASSESSMENT.—

22 “(1) IN GENERAL.—Notwithstanding section
23 6501, the limitation on the time period for the as-
24 sessment of any amount attributable to a credit

1 claimed under this section shall not expire before the
2 date that is 6 years after the latest of—

3 “(A) the date on which the original return
4 which includes the calendar quarter with re-
5 spect to which such credit is determined is filed,

6 “(B) the date on which such return is
7 treated as filed under section 6501(b)(2), or

8 “(C) the date on which the claim for credit
9 or refund with respect to such credit is made.

10 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-
11 COUNT IN DETERMINING IMPROPERLY CLAIMED
12 CREDIT.—

13 “(A) IN GENERAL.—Notwithstanding sec-
14 tion 6511, in the case of an assessment attrib-
15 utable to a credit claimed under this section,
16 the limitation on the time period for credit or
17 refund of any amount attributable to a deduc-
18 tion for improperly claimed ERTC wages shall
19 not expire before the time period for such as-
20 sessment expires under paragraph (1).

21 “(B) IMPROPERLY CLAIMED ERTC
22 WAGES.—For purposes of this paragraph, the
23 term ‘improperly claimed ERTC wages’ means,
24 with respect to an assessment attributable to a
25 credit claimed under this section, the wages

1 with respect to which a deduction would not
2 have been allowed if the portion of the credit to
3 which such assessment relates had been prop-
4 erly claimed.”.

5 (f) AMENDMENT TO PENALTY FOR ERRONEOUS
6 CLAIM FOR REFUND OR CREDIT.—Section 6676(a) is
7 amended by striking “income tax” and inserting “income
8 or employment tax”.

9 (g) EFFECTIVE DATES.—

10 (1) IN GENERAL.—The provisions of this sec-
11 tion shall apply to aid, assistance, and advice pro-
12 vided after the date of the enactment of this Act.

13 (2) LIMITATION ON CREDITS AND REFUNDS.—
14 Subsection (d) shall apply to credits and refunds al-
15 lowed or made after the date of the enactment of
16 this Act.

17 (3) EXTENSION OF LIMITATION ON ASSESS-
18 MENT.—The amendment made by subsection (e)
19 shall apply to assessments made after the date of
20 the enactment of this Act.

21 (4) AMENDMENT TO PENALTY FOR ERRONEOUS
22 CLAIM FOR REFUND OR CREDIT.—The amendment
23 made by subsection (f) shall apply to claims for
24 credit or refund after the date of the enactment of
25 this Act.

1 (h) REGULATIONS.—The Secretary (as defined in
2 subsection (a)(5)) shall issue such regulations or other
3 guidance as may be necessary or appropriate to carry out
4 the purposes of this section (and the amendments made
5 by this section).

6 **SEC. 70607. SOCIAL SECURITY NUMBER REQUIREMENT FOR**
7 **AMERICAN OPPORTUNITY AND LIFETIME**
8 **LEARNING CREDITS.**

9 (a) SOCIAL SECURITY NUMBER OF TAXPAYER RE-
10 QUIRED.—Section 25A(g)(1) is amended to read as fol-
11 lows:

12 “(1) IDENTIFICATION REQUIREMENT.—

13 “(A) SOCIAL SECURITY NUMBER REQUIRE-
14 MENT.—No credit shall be allowed under sub-
15 section (a) to an individual unless the individual
16 includes on the return of tax for the taxable
17 year—

18 “(i) such individual’s social security
19 number, and

20 “(ii) in the case of a credit with re-
21 spect to the qualified tuition and related
22 expenses of an individual other than the
23 taxpayer or the taxpayer’s spouse, the
24 name and social security number of such
25 individual.

“(B) INSTITUTION.—No American Opportunity Tax Credit shall be allowed under this section unless the taxpayer includes the employer identification number of any institution to which the taxpayer paid qualified tuition and related expenses taken into account under this section on the return of tax for the taxable year.

9 “(C) SOCIAL SECURITY NUMBER DE-
10 FINED.—For purposes of this paragraph, the
11 term ‘social security number’ shall have the
12 meaning given such term in section 24(h)(7).”.

(b) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2)(J) is amended by striking “TIN” and inserting “social security number or employer identification number”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

20 SEC. 70608. TASK FORCE ON THE REPLACEMENT OF DI-
21 RECT FILE.

22 Out of any money in the Treasury not otherwise ap-
23 propriated, there is hereby appropriated for the fiscal year
24 ending September 30, 2026, \$15,000,000, to remain avail-
25 able until September 30, 2026, for necessary expenses of

1 the Department of the Treasury to deliver to Congress,
2 within 90 days following the date of the enactment of this
3 Act, a report on—

4 (1) the cost of enhancing and establishing pub-
5 lic-private partnerships which provide for free tax fil-
6 ing for up to 70 percent of all taxpayers calculated
7 by adjusted gross income, and to replace any direct
8 e-file programs run by the Internal Revenue Service;

9 (2) taxpayer opinions and preferences regarding
10 a taxpayer-funded, government-run service or a free
11 service provided by the private sector;

12 (3) assessment of the feasibility of a new ap-
13 proach, how to make the options consistent and sim-
14 ple for taxpayers across all participating providers,
15 and how to provide features to address taxpayer
16 needs; and

17 (4) the cost (including options for differential
18 coverage based on taxpayer adjusted gross income
19 and return complexity) of developing and running a
20 free direct e-file tax return system, including costs
21 to build and administer each release.

1 **Subtitle B—Health**
2 **CHAPTER 1—MEDICAID**
3 **Subchapter A—Reducing Fraud and**
4 **Improving Enrollment Processes**
5 **SEC. 71101. MORATORIUM ON IMPLEMENTATION OF RULE**
6 **RELATING TO ELIGIBILITY AND ENROLL-**
7 **MENT IN MEDICARE SAVINGS PROGRAMS.**

8 The Secretary of Health and Human Services shall
9 not, during the period beginning on the date of the enact-
10 ment of this section and ending September 30, 2034, im-
11 plement, administer, or enforce the provisions of the final
12 rule published by the Centers for Medicare & Medicaid
13 Services on September 21, 2023, and titled “Streamlining
14 Medicaid; Medicare Savings Program Eligibility Deter-
15 mination and Enrollment” (88 Fed. Reg. 65230) and shall
16 not implement, administer, or enforce the amendments
17 made to the following sections of title 42, Code of Federal
18 Regulations:

- 19 (1) Section 406.21(c).
20 (2) Section 435.4.
21 (3) Section 435.601.
22 (4) Section 435.909.
23 (5) Section 435.911.
24 (6) Section 435.952.

1 **SEC. 71102. MORATORIUM ON IMPLEMENTATION OF RULE**
2 **RELATING TO ELIGIBILITY AND ENROLL-**
3 **MENT FOR MEDICAID, CHIP, AND THE BASIC**
4 **HEALTH PROGRAM.**

5 The Secretary of Health and Human Services shall
6 not, during the period beginning on the date of the enact-
7 ment of this section and ending September 30, 2034, im-
8 plement, administer, or enforce the provisions of the final
9 rule published by the Centers for Medicare & Medicaid
10 Services on April 2, 2024, and titled “Medicaid Program;
11 Streamlining the Medicaid, Children’s Health Insurance
12 Program, and Basic Health Program Application, Eligi-
13 bility Determination, Enrollment, and Renewal Processes”
14 (89 Fed. Reg. 22780) and shall not implement, admin-
15 ister, or enforce the amendments made to the following
16 sections of title 42, Code of Federal Regulations:

17 (1) PART 431.—

18 (A) Section 431.10(c)(1)(i)(A)(2).

19 (B) Section 431.10(c)(1)(i)(A)(3).

20 (C) Section 431.213(d).

21 (2) PART 435.—

22 (A) Section 435.222.

23 (B) Section 435.223.

24 (C) Section 435.407.

25 (D) Section 435.601.

26 (E) Section 435.608.

- 1 (F) Section 435.831(g).
- 2 (G) Section 435.907.
- 3 (H) Section 435.911(c).
- 4 (I) Section 435.912.
- 5 (J) Section 435.916.
- 6 (K) Section 435.919.
- 7 (L) Section 435.940.
- 8 (M) Section 435.952.
- 9 (N) Section 435.1200.
- 10 (3) PART 436.—
- 11 (A) Section 436.608.
- 12 (B) Section 436.831(g).
- 13 (4) PART 447.—Section 447.56(a)(1)(v).
- 14 (5) PART 457.—
- 15 (A) Section 457.65(d).
- 16 (B) Section 457.340(d).
- 17 (C) Section 457.340(f).
- 18 (D) Section 457.344.
- 19 (E) Section 457.348.
- 20 (F) Section 457.350.
- 21 (G) Section 457.480.
- 22 (H) Section 457.570.
- 23 (I) Section 457.805(b).
- 24 (J) Section 457.810(a).
- 25 (K) Section 457.960.

1 (L) Section 457.1140(d)(4).

2 (M) Section 457.1170.

3 (N) Section 457.1180.

4 **SEC. 71103. REDUCING DUPLICATE ENROLLMENT UNDER**
5 **THE MEDICAID AND CHIP PROGRAMS.**

6 (a) MEDICAID.—

7 (1) IN GENERAL.—Section 1902 of the Social
8 Security Act (42 U.S.C. 1396a) is amended—

9 (A) in subsection (a)—

10 (i) in paragraph (86), by striking
11 “and” at the end;

12 (ii) in paragraph (87), by striking the
13 period and inserting “; and”; and

14 (iii) by inserting after paragraph (87)
15 the following new paragraph:

16 “(88) provide—

17 “(A) beginning not later than January 1,
18 2027, in the case of 1 of the 50 States and the
19 District of Columbia, for a process to regularly
20 obtain address information for individuals en-
21 rolled under such plan (or a waiver of such
22 plan) in accordance with subsection (vv); and

23 “(B) beginning not later than October 1,
24 2029—

1 “(i) for the State to submit to the sys-
2 tem established by the Secretary under
3 subsection (uu), with respect to an indi-
4 vidual enrolled or seeking to enroll under
5 such plan, not less frequently than once
6 each month and during each determination
7 or redetermination of the eligibility of such
8 individual for medical assistance under
9 such plan (or waiver of such plan)—

10 “(I) the social security number of
11 such individual, if such individual has
12 a social security number and is re-
13 quired to provide such number to en-
14 roll under such plan (or waiver); and

15 “(II) such other information with
16 respect to such individual as deter-
17 mined necessary by the Secretary for
18 purposes of preventing individuals
19 from simultaneously being enrolled
20 under State plans (or waivers of such
21 plans) of multiple States;

22 “(ii) for the use of such system to
23 prevent such simultaneous enrollment; and

24 “(iii) in the case that such system in-
25 dicates that an individual enrolled or seek-

1 ing to enroll under such plan (or waiver of
2 such plan) is enrolled under a State plan
3 (or waiver of such a plan) of another
4 State, for the taking of appropriate action
5 (as determined by the Secretary) to iden-
6 tify whether such an individual resides in
7 the State and disenroll an individual from
8 the State plan of such State if such indi-
9 vidual does not reside in such State (unless
10 such individual meets such an exception as
11 the Secretary may specify).”; and

12 (B) by adding at the end the following new
13 subsections:

14 “(uu) PREVENTION OF ENROLLMENT UNDER MUL-
15 TIPLE STATE PLANS.—

16 “(1) IN GENERAL.—Not later than October 1,
17 2029, the Secretary shall establish a system to be
18 utilized by the Secretary and States to prevent an
19 individual from being simultaneously enrolled under
20 the State plans (or waivers of such plans) of mul-
21 tiple States. Such system shall—

22 “(A) provide for the receipt of information
23 submitted by a State under subsection
24 (a)(88)(B)(i); and

1 “(B) not less than once each month, trans-
2 mit information to a State (or allow the Sec-
3 retary to transmit information to a State) re-
4 garding whether an individual enrolled or seek-
5 ing to enroll under the State plan of such State
6 (or waiver of such plan) is enrolled under the
7 State plan (or waiver of such plan) of another
8 State.

9 “(2) STANDARDS.—The Secretary shall estab-
10 lish such standards as determined necessary by the
11 Secretary to limit and protect information submitted
12 under such system and ensure the privacy of such
13 information, consistent with subsection (a)(7).

14 “(3) IMPLEMENTATION FUNDING.—There are
15 appropriated to the Secretary, out of amounts in the
16 Treasury not otherwise appropriated, in addition to
17 amounts otherwise available—

18 “(A) for fiscal year 2026, \$10,000,000 for
19 purposes of establishing the system and stand-
20 ards required under this subsection, to remain
21 available until expended; and

22 “(B) for fiscal year 2029, \$20,000,000 for
23 purposes of maintaining such system, to remain
24 available until expended.

1 “(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS IN-
2 FORMATION.—

3 “(1) IN GENERAL.—For purposes of subsection
4 (a)(88)(A), a process to regularly obtain address in-
5 formation for individuals enrolled under a State plan
6 (or a waiver of such plan) shall obtain address infor-
7 mation from reliable data sources described in para-
8 graph (2) and take such actions as the Secretary
9 shall specify with respect to any changes to such ad-
10 dress based on such information.

11 “(2) RELIABLE DATA SOURCES DESCRIBED.—
12 For purposes of paragraph (1), the reliable data
13 sources described in this paragraph are the fol-
14 lowing:

15 “(A) Mail returned to the State by the
16 United States Postal Service with a forwarding
17 address.

18 “(B) The National Change of Address
19 Database maintained by the United States
20 Postal Service.

21 “(C) A managed care entity (as defined in
22 section 1932(a)(1)(B)) or prepaid inpatient
23 health plan or prepaid ambulatory health plan
24 (as such terms are defined in section
25 1903(m)(9)(D)) that has a contract under the

1 State plan if the address information is pro-
2 vided to such entity or plan directly from, or
3 verified by such entity or plan directly with,
4 such individual.

5 “(D) Other data sources as identified by
6 the State and approved by the Secretary.”.

7 (2) CONFORMING AMENDMENTS.—

8 (A) PARIS.—Section 1903(r)(3) of the
9 Social Security Act (42 U.S.C. 1396b(r)(3)) is
10 amended—

11 (i) by striking “In order” and insert-
12 ing “(A) In order”;

13 (ii) by striking “through the Public”
14 and inserting “through—

15 “(i) the Public”;

16 (iii) by striking the period at the end
17 and inserting “; and

18 “(ii) beginning October 1, 2029, the sys-
19 tem established by the Secretary under section
20 1902(uu).”; and

21 (iv) by adding at the end the following
22 new subparagraph:

23 “(B) Beginning October 1, 2029, the Secretary
24 may determine that a State is not required to have
25 in operation an eligibility determination system

1 which provides for data matching (for purposes of
2 address verification under section 1902(vv)) through
3 the system described in subparagraph (A)(i) to meet
4 the requirements of this paragraph.”.

5 (B) MANAGED CARE.—Section 1932 of the
6 Social Security Act (42 U.S.C. 1396u–2) is
7 amended by adding at the end the following
8 new subsection:

9 “(j) TRANSMISSION OF ADDRESS INFORMATION.—
10 Beginning January 1, 2027, each contract under a State
11 plan with a managed care entity (as defined in section
12 1932(a)(1)(B)) or with a prepaid inpatient health plan or
13 prepaid ambulatory health plan (as such terms are defined
14 in section 1903(m)(9)(D)), shall provide that such entity
15 or plan shall promptly transmit to the State any address
16 information for an individual enrolled with such entity or
17 plan that is provided to such entity or plan directly from,
18 or verified by such entity or plan directly with, such indi-
19 vidual.”.

20 (b) CHIP.—

21 (1) IN GENERAL.—Section 2107(e)(1) of the
22 Social Security Act (42 U.S.C. 1397gg(e)(1)) is
23 amended—

1 (A) by redesignating subparagraphs (H)
2 through (U) as subparagraphs (I) through (V),
3 respectively; and

4 (B) by inserting after subparagraph (G)
5 the following new subparagraph:

6 “(H) Section 1902(a)(88) (relating to ad-
7 dress information for enrollees and prevention
8 of simultaneous enrollments).”.

9 (2) **MANAGED CARE.**—Section 2103(f)(3) of the
10 Social Security Act (42 U.S.C. 1397cc(f)(3)) is
11 amended by striking “and (e)” and inserting “(e),
12 and (j)”.

13 **SEC. 71104. ENSURING DECEASED INDIVIDUALS DO NOT**
14 **REMAIN ENROLLED.**

15 Section 1902 of the Social Security Act (42 U.S.C.
16 1396a), as amended by section 71103, is further amend-
17 ed—

18 (1) in subsection (a)—

19 (A) in paragraph (87), by striking “; and”
20 and inserting a semicolon;

21 (B) in paragraph (88), by striking the pe-
22 riod at the end and inserting “; and”; and

23 (C) by inserting after paragraph (88) the
24 following new paragraph:

1 “(89) provide that the State shall comply with
2 the eligibility verification requirements under sub-
3 section (ww), except that this paragraph shall apply
4 only in the case of the 50 States and the District
5 of Columbia.”; and

6 (2) by adding at the end the following new sub-
7 section:

8 “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRI-
9 TERIA.—

10 “(1) IN GENERAL.—For purposes of subsection
11 (a)(89), the eligibility verification requirements, be-
12 ginning January 1, 2028, are as follows:

13 “(A) QUARTERLY SCREENING TO VERIFY
14 ENROLLEE STATUS.—The State shall, not less
15 frequently than quarterly, review the Death
16 Master File (as such term is defined in section
17 203(d) of the Bipartisan Budget Act of 2013)
18 or a successor system that provides such infor-
19 mation needed to determine whether any indi-
20 viduals enrolled for medical assistance under
21 the State plan (or waiver of such plan) are de-
22 ceased.

23 “(B) DISENROLLMENT UNDER STATE
24 PLAN.—If the State determines, based on infor-
25 mation obtained from the Death Master File,

1 that an individual enrolled for medical assist-
2 ance under the State plan (or waiver of such
3 plan) is deceased, the State shall—

4 “(i) treat such information as factual
5 information confirming the death of a ben-
6 eficiary;

7 “(ii) disenroll such individual from the
8 State plan (or waiver of such plan) in ac-
9 cordance with subsection (a)(3); and

10 “(iii) discontinue any payments for
11 medical assistance under this title made on
12 behalf of such individual (other than pay-
13 ments for any items or services furnished
14 to such individual prior to the death of
15 such individual).

16 “(C) REINSTATEMENT OF COVERAGE IN
17 THE EVENT OF ERROR.—If a State determines
18 that an individual was misidentified as deceased
19 based on information obtained from the Death
20 Master File and was erroneously disenrolled
21 from medical assistance under the State plan
22 (or waiver of such plan) based on such
23 misidentification, the State shall immediately
24 re-enroll such individual under the State plan

1 (or waiver of such plan), retroactive to the date
2 of such disenrollment.

3 “(2) RULE OF CONSTRUCTION.—Nothing under
4 this subsection shall be construed to preclude the
5 ability of a State to use other electronic data sources
6 to timely identify potentially deceased beneficiaries,
7 so long as the State is also in compliance with the
8 requirements of this subsection (and all other re-
9 quirements under this title relating to Medicaid eli-
10 gibility determination and redetermination).”.

11 **SEC. 71105. ENSURING DECEASED PROVIDERS DO NOT RE-**
12 **MAIN ENROLLED.**

13 Section 1902(kk)(1) of the Social Security Act (42
14 U.S.C. 1396a(kk)(1)) is amended—

15 (1) by striking “The State” and inserting:

16 “(A) IN GENERAL.—The State”; and

17 (2) by adding at the end the following new sub-
18 paragraph:

19 “(B) PROVIDER SCREENING AGAINST
20 DEATH MASTER FILE.—Beginning January 1,
21 2028, as part of the enrollment (or reenroll-
22 ment or revalidation of enrollment) of a pro-
23 vider or supplier under this title, and not less
24 frequently than quarterly during the period that
25 such provider or supplier is so enrolled, the

1 State conducts a check of the Death Master
2 File (as such term is defined in section 203(d)
3 of the Bipartisan Budget Act of 2013) to deter-
4 mine whether such provider or supplier is de-
5 ceased.”.

6 **SEC. 71106. PAYMENT REDUCTION RELATED TO CERTAIN**
7 **ERRONEOUS EXCESS PAYMENTS UNDER MED-**
8 **ICAID.**

9 (a) IN GENERAL.—Section 1903(u)(1) of the Social
10 Security Act (42 U.S.C. 1396b(u)(1)) is amended—

11 (1) in subparagraph (A), by inserting “for any
12 audits conducted by the Secretary, or, at the option
13 of the Secretary, audits conducted by the State”
14 after “exceeds 0.03”;

15 (2) in subparagraph (B)—

16 (A) by striking “The Secretary” and in-
17 serting “(i) Subject to clause (ii), the Sec-
18 retary”; and

19 (B) by adding at the end the following new
20 clause:

21 “(ii) The amount waived under clause (i) for a
22 fiscal year may not exceed an amount equal to the
23 erroneous excess payments for medical assistance de-
24 scribed in subparagraph (D)(i)(II) made for such
25 fiscal year.”.

1 (3) in subparagraph (C), by striking “he” in
2 each place it appears and inserting “the Secretary”
3 in each such place; and

4 (4) in subparagraph (D)(i)—

5 (A) in subclause (I), by striking “and” at
6 the end;

7 (B) in subclause (II), by striking the pe-
8 riod at the end and inserting “, or payments
9 where insufficient information is available to
10 confirm eligibility, and”; and

11 (C) by adding at the end the following new
12 subclause:

13 “(III) payments (other than payments de-
14 scribed in subclause (I)) for items and services fur-
15 nished to an individual who is not eligible for med-
16 ical assistance under the State plan (or a waiver of
17 such plan) with respect to such items and services,
18 or payments where insufficient information is avail-
19 able to confirm eligibility.”.

20 (b) **EFFECTIVE DATE.**—The amendments made by
21 subsection (a) shall apply beginning with respect to fiscal
22 year 2030.

1 **SEC. 71107. ELIGIBILITY REDETERMINATIONS.**

2 (a) IN GENERAL.—Section 1902(e)(14) of the Social
3 Security Act (42 U.S.C. 1396a(e)(14)) is amended by add-
4 ing at the end the following new subparagraph:

5 “(L) FREQUENCY OF ELIGIBILITY REDE-
6 TERMINATIONS FOR CERTAIN INDIVIDUALS.—

7 “(i) IN GENERAL.—Subject to clause
8 (ii), with respect to redeterminations of eli-
9 gibility for medical assistance under a
10 State plan (or waiver of such plan) sched-
11 uled on or after the first day of the first
12 quarter that begins after December 31,
13 2026, a State shall make such a redeter-
14 mination once every 6 months for the fol-
15 lowing individuals:

16 “(I) Individuals enrolled under
17 subsection (a)(10)(A)(i)(VIII).

18 “(II) Individuals described in
19 such subsection who are otherwise en-
20 rolled under a waiver of such plan
21 that provides coverage that is equiva-
22 lent to minimum essential coverage
23 (as described in section
24 5000A(f)(1)(A) of the Internal Rev-
25 enue Code of 1986 and determined in
26 accordance with standards prescribed

1 by the Secretary in regulations) to all
2 individuals described in subsection
3 (a)(10)(A)(i)(VIII).

4 “(ii) EXEMPTION.—The requirements
5 described in clause (i) shall not apply to
6 any individual described in subsection
7 (xx)(9)(A)(ii)(II).

8 “(iii) STATE DEFINED.—For purposes
9 of this subparagraph, the term ‘State’
10 means 1 of the 50 States or the District
11 of Columbia.”.

12 (b) GUIDANCE.—Not later than 180 days after the
13 date of enactment of this section, the Secretary of Health
14 and Human Services, acting through the Administrator of
15 the Centers for Medicare & Medicaid Services, shall issue
16 guidance relating to the implementation of the amend-
17 ments made by this section.

18 **SEC. 71108. REVISING HOME EQUITY LIMIT FOR DETER-**
19 **MINING ELIGIBILITY FOR LONG-TERM CARE**
20 **SERVICES UNDER THE MEDICAID PROGRAM.**

21 (a) REVISING HOME EQUITY LIMIT.—Section
22 1917(f)(1) of the Social Security Act (42 U.S.C.
23 1396p(f)(1)) is amended—

24 (1) in subparagraph (B)—

1 (A) by striking “A State” and inserting
2 “(i) A State”;

3 (B) in clause (i), as inserted by subpara-
4 graph (A)—

5 (i) by striking “‘\$500,000’” and in-
6 serting “the amount specified in subpara-
7 graph (A)”; and

8 (ii) by inserting “, in the case of an
9 individual’s home that is located on a lot
10 that is zoned for agricultural use,” after
11 “apply subparagraph (A)”; and

12 (C) by adding at the end the following new
13 clause:

14 “(ii) A State may elect, without regard to the
15 requirements of section 1902(a)(1) (relating to
16 statewideness) and section 1902(a)(10)(B) (relating
17 to comparability), to apply subparagraph (A), in the
18 case of an individual’s home that is not described in
19 clause (i), by substituting for the amount specified
20 in such subparagraph, an amount that exceeds such
21 amount, but does not exceed \$1,000,000.”; and

22 (2) in subparagraph (C)—

23 (A) by inserting “(other than the amount
24 specified in subparagraph (B)(ii) (relating to

1 certain non-agricultural homes))” after “speci-
2 fied in this paragraph”; and

3 (B) by adding at the end the following new
4 sentence: “In the case that application of the
5 preceding sentence would result in a dollar
6 amount (other than the amount specified in
7 subparagraph (B)(i) (relating to certain agricul-
8 tural homes)) exceeding \$1,000,000, such
9 amount shall be deemed to be equal to
10 \$1,000,000.”.

11 (b) CLARIFICATION.—Section 1902 of the Social Se-
12 curity Act (42 U.S.C. 1396a) is amended—

13 (1) in subsection (r)(2), by adding at the end
14 the following new subparagraph:

15 “(C) This paragraph shall not be construed as per-
16 mitting a State to determine the eligibility of an individual
17 for medical assistance with respect to nursing facility serv-
18 ices or other long-term care services without application
19 of the limit under section 1917(f)(1).”; and

20 (2) in subsection (e)(14)(D)(iv)—

21 (A) by striking “Subparagraphs” and in-
22 serting

23 “(I) IN GENERAL.—Subpara-
24 graphs”; and

1 (B) by adding at the end the following new
2 subclause:

3 “(II) APPLICATION OF HOME EQ-
4 UITY INTEREST LIMIT.—Section
5 1917(f) shall apply for purposes of de-
6 termining the eligibility of an indi-
7 vidual for medical assistance with re-
8 spect to nursing facility services or
9 other long-term care services.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 subsection (a) shall apply beginning on January 1, 2028.

12 **SEC. 71109. ALIEN MEDICAID ELIGIBILITY.**

13 (a) MEDICAID.—Section 1903(v) of the Social Secu-
14 rity Act (42 U.S.C. 1396b(v)) is amended—

15 (1) in paragraph (1), by striking “and (4)”and
16 inserting “, (4), and (5)”; and

17 (2) by adding at the end the following new
18 paragraph:

19 “(5) Notwithstanding the preceding paragraphs of
20 this subsection, beginning on October 1, 2026, except as
21 provided in paragraphs (2) and (4), in no event shall pay-
22 ment be made to a State under this section for medical
23 assistance furnished to an individual unless such indi-
24 vidual is—

1 “(A) a resident of 1 of the 50 States, the Dis-
2 trict of Columbia, or a territory of the United
3 States; and

4 “(B) either—

5 “(i) a citizen or national of the United
6 States;

7 “(ii) an alien lawfully admitted for perma-
8 nent residence as an immigrant as defined by
9 sections 101(a)(15) and 101(a)(20) of the Im-
10 migration and Nationality Act, excluding,
11 among others, alien visitors, tourists, diplomats,
12 and students who enter the United States tem-
13 porarily with no intention of abandoning their
14 residence in a foreign country;

15 “(iii) an alien who has been granted the
16 status of Cuban and Haitian entrant, as de-
17 fined in section 501(e) of the Refugee Edu-
18 cation Assistance Act of 1980 (Public Law 96–
19 422); or

20 “(iv) an individual who lawfully resides in
21 the United States in accordance with a Com-
22 pact of Free Association referred to in section
23 402(b)(2)(G) of the Personal Responsibility and
24 Work Opportunity Reconciliation Act of 1996.”.

1 (b) CHIP.—Section 2107(e)(1) of the Social Security
2 Act, as amended by section 71103(b), is further amend-
3 ed—

4 (1) by redesignating subparagraphs (R)
5 through (V) as paragraphs (S) through (W), respec-
6 tively; and

7 (2) by inserting after paragraph (Q) the fol-
8 lowing:

9 “(R) Section 1903(v)(5) (relating to pay-
10 ments for medical assistance furnished to
11 aliens), except in relation to payments for serv-
12 ices provided under section 2105(a)(1)(D)(ii).”.

13 **SEC. 71110. EXPANSION FMAP FOR CERTAIN STATES PRO-**
14 **VIDING PAYMENTS FOR HEALTH CARE FUR-**
15 **NISHED TO CERTAIN INDIVIDUALS.**

16 Section 1905 of the Social Security Act (42 U.S.C.
17 1396d) is amended—

18 (1) in subsection (y)—

19 (A) in paragraph (1)(E), by inserting “(or,
20 for calendar quarters beginning on or after Oc-
21 tober 1, 2027, in the case such State is a speci-
22 fied State with respect to such calendar quar-
23 ter, 80 percent)” after “thereafter”; and

24 (B) in paragraph (2), by adding at the end
25 the following new subparagraph:

1 such quarter, whether or not under a State
2 plan (or waiver of such plan) under this
3 title or under another program established
4 by the State, and regardless of the source
5 of funding for such coverage, to an alien
6 who is not a qualified alien and is not such
7 a child or pregnant woman.

8 “(D) IMMIGRATION TERMS.—

9 “(i) ALIEN.—The term ‘alien’ has the
10 meaning given such term in section 101(a)
11 of the Immigration and Nationality Act.

12 “(ii) QUALIFIED ALIEN.—The term
13 ‘qualified alien’ has the meaning given
14 such term in section 431 of the Personal
15 Responsibility and Work Opportunity Rec-
16 onciliation Act of 1996, except that the
17 references to ‘(in the opinion of the agency
18 providing such benefits)’ in subsection (c)
19 of such section 431 shall be treated as ref-
20 erences to ‘(in the opinion of the State in
21 which such comprehensive health benefits
22 coverage or such financial assistance is
23 provided, as applicable)’.”; and

24 (2) in subsection (z)(2)—

1 (A) in subparagraph (A), by striking “for
2 such year” and inserting “for such quarter”;
3 and

4 (B) in subparagraph (B)(i)—

5 (i) in the matter preceding subclause
6 (I), by striking “for a year” and inserting
7 “for a calendar quarter in a year”; and

8 (ii) in subclause (II), by striking “for
9 the year” and inserting “for the quarter
10 for the State”.

11 **SEC. 71111. EXPANSION FMAP FOR EMERGENCY MEDICAID.**

12 Section 1905 of the Social Security Act (42 U.S.C.
13 1396d) is amended by adding at the end the following new
14 subsection:

15 “(kk) FMAP FOR TREATMENT OF AN EMERGENCY
16 MEDICAL CONDITION.—Notwithstanding subsection (y)
17 and (z), beginning on October 1, 2026, the Federal med-
18 ical assistance percentage for payments for care and serv-
19 ices described in paragraph (2) of subsection 1903(v) fur-
20 nished to an alien described in paragraph (1) of such sub-
21 section shall not exceed the Federal medical assistance
22 percentage determined under subsection (b) for such
23 State.”.

1 **Subchapter B—Preventing Wasteful**
2 **Spending**

3 **SEC. 71112. MORATORIUM ON IMPLEMENTATION OF RULE**
4 **RELATING TO STAFFING STANDARDS FOR**
5 **LONG-TERM CARE FACILITIES UNDER THE**
6 **MEDICARE AND MEDICAID PROGRAMS.**

7 The Secretary of Health and Human Services shall
8 not, during the period beginning on the date of the enact-
9 ment of this section and ending September 30, 2034, im-
10 plement, administer, or enforce the provisions of the final
11 rule published by the Centers for Medicare & Medicaid
12 Services on May 10, 2024, and titled “Medicare and Med-
13 icaid Programs; Minimum Staffing Standards for Long-
14 Term Care Facilities and Medicaid Institutional Payment
15 Transparency Reporting” (89 Fed. Reg. 40876) and shall
16 not implement, administer, or enforce the amendments
17 made to the following sections of part 483 of title 42, Code
18 of Federal Regulations:

19 (1) Section 483.5.

20 (2) Section 483.35.

21 **SEC. 71113. REDUCING STATE MEDICAID COSTS.**

22 (a) IN GENERAL.—Section 1902(a)(34) of the Social
23 Security Act (42 U.S.C. 1396a(a)(34)) is amended to read
24 as follows:

1 “(34) provide that in the case of any individual
2 who has been determined to be eligible for medical
3 assistance under the plan and—

4 “(A) is enrolled under paragraph
5 (10)(A)(i)(VIII), such assistance will be made
6 available to the individual for care and services
7 included under the plan and furnished in or
8 after the month before the month in which the
9 individual made application (or application was
10 made on the individual’s behalf in the case of
11 a deceased individual) for such assistance if
12 such individual was (or upon application would
13 have been) eligible for such assistance at the
14 time such care and services were furnished; or

15 “(B) is not described in subparagraph (A),
16 such assistance will be made available to the in-
17 dividual for care and services included under
18 the plan and furnished in or after the second
19 month before the month in which the individual
20 made application (or application was made on
21 the individual’s behalf in the case of a deceased
22 individual) for such assistance if such individual
23 was (or upon application would have been) eligi-
24 ble for such assistance at the time such care
25 and services were furnished;”.

1 (b) DEFINITION OF MEDICAL ASSISTANCE.—Section
2 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))
3 is amended by striking “in or after the third month before
4 the month in which the recipient makes application for
5 assistance” and inserting “, with respect to an individual
6 described in section 1902(a)(34)(A), in or after the month
7 before the month in which the recipient makes application
8 for assistance, and with respect to an individual described
9 in section 1902(a)(34)(B), in or after the second month
10 before the month in which the recipient makes application
11 for assistance”.

12 (c) CHIP.—Section 2102(b)(1)(B) of the Social Se-
13 curity Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

14 (1) in clause (iv), by striking “and” at the end;

15 (2) in clause (v), by striking the period and in-
16 serting “; and”; and

17 (3) by adding at the end the following new
18 clause:

19 “(vi) shall, in the case that the State
20 elects to provide child health or pregnancy-
21 related assistance to an individual for any
22 period prior to the month in which the in-
23 dividual made application for such assist-
24 ance (or application was made on behalf of
25 the individual), provide that such assist-

1 ance is not made available to such indi-
2 vidual for items and services included
3 under the State child health plan (or waiv-
4 er of such plan) that are furnished before
5 the second month preceding the month in
6 which such individual made application (or
7 application was made on behalf of such in-
8 dividual) for assistance.”.

9 (d) **EFFECTIVE DATE.**—The amendments made by
10 this section shall apply to medical assistance, child health
11 assistance, and pregnancy-related assistance with respect
12 to individuals whose eligibility for such medical assistance,
13 child health assistance, or pregnancy-related assistance is
14 based on an application made on or after the first day
15 of the first quarter that begins after December 31, 2026.

16 **SEC. 71114. PROHIBITING FEDERAL MEDICAID AND CHIP**
17 **FUNDING FOR CERTAIN ITEMS AND SERV-**
18 **ICES.**

19 (a) **MEDICAID.**—Section 1903(i) of the Social Secu-
20 rity Act (42 U.S.C. 1396b(i)) is amended—

21 (1) in paragraph (26), by striking “; or” and
22 inserting a semicolon;

23 (2) in paragraph (27), by striking the period at
24 the end and inserting “; or”;

1 (3) by inserting after paragraph (27) the fol-
2 lowing new paragraph:

3 “(28) with respect to any amount expended for
4 specified gender transition procedures (as defined in
5 section 1905(ll)) furnished to an individual enrolled
6 in a State plan (or waiver of such plan).”; and

7 (4) in the flush left matter at the end, by strik-
8 ing “and (18),” and inserting “(18), and (28)”.

9 (b) CHIP.—Section 2107(e)(1)(O) of the Social Se-
10 curity Act (42 U.S.C. 1397gg(e)(1)(O)), as redesignated
11 by section 71103(b)(1)(A), is amended by striking “and
12 (17)” and inserting “(17), and (28)”.

13 (c) SPECIFIED GENDER TRANSITION PROCEDURES
14 DEFINED.—Section 1905 of the Social Security Act (42
15 U.S.C. 1396d) is amended by adding at the end the fol-
16 lowing new subsection:

17 “(ll) SPECIFIED GENDER TRANSITION PROCE-
18 DURES.—

19 “(1) IN GENERAL.—For purposes of section
20 1903(i)(28), except as provided in paragraph (2) ,
21 the term ‘specified gender transition procedure’
22 means, with respect to an individual, any of the fol-
23 lowing when performed for the purpose of inten-
24 tionally changing the body of such individual (in-
25 cluding by disrupting the body’s development, inhib-

1 iting its natural functions, or modifying its appear-
2 ance) to no longer correspond to the individual's sex:

3 “(A) Performing any surgery, including—

4 “(i) castration;

5 “(ii) sterilization;

6 “(iii) orchiectomy;

7 “(iv) scrotoplasty;

8 “(v) vasectomy;

9 “(vi) tubal ligation;

10 “(vii) hysterectomy;

11 “(viii) oophorectomy;

12 “(ix) ovariectomy;

13 “(x) metoidioplasty;

14 “(xi) clitoroplasty;

15 “(xii) reconstruction of the fixed part

16 of the urethra with or without a

17 metoidioplasty or a phalloplasty;

18 “(xiii) penectomy;

19 “(xiv) phalloplasty;

20 “(xv) vaginoplasty;

21 “(xvi) vaginectomy;

22 “(xvii) vulvoplasty;

23 “(xviii) reduction thyrochondroplasty;

24 “(xix) chondrolaryngoplasty;

25 “(xx) mastectomy; and

1 “(xxi) any plastic, cosmetic, or aes-
2 thetic surgery that feminizes or
3 masculinizes the facial or other body fea-
4 tures of an individual.

5 “(B) Any placement of chest implants to
6 create feminine breasts or any placement of
7 erection or testicular prostheses.

8 “(C) Any placement of fat or artificial im-
9 plants in the gluteal region.

10 “(D) Administering, prescribing, or dis-
11 pensing to an individual medications, includ-
12 ing—

13 “(i) gonadotropin-releasing hormone
14 (GnRH) analogues or other puberty-block-
15 ing drugs to stop or delay normal puberty;
16 and

17 “(ii) testosterone, estrogen, or other
18 androgens to an individual at doses that
19 are supraphysiologic than would normally
20 be produced endogenously in a healthy in-
21 dividual of the same age and sex.

22 “(2) EXCEPTION.—Paragraph (1) shall not
23 apply to the following when furnished to an indi-
24 vidual by a health care provider if the individual is

1 a minor with the consent of such individual's parent
2 or legal guardian:

3 “(A) Puberty suppression or blocking pre-
4 scription drugs for the purpose of normalizing
5 puberty for an individual experiencing pre-
6 cocious puberty.

7 “(B) Medically necessary procedures or
8 treatments to correct for—

9 “(i) a medically verifiable disorder of
10 sex development, including—

11 “(I) 46,XX chromosomes with
12 virilization;

13 “(II) 46,XY chromosomes with
14 undervirilization; and

15 “(III) both ovarian and testicular
16 tissue;

17 “(ii) sex chromosome structure, sex
18 steroid hormone production, or sex hor-
19 mone action, if determined to be abnormal
20 by a physician through genetic or bio-
21 chemical testing;

22 “(iii) infection, disease, injury, or dis-
23 order caused or exacerbated by a previous
24 procedure described in paragraph (1), or a
25 physical disorder, physical injury, or phys-

1 ical illness that would, as certified by a
2 physician, place the individual in danger of
3 death or impairment of a major bodily
4 function unless the procedure is performed,
5 not including procedures performed for the
6 alleviation of mental distress; or

7 “(iv) procedures to restore or recon-
8 struct the body of the individual in order
9 to correspond to the individual’s sex after
10 one or more previous procedures described
11 in paragraph (1), which may include the
12 removal of a pseudo phallus or breast aug-
13 mentation.

14 “(3) SEX.—For purposes of paragraph (1), the
15 term ‘sex’ means either male or female, as bio-
16 logically determined and defined in paragraphs (4)
17 and (5), respectively.

18 “(4) FEMALE.—For purposes of paragraph (3),
19 the term ‘female’ means an individual who naturally
20 has, had, will have, or would have, but for a develop-
21 mental or genetic anomaly or historical accident, the
22 reproductive system that at some point produces,
23 transports, and utilizes eggs for fertilization.

24 “(5) MALE.—For purposes of paragraph (3),
25 the term ‘male’ means an individual who naturally

1 has, had, will have, or would have, but for a develop-
2 mental or genetic anomaly or historical accident, the
3 reproductive system that at some point produces,
4 transports, and utilizes sperm for fertilization.”.

5 **SEC. 71115. FEDERAL PAYMENTS TO PROHIBITED ENTI-**
6 **TIES.**

7 (a) IN GENERAL.—No Federal funds that are consid-
8 ered direct spending and provided to carry out a State
9 plan under title XIX of the Social Security Act or a waiver
10 of such a plan shall be used to make payments to a prohib-
11 ited entity for items and services furnished during the 1-
12 year period beginning on the date of the enactment of this
13 Act, including any payments made directly to the prohib-
14 ited entity or under a contract or other arrangement be-
15 tween a State and a covered organization.

16 (b) DEFINITIONS.—In this section:

17 (1) PROHIBITED ENTITY.—The term “prohib-
18 ited entity” means an entity, including its affiliates,
19 subsidiaries, successors, and clinics—

20 (A) that, as of the first day of the first
21 quarter beginning after the date of enactment
22 of this Act—

23 (i) is an organization described in sec-
24 tion 501(c)(3) of the Internal Revenue

661

1 Code of 1986 and exempt from tax under
2 section 501(a) of such Code;

3 (ii) is an essential community provider
4 described in section 156.235 of title 45,
5 Code of Federal Regulations (as in effect
6 on the date of enactment of this Act), that
7 is primarily engaged in family planning
8 services, reproductive health, and related
9 medical care; and

10 (iii) provides for abortions, other than
11 an abortion—

12 (I) if the pregnancy is the result
13 of an act of rape or incest; or

14 (II) in the case where a woman
15 suffers from a physical disorder, phys-
16 ical injury, or physical illness, includ-
17 ing a life-endangering physical condi-
18 tion caused by or arising from the
19 pregnancy itself, that would, as cer-
20 tified by a physician, place the woman
21 in danger of death unless an abortion
22 is performed; and

23 (B) for which the total amount of Federal
24 and State expenditures under the Medicaid pro-
25 gram under title XIX of the Social Security Act

1 for medical assistance furnished in fiscal year
2 2023 made directly, or by a covered organiza-
3 tion, to the entity or to any affiliates, subsidi-
4 aries, successors, or clinics of the entity, or
5 made to the entity or to any affiliates, subsidi-
6 aries, successors, or clinics of the entity as part
7 of a nationwide health care provider network,
8 exceeded \$800,000.

9 (2) DIRECT SPENDING.—The term “direct
10 spending” has the meaning given that term under
11 section 250(c) of the Balanced Budget and Emer-
12 gency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

13 (3) COVERED ORGANIZATION.—The term “cov-
14 ered organization” means a managed care entity (as
15 defined in section 1932(a)(1)(B) of the Social Secu-
16 rity Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid
17 inpatient health plan or prepaid ambulatory health
18 plan (as such terms are defined in section
19 1903(m)(9)(D) of such Act (42 U.S.C.
20 1396b(m)(9)(D))).

21 (4) STATE.—The term “State” has the mean-
22 ing given such term in section 1101 of the Social Se-
23 curity Act (42 U.S.C. 1301).

1 **Subchapter C—Stopping Abusive Financing**
2 **Practices**

3 **SEC. 71116. SUNSETTING INCREASED FMAP INCENTIVE.**

4 Section 1905(ii)(3) of the Social Security Act (42
5 U.S.C. 1396d(ii)(3)) is amended—

6 (1) by striking “which has not” and inserting
7 the following: “which—

8 “(A) has not”;

9 (2) in subparagraph (A), as so inserted, by
10 striking the period at the end and inserting “; and”;
11 and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(B) begins to expend amounts for all such
15 individuals prior to January 1, 2026.”.

16 **SEC. 71117. PROVIDER TAXES.**

17 (a) CHANGE IN THRESHOLD FOR HOLD HARMLESS
18 PROVISION OF BROAD-BASED HEALTH CARE RELATED
19 TAXES.—Section 1903(w)(4) of the Social Security Act
20 (42 U.S.C. 1396b(w)(4)) is amended—

21 (1) in subparagraph (C)(ii), by inserting “, and
22 for fiscal years beginning on or after October 1,
23 2026, the applicable percent determined under sub-
24 paragraph (D) shall be substituted for ‘6 percent’

1 each place it appears” after “each place it appears”;
2 and

3 (2) by inserting after subparagraph (C)(ii), the
4 following new subparagraph:

5 “(D)(i) For purposes of subparagraph (C)(ii),
6 the applicable percent determined under this sub-
7 paragraph is—

8 “(I) in the case of a non-expansion State
9 and a class of health care items or services de-
10 scribed in section 433.56(a) of title 42, Code of
11 Federal Regulations (as in effect on May 1,
12 2025)—

13 “(aa) if, on the date of enactment of
14 this subparagraph, the non-expansion
15 State has enacted a tax and imposes such
16 tax on such class and the Secretary deter-
17 mines that the tax is within the hold harm-
18 less threshold as of that date, the applica-
19 ble percent of net patient revenue attrib-
20 utable to such class that has been so deter-
21 mined; and

22 “(bb) if, on the date of enactment of
23 this subparagraph, the non-expansion
24 State has not enacted or does not impose

1 a tax with respect to such class, 0 percent;
2 and

3 “(II) in the case of an expansion State and
4 a class of health care items or services de-
5 scribed in section 433.56(a) of title 42, Code of
6 Federal Regulations (as in effect on May 1,
7 2025), subject to clause (iv)—

8 “(aa) if, on the date of enactment of
9 this subparagraph, the expansion State has
10 enacted a tax and imposes such tax on
11 such class and the Secretary determines
12 that the tax is within the hold harmless
13 threshold as of that date, the lower of—

14 “(AA) the applicable percent of
15 net patient revenue attributable to
16 such class that has been so deter-
17 mined; and

18 “(BB) the applicable percent
19 specified in clause (ii) for the fiscal
20 year; and

21 “(bb) if, on the date of enactment of
22 this subparagraph, the expansion State has
23 not enacted or does not impose a tax with
24 respect to such class, 0 percent.

1 “(ii) For purposes of clause
2 (i)(II)(aa)(BB), the applicable percent is—

3 “(I) for fiscal year 2028, 5.5 percent;

4 “(II) for fiscal year 2029, 5 percent;

5 “(III) for fiscal year 2030, 4.5 per-
6 cent;

7 “(IV) for fiscal year 2031, 4 percent;

8 and

9 “(V) for fiscal year 2032 and each
10 subsequent fiscal year, 3.5 percent.

11 “(iii) For purposes of clause (i):

12 “(I) EXPANSION STATE.—The term
13 ‘expansion State’ means a State that, be-
14 ginning on January 1, 2014, or on any
15 date thereafter, elects to provide medical
16 assistance to all individuals described in
17 section 1902(a)(10)(A)(i)(VIII) under the
18 State plan under this title or under a waiv-
19 er of such plan.

20 “(II) NON-EXPANSION STATE.—The
21 term ‘non-expansion State’ means a State
22 that is not an expansion State.

23 “(iv) In the case of a tax of an expansion
24 State in effect on the date of enactment of this
25 clause, that applies to a class of health care

1 items or services that is described in paragraph
2 (3) or (4) of section 433.56(a) of title 42, Code
3 of Federal Regulations (as in effect on May 1,
4 2025), and for which, on such date of enact-
5 ment, is within the hold harmless threshold (as
6 determined by the Secretary), the applicable
7 percent of net patient revenue attributable to
8 such class that has been so determined shall
9 apply for a fiscal year instead of the applicable
10 percent specified in clause (ii) for the fiscal
11 year.”.

12 (b) NON-APPLICATION TO TERRITORIES.—The
13 amendments made by this section shall only apply with
14 respect to a State that is 1 of the 50 States or the District
15 of Columbia.

16 (c) IMPLEMENTATION FUNDING.—For the purposes
17 of carrying out the provisions of, and the amendments
18 made by, this section, there are appropriated, out of any
19 monies in the Treasury not otherwise appropriated, to the
20 Secretary of Health and Human Services, \$6,000,000 for
21 fiscal year 2026, to remain available until expended.

22 **SEC. 71118. STATE DIRECTED PAYMENTS.**

23 (a) IN GENERAL.—Subject to subsection (b), the Sec-
24 retary of Health and Human Services (in this section re-
25 ferred to as the Secretary) shall revise section

1 438.6(c)(2)(iii) of title 42, Code of Federal Regulations
2 (or a successor regulation) such that, with respect to a
3 payment described in such section made for a service fur-
4 nished during a rating period beginning on or after the
5 date of the enactment of this Act, the total payment rate
6 for such service is limited to—

7 (1) in the case of a State that provides coverage
8 to all individuals described in section
9 1902(a)(10)(A)(i)(VIII) of the Social Security Act
10 (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) that is equiva-
11 lent to minimum essential coverage (as described in
12 section 5000A(f)(1)(A) of the Internal Revenue
13 Code of 1986 and determined in accordance with
14 standards prescribed by the Secretary in regula-
15 tions) under the State plan (or waiver of such plan)
16 of such State under title XIX of such Act, 100 per-
17 cent of the specified total published Medicare pay-
18 ment rate (or, in the absence of a specified total
19 published Medicare payment rate, the payment rate
20 under a Medicaid State plan (or under a waiver of
21 such plan)); or

22 (2) in the case of a State other than a State
23 described in paragraph (1), 110 percent of the speci-
24 fied total published Medicare payment rate (or, in
25 the absence of a specified total published Medicare

1 payment rate, the payment rate under a Medicaid
2 State plan (or under a waiver of such plan)).

3 (b) GRANDFATHERING CERTAIN PAYMENTS.—In the
4 case of a payment described in section 438.6(c)(2)(iii) of
5 title 42, Code of Federal Regulations (or a successor regu-
6 lation) for which written prior approval (or a good faith
7 effort to receive such approval, as determined by the Sec-
8 retary) was made before May 1, 2025, or a payment de-
9 scribed in such section for a rural hospital (as defined in
10 subsection (d)(2)) for which written prior approval (or a
11 good faith effort to receive such approval, as determined
12 by the Secretary) was made by the date of enactment of
13 this Act, for the rating period occurring within 180 days
14 of the date of the enactment of this Act, beginning with
15 the rating period on or after January 1, 2028, the total
16 amount of such payment shall be reduced by 10 percent-
17 age points each year until the total payment rate for such
18 service is equal to the rate for such service specified in
19 subsection (a).

20 (c) TREATMENT OF EXPANSION STATES.—The revi-
21 sions described in subsection (a) shall provide that, with
22 respect to a State that begins providing the coverage de-
23 scribed in paragraph (1) of such subsection on or after
24 the date of the enactment of this Act, the limitation de-
25 scribed in such paragraph shall apply to such State with

1 respect to a payment described in section 438.6(c)(2)(iii)
2 of title 42, Code of Federal Regulations (or a successor
3 regulation) for a service furnished during a rating period
4 beginning on or after the date of enactment of this Act.

5 (d) DEFINITIONS.—In this section:

6 (1) RATING PERIOD.—The term “rating pe-
7 riod” has the meaning given such term in section
8 438.2 of title 42, Code of Federal Regulations (or a
9 successor regulation).

10 (2) RURAL HOSPITAL.—The term “rural hos-
11 pital” means the following:

12 (A) A subsection (d) hospital (as defined in
13 paragraph (1)(B) of section 1886(d)) that—

14 (i) is located in a rural area (as de-
15 fined in paragraph (2)(D) of such section);

16 (ii) is treated as being located in a
17 rural area pursuant to paragraph (8)(E) of
18 such section; or

19 (iii) is located in a rural census tract
20 of a metropolitan statistical area (as deter-
21 mined under the most recent modification
22 of the Goldsmith Modification, originally
23 published in the Federal Register on Feb-
24 ruary 27, 1992 (57 Fed. Reg. 6725)).

1 (B) A critical access hospital (as defined in
2 section 1861(mm)(1)).

3 (C) A sole community hospital (as defined
4 in section 1886(d)(5)(D)(iii)).

5 (D) A Medicare-dependent, small rural
6 hospital (as defined in section
7 1886(d)(5)(G)(iv)).

8 (E) A low-volume hospital (as defined in
9 section 1886(d)(12)(C)).

10 (F) A rural emergency hospital (as defined
11 in section 1861(kkk)(2)).

12 (3) STATE.—The term “State” means 1 of the
13 50 States or the District of Columbia.

14 (4) TOTAL PUBLISHED MEDICARE PAYMENT
15 RATE.—The term “total published Medicare pay-
16 ment rate” means amounts calculated as payment
17 for specific services including the service furnished
18 that have been developed under part A or part B of
19 title XVIII of the Social Security Act (42 U.S.C.
20 1395 et seq.).

21 (5) WRITTEN PRIOR APPROVAL.—The term
22 “written prior approval” has the meaning given such
23 term in section 438.6(c)(2)(i) of title 42, Code of
24 Federal Regulations (or a successor regulation).

1 (e) FUNDING.—There are appropriated out of any
2 monies in the Treasury not otherwise appropriated
3 \$7,000,000 for each of fiscal years 2026 through 2033
4 for purposes of carrying out this section, to remain avail-
5 able until expended.

6 **SEC. 71119. REQUIREMENTS REGARDING WAIVER OF UNI-**
7 **FORM TAX REQUIREMENT FOR MEDICAID**
8 **PROVIDER TAX.**

9 (a) IN GENERAL.—Section 1903(w) of the Social Se-
10 curity Act (42 U.S.C. 1396b(w)) is amended—

11 (1) in paragraph (3)(E), by inserting after
12 clause (ii)(II) the following new clause:

13 “(iii) For purposes of clause (ii)(I), a tax is not con-
14 sidered to be generally redistributive if any of the following
15 conditions apply:

16 “(I) Within a permissible class, the tax rate im-
17 posed on any taxpayer or tax rate group (as defined
18 in paragraph (7)(J)) explicitly defined by its rel-
19 atively lower volume or percentage of Medicaid tax-
20 able units (as defined in paragraph (7)(H)) is lower
21 than the tax rate imposed on any other taxpayer or
22 tax rate group explicitly defined by its relatively
23 higher volume or percentage of Medicaid taxable
24 units.

1 “(II) Within a permissible class, the tax rate
2 imposed on any taxpayer or tax rate group (as so
3 defined) based upon its Medicaid taxable units (as
4 so defined) is higher than the tax rate imposed on
5 any taxpayer or tax rate group based upon its non-
6 Medicaid taxable unit (as defined in paragraph
7 (7)(I)).

8 “(III) The tax excludes or imposes a lower tax
9 rate on a taxpayer or tax rate group (as so defined)
10 based on or defined by any description that results
11 in the same effect as described in subclause (I) or
12 (II) for a taxpayer or tax rate group. Characteristics
13 that may indicate such type of exclusion include the
14 use of terminology to establish a tax rate group—

15 “(aa) based on payments or expenditures
16 made under the program under this title with-
17 out mentioning the term ‘Medicaid’ (or any
18 similar term) to accomplish the same effect as
19 described in subclause (I) or (II); or

20 “(bb) that closely approximates a taxpayer
21 or tax rate group under the program under this
22 title, to the same effect as described in sub-
23 clause (I) or (II).”; and

24 (2) in paragraph (7), by adding at the end the
25 following new subparagraphs:

1 “(H) The term ‘Medicaid taxable unit’ means a
2 unit that is being taxed within a health care related
3 tax that is applicable to the program under this title.
4 Such term includes a unit that is used as the basis
5 for—

6 “(i) payment under the program under this
7 title (such as Medicaid bed days);

8 “(ii) Medicaid revenue;

9 “(iii) costs associated with the program
10 under this title (such as Medicaid charges,
11 claims, or expenditures); and

12 “(iv) other units associated with the pro-
13 gram under this title, as determined by the Sec-
14 retary.

15 “(I) The term ‘non-Medicaid taxable unit’
16 means a unit that is being taxed within a health
17 care related tax that is not applicable to the pro-
18 gram under this title. Such term includes a unit that
19 is used as the basis for—

20 “(i) payment by non-Medicaid payers (such
21 as non-Medicaid bed days);

22 “(ii) non-Medicaid revenue;

23 “(iii) costs that are not associated with the
24 program under this title (such as non-Medicaid

1 charges, non-Medicaid claims, or non-Medicaid
2 expenditures); and

3 “(iv) other units not associated with the
4 program under this title, as determined by the
5 Secretary.

6 “(J) The term ‘tax rate group’ means a group
7 of entities contained within a permissible class of a
8 health care related tax that are taxed at the same
9 rate.”.

10 (b) NON-APPLICATION TO TERRITORIES.—The
11 amendments made by this section shall only apply with
12 respect to a State that is 1 of the 50 States or the District
13 of Columbia.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect upon the date of enactment
16 of this Act, subject to any applicable transition period de-
17 termined appropriate by the Secretary of Health and
18 Human Services, not to exceed 3 fiscal years.

19 **SEC. 71120. REQUIRING BUDGET NEUTRALITY FOR MED-**
20 **ICAID DEMONSTRATION PROJECTS UNDER**
21 **SECTION 1115.**

22 (a) IN GENERAL.—Section 1115 of the Social Secu-
23 rity Act (42 U.S.C. 1315) is amended by adding at the
24 end the following new subsection:

1 “(g) REQUIREMENT OF BUDGET NEUTRALITY FOR
2 MEDICAID DEMONSTRATION PROJECTS.—

3 “(1) IN GENERAL.—Beginning January 1 2027,
4 the Secretary may not approve an application for (or
5 renewal or amendment of) an experimental, pilot, or
6 demonstration project undertaken under subsection
7 (a) to promote the objectives of title XIX in a State
8 (in this subsection referred to as a ‘Medicaid dem-
9 onstration project’) unless the Chief Actuary for the
10 Centers for Medicare & Medicaid Services certifies
11 that such project, based on expenditures for the
12 State program in the preceding fiscal year or, in the
13 case of a renewal, the duration of the preceding
14 waiver, is not expected to result in an increase in the
15 amount of Federal expenditures compared to the
16 amount that such expenditures would otherwise be
17 in the absence of such project. For purposes of this
18 subsection, expenditures for the coverage of popu-
19 lations and services that the State could have other-
20 wise provided through its Medicaid State plan or
21 other authority under title XIX, including expendi-
22 tures that could be made under such authority but
23 for the provision of such services at a different site
24 of service than authorized under such State plan or

1 other authority, shall be considered expenditures in
2 the absence of such a project.

3 “(2) TREATMENT OF SAVINGS.—In the event
4 that expenditures with respect to a State under a
5 Medicaid demonstration project are, during an ap-
6 proval period for such project, less than the amount
7 of such expenditures that would have otherwise been
8 made in the absence of such project, the Secretary
9 shall specify the methodology to be used with respect
10 to the subsequent approval period for such project
11 for purposes of taking the difference between such
12 expenditures into account.”.

13 (b) IMPLEMENTATION FUNDING.—For the purposes
14 of carrying out the provisions of, and the amendments
15 made by, this section, there are appropriated, out of any
16 monies in the Treasury not otherwise appropriated, to the
17 Secretary of Health and Human Services, \$5,000,000 for
18 each of fiscal years 2026 and 2027, to remain available
19 until expended.

1 **Subchapter D—Increasing Personal**
2 **Accountability**

3 **SEC. 71121. REQUIREMENT FOR STATES TO ESTABLISH**
4 **MEDICAID COMMUNITY ENGAGEMENT RE-**
5 **QUIREMENTS FOR CERTAIN INDIVIDUALS.**

6 (a) IN GENERAL.—Section 1902 of the Social Secu-
7 rity Act (42 U.S.C. 1396a), as amended by sections 71103
8 and 71104, is further amended by adding at the end the
9 following new subsection:

10 “(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR
11 APPLICABLE INDIVIDUALS.—

12 “(1) IN GENERAL.—Except as provided in para-
13 graph (11), beginning not later than the first day of
14 the first quarter that begins after December 31,
15 2026, or, at the option of the State under a waiver
16 or demonstration project under section 1115 or the
17 State plan, such earlier date as the State may speci-
18 fy, subject to the succeeding provisions of this sub-
19 section, a State shall provide, as a condition of eligi-
20 bility for medical assistance for an applicable indi-
21 vidual, that such individual is required to dem-
22 onstrate community engagement under paragraph
23 (2)—

24 “(A) in the case of an applicable individual
25 who has filed an application for medical assist-

1 ance under a State plan (or a waiver of such
2 plan) under this title, for 1 or more but not
3 more than 3 (as specified by the State) con-
4 secutive months immediately preceding the
5 month during which such individual applies for
6 such medical assistance; and

7 “(B) in the case of an applicable individual
8 enrolled and receiving medical assistance under
9 a State plan (or under a waiver of such plan)
10 under this title, for 1 or more (as specified by
11 the State) months, whether or not consecu-
12 tive—

13 “(i) during the period between such
14 individual’s most recent determination (or
15 redetermination, as applicable) of eligibility
16 and such individual’s next regularly sched-
17 uled redetermination of eligibility (as
18 verified by the State as part of such regu-
19 larly scheduled redetermination of eligi-
20 bility); or

21 “(ii) in the case of a State that has
22 elected under paragraph (4) to conduct
23 more frequent verifications of compliance
24 with the requirement to demonstrate com-
25 munity engagement, during the period be-

1 tween the most recent and next such
2 verification with respect to such individual.

3 “(2) COMMUNITY ENGAGEMENT COMPLIANCE
4 DESCRIBED.—Subject to paragraph (3), an applica-
5 ble individual demonstrates community engagement
6 under this paragraph for a month if such individual
7 meets 1 or more of the following conditions with re-
8 spect to such month, as determined in accordance
9 with criteria established by the Secretary through
10 regulation:

11 “(A) The individual works not less than 80
12 hours.

13 “(B) The individual completes not less
14 than 80 hours of community service.

15 “(C) The individual participates in a work
16 program for not less than 80 hours.

17 “(D) The individual is enrolled in an edu-
18 cational program at least half-time.

19 “(E) The individual engages in any com-
20 bination of the activities described in subpara-
21 graphs (A) through (D), for a total of not less
22 than 80 hours.

23 “(F) The individual has a monthly income
24 that is not less than the applicable minimum
25 wage requirement under section 6 of the Fair

1 Labor Standards Act of 1938, multiplied by 80
2 hours.

3 “(G) The individual had an average
4 monthly income over the preceding 6 months
5 that is not less than the applicable minimum
6 wage requirement under section 6 of the Fair
7 Labor Standards Act of 1938 multiplied by 80
8 hours, and is a seasonal worker, as described in
9 section 45R(d)(5)(B) of the Internal Revenue
10 Code of 1986 .

11 “(3) EXCEPTIONS.—

12 “(A) MANDATORY EXCEPTION FOR CER-
13 TAIN INDIVIDUALS.—The State shall deem an
14 applicable individual to have demonstrated com-
15 munity engagement under paragraph (2) for a
16 month, and may elect to not require an indi-
17 vidual to verify information resulting in such
18 deeming, if—

19 “(i) for part or all of such month, the
20 individual—

21 “(I) was a specified excluded in-
22 dividual (as defined in paragraph
23 (9)(A)(ii)); or

24 “(II) was—

25 “(aa) under the age of 19;

1 “(bb) entitled to, or enrolled
2 for, benefits under part A of title
3 XVIII, or enrolled for benefits
4 under part B of title XVIII; or

5 “(cc) described in any of
6 subclauses (I) through (VII) of
7 subsection (a)(10)(A)(i); or

8 “(ii) at any point during the 3-month
9 period ending on the first day of such
10 month, the individual was an inmate of a
11 public institution.

12 “(B) OPTIONAL EXCEPTION FOR SHORT-
13 TERM HARDSHIP EVENTS.—

14 “(i) IN GENERAL.—The State plan (or
15 waiver of such plan) may provide, in the
16 case of an applicable individual who experi-
17 ences a short-term hardship event during a
18 month, that the State shall, under proce-
19 dures established by the State (in accord-
20 ance with standards specified by the Sec-
21 retary), in the case of a short-term hard-
22 ship event described in clause (ii)(II) and,
23 upon the request of such individual, a
24 short-term hardship event described in
25 subclause (I) or (III) of clause (ii), deem

1 such individual to have demonstrated com-
2 munity engagement under paragraph (2)
3 for such month.

4 “(ii) SHORT-TERM HARDSHIP EVENT
5 DEFINED.—For purposes of this subpara-
6 graph, an applicable individual experiences
7 a short-term hardship event during a
8 month if, for part or all of such month—

9 “(I) such individual receives in-
10 patient hospital services, nursing facil-
11 ity services, services in an inter-
12 mediate care facility for individuals
13 with intellectual disabilities, inpatient
14 psychiatric hospital services, or such
15 other services of similar acuity (in-
16 cluding outpatient care relating to
17 other services specified in this sub-
18 clause) as the Secretary determines
19 appropriate;

20 “(II) such individual resides in a
21 county (or equivalent unit of local
22 government)—

23 “(aa) in which there exists
24 an emergency or disaster de-
25 clared by the President pursuant

684

1 to the National Emergencies Act
2 or the Robert T. Stafford Dis-
3 aster Relief and Emergency As-
4 sistance Act; or

5 “(bb) that, subject to a re-
6 quest from the State to the Sec-
7 retary, made in such form, at
8 such time, and containing such
9 information as the Secretary may
10 require, has an unemployment
11 rate that is at or above the lesser
12 of—

13 “(AA) 8 percent; or

14 “(BB) 1.5 times the
15 national unemployment rate;
16 or

17 “(III) such individual or their de-
18 pendent must travel outside of their
19 community for an extended period of
20 time to receive medical services nec-
21 essary to treat a serious or complex
22 medical condition (as described in
23 paragraph (9)(A)(ii)(V)(ee)) that are
24 not available within their community
25 of residence.

1 “(4) OPTION TO CONDUCT MORE FREQUENT
2 COMPLIANCE VERIFICATIONS.—With respect to an
3 applicable individual enrolled and receiving medical
4 assistance under a State plan (or a waiver of such
5 plan) under this title, the State shall verify (in ac-
6 cordance with procedures specified by the Secretary)
7 that each such individual has met the requirement
8 to demonstrate community engagement under para-
9 graph (1) during each such individual’s regularly
10 scheduled redetermination of eligibility, except that a
11 State may provide for such verifications more fre-
12 quently.

13 “(5) EX PARTE VERIFICATIONS.—For purposes
14 of verifying that an applicable individual has met the
15 requirement to demonstrate community engagement
16 under paragraph (1), or determining such individual
17 to be deemed to have demonstrated community en-
18 gagement under paragraph (3), or that an individual
19 is a specified excluded individual under paragraph
20 (9)(A)(ii), the State shall, in accordance with stand-
21 ards established by the Secretary, establish processes
22 and use reliable information available to the State
23 (such as payroll data or payments or encounter data
24 under this title for individuals and data on payments
25 to such individuals for the provision of services cov-

1 ered under this title) without requiring, where pos-
2 sible, the applicable individual to submit additional
3 information.

4 “(6) PROCEDURE IN THE CASE OF NONCOMPLI-
5 ANCE.—

6 “(A) IN GENERAL.—If a State is unable to
7 verify that an applicable individual has met the
8 requirement to demonstrate community engage-
9 ment under paragraph (1) (including, if appli-
10 cable, by verifying that such individual was
11 deemed to have demonstrated community en-
12 gagement under paragraph (3)) the State shall
13 (in accordance with standards specified by the
14 Secretary)—

15 “(i) provide such individual with the
16 notice of noncompliance described in sub-
17 paragraph (B);

18 “(ii)(I) provide such individual with a
19 period of 30 calendar days, beginning on
20 the date on which such notice of non-
21 compliance is received by the individual,
22 to—

23 “(aa) make a satisfactory show-
24 ing to the State of compliance with
25 such requirement (including, if appli-

1 cable, by showing that such individual
2 was or should be deemed to have dem-
3 onstrated community engagement
4 under paragraph (3)); or

5 “(bb) make a satisfactory show-
6 ing to the State that such require-
7 ment does not apply to such indi-
8 vidual on the basis that such indi-
9 vidual does not meet the definition of
10 applicable individual under paragraph
11 (9)(A); and

12 “(II) if such individual is enrolled
13 under the State plan (or a waiver of such
14 plan) under this title, continue to provide
15 such individual with medical assistance
16 during such 30-calendar-day period; and

17 “(iii) if no such satisfactory showing
18 is made and the individual is not a speci-
19 fied excluded individual described in para-
20 graph (9)(A)(ii), deny such individual’s ap-
21 plication for medical assistance under the
22 State plan (or waiver of such plan) or, as
23 applicable, disenroll such individual from
24 the plan (or waiver of such plan) not later
25 than the end of the month following the

1 month in which such 30-calendar-day pe-
2 riod ends, provided that—

3 “(I) the State first determines
4 whether, with respect to the indi-
5 vidual, there is any other basis for eli-
6 gibility for medical assistance under
7 the State plan (or waiver of such
8 plan) or for another insurance afford-
9 ability program; and

10 “(II) the individual is provided
11 written notice and granted an oppor-
12 tunity for a fair hearing in accordance
13 with subsection (a)(3).

14 “(B) NOTICE.—The notice of noncompli-
15 ance provided to an applicable individual under
16 subparagraph (A)(i) shall include information
17 (in accordance with standards specified by the
18 Secretary) on—

19 “(i) how such individual may make a
20 satisfactory showing of compliance with
21 such requirement (as described in subpara-
22 graph (A)(ii)) or make a satisfactory show-
23 ing that such requirement does not apply
24 to such individual on the basis that such
25 individual does not meet the definition of

1 applicable individual under paragraph
2 (9)(A); and

3 “(ii) how such individual may reapply
4 for medical assistance under the State plan
5 (or a waiver of such plan) under this title
6 in the case that such individuals’ applica-
7 tion is denied or, as applicable, in the case
8 that such individual is disenrolled from the
9 plan (or waiver).

10 “(7) TREATMENT OF NONCOMPLIANT INDIVID-
11 UALS IN RELATION TO CERTAIN OTHER PROVI-
12 SIONS.—

13 “(A) CERTAIN FMAP INCREASES.—A State
14 shall not be treated as not providing medical as-
15 sistance to all individuals described in section
16 1902(a)(10)(A)(i)(VIII), or as not expending
17 amounts for all such individuals under the
18 State plan (or waiver of such plan), solely be-
19 cause such an individual is determined ineligible
20 for medical assistance under the State plan (or
21 waiver) on the basis of a failure to meet the re-
22 quirement to demonstrate community engage-
23 ment under paragraph (1).

24 “(B) OTHER PROVISIONS.—For purposes
25 of section 36B(c)(2)(B) of the Internal Revenue

1 Code of 1986, an individual shall be deemed to
2 be eligible for minimum essential coverage de-
3 scribed in section 5000A(f)(1)(A)(ii) of such
4 Code for a month if such individual would have
5 been eligible for medical assistance under a
6 State plan (or a waiver of such plan) under this
7 title but for a failure to meet the requirement
8 to demonstrate community engagement under
9 paragraph (1).

10 “(8) OUTREACH.—

11 “(A) IN GENERAL.—In accordance with
12 standards specified by the Secretary, beginning
13 not later than the date that precedes December
14 31, 2026 (or, if the State elects under para-
15 graph (1) to specify an earlier date, such earlier
16 date) by the number of months specified by the
17 State under paragraph (1)(A) plus 3 months,
18 and periodically thereafter, the State shall no-
19 tify applicable individuals enrolled under a
20 State plan (or waiver) under this title of the re-
21 quirement to demonstrate community engage-
22 ment under this subsection. Such notice shall
23 include information on—

24 “(i) how to comply with such require-
25 ment, including an explanation of the ex-

1 ceptions to such requirement under para-
2 graph (3) and the definition of the term
3 ‘applicable individual’ under paragraph
4 (9)(A);

5 “(ii) the consequences of noncompli-
6 ance with such requirement; and

7 “(iii) how to report to the State any
8 change in the individual’s status that could
9 result in—

10 “(I) the applicability of an excep-
11 tion under paragraph (3) (or the end
12 of the applicability of such an excep-
13 tion); or

14 “(II) the individual qualifying as
15 a specified excluded individual under
16 paragraph (9)(A)(ii).

17 “(B) FORM OF OUTREACH NOTICE.—A no-
18 tice required under subparagraph (A) shall be
19 delivered—

20 “(i) by regular mail (or, if elected by
21 the individual, in an electronic format);
22 and

23 “(ii) in 1 or more additional forms,
24 which may include telephone, text message,
25 an internet website, other commonly avail-

1 able electronic means, and such other
2 forms as the Secretary determines appro-
3 priate.

4 “(9) DEFINITIONS.—In this subsection:

5 “(A) APPLICABLE INDIVIDUAL.—

6 “(i) IN GENERAL.—The term ‘applica-
7 ble individual’ means an individual (other
8 than a specified excluded individual (as de-
9 fined in clause (ii)))—

10 “(I) who is eligible to enroll (or
11 is enrolled) under the State plan
12 under subsection (a)(10)(A)(i)(VIII);
13 or

14 “(II) who—

15 “(aa) is otherwise eligible to
16 enroll (or is enrolled) under a
17 waiver of such plan that provides
18 coverage that is equivalent to
19 minimum essential coverage (as
20 described in section
21 5000A(f)(1)(A) of the Internal
22 Revenue Code of 1986 and as de-
23 termined in accordance with
24 standards prescribed by the Sec-
25 retary in regulations); and

1 “(bb) has attained the age
2 of 19 and is under 65 years of
3 age, is not pregnant, is not enti-
4 tled to, or enrolled for, benefits
5 under part A of title XVIII, or
6 enrolled for benefits under part
7 B of title XVIII, and is not oth-
8 erwise eligible to enroll under
9 such plan.

10 “(ii) SPECIFIED EXCLUDED INDIV-
11 VIDUAL.—For purposes of clause (i), the
12 term ‘specified excluded individual’ means
13 an individual, as determined by the State
14 (in accordance with standards specified by
15 the Secretary)—

16 “(I) who is described in sub-
17 section (a)(10)(A)(i)(IX);

18 “(II) who—

19 “(aa) is an Indian or an
20 Urban Indian (as such terms are
21 defined in paragraphs (13) and
22 (28) of section 4 of the Indian
23 Health Care Improvement Act);

694

1 “(bb) is a California Indian
2 described in section 809(a) of
3 such Act; or

4 “(cc) has otherwise been de-
5 termined eligible as an Indian for
6 the Indian Health Service under
7 regulations promulgated by the
8 Secretary;

9 “(III) who is the parent, guard-
10 ian, caretaker relative, or family care-
11 giver (as defined in section 2 of the
12 RAISE Family Caregivers Act) of a
13 dependent child 13 years of age and
14 under or a disabled individual;

15 “(IV) who is a veteran with a
16 disability rated as total under section
17 1155 of title 38, United States Code;

18 “(V) who is medically frail or
19 otherwise has special medical needs
20 (as defined by the Secretary), includ-
21 ing an individual—

22 “(aa) who is blind or dis-
23 abled (as defined in section
24 1614);

695

1 “(bb) with a substance use
2 disorder;

3 “(cc) with a disabling men-
4 tal disorder;

5 “(dd) with a physical, intel-
6 lectual or developmental dis-
7 ability that significantly impairs
8 their ability to perform 1 or more
9 activities of daily living; or

10 “(ee) with a serious or com-
11 plex medical condition;

12 “(VI) who—

13 “(aa) is in compliance with
14 any requirements imposed by the
15 State pursuant to section 407; or

16 “(bb) is a member of a
17 household that receives supple-
18 mental nutrition assistance pro-
19 gram benefits under the Food
20 and Nutrition Act of 2008 and is
21 not exempt from a work require-
22 ment under such Act;

23 “(VII) who is participating in a
24 drug addiction or alcoholic treatment
25 and rehabilitation program (as defined

1 in section 3(h) of the Food and Nutri-
2 tion Act of 2008);

3 “(VIII) who is an inmate of a
4 public institution; or

5 “(IX) who is pregnant or entitled
6 to postpartum medical assistance
7 under paragraph (5) or (16) of sub-
8 section (e).

9 “(B) EDUCATIONAL PROGRAM.—The term
10 ‘educational program’ includes—

11 “(i) an institution of higher education
12 (as defined in section 101 of the Higher
13 Education Act of 1965); and

14 “(ii) a program of career and tech-
15 nical education (as defined in section 3 of
16 the Carl D. Perkins Career and Technical
17 Education Act of 2006).

18 “(C) STATE.—The term ‘State’ means 1 of
19 the 50 States or the District of Columbia.

20 “(D) WORK PROGRAM.—The term ‘work
21 program’ has the meaning given such term in
22 section 6(o)(1) of the Food and Nutrition Act
23 of 2008.

24 “(10) PROHIBITING WAIVER OF COMMUNITY
25 ENGAGEMENT REQUIREMENTS.—Notwithstanding

1 section 1115(a), the provisions of this subsection
2 may not be waived.

3 “(11) SPECIAL IMPLEMENTATION RULE.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graph (C), the Secretary may exempt a State
6 from compliance with the requirements of this
7 subsection if—

8 “(i) the State submits to the Sec-
9 retary a request for such exemption, made
10 in such form and at such time as the Sec-
11 retary may require, and including the in-
12 formation specified in subparagraph (B);
13 and

14 “(ii) the Secretary determines that
15 based on such request, the State is dem-
16 onstrating a good faith effort to comply
17 with the requirements of this subsection.

18 “(B) GOOD FAITH EFFORT DETERMINA-
19 TION.—In determining whether a State is dem-
20 onstrating a good faith effort for purposes of
21 subparagraph (A)(ii), the Secretary shall con-
22 sider—

23 “(i) any actions taken by the State to-
24 ward compliance with the requirements of
25 this subsection;

1 “(ii) any significant barriers to or
2 challenges in meeting such requirements,
3 including related to funding, design, devel-
4 opment, procurement, or installation of
5 necessary systems or resources;

6 “(iii) the State’s detailed plan and
7 timeline for achieving full compliance with
8 such requirements, including any mile-
9 stones of such plan (as defined by the Sec-
10 retary); and

11 “(iv) any other criteria determined ap-
12 propriate by the Secretary.

13 “(C) DURATION OF EXEMPTION.—

14 “(i) IN GENERAL.—An exemption
15 granted under subparagraph (A) shall ex-
16 pire not later than December 31, 2028,
17 and may not be renewed beyond such date.

18 “(ii) EARLY TERMINATION.—The Sec-
19 retary may terminate an exemption grant-
20 ed under subparagraph (A) prior to the ex-
21 piration date of such exemption if the Sec-
22 retary determined that the State has—

23 “(I) failed to comply with the re-
24 porting requirements described in sub-
25 paragraph (D); or

1 “(II) based on the information
2 provided pursuant to subparagraph
3 (D), failed to make continued good
4 faith efforts toward compliance with
5 the requirements of this subsection.

6 “(D) REPORTING REQUIREMENTS.—A
7 State granted an exemption under subpara-
8 graph (A) shall submit to the Secretary—

9 “(i) quarterly progress reports on the
10 State’s status in achieving the milestones
11 toward full compliance described in sub-
12 paragraph (B)(iii); and

13 “(ii) information on specific risks or
14 newly identified barriers or challenges to
15 full compliance, including the State’s plan
16 to mitigate such risks, barriers, or chal-
17 lenges.”.

18 (b) CONFORMING AMENDMENT.—Section
19 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42
20 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking
21 “subject to subsection (k)” and inserting “subject to sub-
22 sections (k) and (xx)”.

23 (c) PROHIBITING CONFLICTS OF INTEREST.—A
24 State shall not use a Medicaid managed care entity or
25 other specified entity (as such terms are defined in section

1 1903(m)(9)(D)), or other contractor to determine bene-
2 ficiary compliance under such section unless the con-
3 tractor has no direct or indirect financial relationship with
4 any Medicaid managed care entity or other specified entity
5 that is responsible for providing or arranging for coverage
6 of medical assistance for individuals enrolled with the enti-
7 ty pursuant to a contract with such State.

8 (d) INTERIM FINAL RULEMAKING.—Not later than
9 June 1, 2026, the Secretary of Health and Human Serv-
10 ices shall promulgate an interim final rule for purposes
11 of implementing the provisions of, and the amendments
12 made by, this section. Any action taken to implement the
13 provisions of, and the amendments made by, this section
14 shall not be subject to the provisions of section 553 of
15 title 5, United States Code.

16 (e) DEVELOPMENT OF GOVERNMENT EFFICIENCY
17 GRANTS TO STATES.—

18 (1) IN GENERAL.—In order for States to estab-
19 lish systems necessary to carry out the provisions of,
20 and amendments made by, this section **【**or other
21 sections of this chapter that pertain to conducting
22 eligibility determinations or redeterminations**】**, the
23 Secretary of Health and Human Services shall—

24 (A) out of amounts appropriated under
25 paragraph (3)(A), award to each State a grant

1 equal to the amount specified in paragraph (2)
2 for such State; and

3 (B) out of amounts appropriated under
4 paragraph (3)(B), distribute an equal amount
5 among such States.

6 (2) AMOUNT SPECIFIED.—For purposes of
7 paragraph (1)(A), the amount specified in this para-
8 graph is an amount that bears the same ratio to the
9 amount appropriated under paragraph (3)(A) as the
10 number of applicable individuals (as defined in sec-
11 tion 1902(xx) of the Social Security Act, as added
12 by subsection (a)) residing in such State bears to
13 the total number of such individuals residing in all
14 States, as of March 31, 2025.

15 (3) FUNDING.—There are appropriated, out of
16 any monies in the Treasury not otherwise appro-
17 priated—

18 (A) \$100,000,000 for fiscal year 2026 for
19 purposes of awarding grants under paragraph
20 (1)(A), to remain available until expended; and

21 (B) \$100,000,000 for fiscal year 2026 for
22 purposes of award grants under paragraph
23 (1)(B), to remain available until expended.

1 (4) DEFINITION.—In this subsection, the term
2 “State” means 1 of the 50 States and the District
3 of Columbia.

4 (f) IMPLEMENTATION FUNDING.—For the purposes
5 of carrying out the provisions of, and the amendments
6 made by, this section, there are appropriated, out of any
7 monies in the Treasury not otherwise appropriated, to the
8 Secretary of Health and Human Services, \$50,000,000 for
9 fiscal year 2026, to remain available until expended.

10 **SEC. 71122. MODIFYING COST SHARING REQUIREMENTS**
11 **FOR CERTAIN EXPANSION INDIVIDUALS**
12 **UNDER THE MEDICAID PROGRAM.**

13 (a) IN GENERAL.—Section 1916 of the Social Secu-
14 rity Act (42 U.S.C. 1396o) is amended—

15 (1) in subsection (a), in the matter preceding
16 paragraph (1), by inserting “(other than, beginning
17 October 1, 2028, specified individuals (as defined in
18 subsection (k)(3)))” after “individuals”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(k) SPECIAL RULES FOR CERTAIN EXPANSION IN-
22 DIVIDUALS.—

23 “(1) PREMIUMS.—Beginning October 1, 2028,
24 the State plan shall provide that in the case of a
25 specified individual (as defined in paragraph (3))

1 who is eligible under the plan, no enrollment fee,
2 premium, or similar charge will be imposed under
3 the plan.

4 “(2) REQUIRED IMPOSITION OF COST SHAR-
5 ING.—

6 “(A) IN GENERAL.—Subject to subpara-
7 graph (B) and subsection (j), in the case of a
8 specified individual, the State plan shall, begin-
9 ning October 1, 2028, provide for the imposi-
10 tion of such deductions, cost sharing, or similar
11 charges determined appropriate by the State (in
12 an amount greater than \$0) with respect to cer-
13 tain care, items, or services furnished to such
14 an individual, as determined by the State.

15 “(B) LIMITATIONS.—

16 “(i) EXCLUSION OF CERTAIN SERV-
17 ICES.—In no case may a deduction, cost
18 sharing, or similar charge be imposed
19 under the State plan with respect to care,
20 items, or services described in any of sub-
21 paragraphs (B) through (J) of subsection
22 (a)(2), or any primary care services, men-
23 tal health care services, substance use dis-
24 order services, or services provided by a
25 Federally qualified health center (as de-

1 so furnished were subject to cost shar-
2 ing under such section.

3 “(iii) MAXIMUM LIMIT ON COST SHAR-
4 ING.—The total aggregate amount of de-
5 ductions, cost sharing, or similar charges
6 imposed under the State plan for all indi-
7 viduals in the family may not exceed 5 per-
8 cent of the family income of the family in-
9 volved, as applied on a quarterly or month-
10 ly basis (as specified by the State).

11 “(C) CASES OF NONPAYMENT.—Notwith-
12 standing subsection (e), a State may permit a
13 provider participating under the State plan to
14 require, as a condition for the provision of care,
15 items, or services to a specified individual enti-
16 tled to medical assistance under this title for
17 such care, items, or services, the payment of
18 any deductions, cost sharing, or similar charges
19 authorized to be imposed with respect to such
20 care, items, or services. Nothing in this sub-
21 paragraph shall be construed as preventing a
22 provider from reducing or waiving the applica-
23 tion of such deductions, cost sharing, or similar
24 charges on a case-by-case basis.

1 “(3) SPECIFIED INDIVIDUAL DEFINED.—For
2 purposes of this subsection, the term ‘specified indi-
3 vidual’ means an individual who has a family income
4 (as determined in accordance with section
5 1902(e)(14)) that exceeds the poverty line (as de-
6 fined in section 2110(c)(5)) applicable to a family of
7 the size involved and—

8 “(A) is enrolled under section
9 1902(a)(10)(A)(i)(VIII); or

10 “(B) is described in such subsection and
11 otherwise enrolled under a waiver of the State
12 plan that provides coverage that is equivalent to
13 minimum essential coverage (as described in
14 section 5000A(f)(1)(A) of the Internal Revenue
15 Code of 1986 and determined in accordance
16 with standards prescribed by the Secretary in
17 regulations) to all individuals described in sec-
18 tion 1902(a)(10)(A)(i)(VIII).

19 “(4) STATE DEFINED.—For purposes of this
20 subsection, the term ‘State’ means 1 of the 50
21 States or the District of Columbia.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) REQUIRED APPLICATION.—Section
24 1902(a)(14) of the Social Security Act (42 U.S.C.
25 1396a(a)(14)) is amended by inserting “and provide

1 for imposition of such deductions, cost sharing, or
2 similar charges for care, items, or services furnished
3 to specified individuals (as defined in paragraph (3)
4 of section 1916(k)) in accordance with paragraph
5 (2) of such section” after “section 1916”.

6 (2) NONAPPLICABILITY OF ALTERNATIVE COST
7 SHARING.—Section 1916A(a)(1) of the Social Secu-
8 rity Act (42 U.S.C. 1396o–1(a)(1)) is amended, in
9 the second sentence, by striking “or (j)” and insert-
10 ing “(j), or (k)”.

11 **Subchapter E—Expanding Access to Care**

12 **SEC. 71123. MAKING CERTAIN ADJUSTMENTS TO COV-** 13 **ERAGE OF HOME OR COMMUNITY-BASED** 14 **SERVICES UNDER MEDICAID.**

15 (a) EXPANDING HCBS COVERAGE UNDER SECTION
16 1915(c) WAIVERS.—Section 1915(c) of the Social Secu-
17 rity Act (42 U.S.C. 1396n(c)) is amended—

18 (1) in paragraph (3), by inserting “paragraph
19 (11) or” before “subsection (h)(2)”; and

20 (2) by adding at the end the following new
21 paragraph:

22 “(11) EXPANDING COVERAGE FOR HOME OR COM-
23 MUNITY-BASED SERVICES.—

24 “(A) IN GENERAL.—Beginning July 1, 2028,
25 notwithstanding paragraph (1), the Secretary may

1 approve a waiver that is standalone from any other
2 waiver approved under this subsection to include as
3 medical assistance under the State plan of such
4 State payment for part or all of the cost of home or
5 community-based services (other than room and
6 board (as described in paragraph (1))) approved by
7 the Secretary which are provided pursuant to a writ-
8 ten plan of care to individuals described in subpara-
9 graph (B)(iii). A waiver approved under this para-
10 graph shall be for an initial term of 3 years and,
11 upon the request of the State, shall be extended for
12 additional 5-year periods unless the Secretary deter-
13 mines that for the previous waiver period the re-
14 quirements specified under this subsection (exclud-
15 ing those excepted under subparagraph (B)) have
16 not been met.

17 “(B) STATE REQUIREMENTS.—In addition to
18 the requirements specified under this subsection (ex-
19 cept for the requirements described in subpara-
20 graphs (C) and (D) of paragraph (2) and any other
21 requirement specified under this subsection that the
22 Secretary determines to be inapplicable in the con-
23 text of a waiver that does not require individuals to
24 have a determination described in paragraph (1)), a

1 State shall meet the following requirements as a
2 condition of waiver approval:

3 “(i) As of the date that such State re-
4 quests a waiver under this subsection to provide
5 home or community-based services to individ-
6 uals described in clause (iii), all other waivers
7 (if any) granted under this subsection to such
8 State meet the requirements of this subsection.

9 “(ii) The State demonstrates to the Sec-
10 retary that approval of a waiver under this sub-
11 section with respect to individuals described in
12 clause (iii) will not result in a material increase
13 of the average amount of time that individuals
14 with respect to whom a determination described
15 in paragraph (1) has been made will need to
16 wait to receive home or community-based serv-
17 ices under any other waiver granted under this
18 subsection, as determined by the Secretary.

19 “(iii) The State establishes needs-based
20 criteria, subject to the approval of the Sec-
21 retary, regarding who will be eligible for home
22 or community-based services under a waiver ap-
23 proved under this paragraph without requiring
24 such individual to have a determination de-
25 scribed in paragraph (1), and specifies the

1 home or community-based services such individ-
2 uals so eligible will receive.

3 “(iv) The State establishes needs-based cri-
4 teria for determining whether an individual de-
5 scribed in clause (iii) requires the level of care
6 provided in a hospital, nursing facility, or an in-
7 termediate care facility for individuals with de-
8 velopmental disabilities under the State plan or
9 under any waiver of such plan that are more
10 stringent than the needs-based criteria estab-
11 lished under clause (iii) for determining eligi-
12 bility for home or community-based services.

13 “(v) The State attests that the State’s av-
14 erage per capita expenditure for medical assist-
15 ance under the State plan (or waiver of such
16 plan) provided with respect to such individuals
17 enrolled in a waiver under this paragraph will
18 not exceed the State’s average per capita ex-
19 penditure for medical assistance for individuals
20 receiving institutional care under the State plan
21 (or waiver of such plan) for the duration that
22 the waiver under this paragraph is in effect.

23 “(vi) The State provides to the Secretary
24 data (in such form and manner as the Sec-
25 retary may specify) regarding the number of in-

1 dividuals described in clause (iii) with respect to
2 a State seeking approval of a waiver under this
3 subsection, to whom the State will make such
4 services available under such waiver.

5 “(vii) The State agrees to provide to the
6 Secretary, not less frequently than annually,
7 data for purposes of paragraph (2)(E) (in such
8 form and manner as the Secretary may specify)
9 regarding, with respect to each preceding year
10 in which a waiver under this subsection to pro-
11 vide home or community-based services to indi-
12 viduals described in clause (iii) was in effect—

13 “(I) the cost (as such term is defined
14 by the Secretary) of such services fur-
15 nished to individuals described in clause
16 (iii), broken down by type of service;

17 “(II) with respect to each type of
18 home or community-based service provided
19 under the waiver, the length of time that
20 such individuals have received such service;

21 “(III) a comparison between the data
22 described in subclause (I) and any com-
23 parable data available with respect to indi-
24 viduals with respect to whom a determina-
25 tion described in paragraph (1) has been

1 made and with respect to individuals re-
2 ceiving institutional care under this title;
3 and

4 “(IV) the number of individuals who
5 have received home or community-based
6 services under the waiver during the pre-
7 ceding year.

8 “(C) LIMITATION ON PAYMENTS.—No pay-
9 ments made to carry out this paragraph shall be
10 used to make payments to a third party on behalf
11 of an individual practitioner for benefits such as
12 health insurance, skills training, and other benefits
13 customary for employees, in the case of a class of
14 practitioners for which the program established
15 under this title is the primary source of revenue.”.

16 (b) IMPLEMENTATION FUNDING.—

17 (1) IN GENERAL.—There are appropriated, out
18 of any monies in the Treasury not otherwise appro-
19 priated, to the Secretary of Health and Human
20 Services—

21 (A) for fiscal year 2026, \$50,000,000 for
22 purposes of carrying out the provisions of, and
23 the amendments made by, this section, to re-
24 main available until expended; and

1 (B) for fiscal year 2027, \$100,000,000 for
2 purposes of making payments to States, subject
3 to paragraph (2), to support State systems to
4 deliver home or community-based services under
5 section1915(c) of the Social Security Act (42
6 U.S.C. 1396n(c)) (as amended by this section),
7 to remain available until expended.

8 (2) PAYMENTS BASED ON STATE HCBS ELIGI-
9 BLE POPULATION.—Payments to States from
10 amounts made available by paragraph (1)(B) shall
11 be made, with respect to a State, on the basis of the
12 proportion of the population of the State that is eli-
13 gible for home or community-based services under
14 section1915(c) of the Social Security Act (42 U.S.C.
15 1396n(c)) (as amended by this section), as compared
16 to all States.

17 **SEC. 71124. DETERMINATION OF FMAP FOR HIGH-POVERTY**
18 **STATES.**

19 Section 1905(b) of the Social Security Act (42 U.S.C.
20 1396d) is amended in the first sentence—

21 (1) by striking “and (6)” and inserting “(6)”;
22 and

23 (2) by inserting before the period the following:
24 “, and (7) only for purposes of payments for medical
25 assistance under this title (excluding any such pay-

1 ments that are based on the enhanced FMAP de-
2 scribed in section 2105(b)), in the case of a State
3 for which the Secretary issues under the authority of
4 section 673(2) of the Omnibus Budget Reconcili-
5 ation Act of 1981 a separate poverty guideline for
6 any calendar year occurring during or after the date
7 of enactment of this clause that is higher than the
8 poverty guideline issued by the Secretary for such
9 calendar year that is applicable to the majority of
10 States, the regular Federal medical assistance per-
11 centage determined for such a State under this sub-
12 section (without regard to any adjustments to such
13 percentage) for the 1st fiscal year quarter that be-
14 gins after such date of enactment, and for each fis-
15 cal year quarter beginning thereafter, shall be in-
16 creased (after such determination but prior to any
17 other increase which may be applicable and in no
18 case to exceed 100 percent) by, in the case of the
19 State with the highest separate poverty guideline for
20 the calendar year, 25 percent of the average regular
21 Federal medical assistance percentage determined
22 (without regard to any adjustments to such percent-
23 age) for the fiscal year for States which did not have
24 a separate poverty guideline issued for them for such
25 calendar year, and in the case of the State with the

1 second highest separate poverty guideline for the cal-
2 endar year, 15 percent of the average regular Fed-
3 eral medical assistance percentage determined (with-
4 out regard to any adjustments to such percentage)
5 for the fiscal year for States which did not have a
6 separate poverty guideline issued for them for such
7 calendar year”.

8 **CHAPTER 2—MEDICARE**

9 **Subchapter A—Strengthening Eligibility**

10 **Requirements**

11 **SEC. 71201. LIMITING MEDICARE COVERAGE OF CERTAIN**

12 **INDIVIDUALS.**

13 Title XVIII of the Social Security Act (42 U.S.C.
14 1395 et seq.) is amended by adding at the end the fol-
15 lowing new section:

16 **“SEC. 1899C. LIMITING MEDICARE COVERAGE OF CERTAIN**

17 **INDIVIDUALS.**

18 “(a) IN GENERAL.—Subject to subsection (b), an in-
19 dividual may be entitled to, or enrolled for, benefits under
20 this title only if the individual is—

21 “(1) a citizen or national of the United States;

22 “(2) an alien who is lawfully admitted for per-
23 manent residence under the Immigration and Na-
24 tionality Act;

1 “(3) an alien who has been granted the status
2 of Cuban and Haitian entrant, as defined in section
3 501(e) of the Refugee Education Assistance Act of
4 1980 (Public Law 96–422); or

5 “(4) an individual who lawfully resides in the
6 United States in accordance with a Compact of Free
7 Association referred to in section 402(b)(2)(G) of
8 the Personal Responsibility and Work Opportunity
9 Reconciliation Act of 1996.

10 “(b) APPLICATION TO INDIVIDUALS CURRENTLY EN-
11 TITLED TO OR ENROLLED FOR BENEFITS.—

12 “(1) IN GENERAL.—In the case of an individual
13 who is entitled to, or enrolled for, benefits under this
14 title as of the date of the enactment of this section,
15 subsection (a) shall apply beginning on the date that
16 is 18 months after such date of enactment.

17 “(2) REVIEW BY COMMISSIONER OF SOCIAL SE-
18 CURITY.—

19 “(A) IN GENERAL.—Not later than 1 year
20 after the date of the enactment of this section,
21 the Commissioner of Social Security shall com-
22 plete a review of individuals entitled to, or en-
23 rolled for, benefits under this title as of such
24 date of enactment for purposes of identifying

1 individuals not described in any of paragraphs
2 (1) through (4) of subsection (a).

3 “(B) NOTICE.—The Commissioner of So-
4 cial Security shall notify each individual identi-
5 fied under the review conducted under subpara-
6 graph (A) that such individual’s entitlement to,
7 or enrollment for, benefits under this title will
8 be terminated as of the date that is 18 months
9 after the date of the enactment of this section.
10 Such notification shall be made as soon as prac-
11 ticable after such identification and in a man-
12 ner designed to ensure such individual’s com-
13 prehension of such notification.”.

14 **Subchapter B—Improving Services for**
15 **Seniors**

16 **SEC. 71202. TEMPORARY PAYMENT INCREASE UNDER THE**
17 **MEDICARE PHYSICIAN FEE SCHEDULE TO AC-**
18 **COUNT FOR EXCEPTIONAL CIRCUMSTANCES.**

19 (a) IN GENERAL.—Section 1848(t)(1) of the Social
20 Security Act (42 U.S.C. 1395w–4(t)(1)) is amended—

21 (1) in the matter preceding subparagraph (A),
22 by striking “and 2024” and inserting “2024, and
23 2026”;

24 (2) in subparagraph (D), by striking “and” at
25 the end;

1 (3) in subparagraph (E), by striking the period
2 at the end and inserting “; and”; and

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

5 “(F) such services furnished on or after
6 January 1, 2026, and before January 1, 2027,
7 by 2.5 percent.”.

8 (b) CONFORMING AMENDMENT.—Section
9 1848(c)(2)(B)(iv)(V) of the Social Security Act (42
10 U.S.C. 1395w–4(c)(2)(B)(iv)(V)) is amended by striking
11 “or 2024” and inserting “2024, or 2026”.

12 **SEC. 71203. EXPANDING AND CLARIFYING THE EXCLUSION**
13 **FOR ORPHAN DRUGS UNDER THE DRUG**
14 **PRICE NEGOTIATION PROGRAM.**

15 (a) IN GENERAL.—Section 1192(e) of the Social Se-
16 curity Act (42 U.S.C. 1320f–1(e)) is amended—

17 (1) in paragraph (1), in the matter preceding
18 subparagraph (A), by striking “and (3)” and insert-
19 ing “through (4)”;

20 (2) in paragraph (3)(A)—

21 (A) by striking “only one rare disease or
22 condition” and inserting “one or more rare dis-
23 eases or conditions”; and

24 (B) by striking “such disease or condition”
25 and inserting “one or more such rare diseases

1 or conditions (as such term is defined in section
2 526(a)(2) of the Federal Food, Drug, and Cos-
3 metic Act)”; and

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

6 “(4) TREATMENT OF FORMER ORPHAN
7 DRUGS.—In the case of a drug or biological product
8 that, as of the date of the approval or licensure of
9 such drug or biological product, is a drug or biologi-
10 cal product described in paragraph (3)(A), para-
11 graph (1)(A)(ii) or (1)(B)(ii) (as applicable) shall
12 apply as if the reference to ‘the date of such ap-
13 proval’ or ‘the date of such licensure’, respectively,
14 were instead a reference to ‘the first day after the
15 date of such approval for which such drug is not a
16 drug described in paragraph (3)(A)’ or ‘the first day
17 after the date of such licensure for which such bio-
18 logical product is not a biological product described
19 in paragraph (3)(A)’, respectively.”.

20 (b) APPLICATION.—The amendments made by sub-
21 section (a) shall apply with respect to initial price applica-
22 bility years (as defined in section 1191(b) of the Social
23 Security Act (42 U.S.C. 1320f(b))) beginning on or after
24 January 1, 2028.

1 **SEC. 71204. APPLICATION OF COST-OF-LIVING ADJUST-**
2 **MENT TO NON-LABOR RELATED PORTION**
3 **FOR HOSPITAL OUTPATIENT DEPARTMENT**
4 **SERVICES FURNISHED IN ALASKA AND HA-**
5 **WAIL.**

6 Section 1833(t) of the Social Security Act (42 U.S.C.
7 1395l(t)) is amended by adding at the end the following
8 new paragraph:

9 “(23) APPLICATION OF COST-OF-LIVING AD-
10 JUSTMENT TO NON-LABOR RELATED PORTION FOR
11 HOSPITAL OUTPATIENT DEPARTMENT SERVICES
12 FURNISHED IN ALASKA AND HAWAII.—

13 “(A) IN GENERAL.—With respect to OPD
14 services furnished on or after January 1, 2027,
15 the Secretary shall provide for adjustments to
16 the payment amounts under this subsection for
17 such services in the same manner that is pro-
18 vided under section 1886(d)(5)(H) with respect
19 to the application of the cost-of-living adjust-
20 ment to the non-labor related portion of such
21 payment amounts to take into account the
22 unique circumstances of hospitals located in
23 Alaska or Hawaii. Such adjustment shall not
24 apply to payment amounts for a separately pay-
25 able drug, biological, or medical device.

1 “(B) APPLICATION WITHOUT REGARD TO
2 BUDGET NEUTRALITY.—Adjustments to pay-
3 ment amounts made under this paragraph—

4 “(i) shall not be considered an adjust-
5 ment under paragraph (2)(E); and

6 “(ii) shall not be implemented in a
7 budget neutral manner.”.

8 **CHAPTER 3—HEALTH TAX**

9 **Subchapter A—Improving Eligibility Criteria**

10 **SEC. 71301. PERMITTING PREMIUM TAX CREDIT ONLY FOR** 11 **CERTAIN INDIVIDUALS.**

12 (a) IN GENERAL.—Section 36B(e)(1) is amended by
13 inserting “or, in the case of aliens who are lawfully
14 present, are not eligible aliens” after “individuals who are
15 not lawfully present”.

16 (b) ELIGIBLE ALIENS.—Section 36B(e)(2) is amend-
17 ed—

18 (1) by striking “For purposes of this section,
19 an individual” and inserting “For purposes of this
20 section—

21 “(A) IN GENERAL.—An individual”, and

22 (2) by adding at the end the following new sub-
23 paragraph:

24 “(B) ELIGIBLE ALIENS.—An individual
25 who is an alien and lawfully present shall be

1 treated as an eligible alien if such individual is,
2 and is reasonably expected to be for the entire
3 period of enrollment for which the credit under
4 this section is being claimed—

5 “(i) an alien who is lawfully admitted
6 for permanent residence under the Immi-
7 gration and Nationality Act (8 U.S.C.
8 1101 et seq.),

9 “(ii) an alien who has been granted
10 the status of Cuban and Haitian entrant,
11 as defined in section 501(e) of the Refugee
12 Education Assistance Act of 1980 (Public
13 Law 96–422); or

14 “(iii) an individual who lawfully re-
15 sides in the United States in accordance
16 with a Compact of Free Association re-
17 ferred to in section 402(b)(2)(G) of the
18 Personal Responsibility and Work Oppor-
19 tunity Reconciliation Act of 1996 (8
20 U.S.C. 1612(b)(2)(G)).”.

21 (c) CONFORMING AMENDMENTS.—

22 (1) VERIFICATION OF INFORMATION.—Section
23 1411 of the Patient Protection and Affordable Care
24 Act (42 U.S.C. 18081) is amended—

25 (A) in subsection (a)—

1 (i) in paragraph (1), by striking “and
2 section 36B(e) of the Internal Revenue
3 Code of 1986”; and

4 (ii) in paragraph (2)—

5 (I) in subparagraph (A), by strik-
6 ing “and” at the end;

7 (II) in subparagraph (B), by add-
8 ing “and” at the end; and

9 (III) by adding at the end the
10 following new subparagraph:

11 “(C) in the case such individual is an alien
12 lawfully present in the United States, whether
13 such individual is an eligible alien (within the
14 meaning of section 36B(e)(2) of such Code);”;

15 (B) in subsection (b)(3), by adding at the
16 end the following new subparagraph:

17 “(D) IMMIGRATION STATUS.—In the case
18 the individual’s eligibility is based on an attes-
19 tation of the enrollee’s immigration status, an
20 attestation that such individual is an eligible
21 alien (within the meaning of 36B(e)(2) of the
22 Internal Revenue Code of 1986).”; and

23 (C) in subsection (c)(2)(B)(ii), by adding
24 at the end the following new subclause:

1 “(III) In the case of an indi-
2 vidual described in clause (i)(I) with
3 respect to whom a premium tax credit
4 under section 36B of the Internal
5 Revenue Code of 1986 is being
6 claimed, the attestation that the indi-
7 vidual is an eligible alien (within the
8 meaning of section 36B(e)(2) of such
9 Code).”.

10 (2) ADVANCE DETERMINATIONS.—Section
11 1412(d) of the Patient Protection and Affordable
12 Care Act (42 U.S.C. 18082(d)) is amended by in-
13 serting before the period at the end the following: “,
14 or credits under section 36B of the Internal Revenue
15 Code of 1986 for aliens who are not eligible aliens
16 (within the meaning of section 36B(e)(2) of such
17 Code)”.

18 (3) EFFECTIVE DATE.—The amendments made
19 by this subsection shall apply with respect to plan
20 years beginning on or after January 1, 2027.

21 (d) CLERICAL AMENDMENTS.—

22 (1) The heading for section 36B(e) is amended
23 by inserting “AND NOT ELIGIBLE ALIENS” after
24 “INDIVIDUALS NOT LAWFULLY PRESENT”.

1 (2) The heading for section 36B(e)(2) is
2 amended by inserting “; ELIGIBLE ALIENS” after
3 “LAWFULLY PRESENT”.

4 (e) REQUIREMENT TO MAINTAIN MINIMUM ESSEN-
5 TIAL COVERAGE.—Section 5000A(d)(3) is amended by
6 striking “an alien lawfully present in the United States”
7 and inserting “an eligible alien (within the meaning of sec-
8 tion 36B(e)(2))”.

9 (f) REGULATIONS.—The Secretary of the Treasury
10 and the Secretary of Health and Human Services may
11 each prescribe such rules and other guidance as may be
12 necessary or appropriate to carry out the amendments
13 made by this section.

14 (g) EFFECTIVE DATE.—The amendments made by
15 this section (other than the amendments made by sub-
16 section (c)) shall apply to taxable years beginning after
17 December 31, 2026.

18 **SEC. 71302. DISALLOWING PREMIUM TAX CREDIT DURING**
19 **PERIODS OF MEDICAID INELIGIBILITY DUE**
20 **TO ALIEN STATUS.**

21 (a) IN GENERAL.—Section 36B(c)(1) is amended by
22 striking subparagraph (B).

23 (b) REGULATIONS.—The Secretary of the Treasury
24 and the Secretary of Health and Human Services may
25 each prescribe such rules and other guidance as may be

1 necessary or appropriate to carry out the amendments
2 made by this section.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **Subchapter B—Preventing Waste, Fraud, and**
7 **Abuse**

8 **SEC. 71303. REQUIRING VERIFICATION OF ELIGIBILITY FOR**
9 **PREMIUM TAX CREDIT.**

10 (a) IN GENERAL.—Section 36B(c) is amended by
11 adding at the end the following new paragraphs:

12 “(5) EXCHANGE ENROLLMENT VERIFICATION
13 REQUIREMENT.—

14 “(A) IN GENERAL.—The term ‘coverage
15 month’ shall not include, with respect to any in-
16 dividual covered by a qualified health plan en-
17 rolled in through an Exchange, any month be-
18 ginning before the Exchange verifies, using ap-
19 plicable enrollment information that shall be
20 provided or verified by the applicant, such indi-
21 vidual’s eligibility—

22 “(i) to enroll in the plan through the
23 Exchange, and

24 “(ii) for any advance payment under
25 section 1412 of the Patient Protection and

1 Affordable Care Act of the credit allowed
2 under this section.

3 “(B) APPLICABLE ENROLLMENT INFORMA-
4 TION.—For purposes of subparagraph (A), ap-
5 plicable enrollment information shall include af-
6 firmation of at least the following information
7 (to the extent relevant in determining eligibility
8 described in subparagraph (A)):

9 “(i) Household income and family
10 size.

11 “(ii) Whether the individual is an eli-
12 gible alien.

13 “(iii) Any health coverage status or
14 eligibility for coverage.

15 “(iv) Place of residence.

16 “(v) Such other information as may
17 be determined by the Secretary (in con-
18 sultation with the Secretary of Health and
19 Human Services) as necessary to the
20 verification prescribed under subparagraph
21 (A).

22 “(C) VERIFICATION OF PAST MONTHS.—In
23 the case of a month that begins before
24 verification prescribed by subparagraph (A),
25 such month shall be treated as a coverage

1 month if, and only if, the Exchange verifies for
2 such month (using applicable enrollment infor-
3 mation that shall be provided or verified by the
4 applicant) such individual's eligibility to have so
5 enrolled and for any such advance payment.

6 “(D) EXCHANGE PARTICIPATION; COORDI-
7 NATION WITH OTHER PROCEDURES FOR DETER-
8 MINING ELIGIBILITY.—An individual shall not,
9 solely by reason of failing to meet the require-
10 ments of this paragraph with respect to a
11 month, be treated for such month as ineligible
12 to enroll in a qualified health plan through an
13 Exchange.

14 “(E) WAIVER FOR CERTAIN SPECIAL EN-
15 ROLLMENT PERIODS.—The Secretary may
16 waive the application of subparagraph (A) in
17 the case of an individual who enrolls in a quali-
18 fied health plan through an Exchange for 1 or
19 more months of the taxable year during a spe-
20 cial enrollment period provided by the Exchange
21 on the basis of a change in the family size of
22 the individual.

23 “(F) INFORMATION AND RELIANCE ON
24 THIRD-PARTY SOURCES.—An Exchange shall be
25 permitted to use any data available to the Ex-

1 change and any reliable third-party sources in
2 collecting information for verification by the ap-
3 plicant.

4 “(6) EXCHANGE COMPLIANCE WITH FILING RE-
5 QUIREMENTS.—The term ‘coverage month’ shall not
6 include, with respect to any individual covered by a
7 qualified health plan enrolled in through an Ex-
8 change, any month for which the Exchange does not
9 meet the requirements of section 155.305(f)(4)(iii)
10 of title 45, Code of Federal Regulations (as pub-
11 lished in the Federal Register on June 25, 2025 (90
12 FR 27074), applied as though it applied to all plan
13 years after 2025), with respect to the individual.”.

14 (b) PRE-ENROLLMENT VERIFICATION PROCESS RE-
15 QUIRED.—Section 36B(c)(3)(A) is amended—

16 (1) by striking “HEALTH PLAN.—The term”
17 and inserting “HEALTH PLAN.— “

18 “(i) IN GENERAL.—The term”, and

19 (2) by adding at the end the following new
20 clause:

21 “(ii) PRE-ENROLLMENT VERIFICATION
22 PROCESS REQUIRED.—Such term shall not
23 include any plan enrolled in through an
24 Exchange, unless such Exchange provides
25 a process for pre-enrollment verification

1 through which any applicant may, begin-
2 ning not later than August 1, verify with
3 the Exchange the applicant's household in-
4 come and eligibility for enrollment in such
5 plan for plan years beginning in the subse-
6 quent year.”.

7 (c) REGULATIONS.—The Secretary of the Treasury
8 and the Secretary of Health and Human Services may
9 each prescribe such rules and other guidance as may be
10 necessary or appropriate to carry out the amendments
11 made by this section.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2027.

15 **SEC. 71304. DISALLOWING PREMIUM TAX CREDIT IN CASE**
16 **OF CERTAIN COVERAGE ENROLLED IN DUR-**
17 **ING SPECIAL ENROLLMENT PERIOD.**

18 (a) IN GENERAL.—Section 36B(c)(3)(A), as amend-
19 ed by the preceding provisions of this Act, is amended by
20 adding at the end the following new clause:

21 “(iii) EXCEPTION IN CASE OF CER-
22 TAIN SPECIAL ENROLLMENT PERIODS.—
23 Such term shall not include any plan en-
24 rolled in during a special enrollment period
25 provided for by an Exchange—

1 “(I) on the basis of the relation-
2 ship of the individual’s expected
3 household income to such a percent-
4 age of the poverty line (or such other
5 amount) as is prescribed by the Sec-
6 retary of Health and Human Services
7 for purposes of such period, and

8 “(II) not in connection with the
9 occurrence of an event or change in
10 circumstances specified by the Sec-
11 retary of Health and Human Services
12 for such purposes.”.

13 (b) REGULATIONS.—The Secretary of the Treasury
14 and the Secretary of Health and Human Services may
15 each prescribe such rules and other guidance as may be
16 necessary or appropriate to carry out the amendments
17 made by this section.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply with respect to plan years begin-
20 ning after December 31, 2025.

21 **SEC. 71305. ELIMINATING LIMITATION ON RECAPTURE OF**
22 **ADVANCE PAYMENT OF PREMIUM TAX CRED-**
23 **IT.**

24 (a) IN GENERAL.—Section 36B(f)(2) is amended by
25 striking subparagraph (B).

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 36B(f)(2) is amended by striking
3 “ADVANCE PAYMENTS.—” and all that follows
4 through “If the advance payments” and inserting
5 the following: “ADVANCE PAYMENTS.—If the ad-
6 vance payments”.

7 (2) Section 35(g)(12)(B)(ii) is amended by
8 striking “then section 36B(f)(2)(B) shall be applied
9 by substituting the amount determined under clause
10 (i) for the amount determined under section
11 36B(f)(2)(A)” and inserting “then the amount de-
12 termined under clause (i) shall be substituted for the
13 amount determined under section 36B(f)(2)”.

14 (c) SPECIAL RULE FOR CERTAIN INDIVIDUALS
15 TREATED AS APPLICABLE TAXPAYERS.—Paragraph (1)
16 of section 36B(c) is amended by adding at the end the
17 following new subparagraph:

18 “(E) SPECIAL RULE FOR CERTAIN INDIVIDUALS
19 TREATED AS APPLICABLE TAXPAYERS.—In the case of a taxable year begin-
20 ning after December 31, 2025, if an indi-
21 vidual—
22

23 “(i) is determined by an Exchange at
24 the time of enrollment in a qualified health
25 plan through such Exchange to have a pro-

1 jected annual household income for the
2 taxable year which equals or exceeds 100
3 percent of an amount equal to the poverty
4 line for a family of the size involved, and
5 “(ii) receives an advance payment of
6 the credit under this section for 1 or more
7 months during such taxable year under
8 section 1412 of the Patient Protection and
9 Affordable Care Act,
10 such individual shall not fail to be treated as an
11 applicable taxpayer for such taxable year solely
12 because the actual household income of the in-
13 dividual for the taxable year is less than 100
14 percent of an amount equal to the poverty line
15 for a family of the size involved, unless the Sec-
16 retary determines that the individual provided
17 incorrect information to the Exchange with in-
18 tentional or reckless disregard for the facts.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

1 **Subchapter C—Enhancing Choice for**
2 **Patients**

3 **SEC. 71306. PERMANENT EXTENSION OF SAFE HARBOR FOR**
4 **ABSENCE OF DEDUCTIBLE FOR TELEHEALTH**
5 **SERVICES.**

6 (a) IN GENERAL.—Subparagraph (E) of section
7 223(c)(2) is amended to read as follows:

8 “(E) SAFE HARBOR FOR ABSENCE OF DE-
9 DUCTIBLE FOR TELEHEALTH.—A plan shall not
10 fail to be treated as a high deductible health
11 plan by reason of failing to have a deductible
12 for telehealth and other remote care services.”.

13 (b) CERTAIN COVERAGE DISREGARDED.—Clause (ii)
14 of section 223(c)(1)(B) is amended by striking “(in the
15 case of months or plan years to which paragraph (2)(E)
16 applies)”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to plan years beginning after De-
19 cember 31, 2024.

20 **SEC. 71307. ALLOWANCE OF BRONZE AND CATASTROPHIC**
21 **PLANS IN CONNECTION WITH HEALTH SAV-**
22 **INGS ACCOUNTS.**

23 (a) IN GENERAL.—Section 223(c)(2) is amended by
24 adding at the end the following new subparagraph:

1 “(H) BRONZE AND CATASTROPHIC PLANS
2 TREATED AS HIGH DEDUCTIBLE HEALTH
3 PLANS.—The term ‘high deductible health plan’
4 shall include any plan which is—

5 “(i) available as individual coverage
6 through an Exchange established under
7 section 1311 or 1321 of the Patient Pro-
8 tection and Affordable Care Act, and

9 “(ii) described in subsection (d)(1)(A)
10 or (e) of section 1302 of such Act.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to months beginning after Decem-
13 ber 31, 2025.

14 **SEC. 71308. TREATMENT OF DIRECT PRIMARY CARE SERV-**
15 **ICE ARRANGEMENTS.**

16 (a) IN GENERAL.—Section 223(c)(1) is amended by
17 adding at the end the following new subparagraph:

18 “(E) TREATMENT OF DIRECT PRIMARY
19 CARE SERVICE ARRANGEMENTS.—

20 “(i) IN GENERAL.—A direct primary
21 care service arrangement shall not be
22 treated as a health plan for purposes of
23 subparagraph (A)(ii).

1 “(ii) DIRECT PRIMARY CARE SERVICE
2 ARRANGEMENT.—For purposes of this sub-
3 paragraph—

4 “(I) IN GENERAL.—The term ‘di-
5 rect primary care service arrange-
6 ment’ means, with respect to any indi-
7 vidual, an arrangement under which
8 such individual is provided medical
9 care (as defined in section 213(d))
10 consisting solely of primary care serv-
11 ices provided by primary care practi-
12 tioners (as defined in section
13 1833(x)(2)(A) of the Social Security
14 Act, determined without regard to
15 clause (ii) thereof), if the sole com-
16 pensation for such care is a fixed peri-
17 odic fee.

18 “(II) LIMITATION.—With respect
19 to any individual for any month, such
20 term shall not include any arrange-
21 ment if the aggregate fees for all di-
22 rect primary care service arrange-
23 ments (determined without regard to
24 this subclause) with respect to such
25 individual for such month exceed

1 \$150 (twice such dollar amount in the
2 case of an individual with any direct
3 primary care service arrangement (as
4 so determined) that covers more than
5 one individual).

6 “(iii) CERTAIN SERVICES SPECIFI-
7 CALLY EXCLUDED FROM TREATMENT AS
8 PRIMARY CARE SERVICES.—For purposes
9 of this subparagraph, the term ‘primary
10 care services’ shall not include—

11 “(I) procedures that require the
12 use of general anesthesia,

13 “(II) prescription drugs (other
14 than vaccines), and

15 “(III) laboratory services not
16 typically administered in an ambula-
17 tory primary care setting.

18 The Secretary, after consultation with the
19 Secretary of Health and Human Services,
20 shall issue regulations or other guidance
21 regarding the application of this clause.”.

22 (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT
23 FEES TREATED AS MEDICAL EXPENSES.—Section
24 223(d)(2)(C) is amended by striking “or” at the end of
25 clause (iii), by striking the period at the end of clause (iv)

1 and inserting “, or”, and by adding at the end the fol-
2 lowing new clause:

3 “(v) any direct primary care service
4 arrangement.”.

5 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) is
6 amended—

7 (1) by striking “in subsections (b)(2) and
8 (c)(2)(A)” and inserting “in subsections (b)(2),
9 (c)(2)(A), and in the case of taxable years beginning
10 after 2026, (c)(1)(E)(ii)(II)”,

11 (2) in subparagraph (B), by striking “clause
12 (ii)” in clause (i) and inserting “clauses (ii) and
13 (iii)”, by striking “and” at the end of clause (i), by
14 striking the period at the end of clause (ii) and in-
15 serting “, and”, and by inserting after clause (ii) the
16 following new clause:

17 “(iii) in the case of the dollar amount
18 in subsection (c)(1)(E)(ii)(II), ‘calendar
19 year 2025’.”, and

20 (3) by inserting “, (c)(1)(E)(ii)(II),” after
21 “(b)(2)” in the last sentence.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to months beginning after Decem-
24 ber 31, 2025.

**CHAPTER 4—PROTECTING RURAL
HOSPITALS AND PROVIDERS**

SEC. 71401. RURAL HEALTH TRANSFORMATION PROGRAM.

(a) IN GENERAL.—Section 2105 of the Social Security Act (42 U.S.C. 1397ee) is amended by adding at the end the following new subsection:

“(h) RURAL HEALTH TRANSFORMATION PROGRAM.—

“(1) APPROPRIATION.—

“(A) IN GENERAL.—There are appropriated, out of any money in the Treasury not otherwise appropriated, to the Administrator of the Centers for Medicare & Medicaid Services (in this subsection referred to as the ‘Administrator’), to provide allotments to States for purposes of carrying out the activities described in paragraph (6)—

“(i) \$10,000,000,000 for fiscal year 2028;

“(ii) \$10,000,000,000 for fiscal year 2029;

“(iii) \$2,000,000,000 for fiscal year 2030;

“(iv) \$2,000,000,000 for fiscal year 2031; and

740

1 “(v) \$1,000,000,000 for fiscal year
2 2032.

3 “(B) UNEXPENDED OR UNOBLIGATED
4 FUNDS.—

5 “(i) IN GENERAL.—Any amounts ap-
6 propriated under subparagraph (A) that
7 are unexpended or unobligated as of Octo-
8 ber 1, 2034, shall be returned to the
9 Treasury of the United States.

10 “(ii) REDISTRIBUTION OF UNEX-
11 PENDED OR UNOBLIGATED FUNDS.—In
12 carrying out subparagraph (A), the Admin-
13 istrator shall, not later than March 31,
14 2030, and annually thereafter through
15 March 31, 2034—

16 “(I) determine the amount of
17 funds, if any, that are available under
18 such subparagraph for a previous fis-
19 cal year, are unexpended or unobli-
20 gated with respect to such fiscal year,
21 and will not be available to a State in
22 the current fiscal year, pursuant to
23 clause (iii); and

24 “(II) if the Administrator deter-
25 mines that any such funds from a

1 previous fiscal year remain, redis-
2 tribute such funds in the current fis-
3 cal year to States that have an appli-
4 cation approved under this subsection
5 for such fiscal year in accordance with
6 an allotment methodology specified by
7 the Administrator.

8 “(iii) AVAILABILITY OF FUNDS.—

9 “(I) IN GENERAL.—Amounts al-
10 lotted to a State under this subsection
11 for a year shall be available for ex-
12 penditure by the State through the
13 end of the fiscal year following the fis-
14 cal year in which such amounts are
15 allotted.

16 “(II) AVAILABILITY OF AMOUNTS
17 REDISTRIBUTED.—Amounts redistrib-
18 uted to a State under clause (ii) with
19 respect to a fiscal year shall be avail-
20 able for expenditure by the State
21 through the end of the fiscal year fol-
22 lowing the fiscal year in which such
23 amounts are redistributed (except in
24 the case of amounts redistributed in
25 fiscal year 2034 which shall only be

1 available for expenditure through Sep-
2 tember 30, 2034).

3 “(iv) MISUSE OF FUNDS.—If the Ad-
4 ministrator determines that a State is not
5 using amounts allotted or redistributed to
6 the State under this subsection in a man-
7 ner consistent with the description pro-
8 vided by the State in its application ap-
9 proved under paragraph (2), the Adminis-
10 trator may withhold payments to, or re-
11 duce payments to, or recover previous pay-
12 ments from, the State under this sub-
13 section as the Administrator deems appro-
14 priate, and any amounts so withheld, or
15 that remain after any such reduction, or so
16 recovered, shall be returned to the Treas-
17 ury of the United States.

18 “(2) APPLICATION.—

19 “(A) IN GENERAL.—To be eligible for an
20 allotment under this subsection, a State shall
21 submit to the Administrator during an applica-
22 tion submission period to be specified by the
23 Administrator (but that ends not later than
24 April 1, 2027) an application in such form and

1 manner as the Administrator may specify, that
2 includes—

3 “(i) a detailed rural health trans-
4 formation plan, developed in consultation
5 with the State Office of Rural Health—

6 “(I) to improve access to hos-
7 pitals, other health care providers,
8 and health care items and services
9 furnished to rural residents of the
10 State;

11 “(II) to improve health care out-
12 comes of rural residents of the State;

13 “(III) to prioritize the use of new
14 and emerging technologies that em-
15 phasize prevention and chronic disease
16 management;

17 “(IV) to initiate, foster, and
18 strengthen local and regional strategic
19 partnerships between rural hospitals
20 and other health care providers in
21 order to promote measurable quality
22 improvement, increase financial sta-
23 bility, maximize economies of scale,
24 and share best practices in care deliv-
25 ery;

1 “(V) to enhance economic oppor-
2 tunity for, and the supply of, health
3 care clinicians through enhanced re-
4 cruitment and training;

5 “(VI) to prioritize data and tech-
6 nology driven solutions that help rural
7 hospitals and other rural health care
8 providers furnish high-quality health
9 care services as close to a patient’s
10 home as is possible;

11 “(VII) that outlines strategies to
12 manage long-term financial solvency
13 and operating models of rural hos-
14 pitals in the State; and

15 “(VIII) that identifies specific
16 causes driving the accelerating rate of
17 stand-alone rural hospitals becoming
18 at risk of closure, conversion, or serv-
19 ice reduction;

20 “(ii) a certification that none of the
21 amounts provided under this subsection
22 shall be used by the State for an expendi-
23 ture that is attributable to an intergovern-
24 mental transfer, certified public expendi-
25 ture, or any other expenditure to finance

1 the non-Federal share of expenditures re-
2 quired under any provision of law, includ-
3 ing under the State plan established under
4 this title, the State plan established under
5 title XIX, or under a waiver of such plans;
6 and

7 “(iii) such other information as the
8 Administrator may require.

9 “(B) DEADLINE FOR APPROVAL.—Not
10 later than September 30, 2027, the Adminis-
11 trator shall approve or deny all applications
12 submitted for an allotment under this sub-
13 section.

14 “(C) ONE-TIME APPLICATION.—If an ap-
15 plication of a State for an allotment under this
16 subsection is approved by the Administrator,
17 the State shall be eligible for an allotment
18 under this subsection for each of fiscal years
19 2028 through 2032, except as provided in para-
20 graph (1)(B)(iv).

21 “(D) ELIGIBILITY.—Only the 50 States
22 shall be eligible for an allotment under this sub-
23 section and all references in this subsection to
24 a State shall be treated as only referring to the
25 50 States.

1 “(3) ALLOTMENTS.—

2 “(A) IN GENERAL.—For each of fiscal
3 years 2028 through 2032, the Administrator
4 shall determine under subparagraph (B) the
5 amount of the allotment for such fiscal year for
6 each State with an approved application under
7 this subsection.

8 “(B) AMOUNT DETERMINED.—From the
9 amounts appropriated under paragraph (1)(A)
10 for each of fiscal years 2028 through 2032, the
11 Administrator shall allot—

12 “(i) 50 percent of the amounts appro-
13 priated for each such fiscal year equally
14 among all States with an approved applica-
15 tion under this subsection; and

16 “(ii) 50 percent of the amounts ap-
17 propriated for each such fiscal year among
18 all such States in an amount to be deter-
19 mined by the Administrator in accordance
20 with subparagraph (C).

21 “(C) CONSIDERATIONS.—In determining
22 the amount to be allotted to a State under sub-
23 paragraph (B)(ii) for a fiscal year, the Adminis-
24 trator shall consider the following:

1 “(i) The percentage of the State pop-
2 ulation that is located in a rural census
3 tract of a metropolitan statistical area (as
4 determined under the most recent modi-
5 fication of the Goldsmith Modification,
6 originally published in the Federal Register
7 on February 27, 1992 (57 Fed. Reg.
8 6725)).

9 “(ii) The proportion of rural health
10 facilities (as defined in subparagraph (D))
11 in the State relative to the number of rural
12 health facilities nationwide.

13 “(iii) The situation of hospitals in the
14 State, as described in section
15 1902(a)(13)(A)(iv).

16 “(iv) Any other factors that the Ad-
17 ministrator determines appropriate.

18 “(D) RURAL HEALTH FACILITY DE-
19 FINED.—For the purposes of subparagraph
20 (C)(ii), the term ‘rural health facility’ means
21 the following:

22 “(i) A subsection (d) hospital (as de-
23 fined in paragraph (1)(B) of section
24 1886(d)) that—

748

1 “(I) is located in a rural area (as
2 defined in paragraph (2)(D) of such
3 section);

4 “(II) is treated as being located
5 in a rural area pursuant to paragraph
6 (8)(E) of such section; or

7 “(III) is located in a rural census
8 tract of a metropolitan statistical area
9 (as determined under the most recent
10 modification of the Goldsmith Modi-
11 fication, originally published in the
12 Federal Register on February 27,
13 1992 (57 Fed. Reg. 6725)).

14 “(ii) A critical access hospital (as de-
15 fined in section 1861(mm)(1)).

16 “(iii) A sole community hospital (as
17 defined in section 1886(d)(5)(D)(iii)).

18 “(iv) A Medicare-dependent, small
19 rural hospital (as defined in section
20 1886(d)(5)(G)(iv)).

21 “(v) A low-volume hospital (as defined
22 in section 1886(d)(12)(C)).

23 “(vi) A rural emergency hospital (as
24 defined in section 1861(kkk)(2)).

1 “(vii) A rural health clinic (as defined
2 in section 1861(aa)(2)).

3 “(viii) A Federally qualified health
4 center (as defined in section 1861(aa)(4)).

5 “(ix) A community mental health cen-
6 ter (as defined in section 1861(ff)(3)(B)).

7 “(x) A health center that is receiving
8 a grant under section 330 of the Public
9 Health Service Act.

10 “(xi) An opioid treatment program (as
11 defined in section 1861(jjj)(2)) that is lo-
12 cated in a rural census tract of a metro-
13 politan statistical area (as determined
14 under the most recent modification of the
15 Goldsmith Modification, originally pub-
16 lished in the Federal Register on February
17 27, 1992 (57 Fed. Reg. 6725)).

18 “(xii) A certified community behav-
19 ioral health clinic (as defined in section
20 1905(jj)(2)) that is located in a rural cen-
21 sus tract of a metropolitan statistical area
22 (as determined under the most recent
23 modification of the Goldsmith Modifica-
24 tion, originally published in the Federal

1 Register on February 27, 1992 (57 Fed.
2 Reg. 6725)).

3 “(4) NO MATCHING PAYMENT.—A State ap-
4 proved for an allotment under this subsection for a
5 fiscal year shall not be required to provide any
6 matching funds as a condition for receiving pay-
7 ments from the allotment.

8 “(5) TERMS AND CONDITIONS.—The Adminis-
9 trator shall specify such terms and conditions for al-
10 lotments to States provided under this subsection as
11 the Administrator deems appropriate, including the
12 following:

13 “(A) Each State shall submit to the Ad-
14 ministrator (at a time, and in a form and man-
15 ner, specified by the Administrator)—

16 “(i) a plan for the State to use its al-
17 lotment to carry out 3 or more of the ac-
18 tivities described in paragraph (6); and

19 “(ii) annual reports on the use of al-
20 lotments, including such additional infor-
21 mation as the Administrator determines
22 appropriate.

23 “(B) Not more than 10 percent of the
24 amount allotted to a State for a fiscal year may

1 be used by the State for administrative ex-
2 penses.

3 “(C) In the event that a State uses
4 amounts from an allotment to provide payments
5 to health care providers in accordance with sub-
6 paragraph (B) or (J) of paragraph (6), the
7 State shall ensure that such amounts are not
8 used to reimburse any expense or loss that—

9 “(i) has been reimbursed from any
10 other source; or

11 “(ii) any other source is obligated to
12 reimburse.

13 “(6) USE OF FUNDS.—Amounts allotted to a
14 State under this subsection shall be used for 3 or
15 more of the following health-related activities:

16 “(A) Promoting evidence-based, measur-
17 able interventions to improve prevention and
18 chronic disease management.

19 “(B) Providing payments to health care
20 providers, as defined by the Administrator, for
21 the provision of health care items or services, as
22 specified by the Administrator.

23 “(C) Promoting consumer-facing, tech-
24 nology-driven solutions for the prevention and
25 management of chronic diseases.

1 “(D) Providing training and technical as-
2 sistance for the development and adoption of
3 technology-enabled solutions that improve care
4 delivery in rural hospitals, including remote
5 monitoring, robotics, artificial intelligence, and
6 other advanced technologies.

7 “(E) Recruiting and retaining clinical
8 workforce talent to rural areas, with commit-
9 ments to serve rural communities for a min-
10 imum of 5 years.

11 “(F) Providing technical assistance, soft-
12 ware, and hardware for significant information
13 technology advances designed to improve effi-
14 ciency, enhance cybersecurity capability develop-
15 ment, and improve patient health outcomes.

16 “(G) Assisting rural communities to right
17 size their health care delivery systems by identi-
18 fying needed preventative, ambulatory, pre-hos-
19 pital, emergency, acute inpatient care, out-
20 patient care, and post-acute care service lines.

21 “(H) Supporting access to opioid use dis-
22 order treatment services (as defined in section
23 1861(jjj)(1)), other substance use disorder
24 treatment services, and mental health services.

1 “(I) Developing projects that support inno-
2 vative models of care that include value-based
3 care arrangements and alternative payment
4 models, as appropriate.

5 “(J) Additional uses designed to promote
6 sustainable access to high quality rural health
7 care services, as determined by the Adminis-
8 trator.

9 “(7) EXEMPTIONS.—Paragraphs (2), (3), (5),
10 (6), (8), (10), (11), and (12) of subsection (c) do
11 not apply to payments under this subsection.

12 “(8) REVIEW.—There shall be no administra-
13 tive or judicial review under section 1116 or other-
14 wise of amounts allotted or redistributed to States
15 under this subsection, payments to States withheld
16 or reduced under this subsection, or previous pay-
17 ments recovered from States under this subsection.”.

18 (b) CONFORMING AMENDMENTS.—Title XXI of the
19 Social Security Act (42 U.S.C. 1397aa) is amended—

20 (1) in section 2101—

21 (A) in subsection (a), in the matter pre-
22 ceding paragraph (1), by striking “The pur-
23 pose” and inserting “Except with respect to the
24 rural health transformation program estab-
25 lished in section 2105(h), the purpose”; and

1 (B) in subsection (b), in the matter pre-
2 ceding paragraph (1), by inserting “subsection
3 (a) or (g) of” before “section 2105”;

4 (2) in section 2105(c)(1), by striking “and may
5 not include” and inserting “or to carry out the rural
6 health transformation program established in sub-
7 section (h) and, except in the case of amounts made
8 available under subsection (h), may not include”;
9 and

10 (3) in section 2106(a)(1), by inserting “sub-
11 section (a) or (g) of” before “section 2105”.

12 (c) IMPLEMENTATION.—The Administrator of the
13 Centers for Medicare & Medicaid Services shall implement
14 this section, including the amendments made by this sec-
15 tion, by program instruction or other forms of program
16 guidance.

17 **Subtitle C—Increase in Debt Limit**

18 **SEC. 72001. MODIFICATION OF LIMITATION ON THE PUBLIC**

19 **DEBT.**

20 The limitation under section 3101(b) of title 31,
21 United States Code, as most recently increased by section
22 401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is
23 increased by \$5,000,000,000,000.

1 **TITLE VIII—COMMITTEE ON**
2 **HEALTH, EDUCATION, LABOR,**
3 **AND PENSIONS**

4 **Subtitle A—Exemption of Certain**
5 **Assets**

6 **SEC. 80001. EXEMPTION OF CERTAIN ASSETS.**

7 (a) EXEMPTION OF CERTAIN ASSETS.—Section
8 480(f)(2) of the Higher Education Act of 1965 (20 U.S.C.
9 1087vv(f)(2)) is amended—

10 (1) by striking “net value of the” and inserting
11 the following: “net value of—

12 “(A) the”;

13 (2) by striking the period at the end and insert-
14 ing a semicolon; and

15 (3) by adding at the end the following:

16 “(B) a family farm on which the family re-
17 sides;

18 “(C) a small business with not more than
19 100 full-time or full-time equivalent employees
20 (or any part of such a small business) that is
21 owned and controlled by the family; or

22 “(D) a commercial fishing business and re-
23 lated expenses, including fishing vessels and
24 permits owned and controlled by the family.”.

1 (b) EFFECTIVE DATE AND APPLICATION.—The
2 amendments made by subsection (a) shall take effect on
3 July 1, 2026, and shall apply with respect to award year
4 2026–2027 and each subsequent award year, as deter-
5 mined under the Higher Education Act of 1965 (20
6 U.S.C. 1001 et seq.).

7 **Subtitle B—Loan Limits**

8 **SEC. 81001. ESTABLISHMENT OF LOAN LIMITS FOR GRAD-** 9 **UATE AND PROFESSIONAL STUDENTS AND** 10 **PARENT BORROWERS; TERMINATION OF** 11 **GRADUATE AND PROFESSIONAL PLUS LOANS.**

12 Section 455(a) of the Higher Education Act of 1965
13 (20 U.S.C. 1087e(a)) is amended—

14 (1) in paragraph (3)—

15 (A) in the paragraph heading, by inserting
16 “AND FEDERAL DIRECT PLUS LOANS” after
17 “LOANS”;

18 (B) by striking subparagraph (A) and in-
19 serting the following:

20 “(A) TERMINATION OF AUTHORITY TO
21 MAKE INTEREST SUBSIDIZED LOANS TO GRAD-
22 UATE AND PROFESSIONAL STUDENTS.—Subject
23 to subparagraph (B), and notwithstanding any
24 provision of this part or part B—

1 “(i) for any period of instruction be-
2 ginning on or after July 1, 2012, a grad-
3 uate or professional student shall not be el-
4 igible to receive a Federal Direct Stafford
5 loan under this part; and

6 “(ii) for any period of instruction be-
7 ginning on July 1, 2012, and ending on
8 June 30, 2026, the maximum annual
9 amount of Federal Direct Unsubsidized
10 Stafford loans such a student may borrow
11 in any academic year (as defined in section
12 481(a)(2)) or its equivalent shall be the
13 maximum annual amount for such student
14 determined under section 428H, plus an
15 amount equal to the amount of Federal
16 Direct Stafford loans the student would
17 have received in the absence of this sub-
18 paragraph.”; and

19 (C) by adding at the end the following:

20 “(C) TERMINATION OF AUTHORITY TO
21 MAKE FEDERAL DIRECT PLUS LOANS TO GRAD-
22 UATE AND PROFESSIONAL STUDENTS.—Subject
23 to paragraph (8) and notwithstanding any pro-
24 vision of this part or part B, for any period of
25 instruction beginning on or after July 1, 2026,

1 a graduate or professional student shall not be
2 eligible to receive a Federal Direct PLUS Loan
3 under this part.”; and

4 (2) by adding at the end the following:

5 “(4) GRADUATE AND PROFESSIONAL ANNUAL
6 AND AGGREGATE LIMITS FOR FEDERAL DIRECT UN-
7 SUBSIDIZED STAFFORD LOANS BEGINNING JULY 1,
8 2026.—

9 “(A) ANNUAL LIMITS BEGINNING JULY 1,
10 2026.—Subject to paragraphs (7)(A) and (8),
11 beginning on July 1, 2026, the maximum an-
12 nual amount of Federal Direct Unsubsidized
13 Stafford loans—

14 “(i) a graduate student, who is not a
15 professional student, may borrow in any
16 academic year or its equivalent shall be
17 \$20,500; and

18 “(ii) a professional student may bor-
19 row in any academic year or its equivalent
20 shall be \$50,000.

21 “(B) AGGREGATE LIMITS.—Subject to
22 paragraphs (6), (7)(A), and (8), beginning on
23 July 1, 2026, the maximum aggregate amount
24 of Federal Direct Unsubsidized Stafford loans,

1 in addition to the amount borrowed for under-
2 graduate education, that—

3 “(i) a graduate student—

4 “(I) who is not (and has not
5 been) a professional student, may bor-
6 row for programs of study described
7 in subparagraph (C)(i) shall be
8 \$100,000; or

9 “(II) who is (or has been) a pro-
10 fessional student, may borrow for pro-
11 grams of study described in subpara-
12 graph (C)(i) shall be an amount equal
13 to—

14 “(aa) \$200,000; minus

15 “(bb) the amount such stu-
16 dent borrowed for programs of
17 study described in subparagraph
18 (C)(ii); and

19 “(ii) a professional student—

20 “(I) who is not (and has not
21 been) a graduate student, may borrow
22 for programs of study described in
23 subparagraph (C)(ii) shall be
24 \$200,000; or

760

1 “(II) who is (or has been) a
2 graduate student, may borrow for pro-
3 grams of study described in subpara-
4 graph (C)(ii) shall be an amount
5 equal to—

6 “(aa) \$200,000; minus

7 “(bb) the amount such stu-
8 dent borrowed for programs of
9 study described in subparagraph
10 (C)(i).

11 “(C) DEFINITIONS.—

12 “(i) GRADUATE STUDENT.—The term
13 ‘graduate student’ means a student en-
14 rolled in a program of study that awards
15 a graduate credential (other than a profes-
16 sional degree) upon completion of the pro-
17 gram.

18 “(ii) PROFESSIONAL STUDENT.—In
19 this paragraph, the term ‘professional stu-
20 dent’ means a student enrolled in a pro-
21 gram of study that awards a professional
22 degree, as defined under section 668.2 of
23 title 34, Code of Federal Regulations (as
24 in effect on the date of enactment of this

1 paragraph), upon completion of the pro-
2 gram.

3 “(5) PARENT BORROWER ANNUAL AND AGGRE-
4 GATE LIMITS FOR FEDERAL DIRECT PLUS LOANS
5 BEGINNING JULY 1, 2026.—

6 “(A) ANNUAL LIMITS.—Subject to para-
7 graph (8) and notwithstanding any provision of
8 this part or part B, beginning on July 1, 2026,
9 for each dependent student, the total maximum
10 annual amount of Federal Direct PLUS loans
11 that may be borrowed on behalf of that depend-
12 ent student by all parents of that dependent
13 student shall be \$20,000.

14 “(B) AGGREGATE LIMITS.—Subject to
15 paragraph (8) and notwithstanding any provi-
16 sion of this part or part B, beginning on July
17 1, 2026, for each dependent student, the total
18 maximum aggregate amount of Federal Direct
19 PLUS loans that may be borrowed on behalf of
20 that dependent student by all parents of that
21 dependent student shall be \$65,000, without re-
22 gard to any amounts repaid, forgiven, canceled,
23 or otherwise discharged on any such loan.

24 “(6) LIFETIME MAXIMUM AGGREGATE AMOUNT
25 FOR ALL STUDENTS.—Subject to paragraph (8) and

1 notwithstanding any provision of this part or part B,
2 beginning on July 1, 2026, the maximum aggregate
3 amount of loans made, insured, or guaranteed under
4 this title that a student may borrow (other than a
5 Federal Direct PLUS loan, or loan under section
6 428B, made to the student as a parent borrower on
7 behalf of a dependent student) shall be \$257,500,
8 without regard to any amounts repaid, forgiven, can-
9 celed, or otherwise discharged on any such loan.

10 “(7) ADDITIONAL RULES REGARDING ANNUAL
11 LOAN LIMITS.—

12 “(A) LESS THAN FULL-TIME ENROLL-
13 MENT.—Notwithstanding any provision of this
14 part or part B, in any case in which a student
15 is enrolled in a program of study of an institu-
16 tion of higher education on less than a full-time
17 basis during any academic year, the amount of
18 a loan that student may borrow for an aca-
19 demic year or its equivalent shall be reduced in
20 direct proportion to the degree to which that
21 student is not so enrolled on a full-time basis,
22 rounded to the nearest whole percentage point,
23 as provided in a schedule of reductions pub-
24 lished by the Secretary computed for purposes
25 of this subparagraph.

1 “(B) INSTITUTIONALLY DETERMINED LIM-
2 ITS.—Notwithstanding the annual loan limits
3 established under this section and, for under-
4 graduate students, under this part and part B,
5 beginning on July 1, 2026, an institution of
6 higher education (at the discretion of a finan-
7 cial aid administrator at the institution) may
8 limit the total amount of loans made under this
9 part for a program of study for an academic
10 year that a student may borrow, and that a
11 parent may borrow on behalf of such student,
12 as long as any such limit is applied consistently
13 to all students enrolled in such program of
14 study.

15 “(8) INTERIM EXCEPTION FOR CERTAIN STU-
16 DENTS.—

17 “(A) APPLICATION OF PRIOR LIMITS.—
18 Paragraphs (3)(C), (4), (5), and (6) shall not
19 apply, and paragraph (3)(A)(ii) shall apply as
20 such paragraph was in effect for periods of in-
21 struction ending before June 30, 2026, during
22 the expected time to credential described in
23 subparagraph (B), with respect to an individual
24 who, as of June 30, 2026—

1 “(i) is enrolled in a program of study
2 at an institution of higher education; and

3 “(ii) has received a loan (or on whose
4 behalf a loan was made) under this part
5 for such program of study.

6 “(B) EXPECTED TIME TO CREDENTIAL.—
7 For purposes of this paragraph, the expected
8 time to credential of an individual shall be
9 equal to the lesser of—

10 “(i) three academic years; or

11 “(ii) the period determined by calcu-
12 lating the difference between—

13 “(I) the program length for the
14 program of study in which the indi-
15 vidual is enrolled; and

16 “(II) the period of such program
17 of study that such individual has com-
18 pleted as of the date of the determina-
19 tion under this subparagraph.

20 “(C) DEFINITION OF PROGRAM LENGTH.—

21 In this paragraph, the term ‘program length’
22 means the minimum amount of time in weeks,
23 months, or years that is specified in the catalog,
24 marketing materials, or other official publica-
25 tions of an institution of higher education for a

1 full-time student to complete the requirements
2 for a specific program of study.”.

3 **Subtitle C—Loan Repayment**

4 **SEC. 82001. LOAN REPAYMENT.**

5 (a) TRANSITION TO INCOME-BASED REPAYMENT
6 PLANS.—

7 (1) SELECTION.—The Secretary of Education
8 shall take such steps as may be necessary to ensure
9 that before July 1, 2028, each borrower who has one
10 or more loans that are in a repayment status in ac-
11 cordance with, or an administrative forbearance as-
12 sociated with, an income contingent repayment plan
13 authorized under section 455(e) of the Higher Edu-
14 cation Act of 1965 (referred to in this subsection as
15 “covered income contingent loans”) selects one of
16 the following income-based repayment plans that is
17 otherwise applicable, and for which that borrower is
18 otherwise eligible, for the repayment of the covered
19 income contingent loans of the borrower:

20 (A) The Repayment Assistance Plan under
21 section 455(q) of the Higher Education Act of
22 1965.

23 (B) The income-based repayment plan
24 under section 493C of the Higher Education
25 Act of 1965.

1 (C) Any other repayment plan as author-
2 ized under section 455(d)(1) of the Higher
3 Education Act of 1965.

4 (2) COMMENCEMENT OF NEW REPAYMENT
5 PLAN.—Beginning on July 1, 2028, a borrower de-
6 scribed in paragraph (1) shall begin repaying the
7 covered income contingent loans of the borrower in
8 accordance with the repayment plan selected under
9 paragraph (1), unless the borrower chooses to begin
10 repaying in accordance with the repayment plan se-
11 lected under paragraph (1) before such date.

12 (3) FAILURE TO SELECT.—In the case of a bor-
13 rower described in paragraph (1) who fails to select
14 a repayment plan in accordance with such para-
15 graph, the Secretary of Education shall—

16 (A) enroll the covered income contingent
17 loans of such borrower in—

18 (i) the Repayment Assistance Plan
19 under section 455(q) of the Higher Edu-
20 cation Act of 1965 with respect to loans
21 that are eligible for the Repayment Assist-
22 ance Plan under such subsection; or

23 (ii) the income-based repayment plan
24 under section 493C of such Act, with re-

1 spect to loans that are not eligible for the
2 Repayment Assistance Plan; and
3 (B) require the borrower to begin repaying
4 covered income contingent loans according to
5 the plans under subparagraph (A) on July 1,
6 2028.

7 (b) REPAYMENT PLANS.—Section 455(d) of the
8 Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is
9 amended—

10 (1) in paragraph (1)—

11 (A) in the matter preceding subparagraph
12 (A), by inserting “before July 1, 2026, who has
13 not received a loan made under this part on or
14 after July 1, 2026,” after “made under this
15 part”;

16 (B) in subparagraph (D)—

17 (i) by inserting “before June 30,
18 2028,” before “an income contingent re-
19 payment plan”; and

20 (ii) by striking “and” after the semi-
21 colon;

22 (C) in subparagraph (E)—

23 (i) by striking “that enables borrowers
24 who have a partial financial hardship to
25 make a lower monthly payment”;

1 (ii) by striking “a Federal Direct Con-
2 solidation Loan, if the proceeds of such
3 loan were used to discharge the liability on
4 such Federal Direct PLUS Loan or a loan
5 under section 428B made on behalf of a
6 dependent student” and inserting “an ex-
7 cepted Consolidation Loan (as defined in
8 section 493C(a)(2))”; and

9 (iii) by striking the period at the end
10 and inserting “; and”; and

11 (D) by adding at the end the following:

12 “(F) beginning on July 1, 2026, the in-
13 come-based Repayment Assistance Plan under
14 subsection (q), provided that—

15 “(i) such Plan shall not be available
16 for the repayment of excepted loans (as de-
17 fined in paragraph (7)(E)); and

18 “(ii) the borrower is required to pay
19 each outstanding loan of the borrower
20 made under this part under such Repay-
21 ment Assistance Plan, except that a bor-
22 rower of an excepted loan (as defined in
23 paragraph (7)(E)) may repay the excepted
24 loan separately from other loans under this
25 part obtained by the borrower.”;

1 (2) in paragraph (5), by amending subpara-
2 graph (B) to read as follows:

3 “(B) repay the loan pursuant to an in-
4 come-based repayment plan under subsection
5 (q) or section 493C, as applicable.”; and
6 (3) by adding at the end the following:

7 “(6) TERMINATION AND LIMITATION OF REPAY-
8 MENT AUTHORITY.—

9 “(A) SUNSET OF REPAYMENT PLANS
10 AVAILABLE BEFORE JULY 1, 2026.—Paragraphs
11 (1) through (4) of this subsection shall only
12 apply to loans made under this part before July
13 1, 2026.

14 “(B) PROHIBITIONS.—The Secretary may
15 not, for any loan made under this part on or
16 after July 1, 2026—

17 “(i) authorize a borrower of such a
18 loan to repay such loan pursuant to a re-
19 payment plan that is not described in
20 paragraph (7)(A); or

21 “(ii) carry out or modify a repayment
22 plan that is not described in such para-
23 graph.

24 “(7) REPAYMENT PLANS FOR LOANS MADE ON
25 OR AFTER JULY 1, 2026.—

1 “(A) DESIGN AND SELECTION.—Beginning
2 on July 1, 2026, the Secretary shall offer a bor-
3 rower of a loan made under this part on or
4 after such date (including such a borrower who
5 also has a loan made under this part before
6 such date) two plans for repayment of the bor-
7 rower’s loans under this part, including prin-
8 cipal and interest on such loans. The borrower
9 shall be entitled to accelerate, without penalty,
10 repayment on such loans. The borrower may
11 choose—

12 “(i) a standard repayment plan—
13 “(I) with a fixed monthly repay-
14 ment amount paid over a fixed period
15 of time equal to the applicable period
16 determined under subclause (II); and
17 “(II) with the applicable period
18 of time for repayment determined
19 based on the total outstanding prin-
20 cipal of all loans of the borrower made
21 under this part before, on, or after
22 July 1, 2026, at the time the bor-
23 rower is entering repayment under
24 such plan, as follows—

771

1 “(aa) for a borrower with
2 total outstanding principal of less
3 than \$25,000, a period of 10
4 years;

5 “(bb) for a borrower with
6 total outstanding principal of not
7 less than \$25,000 and less than
8 \$50,000, a period of 15 years;

9 “(cc) for a borrower with
10 total outstanding principal of not
11 less than \$50,000 and less than
12 \$100,000, a period of 20 years;
13 and

14 “(dd) for a borrower with
15 total outstanding principal of
16 \$100,000 or more, a period of 25
17 years; or

18 “(ii) the income-based Repayment As-
19 sistance Plan under subsection (q).

20 “(B) SELECTION BY SECRETARY.—If a
21 borrower of a loan made under this part on or
22 after July 1, 2026, does not select a repayment
23 plan described in subparagraph (A), the Sec-
24 retary shall provide the borrower with the

1 standard repayment plan described in subpara-
2 graph (A)(i).

3 “(C) SELECTION APPLIES TO ALL OUT-
4 STANDING LOANS.—A borrower is required to
5 pay each outstanding loan of the borrower
6 made under this part under the same selected
7 repayment plan, except that a borrower who se-
8 lects the Repayment Assistance Plan and also
9 has an excepted loan that is not eligible for re-
10 payment under such Repayment Assistance
11 Plan shall repay the excepted loan separately
12 from other loans under this part obtained by
13 the borrower.

14 “(D) CHANGES OF REPAYMENT PLAN.—A
15 borrower may change the borrower’s selection
16 of—

17 “(i) the standard repayment plan
18 under subparagraph (A)(i), or the Sec-
19 retary’s selection of such plan for the bor-
20 rower under subparagraph (B), as the case
21 may be, to the Repayment Assistance Plan
22 under subparagraph (A)(ii) at any time;
23 and

24 “(ii) the Repayment Assistance Plan
25 under subparagraph (A)(ii) to the standard

1 repayment plan under subparagraph (A)(i)
2 at any time.

3 “(E) REPAYMENT FOR BORROWERS WITH
4 EXCEPTED LOANS MADE ON OR AFTER JULY 1,
5 2026.—

6 “(i) STANDARD REPAYMENT PLAN RE-
7 QUIRED.—Notwithstanding subparagraphs
8 (A) through (D), beginning on July 1,
9 2026, the Secretary shall require a bor-
10 rower who has received an excepted loan
11 made on or after such date (including such
12 a borrower who also has an excepted loan
13 made before such date) to repay each ex-
14 cepted loan, including principal and inter-
15 est on those excepted loans, under the
16 standard repayment plan under subpara-
17 graph (A)(i). The borrower shall be enti-
18 tled to accelerate, without penalty, repay-
19 ment on such loans.

20 “(ii) EXCEPTED LOAN DEFINED.—
21 For the purposes of this paragraph, the
22 term ‘excepted loan’ means a loan with an
23 outstanding balance that is—

774

1 “(I) a Federal Direct PLUS
2 Loan that is made on behalf of a de-
3 pendent student; or

4 “(II) a Federal Direct Consolida-
5 tion Loan, if the proceeds of such loan
6 were used to discharge the liability
7 on—

8 “(aa) an excepted PLUS
9 loan, as defined in section
10 493C(a)(1); or

11 “(bb) an excepted consolida-
12 tion loan (as such term is defined
13 in section 493C(a)(2)(A), not-
14 withstanding subparagraph (B)
15 of such section).”.

16 (c) ELIMINATION OF AUTHORITY TO PROVIDE IN-
17 COME CONTINGENT REPAYMENT PLANS.—

18 (1) REPEAL.—Subsection (e) of section 455 of
19 the Higher Education Act of 1965 (20 U.S.C.
20 1087e(e)) is repealed.

21 (2) FURTHER AMENDMENTS TO ELIMINATE IN-
22 COME CONTINGENT REPAYMENT.—

23 (A) Section 428 of the Higher Education
24 Act of 1965 (20 U.S.C. 1078) is amended—

1 (i) in subsection (b)(1)(D), by striking
2 “be subject to income contingent repay-
3 ment in accordance with subsection (m)”
4 and inserting “be subject to income-based
5 repayment in accordance with subsection
6 (m)”; and

7 (ii) in subsection (m)—

8 (I) in the subsection heading, by
9 striking “INCOME CONTINGENT AND”;

10 (II) by amending paragraph (1)
11 to read as follows:

12 “(1) AUTHORITY OF SECRETARY TO RE-
13 QUIRE.—The Secretary may require borrowers who
14 have defaulted on loans made under this part that
15 are assigned to the Secretary under subsection
16 (c)(8) to repay those loans pursuant to an income-
17 based repayment plan under section 493C.”; and

18 (III) in the heading of paragraph
19 (2), by striking “INCOME CONTINGENT
20 OR”.

21 (B) Section 428C of the Higher Education
22 Act of 1965 (20 U.S.C. 1078–3) is amended—

23 (i) in subsection (a)(3)(B)(i)(V)(aa),
24 by striking “for the purposes of obtaining
25 income contingent repayment or income-

1 based repayment” and inserting “for the
2 purposes of qualifying for an income-based
3 repayment plan under section 455(q) or
4 section 493C, as applicable”;

5 (ii) in subsection (b)(5), by striking
6 “be repaid either pursuant to income con-
7 tingent repayment under part D of this
8 title, pursuant to income-based repayment
9 under section 493C, or pursuant to any
10 other repayment provision under this sec-
11 tion” and inserting “be repaid pursuant to
12 an income-based repayment plan under
13 section 493C or any other repayment pro-
14 vision under this section”; and

15 (iii) in subsection (c)—

16 (I) in paragraph (2)(A), by strik-
17 ing “or by the terms of repayment
18 pursuant to income contingent repay-
19 ment offered by the Secretary under
20 subsection (b)(5)” and inserting “or
21 by the terms of repayment pursuant
22 to an income-based repayment plan
23 under section 493C”; and

24 (II) in paragraph (3)(B), by
25 striking “except as required by the

1 terms of repayment pursuant to in-
2 come contingent repayment offered by
3 the Secretary under subsection
4 (b)(5)” and inserting “except as re-
5 quired by the terms of repayment pur-
6 suant to an income-based repayment
7 plan under section 493C”.

8 (C) Section 485(d)(1) of the Higher Edu-
9 cation Act of 1965 (20 U.S.C. 1092(d)(1)) is
10 amended by striking “income-contingent and”.

11 (D) Section 494(a)(2) of the Higher Edu-
12 cation Act of 1965 (20 U.S.C. 1098h(a)(2)) is
13 amended—

14 (i) in the paragraph heading, by strik-
15 ing “INCOME-CONTINGENT AND INCOME-
16 BASED” and inserting “INCOME-BASED”;
17 and

18 (ii) in subparagraph (A)—

19 (I) in the matter preceding clause
20 (i), by striking “income-contingent
21 or”; and

22 (II) in clause (ii)(I), by striking
23 “section 455(e)(8) or the equivalent
24 procedures established under section

1 493C(c)(2)(B), as applicable” and in-
2 serting “section 493C(c)(2)”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall take effect on July 1, 2028.

5 (d) REPAYMENT ASSISTANCE PLAN.—Section 455 of
6 the Higher Education Act of 1965 (20 U.S.C. 1087e) is
7 amended by adding at the end the following new sub-
8 section:

9 “(q) REPAYMENT ASSISTANCE PLAN.—

10 “(1) IN GENERAL.—Notwithstanding any other
11 provision of this Act, beginning on July 1, 2026, the
12 Secretary shall carry out an income-based repayment
13 plan (to be known as the ‘Repayment Assistance
14 Plan’), that shall have the following terms and con-
15 ditions:

16 “(A) The total monthly repayment amount
17 owed by a borrower for all of the loans of the
18 borrower that are repaid pursuant to the Re-
19 payment Assistance Plan shall be equal to the
20 applicable monthly payment of a borrower cal-
21 culated under paragraph (4)(B), except that the
22 borrower may not be precluded from repaying
23 an amount that exceeds such amount for any
24 month.

1 “(B) The Secretary shall apply the bor-
2 rower’s applicable monthly payment under this
3 paragraph first toward interest due on each
4 such loan, next toward any fees due on each
5 loan, and then toward the principal of each
6 loan.

7 “(C) Any principal due and not paid under
8 subparagraph (B) or paragraph (2)(B) shall be
9 deferred.

10 “(D) A borrower who is not in a period of
11 deferment or forbearance shall make an appli-
12 cable monthly payment for each month until the
13 earlier of—

14 “(i) the date on which the outstanding
15 balance of principal and interest due on all
16 of the loans of the borrower that are re-
17 paid pursuant to the Repayment Assist-
18 ance Plan is \$0; or

19 “(ii) the date on which the borrower
20 has made 360 qualifying monthly pay-
21 ments.

22 “(E) The Secretary shall cancel any out-
23 standing balance of principal and interest due
24 on a loan made under this part to a borrower—

1 “(i) who, for any period of time, par-
2 ticipated in the Repayment Assistance
3 Plan under this subsection;

4 “(ii) whose most recent payment for
5 such loan prior to the loan cancellation
6 under this subparagraph was made under
7 such Repayment Assistance Plan; and

8 “(iii) who has made 360 qualifying
9 monthly payments on such loan.

10 “(F) For the purposes of this subsection,
11 the term ‘qualifying monthly payment’ means
12 any of the following:

13 “(i) An on-time applicable monthly
14 payment under this subsection.

15 “(ii) An on-time monthly payment
16 under the standard repayment plan under
17 subsection (d)(7)(A)(i) of not less than the
18 monthly payment required under such
19 plan.

20 “(iii) A monthly payment under any
21 repayment plan (excluding the Repayment
22 Assistance Plan under this subsection) of
23 not less than the monthly payment that
24 would be required under a standard repay-

1 ment plan under section 455(d)(1)(A) with
2 a repayment period of 10 years.

3 “(iv) A monthly payment under sec-
4 tion 493C of not less than the monthly
5 payment required under such section, in-
6 cluding a monthly payment equal to the
7 minimum payment amount permitted
8 under such section.

9 “(v) A monthly payment made before
10 July 1, 2028, under an income contingent
11 repayment plan carried out under section
12 455(d)(1)(D) (or under an alternative re-
13 payment plan in lieu of repayment under
14 such an income contingent repayment plan,
15 if placed in such an alternative repayment
16 plan by the Secretary) of not less than the
17 monthly payment required under such a
18 plan, including a monthly payment equal
19 to the minimum payment amount per-
20 mitted under such a plan.

21 “(vi) A month when the borrower did
22 not make a payment because the borrower
23 was in deferment under subsection
24 (f)(2)(B) or due to an economic hardship
25 described in subsection (f)(2)(D).

1 “(vii) A month that ended before the
2 date of enactment of this subsection when
3 the borrower did not make a payment be-
4 cause the borrower was in a period of
5 deferment or forbearance described in sec-
6 tion 685.209(k)(4)(iv) of title 34, Code of
7 Federal Regulations (as in effect on the
8 date of enactment of this subsection).

9 “(G) The procedures established by the
10 Secretary under section 493C(c) shall apply for
11 annually determining the borrower’s eligibility
12 for the Repayment Assistance Plan, including
13 verification of a borrower’s annual income and
14 the annual amount due on the total amount of
15 loans eligible to be repaid under this subsection,
16 and such other procedures as are necessary to
17 effectively implement income-based repayment
18 under this subsection. With respect to carrying
19 out section 494(a)(2) for the Repayment Assist-
20 ance Plan, an individual may elect to opt out of
21 the disclosures required under section
22 494(a)(2)(A)(ii) in accordance with the proce-
23 dures established under section 493C(c)(2).

24 “(2) BALANCE ASSISTANCE FOR DISTRESSED
25 BORROWERS.—

1 “(A) INTEREST SUBSIDY.—With respect to
2 a borrower of a loan made under this part, for
3 each month for which such a borrower makes
4 an on-time applicable monthly payment re-
5 quired under paragraph (1)(A) and such
6 monthly payment is insufficient to pay the total
7 amount of interest that accrues for the month
8 on all loans of the borrower repaid pursuant to
9 the Repayment Assistance Plan under this sub-
10 section, the amount of interest accrued and not
11 paid for the month shall not be charged to the
12 borrower.

13 “(B) MATCHING PRINCIPAL PAYMENT.—
14 With respect to a borrower of a loan made
15 under this part and not in a period of
16 deferment or forbearance, for each month for
17 which a borrower makes an on-time applicable
18 monthly payment required under paragraph
19 (1)(A) and such monthly payment reduces the
20 total outstanding principal balance of all loans
21 of the borrower repaid pursuant to the Repay-
22 ment Assistance Plan under this subsection by
23 less than \$50, the Secretary shall reduce such
24 total outstanding principal balance of the bor-
25 rower by an amount that is equal to—

1 “(i) the amount that is the lesser of—

2 “(I) \$50; or

3 “(II) the total amount paid by
4 the borrower for such month pursuant
5 to paragraph (1)(A); minus

6 “(ii) the total amount paid by the bor-
7 rower for such month pursuant to para-
8 graph (1)(A) that is applied to such total
9 outstanding principal balance.

10 “(3) ADDITIONAL DOCUMENTS.—A borrower
11 who chooses, or is required, to repay a loan under
12 this subsection, and for whom adjusted gross income
13 is unavailable or does not reasonably reflect the bor-
14 rower’s current income, shall provide to the Sec-
15 retary other documentation of income satisfactory to
16 the Secretary, which documentation the Secretary
17 may use to determine repayment under this sub-
18 section.

19 “(4) DEFINITIONS.—In this subsection:

20 “(A) ADJUSTED GROSS INCOME.—The
21 term ‘adjusted gross income’, when used with
22 respect to a borrower, means the adjusted gross
23 income (as such term is defined in section 62
24 of the Internal Revenue Code of 1986) of the
25 borrower (and the borrower’s spouse, as appli-

1 cable) for the most recent taxable year, except
2 that, in the case of a married borrower who
3 files a separate Federal income tax return, the
4 term does not include the adjusted gross income
5 of the borrower's spouse.

6 “(B) APPLICABLE MONTHLY PAYMENT.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), (iii), or (vi), the term
9 ‘applicable monthly payment’ means, when
10 used with respect to a borrower, the
11 amount equal to—

12 “(I) the applicable base payment
13 of the borrower, divided by 12; minus

14 “(II) \$50 for each dependent of
15 the borrower (which, in the case of a
16 married borrower filing a separate
17 Federal income tax return, shall in-
18 clude only each dependent that the
19 borrower claims on that return).

20 “(ii) MINIMUM AMOUNT.—In the case
21 of a borrower with an applicable monthly
22 payment amount calculated under clause
23 (i) that is less than \$10, the applicable
24 monthly payment of the borrower shall be
25 \$10.

1 “(iii) FINAL PAYMENT.—In the case
2 of a borrower whose total outstanding bal-
3 ance of principal and interest on all of the
4 loans of the borrower that are repaid pur-
5 suant to the Repayment Assistance Plan is
6 less than the applicable monthly payment
7 calculated pursuant to clause (i) or (ii), as
8 applicable, then the applicable monthly
9 payment of the borrower shall be the total
10 outstanding balance of principal and inter-
11 est on all such loans.

12 “(iv) BASE PAYMENT.—The amount
13 of the applicable base payment for a bor-
14 rower with an adjusted gross income of—

15 “(I) not more than \$10,000, is
16 \$120;

17 “(II) more than \$10,000 and not
18 more than \$20,000, is 1 percent of
19 such adjusted gross income;

20 “(III) more than \$20,000 and
21 not more than \$30,000, is 2 percent
22 of such adjusted gross income;

23 “(IV) more than \$30,000 and
24 not more than \$40,000, is 3 percent
25 of such adjusted gross income;

787

1 “(V) more than \$40,000 and not
2 more than \$50,000, is 4 percent of
3 such adjusted gross income;

4 “(VI) more than \$50,000 and
5 not more than \$60,000, is 5 percent
6 of such adjusted gross income;

7 “(VII) more than \$60,000 and
8 not more than \$70,000, is 6 percent
9 of such adjusted gross income;

10 “(VIII) more than \$70,000 and
11 not more than \$80,000, is 7 percent
12 of such adjusted gross income;

13 “(IX) more than \$80,000 and
14 not more than \$90,000, is 8 percent
15 of such adjusted gross income;

16 “(X) more than \$90,000 and not
17 more than \$100,000, is 9 percent of
18 such adjusted gross income; and

19 “(XI) more than \$100,000, is 10
20 percent of such adjusted gross in-
21 come.

22 “(v) DEPENDENT.—For the purposes
23 of this paragraph, the term ‘dependent’
24 means an individual who is a dependent

1 under section 152 of the Internal Revenue
2 Code of 1986.

3 “(vi) SPECIAL RULE.—In the case of
4 a borrower who is required by the Sec-
5 retary to provide information to the Sec-
6 retary to determine the applicable monthly
7 payment of the borrower under this sub-
8 paragraph, and who does not comply with
9 such requirement, the applicable monthly
10 payment of the borrower shall be—

11 “(I) the sum of the monthly pay-
12 ment amounts the borrower would
13 have paid for each of the borrower’s
14 loans made under this part under a
15 standard repayment plan with a fixed
16 monthly repayment amount, paid over
17 a period of 10 years, based on the
18 outstanding principal due on such
19 loan when such loan entered repay-
20 ment; and

21 “(II) determined pursuant to this
22 clause until the date on which the bor-
23 rower provides such information to
24 the Secretary.”.

1 (e) FEDERAL CONSOLIDATION LOANS.—Section
2 455(g) of the Higher Education Act of 1965 (20 U.S.C.
3 1087e(g)) is amended by adding at the end the following
4 new paragraph:

5 “(3) CONSOLIDATION LOANS MADE ON OR
6 AFTER JULY 1, 2026.—A Federal Direct Consolida-
7 tion Loan offered to a borrower under this part on
8 or after July 1, 2026, may only be repaid pursuant
9 to a repayment plan described in clause (i) or (ii) of
10 subsection (d)(7)(A) of this section, as applicable,
11 and the repayment schedule of such a Consolidation
12 Loan shall be determined in accordance with such
13 repayment plan.”.

14 (f) INCOME-BASED REPAYMENT.—

15 (1) AMENDMENTS.—

16 (A) EXCEPTED CONSOLIDATION LOAN DE-
17 FINED.—Section 493C(a)(2) of the Higher
18 Education Act of 1965 (20 U.S.C. 1098e(a)(2))
19 is amended to read as follows:

20 “(2) EXCEPTED CONSOLIDATION LOAN.—

21 “(A) IN GENERAL.—The term ‘excepted
22 consolidation loan’ means—

23 “(i) a consolidation loan under section
24 428C, or a Federal Direct Consolidation
25 Loan, if the proceeds of such loan were

1 used to discharge the liability on an ex-
2 cepted PLUS loan; or

3 “(ii) a consolidation loan under sec-
4 tion 428C, or a Federal Direct Consolida-
5 tion Loan, if the proceeds of such loan
6 were used to discharge the liability on a
7 consolidation loan under section 428C, or a
8 Federal Direct Consolidation Loan de-
9 scribed in clause (i).

10 “(B) EXCLUSION.—The term ‘excepted
11 consolidation loan’ does not include a Federal
12 Direct Consolidation Loan described in sub-
13 paragraph (A) that, on any date during the pe-
14 riod beginning on the date of enactment of this
15 subparagraph and ending on June 30, 2028,
16 was being repaid—

17 “(i) pursuant to the Income Contin-
18 gent Repayment (ICR) plan in accordance
19 with section 685.209(b) of title 34, Code of
20 Federal Regulations (as in effect on June
21 30, 2023); or

22 “(ii) pursuant to another income driv-
23 en repayment plan.”.

24 (B) TERMINATION OF PARTIAL FINANCIAL
25 HARDSHIP ELIGIBILITY.—Section 493C(a)(3) of

1 the Higher Education Act of 1965 (20 U.S.C.
2 1098e(a)(3)) is amended to read as follows:

3 “(3) APPLICABLE AMOUNT.—The term ‘applica-
4 ble amount’ means 15 percent of the result obtained
5 by calculating, on at least an annual basis, the
6 amount by which—

7 “(A) the borrower’s, and the borrower’s
8 spouse’s (if applicable), adjusted gross income;
9 exceeds

10 “(B) 150 percent of the poverty line appli-
11 cable to the borrower’s family size as deter-
12 mined under section 673(2) of the Community
13 Services Block Grant Act (42 U.S.C.
14 9902(2)).”.

15 (C) TERMS OF INCOME-BASED REPAY-
16 MENT.—Section 493C(b) of the Higher Edu-
17 cation Act of 1965 (20 U.S.C. 1098e(b)) is
18 amended—

19 (i) by amending paragraph (1) to read
20 as follows:

21 “(1) a borrower of any loan made, insured, or
22 guaranteed under part B or D (other than an ex-
23 cepted PLUS loan or excepted consolidation loan),
24 may elect to have the borrower’s aggregate monthly

1 payment for all such loans not exceed the applicable
2 amount divided by 12;”;

3 (ii) by striking paragraph (6) and in-
4 serting the following:

5 “(6) if the monthly payment amount calculated
6 under this section for all loans made to the borrower
7 under part B or D (other than an excepted PLUS
8 loan or excepted consolidation loan) exceeds the
9 monthly amount calculated under section
10 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year
11 repayment period, when the borrower first made the
12 election described in this subsection (referred to in
13 this paragraph as the ‘standard monthly repayment
14 amount’), or if the borrower no longer wishes to con-
15 tinue the election under this subsection, then—

16 “(A) the maximum monthly payment re-
17 quired to be paid for all loans made to the bor-
18 rower under part B or D (other than an ex-
19 cepted PLUS loan or excepted consolidation
20 loan) shall be the standard monthly repayment
21 amount; and

22 “(B) the amount of time the borrower is
23 permitted to repay such loans may exceed 10
24 years;”;

1 (iii) in paragraph (7)(B)(iv), by in-
2 serting “(as such section was in effect on
3 the day before the date of the repeal of
4 section 455(e)” after “section
5 455(d)(1)(D)”; and

6 (iv) in paragraph (8), by inserting “or
7 the Repayment Assistance Program under
8 section 455(q)” after “standard repayment
9 plan”.

10 (D) ELIGIBILITY DETERMINATIONS.—Sec-
11 tion 493C(c) of the Higher Education Act of
12 1965 (20 U.S.C. 1098e(c)) is amended to read
13 as follows:

14 “(c) ELIGIBILITY DETERMINATIONS; AUTOMATIC
15 RECERTIFICATION.—

16 “(1) IN GENERAL.—The Secretary shall estab-
17 lish procedures for annually determining, in accord-
18 ance with paragraph (2), the borrower’s eligibility
19 for income-based repayment, including the
20 verification of a borrower’s annual income and the
21 annual amount due on the total amount of loans
22 made, insured, or guaranteed under part B or D
23 (other than an excepted PLUS loan or excepted con-
24 solidation loan), and such other procedures as are
25 necessary to effectively implement income-based re-

1 payment under this section. The Secretary shall con-
2 sider, but is not limited to, the procedures estab-
3 lished in accordance with section 455(e)(1) (as in ef-
4 fect on the day before the date of repeal of sub-
5 section (e) of section 455) or in connection with in-
6 come sensitive repayment schedules under section
7 428(b)(9)(A)(iii) or 428C(b)(1)(E).

8 “(2) AUTOMATIC RECERTIFICATION.—

9 “(A) IN GENERAL.—The Secretary shall
10 establish and implement, with respect to any
11 borrower enrolled in an income-based repay-
12 ment program under this section or under sec-
13 tion 455(q), procedures to—

14 “(i) use return information disclosed
15 under section 6103(l)(13) of the Internal
16 Revenue Code of 1986, pursuant to ap-
17 proval provided under section 494, to de-
18 termine the repayment obligation of the
19 borrower without further action by the bor-
20 rower;

21 “(ii) allow the borrower (or the spouse
22 of the borrower), at any time, to opt out
23 of disclosure under such section
24 6103(l)(13) and instead provide such infor-
25 mation as the Secretary may require to de-

1 termine the repayment obligation of the
2 borrower (or withdraw from the repayment
3 plan under this section or under section
4 455(q), as the case may be); and

5 “(iii) provide the borrower with an op-
6 portunity to update the return information
7 so disclosed before the determination of the
8 repayment obligation of the borrower.

9 “(B) APPLICABILITY.—Subparagraph (A)
10 shall apply to each borrower of a loan eligible
11 to be repaid under this section or under section
12 455(q), who, on or after the date on which the
13 Secretary establishes procedures under such
14 subparagraph (A)—

15 “(i) selects, or is required to repay
16 such loan pursuant to, an income-based re-
17 payment plan under this section or under
18 section 455(q); or

19 “(ii) recertifies income or family size
20 under such plan.”.

21 (E) SPECIAL TERMS FOR NEW BORROWERS
22 ON AND AFTER JULY 1, 2014.—Section 493C(e)
23 of the Higher Education Act of 1965 (20
24 U.S.C. 1098e(e)) is amended—

1 (i) in the subsection heading, by in-
2 serting “AND BEFORE JULY 1, 2026”
3 after “AFTER JULY 1, 2014”; and

4 (ii) by inserting “and before July 1,
5 2026” after “after July 1, 2014”.

6 (2) EFFECTIVE DATE AND APPLICATION.—The
7 amendments made by this subsection shall take ef-
8 fect on the date of enactment of this title, and shall
9 apply with respect to any borrower who is in repay-
10 ment before, on, or after the date of enactment of
11 this title.

12 (g) FFEL ADJUSTMENT.—Section 428(b)(9)(A)(v)
13 of the Higher Education Act of 1965 (20 U.S.C.
14 1078(b)(9)(A)(v)) is amended by striking “who has a par-
15 tial financial hardship”.

16 **SEC. 82002. DEFERMENT; FORBEARANCE.**

17 (a) SUNSET OF ECONOMIC HARDSHIP AND UNEM-
18 PLOYMENT DEFERMENTS.—Section 455(f) of the Higher
19 Education Act of 1965 (20 U.S.C. 1087e(f)) is amended—

20 (1) by striking the subsection heading and in-
21 serting the following: “DEFERMENT; FORBEAR-
22 ANCE”;

23 (2) in paragraph (2)—

1 (A) in subparagraph (B), by striking “not
2 in” and inserting “subject to paragraph (7), not
3 in”; and

4 (B) in subparagraph (D), by striking “not
5 in” and inserting “subject to paragraph (7), not
6 in”; and

7 (3) by adding at the end the following:

8 “(7) SUNSET OF UNEMPLOYMENT AND ECO-
9 NOMIC HARDSHIP DEFERMENTS.—A borrower who
10 receives a loan made under this part on or after
11 July 1, 2027, shall not be eligible to defer such loan
12 under subparagraph (B) or (D) of paragraph (2).”.

13 (b) FORBEARANCE ON LOANS MADE UNDER THIS
14 PART ON OR AFTER JULY 1, 2027.—Section 455(f) of the
15 Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is
16 amended by adding at the end the following:

17 “(8) FORBEARANCE ON LOANS MADE UNDER
18 THIS PART ON OR AFTER JULY 1, 2027.—A borrower
19 who receives a loan made under this part on or after
20 July 1, 2027, may only be eligible for a forbearance
21 on such loan pursuant to section 428(c)(3)(B) that
22 does not exceed 9 months during any 24-month pe-
23 riod.”.

24 **SEC. 82003. LOAN REHABILITATION.**

25 (a) UPDATING LOAN REHABILITATION LIMITS.—

1 (1) FFEL AND DIRECT LOANS.—Section
2 428F(a)(5) of the Higher Education Act of 1965
3 (20 U.S.C. 1078–6(a)(5)) is amended by striking
4 “one time” and inserting “two times”.

5 (2) PERKINS LOANS.—Section 464(h)(1)(D) of
6 the Higher Education Act of 1965 (20 U.S.C.
7 1087dd(h)(1)(D)) is amended by striking “once”
8 and inserting “twice”.

9 (3) EFFECTIVE DATE.—The amendments made
10 by this subsection shall take effect beginning on July
11 1, 2027, and shall apply with respect to any loan
12 made, insured, or guaranteed under title IV of the
13 Higher Education Act of 1965 (20 U.S.C. 1070 et
14 seq.).

15 (b) MINIMUM MONTHLY PAYMENT AMOUNT.—Sec-
16 tion 428F(a)(1)(B) of the Higher Education Act of 1965
17 (20 U.S.C. 1078–6(a)(1)(B)) is amended by adding at the
18 end the following: “With respect to a borrower who has
19 1 or more loans made under part D on or after July 1,
20 2027 that are described in subparagraph (A), the total
21 monthly payment of the borrower for all such loans shall
22 not be less than \$10.”.

23 **SEC. 82004. PUBLIC SERVICE LOAN FORGIVENESS.**

24 Section 455(m)(1)(A) of the Higher Education Act
25 of 1965 (20 U.S.C. 1087e(m)(1)(A)) is amended—

1 (1) in clause (iii), by striking “; or” and insert-
2 ing a semicolon;

3 (2) in clause (iv), by striking “; and” and in-
4 serting “(as in effect on the day before the date of
5 the repeal of subsection (e) of this section); or”; and

6 (3) by adding at the end the following new
7 clause:

8 “(v) on-time payments under the Re-
9 payment Assistance Plan under subsection
10 (q); and”.

11 **SEC. 82005. STUDENT LOAN SERVICING.**

12 Paragraph (1) of section 458(a) of the Higher Edu-
13 cation Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended
14 to read as follows:

15 “(1) **ADDITIONAL MANDATORY FUNDS FOR**
16 **SERVICING.**—There shall be available to the Sec-
17 retary (in addition to any other amounts appro-
18 priated under any appropriations Act for administra-
19 tive costs under this part and part B and out of any
20 money in the Treasury not otherwise appropriated)
21 \$1,000,000,000 to be obligated for administrative
22 costs under this part and part B, including the costs
23 of servicing the direct student loan programs under
24 this part, which shall remain available until ex-
25 pended.”.

1 **Subtitle D—Pell Grants**

2 **SEC. 83001. ELIGIBILITY.**

3 (a) FOREIGN INCOME AND FEDERAL PELL GRANT
4 ELIGIBILITY.—

5 (1) ADJUSTED GROSS INCOME DEFINED.—Sec-
6 tion 401(a)(2)(A) of the Higher Education Act of
7 1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to
8 read as follows:

9 “(A) the term ‘adjusted gross income’
10 means—

11 “(i) in the case of a dependent stu-
12 dent, for the second tax year preceding the
13 academic year—

14 “(I) the adjusted gross income
15 (as defined in section 62 of the Inter-
16 nal Revenue Code of 1986) of the stu-
17 dent’s parents; plus

18 “(II) for Federal Pell Grant de-
19 terminations made for academic years
20 beginning on or after July 1, 2026,
21 the foreign income (as described in
22 section 480(b)(5)) of the student’s
23 parents; and

801

1 “(ii) in the case of an independent
2 student, for the second tax year preceding
3 the academic year—

4 “(I) the adjusted gross income
5 (as defined in section 62 of the Inter-
6 nal Revenue Code of 1986) of the stu-
7 dent (and the student’s spouse, if ap-
8 plicable); plus

9 “(II) for Federal Pell Grant de-
10 terminations made for academic years
11 beginning on or after July 1, 2026,
12 the foreign income (as described in
13 section 480(b)(5)) of the student (and
14 the student’s spouse, if applicable);”.

15 (2) SUNSET.—Section 401(b)(1)(D) of the
16 Higher Education Act of 1965 (20 U.S.C.
17 1070a(b)(1)(D)) is amended—

18 (A) by striking “A student” and inserting
19 “For each academic year beginning before July
20 1, 2026, a student”; and

21 (B) by inserting “, as in effect for such
22 academic year,” after “section
23 479A(b)(1)(B)(v)”.

24 (3) CONFORMING AMENDMENTS.—

1 (A) IN GENERAL.—Section 479A(b)(1)(B)
2 of the Higher Education Act of 1965 (20
3 U.S.C. 1087tt(b)(1)(B)) is amended—

4 (i) by striking clause (v); and

5 (ii) by redesignating clauses (vi) and
6 (vii) as clauses (v) and (vi), respectively.

7 (B) EFFECTIVE DATE.—The amendment
8 made by subparagraph (A) shall take effect on
9 July 1, 2026.

10 (b) FEDERAL PELL GRANT INELIGIBILITY DUE TO
11 A HIGH STUDENT AID INDEX.—

12 (1) IN GENERAL.—Section 401(b)(1) of the
13 Higher Education Act of 1965 (20 U.S.C.
14 1070a(b)(1)) is amended by adding at the end the
15 following:

16 “(F) INELIGIBILITY OF STUDENTS WITH A
17 HIGH STUDENT AID INDEX.—Notwithstanding
18 subparagraphs (A) through (E), a student shall
19 not be eligible for a Federal Pell Grant under
20 this subsection for an academic year in which
21 the student has a student aid index that equals
22 or exceeds twice the amount of the total max-
23 imum Federal Pell Grant for such academic
24 year.”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) shall take effect on July 1, 2026.

3 **SEC. 83002. WORKFORCE PELL GRANTS.**

4 (a) IN GENERAL.—Section 401 of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1070a) is amended by add-
6 ing at the end the following:

7 “(k) WORKFORCE PELL GRANT PROGRAM.—

8 “(1) IN GENERAL.—For the award year begin-
9 ning on July 1, 2026, and each subsequent award
10 year, the Secretary shall award grants (to be known
11 as ‘Workforce Pell Grants’) to eligible students
12 under paragraph (2) in accordance with this sub-
13 section.

14 “(2) ELIGIBLE STUDENTS.—To be eligible to
15 receive a Workforce Pell Grant under this subsection
16 for any period of enrollment, a student shall meet
17 the eligibility requirements for a Federal Pell Grant
18 under this section, except that the student—

19 “(A) shall be enrolled, or accepted for en-
20 rollment, in an eligible program under section
21 481(b)(3) (hereinafter referred to as an ‘eligible
22 workforce program’); and

23 “(B) may not—

1 “(i) be enrolled, or accepted for enroll-
2 ment, in a program of study that leads to
3 a graduate credential; or

4 “(ii) have attained such a credential.

5 “(3) TERMS AND CONDITIONS OF AWARDS.—

6 The Secretary shall award Workforce Pell Grants
7 under this subsection in the same manner and with
8 the same terms and conditions as the Secretary
9 awards Federal Pell Grants under this section, ex-
10 cept that—

11 “(A) each use of the term ‘eligible pro-
12 gram’ (except in subsection (b)(9)(A)) shall be
13 substituted by ‘eligible workforce program
14 under section 481(b)(3)’;

15 “(B) the provisions of subsection (d)(2)
16 shall not be applicable to eligible workforce pro-
17 grams; and

18 “(C) a student who is eligible for a grant
19 equal to less than the amount of the minimum
20 Federal Pell Grant because the eligible work-
21 force program in which the student is enrolled
22 or accepted for enrollment is less than an aca-
23 demic year (in hours of instruction or weeks of
24 duration) may still be eligible for a Workforce

1 Pell Grant in an amount that is prorated based
2 on the length of the program.

3 “(4) PREVENTION OF DOUBLE BENEFITS.—No
4 eligible student described in paragraph (2) may con-
5 currently receive a grant under both this subsection
6 and—

7 “(A) subsection (b); or

8 “(B) subsection (c).

9 “(5) DURATION LIMIT.—Any period of study
10 covered by a Workforce Pell Grant awarded under
11 this subsection shall be included in determining a
12 student’s duration limit under subsection (d)(5).”.

13 (b) PROGRAM ELIGIBILITY FOR WORKFORCE PELL
14 GRANTS.—Section 481(b) of the Higher Education Act of
15 1965 (20 U.S.C. 1088(b)) is amended—

16 (1) by redesignating paragraphs (3) and (4) as
17 paragraphs (4) and (5), respectively; and

18 (2) by inserting after paragraph (2) the fol-
19 lowing:

20 “(3)(A) A program is an eligible program for
21 purposes of the Workforce Pell Grant program
22 under section 401(k) only if—

23 “(i) it is a program of at least 150 clock
24 hours of instruction, but less than 600 clock
25 hours of instruction, or an equivalent number of

1 credit hours, offered by an eligible institution
2 during a minimum of 8 weeks, but less than 15
3 weeks;

4 “(ii) it is not offered as a correspondence
5 course, as defined in 600.2 of title 34, Code of
6 Federal Regulations (as in effect on July 1,
7 2021);

8 “(iii) the Governor of a State, after con-
9 sultation with the State board, determines that
10 the program—

11 “(I) provides an education aligned
12 with the requirements of high-skill, high-
13 wage (as identified by the State pursuant
14 to section 122 of the Carl D. Perkins Ca-
15 reer and Technical Education Act (20
16 U.S.C. 2342)), or in-demand industry sec-
17 tors or occupations;

18 “(II) meets the hiring requirements of
19 potential employers in the sectors or occu-
20 pations described in subclause (I);

21 “(III) either—

22 “(aa) leads to a recognized post-
23 secondary credential that is stackable
24 and portable across more than one
25 employer; or

807

1 “(bb) with respect to students
2 enrolled in the program—

3 “(AA) prepares such stu-
4 dents for employment in an occu-
5 pation for which there is only one
6 recognized postsecondary creden-
7 tial; and

8 “(BB) provides such stu-
9 dents with such a credential upon
10 completion of such program; and

11 “(IV) prepares students to pursue 1
12 or more certificate or degree programs at
13 1 or more institutions of higher education
14 (which may include the eligible institution
15 providing the program), including by en-
16 suring—

17 “(aa) that a student, upon com-
18 pletion of the program and enrollment
19 in such a related certificate or degree
20 program, will receive academic credit
21 for the Workforce Pell program that
22 will be accepted toward meeting such
23 certificate or degree program require-
24 ments; and

1 “(bb) the acceptability of such
2 credit toward meeting such certificate
3 or degree program requirements; and

4 “(iv) after the Governor of such State
5 makes the determination that the program
6 meets the requirements under clause (iii), the
7 Secretary determines that—

8 “(I) the program has been offered by
9 the eligible institution for not less than 1
10 year prior to the date on which the Sec-
11 retary makes a determination under this
12 clause;

13 “(II) for each award year, the pro-
14 gram has a verified completion rate of at
15 least 70 percent, within 150 percent of the
16 normal time for completion;

17 “(III) for each award year, the pro-
18 gram has a verified job placement rate of
19 at least 70 percent, measured 180 days
20 after completion; and

21 “(IV) for each award year, the total
22 amount of the published tuition and fees of
23 the program for such year is an amount
24 that does not exceed the value-added earn-
25 ings of students who received Federal fi-

1 nancial aid under this title and who com-
2 pleted the program 3 years prior to the
3 award year, as such earnings are deter-
4 mined by calculating the difference be-
5 tween—

6 “(aa) the median earnings of
7 such students, as adjusted by the
8 State and metropolitan area regional
9 price parities of the Bureau of Eco-
10 nomic Analysis based on the location
11 of such program; and

12 “(bb) 150 percent of the poverty
13 line applicable to a single individual
14 as determined under section 673(2) of
15 the Community Services Block Grant
16 Act (42 U.S.C. 9902(2)) for such
17 year.

18 “(B) In this paragraph:

19 “(i) The term ‘eligible institution’ means
20 an eligible institution for purposes of section
21 401.

22 “(ii) The term ‘Governor’ means the chief
23 executive of a State.

24 “(iii) The terms ‘in-demand industry sector
25 or occupation’, ‘recognized postsecondary cre-

1 dential’, and ‘State board’ have the meanings
2 given such terms in section 3 of the Workforce
3 Innovation and Opportunity Act.”.

(c) EFFECTIVE DATE; APPLICABILITY.—The amendments made by this section shall take effect on July 1, 2026, and shall apply with respect to award year 2026–2027 and each succeeding award year.

8 SEC. 83003. PELL SHORTFALL.

9 Section 401(b)(7)(A)(iii) of the Higher Education
10 Act of 1965 (20 U.S.C. 1070a(b)(7)(A)(iii)) is amended
11 by striking “\$2,170,000,000” and inserting
12 “\$12,670,000,000”.

13 SEC. 83004. FEDERAL PELL GRANT EXCLUSION RELATING
14 TO OTHER GRANT AID.

Section 401(d) of the Higher Education Act of 1965
(20 U.S.C. 1070a(d)) is amended by adding at the end
the following:

“(6) EXCLUSION.—Beginning on July 1, 2026,
and notwithstanding this subsection or subsection
(b), a student shall not be eligible for a Federal Pell
Grant under subsection (b) during any period for
which the student receives grant aid from non-Fed-
eral sources, including States, institutions of higher
education, or private sources, in an amount that

1 equals or exceeds the student's cost of attendance
2 for such period.”.

3 **Subtitle E—Accountability**

4 **SEC. 84001. INELIGIBILITY BASED ON LOW EARNING OUT-**
5 **COMES.**

6 Section 454 of the Higher Education Act of 1965 (20
7 U.S.C. 1087d) is amended—

8 (1) in subsection (a)—

9 (A) in paragraph (5), by striking “and”
10 after the semicolon;

11 (B) by redesignating paragraph (6) as
12 paragraph (7); and

13 (C) by inserting after paragraph (5) the
14 following:

15 “(6) provide assurances that, beginning July 1,
16 2026, the institution will comply with all require-
17 ments of subsection (c); and”;

18 (2) in subsection (b)(2), by striking “and (6)”
19 and inserting “(6), and (7)”;

20 (3) by redesignating subsection (c) as sub-
21 section (d); and

22 (4) by inserting after subsection (b) the fol-
23 lowing:

24 “(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED
25 ON LOW EARNING OUTCOMES.—

1 “(1) IN GENERAL.—Notwithstanding section
2 481(b), an institution of higher education subject to
3 this subsection shall not use funds under this part
4 for student enrollment in an educational program of-
5 fered by the institution that is described in para-
6 graph (2).

7 “(2) LOW-EARNING OUTCOME PROGRAMS DE-
8 SCRIBED.—An educational program at an institution
9 is described in this paragraph if the program awards
10 an undergraduate degree, graduate or professional
11 degree, or graduate certificate, for which the median
12 earnings (as determined by the Secretary) of the
13 programmatic cohort of students who received funds
14 under this title for enrollment in such program, who
15 completed such program during the academic year
16 that is 4 years before the year of the determination,
17 who are not enrolled in any institution of higher
18 education, and who are working, are, for not less
19 than 2 of the 3 years immediately preceding the date
20 of the determination, less than the median earnings
21 of a working adult described in paragraph (3) for
22 the corresponding year.

23 “(3) CALCULATION OF MEDIAN EARNINGS.—

24 “(A) WORKING ADULT.—For purposes of
25 applying paragraph (2) to an educational pro-

1 gram at an institution, a working adult de-
2 scribed in this paragraph is a working adult
3 who, for the corresponding year—

4 “(i) is aged 25 to 34;

5 “(ii) is not enrolled in an institution
6 of higher education; and

7 “(iii)(I) in the case of a determination
8 made for an educational program that
9 awards a baccalaureate or lesser degree,
10 has only a high school diploma or its rec-
11 ognized equivalent; or

12 “(II) in the case of a determination
13 made for a graduate or professional pro-
14 gram, has only a baccalaureate degree.

15 “(B) SOURCE OF DATA.—For purposes of
16 applying paragraph (2) to an educational pro-
17 gram at an institution, the median earnings of
18 a working adult, as described in subparagraph
19 (A), shall be based on data from the Bureau of
20 the Census—

21 “(i) with respect to an educational
22 program that awards a baccalaureate or
23 lesser degree—

24 “(I) for the State in which the
25 institution is located; or

1 “(II) if fewer than 50 percent of
2 the students enrolled in the institution
3 reside in the State where the institu-
4 tion is located, for the entire United
5 States; and

6 “(ii) with respect to an educational
7 program that is a graduate or professional
8 program—

9 “(I) for the lowest median earn-
10 ings of—

11 “(aa) a working adult in the
12 State in which the institution is
13 located;

14 “(bb) a working adult in the
15 same field of study (as deter-
16 mined by the Secretary, such as
17 by using the 2-digit CIP code) in
18 the State in which the institution
19 is located; and

20 “(cc) a working adult in the
21 same field of study (as so deter-
22 mined) in the entire United
23 States; or

24 “(II) if fewer than 50 percent of
25 the students enrolled in the institution

1 reside in the State where the institu-
2 tion is located, for the lower median
3 earnings of—

4 “(aa) a working adult in the
5 entire United States; or

6 “(bb) a working adult in the
7 same field of study (as so deter-
8 mined) in the entire United
9 States.

10 “(4) SMALL PROGRAMMATIC COHORTS.—For
11 any year for which the programmatic cohort de-
12 scribed in paragraph (2) for an educational program
13 of an institution is fewer than 30 individuals, the
14 Secretary shall—

15 “(A) first, aggregate additional years of
16 programmatic data in order to achieve a cohort
17 of at least 30 individuals; and

18 “(B) second, in cases in which the cohort
19 (including the individuals added under subpara-
20 graph (A)) is still fewer than 30 individuals, ag-
21 gregate additional cohort years of pro-
22 grammatic data for educational programs of
23 equivalent length in order to achieve a cohort of
24 at least 30 individuals.

1 “(5) APPEALS PROCESS.—An educational pro-
2 gram shall not lose eligibility under this subsection
3 unless the institution has had the opportunity to ap-
4 peal the programmatic median earnings of students
5 working and not enrolled determination under para-
6 graph (2), through a process established by the Sec-
7 retary. During such appeal, the Secretary may per-
8 mit the educational program to continue to partici-
9 pate in the program under this part.

10 “(6) NOTICE TO STUDENTS.—

11 “(A) IN GENERAL.—If an educational pro-
12 gram of an institution of higher education sub-
13 ject to this subsection does not meet the cohort
14 median earning requirements, as described in
15 paragraph (2), for one year during the applica-
16 ble covered period but has not yet failed to
17 meet such requirements for 2 years during such
18 covered period, the institution shall promptly
19 inform each student enrolled in the educational
20 program of the eligible program’s low cohort
21 median earnings and that the educational pro-
22 gram is at risk of losing its eligibility for funds
23 under this part.

24 “(B) COVERED PERIOD.—In this para-
25 graph, the term ‘covered period’ means the pe-

1 riod of the 3 years immediately preceding the
2 date of a determination made under paragraph
3 (2).

4 “(7) REGAINING PROGRAMMATIC ELIGI-
5 BILITY.—The Secretary shall establish a process by
6 which an institution of higher education that has an
7 educational program that has lost eligibility under
8 this subsection may, after a period of not less than
9 2 years of such program’s ineligibility, apply to re-
10 gain such eligibility, subject to the requirements es-
11 tablished by the Secretary that further the purpose
12 of this subsection.”.

13 **Subtitle F—Regulatory Relief**

14 **SEC. 85001. DELAY OF RULE RELATING TO BORROWER DE-** 15 **FENSE TO REPAYMENT.**

16 (a) DELAY.—Beginning on the date of enactment of
17 this section, for loans that first originate before July 1,
18 2035, the provisions of subpart D of part 685 of title 34,
19 Code of Federal Regulations (relating to borrower defense
20 to repayment), as added or amended by the final regula-
21 tions published by the Department of Education on No-
22 vember 1, 2022, and titled “Institutional Eligibility Under
23 the Higher Education Act of 1965, as Amended; Student
24 Assistance General Provisions; Federal Perkins Loan Pro-
25 gram; Federal Family Education Loan Program; and Wil-

1 liam D. Ford Federal Direct Loan Program” (87 Fed.
2 Reg. 65904) shall not be in effect.

3 (b) EFFECT.—Beginning on the date of enactment
4 of this section, with respect to loans that first originate
5 before July 1, 2035, any regulations relating to borrower
6 defense to repayment that took effect on July 1, 2020,
7 are restored and revived as such regulations were in effect
8 on such date.

9 **SEC. 85002. DELAY OF RULE RELATING TO CLOSED SCHOOL**
10 **DISCHARGES.**

11 (a) DELAY.—Beginning on the date of enactment of
12 this section, for loans that first originate before July 1,
13 2035, the provisions of sections 674.33(g), 682.402(d),
14 and 685.214 of title 34, Code of Federal Regulations (re-
15 lating to closed school discharges), as added or amended
16 by the final regulations published by the Department of
17 Education on November 1, 2022, and titled “Institutional
18 Eligibility Under the Higher Education Act of 1965, as
19 Amended; Student Assistance General Provisions; Federal
20 Perkins Loan Program; Federal Family Education Loan
21 Program; and William D. Ford Federal Direct Loan Pro-
22 gram” (87 Fed. Reg. 65904), shall not be in effect.

23 (b) EFFECT.—Beginning on the date of enactment
24 of this section, with respect to loans that first originate
25 before July 1, 2035, the portions of the Code of Federal

1 Regulations described in subsection (a) and amended by
2 the final regulations described in subsection (a) shall be
3 in effect as if the amendments made by such final regula-
4 tions had not been made.

5 **Subtitle G—Limitation on**
6 **Authority**

7 **SEC. 86001. LIMITATION ON PROPOSING OR ISSUING REGU-**
8 **LATIONS AND EXECUTIVE ACTIONS.**

9 Part G of title IV of the Higher Education Act of
10 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
11 after section 492 the following:

12 **“SEC. 492A. LIMITATION ON PROPOSING OR ISSUING REGU-**
13 **LATIONS AND EXECUTIVE ACTIONS.**

14 “(a) PROPOSED OR FINAL REGULATIONS AND EXEC-
15 UTIVE ACTIONS.—Beginning on the date of enactment of
16 this section, the Secretary may not issue a proposed regu-
17 lation, final regulation, or executive action to implement
18 this title if the Secretary determines that the regulation
19 or executive action will increase the subsidy cost (as ‘cost’
20 is defined in section 502 of the Federal Credit Reform
21 Act of 1990 (2 U.S.C. 661a)) of a loan program under
22 this title by more than \$100,000,000.

23 “(b) RELATIONSHIP TO OTHER REQUIREMENTS.—
24 The requirements of subsection (a) shall not be construed

1 to affect any other cost analysis required under any source
2 of law for a regulation implementing this title.”.

3 **Subtitle H—Garden of Heroes**

4 **SEC. 87001. GARDEN OF HEROES.**

5 In addition to amounts otherwise available, there are
6 appropriated to the National Endowment for the Human-
7 ities for fiscal year 2025, out of any money in the Treas-
8 ury not otherwise appropriated, to remain available
9 through fiscal year 2028, \$40,000,000 for the procure-
10 ment of statues as described in Executive Order 13934
11 (85 Fed. Reg. 41165; relating to building and rebuilding
12 monuments to American heroes), Executive Order 13978
13 (86 Fed. Reg. 6809; relating to building the National Gar-
14 den of American Heroes), and Executive Order 14189 (90
15 Fed. Reg. 8849; relating to celebrating America’s birth-
16 day).

17 **Subtitle I—Office of Refugee** 18 **Resettlement**

19 **SEC. 88001. POTENTIAL SPONSOR VETTING FOR UNACCOM-** 20 **PANIED ALIEN CHILDREN APPROPRIATION.**

21 (a) APPROPRIATION.—In addition to amounts other-
22 wise available, there is appropriated to the Office of Ref-
23 ugee Resettlement for fiscal year 2025, out of any money
24 in the Treasury not otherwise appropriated,

1 \$300,000,000, to remain available until September 30,
2 2028, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—The funds made available
4 under subsection (a) may only be used for the Office of
5 Refugee Resettlement to support costs associated with—

6 (1) background checks on potential sponsors,
7 which shall include—

8 (A) the name of the potential sponsor and
9 of all adult residents of the potential sponsor's
10 household;

11 (B) the social security number or tax payer
12 identification number of the potential sponsor
13 and of all adult residents of the potential spon-
14 sor's household;

15 (C) the date of birth of the potential spon-
16 sor and of all adult residents of the potential
17 sponsor's household;

18 (D) the validated location of the residence
19 at which the unaccompanied alien child will be
20 placed;

21 (E) an in-person or virtual interview with,
22 and suitability study concerning, the potential
23 sponsor and all adult residents of the potential
24 sponsor's household;

1 (F) contact information for the potential
2 sponsor and for all adult residents of the poten-
3 tial sponsor's household; and

4 (G) the results of all background and
5 criminal records checks for the potential spon-
6 sor and for all adult residents of the potential
7 sponsor's household, which shall include, at a
8 minimum, an investigation of the public records
9 sex offender registry, a public records back-
10 ground check, and a national criminal history
11 check based on fingerprints;

12 (2) home studies of potential sponsors of unac-
13 companied alien children;

14 (3) determining whether an unaccompanied
15 alien child poses a danger to self or others by con-
16 ducting an examination of the unaccompanied alien
17 child for gang-related tattoos and other gang-related
18 markings and covering such tattoos or markings
19 while the child is in the care of the Office of Refugee
20 Resettlement;

21 (4) data systems improvement and sharing that
22 supports the health, safety, and well being of unac-
23 companied alien children by determining the appro-
24 priateness of potential sponsors of unaccompanied
25 alien children and of adults residing in the house-

1 hold of the potential sponsor and by assisting with
2 the identification and investigation of child labor ex-
3 ploitation and child trafficking; and

4 (5) coordinating and communicating with State
5 child welfare agencies regarding the placement of
6 unaccompanied alien children in such States by the
7 Office of Refugee Resettlement.

8 (c) DEFINITIONS.—In this section:

9 (1) POTENTIAL SPONSOR.—The term “potential
10 sponsor” means an individual or entity who applies
11 for the custody of an unaccompanied alien child.

12 (2) UNACCOMPANIED ALIEN CHILD.—The term
13 “unaccompanied alien child” has the meaning given
14 such term in section 462(g) of the Homeland Secu-
15 rity Act of 2002 (6 U.S.C. 279(g)).

16 **TITLE IX—COMMITTEE ON**
17 **HOMELAND SECURITY AND**
18 **GOVERNMENTAL AFFAIRS**
19 **Subtitle A—Homeland Security**
20 **Provisions**

21 **SEC. 90001. BORDER INFRASTRUCTURE AND WALL SYSTEM.**

22 In addition to amounts otherwise available, there is
23 appropriated to the Commissioner of U.S. Customs and
24 Border Protection for fiscal year 2025, out of any money
25 in the Treasury not otherwise appropriated, to remain

1 available until September 30, 2029, \$46,550,000,000 for
2 necessary expenses relating to the following elements of
3 the border infrastructure and wall system:

4 (1) Construction, installation, or improvement
5 of new or replacement primary, waterborne, and sec-
6 ondary barriers.

7 (2) Access roads.

8 (3) Barrier system attributes, including cam-
9 eras, lights, sensors, and other detection technology.

10 (4) Any work necessary to prepare the ground
11 at or near the border to allow U.S. Customs and
12 Border Protection to conduct its operations, includ-
13 ing the construction and maintenance of the barrier
14 system.

15 **SEC. 90002. U.S. CUSTOMS AND BORDER PROTECTION PER-**
16 **SONNEL, FLEET VEHICLES, AND FACILITIES.**

17 (a) IN GENERAL.—In addition to amounts otherwise
18 available, there is appropriated to the Commissioner of
19 U.S. Customs and Border Protection for fiscal year 2025,
20 out of any money in the Treasury not otherwise appro-
21 priated, the following:

22 (1) PERSONNEL.—\$4,100,000,000, to remain
23 available until September 30, 2029, to hire and train
24 additional Border Patrol agents, Office of Field Op-
25 erations officers, Air and Marine agents, rehired an-

1 nuitants, and U.S. Customs and Border Protection
2 field support personnel.

3 (2) RETENTION, HIRING, AND PERFORMANCE
4 BONUSES.—\$2,052,630,000, to remain available
5 until September 30, 2029, to provide recruitment
6 bonuses, performance awards, or annual retention
7 bonuses to eligible Border Patrol agents, Office of
8 Field Operations officers, and Air and Marine
9 agents.

10 (3) VEHICLES.—\$855,000,000, to remain avail-
11 able until September 30, 2029, for the repair of ex-
12 isting patrol units and the lease or acquisition of ad-
13 ditional patrol units.

14 (4) FACILITIES.—\$5,000,000,000 for necessary
15 expenses relating to lease, acquisition, construction,
16 design, or improvement of facilities and checkpoints
17 owned, leased, or operated by U.S. Customs and
18 Border Protection.

19 (b) RESTRICTION.—None of the funds made available
20 by subsection (a) may be used to recruit, hire, or train
21 personnel for the duties of processing coordinators after
22 October 31, 2028.

23 **SEC. 90003. DETENTION CAPACITY.**

24 (a) IN GENERAL.—In addition to any amounts other-
25 wise appropriated, there is appropriated to U.S. Immigra-

1 tion and Customs Enforcement for fiscal year 2025, out
2 of any money in the Treasury not otherwise appropriated,
3 to remain available until September 30, 2029,
4 \$45,000,000,000, for single adult alien detention capacity
5 and family residential center capacity.

6 (b) DURATION AND STANDARDS.—Aliens may be de-
7 tained at family residential centers, as described in sub-
8 section (a), pending a decision, under the Immigration and
9 Nationality Act (8 U.S.C. 1101 et seq.), on whether the
10 aliens are to be removed from the United States and, if
11 such aliens are ordered removed from the United States,
12 until such aliens are removed. The detention standards for
13 the single adult detention capacity described in subsection
14 (a) shall be set in the discretion of the Secretary of Home-
15 land Security, consistent with applicable law.

16 (c) DEFINITION OF FAMILY RESIDENTIAL CEN-
17 TER.—In this section, the term “family residential center”
18 means a facility used by the Department of Homeland Se-
19 curity to detain family units of aliens (including alien chil-
20 dren who are not unaccompanied alien children (as defined
21 in section 462(g) of the Homeland Security Act of 2002
22 (6 U.S.C. 279(g)))) who are encountered or apprehended
23 by the Department of Homeland Security, regardless
24 whether the facility is licensed by the State or a political
25 subdivision of the State in which the facility is located.

1 **SEC. 90004. BORDER SECURITY, TECHNOLOGY, AND**
2 **SCREENING.**

3 (a) IN GENERAL.—In addition to amounts otherwise
4 available, there is appropriated to the Commissioner of
5 U.S. Customs and Border Protection for fiscal year 2025,
6 out of any money in the Treasury not otherwise appro-
7 priated, to remain available until September 30, 2029,
8 \$6,168,000,000 for the following:

9 (1) Procurement and integration of new non-
10 intrusive inspection equipment and associated civil
11 works, including artificial intelligence, machine
12 learning, and other innovative technologies, as well
13 as other mission support, to combat the entry or exit
14 of illicit narcotics at ports of entry and along the
15 southwest, northern, and maritime borders.

16 (2) Air and Marine operations' upgrading and
17 procurement of new platforms for rapid air and ma-
18 rine response capabilities.

19 (3) Upgrades and procurement of border sur-
20 veillance technologies along the southwest, northern,
21 and maritime borders.

22 (4) Necessary expenses, including the deploy-
23 ment of technology, relating to the biometric entry
24 and exit system under section 7208 of the Intel-
25 ligence Reform and Terrorism Prevention Act of
26 2004 (8 U.S.C. 1365b).

1 (5) Screening persons entering or exiting the
2 United States.

3 (6) Initial screenings of unaccompanied alien
4 children (as defined in section 462(g) of the Home-
5 land Security Act of 2002 (6 U.S.C. 279(g))), con-
6 sistent with the William Wilberforce Trafficking Vic-
7 tims Protection Reauthorization Act of 2008 (Public
8 Law 110–457; 122 Stat. 5044).

9 (7) Enhancing border security by combating
10 drug trafficking, including fentanyl and its precursor
11 chemicals, at the southwest, northern, and maritime
12 borders.

13 (8) Commemorating efforts and events related
14 to border security.

15 (b) RESTRICTIONS.—None of the funds made avail-
16 able under subsection (a) may be used for the procurement
17 or deployment of surveillance towers along the southwest
18 border and northern border that have not been tested and
19 accepted by U.S. Customs and Border Protection to de-
20 liver autonomous capabilities.

21 (c) DEFINITION OF AUTONOMOUS.—In this section,
22 with respect to capabilities, the term “autonomous” means
23 a system designed to apply artificial intelligence, machine
24 learning, computer vision, or other algorithms to accu-
25 rately detect, identify, classify, and track items of interest

1 in real time such that the system can make operational
2 adjustments without the active engagement of personnel
3 or continuous human command or control.

4 **SEC. 90005. STATE AND LOCAL ASSISTANCE.**

5 (a) STATE HOMELAND SECURITY GRANT PRO-
6 GRAMS.—

7 (1) IN GENERAL.—In addition to amounts oth-
8 erwise available, there is appropriated to the Admin-
9 istrators of the Federal Emergency Management
10 Agency for fiscal year 2025, out of any money in the
11 Treasury not otherwise appropriated, to remain
12 available until September 30, 2029, to be adminis-
13 tered under the State Homeland Security Grant
14 Program authorized under section 2004 of the
15 Homeland Security Act of 2002 (6 U.S.C. 605), to
16 enhance State, local, and Tribal security through
17 grants, contracts, cooperative agreements, and other
18 activities—

19 (A) \$500,000,000 for State and local capa-
20 bilities to detect, identify, track, or monitor
21 threats from unmanned aircraft systems (as
22 such term is defined in section 44801 of title
23 49, United States Code), consistent with titles
24 18 and 49 of the United States Code;

1 (B) \$625,000,000 for security and other
2 costs related to the 2026 FIFA World Cup;

3 (C) \$1,000,000,000 for security, planning,
4 and other costs related to the 2028 Olympics;
5 and

6 (D) \$450,000,000 for the Operation
7 Stonegarden Grant Program.

8 (2) TERMS AND CONDITIONS.—None of the
9 funds made available under subparagraph (B) or (C)
10 of paragraph (1) shall be subject to the require-
11 ments of section 2004(e)(1) or section 2008(a)(12)
12 of the Homeland Security Act of 2002 (6 U.S.C.
13 605(e)(1), 609(a)(12)).

14 (b) STATE BORDER SECURITY REINFORCEMENT
15 FUND.—

16 (1) ESTABLISHMENT.—There is established, in
17 the Department of Homeland Security, a fund to be
18 known as the “State Border Security Reinforcement
19 Fund.”

20 (2) PURPOSES.—The Secretary of Homeland
21 Security shall use amounts appropriated or other-
22 wise made available for the Fund for grants to eligi-
23 ble States and units of local government for any of
24 the following purposes:

1 (A) Construction or installation of a border
2 wall, border fencing or other barrier, or buoys
3 along the southern border of the United States,
4 which may include planning, procurement of
5 materials, and personnel costs related to such
6 construction or installation.

7 (B) Any work necessary to prepare the
8 ground at or near land borders to allow con-
9 struction and maintenance of a border wall or
10 other barrier fencing.

11 (C) Detection and interdiction of illicit
12 substances and aliens who have unlawfully en-
13 tered the United States and have committed a
14 crime under Federal, State, or local law, and
15 transfer or referral of such aliens to the De-
16 partment of Homeland Security as provided by
17 law.

18 (D) Relocation of aliens who are unlawfully
19 present in the United States from small popu-
20 lation centers to other domestic locations.

21 (3) APPROPRIATION.—In addition to amounts
22 otherwise available for the purposes described in
23 paragraph (2), there is appropriated for fiscal year
24 2025, out of any money in the Treasury not other-
25 wise appropriated, to the Department of Homeland

1 Security for the State Border Security Reinforce-
2 ment Fund established by paragraph (1),
3 \$10,000,000,000, to remain available until Sep-
4 tember 30, 2034, for qualified expenses for such
5 purposes.

6 (4) ELIGIBILITY.—The Secretary of Homeland
7 Security may provide grants from the fund estab-
8 lished by paragraph (1) to State agencies and units
9 of local governments for expenditures made for com-
10 pleted, ongoing, or new activities, in accordance with
11 law, that occurred on or after January 20, 2021.

12 (5) APPLICATION.—Each State desiring to
13 apply for a grant under this subsection shall submit
14 an application to the Secretary containing such in-
15 formation in support of the application as the Sec-
16 retary may require. The Secretary shall require that
17 each State include in its application the purposes for
18 which the State seeks the funds and a description of
19 how the State plans to allocate the funds. The Sec-
20 retary shall begin to accept applications not later
21 than 90 days after the date of the enactment of this
22 Act.

23 (6) TERMS AND CONDITIONS.—Nothing in this
24 subsection shall authorize any State or local govern-
25 ment to exercise immigration or border security au-

1 thorities reserved exclusively to the Federal Govern-
2 ment under the Immigration and Nationality Act (8
3 U.S.C. 1101 et seq.) or the Homeland Security Act
4 of 2002 (6 U.S.C. 101 et seq.). The Federal Emer-
5 gency Management Agency may use not more than
6 1 percent of the funds made available under this
7 subsection for the purpose of administering grants
8 provided for in this section.

9 **SEC. 90006. PRESIDENTIAL RESIDENCE PROTECTION.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 available, there is appropriated to the Administrator of the
12 Federal Emergency Management Agency for fiscal year
13 2025, out of any money in the Treasury not otherwise ap-
14 propriated, \$300,000,000, to remain available until Sep-
15 tember 30, 2029, for the reimbursement of extraordinary
16 law enforcement personnel costs for protection activities
17 directly and demonstrably associated with any residence
18 of the President designated pursuant to section 3 or 4 of
19 the Presidential Protection Assistance Act of 1976 (Public
20 Law 94–524; 18 U.S.C. 3056 note) to be secured by the
21 United States Secret Service.

22 (b) AVAILABILITY.—Funds appropriated under this
23 section shall be available only for costs that a State or
24 local agency—

25 (1) incurred or incurs on or after July 1, 2024;

(2) demonstrates to the Administrator of the Federal Emergency Management Agency as being—

3 (A) in excess of typical law enforcement
4 operation costs;

5 (B) directly attributable to the provision of
6 protection described in this section; and

(C) associated with a nongovernmental property designated pursuant to section 3 or 4 of the Presidential Protection Assistance Act of 1976 (Public Law 94-524; 18 U.S.C. 3056 note) to be secured by the United States Secret Service; and

(3) certifies to the Administrator as compensating protection activities requested by the United States Secret Service.

(c) TERMS AND CONDITIONS.—The Federal Emergency Management Agency may use not more than 3 percent of the funds made available under this section for the purpose of administering grants provided for in this section.

21 SEC. 90007. DEPARTMENT OF HOMELAND SECURITY AP-
22 PROPRIATIONS FOR BORDER SUPPORT.

23 In addition to amounts otherwise available, there are
24 appropriated to the Secretary of Homeland Security for
25 fiscal year 2025, out of any money in the Treasury not

1 otherwise appropriated, \$10,000,000,000, to remain avail-
2 able until September 30, 2029, for reimbursement of costs
3 incurred in undertaking activities in support of the De-
4 partment of Homeland Security’s mission to safeguard the
5 borders of the United States.

6 **Subtitle B—Governmental Affairs** 7 **Provisions**

8 **SEC. 90101. FEHB IMPROVEMENTS.**

9 (a) SHORT TITLE.—This section may be cited as the
10 “FEHB Protection Act of 2025”.

11 (b) DEFINITIONS.—In this section:

12 (1) DIRECTOR.—The term “Director” means
13 the Director of the Office of Personnel Management.

14 (2) HEALTH BENEFITS PLAN; MEMBER OF
15 FAMILY.—The terms “health benefits plan” and
16 “member of family” have the meanings given those
17 terms in section 8901 of title 5, United States Code.

18 (3) OPEN SEASON.—The term “open season”
19 means an open season described in section
20 890.301(f) of title 5, Code of Federal Regulations,
21 or any successor regulation.

22 (4) PROGRAM.—The term “Program” means
23 the health insurance programs carried out under
24 chapter 89 of title 5, United States Code, including

1 the program carried out under section 8903c of that
2 title.

3 (5) QUALIFYING LIFE EVENT.—The term
4 “qualifying life event” has the meaning given the
5 term in section 892.101 of title 5, Code of Federal
6 Regulations, or any successor regulation.

7 (c) VERIFICATION REQUIREMENTS.—Not later than
8 1 year after the date of enactment of this Act, the Director
9 shall issue regulations and implement a process to verify—

10 (1) the veracity of any qualifying life event
11 through which an enrollee in the Program seeks to
12 add a member of family with respect to the enrollee
13 to a health benefits plan under the Program; and

14 (2) that, when an enrollee in the Program seeks
15 to add a member of family with respect to the en-
16 rollee to the health benefits plan of the enrollee
17 under the Program, including during any open sea-
18 son, the individual so added is a qualifying member
19 of family with respect to the enrollee.

20 (d) FRAUD RISK ASSESSMENT.—In any fraud risk
21 assessment conducted with respect to the Program on or
22 after the date of enactment of this Act, the Director shall
23 include an assessment of individuals who are enrolled in,
24 or covered under, a health benefits plan under the Pro-

1 gram even though those individuals are not eligible to be
2 so enrolled or covered.

3 (e) FAMILY MEMBER ELIGIBILITY VERIFICATION
4 AUDIT.—

5 (1) IN GENERAL.—During the 3-year period be-
6 ginning on the date that is 1 year after the date of
7 enactment of this Act, the Director shall carry out
8 a comprehensive audit regarding members of family
9 who are covered under an enrollment in a health
10 benefits plan under the Program.

11 (2) CONTENTS.—With respect to the audit car-
12 ried out under paragraph (1), the Director shall re-
13 view marriage certificates, birth certificates, and
14 other appropriate documents that are necessary to
15 determine eligibility to enroll in a health benefits
16 plan under the Program.

17 (f) DISENROLLMENT OR REMOVAL.—Not later than
18 180 days after the date of enactment of this Act, the Di-
19 rector shall develop a process by which any individual en-
20 rolled in, or covered under, a health benefits plan under
21 the Program who is not eligible to be so enrolled or cov-
22 ered shall be disenrolled or removed from enrollment in,
23 or coverage under, that health benefits plan.

24 (g) EARNED BENEFITS AND HEALTH CARE ADMIN-
25 ISTRATIVE SERVICES ASSOCIATED OVERSIGHT AND

1 AUDIT FUNDING.—Section 8909 of title 5, United States
2 Code, is amended—

3 (1) in subsection (a)(2), by inserting before the
4 period at the end the following: “, except that the
5 amounts required to be set aside under subsection
6 (b)(2) shall not be subject to the limitations that
7 may be specified annually by Congress”; and

8 (2) in subsection (b)—

9 (A) by redesignating paragraph (2) as
10 paragraph (3); and

11 (B) by inserting after paragraph (1) the
12 following:

13 “(2) In fiscal year 2026, \$66,000,000, to be de-
14 rived from all contributions, and to remain available
15 until the end of fiscal year 2035, for the Director of
16 the Office to carry out subsections (c) through (f) of
17 the FEHB Protection Act of 2025.”.

18 **SEC. 90102. PANDEMIC RESPONSE ACCOUNTABILITY COM-**
19 **MITTEE.**

20 (a) PANDEMIC RESPONSE ACCOUNTABILITY COM-
21 MITTEE FUNDING AVAILABILITY.—In addition to
22 amounts otherwise available, there is appropriated for fis-
23 cal year 2026, out of any money in the Treasury not other-
24 wise appropriated, \$88,000,000, to remain available until
25 expended, for the Pandemic Response Accountability Com-

1 mittee to support oversight of the Coronavirus response
2 and of funds provided in this Act or any other Act per-
3 taining to the Coronavirus pandemic.

4 (b) CARES ACT.—Section 15010 of the CARES Act
5 (Public Law 116–136; 134 Stat. 533) is amended—

6 (1) in subsection (a)(6)—

7 (A) in subparagraph (E), by striking “or”
8 at the end;

9 (B) in subparagraph (F), by striking
10 “and” at the end and inserting “or”; and

11 (C) by adding at the end the following:

12 “(G) the Act titled ‘An Act to provide for
13 reconciliation pursuant to title II of H. Con.
14 Res. 14’; and”; and

15 (2) in subsection (k), by striking “2025” and
16 inserting “2034”.

17 **SEC. 90103. APPROPRIATION FOR THE OFFICE OF MANAGE-**
18 **MENT AND BUDGET.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Office of Management and Budget for
21 fiscal year 2025, out of any money in the Treasury not
22 otherwise appropriated, \$100,000,000, to remain available
23 until September 30, 2029, for purposes of finding budget
24 and accounting efficiencies in the executive branch.

1 **TITLE X—COMMITTEE ON THE**
2 **JUDICIARY**
3 **Subtitle A—Immigration and Law**
4 **Enforcement Matters**
5 **PART I—IMMIGRATION FEES**

6 **SEC. 100001. APPLICABILITY OF THE IMMIGRATION LAWS.**

7 (a) **APPLICABILITY.**—The fees under this subtitle
8 shall apply to aliens in the circumstances described in this
9 subtitle.

10 (b) **TERMS.**—The terms used under this subtitle shall
11 have the meanings given such terms in section 101 of the
12 Immigration and Nationality Act (8 U.S.C. 1101).

13 (c) **REFERENCES TO IMMIGRATION AND NATION-**
14 **ALITY ACT.**—Except as otherwise expressly provided, any
15 reference in this subtitle to a section or other provision
16 shall be considered to be to a section or other provision
17 of the Immigration and Nationality Act (8 U.S.C. 1101
18 et seq.).

19 **SEC. 100002. ASYLUM FEE.**

20 (a) **IN GENERAL.**—In addition to any other fee au-
21 thorized by law, the Secretary of Homeland Security or
22 the Attorney General, as applicable, shall require the pay-
23 ment of a fee, equal to the amount specified in this sec-
24 tion, by any alien who files an application for asylum

1 under section 208 (8 U.S.C. 1158) at the time such appli-
2 cation is filed.

3 (b) INITIAL AMOUNT.—During fiscal year 2025, the
4 amount specified in this section shall be the greater of—

5 (1) \$100; or

6 (2) such amount as the Secretary or the Attor-
7 ney General, as applicable, may establish, by rule.

8 (c) ANNUAL ADJUSTMENTS FOR INFLATION.—Dur-
9 ing fiscal year 2026, and during each subsequent fiscal
10 year, the amount specified in this section shall be equal
11 to the sum of—

12 (1) the amount of the fee required under this
13 section for the most recently concluded fiscal year;
14 and

15 (2) the product resulting from the multiplica-
16 tion of the amount referred to in paragraph (1) by
17 the percentage (if any) by which the Consumer Price
18 Index for All Urban Consumers for the month of
19 July preceding the date on which such adjustment
20 takes effect exceeds the Consumer Price Index for
21 All Urban Consumers for the same month of the
22 preceding calendar year, rounded to the next lowest
23 multiple of \$10.

24 (d) DISPOSITION OF ASYLUM FEE PROCEEDS.—Dur-
25 ing each fiscal year—

1 (1) 50 percent of the fees received from aliens
2 filing applications with the Attorney General—

3 (A) shall be credited to the Executive Of-
4 fice for Immigration Review; and

5 (B) may be retained and expended without
6 further appropriation;

7 (2) 50 percent of fees received from aliens filing
8 applications with the Secretary of Homeland Secu-
9 rity—

10 (A) shall be credited to U.S. Citizenship
11 and Immigration Services;

12 (B) shall be deposited into the Immigra-
13 tion Examinations Fee Account established
14 under section 286(m) (8 U.S.C. 1356(m)); and

15 (C) may be retained and expended without
16 further appropriation; and

17 (3) any amounts received in fees required under
18 this section that were not credited to the Executive
19 Office for Immigration Review pursuant to para-
20 graph (1) or to U.S. Citizenship and Immigration
21 Services pursuant to paragraph (2) shall be depos-
22 ited into the general fund of the Treasury.

23 (e) NO FEE WAIVER.—Fees required to be paid
24 under this section shall not be waived or reduced.

1 **SEC. 100003. EMPLOYMENT AUTHORIZATION DOCUMENT**

2 **FEES.**

3 (a) ASYLUM APPLICANTS.—

4 (1) IN GENERAL.—In addition to any other fee
5 authorized by law, the Secretary of Homeland Secu-
6 rity shall require the payment of a fee, equal to the
7 amount specified in this subsection, by any alien
8 who files an initial application for employment au-
9 thorization under section 208(d)(2) (8 U.S.C.
10 1158(d)(2)) at the time such initial employment au-
11 thorization application is filed.

12 (2) INITIAL AMOUNT.—During fiscal year 2025,
13 the amount specified in this subsection shall be the
14 greater of—

15 (A) \$550; or

16 (B) such amount as the Secretary of
17 Homeland Security may establish, by rule.

18 (3) ANNUAL ADJUSTMENTS FOR INFLATION.—
19 During fiscal year 2026, and during each subse-
20 quent fiscal year, the amount specified in this sec-
21 tion shall be equal to the sum of—

22 (A) the amount of the fee required under
23 this section for the most recently concluded fis-
24 cal year; and

25 (B) the product resulting from the mul-
26 tiplication of the amount referred to in sub-

1 paragraph (A) by the percentage (if any) by
2 which the Consumer Price Index for All Urban
3 Consumers for the month of July preceding the
4 date on which such adjustment takes effect ex-
5 ceeds the Consumer Price Index for All Urban
6 Consumers for the same month of the preceding
7 calendar year, rounded to the next lowest mul-
8 tiple of \$10.

9 (4) DISPOSITION OF EMPLOYMENT AUTHORIZA-
10 TION DOCUMENT FEES.—During each fiscal year—

11 (A) 25 percent of the fees collected pursu-
12 ant to this subsection—

13 (i) shall be credited to U.S. Citizen-
14 ship and Immigration Services;

15 (ii) shall be deposited into the Immi-
16 gration Examinations Fee Account estab-
17 lished under section 286(m) (8 U.S.C.
18 1356(m)); and

19 (iii) may be retained and expended by
20 U.S. Citizenship and Immigration Services
21 without further appropriation, provided
22 that not less than 50 percent is used to de-
23 tect and prevent immigration benefit
24 fraud; and

1 (B) any amounts collected pursuant to this
2 subsection that are not credited to U.S. Citizen-
3 ship and Immigration Services pursuant to sub-
4 paragraph (A) shall be deposited into the gen-
5 eral fund of the Treasury.

6 (5) NO FEE WAIVER.—Fees required to be paid
7 under this subsection shall not be waived or reduced.

8 (b) PAROLEES.—

9 (1) IN GENERAL.—In addition to any other fee
10 authorized by law, the Secretary of Homeland Secu-
11 rity shall require the payment of a fee, equal to the
12 amount specified in this subsection, by any alien pa-
13 roled into the United States for any initial applica-
14 tion for employment authorization at the time such
15 initial application is filed. Each initial employment
16 authorization shall be valid for a period of 1 year or
17 for the duration of the alien's parole, whichever is
18 shorter.

19 (2) INITIAL AMOUNT.—During fiscal year 2025,
20 the amount specified in this subsection shall be the
21 greater of—

22 (A) \$550; or

23 (B) such amount as the Secretary of
24 Homeland Security may establish, by rule.

1 (3) ANNUAL ADJUSTMENTS FOR INFLATION.—

2 During fiscal year 2026, and during each subse-
3 quent fiscal year, the amount specified in this sub-
4 section shall be equal to the sum of—

5 (A) the amount of the fee required under
6 this subsection for the most recently concluded
7 fiscal year; and

8 (B) the product resulting from the mul-
9 tiplication of the amount referred to in sub-
10 paragraph (A) by the percentage (if any) by
11 which the Consumer Price Index for All Urban
12 Consumers for the month of July preceding the
13 date on which such adjustment takes effect ex-
14 ceeds the Consumer Price Index for All Urban
15 Consumers for the same month of the preceding
16 calendar year, rounded to the next lowest mul-
17 tiple of \$10.

18 (4) DISPOSITION OF PAROLEE EMPLOYMENT
19 AUTHORIZATION APPLICATION FEES.—All of the fees
20 collected pursuant to this subsection shall be depos-
21 ited into the general fund of the Treasury.

22 (5) NO FEE WAIVER.—Fees required to be paid
23 under this subsection shall not be waived or reduced.

24 (c) TEMPORARY PROTECTED STATUS.—

1 (1) IN GENERAL.—In addition to any other fee
2 authorized by law, the Secretary of Homeland Secu-
3 rity shall require the payment of a fee, equal to the
4 amount specified in this subsection, by any alien
5 who files an initial application for employment au-
6 thorization under section 244(a)(1)(B) (8 U.S.C.
7 1254a(a)(1)(B)) at the time such initial application
8 is filed. Each initial employment authorization shall
9 be valid for a period of 1 year, or for the duration
10 of the alien’s temporary protected status, whichever
11 is shorter.

12 (2) INITIAL AMOUNT.—During fiscal year 2025,
13 the amount specified in this subsection shall be the
14 greater of—

15 (A) \$550; or

16 (B) such amount as the Secretary of
17 Homeland Security may establish, by rule.

18 (3) ANNUAL ADJUSTMENTS FOR INFLATION.—
19 During fiscal year 2026, and during each subse-
20 quent fiscal year, the amount specified in this sub-
21 section shall be equal to the sum of—

22 (A) the amount of the fee required under
23 this subsection for the most recently concluded
24 fiscal year; and

1 (B) the product resulting from the mul-
2 tiplication of the amount referred to in sub-
3 paragraph (A) by the percentage (if any) by
4 which the Consumer Price Index for All Urban
5 Consumers for the month of July preceding the
6 date on which such adjustment takes effect ex-
7 ceeds the Consumer Price Index for All Urban
8 Consumers for the same month of the preceding
9 calendar year, rounded to the next lowest mul-
10 tiple of \$10.

11 (4) DISPOSITION OF EMPLOYMENT AUTHORIZA-
12 TION APPLICATION FEES COLLECTED FROM ALIENS
13 GRANTED TEMPORARY PROTECTED STATUS.—All of
14 the fees collected pursuant to this subsection shall
15 be deposited into the general fund of the Treasury.

16 (5) NO FEE WAIVER.—Fees required to be paid
17 under this subsection shall not be waived or reduced.

18 **SEC. 100004. IMMIGRATION PAROLE FEE.**

19 (a) IN GENERAL.—Except as provided under sub-
20 section (b), the Secretary of Homeland Security shall re-
21 quire the payment of a fee, equal to the amount specified
22 in this section and in addition to any other fee authorized
23 by law, by any alien who is paroled into the United States.

24 (b) EXCEPTIONS.—An alien shall not be subject to
25 the fee otherwise required under subsection (a) if the alien

1 establishes, to the satisfaction of the Secretary of Home-
2 land Security, on an individual, case-by-case basis, that
3 the alien is being paroled because—

4 (1)(A) the alien has a medical emergency; and

5 (B)(i) the alien cannot obtain necessary treat-
6 ment in the foreign state in which the alien is resid-
7 ing; or

8 (ii) the medical emergency is life-threatening
9 and there is insufficient time for the alien to be ad-
10 mitted to the United States through the normal visa
11 process;

12 (2)(A) the alien is the parent or legal guardian
13 of an alien described in paragraph (1); and

14 (B) the alien described in paragraph (1) is a
15 minor;

16 (3)(A) the alien is needed in the United States
17 to donate an organ or other tissue for transplant;
18 and

19 (B) there is insufficient time for the alien to be
20 admitted to the United States through the normal
21 visa process;

22 (4)(A) the alien has a close family member in
23 the United States whose death is imminent; and

24 (B) the alien could not arrive in the United
25 States in time to see such family member alive if the

850

1 alien were to be admitted to the United States
2 through the normal visa process;

3 (5)(A) the alien is seeking to attend the funeral
4 of a close family member; and

5 (B) the alien could not arrive in the United
6 States in time to attend such funeral if the alien
7 were to be admitted to the United States through
8 the normal visa process;

9 (6) the alien is an adopted child—

10 (A) who has an urgent medical condition;

11 (B) who is in the legal custody of the peti-
12 tioner for a final adoption-related visa; and

13 (C) whose medical treatment is required
14 before the expected award of a final adoption-
15 related visa;

16 (7) the alien—

17 (A) is a lawful applicant for adjustment of
18 status under section 245 (8 U.S.C. 1255); and

19 (B) is returning to the United States after
20 temporary travel abroad;

21 (8) the alien—

22 (A) has been returned to a contiguous
23 country pursuant to section 235(b)(2)(C) (8
24 U.S.C. 1225(b)(2)(C)); and

1 (B) is being paroled into the United States
2 to allow the alien to attend the alien's immigra-
3 tion hearing;

4 (9) the alien has been granted the status of
5 Cuban and Haitian entrant (as defined in section
6 501(e) of the Refugee Education Assistance Act of
7 1980 (Public Law 96-422; 8 U.S.C. 1522 note); or

8 (10) the Secretary of Homeland Security deter-
9 mines that a significant public benefit has resulted
10 or will result from the parole of an alien—

11 (A) who has assisted or will assist the
12 United States Government in a law enforcement
13 matter;

14 (B) whose presence is required by the
15 United States Government in furtherance of
16 such law enforcement matter; and

17 (C)(i) who is inadmissible or does not sat-
18 isfy the eligibility requirements for admission as
19 a nonimmigrant; or

20 (ii) for which there is insufficient time for
21 the alien to be admitted to the United States
22 through the normal visa process.

23 (c) INITIAL AMOUNT.—For fiscal year 2025, the
24 amount specified in this section shall be the greater of—

25 (1) \$1,000; or

1 (2) such amount as the Secretary of Homeland
2 Security may establish, by rule.

3 (d) ANNUAL ADJUSTMENTS FOR INFLATION.—Dur-
4 ing fiscal year 2026, and during each subsequent fiscal
5 year, the amount specified in this section shall be equal
6 to the sum of—

7 (1) the amount of the fee required under this
8 subsection for the most recently concluded fiscal
9 year; and

10 (2) the product resulting from the multiplica-
11 tion of the amount referred to in paragraph (1) by
12 the percentage (if any) by which the Consumer Price
13 Index for All Urban Consumers for the month of
14 July preceding the date on which such adjustment
15 takes effect exceeds the Consumer Price Index for
16 All Urban Consumers for the same month of the
17 preceding calendar year, rounded to the next lowest
18 multiple of \$10.

19 (e) DISPOSITION OF FEES COLLECTED FROM
20 ALIENS GRANTED PAROLE.—All of the fees collected pur-
21 suant to this section shall be deposited into the general
22 fund of the Treasury.

23 (f) NO FEE WAIVER.—Except as provided in sub-
24 section (b), fees required to be paid under this section
25 shall not be waived or reduced.

1 **SEC. 100005. SPECIAL IMMIGRANT JUVENILE FEE.**

2 (a) IN GENERAL.—In addition to any other fee au-
3 thorized by law, the Secretary of Homeland Security shall
4 require the payment of a fee, equal to the amount specified
5 in this section, by any alien, parent, or legal guardian of
6 an alien applying for special immigrant juvenile status
7 under section 101(a)(27)(J) (8 U.S.C. 1101(a)(27)(J)).

8 (b) INITIAL AMOUNT.—For fiscal year 2025, the
9 amount specified in this section shall be the greater of—

10 (1) \$250; or

11 (2) such amount as the Secretary of Homeland
12 Security may establish, by rule.

13 (c) ANNUAL ADJUSTMENTS FOR INFLATION.—Dur-
14 ing fiscal year 2026, and during each subsequent fiscal
15 year, the amount specified in this section shall be equal
16 to the sum of—

17 (1) the amount of the fee required under this
18 subsection for the most recently concluded fiscal
19 year; and

20 (2) the product resulting from the multiplica-
21 tion of the amount referred to in paragraph (1) by
22 the percentage (if any) by which the Consumer Price
23 Index for All Urban Consumers for the month of
24 July preceding the date on which such adjustment
25 takes effect exceeds the Consumer Price Index for
26 All Urban Consumers for the same month of the

1 preceding calendar year, rounded to the next lowest
2 multiple of \$10.

3 (d) DISPOSITION OF SPECIAL IMMIGRANT JUVENILE
4 FEES.—All of the fees collected pursuant to this section
5 shall be deposited into the general fund of the Treasury.

6 **SEC. 100006. TEMPORARY PROTECTED STATUS FEE.**

7 Section 244(c)(1)(B) of the Immigration and Nation-
8 ality Act (8 U.S.C. 1254a(c)(1)(B)) is amended—

9 (1) by striking “The Attorney General” and in-
10 serting the following:

11 “(i) IN GENERAL.—The Attorney
12 General”;

13 (2) in clause (i), as redesignated, by striking
14 “\$50” and inserting “\$500, subject to the adjust-
15 ments required under clause (ii)”;

16 (3) by adding at the end the following:

17 “(ii) ANNUAL ADJUSTMENTS FOR IN-
18 FLATION.—During fiscal year 2026, and
19 during each subsequent fiscal year, the
20 maximum amount of the fee authorized
21 under clause (i) shall be equal to the sum
22 of—

23 “(I) the maximum amount of the
24 fee authorized under this subpara-

1 graph for the most recently concluded
2 fiscal year; and

3 “(II) the product resulting from
4 the multiplication of the amount re-
5 ferred to in subclause (I) by the per-
6 centage (if any) by which the Con-
7 sumer Price Index for All Urban Con-
8 sumers for the month of July pre-
9 ceding the date on which such adjust-
10 ment takes effect exceeds the Con-
11 sumer Price Index for All Urban Con-
12 sumers for the same month of the
13 preceding calendar year, rounded to
14 the next lowest multiple of \$10.

15 “(iii) DISPOSITION OF TEMPORARY
16 PROTECTED STATUS FEES.—All of the fees
17 collected pursuant to this subparagraph
18 shall be deposited into the general fund of
19 the Treasury.

20 “(iv) NO FEE WAIVER.—Fees required
21 to be paid under this subparagraph shall
22 not be waived or reduced.”.

23 **SEC. 100007. VISA INTEGRITY FEE.**

24 (a) VISA INTEGRITY FEE.—

1 (1) IN GENERAL.—In addition to any other fee
2 authorized by law, the Secretary of Homeland Secu-
3 rity shall require the payment of a fee, equal to the
4 amount specified in this subsection, by any alien
5 issued a nonimmigrant visa at the time of such
6 issuance.

7 (2) INITIAL AMOUNT.—For fiscal year 2025,
8 the amount specified in this section shall be the
9 greater of—

10 (A) \$250; or

11 (B) such amount as the Secretary of
12 Homeland Security may establish, by rule.

13 (3) ANNUAL ADJUSTMENTS FOR INFLATION.—
14 During fiscal year 2026, and during each subse-
15 quent fiscal year, the amount specified in this sec-
16 tion shall be equal to the sum of—

17 (A) the amount of the fee required under
18 this subsection for the most recently concluded
19 fiscal year; and

20 (B) the product resulting from the mul-
21 tiplication of the amount referred to in sub-
22 paragraph (A) by the percentage (if any) by
23 which the Consumer Price Index for All Urban
24 Consumers for the month of July preceding the
25 date on which such adjustment takes effect ex-

1 ceeds the Consumer Price Index for All Urban
2 Consumers for the same month of the preceding
3 calendar year, rounded down to the nearest dol-
4 lar.

5 (4) DISPOSITION OF VISA INTEGRITY FEES.—

6 All of the fees collected pursuant to this section that
7 are not reimbursed pursuant to subsection (b) shall
8 be deposited into the general fund of the Treasury.

9 (5) NO FEE WAIVER.—Fees required to be paid
10 under this subsection shall not be waived or reduced.

11 (b) FEE REIMBURSEMENT.—The Secretary of Home-
12 land Security may provide a reimbursement to an alien
13 of the fee required under subsection (a) for the issuance
14 of a nonimmigrant visa after the expiration of such non-
15 immigrant visa's period of validity if such alien dem-
16 onstrates that he or she—

17 (1) after admission to the United States pursu-
18 ant to such nonimmigrant visa, complied with all
19 conditions of such nonimmigrant visa, including the
20 condition that an alien shall not accept unauthorized
21 employment; and

22 (2)(A) has not sought to extend his or her pe-
23 riod of admission during such period of validity and
24 departed the United States not later than 5 days
25 after the last day of such period; or

1 (B) during such period of validity, was granted
2 an extension of such nonimmigrant status or an ad-
3 justment to the status of a lawful permanent resi-
4 dent.

5 **SEC. 100008. FORM I-94 FEE.**

6 (a) FEE AUTHORIZED.—In addition to any other fee
7 authorized by law, the Secretary of Homeland Security
8 shall require the payment of a fee, equal to the amount
9 specified in subsection (b), by any alien who submits an
10 application for a Form I-94 Arrival/Departure Record.

11 (b) AMOUNT SPECIFIED.—

12 (1) INITIAL AMOUNT.—For fiscal year 2025,
13 the amount specified in this section shall be the
14 greater of—

15 (A) \$24; or

16 (B) such amount as the Secretary of
17 Homeland Security may establish, by rule.

18 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—
19 During fiscal year 2026, and during each subse-
20 quent fiscal year, the amount specified in this sec-
21 tion shall be equal to the sum of—

22 (A) the amount of the fee required under
23 this subsection for the most recently concluded
24 fiscal year; and

1 (B) the product resulting from the mul-
2 tiplication of the amount referred to in sub-
3 paragraph (A) by the percentage (if any) by
4 which the Consumer Price Index for All Urban
5 Consumers for the month of July preceding the
6 date on which such adjustment takes effect ex-
7 ceeds the Consumer Price Index for All Urban
8 Consumers for the same month of the preceding
9 calendar year, rounded down to the nearest dol-
10 lar.

11 (c) DISPOSITION OF FORM I-94 FEES.—During each
12 fiscal year—

13 (1) 20 percent of the fees collected pursuant to
14 this section—

15 (A) shall be deposited into the Land Bor-
16 der Inspection Fee Account in accordance with
17 section 286(q)(2) (8 U.S.C. 1356(q)(2)); and

18 (B) shall be made available to U.S. Cus-
19 toms and Border Protection to retain and
20 spend without further appropriation for the
21 purpose of processing Form I-94; and

22 (2) any amounts not deposited into the Land
23 Border Inspection Fee Account pursuant to para-
24 graph (1)(A) shall be deposited in the general fund
25 of the Treasury.

1 (d) NO FEE WAIVER.—Fees required to be paid
2 under this section shall not be waived or reduced.

3 **SEC. 100009. ANNUAL ASYLUM FEE.**

4 (a) FEE AUTHORIZED.—In addition to any other fee
5 authorized by law, for each calendar year that an alien’s
6 application for asylum remains pending, the Secretary of
7 Homeland Security or the Attorney General, as applicable,
8 shall require the payment of a fee, equal to the amount
9 specified in subsection (b), by such alien.

10 (b) AMOUNT SPECIFIED.—

11 (1) INITIAL AMOUNT.—For fiscal year 2025,
12 the amount specified in this section shall be the
13 greater of—

14 (A) \$100; or

15 (B) such amount as the Secretary of
16 Homeland Security may establish, by rule.

17 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—
18 During fiscal year 2026, and during each subse-
19 quent fiscal year, the amount specified in this sec-
20 tion shall be equal to the sum of—

21 (A) the amount of the fee required under
22 this subsection for the most recently concluded
23 fiscal year; and

24 (B) the product resulting from the mul-
25 tiplication of the amount referred to in sub-

1 paragraph (A) by the percentage (if any) by
2 which the Consumer Price Index for All Urban
3 Consumers for the month of July preceding the
4 date on which such adjustment takes effect ex-
5 ceeds the Consumer Price Index for All Urban
6 Consumers for the same month of the preceding
7 calendar year, rounded down to the nearest dol-
8 lar.

9 (c) DISPOSITION OF ANNUAL ASYLUM FEES.—All of
10 the fees collected pursuant to this section shall be depos-
11 ited into the general fund of the Treasury.

12 (d) NO FEE WAIVER.—Fees required to be paid
13 under this section shall not be waived or reduced.

14 **SEC. 100010. FEE RELATING TO RENEWAL AND EXTENSION**
15 **OF EMPLOYMENT AUTHORIZATION FOR PA-**
16 **ROLEES.**

17 (a) IN GENERAL.—In addition to any other fee au-
18 thorized by law, the Secretary of Homeland Security shall
19 require the payment of a fee, equal to the amount specified
20 in subsection (b), for any parolee who seeks a renewal or
21 extension of employment authorization based on a grant
22 of parole. The employment authorization for each alien pa-
23 roled into the United States, or any renewal or extension
24 of such parole, shall be valid for a period of 1 year or
25 for the duration of the alien's parole, whichever is shorter.

1 (b) AMOUNT SPECIFIED.—

2 (1) INITIAL AMOUNT.—For fiscal year 2025,
3 the amount specified in this subsection shall be the
4 greater of—

5 (A) \$275; or

6 (B) such amount as the Secretary of
7 Homeland Security may establish, by rule.

8 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—
9 During fiscal year 2026, and during each subse-
10 quent fiscal year, the amount specified in this sec-
11 tion shall be equal to the sum of—

12 (A) the amount of the fee required under
13 this subsection for the most recently concluded
14 fiscal year; and

15 (B) the product resulting from the mul-
16 tiplication of the amount referred to in sub-
17 paragraph (A) by the percentage (if any) by
18 which the Consumer Price Index for All Urban
19 Consumers for the month of July preceding the
20 date on which such adjustment takes effect ex-
21 ceeds the Consumer Price Index for All Urban
22 Consumers for the same month of the preceding
23 calendar year, rounded to the next lowest mul-
24 tiple of \$10.

1 (c) DISPOSITION OF FEES RELATING TO RENEWAL
2 AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR
3 PAROLEES.—During each fiscal year—

4 (1) 25 percent of the fees collected pursuant to
5 this section—

6 (A) shall be credited to U.S. Citizenship
7 and Immigration Services;

8 (B) shall be deposited into the Immigra-
9 tion Examinations Fee Account established
10 under section 286(m) (8 U.S.C. 1356(m)); and

11 (C) may be retained and expended by U.S.
12 Citizenship and Immigration Services without
13 further appropriation; and

14 (2) any amounts collected pursuant to this sec-
15 tion that are not credited to U.S. Citizenship and
16 Immigration Services pursuant to subparagraph (A)
17 shall be deposited into the general fund of the
18 Treasury.

19 (d) NO FEE WAIVER.—Fees required to be paid
20 under this section shall not be waived or reduced.

21 **SEC. 100011. FEE RELATING TO RENEWAL OR EXTENSION**
22 **OF EMPLOYMENT AUTHORIZATION FOR ASY-**
23 **LUM APPLICANTS.**

24 (a) IN GENERAL.—In addition to any other fee au-
25 thorized by law, the Secretary of Homeland Security shall

1 require the payment of a fee of not less than \$275 by
2 any alien who has applied for asylum for each renewal or
3 extension of employment authorization based on such ap-
4 plication.

5 (b) TERMINATION.—Each initial employment author-
6 ization, or renewal or extension of such authorization,
7 shall terminate—

8 (1) immediately following the denial of an asy-
9 lum application by an asylum officer, unless the case
10 is referred to an immigration judge;

11 (2) on the date that is 30 days after the date
12 on which an immigration judge denies an asylum ap-
13 plication, unless the alien makes a timely appeal to
14 the Board of Immigration Appeals; or

15 (3) immediately following the denial by the
16 Board of Immigration Appeals of an appeal of a de-
17 nial of an asylum application.

18 (c) DISPOSITION OF FEES RELATING TO RENEWAL
19 AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR
20 ASYLUM APPLICANTS.—During each fiscal year—

21 (1) 25 percent of the fees collected pursuant to
22 this section—

23 (A) shall be credited to U.S. Citizenship
24 and Immigration Services;

1 (B) shall be deposited into the Immigra-
2 tion Examinations Fee Account established
3 under section 286(m) (8 U.S.C. 1356(m)); and

4 (C) may be retained and expended by U.S.
5 Citizenship and Immigration Services without
6 further appropriation; and

7 (2) any amounts collected pursuant to this sec-
8 tion that are not credited to U.S. Citizenship and
9 Immigration Services pursuant to subparagraph (A)
10 shall be deposited into the general fund of the
11 Treasury.

12 (d) NO FEE WAIVER.—Fees required to be paid
13 under this section shall not be waived or reduced.

14 **SEC. 100012. FEE RELATING TO RENEWAL AND EXTENSION**
15 **OF EMPLOYMENT AUTHORIZATION FOR**
16 **ALIENS GRANTED TEMPORARY PROTECTED**
17 **STATUS.**

18 (a) IN GENERAL.—In addition to any other fee au-
19 thorized by law, the Secretary of Homeland Security shall
20 require the payment of a fee, equal to the amount specified
21 in subsection (b), by any alien at the time such alien seeks
22 a renewal or extension of employment authorization based
23 on a grant of temporary protected status. Any employment
24 authorization for an alien granted temporary protected
25 status, or any renewal or extension of such employment

1 authorization, shall be valid for a period of 1 year or for
2 the duration of the designation of temporary protected
3 status, whichever is shorter.

4 (b) AMOUNT SPECIFIED.—

5 (1) INITIAL AMOUNT.—For fiscal year 2025,
6 the amount specified in this subsection shall be the
7 greater of—

8 (A) \$275; or

9 (B) such amount as the Secretary of
10 Homeland Security may establish, by rule.

11 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—
12 During fiscal year 2026, and during each subse-
13 quent fiscal year, the amount specified in this sec-
14 tion shall be equal to the sum of—

15 (A) the amount of the fee required under
16 this subsection for the most recently concluded
17 fiscal year; and

18 (B) the product resulting from the mul-
19 tiplication of the amount referred to in sub-
20 paragraph (A) by the percentage (if any) by
21 which the Consumer Price Index for All Urban
22 Consumers for the month of July preceding the
23 date on which such adjustment takes effect ex-
24 ceeds the Consumer Price Index for All Urban
25 Consumers for the same month of the preceding

1 calendar year, rounded to the next lowest mul-
2 tiple of \$10.

3 (c) DISPOSITION OF FEES RELATING TO RENEWAL
4 AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR
5 TEMPORARY PROTECTED STATUS APPLICANTS.—During
6 each fiscal year—

7 (1) 25 percent of the fees collected pursuant to
8 this section—

9 (A) shall be credited to U.S. Citizenship
10 and Immigration Services;

11 (B) shall be deposited into the Immigra-
12 tion Examinations Fee Account established
13 under section 286(m) (8 U.S.C. 1356(m)); and

14 (C) may be retained and expended by U.S.
15 Citizenship and Immigration Services without
16 further appropriation; and

17 (2) any amounts collected pursuant to this sec-
18 tion that are not credited to U.S. Citizenship and
19 Immigration Services pursuant to subparagraph (A)
20 shall be deposited into the general fund of the
21 Treasury.

22 (d) NO FEE WAIVER.—Fees required to be paid
23 under this section shall not be waived or reduced.

1 **SEC. 100013. FEES RELATING TO APPLICATIONS FOR AD-**
2 **JUSTMENT OF STATUS.**

3 (a) FEE FOR FILING AN APPLICATION TO ADJUST
4 STATUS TO THAT OF A LAWFUL PERMANENT RESI-
5 DENT.—

6 (1) IN GENERAL.—In addition to any other fees
7 authorized by law, the Attorney General shall re-
8 quire the payment of a fee, equal to the amount
9 specified in paragraph (2), by any alien who files an
10 application with an immigration court to adjust the
11 alien's status to that of a lawful permanent resident,
12 or whose application to adjust his or her status to
13 that of a lawful permanent resident is adjudicated in
14 immigration court. Such fee shall be paid at the
15 time such application is filed or before such applica-
16 tion is adjudicated by the immigration court.

17 (2) AMOUNT SPECIFIED.—

18 (A) INITIAL AMOUNT.—For fiscal year
19 2025, the amount specified in this paragraph
20 shall be the greater of—

21 (i) \$1,500; or

22 (ii) such amount as the Attorney Gen-
23 eral may establish, by rule.

24 (B) ANNUAL ADJUSTMENTS FOR INFLA-
25 TION.—During fiscal year 2026, and during
26 each subsequent fiscal year, the amount speci-

1 fied in this paragraph shall be equal to the sum
2 of—

3 (i) the amount of the fee required
4 under this subsection for the most recently
5 concluded fiscal year; and

6 (ii) the product resulting from the
7 multiplication of the amount referred to in
8 clause (i) by the percentage (if any) by
9 which the Consumer Price Index for All
10 Urban Consumers for the month of July
11 preceding the date on which such adjust-
12 ment takes effect exceeds the Consumer
13 Price Index for All Urban Consumers for
14 the same month of the preceding calendar
15 year, rounded to the next lowest multiple
16 of \$10.

17 (3) DISPOSITION OF ADJUSTMENT OF STATUS
18 APPLICATION FEES.—During each fiscal year—

19 (A) not more than 25 percent of the fees
20 collected pursuant to this subsection—

21 (i) shall be derived by transfer from
22 the Immigration Examinations Fee Ac-
23 count established under section 286(m) (8
24 U.S.C. 1356(m)); and

1 (ii) shall be credited to the Executive
2 Office for Immigration Review to retain
3 and spend without further appropriation;
4 and

5 (B) any amounts not derived by transfer
6 and credited pursuant to subparagraph (A)
7 shall be deposited into the general fund of the
8 Treasury.

9 (b) FEE FOR FILING APPLICATION FOR WAIVER OF
10 GROUNDS OF INADMISSIBILITY.—

11 (1) IN GENERAL.—In addition to any other fees
12 authorized by law, the Attorney General shall re-
13 quire the payment of a fee, equal to the amount
14 specified in paragraph (2), by any alien at the time
15 such alien files an application with an immigration
16 court for a waiver of a ground of inadmissibility, or
17 before such application is adjudicated by the immi-
18 gration court.

19 (2) AMOUNT SPECIFIED.—

20 (A) INITIAL AMOUNT.—For fiscal year
21 2025, the amount specified in this paragraph
22 shall be the greater of—

23 (i) \$1,050; or

24 (ii) such amount as the Attorney Gen-
25 eral may establish, by rule.

1 (B) ANNUAL ADJUSTMENTS FOR INFLA-
2 TION.—During fiscal year 2026, and during
3 each subsequent fiscal year, the amount speci-
4 fied in this paragraph shall be equal to the sum
5 of—

6 (i) the amount of the fee required
7 under this subsection for the most recently
8 concluded fiscal year; and

9 (ii) the product resulting from the
10 multiplication of the amount referred to in
11 clause (i) by the percentage (if any) by
12 which the Consumer Price Index for All
13 Urban Consumers for the month of July
14 preceding the date on which such adjust-
15 ment takes effect exceeds the Consumer
16 Price Index for All Urban Consumers for
17 the same month of the preceding calendar
18 year, rounded to the next lowest multiple
19 of \$10.

20 (3) DISPOSITION OF WAIVER OF GROUND OF
21 ADMISSIBILITY APPLICATION FEES.—During each
22 fiscal year—

23 (A) not more than 25 percent of the fees
24 collected pursuant to this subsection—

1 (i) shall be derived by transfer from
2 the Immigration Examinations Fee Ac-
3 count established under section 286(m) (8
4 U.S.C. 1356(m)); and

5 (ii) shall be credited to the Executive
6 Office for Immigration Review to retain
7 and spend without further appropriation;
8 and

9 (B) any amounts not derived by transfer
10 and credited pursuant to subparagraph (A)
11 shall be deposited into the general fund of the
12 Treasury.

13 (c) FEE FOR FILING AN APPLICATION FOR TEM-
14 PORARY PROTECTED STATUS.—

15 (1) IN GENERAL.—In addition to any other fees
16 authorized by law, the Attorney General shall re-
17 quire the payment of a fee, equal to the amount
18 specified in paragraph (2), by any alien at the time
19 such alien files an application with an immigration
20 court for temporary protected status, or before such
21 application is adjudicated by the immigration court.

22 (2) AMOUNT SPECIFIED.—

23 (A) INITIAL AMOUNT.—For fiscal year
24 2025, the amount specified in this paragraph
25 shall be the greater of—

1 (i) \$500; or

2 (ii) such amount as the Attorney Gen-
3 eral may establish, by rule.

4 (B) ANNUAL ADJUSTMENTS FOR INFLA-
5 TION.—During fiscal year 2026, and during
6 each subsequent fiscal year, the amount speci-
7 fied in this paragraph shall be equal to the sum
8 of—

9 (i) the amount of the fee required
10 under this subsection for the most recently
11 concluded fiscal year; and

12 (ii) the product resulting from the
13 multiplication of the amount referred to in
14 clause (i) by the percentage (if any) by
15 which the Consumer Price Index for All
16 Urban Consumers for the month of July
17 preceding the date on which such adjust-
18 ment takes effect exceeds the Consumer
19 Price Index for All Urban Consumers for
20 the same month of the preceding calendar
21 year, rounded to the next lowest multiple
22 of \$10.

23 (3) DISPOSITION OF TEMPORARY PROTECTED
24 STATUS APPLICATION FEES.—During each fiscal
25 year—

1 (A) not more than 25 percent of the fees
2 collected pursuant to this subsection—

3 (i) shall be derived by transfer from
4 the Immigration Examinations Fee Ac-
5 count established under section 286(m) (8
6 U.S.C. 1356(m)); and

7 (ii) shall be credited to the Executive
8 Office for Immigration Review to retain
9 and spend without further appropriation;
10 and

11 (B) any amounts not derived by transfer
12 and credited pursuant to subparagraph (A)
13 shall be deposited into the general fund of the
14 Treasury.

15 (d) FEE FOR FILING AN APPEAL OF A DECISION OF
16 AN IMMIGRATION JUDGE.—

17 (1) IN GENERAL.—Except as provided in para-
18 graph (3), the Attorney General shall require, in ad-
19 dition to any other fees authorized by law, the pay-
20 ment of a fee, equal to the amount specified in para-
21 graph (2), by any alien at the time such alien files
22 an appeal from a decision of an immigration judge.

23 (2) AMOUNT SPECIFIED.—

1 (A) INITIAL AMOUNT.—For fiscal year
2 2025, the amount specified in this paragraph
3 shall be the greater of—

4 (i) \$900; or

5 (ii) such amount as the Attorney Gen-
6 eral may establish, by rule.

7 (B) ANNUAL ADJUSTMENTS FOR INFLA-
8 TION.—During fiscal year 2026, and during
9 each subsequent fiscal year, the amount speci-
10 fied in this paragraph shall be equal to the sum
11 of—

12 (i) the amount of the fee required
13 under this subsection for the most recently
14 concluded fiscal year; and

15 (ii) the product resulting from the
16 multiplication of the amount referred to in
17 clause (i) by the percentage (if any) by
18 which the Consumer Price Index for All
19 Urban Consumers for the month of July
20 preceding the date on which such adjust-
21 ment takes effect exceeds the Consumer
22 Price Index for All Urban Consumers for
23 the same month of the preceding calendar
24 year, rounded to the next lowest multiple
25 of \$10.

1 (3) EXCEPTION.—The fee required under para-
2 graph (1) shall not apply to the appeal of a bond de-
3 cision.

4 (4) DISPOSITION OF FEES FOR APPEALING IM-
5 MIGRATION JUDGE DECISIONS.—During each fiscal
6 year—

7 (A) not more than 25 percent of the fees
8 collected pursuant to this subsection—

9 (i) shall be derived by transfer from
10 the Immigration Examinations Fee Ac-
11 count established under section 286(m) (8
12 U.S.C. 1356(m)); and

13 (ii) shall be credited to the Executive
14 Office for Immigration Review to retain
15 and spend without further appropriation;
16 and

17 (B) any amounts not derived by transfer
18 and credited pursuant to subparagraph (A)
19 shall be deposited into the general fund of the
20 Treasury.

21 (e) FEE FOR FILING AN APPEAL FROM A DECISION
22 OF AN OFFICER OF THE DEPARTMENT OF HOMELAND
23 SECURITY.—

24 (1) IN GENERAL.—In addition to any other fees
25 authorized by law, the Attorney General shall re-

1 quire the payment of a fee, equal to the amount
2 specified in paragraph (2), by any alien at the time
3 such alien files an appeal of a decision of an officer
4 of the Department of Homeland Security.

5 (2) AMOUNT SPECIFIED.—

6 (A) INITIAL AMOUNT.—For fiscal year
7 2025, the amount specified in this paragraph
8 shall be the greater of—

9 (i) \$900; or

10 (ii) such amount as the Attorney Gen-
11 eral may establish, by rule.

12 (B) ANNUAL ADJUSTMENTS FOR INFLA-
13 TION.—During fiscal year 2026, and during
14 each subsequent fiscal year, the amount speci-
15 fied in this paragraph shall be equal to the sum
16 of—

17 (i) the amount of the fee required
18 under this subsection for the most recently
19 concluded fiscal year; and

20 (ii) the product resulting from the
21 multiplication of the amount referred to in
22 clause (i) by the percentage (if any) by
23 which the Consumer Price Index for All
24 Urban Consumers for the month of July
25 preceding the date on which such adjust-

1 ment takes effect exceeds the Consumer
2 Price Index for All Urban Consumers for
3 the same month of the preceding calendar
4 year, rounded to the next lowest multiple
5 of \$10.

6 (3) DISPOSITION OF FEES FOR APPEALING DE-
7 PARTMENT OF HOMELAND SECURITY OFFICER DECI-
8 SIONS.—During each fiscal year—

9 (A) not more than 25 percent of the fees
10 collected pursuant to this subsection—

11 (i) shall be derived by transfer from
12 the Immigration Examinations Fee Ac-
13 count established under section 286(m) (8
14 U.S.C. 1356(m)); and

15 (ii) shall be credited to the Executive
16 Office for Immigration Review to retain
17 and spend without further appropriation;
18 and

19 (B) any amounts not derived by transfer
20 and credited pursuant to subparagraph (A)
21 shall be deposited into the general fund of the
22 Treasury.

23 (f) FEE FOR FILING AN APPEAL FROM A DECISION
24 OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DIS-
25 CIPLINARY CASE.—

1 (1) IN GENERAL.—In addition to any other fees
2 authorized by law, the Attorney General shall re-
3 quire the payment of a fee, equal to the amount
4 specified in paragraph (2), by any practitioner at the
5 time such practitioner files an appeal from a deci-
6 sion of an adjudicating official in a practitioner dis-
7 ciplinary case.

8 (2) AMOUNT SPECIFIED.—

9 (A) INITIAL AMOUNT.—For fiscal year
10 2025, the amount specified in this paragraph
11 shall be the greater of—

12 (i) \$1,325; or

13 (ii) such amount as the Attorney Gen-
14 eral may establish, by rule.

15 (B) ANNUAL ADJUSTMENTS FOR INFLA-
16 TION.—During fiscal year 2026, and during
17 each subsequent fiscal year, the amount speci-
18 fied in this paragraph shall be equal to the sum
19 of—

20 (i) the amount of the fee required
21 under this subsection for the most recently
22 concluded fiscal year; and

23 (ii) the product resulting from the
24 multiplication of the amount referred to in
25 clause (i) by the percentage (if any) by

1 which the Consumer Price Index for All
2 Urban Consumers for the month of July
3 preceding the date on which such adjust-
4 ment takes effect exceeds the Consumer
5 Price Index for All Urban Consumers for
6 the same month of the preceding calendar
7 year, rounded to the next lowest multiple
8 of \$10.

9 (3) DISPOSITION OF FEES FOR APPEALING DE-
10 PARTMENT OF HOMELAND SECURITY OFFICER DECI-
11 SIONS.—During each fiscal year—

12 (A) not more than 25 percent of the fees
13 collected pursuant to this subsection—

14 (i) shall be derived by transfer from
15 the Immigration Examinations Fee Ac-
16 count established under section 286(m) (8
17 U.S.C. 1356(m)); and

18 (ii) shall be credited to the Executive
19 Office for Immigration Review to retain
20 and spend without further appropriation;
21 and

22 (B) any amounts not derived by transfer
23 and credited pursuant to subparagraph (A)
24 shall be deposited into the general fund of the
25 Treasury.

1 (g) FEE FOR FILING A MOTION TO REOPEN OR A
2 MOTION TO RECONSIDER.—

3 (1) IN GENERAL.—Except as provided in para-
4 graph (3), in addition to any other fees authorized
5 by law, the Attorney General shall require the pay-
6 ment of a fee, equal to the amount specified in para-
7 graph (2), by any alien at the time such alien files
8 a motion to reopen or motion to reconsider a deci-
9 sion of an immigration judge or the Board of Immi-
10 gration Appeals.

11 (2) AMOUNT SPECIFIED.—

12 (A) INITIAL AMOUNT.—For fiscal year
13 2025, the amount specified in this paragraph
14 shall be the greater of—

15 (i) \$900; or

16 (ii) such amount as the Attorney Gen-
17 eral may establish, by rule.

18 (B) ANNUAL ADJUSTMENTS FOR INFLA-
19 TION.—During fiscal year 2026, and during
20 each subsequent fiscal year, the amount speci-
21 fied in this paragraph shall be equal to the sum
22 of—

23 (i) the amount of the fee required
24 under this subsection for the most recently
25 concluded fiscal year; and

1 (ii) the product resulting from the
2 multiplication of the amount referred to in
3 clause (i) by the percentage (if any) by
4 which the Consumer Price Index for All
5 Urban Consumers for the month of July
6 preceding the date on which such adjust-
7 ment takes effect exceeds the Consumer
8 Price Index for All Urban Consumers for
9 the same month of the preceding calendar
10 year, rounded to the next lowest multiple
11 of \$10.

12 (3) EXCEPTIONS.—The fee required under
13 paragraph (1) shall not apply to—

14 (A) a motion to reopen a removal order en-
15 tered in absentia if such motion is filed in ac-
16 cordance with section 240(b)(5)(C)(ii) (8
17 U.S.C. 1229a(b)(5)(C)(ii)); or

18 (B) a motion to reopen a deportation order
19 entered in absentia if such motion is filed in ac-
20 cordance with section 242B(c)(3)(B) prior to
21 April 1, 1997.

22 (4) DISPOSITION OF FEES FOR FILING CERTAIN
23 MOTIONS.—During each fiscal year—

24 (A) not more than 25 percent of the fees
25 collected pursuant to this subsection—

1 (i) shall be derived by transfer from
2 the Immigration Examinations Fee Ac-
3 count established under section 286(m) (8
4 U.S.C. 1356(m)); and

5 (ii) shall be credited to the Executive
6 Office for Immigration Review to retain
7 and spend without further appropriation;
8 and

9 (B) any amounts not derived by transfer
10 and credited pursuant to subparagraph (A)
11 shall be deposited into the general fund of the
12 Treasury.

13 (h) FEE FOR FILING APPLICATION FOR SUSPENSION
14 OF DEPORTATION.—

15 (1) IN GENERAL.—In addition to any other fees
16 authorized by law, the Attorney General shall re-
17 quire the payment of a fee, equal to the amount
18 specified in paragraph (2), by any alien at the time
19 such alien files an application with an immigration
20 court for suspension of deportation.

21 (2) AMOUNT SPECIFIED.—

22 (A) INITIAL AMOUNT.—For fiscal year
23 2025, the amount specified in this paragraph
24 shall be the greater of—

25 (i) \$600; or

1 (ii) such amount as the Attorney Gen-
2 eral may establish, by rule.

3 (B) ANNUAL ADJUSTMENTS FOR INFLA-
4 TION.—During fiscal year 2026, and during
5 each subsequent fiscal year, the amount speci-
6 fied in this paragraph shall be equal to the sum
7 of—

8 (i) the amount of the fee required
9 under this subsection for the most recently
10 concluded fiscal year; and

11 (ii) the product resulting from the
12 multiplication of the amount referred to in
13 clause (i) by the percentage (if any) by
14 which the Consumer Price Index for All
15 Urban Consumers for the month of July
16 preceding the date on which such adjust-
17 ment takes effect exceeds the Consumer
18 Price Index for All Urban Consumers for
19 the same month of the preceding calendar
20 year, rounded to the next lowest multiple
21 of \$10.

22 (3) DISPOSITION OF FEES FOR FILING APPLI-
23 CATION FOR SUSPENSION OF DEPORTATION.—Dur-
24 ing each fiscal year—

1 (A) not more than 25 percent of the fees
2 collected pursuant to this subsection—

3 (i) shall be derived by transfer from
4 the Immigration Examinations Fee Ac-
5 count established under section 286(m) (8
6 U.S.C. 1356(m)); and

7 (ii) shall be credited to the Executive
8 Office for Immigration Review to retain
9 and spend without further appropriation;
10 and

11 (B) any amounts not derived by transfer
12 and credited pursuant to subparagraph (A)
13 shall be deposited into the general fund of the
14 Treasury.

15 (i) FEE FOR FILING APPLICATION FOR CANCELLA-
16 TION OF REMOVAL FOR CERTAIN PERMANENT RESI-
17 DENTS.—

18 (1) IN GENERAL.—In addition to any other fees
19 authorized by law, the Attorney General shall re-
20 quire the payment of a fee, equal to the amount
21 specified in paragraph (2), by any alien at the time
22 such alien files an application with an immigration
23 court an application for cancellation of removal for
24 an alien who is a lawful permanent resident.

25 (2) AMOUNT SPECIFIED.—

1 (A) INITIAL AMOUNT.—For fiscal year
2 2025, the amount specified in this paragraph
3 shall be the greater of—

4 (i) \$600; or

5 (ii) such amount as the Attorney Gen-
6 eral may establish, by rule.

7 (B) ANNUAL ADJUSTMENTS FOR INFLA-
8 TION.—During fiscal year 2026, and during
9 each subsequent fiscal year, the amount speci-
10 fied in this paragraph shall be equal to the sum
11 of—

12 (i) the amount of the fee required
13 under this subsection for the most recently
14 concluded fiscal year; and

15 (ii) the product resulting from the
16 multiplication of the amount referred to in
17 clause (i) by the percentage (if any) by
18 which the Consumer Price Index for All
19 Urban Consumers for the month of July
20 preceding the date on which such adjust-
21 ment takes effect exceeds the Consumer
22 Price Index for All Urban Consumers for
23 the same month of the preceding calendar
24 year, rounded to the next lowest multiple
25 of \$10.

1 (3) DISPOSITION OF FEES FOR FILING APPLI-
2 CATION FOR CANCELLATION OF REMOVAL.—During
3 each fiscal year—

4 (A) not more than 25 percent of the fees
5 collected pursuant to this subsection—

6 (i) shall be derived by transfer from
7 the Immigration Examinations Fee Ac-
8 count established under section 286(m) (8
9 U.S.C. 1356(m)); and

10 (ii) shall be credited to the Executive
11 Office for Immigration Review to retain
12 and spend without further appropriation;
13 and

14 (B) any amounts not derived by transfer
15 and credited pursuant to subparagraph (A)
16 shall be deposited into the general fund of the
17 Treasury.

18 (j) FEE FOR FILING AN APPLICATION FOR CAN-
19 CELLATION OF REMOVAL AND ADJUSTMENT OF STATUS
20 FOR CERTAIN NONPERMANENT RESIDENTS.—

21 (1) IN GENERAL.—In addition to any other fees
22 authorized by law, the Attorney General shall re-
23 quire the payment of a fee, equal to the amount
24 specified in paragraph (2), by any alien who is not
25 a lawful permanent resident at the time such alien

1 files an application with an immigration court for
2 cancellation of removal and adjustment of status for
3 any alien.

4 (2) AMOUNT SPECIFIED.—

5 (A) INITIAL AMOUNT.—For fiscal year
6 2025, the amount specified in this paragraph
7 shall be the greater of—

8 (i) \$1,500; or

9 (ii) such amount as the Attorney Gen-
10 eral may establish, by rule.

11 (B) ANNUAL ADJUSTMENTS FOR INFLA-
12 TION.—During fiscal year 2026, and during
13 each subsequent fiscal year, the amount speci-
14 fied in this paragraph shall be equal to the sum
15 of—

16 (i) the amount of the fee required
17 under this subsection for the most recently
18 concluded fiscal year; and

19 (ii) the product resulting from the
20 multiplication of the amount referred to in
21 clause (i) by the percentage (if any) by
22 which the Consumer Price Index for All
23 Urban Consumers for the month of July
24 preceding the date on which such adjust-
25 ment takes effect exceeds the Consumer

1 Price Index for All Urban Consumers for
2 the same month of the preceding calendar
3 year, rounded to the next lowest multiple
4 of \$10.

5 (3) DISPOSITION OF FEES FOR FILING APPLI-
6 CATION FOR CANCELLATION OF REMOVAL.—During
7 each fiscal year—

8 (A) not more than 25 percent of the fees
9 collected pursuant to this subsection—

10 (i) shall be derived by transfer from
11 the Immigration Examinations Fee Ac-
12 count established under section 286(m) (8
13 U.S.C. 1356(m)); and

14 (ii) shall be credited to the Executive
15 Office for Immigration Review to retain
16 and spend without further appropriation;
17 and

18 (B) any amounts not derived by transfer
19 and credited pursuant to subparagraph (A)
20 shall be deposited into the general fund of the
21 Treasury.

22 (k) LIMITATION ON USE OF FUNDS.—No fees col-
23 lected pursuant to this section may be expended by the
24 Executive Office for Immigration Review for the Legal
25 Orientation Program, or for any successor program.

1 **SEC. 100014. ELECTRONIC SYSTEM FOR TRAVEL AUTHOR-**
2 **IZATION FEE.**

3 Section 217(h)(3)(B) (8 U.S.C. 1187(h)(3)(B)) is
4 amended—

5 (1) in clause (i)—

6 (A) in subclause (I), by striking “and” at
7 the end;

8 (B) in subclause (II)—

9 (i) by inserting “of not less than \$10”
10 after “an amount”; and

11 (ii) by striking the period at the end
12 and inserting “; and”; and

13 (C) by adding at the end the following:

14 “(III) not less than \$13 per trav-
15 el authorization.”;

16 (2) in clause (iii), by striking “October 31,
17 2028” and inserting “October 31, 2034”; and

18 (3) by adding at the end the following:

19 “(iv) SUBSEQUENT ADJUSTMENT.—

20 During fiscal year 2026 and each subse-
21 quent fiscal year, the amount specified in
22 clause (i)(II) for a fiscal year shall be
23 equal to the sum of—

24 “(I) the amount of the fee re-
25 quired under this subparagraph dur-

1 ing the most recently concluded fiscal
2 year; and

3 “(II) the product of the amount
4 referred to in subclause (I) multiplied
5 by the percentage (if any) by which
6 the Consumer Price Index for All
7 Urban Consumers for the month of
8 July preceding the date on which such
9 adjustment takes effect exceeds the
10 Consumer Price Index for All Urban
11 Consumers for the same month of the
12 preceding calendar year.”.

13 **SEC. 100015. ELECTRONIC VISA UPDATE SYSTEM FEE.**

14 (a) IN GENERAL.—In addition to any other fee au-
15 thorized by law, the Secretary of Homeland Security shall
16 require the payment of a fee, in the amount specified in
17 subsection (b), by any alien subject to the Electronic Visa
18 Update System at the time of such alien’s enrollment in
19 such system.

20 (b) AMOUNT SPECIFIED.—

21 (1) IN GENERAL.—For fiscal year 2025, the
22 amount specified in this subsection shall be the
23 greater of—

24 (A) \$30; or

1 (B) such amount as the Secretary of
2 Homeland Security may establish, by rule.

3 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—

4 During fiscal year 2026 and each subsequent fiscal
5 year, the amount specified in this subsection shall be
6 equal to the sum of—

7 (A) the amount of the fee required under
8 this subsection during the most recently con-
9 cluded fiscal year; and

10 (B) the product resulting from the mul-
11 tiplication of the amount referred to in sub-
12 paragraph (A) by the percentage (if any) by
13 which the Consumer Price Index for All Urban
14 Consumers for the month of July preceding the
15 date on which such adjustment takes effect ex-
16 ceeds the Consumer Price Index for All Urban
17 Consumers for the same month of the preceding
18 calendar year, rounded to the next lowest mul-
19 tiple of \$0.25.

20 (c) DISPOSITION OF ELECTRONIC VISA UPDATE SYS-
21 TEM FEES.—

22 (1) IN GENERAL.—Section 286 (8 U.S.C. 1356)
23 is amended by adding at the end the following:

24 “(w) CBP ELECTRONIC VISA UPDATE SYSTEM AC-
25 COUNT.—

1 “(1) ESTABLISHMENT.—There is established in
2 the general fund of the Treasury a separate account,
3 which shall be known as the ‘CBP Electronic Visa
4 Update System Account’ (referred to in this sub-
5 section as the ‘Account’).

6 “(2) DEPOSITS.—There shall be deposited into
7 the Account an amount equal to the difference be-
8 tween—

9 “(A) all of the fees received pursuant to
10 section 100015 of the Act entitled ‘An Act to
11 provide for reconciliation pursuant to title II of
12 H. Con. Res. 14’ (119th Congress); and

13 “(B) an amount equal to \$5 multiplied by
14 the number of payments collected pursuant to
15 such section.

16 “(3) APPROPRIATION.—Amounts deposited in
17 the Account—

18 “(A) are hereby appropriated to make pay-
19 ments and offset program costs in accordance
20 with section 100015 of the Act entitled ‘An Act
21 to provide for reconciliation pursuant to title II
22 of H. Con. Res. 14’ (119th Congress), without
23 further appropriation; and

24 “(B) shall remain available until expended
25 for any U.S. Customs and Border Protection

1 costs associated with administering the CBP
2 Electronic Visa Update System.”.

3 (2) REMAINING FEES.—Of the fees collected
4 pursuant to this section, an amount equal to \$5
5 multiplied by the number of payments collected pur-
6 suant to this section shall be deposited to the gen-
7 eral fund of the Treasury.

8 (d) NO FEE WAIVER.—Fees required to be paid
9 under this section shall not be waived or reduced.

10 **SEC. 100016. FEE FOR ALIENS ORDERED REMOVED IN**
11 **ABSENTIA.**

12 (a) IN GENERAL.—As partial reimbursement for the
13 cost of arresting an alien described in this section, the Sec-
14 retary of Homeland Security, except as provided in sub-
15 section (c), shall require the payment of a fee, equal to
16 the amount specified in subsection (b) on any alien who—

17 (1) is ordered removed in absentia pursuant to
18 section 240(b)(5) (8 U.S.C. 1229a(b)(5)); and

19 (2) is subsequently arrested by U.S. Immigra-
20 tion and Customs Enforcement.

21 (b) AMOUNT SPECIFIED.—

22 (1) INITIAL AMOUNT.—For fiscal year 2025,
23 the amount specified in this section shall be the
24 greater of—

25 (A) \$5,000; or

1 (B) such amount as the Secretary of
2 Homeland Security may establish, by rule.

3 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—

4 During fiscal year 2026, and during each subse-
5 quent fiscal year, the amount specified in this sec-
6 tion shall be equal to the sum of—

7 (A) the amount of the fee required under
8 this subsection for the most recently concluded
9 fiscal year; and

10 (B) the product resulting from the mul-
11 tiplication of the amount referred to in sub-
12 paragraph (A) by the percentage (if any) by
13 which the Consumer Price Index for All Urban
14 Consumers for the month of July preceding the
15 date on which such adjustment takes effect ex-
16 ceeds the Consumer Price Index for All Urban
17 Consumers for the same month of the preceding
18 calendar year, rounded to the next lowest mul-
19 tiple of \$10.

20 (c) EXCEPTION.—The fee described in this section
21 shall not apply to any alien who was ordered removed in
22 absentia if such order was rescinded pursuant to section
23 240(b)(5)(C) (8 U.S.C. 1229a(b)(5)(C)).

24 (d) DISPOSITION OF REMOVAL IN ABSENTIA FEES.—
25 During each fiscal year—

1 (1) 50 percent of the fees collected pursuant to
2 this section—

3 (A) shall be credited to U.S. Immigration
4 and Customs Enforcement;

5 (B) shall be deposited into the Detention
6 and Removal Office Fee Account; and

7 (C) may be retained and expended by U.S.
8 Immigration and Customs Enforcement without
9 further appropriation; and

10 (2) any amounts collected pursuant to this sec-
11 tion that are not credited to U.S. Immigration and
12 Customs Enforcement pursuant to paragraph (1)
13 shall be deposited into the general fund of the
14 Treasury.

15 (e) NO FEE WAIVER.—Fees required to be paid
16 under this section shall not be waived or reduced.

17 **SEC. 100017. INADMISSIBLE ALIEN APPREHENSION FEE.**

18 (a) IN GENERAL.—In addition to any other fee au-
19 thorized by law, the Secretary of Homeland Security shall
20 require the payment of a fee, equal to the amount specified
21 in subsection (b), by any inadmissible alien at the time
22 such alien is apprehended between ports of entry.

23 (b) AMOUNT SPECIFIED.—

1 (1) INITIAL AMOUNT.—For fiscal year 2025,
2 the amount specified in this section shall be the
3 greater of—

4 (A) \$5,000; or

5 (B) such amount as the Secretary of
6 Homeland Security may establish, by rule.

7 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—
8 During fiscal year 2026, and during each subse-
9 quent fiscal year, the amount specified in this sec-
10 tion shall be equal to the sum of—

11 (A) the amount of the fee required under
12 this subsection for the most recently concluded
13 fiscal year; and

14 (B) the product resulting from the mul-
15 tiplication of the amount referred to in sub-
16 paragraph (A) by the percentage (if any) by
17 which the Consumer Price Index for All Urban
18 Consumers for the month of July preceding the
19 date on which such adjustment takes effect ex-
20 ceeds the Consumer Price Index for All Urban
21 Consumers for the same month of the preceding
22 calendar year, rounded to the next lowest mul-
23 tiple of \$10.

24 (c) DISPOSITION OF INADMISSIBLE ALIEN APPRE-
25 HENSION FEES.—During each fiscal year—

1 (1) 50 percent of the fees collected pursuant to
2 this section—

3 (A) shall be credited to U.S. Immigration
4 and Customs Enforcement;

5 (B) shall be deposited into the Detention
6 and Removal Office Fee Account; and

7 (C) may be retained and expended by U.S.
8 Immigration and Customs Enforcement without
9 further appropriation; and

10 (2) any amounts collected pursuant to this sec-
11 tion that are not credited to U.S. Immigration and
12 Customs Enforcement pursuant to paragraph (1)
13 shall be deposited into the general fund of the
14 Treasury.

15 (d) DISPOSITION OF INADMISSIBLE ALIEN APPRE-
16 HENSION FEES.—All of the fees collected pursuant to this
17 section shall be deposited into the general fund of the
18 Treasury.

19 **SEC. 100018. AMENDMENT TO AUTHORITY TO APPLY FOR**
20 **ASYLUM.**

21 Section 208(d)(3) (8 U.S.C. 1158(d)(3)) is amend-
22 ed—

23 (1) in the first sentence, by striking “may” and
24 inserting “shall”;

1 (2) by striking “Such fees shall not exceed” and
2 all that follows and inserting the following: “Nothing
3 in this paragraph may be construed to limit the au-
4 thority of the Attorney General to set additional ad-
5 judication and naturalization fees in accordance with
6 section 286(m).”.

7 **PART II—IMMIGRATION AND LAW**

8 **ENFORCEMENT FUNDING**

9 **SEC. 100051. APPROPRIATION FOR THE DEPARTMENT OF**
10 **HOMELAND SECURITY.**

11 In addition to amounts otherwise available, there is
12 appropriated to the Secretary of Homeland Security for
13 fiscal year 2025, out of any money in the Treasury not
14 otherwise appropriated, \$2,055,000,000, to remain avail-
15 able through September 30, 2029, for the following pur-
16 poses:

17 (1) IMMIGRATION AND ENFORCEMENT ACTIVI-
18 TIES.—Hiring and training of additional U.S. Cus-
19 toms and Border Protection agents, and the nec-
20 essary support staff, to carry out immigration en-
21 forcement activities.

22 (2) DEPARTURES AND REMOVALS.—Funding
23 for transportation costs and related costs associated
24 with the departure or removal of aliens.

1 (3) PERSONNEL ASSIGNMENTS.—Funding for
2 the assignment of Department of Homeland Security
3 employees and State officers to carry out immigra-
4 tion enforcement activities pursuant to sections
5 103(a) and 287(g) of the Immigration and Nation-
6 ality Act (8 U.S.C. 1103(a) and 1357(g)).

7 (4) BACKGROUND CHECKS.—Hiring additional
8 staff and investing the necessary resources to en-
9 hance screening and vetting of all aliens seeking
10 entry into United States, consistent with section 212
11 of such Act (8 U.S.C. 1182), or intending to remain
12 in the United States, consistent with section 237 of
13 such Act (8 U.S.C. 1227).

14 (5) PROTECTING ALIEN CHILDREN FROM EX-
15 PLOITATION.—In instances of aliens and alien chil-
16 dren entering the United States without a valid visa,
17 funding is provided for the purposes of—

18 (A) collecting fingerprints, in accordance
19 with section 262 of the Immigration and Na-
20 tionality Act (8 U.S.C. 1302) and subsections
21 (a)(3) and (b) of section 235 of such Act (8
22 U.S.C. 1225); and

23 (B) collecting DNA, in accordance with
24 sections 235(d) and 287(b) of the Immigration

1 and Nationality Act (8 U.S.C. 1225(d) and
2 1357(b)).

3 (6) TRANSPORTING AND RETURN OF ALIENS
4 FROM CONTIGUOUS TERRITORY.—Transporting and
5 facilitating the return, pursuant to section
6 235(b)(2)(C) of the Immigration and Nationality
7 Act (8 U.S.C. 1225(b)(2)(C)), of aliens arriving
8 from contiguous territory.

9 (7) STATE AND LOCAL PARTICIPATION.—Fund-
10 ing for State and local participation in homeland se-
11 curity efforts for purposes of—

12 (A) ending the presence of criminal gangs
13 and criminal organizations throughout the
14 United States;

15 (B) addressing crime and public safety
16 threats;

17 (C) combating human smuggling and traf-
18 ficking networks throughout the United States;

19 (D) supporting immigration enforcement
20 activities; and

21 (E) providing reimbursement for State and
22 local participation in such efforts.

23 (8) REMOVAL OF SPECIFIED UNACCOMPANIED
24 ALIEN CHILDREN.—

1 (A) IN GENERAL.—Funding removal oper-
2 ations for specified unaccompanied alien chil-
3 dren.

4 (B) USE OF FUNDS.—Amounts made
5 available under this paragraph shall only be
6 used for permitting a specified unaccompanied
7 alien child to withdraw the application for ad-
8 mission of the child pursuant to section
9 235(a)(4) of the Immigration and Nationality
10 Act (8 U.S.C. 1225(a)(4)).

11 (C) DEFINITIONS.—In this paragraph:

12 (i) SPECIFIED UNACCOMPANIED
13 ALIEN CHILD.—The term “specified unac-
14 companied alien child” means an unaccom-
15 panied alien child (as defined in section
16 462(g) of the Homeland Security Act of
17 2002 (6 U.S.C. 279(g))) who the Secretary
18 of Homeland Security determines on a
19 case-by-case basis—

20 (I) has been found by an immi-
21 gration officer at a land border or
22 port of entry of the United States and
23 is inadmissible under the Immigration
24 and Nationality Act (8 U.S.C. 1101 et
25 seq.);

1 (II) has not been a victim of se-
2 vere forms of trafficking in persons,
3 and there is no credible evidence that
4 such child is at risk of being traf-
5 ficked upon return of the child to the
6 child's country of nationality or coun-
7 try of last habitual residence; and

8 (III) does not have a fear of re-
9 turning to the child's country of na-
10 tionality or country of last habitual
11 residence owing to a credible fear of
12 persecution.

13 (ii) SEVERE FORMS OF TRAFFICKING
14 IN PERSONS.—The term “severe forms of
15 trafficking in persons” has the meaning
16 given such term in section 103 of the Traf-
17 ficking Victims Protection Act of 2000 (22
18 U.S.C. 7102).

19 (9) EXPEDITED REMOVAL OF CRIMINAL
20 ALIENS.—Funding for the expedited removal of
21 criminal aliens, in accordance with the provisions of
22 section 235(b)(1) of the Immigration and Nation-
23 ality Act (8 U.S.C. 1225(b)(1)).

24 (10) REMOVAL OF CERTAIN CRIMINAL ALIENS
25 WITHOUT FURTHER HEARINGS.—Funding for the

1 removal of certain criminal aliens without further
2 hearings, in accordance with the provisions of sec-
3 tion 235(c) of the Immigration and Nationality Act
4 (8 U.S.C. 1225(c)).

5 (11) CRIMINAL AND GANG CHECKS FOR UNAC-
6 COMPANIED ALIEN CHILDREN.—Funding for crimi-
7 nal and gang checks of unaccompanied alien children
8 (as defined in section 462(g) of the Homeland Secu-
9 rity Act of 2002 (6 U.S.C. 279(g))) who are 12
10 years of age and older, including the examination of
11 such unaccompanied alien children for gang-related
12 tattoos and other gang-related markings.

13 (12) INFORMATION TECHNOLOGY.—Information
14 technology investments to support immigration pur-
15 poses, including improvements to fee and revenue
16 collections.

17 **SEC. 100052. APPROPRIATION FOR U.S. IMMIGRATION AND**
18 **CUSTOMS ENFORCEMENT.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Secretary of Homeland Security for
21 U.S. Immigration and Customs Enforcement for fiscal
22 year 2025, out of any money in the Treasury not otherwise
23 appropriated, \$29,850,000,000, to remain available
24 through September 30, 2029, for the following purposes:

1 (1) HIRING AND TRAINING.—Hiring and train-
2 ing additional U.S. Immigration and Customs En-
3 forcement personnel, including officers, agents, in-
4 vestigators, and support staff, to carry out immigra-
5 tion enforcement activities and prioritizing and
6 streamlining the hiring of retired U.S. Immigration
7 and Customs Enforcement personnel.

8 (2) PERFORMANCE, RETENTION, AND SIGNING
9 BONUSES.—

10 (A) IN GENERAL.—Providing performance,
11 retention, and signing bonuses for qualified
12 U.S. Immigration and Customs Enforcement
13 personnel in accordance with this subsection.

14 (B) PERFORMANCE BONUSES.—The Direc-
15 tor of U.S. Immigration and Customs Enforce-
16 ment, at the Director's discretion, may provide
17 performance bonuses to any U.S. Immigration
18 and Customs Enforcement agent, officer, or at-
19 torney who demonstrates exemplary service.

20 (C) RETENTION BONUSES.—The Director
21 of U.S. Immigration and Customs Enforcement
22 may provide retention bonuses to any U.S. Im-
23 migration and Customs Enforcement agent, of-
24 ficer, or attorney who commits to 2 years of ad-
25 ditional service with U.S. Immigration and Cus-

1 toms Enforcement to carry out immigration en-
2 forcement activities.

3 (D) SIGNING BONUSES.—The Director of
4 U.S. Immigration and Customs Enforcement
5 may provide a signing bonus to any U.S. Immi-
6 gration and Customs Enforcement agent, offi-
7 cer, or attorney who—

8 (i) is hired on or after the date of the
9 enactment of this Act; and

10 (ii) who commits to 5 years of service
11 with U.S. Immigration and Customs En-
12 forcement to carry out immigration en-
13 forcement activities.

14 (E) SERVICE AGREEMENT.—In providing a
15 retention or signing bonus under this para-
16 graph, the Director of U.S. Immigration and
17 Customs Enforcement shall provide each quali-
18 fying individual with a written service agree-
19 ment that includes—

20 (i) the commencement and termi-
21 nation dates of the required service period
22 (or provisions for the determination of
23 such dates);

24 (ii) the amount of the bonus; and

1 (iii) any other term or condition under
2 which the bonus is payable, subject to the
3 requirements of this paragraph, includ-
4 ing—

5 (I) the conditions under which
6 the agreement may be terminated be-
7 fore the agreed-upon service period
8 has been completed; and

9 (II) the effect of a termination
10 described in subclause (I).

11 (3) RECRUITMENT, HIRING, AND
12 ONBOARDING.—Facilitating the recruitment, hiring,
13 and onboarding of additional U.S. Immigration and
14 Customs Enforcement personnel to carry out immi-
15 gration enforcement activities, including by—

16 (A) investing in information technology, re-
17 cruitment, and marketing; and

18 (B) hiring staff necessary to carry out in-
19 formation technology, recruitment, and mar-
20 keting activities.

21 (4) TRANSPORTATION.—Funding for transpor-
22 tation costs and related costs associated with alien
23 departure or removal operations.

24 (5) INFORMATION TECHNOLOGY.—Funding for
25 information technology investments to support en-

1 enforcement and removal operations, including im-
2 provements to fee collections.

3 (6) FACILITY UPGRADES.—Funding for facility
4 upgrades to support enforcement and removal oper-
5 ations.

6 (7) FLEET MODERNIZATION.—Funding for fleet
7 modernization to support enforcement and removal
8 operations.

9 (8) FAMILY UNITY.—Promoting family unity
10 by—

11 (A) maintaining the care and custody, dur-
12 ing the period in which a charge described in
13 clause (i) is pending, in accordance with appli-
14 cable laws, of an alien who—

15 (i) is charged only with a mis-
16 demeanor offense under section 275(a) of
17 the Immigration and Nationality Act (8
18 U.S.C. 1325(a)); and

19 (ii) entered the United States with the
20 alien's child who has not attained 18 years
21 of age; and

22 (B) detaining such an alien with the alien's
23 child.

24 (9) 287(g) AGREEMENTS.—Expanding, facili-
25 tating, and implementing agreements under section

1 287(g) of the Immigration and Nationality Act (8
2 U.S.C. 1357(g)).

3 (10) VICTIMS OF IMMIGRATION CRIME ENGAGE-
4 MENT OFFICE.—Hiring and training additional staff
5 to carry out the mission of the Victims of Immigra-
6 tion Crime Engagement Office and for providing
7 nonfinancial assistance to the victims of crimes per-
8 petrated by aliens who are present in the United
9 States without authorization.

10 (11) OFFICE OF THE PRINCIPAL LEGAL ADVI-
11 SOR.—Hiring additional attorneys and the necessary
12 support staff within the Office of the Principal Legal
13 Advisor to represent the Department of Homeland
14 Security in immigration enforcement and removal
15 proceedings.

16 **SEC. 100053. APPROPRIATION FOR FEDERAL LAW EN-**
17 **FORCEMENT TRAINING CENTERS.**

18 (a) APPROPRIATION.—In addition to amounts other-
19 wise available, there is appropriated to the Secretary of
20 Homeland Security for the Federal Law Enforcement
21 Training Centers for fiscal year 2025, out of any money
22 in the Treasury not otherwise appropriated,
23 \$750,000,000, to remain available until September 30,
24 2029, for the purposes described in subsections (b) and
25 (c).

1 (b) TRAINING.—Not less than \$285,000,000 of the
2 amounts available under subsection (a) shall be for sup-
3 porting the training of newly hired Federal law enforce-
4 ment personnel employed by the Department of Homeland
5 Security and State and local law enforcement agencies op-
6 erating in support of the Department of Homeland Secu-
7 rity.

8 (c) FACILITIES.—Not more than \$465,000,000 of the
9 amounts available under subsection (a) shall be for pro-
10 curement, construction and maintenance of, improvements
11 to, training equipment for, and related expenses, of facili-
12 ties of the Federal Law Enforcement Training Centers.

13 **SEC. 100054. APPROPRIATION FOR THE DEPARTMENT OF**
14 **JUSTICE.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Attorney General for the Department
17 of Justice for fiscal year 2025, out of any money in the
18 Treasury not otherwise appropriated, \$3,330,000,000, to
19 remain available through September 30, 2029, for the fol-
20 lowing purposes:

21 (1) EXECUTIVE OFFICE FOR IMMIGRATION RE-
22 VIEW.—

23 (A) IN GENERAL.—Hiring immigration
24 judges and necessary support staff for the Ex-
25 ecutive Office for Immigration Review to ad-

1 dress the backlog of petitions, cases, and re-
2 movals.

3 (B) STAFFING LEVEL.—Effective Novem-
4 ber 1, 2028, the Executive Office for Immigra-
5 tion Review shall be comprised of not more
6 than 800 immigration judges, along with the
7 necessary support staff.

8 (2) COMBATING DRUG TRAFFICKING.—Funding
9 efforts to combat drug trafficking (including traf-
10 ficking of fentanyl and its precursor chemicals) and
11 illegal drug use.

12 (3) PROSECUTION OF IMMIGRATION MAT-
13 TERS.—Funding efforts to investigate and prosecute
14 immigration matters, gang-related crimes involving
15 aliens, child trafficking and smuggling involving
16 aliens within the United States, unlawful voting by
17 aliens, violations of the Alien Registration Act, 1940
18 (54 Stat., chapter 439), and violations of or fraud
19 relating to title IV of the Personal Responsibility
20 and Work Opportunity Act of 1996 (Public Law
21 104–193; 110 Stat. 2277), including hiring addi-
22 tional Department of Justice personnel to inves-
23 tigate and prosecute such matters.

24 (4) NONPARTY OR OTHER INJUNCTIVE RE-
25 LIEF.—Hiring additional attorneys and necessary

1 support staff for the purpose of continuing imple-
2 mentation of assignments by the Attorney General
3 pursuant to sections 516, 517, and 518 of title 28,
4 United States Code, to conduct litigation and attend
5 to the interests of the United States in suits pending
6 in a court of the United States or in a court of a
7 State in suits seeking nonparty or other injunctive
8 relief against the Federal Government.

9 (5) EDWARD BYRNE MEMORIAL JUSTICE AS-
10 SISTANCE GRANT PROGRAM AND OFFICE OF COMMU-
11 NITY ORIENTED POLICING.—

12 (A) IN GENERAL.—Increasing funding for
13 the Edward Byrne Memorial Justice Assistance
14 Grant Program and the Office of Community
15 Oriented Policing for initiatives associated
16 with—

17 (i) investigating and prosecuting vio-
18 lent crime;

19 (ii) criminal enforcement initiatives;
20 and

21 (iii) immigration enforcement and re-
22 moval efforts.

23 (B) LIMITATIONS.—No funds made avail-
24 able under this subsection shall be made avail-

1 able to community violence intervention and
2 prevention initiative programs.

3 (C) ELIGIBILITY.—To be eligible to receive
4 funds made available under this subsection, a
5 State or local government shall be in full com-
6 pliance, as determined by the Attorney General,
7 with section 642 of the Illegal Immigration Re-
8 form and Immigrant Responsibility Act of 1996
9 (8 U.S.C. 1373).

10 (6) FISCALLY RESPONSIBLE LAWSUIT SETTLE-
11 MENTS.—Hiring additional attorneys and necessary
12 support staff for the purpose of maximizing lawsuit
13 settlements that require the payment of fines and
14 penalties to the Treasury of the United States in
15 lieu of providing for the payment to any person or
16 entity other than the United States, other than a
17 payment that provides restitution or otherwise di-
18 rectly remedies actual harm directly and proximately
19 caused by the party making the payment, or con-
20 stitutes payment for services rendered in connection
21 with the case.

22 (7) COMPENSATION FOR INCARCERATION OF
23 CRIMINAL ALIENS.—

1 (A) IN GENERAL.—Providing compensation
2 to a State or political subdivision of a State for
3 the incarceration of criminal aliens.

4 (B) USE OF FUNDS.—The amounts made
5 available under subparagraph (A) shall only be
6 used to compensate a State or political subdivi-
7 sion of a State, as appropriate, with respect to
8 the incarceration of an alien who—

9 (i) has been convicted of a felony or 2
10 or more misdemeanors; and

11 (ii)(I) entered the United States with-
12 out inspection or at any time or place
13 other than as designated by the Secretary
14 of Homeland Security;

15 (II) was the subject of removal pro-
16 ceedings at the time the alien was taken
17 into custody by the State or a political sub-
18 division of the State; or

19 (III) was admitted as a nonimmigrant
20 and, at the time the alien was taken into
21 custody by the State or a political subdivi-
22 sion of the State, has failed to maintain
23 the nonimmigrant status in which the alien
24 was admitted, or to which it was changed,

1 or to comply with the conditions of any
2 such status.

3 (C) LIMITATION.—Amounts made available
4 under this subsection shall be distributed to
5 more than 1 State. The amounts made available
6 under subparagraph (A) may not be used to
7 compensate any State or political subdivision of
8 a State if the State or political subdivision of
9 the State prohibits or in any way restricts a
10 Federal, State, or local government entity, offi-
11 cial, or other personnel from doing any of the
12 following:

13 (i) Complying with the immigration
14 laws (as defined in section 101(a)(17) of
15 the Immigration and Nationality Act (8
16 U.S.C. 1101(a)(17))).

17 (ii) Assisting or cooperating with Fed-
18 eral law enforcement entities, officials, or
19 other personnel regarding the enforcement
20 of the immigration laws.

21 (iii) Undertaking any of the following
22 law enforcement activities as such activities
23 relate to information regarding the citizen-
24 ship or immigration status, lawful or un-

1 lawful, the inadmissibility or deportability,
2 and the custody status, of any individual:

3 (I) Making inquiries to any indi-
4 vidual to obtain such information re-
5 garding such individual or any other
6 individuals.

7 (II) Notifying the Federal Gov-
8 ernment regarding the presence of in-
9 dividuals who are encountered by law
10 enforcement officials or other per-
11 sonnel of a State or political subdivi-
12 sion of a State.

13 (III) Complying with requests for
14 such information from Federal law
15 enforcement entities, officials, or other
16 personnel.

17 **SEC. 100055. BRIDGING IMMIGRATION-RELATED DEFICITS**
18 **EXPERIENCED NATIONWIDE REIMBURSE-**
19 **MENT FUND.**

20 (a) ESTABLISHMENT.—There is established within
21 the Department of Justice a fund, to be known as the
22 “Bridging Immigration-related Deficits Experienced Na-
23 tionwide (BIDEN) Reimbursement Fund” (referred to in
24 this section as the “Fund”).

1 (b) USE OF FUNDS.—The Attorney General shall use
2 amounts appropriated or otherwise made available for the
3 Fund for grants to eligible States, State agencies, and
4 units of local government, pursuant to their existing statu-
5 tory authorities, for any of the following purposes:

6 (1) Locating and apprehending aliens who have
7 committed a crime under Federal, State, or local
8 law, in addition to being unlawfully present in the
9 United States.

10 (2) Collection and analysis of law enforcement
11 investigative information within the United States to
12 counter gang or other criminal activity.

13 (3) Investigating and prosecuting—

14 (A) crimes committed by aliens within the
15 United States; and

16 (B) drug and human trafficking crimes
17 committed within the United States.

18 (4) Court operations related to the prosecution
19 of—

20 (A) crimes committed by aliens; and

21 (B) drug and human trafficking crimes.

22 (5) Temporary criminal detention of aliens.

23 (6) Transporting aliens described in paragraph

24 (1) within the United States to locations related to

1 the apprehension, detention, and prosecution of such
2 aliens.

3 (7) Vehicle maintenance, logistics, transpor-
4 tation, and other support provided to law enforce-
5 ment agencies by a State agency to enhance the abil-
6 ity to locate and apprehend aliens who have com-
7 mitted crimes under Federal, State, or local law, in
8 addition to being unlawfully present in the United
9 States.

10 (c) APPROPRIATION.—In addition to amounts other-
11 wise available for the purposes described in subsection (b),
12 there is appropriated to the Attorney General for fiscal
13 year 2025, out of any money in the Treasury not otherwise
14 appropriated, not to exceed \$3,500,000,000, to remain
15 available until September 30, 2028, for the Fund for
16 qualified and documented expenses that achieve any such
17 purpose.

18 (d) GRANT ELIGIBILITY OF COMPLETED, ONGOING,
19 OR NEW ACTIVITIES.—The Attorney General may provide
20 grants under this section to State agencies and units of
21 local government for expenditures made by State agencies
22 or units of local government for completed, ongoing, or
23 new activities determined to be eligible for such grant
24 funding that occurred on or after January 20, 2021.

1 Amounts made available under this section shall be dis-
2 tributed to more than 1 State.

3 **SEC. 100056. APPROPRIATION FOR THE BUREAU OF PRIS-**
4 **ONS.**

5 (a) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Director of the
7 Bureau of Prisons for fiscal year 2025, out of any money
8 in the Treasury not otherwise appropriated,
9 \$5,000,000,000, to remain available through September
10 30, 2029, for the purposes described in subsections (b)
11 and (c).

12 (b) SALARIES AND BENEFITS.—Not less than
13 \$3,000,000,000 of the amounts made available under sub-
14 section (a) shall be for hiring and training of new employ-
15 ees, including correctional officers, medical professionals,
16 and facilities and maintenance employees, the necessary
17 support staff, and for additional funding for salaries and
18 benefits for the current workforce of the Bureau of Pris-
19 ons.

20 (c) FACILITIES.—Not more than \$2,000,000,000 of
21 the amounts made available under subsection (a) shall be
22 for addressing maintenance and repairs to facilities main-
23 tained or operated by the Bureau of Prisons.

1 **SEC. 100057. APPROPRIATION FOR THE UNITED STATES SE-**
2 **CRET SERVICE.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Director of the
5 United States Secret Service (referred to in this section
6 as the “Director”) for fiscal year 2025, out of any money
7 in the Treasury not otherwise appropriated,
8 \$1,170,000,000, to remain available through September
9 30, 2029, for the purposes described in subsection (b).

10 (b) USE OF FUNDS.—Amounts made available under
11 subsection (a) may only be used for—

12 (1) additional United States Secret Service re-
13 sources, including personnel, training facilities, pro-
14 gramming, and technology; and

15 (2) performance, retention, and signing bonuses
16 for qualified United States Secret Service personnel
17 in accordance with subsection (c).

18 (c) PERFORMANCE, RETENTION, AND SIGNING BO-
19 NUSES.—

20 (1) PERFORMANCE BONUSES.—The Director, at
21 the Director’s discretion, may provide performance
22 bonuses to any Secret Service agent, officer, or ana-
23 lyst who demonstrates exemplary service.

24 (2) RETENTION BONUSES.—The Director may
25 provide retention bonuses to any Secret Service

1 agent, officer, or analyst who commits to 2 years of
2 additional service with the Secret Service.

3 (3) SIGNING BONUSES.—The Director may pro-
4 vide a signing bonus to any Secret Service agent, of-
5 ficer, or analyst who—

6 (A) is hired on or after the date of the en-
7 actment of this Act; and

8 (B) commits to 5 years of service with the
9 United States Secret Service.

10 (4) SERVICE AGREEMENT.—In providing a re-
11 tention or signing bonus under this subsection, the
12 Director shall provide each qualifying individual with
13 a written service agreement that includes—

14 (A) the commencement and termination
15 dates of the required service period (or provi-
16 sions for the determination of such dates);

17 (B) the amount of the bonus; and

18 (C) any other term or condition under
19 which the bonus is payable, subject to the re-
20 quirements under this subsection, including—

21 (i) the conditions under which the
22 agreement may be terminated before the
23 agreed-upon service period has been com-
24 pleted; and

1 (ii) the effect of a termination de-
2 scribed in clause (i).

3 **Subtitle B—Judiciary Matters**

4 **SEC. 100101. APPROPRIATION TO THE ADMINISTRATIVE OF-**
5 **FICE OF THE UNITED STATES COURTS.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Director of the Administrative Office
8 of the United States Courts, out of amounts in the Treas-
9 ury not otherwise appropriated, \$1,250,000 for each of fis-
10 cal years 2025 through 2028, for the purpose of con-
11 tinuing analyses and reporting pursuant to section
12 604(a)(2) of title 28, United States Code, to examine the
13 state of the dockets of the courts and to prepare and
14 transmit statistical data and reports as to the business
15 of the courts, including an assessment of the number, fre-
16 quency, and related metrics of judicial orders issuing non-
17 party relief against the Federal Government and their ag-
18 gregate cost impact on the taxpayers of the United States,
19 as determined by each court when imposing securities for
20 the issuance of preliminary injunctions or temporary re-
21 straining orders against the Federal Government pursuant
22 to rule 65(c) of the Federal Rules of Civil Procedure.

1 **SEC. 100102. APPROPRIATION TO THE FEDERAL JUDICIAL**
2 **CENTER.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Director of the
5 Federal Judicial Center, out of amounts in the Treasury
6 not otherwise appropriated, \$1,000,000 for each of fiscal
7 years 2025 through 2028, for the purpose described in
8 subsection (b).

9 (b) USE OF FUNDS.—The Federal Judicial Center
10 shall use the amounts appropriated under subsection (a)
11 for the continued implementation of programs pursuant
12 to section 620(b)(3) of title 28, United States Code, to
13 stimulate, create, develop, and conduct programs of con-
14 tinuing education and training for personnel of the judicial
15 branch, including training on the absence of constitutional
16 and statutory authority supporting legal claims that seek
17 non-party relief against the Federal Government, and
18 strategic approaches for mitigating the aggregate cost im-
19 pact of such legal claims on the taxpayers of the United
20 States.

21 **Subtitle C—Radiation Exposure**
22 **Compensation Matters**

23 **SEC. 100201. EXTENSION OF FUND.**

24 Section 3(d) of the Radiation Exposure Compensa-
25 tion Act (Public Law 101–426; 42 U.S.C. 2210 note) is
26 amended—

1 (1) by striking the first sentence and inserting
2 “The Fund shall terminate on December 31, 2028.”;
3 and
4 (2) by striking “the end of that 2-year period”
5 and inserting “such date”.

6 **SEC. 100202. CLAIMS RELATING TO ATMOSPHERIC TEST-**
7 **ING.**

8 (a) LEUKEMIA CLAIMS RELATING TO TRINITY TEST
9 IN NEW MEXICO AND TESTS AT THE NEVADA SITE.—
10 Section 4(a)(1)(A) of the Radiation Exposure Compensa-
11 tion Act (Public Law 101–426; 42 U.S.C. 2210 note) is
12 amended—

13 (1) in clause (i)—

14 (A) in subclause (I), by striking “October
15 31, 1958” and inserting “November 6, 1962”;

16 (B) in subclause (II)—

17 (i) by striking “in the affected area”
18 and inserting “in an affected area”; and

19 (ii) by striking “or” after the semi-
20 colon;

21 (C) by redesignating subclause (III) as
22 subclause (IV); and

23 (D) by inserting after subclause (II) the
24 following:

1 “(III) was physically present in
2 an affected area for a period of at
3 least 1 year during the period begin-
4 ning on September 24, 1944, and
5 ending on November 6, 1962; or”;
6 and

7 (2) in clause (ii)(I), by striking “physical pres-
8 ence described in subclause (I) or (II) of clause (i)
9 or onsite participation described in clause (i)(III)”
10 and inserting “physical presence described in sub-
11 clause (I), (II), or (III) of clause (i) or onsite par-
12 ticipation described in clause (i)(IV)”.

13 (b) AMOUNTS FOR CLAIMS RELATED TO LEU-
14 KEMIA.—Section 4(a)(1) of the Radiation Exposure Com-
15 pensation Act (Public Law 101–426; 42 U.S.C. 2210
16 note) is amended—

17 (1) in subparagraph (A), by striking “an
18 amount” and inserting “the amount”;

19 (2) by striking subparagraph (B) and inserting
20 the following:

21 “(B) AMOUNT.—If the conditions de-
22 scribed in subparagraph (C) are met, an indi-
23 vidual who is described in subparagraph (A)
24 shall receive \$100,000.”; and

1 (3) in subparagraph (C), by adding at the end
2 the following:

3 “(iv) No payment under this para-
4 graph previously has been made to the in-
5 dividual, on behalf of the individual, or to
6 a survivor of the individual.”.

7 (c) CONDITIONS FOR CLAIMS RELATED TO LEU-
8 KEMIA.—Section 4(a)(1)(C) of the Radiation Exposure
9 Compensation Act (Public Law 101–426; 42 U.S.C. 2210
10 note) is amended—

11 (1) by striking clause (i); and

12 (2) by redesignating clauses (ii) and (iii) as
13 clauses (i) and (ii), respectively.

14 (d) SPECIFIED DISEASES CLAIMS RELATING TO
15 TRINITY TEST IN NEW MEXICO AND TESTS AT THE NE-
16 VADA SITE.—Section 4(a)(2) of the Radiation Exposure
17 Compensation Act (Public Law 101–426; 42 U.S.C. 2210
18 note) is amended—

19 (1) in subparagraph (A)—

20 (A) by striking “in the affected area” and
21 inserting “in an affected area”;

22 (B) by striking “2 years” and inserting “1
23 year”; and

24 (C) by striking “October 31, 1958,” and
25 inserting “November 6, 1962;”;

1 (2) in subparagraph (B)—

2 (A) by striking “in the affected area” and
3 inserting “in an affected area”; and

4 (B) by striking “, or” at the end and in-
5 serting a semicolon;

6 (3) by redesignating subparagraph (C) as sub-
7 paragraph (D); and

8 (4) by inserting after subparagraph (B) the fol-
9 lowing:

10 “(C) was physically present in an affected
11 area for a period of at least 1 year during the
12 period beginning on September 24, 1944, and
13 ending on November 6, 1962; or”.

14 (e) AMOUNTS FOR CLAIMS RELATED TO SPECIFIED
15 DISEASES.—Section 4(a)(2) of the Radiation Exposure
16 Compensation Act (Public Law 101–426; 42 U.S.C. 2210
17 note) is amended in the matter following subparagraph
18 (D) (as redesignated by subsection (d) of this section)—

19 (1) by striking “\$50,000 (in the case of an in-
20 dividual described in subparagraph (A) or (B)) or
21 \$75,000 (in the case of an individual described in
22 subparagraph (C)),” and inserting “\$100,000”;

23 (2) in clause (i), by striking “, and” and insert-
24 ing a semicolon;

1 (3) in clause (ii), by striking the period at the
2 end and inserting “; and”; and

3 (4) by adding at the end the following:

4 “(iii) no payment under this para-
5 graph previously has been made to the in-
6 dividual, on behalf of the individual, or to
7 a survivor of the individual.”.

(f) DOWNWIND STATES.—Section 4(b)(1) of the Radiation Exposure Compensation Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended to read as follows:

11 “(1) ‘affected area’ means—

12 “(A) except as provided under subpara-
13 graph (B)—

14 “(i) the States of New Mexico, Utah,
15 and Idaho;

16 “(ii) in the State of Nevada, the coun-
17 ties of White Pine, Nye, Lander, Lincoln,
18 Eureka, and that portion of Clark County
19 that consists of townships 13 through 16
20 at ranges 63 through 71; and

“(iii) in the State of Arizona, the
counties of Coconino, Yavapai, Navajo,
Apache, and Gila, and Mohave; and

1 “(B) with respect to a claim by an indi-
2 vidual under subsection (a)(1)(A)(i)(III) or sub-
3 section (a)(2)(C), only New Mexico; and”.

4 **SEC. 100203. CLAIMS RELATING TO URANIUM MINING.**

5 (a) EMPLOYEES OF MINES AND MILLS.—Section
6 5(a)(1)(A)(i) of the Radiation Exposure Compensation
7 Act (Public Law 101–426; 42 U.S.C. 2210 note) is
8 amended to read as follows:

9 “(i)(I) was employed in a uranium
10 mine or uranium mill (including any indi-
11 vidual who was employed in the transport
12 of uranium ore or vanadium-uranium ore
13 from such mine or mill) located in Colo-
14 rado, New Mexico, Arizona, Wyoming,
15 South Dakota, Washington, Utah, Idaho,
16 North Dakota, Oregon, or Texas at any
17 time during the period beginning on Janu-
18 ary 1, 1942, and ending on December 31,
19 1990; or

20 “(II) was employed as a core driller in
21 a State referred to in subclause (I) during
22 the period described in such subclause;
23 and”.

24 (b) MINERS.—Section 5(a)(1)(A)(ii)(I) of the Radi-
25 ation Exposure Compensation Act (Public Law 101–426;

1 42 U.S.C. 2210 note) is amended by inserting “or renal
2 cancer or any other chronic renal disease, including ne-
3 phritis and kidney tubal tissue injury” after “nonmalig-
4 nant respiratory disease”.

5 (c) MILLERS, CORE DRILLERS, AND ORE TRANS-
6 PORTERS.—Section 5(a)(1)(A)(ii)(II) of the Radiation Ex-
7 posure Compensation Act (Public Law 101–426; 42
8 U.S.C. 2210 note) is amended—

9 (1) by inserting “, core driller,” after “was a
10 miller”;

11 (2) by inserting “, or was involved in remedi-
12 ation efforts at such a uranium mine or uranium
13 mill,” after “ore transporter”;

14 (3) by inserting “(I)” after “clause (i)”;

15 (4) by striking “or renal cancers” and all that
16 follows and inserting “or renal cancer or any other
17 chronic renal disease, including nephritis and kidney
18 tubal tissue injury; or”.

19 (d) COMBINED WORK HISTORIES.—Section
20 5(a)(1)(A)(ii) of the Radiation Exposure Compensation
21 Act (Public Law 101–426; 42 U.S.C. 2210 note), as
22 amended by subsection (c), is further amended—

23 (1) in subclause (I), by striking “or” at the
24 end; and

25 (2) by adding at the end the following:

1 “(III)(aa) does not meet the con-
2 ditions of subclause (I) or (II);

3 “(bb) worked, during the period
4 described in clause (i)(I), in 2 or more
5 of the following positions: miner, mil-
6 ler, core driller, and ore transporter;

7 “(cc) meets the requirements
8 under paragraph (4) or (5); and

9 “(dd) submits written medical
10 documentation that the individual de-
11 veloped lung cancer, a nonmalignant
12 respiratory disease, renal cancer, or
13 any other chronic renal disease, in-
14 cluding nephritis and kidney tubal tis-
15 sue injury after exposure to radiation
16 through work in one or more of the
17 positions referred to in item (bb);”.

18 (e) SPECIAL RULES RELATING TO COMBINED WORK
19 HISTORIES.—Section 5(a) of the Radiation Exposure
20 Compensation Act (Public Law 101–426; 42 U.S.C. 2210
21 note) is amended by adding at the end the following:

22 “(4) SPECIAL RULE RELATING TO COMBINED
23 WORK HISTORIES FOR INDIVIDUALS WITH AT LEAST
24 ONE YEAR OF EXPERIENCE.—An individual meets
25 the requirements under this paragraph if the indi-

1 vidual worked in one or more of the positions re-
2 ferred to in paragraph (1)(A)(ii)(III)(bb) for a pe-
3 riod of at least one year during the period described
4 in paragraph (1)(A)(i)(I).

5 “(5) SPECIAL RULE RELATING TO COMBINED
6 WORK HISTORIES FOR MINERS.—An individual
7 meets the requirements of this paragraph if the indi-
8 vidual, during the period described in paragraph
9 (1)(A)(i)(I), worked as a miner and was exposed to
10 such number of working level months that the Attor-
11 ney General determines, when combined with the ex-
12 posure of such individual to radiation through work
13 as a miller, core driller, or ore transporter during
14 the period described in paragraph (1)(A)(i)(I), re-
15 sults in such individual being exposed to a total level
16 of radiation that is greater or equal to the level of
17 exposure of an individual described in paragraph
18 (4).”.

19 (f) DEFINITION OF CORE DRILLER.—Section 5(b) of
20 the Radiation Exposure Compensation Act (Public Law
21 101–426; 42 U.S.C. 2210 note) is amended—

22 (1) in paragraph (7), by striking “and” at the
23 end;

24 (2) in paragraph (8), by striking the period at
25 the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(9) the term ‘core driller’ means any indi-
3 vidual employed to engage in the act or process of
4 obtaining cylindrical rock samples of uranium or va-
5 nadium by means of a borehole drilling machine for
6 the purpose of mining uranium or vanadium.”.

7 **SEC. 100204.** CLAIMS RELATING TO MANHATTAN PROJECT WASTE.—

8 The Radiation Exposure Compensation Act
9 (Public Law 101–426; 42 U.S.C. 2210 note) is
10 amended by inserting after section 5 the following:

11 **“SEC. 5A. CLAIMS RELATING TO MANHATTAN PROJECT**
12 **WASTE.**

13 “(a) IN GENERAL.—A claimant shall receive com-
14 pensation for a claim made under this Act, as described
15 in subsection (b) or (c), if—

16 “(1) a claim for compensation is filed with the
17 Attorney General—

18 “(A) by an individual described in para-
19 graph (2); or

20 “(B) on behalf of that individual by an au-
21 thorized agent of that individual, if the indi-
22 vidual is deceased or incapacitated, such as—

23 “(i) an executor of estate of that indi-
24 vidual; or

1 “(ii) a legal guardian or conservator
2 of that individual;

3 “(2) that individual, or if applicable, an author-
4 ized agent of that individual, demonstrates that such
5 individual—

6 “(A) was physically present in an affected
7 area for a period of at least 2 years after Janu-
8 ary 1, 1949; and

9 “(B) contracted a specified disease after
10 such period of physical presence;

11 “(3) the Attorney General certifies that the
12 identity of that individual, and if applicable, the au-
13 thorized agent of that individual, is not fraudulent
14 or otherwise misrepresented; and

15 “(4) the Attorney General determines that the
16 claimant has satisfied the applicable requirements of
17 this Act.

18 “(b) LOSSES AVAILABLE TO LIVING AFFECTED INDIV-
19 VIDUALS.—

20 “(1) IN GENERAL.—In the event of a claim
21 qualifying for compensation under subsection (a)
22 that is submitted to the Attorney General to be eligi-
23 ble for compensation under this section at a time
24 when the individual described in subsection (a)(2) is
25 living, the amount of compensation under this sec-

1 tion shall be in an amount that is the greater of
2 \$50,000 or the total amount of compensation for
3 which the individual is eligible under paragraph (2).

4 “(2) LOSSES DUE TO MEDICAL EXPENSES.—A
5 claimant described in paragraph (1) shall be eligible
6 to receive, upon submission of contemporaneous
7 written medical records, reports, or billing state-
8 ments created by or at the direction of a licensed
9 medical professional who provided contemporaneous
10 medical care to the claimant, additional compensa-
11 tion in the amount of all documented out-of-pocket
12 medical expenses incurred as a result of the specified
13 disease suffered by that claimant, such as any med-
14 ical expenses not covered, paid for, or reimbursed
15 through—

16 “(A) any public or private health insur-
17 ance;

18 “(B) any employee health insurance;

19 “(C) any workers’ compensation program;

20 or

21 “(D) any other public, private, or employee
22 health program or benefit.

23 “(3) LIMITATION.—No claimant is eligible to
24 receive compensation under this subsection with re-
25 spect to medical expenses unless the submissions de-

1 scribed in paragraph (2) with respect to such ex-
2 penses are submitted on or before December 31,
3 2028.

4 “(c) PAYMENTS TO BENEFICIARIES OF DECEASED
5 INDIVIDUALS.—In the event that an individual described
6 in subsection (a)(2) who qualifies for compensation under
7 subsection (a) is deceased at the time of submission of
8 the claim—

9 “(1) a surviving spouse may, upon submission
10 of a claim and records sufficient to satisfy the re-
11 quirements of subsection (a) with respect to the de-
12 ceased individual, receive compensation in the
13 amount of \$25,000; or

14 “(2) in the event that there is no surviving
15 spouse, the surviving children, minor or otherwise, of
16 the deceased individual may, upon submission of a
17 claim and records sufficient to satisfy the require-
18 ments of subsection (a) with respect to the deceased
19 individual, receive compensation in the total amount
20 of \$25,000, paid in equal shares to each surviving
21 child.

22 “(d) AFFECTED AREAS.—For purposes of this sec-
23 tion, the term ‘affected area’ means—

24 “(1) in the State of Missouri, the ZIP Codes of
25 63031, 63033, 63034, 63042, 63045, 63074, 63114,

1 63135, 63138, 63044, 63121, 63140, 63145, 63147,
2 63102, 63304, 63134, 63043, 63341, 63368, and
3 63367;

4 “(2) in the State of Tennessee, the ZIP Codes
5 of 37716, 37840, 37719, 37748, 37763, 37828,
6 37769, 37710, 37845, 37887, 37829, 37854, 37830,
7 and 37831;

8 “(3) in the State of Alaska, the ZIP Codes of
9 99546 and 99547; and

10 “(4) in the State of Kentucky, the ZIP Codes
11 of 42001, 42003, and 42086.

12 “(e) SPECIFIED DISEASE.—For purposes of this sec-
13 tion, the term ‘specified disease’ means any of the fol-
14 lowing:

15 “(1) Any leukemia, provided that the initial ex-
16 posure occurred after 20 years of age and the onset
17 of the disease was at least 2 years after first expo-
18 sure.

19 “(2) Any of the following diseases, provided
20 that the onset was at least 2 years after the initial
21 exposure:

22 “(A) Multiple myeloma.

23 “(B) Lymphoma, other than Hodgkin’s
24 disease.

25 “(C) Primary cancer of the—

- 1 “(i) thyroid;
- 2 “(ii) male or female breast;
- 3 “(iii) esophagus;
- 4 “(iv) stomach;
- 5 “(v) pharynx;
- 6 “(vi) small intestine;
- 7 “(vii) pancreas;
- 8 “(viii) bile ducts;
- 9 “(ix) gall bladder;
- 10 “(x) salivary gland;
- 11 “(xi) urinary bladder;
- 12 “(xii) brain;
- 13 “(xiii) colon;
- 14 “(xiv) ovary;
- 15 “(xv) bone;
- 16 “(xvi) renal;
- 17 “(xvii) liver, except if cirrhosis or hep-
- 18 atitis B is indicated; or
- 19 “(xviii) lung.

20 “(f) PHYSICAL PRESENCE.—

21 “(1) IN GENERAL.—For purposes of this sec-
22 tion, the Attorney General may not determine that
23 a claimant has satisfied the requirements under sub-
24 section (a) unless demonstrated by submission of—

1 “(A) contemporaneous written residential
2 documentation or at least 1 additional em-
3 ployer-issued or government-issued document or
4 record that the claimant, for at least 2 years
5 after January 1, 1949, was physically present
6 in an affected area; or

7 “(B) other documentation determined by
8 the Attorney General to demonstrate that the
9 claimant, for at least 2 years after January 1,
10 1949, was physically present in an affected
11 area.

12 “(2) TYPES OF PHYSICAL PRESENCE.—For
13 purposes of determining physical presence under this
14 section, a claimant shall be considered to have been
15 physically present in an affected area if—

16 “(A) the claimant’s primary residence was
17 in the affected area;

18 “(B) the claimant’s place of employment
19 was in the affected area; or

20 “(C) the claimant attended school in the
21 affected area.

22 “(g) DISEASE CONTRACTION IN AFFECTED
23 AREAS.—For purposes of this section, the Attorney Gen-
24 eral may not determine that a claimant has satisfied the

1 requirements under subsection (a) unless the claimant
2 submits—

3 “(1) written medical records or reports created
4 by or at the direction of a licensed medical profes-
5 sional, created contemporaneously with the provision
6 of medical care to the claimant, that the claimant,
7 after a period of physical presence in an affected
8 area, contracted a specified disease; or

9 “(2) other documentation determined by the At-
10 torney General to demonstrate that the claimant
11 contracted a specified disease after a period of phys-
12 ical presence in an affected area.”.

13 **SEC. 100205. LIMITATIONS ON CLAIMS.**

14 Section 8(a) of the Radiation Exposure Compensa-
15 tion Act (Public Law 101–426; 42 U.S.C. 2210 note) is
16 amended by striking “2 years after the date of enactment
17 of the RECA Extension Act of 2022” and inserting “De-
18 cember 31, 2027”.