

In the Senate of the United States,

July 1 (legislative day, June 30), 2025.

Resolved, That the bill from the House of Representatives (H.R. 1) entitled “An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14.”, do pass with the following

AMENDMENT:

Strike all after the first word, and insert the following:

1 1. TABLE OF CONTENTS.

2 *The table of contents of this Act is as follows:*

Sec. 1. Table of contents.

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- Sec. 20007. Enhancement of Department of Defense resources for air superiority.*
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Sec. 20010. Enhancement of Department of Defense resources for improving the readiness of the Department of Defense.
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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 plan’*
 11 *means the diet required to feed a family of 4 persons*
 12 *consisting of a man and a woman ages 20 through*
 13 *50, a child ages 6 through 8, and a child ages 9*
 14 *through 11 using the items and quantities of food de-*
 15 *scribed in the report of the Department of Agriculture*
 16 *entitled ‘Thrifty Food Plan, 2021’, and each successor*
 17 *report updated pursuant to this subsection, subject to*
 18 *the conditions that—*

19 *“(A) the relevant market baskets of the*
 20 *thrifty food plan shall only be changed pursuant*
 21 *to paragraph (4);*

22 *“(B) the cost of the thrifty food plan shall*
 23 *be the basis for uniform allotments for all house-*
 24 *holds, regardless of the actual composition of the*
 25 *household; and*

1 “(C) *the cost of the thrifty food plan may*
 2 *only be adjusted in accordance with this sub-*
 3 *section.*

4 “(2) *HOUSEHOLD ADJUSTMENTS.—The Sec-*
 5 *retary shall make household adjustments using the fol-*
 6 *lowing ratios of household size as a percentage of the*
 7 *maximum 4-person allotment:*

8 “(A) *For a 1-person household, 30 percent.*

9 “(B) *For a 2-person household, 55 percent.*

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

11 “(D) *For a 4-person household, 100 percent.*

12 “(E) *For a 5-person household, 119 percent.*

13 “(F) *For a 6-person household, 143 percent.*

14 “(G) *For a 7-person household, 158 percent.*

15 “(H) *For an 8-person household, 180 per-*
 16 *cent.*

17 “(I) *For a household of 9 persons or more,*
 18 *an additional 22 percent per person, which addi-*
 19 *tional percentage shall not total more than 200*
 20 *percent.*

21 “(3) *ALLOWABLE COST ADJUSTMENTS.—The Sec-*
 22 *retary shall—*

23 “(A) *make cost adjustments in the thrifty*
 24 *food plan for Hawaii and the urban and rural*

1 *parts of Alaska to reflect the cost of food in Ha-*
2 *waii and urban and rural Alaska;*

3 *“(B) make cost adjustments in the separate*
4 *thrifty food plans for Guam and the Virgin Is-*
5 *lands of the United States to reflect the cost of*
6 *food in those States, but not to exceed the cost of*
7 *food in the 50 States and the District of Colum-*
8 *bia; and*

9 *“(C) on October 1, 2025, and on each Octo-*
10 *ber 1 thereafter, adjust the cost of the thrifty food*
11 *plan to reflect changes in the Consumer Price*
12 *Index for All Urban Consumers, published by the*
13 *Bureau of Labor Statistics of the Department of*
14 *Labor, for the most recent 12-month period end-*
15 *ing in June.*

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

17 *“(A) RE-EVALUATION.—Not earlier than*
18 *October 1, 2027, the Secretary may re-evaluate*
19 *the market baskets of the thrifty food plan based*
20 *on current food prices, food composition data,*
21 *consumption patterns, and dietary guidance.*

22 *“(B) COST NEUTRALITY.—The Secretary*
23 *shall not increase the cost of the thrifty food plan*
24 *based on a re-evaluation under this paragraph.”.*

25 *(b) CONFORMING AMENDMENTS.—*

1 (1) *Section 16(c)(1)(A)(ii)(II) of the Food and*
 2 *Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)(A)(ii)(II))*
 3 *is amended by striking “section 3(u)(4)” and insert-*
 4 *ing “section 3(u)(3)”.*

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

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

13 **SEC. 10102. MODIFICATIONS TO SNAP WORK REQUIRE-**
 14 **MENTS FOR ABLE-BODIED ADULTS.**

15 (a) *EXCEPTIONS.—Section 6(o) of the Food and Nutri-*
 16 *tion Act of 2008 (7 U.S.C. 2015(o)) is amended by striking*
 17 *paragraph (3) and inserting the following:*

18 “(3) *EXCEPTIONS.—Paragraph (2) shall not*
 19 *apply to an individual if the individual is—*

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

21 “(B) *medically certified as physically or*
 22 *mentally unfit for employment;*

23 “(C) *a parent or other member of a house-*
 24 *hold with responsibility for a dependent child*
 25 *under 14 years of age;*

1 “(D) otherwise exempt under subsection
2 (d)(2);

3 “(E) a pregnant woman;

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

8 “(G) a California Indian described in sec-
9 tion 809(a) of the Indian Health Care Improve-
10 ment Act.”.

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

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

16 “(ii) is in a noncontiguous State and
17 has an unemployment rate that is at or
18 above 1.5 times the national unemployment
19 rate.”; and

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

21 “(C) *DEFINITION OF NONCONTIGUOUS*
22 *STATE.*—

23 “(i) *IN GENERAL.*—In this paragraph,
24 the term ‘noncontiguous State’ means a

1 *State that is not 1 of the contiguous 48*
 2 *States or the District of Columbia.*

3 “(ii) *EXCLUSIONS.—The term ‘non-*
 4 *contiguous State’ does not include Guam or*
 5 *the Virgin Islands of the United States.’.*”

6 (c) *WAIVER FOR NONCONTIGUOUS STATES.—Section*
 7 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C.
 8 2015(o)) is amended—

9 (1) *by redesignating paragraph (7) as para-*
 10 *graph (8); and*

11 (2) *by inserting after paragraph (6) the fol-*
 12 *lowing:*

13 “(7) *EXEMPTION FOR NONCONTIGUOUS*
 14 *STATES.—*

15 “(A) *DEFINITION OF NONCONTIGUOUS*
 16 *STATE.—*

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

21 “(ii) *EXCLUSIONS.—In this para-*
 22 *graph, the term ‘noncontiguous State’ does*
 23 *not include Guam or the Virgin Islands of*
 24 *the United States.*

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

5 “(i) the State agency submits to the
6 Secretary a request for that exemption,
7 made in such form and at such time as the
8 Secretary may require, and including the
9 information described in subparagraph (C);
10 and

11 “(ii) the Secretary determines that
12 based on that request, the State agency is
13 demonstrating a good faith effort to comply
14 with the requirements of paragraph (2).

15 “(C) *GOOD FAITH EFFORT DETERMINA-*
16 *TION.*—In determining whether a State agency is
17 demonstrating a good faith effort for purposes of
18 subparagraph (B)(ii), the Secretary shall con-
19 sider—

20 “(i) any actions taken by the State
21 agency toward compliance with the require-
22 ments of paragraph (2);

23 “(ii) any significant barriers to or
24 challenges in meeting those requirements,
25 including barriers or challenges relating to

1 *funding, design, development, procurement,*
2 *or installation of necessary systems or re-*
3 *sources;*

4 “(iii) *the detailed plan and timeline of*
5 *the State agency for achieving full compli-*
6 *ance with those requirements, including any*
7 *milestones (as defined by the Secretary);*
8 *and*

9 “(iv) *any other criteria determined ap-*
10 *propriate by the Secretary.*

11 “(D) *DURATION OF EXEMPTION.—*

12 “(i) *IN GENERAL.—An exemption*
13 *granted under subparagraph (B) shall ex-*
14 *pire not later than December 31, 2028, and*
15 *may not be renewed beyond that date.*

16 “(ii) *EARLY TERMINATION.—The Sec-*
17 *retary may terminate an exemption granted*
18 *under subparagraph (B) prior to the expi-*
19 *ration date of that exemption if the Sec-*
20 *retary determines that the State agency—*

21 “(I) *has failed to comply with the*
22 *reporting requirements described in*
23 *subparagraph (E); or*

24 “(II) *based on the information*
25 *provided pursuant to subparagraph*

1 *(E), failed to make continued good*
 2 *faith efforts toward compliance with*
 3 *the requirements of this subsection.*

4 “(E) *REPORTING REQUIREMENTS.*—A State
 5 *agency granted an exemption under subpara-*
 6 *graph (B) shall submit to the Secretary—*

7 *“(i) quarterly progress reports on the*
 8 *status of the State agency in achieving the*
 9 *milestones toward full compliance described*
 10 *in subparagraph (C)(iii); and*

11 *“(ii) information on specific risks or*
 12 *newly identified barriers or challenges to*
 13 *full compliance, including the plan of the*
 14 *State agency to mitigate those risks, bar-*
 15 *riers, or challenges.”.*

16 **SEC. 10103. AVAILABILITY OF STANDARD UTILITY ALLOW-**
 17 **ANCES BASED ON RECEIPT OF ENERGY AS-**
 18 **SISTANCE.**

19 (a) *STANDARD UTILITY ALLOWANCE.*—Section
 20 *5(e)(6)(C)(iv)(I) of the Food and Nutrition Act of 2008 (7*
 21 *U.S.C. 2014(e)(6)(C)(iv)(I)) is amended by inserting “with*
 22 *an elderly or disabled member” after “households”.*

23 (b) *THIRD-PARTY ENERGY ASSISTANCE PAYMENTS.*—
 24 *Section 5(k)(4) of the Food and Nutrition Act of 2008 (7*
 25 *U.S.C. 2014(k)(4)) is amended—*

1 (1) in subparagraph (A), by inserting “without
 2 an elderly or disabled member” before “shall be”; and
 3 (2) in subparagraph (B), by inserting “with an
 4 elderly or disabled member” before “under a State
 5 law”.

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

7 Section 5(e)(6) of the Food and Nutrition Act of 2008
 8 (7 U.S.C. 2014(e)(6)) is amended by adding at the end the
 9 following:

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

15 **SEC. 10105. MATCHING FUNDS REQUIREMENTS.**

16 (a) *IN GENERAL.*—Section 4(a) of the Food and Nutri-
 17 tion Act of 2008 (7 U.S.C. 2013(a)) is amended—

18 (1) by striking “(a) Subject to” and inserting the
 19 following:

20 “(a) *PROGRAM.*—

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

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

23 “(2) *STATE QUALITY CONTROL INCENTIVE.*—

24 “(A) *DEFINITION OF PAYMENT ERROR*
 25 *RATE.*—In this paragraph, the term ‘payment

1 *error rate’ has the meaning given the term in*
2 *section 16(c)(2).*

3 “(B) *STATE COST SHARE.*—

4 “(i) *IN GENERAL.*—Subject to clause
5 (iii), beginning in fiscal year 2028, if the
6 payment error rate of a State as determined
7 under clause (ii) is—

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

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

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

1 *percent, and the State share shall be 10*
2 *percent; and*

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

9 *“(ii) ELECTIONS.—*

10 *“(I) FISCAL YEAR 2028.—For fis-*
11 *cal year 2028, to calculate the applica-*
12 *ble State share under clause (i), a*
13 *State may elect to use the payment*
14 *error rate of the State from fiscal year*
15 *2025 or 2026.*

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

25 *“(iii) DELAYED IMPLEMENTATION.—*

1 “(I) *FISCAL YEAR 2025.*—If, for
 2 *fiscal year 2025, the payment error*
 3 *rate of a State multiplied by 1.5 is*
 4 *equal to or above 20 percent, the imple-*
 5 *mentation date under clause (i) for*
 6 *that State shall be fiscal year 2029.*

7 “(II) *FISCAL YEAR 2026.*—If, for
 8 *fiscal year 2026, the payment error*
 9 *rate of a State multiplied by 1.5 is*
 10 *equal to or above 20 percent, the imple-*
 11 *mentation date under clause (i) for*
 12 *that State shall be fiscal year 2030.*

13 “(3) *MAXIMUM FEDERAL PAYMENT.*—The Sec-
 14 *retary may not pay towards the cost of an allotment*
 15 *described in paragraph (1) an amount that is greater*
 16 *than the applicable Federal share under paragraph*
 17 *(2).”.*

18 (b) *LIMITATION ON AUTHORITY.*—Section 13(a)(1) of
 19 *the Food and Nutrition Act of 2008 (7 U.S.C. 2022(a)(1))*
 20 *is amended in the first sentence by inserting “or the pay-*
 21 *ment or disposition of a State share under section 4(a)(2)”*
 22 *after “16(c)(1)(D)(i)(II)”.*

23 **SEC. 10106. ADMINISTRATIVE COST SHARING.**

24 *Section 16(a) of the Food and Nutrition Act of 2008*
 25 *(7 U.S.C. 2025(a)) is amended in the matter preceding*

1 paragraph (1) by striking “agency an amount equal to 50
 2 per centum” and inserting “agency, through fiscal year
 3 2026, 50 percent, and for fiscal year 2027 and each fiscal
 4 year thereafter, 25 percent,”.

5 **SEC. 10107. NATIONAL EDUCATION AND OBESITY PREVEN-**
 6 **TION GRANT PROGRAM.**

7 Section 28(d)(1)(F) of the Food and Nutrition Act of
 8 2008 (7 U.S.C. 2036a(d)(1)(F)) is amended by striking “for
 9 fiscal year 2016 and each subsequent fiscal year” and in-
 10 serting “for each of fiscal years 2016 through 2025”.

11 **SEC. 10108. ALIEN SNAP ELIGIBILITY.**

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

14 “(f) No individual who is a member of a household
 15 otherwise eligible to participate in the supplemental nutri-
 16 tion assistance program under this section shall be eligible
 17 to participate in the supplemental nutrition assistance pro-
 18 gram as a member of that or any other household unless
 19 he or she is—

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

21 “(2) either—

22 “(A) a citizen or national of the United
 23 States;

24 “(B) an alien lawfully admitted for perma-
 25 nent residence as an immigrant as defined by

1 *sections 101(a)(15) and 101(a)(20) of the Immi-*
 2 *gration and Nationality Act, excluding, among*
 3 *others, alien visitors, tourists, diplomats, and*
 4 *students who enter the United States temporarily*
 5 *with no intention of abandoning their residence*
 6 *in a foreign country;*

7 *“(C) an alien who has been granted the sta-*
 8 *tus of Cuban and Haitian entrant, as defined in*
 9 *section 501(e) of the Refugee Education Assist-*
 10 *ance Act of 1980 (Public Law 96–422); or*

11 *“(D) an individual who lawfully resides in*
 12 *the United States in accordance with a Compact*
 13 *of Free Association referred to in section*
 14 *402(b)(2)(G) of the Personal Responsibility and*
 15 *Work Opportunity Reconciliation Act of 1996.*

16 *The income (less, at State option, a pro rata share)*
 17 *and financial resources of the individual rendered in-*
 18 *eligible to participate in the supplemental nutrition*
 19 *assistance program under this subsection shall be con-*
 20 *sidered in determining the eligibility and the value of*
 21 *the allotment of the household of which such indi-*
 22 *vidual is a member.”.*

1 ***Subtitle B—Forestry***

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

3 *The unobligated balances of amounts appropriated by*
 4 *the following provisions of Public Law 117–169 are re-*
 5 *scinded:*

6 (1) *Paragraphs (3) and (4) of section 23001(a)*
 7 *(136 Stat. 2023).*

8 (2) *Paragraphs (1) through (4) of section*
 9 *23002(a) (136 Stat. 2025).*

10 (3) *Section 23003(a)(2) (136 Stat. 2026).*

11 (4) *Section 23005 (136 Stat. 2027).*

12 ***Subtitle C—Commodities***

13 ***SEC. 10301. EFFECTIVE REFERENCE PRICE; REFERENCE***
 14 ***PRICE.***

15 (a) *EFFECTIVE REFERENCE PRICE.—Section*
 16 *1111(8)(B)(ii) of the Agricultural Act of 2014 (7 U.S.C.*
 17 *9011(8)(B)(ii)) is amended by striking “85” and inserting*
 18 *“beginning with the crop year 2025, 88”.*

19 (b) *REFERENCE PRICE.—Section 1111 of the Agricul-*
 20 *tural Act of 2014 (7 U.S.C. 9011) is amended by striking*
 21 *paragraph (19) and inserting the following:*

22 “(19) *REFERENCE PRICE.—*

23 “(A) *IN GENERAL.—Effective beginning*
 24 *with the 2025 crop year, subject to subpara-*
 25 *graphs (B) and (C), the term ‘reference price’,*

1 *with respect to a covered commodity for a crop*
 2 *year, means the following:*

3 “(i) *For wheat, \$6.35 per bushel.*

4 “(ii) *For corn, \$4.10 per bushel.*

5 “(iii) *For grain sorghum, \$4.40 per*
 6 *bushel.*

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

8 “(v) *For oats, \$2.65 per bushel.*

9 “(vi) *For long grain rice, \$16.90 per*
 10 *hundredweight.*

11 “(vii) *For medium grain rice, \$16.90*
 12 *per hundredweight.*

13 “(viii) *For soybeans, \$10.00 per bushel.*

14 “(ix) *For other oilseeds, \$23.75 per*
 15 *hundredweight.*

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

17 “(xi) *For dry peas, \$13.10 per hun-*
 18 *dredweight.*

19 “(xii) *For lentils, \$23.75 per hundred-*
 20 *weight.*

21 “(xiii) *For small chickpeas, \$22.65 per*
 22 *hundredweight.*

23 “(xiv) *For large chickpeas, \$25.65 per*
 24 *hundredweight.*

25 “(xv) *For seed cotton, \$0.42 per pound.*

1 “(B) *EFFECTIVENESS.*—*Effective beginning*
 2 *with the 2031 crop year, the reference prices de-*
 3 *finied in subparagraph (A) with respect to a cov-*
 4 *ered commodity shall equal the reference price in*
 5 *the previous crop year multiplied by 1.005.*

6 “(C) *LIMITATION.*—*In no case shall a ref-*
 7 *erence price for a covered commodity exceed 113*
 8 *percent of the reference price for such covered*
 9 *commodity listed in subparagraph (A).”.*

10 **SEC. 10302. BASE ACRES.**

11 *Section 1112 of the Agricultural Act of 2014 (7 U.S.C.*
 12 *9012) is amended—*

13 *(1) in subsection (d)(3)(A), by striking “2023”*
 14 *and inserting “2031”; and*

15 *(2) by adding at the end the following:*

16 “(e) *ADDITIONAL BASE ACRES.*—

17 “(1) *IN GENERAL.*—*As soon as practicable after*
 18 *the date of enactment of this subsection, and notwith-*
 19 *standing subsection (a), the Secretary shall provide*
 20 *notice to owners of eligible farms pursuant to para-*
 21 *graph (3) and allocate to those eligible farms a total*
 22 *of not more than an additional 30,000,000 base acres*
 23 *in the manner provided in this subsection. An owner*
 24 *of a farm that is eligible to receive an allocation of*
 25 *base acres may elect to not receive that allocation by*

1 *notifying the Secretary not later than 90 days after*
 2 *receipt of the notice provided by the Secretary under*
 3 *this paragraph.*

4 “(2) *CONTENT OF NOTICE.*—*The notice under*
 5 *paragraph (1) shall include the following:*

6 “(A) *Information that the allocation is oc-*
 7 *curring.*

8 “(B) *Information regarding the eligibility*
 9 *of the farm for an allocation of base acres under*
 10 *paragraph (3).*

11 “(C) *Information regarding how an owner*
 12 *may appeal a determination of ineligibility for*
 13 *an allocation of base acres under paragraph (3)*
 14 *through an appeals process established by the*
 15 *Secretary.*

16 “(3) *ELIGIBILITY.*—

17 “(A) *IN GENERAL.*—*Subject to subpara-*
 18 *graph (D), effective beginning with the 2026 crop*
 19 *year, a farm is eligible to receive an allocation*
 20 *of base acres if, with respect to the farm, the*
 21 *amount described in subparagraph (B) exceeds*
 22 *the amount described in subparagraph (C).*

23 “(B) *5-YEAR AVERAGE SUM.*—*The amount*
 24 *described in this subparagraph, with respect to a*
 25 *farm, is the sum of—*

1 “(i) the 5-year average of—

2 “(I) the acreage planted on the
3 farm to all covered commodities for
4 harvest, grazing, haying, silage or
5 other similar purposes for the 2019
6 through 2023 crop years; and

7 “(II) any acreage on the farm
8 that the producers were prevented from
9 planting during the 2019 through 2023
10 crop years to covered commodities be-
11 cause of drought, flood, or other nat-
12 ural disaster, or other condition be-
13 yond the control of the producers, as
14 determined by the Secretary; plus

15 “(ii) the lesser of—

16 “(I) 15 percent of the total acres
17 on the farm; and

18 “(II) the 5-year average of—

19 “(aa) the acreage planted on
20 the farm to eligible noncovered
21 commodities for harvest, grazing,
22 haying, silage, or other similar
23 purposes for the 2019 through
24 2023 crop years; and

1 “(bb) any acreage on the
2 farm that the producers were pre-
3 vented from planting during the
4 2019 through 2023 crop years to
5 eligible noncovered commodities
6 because of drought, flood, or other
7 natural disaster, or other condi-
8 tion beyond the control of the pro-
9 ducers, as determined by the Sec-
10 retary.

11 “(C) TOTAL NUMBER OF BASE ACRES FOR
12 COVERED COMMODITIES.—The amount described
13 in this subparagraph, with respect to a farm, is
14 the total number of base acres for covered com-
15 modities on the farm (excluding unassigned crop
16 base), as in effect on September 30, 2024.

17 “(D) EFFECT OF NO RECENT PLANTINGS OF
18 COVERED COMMODITIES.—In the case of a farm
19 for which the amount determined under clause
20 (i) of subparagraph (B) is equal to zero, that
21 farm shall be ineligible to receive an allocation
22 of base acres under this subsection.

23 “(E) ACREAGE PLANTED ON THE FARM TO
24 ELIGIBLE NONCOVERED COMMODITIES DE-
25 FINED.—In this paragraph, the term ‘acreage

1 *planted on the farm to eligible noncovered com-*
 2 *modities’ means acreage planted on a farm to*
 3 *commodities other than covered commodities,*
 4 *trees, bushes, vines, grass, or pasture (including*
 5 *cropland that was idle or fallow), as determined*
 6 *by the Secretary.*

7 *“(4) NUMBER OF BASE ACRES.—Subject to para-*
 8 *graphs (3) and (8), the number of base acres allocated*
 9 *to an eligible farm shall—*

10 *“(A) be equal to the difference obtained by*
 11 *subtracting the amount determined under sub-*
 12 *paragraph (C) of paragraph (3) from the*
 13 *amount determined under subparagraph (B) of*
 14 *that paragraph; and*

15 *“(B) include unassigned crop base.*

16 *“(5) ALLOCATION OF ACRES.—*

17 *“(A) ALLOCATION.—The Secretary shall al-*
 18 *locate the number of base acres under paragraph*
 19 *(4) among those covered commodities planted on*
 20 *the farm at any time during the 2019 through*
 21 *2023 crop years.*

22 *“(B) ALLOCATION FORMULA.—The alloca-*
 23 *tion of additional base acres for covered commod-*
 24 *ities shall be in proportion to the ratio of—*

25 *“(i) the 5-year average of—*

1 “(I) the acreage planted on the
2 farm to each covered commodity for
3 harvest, grazing, haying, silage, or
4 other similar purposes for the 2019
5 through 2023 crop years; and

6 “(II) any acreage on the farm
7 that the producers were prevented from
8 planting during the 2019 through 2023
9 crop years to that covered commodity
10 because of drought, flood, or other nat-
11 ural disaster, or other condition be-
12 yond the control of the producers, as
13 determined by the Secretary; to

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

16 “(C) INCLUSION OF ALL 5 YEARS IN AVER-
17 AGE.—For the purpose of determining a 5-year
18 acreage average under subparagraph (B) for a
19 farm, the Secretary shall not exclude any crop
20 year in which a covered commodity was not
21 planted.

22 “(D) TREATMENT OF MULTIPLE PLANTING
23 OR PREVENTED PLANTING.—For the purpose of
24 determining under subparagraph (B) the acreage
25 on a farm that producers planted or were pre-

1 *vented from planting during the 2019 through*
 2 *2023 crop years to covered commodities, if the*
 3 *acreage that was planted or prevented from being*
 4 *planted was devoted to another covered com-*
 5 *modity in the same crop year (other than a cov-*
 6 *ered commodity produced under an established*
 7 *practice of double cropping), the owner may elect*
 8 *the covered commodity to be used for that crop*
 9 *year in determining the 5-year average, but may*
 10 *not include both the initial covered commodity*
 11 *and the subsequent covered commodity.*

12 “(E) *LIMITATION.*—*The allocation of addi-*
 13 *tional base acres among covered commodities on*
 14 *a farm under this paragraph may not result in*
 15 *a total number of base acres for the farm in ex-*
 16 *cess of the total number of acres on the farm.*

17 “(6) *REDUCTION BY THE SECRETARY.*—*In car-*
 18 *rying out this subsection, if the total number of eligi-*
 19 *ble acres allocated to base acres across all farms in*
 20 *the United States under this subsection would exceed*
 21 *30,000,000 acres, the Secretary shall apply an across-*
 22 *the-board, pro-rata reduction to the number of eligible*
 23 *acres to ensure the number of allocated base acres*
 24 *under this subsection is equal to 30,000,000 acres.*

1 “(7) *PAYMENT YIELD.*—*Beginning with crop*
 2 *year 2026, for the purpose of making price loss cov-*
 3 *erage payments under section 1116, the Secretary*
 4 *shall establish payment yields to base acres allocated*
 5 *under this subsection equal to—*

6 “(A) *the payment yield established on the*
 7 *farm for the applicable covered commodity; and*

8 “(B) *if no such payment yield for the appli-*
 9 *cable covered commodity exists, a payment*
 10 *yield—*

11 “(i) *equal to the average payment yield*
 12 *for the covered commodity for the county in*
 13 *which the farm is situated; or*

14 “(ii) *determined pursuant to section*
 15 *1113(c).*

16 “(8) *TREATMENT OF NEW OWNERS.*—*In the case*
 17 *of a farm for which the owner on the date of enact-*
 18 *ment of this subsection was not the owner for the*
 19 *2019 through 2023 crop years, the Secretary shall use*
 20 *the planting history of the prior owner or owners of*
 21 *that farm for purposes of determining—*

22 “(A) *eligibility under paragraph (3);*

23 “(B) *eligible acres under paragraph (4);*

24 *and*

1 “(C) the allocation of acres under para-
2 graph (5).”.

3 **SEC. 10303. PRODUCER ELECTION.**

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

6 (1) in subsection (a), in the matter preceding
7 paragraph (1), by striking “2023” and inserting
8 “2031”;

9 (2) in subsection (c)—

10 (A) in the matter preceding paragraph
11 (1)—

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

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

16 (B) in paragraph (1)—

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

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

21 (C) in paragraph (2)—

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

1 (ii) in subparagraph (B), by striking
2 the period at the end and inserting “; and”;
3 and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(C) the same coverage for each covered
7 commodity on the farm for the 2027 through
8 2031 crop years as was applicable for the 2025
9 crop year.”; and

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

11 “(i) *HIGHER OF PRICE LOSS COVERAGE PAYMENTS*
12 *AND AGRICULTURE RISK COVERAGE PAYMENTS.*—For the
13 2025 crop year, the Secretary shall, on a covered com-
14 modity-by-covered commodity basis, make the higher of
15 price loss coverage payments under section 1116 and agri-
16 culture risk coverage county coverage payments under sec-
17 tion 1117 to the producers on a farm for the payment acres
18 for each covered commodity on the farm.”.

19 (b) *FEDERAL CROP INSURANCE SUPPLEMENTAL COV-*
20 *ERAGE OPTION.*—Section 508(c)(4)(C)(iv) of the Federal
21 Crop Insurance Act (7 U.S.C. 1508(c)(4)(C)(iv)) is amend-
22 ed by striking “Crops for which the producer has elected
23 under section 1116 of the Agricultural Act of 2014 to receive
24 agriculture risk coverage and acres” and inserting “Acres”.

1 **SEC. 10304. PRICE LOSS COVERAGE.**

2 *Section 1116 of the Agricultural Act of 2014 (7 U.S.C.*
 3 *9016) is amended—*

4 *(1) in subsection (a)(2), in the matter preceding*
 5 *subparagraph (A), by striking “2023” and inserting*
 6 *“2031”;*

7 *(2) in subsection (c)(1)(B)—*

8 *(A) in the subparagraph heading, by strik-*
 9 *ing “2023” and inserting “2031”; and*

10 *(B) in the matter preceding clause (i), by*
 11 *striking “2023” and inserting “2031”;*

12 *(3) in subsection (d), in the matter preceding*
 13 *paragraph (1), by striking “2025” and inserting*
 14 *“2031”; and*

15 *(4) in subsection (g)—*

16 *(A) by striking “subparagraph (F) of sec-*
 17 *tion 1111(19)” and inserting “paragraph*
 18 *(19)(A)(vi) of section 1111”; and*

19 *(B) by striking “2012 through 2016” each*
 20 *place it appears and inserting “2017 through*
 21 *2021”.*

22 **SEC. 10305. AGRICULTURE RISK COVERAGE.**

23 *Section 1117 of the Agricultural Act of 2014 (7 U.S.C.*
 24 *9017) is amended—*

1 (1) in subsection (a), in the matter preceding
2 paragraph (1), by striking “2023” and inserting
3 “2031”;

4 (2) in subsection (c)—

5 (A) in paragraph (1), by inserting “for each
6 of the 2014 through 2024 crop years and 90 per-
7 cent of the benchmark revenue for each of the
8 2025 through 2031 crop years” before the period
9 at the end;

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

12 (C) in paragraph (4)(B), in the subpara-
13 graph heading, by striking “2023” and inserting
14 “2031”;

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

17 “(B)(i) for each of the 2014 through 2024
18 crop years, 10 percent of the benchmark revenue
19 for the crop year applicable under subsection (c);
20 and

21 “(ii) for each of the 2025 through 2031 crop
22 years, 12 percent of the benchmark revenue for
23 the crop year applicable under subsection (c).”;
24 and

1 (4) in subsections (e), (g)(5), and (i)(5), by strik-
 2 ing “2023” each place it appears and inserting
 3 “2031”.

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

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

7 (1) in subsection (a)—

8 (A) by redesignating paragraph (5) as
 9 paragraph (6); and

10 (B) by inserting after paragraph (4) the fol-
 11 lowing:

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

14 “(A) a partnership (within the meaning of
 15 subchapter K of chapter 1 of the Internal Rev-
 16 enue Code of 1986);

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

19 “(C) a limited liability company that does
 20 not affirmatively elect to be treated as a corpora-
 21 tion; and

22 “(D) a joint venture or general partner-
 23 ship.”;

24 (2) in subsections (b) and (c), by striking “except
 25 a joint venture or general partnership” each place it

1 *appears and inserting “except a qualified pass-*
 2 *through entity”;* and

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

5 *(b) CONTRIBUTION OF PAYMENTS.—Section*
 6 *1001(e)(3)(B)(ii) of the Food Security Act of 1985 (7 U.S.C.*
 7 *1308(e)(3)(B)(ii)) is amended—*

8 *(1) in the clause heading, by striking “JOINT*
 9 *VENTURES AND GENERAL PARTNERSHIPS” and insert-*
 10 *ing “QUALIFIED PASS-THROUGH ENTITIES”;*

11 *(2) by striking “a joint venture or a general*
 12 *partnership” and inserting “a qualified pass-through*
 13 *entity”;*

14 *(3) by striking “joint ventures and general part-*
 15 *nerships” and inserting “qualified pass-through enti-*
 16 *ties”;* and

17 *(4) by striking “the joint venture or general*
 18 *partnership” and inserting “the qualified pass-*
 19 *through entity”.*

20 *(c) PERSONS ACTIVELY ENGAGED IN FARMING.—Sec-*
 21 *tion 1001A(b)(2) of the Food Security Act of 1985 (7 U.S.C.*
 22 *1308–1(b)(2)) is amended—*

23 *(1) subparagraphs (A) and (B), by striking “a*
 24 *general partnership, a participant in a joint venture”*

1 each place it appears and inserting “a qualified pass-
2 through entity”; and

3 (2) in subparagraph (C), by striking “a general
4 partnership, joint venture, or similar entity” and in-
5 serting “a qualified pass-through entity or a similar
6 entity”.

7 (d) *JOINT AND SEVERAL LIABILITY*.—Section
8 1001B(d) of the Food Security Act of 1985 (7 U.S.C. 1308–
9 2(d)) is amended by striking “partnerships and joint ven-
10 tures” and inserting “qualified pass-through entities”.

11 (e) *EXCLUSION FROM AGI CALCULATION*.—Section
12 1001D(d) of the Food Security Act of 1985 (7 U.S.C. 1308–
13 3a(d)) is amended by striking “, general partnership, or
14 joint venture” each place it appears.

15 **SEC. 10307. PAYMENT LIMITATIONS.**

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

18 (1) in subsection (b)—

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

21 (B) by striking “\$125,000” and inserting
22 “\$155,000”;

23 (2) in subsection (c)—

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

1 (B) by striking “\$125,000” and inserting
2 “\$155,000”; and

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

4 “(i) *ADJUSTMENT*.—For the 2025 crop year and each
5 crop year thereafter, the Secretary shall annually adjust the
6 amounts described in subsections (b) and (c) for inflation
7 based on the Consumer Price Index for All Urban Con-
8 sumers published by the Bureau of Labor Statistics of the
9 Department of Labor.”.

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

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

13 (1) in paragraph (1), by striking “paragraph
14 (3)” and inserting “paragraphs (3) and (4)”; and

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

16 “(4) *EXCEPTION FOR CERTAIN OPERATIONS*.—

17 “(A) *DEFINITIONS*.—In this paragraph:

18 “(i) *EXCEPTED PAYMENT OR BEN-*
19 *EFIT*.—The term ‘excepted payment or ben-

20 *efit*’ means—

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

24 “(II) a payment or benefit under
25 section 196 of the Federal Agriculture

1 *Improvement and Reform Act of 1996*
 2 *(7 U.S.C. 7333); and*

3 “(III) *a payment or benefit de-*
 4 *scribed in paragraph (2)(C) received*
 5 *on or after October 1, 2024.*

6 “(ii) *FARMING, RANCHING, OR*
 7 *SILVICULTURE ACTIVITIES.—The term*
 8 *‘farming, ranching, or silviculture activi-*
 9 *ties’ includes agri-tourism, direct-to-con-*
 10 *sumer marketing of agricultural products,*
 11 *the sale of agricultural equipment owned by*
 12 *the person or legal entity, and other agri-*
 13 *culture-related activities, as determined by*
 14 *the Secretary.*

15 “(B) *EXCEPTION.—In the case of an ex-*
 16 *cepted payment or benefit, the limitation estab-*
 17 *lished by paragraph (1) shall not apply to a per-*
 18 *son or legal entity during a crop, fiscal, or pro-*
 19 *gram year, as appropriate, if greater than or*
 20 *equal to 75 percent of the average gross income*
 21 *of the person or legal entity derives from farm-*
 22 *ing, ranching, or silviculture activities.”.*

23 **SEC. 10309. MARKETING LOANS.**

24 (a) *AVAILABILITY OF NONRECOURSE MARKETING AS-*
 25 *SISTANCE LOANS FOR LOAN COMMODITIES.—Section*

1 *1201(b)(1) of the Agricultural Act of 2014 (7 U.S.C.*
 2 *9031(b)(1)) is amended by striking “2023” and inserting*
 3 *“2031”.*

4 *(b) LOAN RATES FOR NONRECOURSE MARKETING AS-*
 5 *SISTANCE LOANS.—Section 1202 of the Agricultural Act of*
 6 *2014 (7 U.S.C. 9032) is amended—*

7 *(1) in subsection (b)—*

8 *(A) in the subsection heading, by striking*
 9 *“2023” and inserting “2025”; and*

10 *(B) in the matter preceding paragraph (1),*
 11 *by striking “2023” and inserting “2025”;*

12 *(2) by redesignating subsections (c) and (d) as*
 13 *subsections (d) and (e), respectively;*

14 *(3) by inserting after subsection (b) the fol-*
 15 *lowing:*

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

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

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

22 *“(3) In the case of grain sorghum, \$2.42 per*
 23 *bushel.*

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

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

1 “(6) *In the case of upland cotton, \$0.55 per*
2 *pound.*

3 “(7) *In the case of extra long staple cotton, \$1.00*
4 *per pound.*

5 “(8) *In the case of long grain rice, \$7.70 per*
6 *hundredweight.*

7 “(9) *In the case of medium grain rice, \$7.70 per*
8 *hundredweight.*

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

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

13 “(A) *Sunflower seed.*

14 “(B) *Rapeseed.*

15 “(C) *Canola.*

16 “(D) *Safflower.*

17 “(E) *Flaxseed.*

18 “(F) *Mustard seed.*

19 “(G) *Crambe.*

20 “(H) *Sesame seed.*

21 “(I) *Other oilseeds designated by the Sec-*
22 *retary.*

23 “(12) *In the case of dry peas, \$6.87 per hundred-*
24 *weight.*

1 “(13) *In the case of lentils, \$14.30 per hundred-*
2 *weight.*

3 “(14) *In the case of small chickpeas, \$11.00 per*
4 *hundredweight.*

5 “(15) *In the case of large chickpeas, \$15.40 per*
6 *hundredweight.*

7 “(16) *In the case of graded wool, \$1.60 per*
8 *pound.*

9 “(17) *In the case of nongraded wool, \$0.55 per*
10 *pound.*

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

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

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

14 (4) *in subsection (d) (as so redesignated), by*
15 *striking “(a)(11) and (b)(11)” and inserting “(a)(11),*
16 *(b)(11), and (c)(11)”;* and

17 (5) *in subsection (e) (as so redesignated), in*
18 *paragraph (1), by striking “\$0.25” and inserting*
19 *“\$0.30”.*

20 (c) *PAYMENT OF COTTON STORAGE COSTS.—Section*
21 *1204(g) of the Agricultural Act of 2014 (7 U.S.C. 9034(g))*
22 *is amended—*

23 (1) *by striking “Effective” and inserting the fol-*
24 *lowing:*

1 “(1) *CROP YEARS 2014 THROUGH 2025.*—~~Effec-~~
2 *tive*”;

3 (2) *in paragraph (1) (as so designated), by strik-*
4 *ing “2023” and inserting “2025”; and*

5 (3) *by adding at the end the following:*

6 “(2) *PAYMENT OF COTTON STORAGE COSTS.*—~~Ef-~~
7 *fective for each of the 2026 through 2031 crop years,*
8 *the Secretary shall make cotton storage payments for*
9 *upland cotton and extra long staple cotton available*
10 *in the same manner as the Secretary provided storage*
11 *payments for the 2006 crop of upland cotton, except*
12 *that the payment rate shall be equal to the lesser of—*

13 “(A) *the submitted storage charge for the*
14 *current marketing year; and*

15 “(B) *in the case of storage in—*

16 “(i) *California or Arizona, a payment*
17 *rate of \$4.90; and*

18 “(ii) *any other State, a payment rate*
19 *of \$3.00.”.*

20 (d) *LOAN DEFICIENCY PAYMENTS.*—

21 (1) *CONTINUATION.*—*Section 1205(a)(2)(B) of*
22 *the Agricultural Act of 2014 (7 U.S.C. 9035(a)(2)(B))*
23 *is amended by striking “2023” and inserting “2031”.*

24 (2) *PAYMENTS IN LIEU OF LDPS.*—*Section 1206*
25 *of the Agricultural Act of 2014 (7 U.S.C. 9036) is*

1 *amended, in subsections (a) and (d), by striking*
 2 *“2023” each place it appears and inserting “2031”.*

3 *(e) SPECIAL COMPETITIVE PROVISIONS FOR EXTRA*
 4 *LONG STAPLE COTTON.—Section 1208(a) of the Agricul-*
 5 *tural Act of 2014 (7 U.S.C. 9038(a)) is amended, in the*
 6 *matter preceding paragraph (1), by striking “2026” and*
 7 *inserting “2032”.*

8 *(f) AVAILABILITY OF RECOURSE LOANS.—Section*
 9 *1209 of the Agricultural Act of 2014 (7 U.S.C. 9039) is*
 10 *amended, in subsections (a)(2), (b), and (c), by striking*
 11 *“2023” each place it appears and inserting “2031”.*

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

13 *Section 1204 of the Agricultural Act of 2014 (7 U.S.C.*
 14 *9034) is amended—*

15 *(1) in subsection (b)—*

16 *(A) by redesignating paragraph (1) as sub-*
 17 *paragraph (A) and indenting appropriately;*

18 *(B) in the matter preceding subparagraph*
 19 *(A) (as so redesignated), by striking “The Sec-*
 20 *retary” and inserting the following:*

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

22 *(C) by striking paragraph (2) and inserting*
 23 *the following:*

24 *“(B)(i) in the case of long grain rice and*
 25 *medium grain rice, the prevailing world market*

1 *price for the commodity, as determined and ad-*
 2 *justed by the Secretary in accordance with this*
 3 *section; or*

4 *“(ii) in the case of upland cotton, the pre-*
 5 *vailing world market price for the commodity, as*
 6 *determined and adjusted by the Secretary in ac-*
 7 *cordance with this section.*

8 *“(2) REFUND FOR UPLAND COTTON.—In the case*
 9 *of a repayment for a marketing assistance loan for*
 10 *upland cotton at a rate described in paragraph*
 11 *(1)(B)(ii), the Secretary shall provide to the producer*
 12 *a refund (if any) in an amount equal to the difference*
 13 *between the lowest prevailing world market price, as*
 14 *determined and adjusted by the Secretary in accord-*
 15 *ance with this section, during the 30-day period fol-*
 16 *lowing the date on which the producer repays the*
 17 *marketing assistance loan and the repayment rate.”;*

18 *(2) in subsection (c)—*

19 *(A) by striking the period at the end and*
 20 *inserting “; and”;*

21 *(B) by striking “at the loan rate” and in-*
 22 *serting the following: “at a rate that is the lesser*
 23 *of— “*

24 *“(1) the loan rate”; and*

25 *(C) by adding at the end the following:*

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 Mid-
18 dling (M) $1\frac{3}{32}$ -inch cotton are available, the formula
19 under paragraph (1)(A) shall be based on the average
20 of the 3 lowest-priced growths that are quoted.”; and

21 (4) in subsection (e)—

22 (A) in the subsection heading, by inserting
23 “*EXTRA LONG STAPLE COTTON*,” after “*UPLAND*
24 *COTTON*,”;

25 (B) in paragraph (2)—

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

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

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

8 (D) by inserting after paragraph (2) the fol-
9 lowing:

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

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

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

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 Fed-
5 eral Government;

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

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

15 “(I) there are insufficient current-
16 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 the
6 loan rate per pound of raw cane sugar under sub-
7 section (a)(6) for each of the 2025 through 2031 crop
8 years.”; and

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

11 (b) *ADJUSTMENTS TO COMMODITY CREDIT CORPORA-*
12 *TION STORAGE RATES.*—Section 167 of the Federal Agri-
13 *culture Improvement and Reform Act of 1996 (7 U.S.C.*
14 *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 an
20 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 in-
 9 serting “2031”.

10 (2) *ALLOCATION TO PROCESSORS.*—Section
 11 359c(g)(2) of the Agricultural Adjustment Act of 1938
 12 (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 1938
 25 (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 so
5 redesignated), by striking “If the Secretary” and
6 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 SHORT-*
24 *FALL.*—Section 359k of the Agricultural Adjustment Act of

1 1938 (7 U.S.C. 1359kk) is amended by adding at the end
2 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, the
7 Secretary shall—

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

11 “(B) reallocate any forecasted shortfall in
12 the fulfillment of the tariff-rate quotas as soon as
13 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-rate
18 quotas for raw cane sugar established under sub-
19 section (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 terminated;
25 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 respect*
 4 *to sugar from Mexico.*

5 “(d) *REFINED SUGAR.—*

6 “(1) *DEFINITION OF DOMESTIC SUGAR INDUS-*
 7 *TRY.—In this subsection, the term ‘domestic sugar in-*
 8 *dustry’ 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 re-
6 fined 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 sugar
15 imported as refined sugar will not un-
16 dergo further refining in the United
17 States;

18 “(VI) prescribing appropriate
19 terms and conditions to avoid unlawful
20 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 domestic*
11 *sugar industry and users of refined sugar.*

12 “(D) *REPORT.—Not later than 1 year after*
13 *the date of enactment of this subsection, the Sec-*
14 *retary shall submit to the Committee on Agri-*
15 *culture of the House of Representatives and the*
16 *Committee on Agriculture, Nutrition, and For-*
17 *estry of the Senate a report that describes the*
18 *findings of the study conducted under subpara-*
19 *graph (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 (2)(D),*
24 *and after providing notice to the Committee on*
25 *Agriculture of the House of Representatives and*

1 *the Committee on Agriculture, Nutrition, and*
 2 *Forestry of the Senate, the Secretary may issue*
 3 *regulations in accordance with subparagraph*
 4 *(B) to establish additional terms and conditions*
 5 *with respect to refined sugar imports that are*
 6 *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 ADJUST-*
 19 *MENTS.—Section 359k(b)(1) of the Agricultural Adjustment*
 20 *Act of 1938 (7 U.S.C. 1359kk(b)(1)) is amended, in the mat-*
 21 *ter preceding subparagraph (A), by striking “if there is an”*
 22 *and inserting “for the sole purpose of responding directly*
 23 *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 Agricultural
13 Act of 2014 (7 U.S.C. 9055) is amended by striking
14 subsections (a) and (b) and inserting the following:

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

20 “(b) *ELECTION BY NEW DAIRY OPERATIONS.*—In the
21 case of a participating dairy operation that has been in
22 operation for less than a year, the participating dairy oper-
23 ation shall elect 1 of the following methods for the Secretary
24 to determine the production history of the participating
25 dairy operation:

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

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

9 (b) *DAIRY MARGIN COVERAGE PAYMENTS.—Section*
 10 *1406(a)(1)(C) of the Agricultural Act of 2014 (7 U.S.C.*
 11 *9056(a)(1)(C)) is amended by striking “5,000,000” each*
 12 *place it appears and inserting “6,000,000”.*

13 (c) *PREMIUMS FOR DAIRY MARGINS.—*

14 (1) *TIER I.—Section 1407(b) of the Agricultural*
 15 *Act of 2014 (7 U.S.C. 9057(b)) is amended—*

16 (A) *in the subsection heading, by striking*
 17 *“5,000,000” and inserting “6,000,000”; and*

18 (B) *in paragraph (1), by striking*
 19 *“5,000,000” and inserting “6,000,000”.*

20 (2) *TIER II.—Section 1407(c) of the Agricultural*
 21 *Act of 2014 (7 U.S.C. 9057(c)) is amended—*

22 (A) *in the subsection heading, by striking*
 23 *“5,000,000” and inserting “6,000,000”; and*

24 (B) *in paragraph (1), by striking*
 25 *“5,000,000” and inserting “6,000,000”.*

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

4 (A) in paragraph (1)—

5 (i) by striking “2019 through 2023”
6 and inserting “2026 through 2031”; and

7 (ii) by striking “January 2019” and
8 inserting “January 2026”; and

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

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

14 **SEC. 10314. IMPLEMENTATION.**

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

18 “(5) *FURTHER FUNDING*.—The Secretary shall
19 make available to carry out subtitle C of title I of the
20 Act entitled ‘An Act to provide for reconciliation pur-
21 suant to title II of H. Con. Res. 14’ (119th Congress)
22 and the amendments made by that subtitle
23 \$50,000,000, to remain available until expended, of
24 which—

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

4 “(B) \$3,000,000 shall be used for activities
5 described in paragraph (3)(A);

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

8 “(D) \$9,000,000 shall be used—

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

16 “(ii) to publish the results of such sur-
17 veys biennially; and

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

Subtitle D—Disaster Assistance Programs

SEC. 10401. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

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

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

“(2) PAYMENT RATES.—

“(A) LOSSES DUE TO PREDATION.—Indemnity payments to an eligible producer on a farm under paragraph (1)(A) shall be made at a rate of 100 percent of the market value of the affected livestock on the applicable date, as determined by the Secretary.

“(B) LOSSES DUE TO ADVERSE WEATHER OR DISEASE.—Indemnity payments to an eligible producer on a farm under subparagraph (B) or (C) of paragraph (1) shall be made at a rate of 75 percent of the market value of the affected livestock on the applicable date, as determined by the Secretary.

“(C) DETERMINATION OF MARKET VALUE.—In determining the market value described in

1 *subparagraphs (A) and (B), the Secretary may*
2 *consider the ability of eligible producers to docu-*
3 *ment regional price premiums for affected live-*
4 *stock that exceed the national average market*
5 *price for those livestock.*

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

9 *“(i) the day before the date of death of*
10 *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 of
 6 the payment rate established with respect to
 7 the lowest weight class of the livestock, as
 8 determined by the Secretary, acting through
 9 the Administrator of the Farm Service
 10 Agency.

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

1 *cies of each such livestock, as determined by*
2 *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 ges-
8 tating on the date of the death of the livestock.”.

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

(1) by striking “1 monthly payment” and inserting “2 monthly payments”; and

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

“(aa) 4 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate determined under subparagraph (B); or

1 “(bb) 7 of the previous 8 con-
2 secutive”.

3 (c) *EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY*
4 *BEEES, AND FARM-RAISED FISH.*—

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

8 “(5) *ASSISTANCE FOR LOSSES DUE TO BIRD*
9 *DEPREDATION.*—

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

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

19 “(C) *PAYMENT RATE.*—

20 “(i) *IN GENERAL.*—The payment rate
21 for payments under subparagraph (B) shall
22 be determined by the Secretary, taking into
23 account—

24 “(I) costs associated with the de-
25 terrence of piscivorous birds;

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

3 “(III) costs associated with dis-
4 ease loss from bird depredation.

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

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

12 “(i) the applicable payment rate under
13 subparagraph (C); and

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

18 (2) *EMERGENCY ASSISTANCE FOR HONEYBEES.*—
19 In determining honeybee colony losses eligible for as-
20 sistance under section 1501(d) of the Agricultural Act
21 of 2014 (7 U.S.C. 9081(d)), the Secretary shall utilize
22 a normal mortality rate of 15 percent.

23 (d) *TREE ASSISTANCE PROGRAM.*—Section 1501(e) of
24 the Agricultural Act of 2014 (7 U.S.C. 9081(e)) is amend-
25 ed—

1 (1) in paragraph (2)(B), by striking “15 percent
2 (adjusted for normal mortality)” and inserting “nor-
3 mal mortality”; and

4 (2) in paragraph (3)—

5 (A) in subparagraph (A)(i), by striking “15
6 percent mortality (adjusted for normal mor-
7 tality)” and inserting “normal mortality”; and

8 (B) in subparagraph (B)—

9 (i) by striking “50” and inserting
10 “65”; and

11 (ii) by striking “15 percent damage or
12 mortality (adjusted for normal tree damage
13 and mortality)” and inserting “normal tree
14 damage or mortality”.

15 ***Subtitle E—Crop Insurance***

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

17 (a) *DEFINITIONS.*—

18 (1) *IN GENERAL.*—Section 502(b)(3) of the *Fed-*
19 *eral Crop Insurance Act* (7 U.S.C. 1502(b)(3)) is
20 amended by striking “5” and inserting “10”.

21 (2) *CONFORMING AMENDMENT.*—Section
22 522(c)(7) of the *Federal Crop Insurance Act* (7 U.S.C.
23 1522(c)(7)) is amended by striking subparagraph (F).

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

4 “(9) *ADDITIONAL SUPPORT.*—

5 “(A) *IN GENERAL.*—In addition to any
 6 other provision of this subsection (except para-
 7 graph (2)(A)) regarding payment of a portion of
 8 premiums, a beginning farmer or rancher shall
 9 receive additional premium assistance that is the
 10 number of percentage points specified in sub-
 11 paragraph (B) greater than the premium assist-
 12 ance that would otherwise be available for the
 13 applicable policy, plan of insurance, and cov-
 14 erage level selected by the beginning farmer or
 15 rancher.

16 “(B) *PERCENTAGE POINTS ADJUST-*
 17 *MENTS.*—The percentage points referred to in
 18 subparagraph (A) are the following:

19 “(i) For each of the first and second re-
 20 insurance years that a beginning farmer or
 21 rancher participates as a beginning farmer
 22 or rancher in the applicable policy or plan
 23 of insurance, 5 percentage points.

24 “(ii) For the third reinsurance year
 25 that a beginning farmer or rancher partici-

1 *pates as a beginning farmer or rancher in*
 2 *the applicable policy or plan of insurance,*
 3 *3 percentage points.*

4 *“(iii) For the fourth reinsurance year*
 5 *that a beginning farmer or rancher partici-*
 6 *pates as a beginning farmer or rancher in*
 7 *the applicable policy or plan of insurance,*
 8 *1 percentage point.”.*

9 **SEC. 10502. AREA-BASED CROP INSURANCE COVERAGE AND**
 10 **AFFORDABILITY.**

11 *(a) COVERAGE LEVEL.—Section 508(c)(4) of the Fed-*
 12 *eral Crop Insurance Act (7 U.S.C. 1508(c)(4)) is amend-*
 13 *ed—*

14 *(1) in subparagraph (A), by striking clause (ii)*
 15 *and inserting the following:*

16 *“(ii) may be purchased at any level*
 17 *not to exceed—*

18 *“(I) in the case of the individual*
 19 *yield or revenue coverage, 85 percent;*

20 *“(II) in the case of individual*
 21 *yield or revenue coverage aggregated*
 22 *across multiple commodities, 90 per-*
 23 *cent; and*

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

4 (2) in subparagraph (C)—

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

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

9 (b) *PREMIUM SUBSIDY.*—Section 508(e)(2)(H)(i) of
10 the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)(H)(i))
11 is amended by striking “65” and inserting “80”.

12 **SEC. 10503. ADMINISTRATIVE AND OPERATING EXPENSE**
13 **ADJUSTMENTS.**

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

17 “(10) *ADDITIONAL EXPENSES.*—

18 “(A) *IN GENERAL.*—Beginning with the
19 2026 reinsurance year, and for each reinsurance
20 year thereafter, in addition to the terms and con-
21 ditions of the Standard Reinsurance Agreement,
22 to cover additional expenses for loss adjustment
23 procedures, the Corporation shall pay an addi-
24 tional administrative and operating expense sub-

1 *sidy to approved insurance providers for eligible*
 2 *contracts.*

3 “(B) *PAYMENT AMOUNT.*—*In the case of an*
 4 *eligible contract, the payment to an approved in-*
 5 *surance provider required under subparagraph*
 6 *(A) shall be the amount equal to 6 percent of the*
 7 *net book premium.*

8 “(C) *DEFINITIONS.*—*In this paragraph:*

9 “(i) *ELIGIBLE CONTRACT.*—*The term*
 10 *‘eligible contract’—*

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

15 *“(II) does not include a contract*
 16 *for—*

17 *“(aa) catastrophic risk pro-*
 18 *tection under subsection (b);*

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

23 *“(cc) a policy under which*
 24 *an approved insurance provider*
 25 *does not incur loss adjustment ex-*

1 *penses, as determined by the Cor-*
 2 *poration.*

3 “(ii) *ELIGIBLE STATE.*—*The term ‘eli-*
 4 *gible State’ means a State in which, with*
 5 *respect to an insurance year, the loss ratio*
 6 *for eligible contracts is greater than 120*
 7 *percent of the total net book premium writ-*
 8 *ten by all approved insurance providers.*

9 “(11) *SPECIALTY CROPS.*—

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

21 “(i) *17 percent of the premium used to*
 22 *define loss ratio.*

23 “(ii) *The percent of the premium used*
 24 *to define loss ratio that is otherwise appli-*
 25 *cable for the reinsurance year under the*

1 *terms of the Standard Reinsurance Agree-*
 2 *ment in effect for the reinsurance year.*

3 “(B) *OTHER CONTRACTS.*—*In carrying out*
 4 *subparagraph (A), the Corporation shall not re-*
 5 *duce, with respect to any reinsurance year, the*
 6 *amount or the rate of reimbursement to approved*
 7 *insurance providers and agents under the Stand-*
 8 *ard Reinsurance Agreement described in clause*
 9 *(ii) of such subparagraph for administrative and*
 10 *operating expenses with respect to contracts cov-*
 11 *ering agricultural commodities that are not sub-*
 12 *ject to such subparagraph.*

13 “(C) *ADMINISTRATION.*—*The requirements*
 14 *of this paragraph and the adjustments made*
 15 *pursuant to this paragraph shall not be consid-*
 16 *ered a renegotiation under paragraph (8)(A).*

17 “(12) *A&O INFLATION ADJUSTMENT.*—

18 “(A) *IN GENERAL.*—*Subject to subpara-*
 19 *graph (B), beginning with the 2026 reinsurance*
 20 *year, and for each reinsurance year thereafter,*
 21 *the Corporation shall increase the total adminis-*
 22 *trative and operating expense reimbursements*
 23 *otherwise required under the Standard Reinsur-*
 24 *ance Agreement in effect for the reinsurance year*
 25 *in order to account for inflation, in a manner*

1 *consistent with the increases provided with re-*
2 *spect to the 2011 through 2015 reinsurance years*
3 *under the enclosure included in Risk Manage-*
4 *ment Agency Bulletin numbered MGR–10–007*
5 *and dated June 30, 2010.*

6 “(B) *SPECIAL RULE FOR 2026 REINSURANCE*
7 *YEAR.—The increase under subparagraph (A) for*
8 *the 2026 reinsurance year shall not exceed the*
9 *percentage change for the preceding reinsurance*
10 *year included in the Consumer Price Index for*
11 *All Urban Consumers published by the Bureau of*
12 *Labor Statistics of the Department of Labor.*

13 “(C) *ADMINISTRATION.—An increase under*
14 *subparagraph (A)—*

15 “(i) *shall apply with respect to all con-*
16 *tracts covering agricultural commodities*
17 *that were subject to an increase during the*
18 *period of the 2011 through 2015 reinsurance*
19 *years under the enclosure referred to in that*
20 *subparagraph; and*

21 “(ii) *shall not be considered a renegoti-*
22 *ation under paragraph (8)(A).”.*

23 **SEC. 10504. PREMIUM SUPPORT.**

24 *Section 508(e)(2) of the Federal Crop Insurance Act*
25 *(7 U.S.C. 1508(e)(2)) is amended—*

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

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

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

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

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

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

12 Section 515(l)(2) of the Federal Crop Insurance Act
13 (7 U.S.C. 1515(l)(2)) is amended by striking “than” and
14 all that follows through the period at the end and inserting
15 the following: “than—

16 “(A) \$4,000,000 for each of fiscal years
17 2009 through 2025; and

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

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

21 Section 516(b)(2)(C)(i) of the Federal Crop Insurance
22 Act (7 U.S.C. 1516(b)(2)(C)(i)) is amended, in the matter
23 preceding subclause (I), by striking “for each fiscal year”
24 and inserting “for each of fiscal years 2014 through 2025

1 *and \$10,000,000 for fiscal year 2026 and each fiscal year*
 2 *thereafter”.*

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

4 *Section 523 of the Federal Crop Insurance Act (7*
 5 *U.S.C. 1523) is amended by adding at the end the following:*

6 *“(j) POULTRY INSURANCE PILOT PROGRAM.—*

7 *“(1) IN GENERAL.—Notwithstanding subsection*
 8 *(a)(2), the Corporation shall establish a pilot pro-*
 9 *gram under which contract poultry growers, includ-*
 10 *ing growers of broilers and laying hens, may elect to*
 11 *receive index-based insurance from extreme weather-*
 12 *related risk resulting in increased utility costs (in-*
 13 *cluding costs of natural gas, propane, electricity,*
 14 *water, and other appropriate costs, as determined by*
 15 *the Corporation) associated with poultry production.*

16 *“(2) STAKEHOLDER ENGAGEMENT.—The Cor-*
 17 *poration shall engage with poultry industry stake-*
 18 *holders in establishing the pilot program under para-*
 19 *graph (1).*

20 *“(3) LOCATION.—The pilot program established*
 21 *under paragraph (1) shall be conducted in a suffi-*
 22 *cient number of counties to provide a comprehensive*
 23 *evaluation of the feasibility, effectiveness, and demand*
 24 *among producers in the top poultry producing States,*
 25 *as determined by the Corporation.*

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

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

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

8 ***Subtitle F—Additional Investments***
 9 ***in Rural America***

10 ***SEC. 10601. CONSERVATION.***

11 (a) *IN GENERAL.*—Section 1241(a) of the Food Secu-
 12 rity Act of 1985 (16 U.S.C. 3841(a)) is amended—

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

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

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

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

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

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

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

21 and

22 (2) in paragraph (3)—

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

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

3 “(ii) \$2,855,000,000 for fiscal year
4 2027;

5 “(iii) \$3,255,000,000 for fiscal year
6 2028;

7 “(iv) \$3,255,000,000 for fiscal year
8 2029;

9 “(v) \$3,255,000,000 for fiscal year
10 2030; and

11 “(vi) \$3,255,000,000 for fiscal year
12 2031; and”; and

13 (B) in subparagraph (B), by striking
14 clauses (i) through (v) and inserting the fol-
15 lowing:

16 “(i) \$1,300,000,000 for fiscal year
17 2026;

18 “(ii) \$1,325,000,000 for fiscal year
19 2027;

20 “(iii) \$1,350,000,000 for fiscal year
21 2028;

22 “(iv) \$1,375,000,000 for fiscal year
23 2029;

24 “(v) \$1,375,000,000 for fiscal year
25 2030; and

1 “(vi) \$1,375,000,000 for fiscal year
2 2031.”.

3 (b) *REGIONAL CONSERVATION PARTNERSHIP PRO-*
4 *GRAM.—Section 1271D of the Food Security Act of 1985*
5 *(16 U.S.C. 3871d) is amended by striking subsection (a)*
6 *and inserting the following:*

7 “(a) *AVAILABILITY OF FUNDING.—Of the funds of the*
8 *Commodity Credit Corporation, the Secretary shall use to*
9 *carry out the program, to the maximum extent prac-*
10 *ticable—*

11 “(1) \$425,000,000 for fiscal year 2026;

12 “(2) \$450,000,000 for fiscal year 2027;

13 “(3) \$450,000,000 for fiscal year 2028;

14 “(4) \$450,000,000 for fiscal year 2029;

15 “(5) \$450,000,000 for fiscal year 2030; and

16 “(6) \$450,000,000 for fiscal year 2031.”.

17 (c) *GRASSROOTS SOURCE WATER PROTECTION PRO-*
18 *GRAM.—Section 1240O(b) of the Food Security Act of 1985*
19 *(16 U.S.C. 3839bb–2(b)) is amended—*

20 (1) *in paragraph (1), by striking “2023” and in-*
21 *serting “2031”; and*

22 (2) *in paragraph (3)—*

23 (A) *in subparagraph (A), by striking “and”*
24 *at the end;*

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

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

4 “(C) \$1,000,000 beginning in fiscal year
5 2026, to remain available until expended.”.

6 (d) *VOLUNTARY PUBLIC ACCESS AND HABITAT INCEN-*
7 *TIVE PROGRAM.*—Section 1240R(f)(1) of the Food Security
8 Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is amended—

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

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

14 (e) *WATERSHED PROTECTION AND FLOOD PREVEN-*
15 *TION.*—Section 15 of the Watershed Protection and Flood
16 Prevention Act (16 U.S.C. 1012a) is amended by striking
17 “\$50,000,000 for fiscal year 2019 and each fiscal year there-
18 after” and inserting “\$150,000,000 for fiscal year 2026 and
19 each fiscal year thereafter, to remain available until ex-
20 pended”.

21 (f) *FERAL SWINE ERADICATION AND CONTROL PILOT*
22 *PROGRAM.*—Section 2408(g)(1) of the Agriculture Improve-
23 ment Act of 2018 (7 U.S.C. 8351 note; Public Law 115–
24 334) is amended—

1 (1) *by striking “2023 and” and inserting*
 2 *“2023,”; and*

3 (2) *by inserting “, and \$105,000,000 for the pe-*
 4 *riod of fiscal years 2025 through 2031” before the pe-*
 5 *riod at the end.*

6 (g) *RESCISSION.—The unobligated balances of*
 7 *amounts appropriated by section 21001(a) of Public Law*
 8 *117–169 (136 Stat. 2015) are rescinded.*

9 **SEC. 10602. SUPPLEMENTAL AGRICULTURAL TRADE PRO-**
 10 **MOTION PROGRAM.**

11 (a) *IN GENERAL.—The Secretary of Agriculture shall*
 12 *carry out a program to encourage the accessibility, develop-*
 13 *ment, maintenance, and expansion of commercial export*
 14 *markets for United States agricultural commodities.*

15 (b) *FUNDING.—Of the funds of the Commodity Credit*
 16 *Corporation, the Secretary of Agriculture shall make avail-*
 17 *able to carry out this section \$285,000,000 for fiscal year*
 18 *2027 and each fiscal year thereafter.*

19 **SEC. 10603. NUTRITION.**

20 *Section 203D(d)(5) of the Emergency Food Assistance*
 21 *Act of 1983 (7 U.S.C. 7507(d)(5)) is amended by striking*
 22 *“2024” and inserting “2031”.*

23 **SEC. 10604. RESEARCH.**

24 (a) *URBAN, INDOOR, AND OTHER EMERGING AGRI-*
 25 *CULTURAL PRODUCTION RESEARCH, EDUCATION, AND EX-*

1 *TENSION INITIATIVE.—Section 1672E(d)(1)(B) of the Food,*
 2 *Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C.*
 3 *5925g(d)(1)(B)) is amended by striking “fiscal year 2024,*
 4 *to remain available until expended” and inserting “each*
 5 *of fiscal years 2024 through 2031”.*

6 *(b) FOUNDATION FOR FOOD AND AGRICULTURE RE-*
 7 *SEARCH.—Section 7601(g)(1)(A) of the Agricultural Act of*
 8 *2014 (7 U.S.C. 5939(g)(1)(A)) is amended by adding at the*
 9 *end the following:*

10 *“(iv) FURTHER FUNDING.—Not later*
 11 *than 30 days after the date of enactment of*
 12 *this clause, of the funds of the Commodity*
 13 *Credit Corporation, the Secretary shall*
 14 *transfer to the Foundation to carry out this*
 15 *section \$37,000,000, to remain available*
 16 *until expended.”.*

17 *(c) SCHOLARSHIPS FOR STUDENTS AT 1890 INSTITU-*
 18 *TIONS.—Section 1446(b)(1) of the National Agricultural*
 19 *Research, Extension, and Teaching Policy Act of 1977 (7*
 20 *U.S.C. 3222a(b)(1)) is amended by adding at the end the*
 21 *following:*

22 *“(C) FURTHER FUNDING.—Of the funds of*
 23 *the Commodity Credit Corporation, the Sec-*
 24 *retary shall make available to carry out this sec-*

1 *tion \$60,000,000 for fiscal year 2026, to remain*
 2 *available until expended.”.*

3 *(d) ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS*
 4 *WITH DISABILITIES.—Section 1680 of the Food, Agri-*
 5 *culture, Conservation, and Trade Act of 1990 (7 U.S.C.*
 6 *5933) is amended—*

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

9 *(2) by adding at the end the following:*

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

14 *(e) SPECIALTY CROP RESEARCH INITIATIVE.—Section*
 15 *412(k)(1)(B) of the Agricultural Research, Extension, and*
 16 *Education Reform Act of 1998 (7 U.S.C. 7632(k)(1)(B)) is*
 17 *amended by striking “section \$80,000,000 for fiscal year*
 18 *2014” and inserting the following: “section—*

19 *“(i) \$80,000,000 for each of fiscal*
 20 *years 2014 through 2025; and*

21 *“(ii) \$175,000,000 for fiscal year*
 22 *2026”.*

23 *(f) RESEARCH FACILITIES ACT.—Section 6 of the Re-*
 24 *search Facilities Act (7 U.S.C. 390d) is amended—*

1 (1) in subsection (c), by striking “subsection (a)”
 2 and inserting “subsections (a) and (e)”; and
 3 (2) by adding at the end the following:
 4 “(e) *MANDATORY FUNDING.*—Subject to subsections
 5 (b), (c), and (d), of the funds of the Commodity Credit Cor-
 6 poration, the Secretary shall make available to carry out
 7 the competitive grant program under section 4
 8 \$125,000,000 for fiscal year 2026 and each fiscal year there-
 9 after.”.

10 **SEC. 10605. ENERGY.**

11 Section 9005(g)(1)(F) of the Farm Security and Rural
 12 Investment Act of 2002 (7 U.S.C. 8105(g)(1)(F)) is amend-
 13 ed by striking “2024” and inserting “2031”.

14 **SEC. 10606. HORTICULTURE.**

15 (a) *PLANT PEST AND DISEASE MANAGEMENT AND*
 16 *DISASTER PREVENTION.*—Section 420(f) of the Plant Pro-
 17 tection Act (7 U.S.C. 7721(f)) is amended—

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

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

22 (3) by inserting after paragraph (5) the fol-
 23 lowing:

24 “(6) \$75,000,000 for each of fiscal years 2018
 25 through 2025; and”; and

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

4 (b) *SPECIALTY CROP BLOCK GRANTS*.—Section
 5 101(l)(1) of the Specialty Crops Competitiveness Act of
 6 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amend-
 7 ed—

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

10 (2) by redesignating subparagraph (E) as sub-
 11 paragraph (F);

12 (3) by inserting after subparagraph (D) the fol-
 13 lowing:

14 “(E) \$85,000,000 for each of fiscal years
 15 2018 through 2025; and”; and

16 (4) in subparagraph (F) (as so redesignated), by
 17 striking “\$85,000,000 for fiscal year 2018” and in-
 18 serting “\$100,000,000 for fiscal year 2026”.

19 (c) *ORGANIC PRODUCTION AND MARKET DATA INITIA-*
 20 *TIVE*.—Section 7407(d)(1) of the Farm Security and Rural
 21 Investment Act of 2002 (7 U.S.C. 5925c(d)(1)) is amend-
 22 ed—

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

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

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

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

6 (d) *MODERNIZATION AND IMPROVEMENT OF INTER-*
 7 *NATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA COL-*
 8 *LECTION.—Section 2123(c)(4) of the Organic Foods Produc-*
 9 *tion Act of 1990 (7 U.S.C. 6522(c)(4)) is amended, in the*
 10 *matter preceding subparagraph (A), by striking “and*
 11 *\$1,000,000 for fiscal year 2024” and inserting “,*
 12 *\$1,000,000 for fiscal years 2024 and 2025, and \$5,000,000*
 13 *for fiscal year 2026”.*

14 (e) *NATIONAL ORGANIC CERTIFICATION COST-SHARE*
 15 *PROGRAM.—Section 10606(d)(1)(C) of the Farm Security*
 16 *and Rural Investment Act of 2002 (7 U.S.C. 6523(d)(1)(C))*
 17 *is amended by striking “2024” and inserting “2031”.*

18 (f) *MULTIPLE CROP AND PESTICIDE USE SURVEY.—*
 19 *Section 10109(c) of the Agriculture Improvement Act of*
 20 *2018 (Public Law 115–334; 132 Stat. 4907) is amended*
 21 *by adding at the end the following:*

22 “(3) *FURTHER MANDATORY FUNDING.—Of the*
 23 *funds of the Commodity Credit Corporation, the Sec-*
 24 *retary shall use to carry out this section \$5,000,000*

1 *for fiscal year 2026, to remain available until ex-*
 2 *pended.”.*

3 **SEC. 10607. MISCELLANEOUS.**

4 *(a) ANIMAL DISEASE PREVENTION AND MANAGE-*
 5 *MENT.—Section 10409A(d)(1) of the Animal Health Protec-*
 6 *tion Act (7 U.S.C. 8308a(d)(1)) is amended—*

7 *(1) in subparagraph (B)—*

8 *(A) in the heading, by striking “SUBSE-*
 9 *QUENT FISCAL YEARS” and inserting “FISCAL*
 10 *YEARS 2023 THROUGH 2025”; and*

11 *(B) by striking “fiscal year 2023 and each*
 12 *fiscal year thereafter” and inserting “each of fis-*
 13 *cal years 2023 through 2025”; and*

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

15 *“(C) FISCAL YEARS 2026 THROUGH 2030.—*
 16 *Of the funds of the Commodity Credit Corpora-*
 17 *tion, the Secretary shall make available to carry*
 18 *out this section \$233,000,000 for each of fiscal*
 19 *years 2026 through 2030, of which—*

20 *“(i) not less than \$10,000,000 shall be*
 21 *made available for each such fiscal year to*
 22 *carry out subsection (a);*

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

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

4 “(D) *SUBSEQUENT FISCAL YEARS.*—Of the
5 funds of the Commodity Credit Corporation, the
6 Secretary shall make available to carry out this
7 section \$75,000,000 for fiscal year 2031 and each
8 fiscal year thereafter, of which not less than
9 \$45,000,000 shall be made available for each of
10 those fiscal years to carry out subsection (b).”.

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

14 (1) by striking “2019, and” and inserting
15 “2019,”; and

16 (2) by inserting “and \$3,000,000 for fiscal year
17 2026,” after “fiscal year 2024,”

18 (c) *PIMA AGRICULTURE COTTON TRUST FUND.*—Sec-
19 tion 12314 of the Agricultural Act of 2014 (7 U.S.C. 2101
20 note; Public Law 113–79) is amended—

21 (1) in subsection (b), in the matter preceding
22 paragraph (1), by striking “2024” and inserting
23 “2031”; and

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

1 (d) *AGRICULTURE WOOL APPAREL MANUFACTURERS*
 2 *TRUST FUND.*—Section 12315 of the Agricultural Act of
 3 2014 (7 U.S.C. 7101 note; Public Law 113–79) is amended
 4 by striking “2024” each place it appears and inserting
 5 “2031”.

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

10 (f) *EMERGENCY CITRUS DISEASE RESEARCH AND DE-*
 11 *VELOPMENT TRUST FUND.*—Section 12605(d) of the Agri-
 12 culture Improvement Act of 2018 (7 U.S.C. 7632 note; Pub-
 13 lic Law 115–334) is amended by striking “2024” and in-
 14 serting “2031”.

15 **TITLE II—COMMITTEE ON** 16 **ARMED SERVICES**

17 **SEC. 20001. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 18 **RESOURCES FOR IMPROVING THE QUALITY**
 19 **OF LIFE FOR MILITARY PERSONNEL.**

20 (a) *APPROPRIATIONS.*—In addition to amounts other-
 21 wise available, there are appropriated to the Secretary of
 22 Defense for fiscal year 2025, out of any money in the Treas-
 23 ury not otherwise appropriated, to remain available until
 24 September 30, 2029—

1 (1) \$230,480,000 for restoration and moderniza-
2 tion costs under the Marine Corps Barracks 2030 ini-
3 tiative;

4 (2) \$119,000,000 for base operating support costs
5 under the Marine Corps;

6 (3) \$1,000,000,000 for Army, Navy, Air Force,
7 and Space Force sustainment, restoration, and mod-
8 ernization of military unaccompanied housing;

9 (4) \$2,000,000,000 for the Defense Health Pro-
10 gram;

11 (5) \$2,900,000,000 to supplement the basic al-
12 lowance for housing payable to members of the Army,
13 Air Force, Navy, Marine Corps, and Space Force ,
14 notwithstanding section 403 of title 37, United States
15 Code;

16 (6) \$50,000,000 for bonuses, special pays, and
17 incentive pays for members of the Army, Air Force,
18 Navy, Marine Corps, and Space Force pursuant to ti-
19 tles 10 and 37, United States Code;

20 (7) \$10,000,000 for the Defense Activity for Non-
21 Traditional Education Support's Online Academic
22 Skills Course program for members of the Army, Air
23 Force, Navy, Marine Corps, and Space Force;

24 (8) \$100,000,000 for tuition assistance for mem-
25 bers of the Army, Air Force, Navy, Marine Corps,

1 *and Space Force pursuant to title 10, United States*
2 *Code;*

3 (9) *\$100,000,000 for child care fee assistance for*
4 *members of the Army, Air Force, Navy, Marine*
5 *Corps, and Space Force under part II of chapter 88*
6 *of title 10, United States Code;*

7 (10) *\$590,000,000 to increase the Temporary*
8 *Lodging Expense Allowance under chapter 8 of title*
9 *37, United States Code, to 21 days;*

10 (11) *\$100,000,000 for Department of Defense Im-*
11 *pact Aid payments to local educational agencies*
12 *under section 2008 of title 10, United States Code;*

13 (12) *\$10,000,000 for military spouse professional*
14 *licensure under section 1784 of title 10, United States*
15 *Code;*

16 (13) *\$6,000,000 for Armed Forces Retirement*
17 *Home facilities;*

18 (14) *\$100,000,000 for the Defense Community*
19 *Infrastructure Program;*

20 (15) *\$100,000,000 for Defense Advanced Re-*
21 *search Projects Agency (DARPA) casualty care re-*
22 *search; and*

23 (16) *\$62,000,000 for modernization of Depart-*
24 *ment of Defense childcare center staffing.*

1 (b) *TEMPORARY INCREASE IN PERCENTAGE OF VALUE*
 2 *OF AUTHORIZED INVESTMENT IN CERTAIN PRIVATIZED*
 3 *MILITARY HOUSING PROJECTS.*—

4 (1) *IN GENERAL.*—During the period beginning
 5 on the date of the enactment of this section and end-
 6 ing on September 30, 2029, the Secretary concerned
 7 shall apply—

8 (A) paragraph (1) of subsection (c) of sec-
 9 tion 2875 of title 10, United States Code, by sub-
 10 stituting “60 percent” for “33 $\frac{1}{3}$ percent”; and

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

13 (2) *SECRETARY CONCERNED DEFINED.*—In this
 14 subsection, the term “Secretary concerned” has the
 15 meaning given such term in section 101 of title 10,
 16 United States Code.

17 (c) *TEMPORARY AUTHORITY FOR ACQUISITION OR*
 18 *CONSTRUCTION OF PRIVATIZED MILITARY UNACCOMPANIED*
 19 *HOUSING.*—Section 2881a of title 10, United States Code,
 20 is amended—

21 (1) by striking the heading and inserting “**Tem-**
 22 **porary authority for acquisition or con-**
 23 **struction of privatized military unaccom-**
 24 **panied housing**”;

1 (2) *by striking “Secretary of the Navy” each*
 2 *place it appears and inserting “Secretary concerned”;*

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

6 (4) *in subsection (a)—*

7 (A) *by striking the heading and inserting*
 8 *“IN GENERAL”;* *and*

9 (B) *by striking “carry out not more than*
 10 *three pilot projects under the authority of this*
 11 *section or another provision of this subchapter to*
 12 *use the private sector” and inserting “use the au-*
 13 *thority under this subchapter to enter into con-*
 14 *tracts with appropriate private sector entities”;*

15 (5) *in subsection (c), by striking “privatized*
 16 *housing” and inserting “privatized housing units”;*

17 (6) *by redesignating subsection (f) as subsection*
 18 *(e); and*

19 (7) *in subsection (e) (as so redesignated)—*

20 (A) *by striking “under the pilot programs”*
 21 *and inserting “under this section”; and*

22 (B) *by striking “September 30, 2009” and*
 23 *inserting “September 30, 2029”.*

1 **SEC. 20002. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 2 **RESOURCES FOR SHIPBUILDING.**

3 *In addition to amounts otherwise available, there are*
 4 *appropriated to the Secretary of Defense for fiscal year*
 5 *2025, out of any money in the Treasury not otherwise ap-*
 6 *propriated, to remain available until September 30, 2029—*

7 (1) *\$250,000,000 for the expansion of accelerated*
 8 *Training in Defense Manufacturing program;*

9 (2) *\$250,000,000 for United States production of*
 10 *turbine generators for shipbuilding industrial base;*

11 (3) *\$450,000,000 for United States additive*
 12 *manufacturing for wire production and machining*
 13 *capacity for shipbuilding industrial base;*

14 (4) *\$492,000,000 for next-generation ship-*
 15 *building techniques;*

16 (5) *\$85,000,000 for United States-made steel*
 17 *plate for shipbuilding industrial base;*

18 (6) *\$50,000,000 for machining capacity for*
 19 *naval propellers for shipbuilding industrial base;*

20 (7) *\$110,000,000 for rolled steel and fabrication*
 21 *facility for shipbuilding industrial base;*

22 (8) *\$400,000,000 for expansion of collaborative*
 23 *campus for naval shipbuilding;*

24 (9) *\$450,000,000 for application of autonomy*
 25 *and artificial intelligence to naval shipbuilding;*

1 (10) \$500,000,000 for the adoption of advanced
2 manufacturing techniques in the shipbuilding indus-
3 trial base;

4 (11) \$500,000,000 for additional dry-dock capa-
5 bility;

6 (12) \$50,000,000 for the expansion of cold spray
7 repair technologies;

8 (13) \$450,000,000 for additional maritime in-
9 dustrial workforce development programs;

10 (14) \$750,000,000 for additional supplier devel-
11 opment across the naval shipbuilding industrial base;

12 (15) \$250,000,000 for additional advanced man-
13 ufacturing processes across the naval shipbuilding in-
14 dustrial base;

15 (16) \$4,600,000,000 for a second Virginia-class
16 submarine in fiscal year 2026;

17 (17) \$5,400,000,000 for two additional Guided
18 Missile Destroyer (DDG) ships;

19 (18) \$160,000,000 for advanced procurement for
20 Landing Ship Medium;

21 (19) \$1,803,941,000 for procurement of Landing
22 Ship Medium;

23 (20) \$295,000,000 for development of a second
24 Landing Craft Utility shipyard and production of
25 additional Landing Craft Utility;

1 (21) \$100,000,000 for advanced procurement for
2 light replenishment oiler program;

3 (22) \$600,000,000 for the lease or purchase of
4 new ships through the National Defense Sealift Fund;

5 (23) \$2,725,000,000 for the procurement of T-AO
6 oilers;

7 (24) \$500,000,000 for cost-to-complete for rescue
8 and salvage ships;

9 (25) \$300,000,000 for production of ship-to-shore
10 connectors;

11 (26) \$1,470,000,000 for the implementation of a
12 multi-ship amphibious warship contract;

13 (27) \$80,000,000 for accelerated development of
14 vertical launch system reloading at sea;

15 (28) \$250,000,000 for expansion of Navy corro-
16 sion control programs;

17 (29) \$159,000,000 for leasing of ships for Marine
18 Corps operations;

19 (30) \$1,534,000,000 for expansion of small un-
20 manned surface vessel production;

21 (31) \$2,100,000,000 for development, procure-
22 ment, and integration of purpose-built medium un-
23 manned surface vessels;

24 (32) \$1,300,000,000 for expansion of unmanned
25 underwater vehicle production;

1 (33) \$188,360,000 for the development and test-
 2 ing of maritime robotic autonomous systems and ena-
 3 bling technologies;

4 (34) \$174,000,000 for the development of a Test
 5 Resource Management Center robotic autonomous sys-
 6 tems proving ground;

7 (35) \$250,000,000 for the development, produc-
 8 tion, and integration of wave-powered unmanned un-
 9 derwater vehicles; and

10 (36) \$150,000,000 for retention of inactive re-
 11 serve fleet ships.

12 **SEC. 20003. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 13 **RESOURCES FOR INTEGRATED AIR AND MIS-**
 14 **SILE DEFENSE.**

15 (a) **NEXT GENERATION MISSILE DEFENSE TECH-**
 16 **NOLOGIES.**—In addition to amounts otherwise available,
 17 there are appropriated to the Secretary of Defense for fiscal
 18 year 2025, out of any money in the Treasury not otherwise
 19 appropriated, to remain available until September 30,
 20 2029—

21 (1) \$250,000,000 for development and testing of
 22 directed energy capabilities by the Under Secretary
 23 for Research and Engineering;

24 (2) \$500,000,000 for national security space
 25 launch infrastructure;

1 (3) \$2,000,000,000 for air moving target indi-
2 cator military satellites;

3 (4) \$400,000,000 for expansion of Multi-Service
4 Advanced Capability Hypersonic Test Bed program;

5 (5) \$5,600,000,000 for development of space-
6 based and boost phase intercept capabilities;

7 (6) \$7,200,000,000 for the development, procure-
8 ment, and integration of military space-based sensors;
9 and

10 (7) \$2,550,000,000 for the development, procure-
11 ment, and integration of military missile defense ca-
12 pabilities.

13 (b) *LAYERED HOMELAND DEFENSE*.—In addition to
14 amounts otherwise available, there are appropriated to the
15 Secretary of Defense for fiscal year 2025, out of any money
16 in the Treasury not otherwise appropriated, to remain
17 available until September 30, 2029—

18 (1) \$2,200,000,000 for acceleration of hypersonic
19 defense systems;

20 (2) \$800,000,000 for accelerated development and
21 deployment of next-generation intercontinental bal-
22 listic missile defense systems;

23 (3) \$408,000,000 for Army space and strategic
24 missile test range infrastructure restoration and mod-
25 ernization in the United States Indo-Pacific Com-

1 *mand area of operations west of the international*
 2 *dateline;*

3 (4) *\$1,975,000,000 for improved ground-based*
 4 *missile defense radars; and*

5 (5) *\$530,000,000 for the design and construction*
 6 *of Missile Defense Agency missile instrumentation*
 7 *range safety ship.*

8 **SEC. 20004. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 9 **RESOURCES FOR MUNITIONS AND DEFENSE**
 10 **SUPPLY CHAIN RESILIENCY.**

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 Treas-*
 14 *ury not otherwise appropriated, to remain available until*
 15 *September 30, 2029—*

16 (1) *\$400,000,000 for the development, produc-*
 17 *tion, and integration of Navy and Air Force long-*
 18 *range anti-ship missiles;*

19 (2) *\$380,000,000 for production capacity expan-*
 20 *sion for Navy and Air Force long-range anti-ship*
 21 *missiles;*

22 (3) *\$490,000,000 for the development, produc-*
 23 *tion, and integration of Navy and Air Force long-*
 24 *range air-to-surface missiles;*

1 (4) \$94,000,000 for the development, production,
2 and integration of alternative Navy and Air Force
3 long-range air-to-surface missiles;

4 (5) \$630,000,000 for the development, produc-
5 tion, and integration of long-range Navy air defense
6 and anti-ship missiles;

7 (6) \$688,000,000 for the development, produc-
8 tion, and integration of long-range multi-service
9 cruise missiles;

10 (7) \$250,000,000 for production capacity expan-
11 sion and supplier base strengthening of long-range
12 multi-service cruise missiles;

13 (8) \$70,000,000 for the development, production,
14 and integration of short-range Navy and Marine
15 Corps anti-ship missiles;

16 (9) \$100,000,000 for the development of an anti-
17 ship seeker for short-range Army ballistic missiles;

18 (10) \$175,000,000 for production capacity ex-
19 pansion for next-generation Army medium-range bal-
20 listic missiles;

21 (11) \$50,000,000 for the mitigation of dimin-
22 ishing manufacturing sources for medium-range air-
23 to-air missiles;

24 (12) \$250,000,000 for the procurement of me-
25 dium-range air-to-air missiles;

1 (13) \$225,000,000 for the expansion of produc-
2 tion capacity for medium-range air-to-air missiles;

3 (14) \$50,000,000 for the development of second
4 sources for components of short-range air-to-air mis-
5 siles;

6 (15) \$325,000,000 for production capacity im-
7 provements for air-launched anti-radiation missiles;

8 (16) \$50,000,000 for the accelerated development
9 of Army next-generation medium-range anti-ship bal-
10 listic missiles;

11 (17) \$114,000,000 for the production of Army
12 next-generation medium-range ballistic missiles;

13 (18) \$300,000,000 for the production of Army
14 medium-range ballistic missiles;

15 (19) \$85,000,000 for the accelerated development
16 of Army long-range ballistic missiles;

17 (20) \$400,000,000 for the production of heavy-
18 weight torpedoes;

19 (21) \$200,000,000 for the development, procure-
20 ment, and integration of mass-producible autonomous
21 underwater munitions;

22 (22) \$70,000,000 for the improvement of heavy-
23 weight torpedo maintenance activities;

24 (23) \$200,000,000 for the production of light-
25 weight torpedoes;

1 (24) \$500,000,000 for the development, procure-
2 ment, and integration of maritime mines;

3 (25) \$50,000,000 for the development, procure-
4 ment, and integration of new underwater explosives;

5 (26) \$55,000,000 for the development, procure-
6 ment, and integration of lightweight multi-mission
7 torpedoes;

8 (27) \$80,000,000 for the production of sonobuoys;

9 (28) \$150,000,000 for the development, procure-
10 ment, and integration of air-delivered long-range
11 maritime mines;

12 (29) \$61,000,000 for the acceleration of Navy ex-
13 peditionary loitering munitions deployment;

14 (30) \$50,000,000 for the acceleration of one-way
15 attack unmanned aerial systems with advanced au-
16 tonomy;

17 (31) \$1,000,000,000 for the expansion of the one-
18 way attack unmanned aerial systems industrial base;

19 (32) \$200,000,000 for investments in solid rocket
20 motor industrial base through the Industrial Base
21 Fund established under section 4817 of title 10,
22 United States Code;

23 (33) \$400,000,000 for investments in the emerg-
24 ing solid rocket motor industrial base through the In-

1 *dustrial Base Fund established under section 4817 of*
 2 *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-gen-
 7 *eration automated munitions production factories;*

8 (36) \$170,000,000 for the development of ad-
 9 *vanced radar depot for repair, testing, and produc-*
 10 *tion of radar and electronic warfare systems;*

11 (37) \$25,000,000 for the expansion of the De-
 12 *partment of Defense industrial base policy analysis*
 13 *workforce;*

14 (38) \$30,300,000 for the repair of Army missiles;

15 (39) \$100,000,000 for the production of small
 16 *and medium ammunition;*

17 (40) \$2,000,000,000 for additional activities to
 18 *improve the United States stockpile of critical min-*
 19 *erals through the National Defense Stockpile Trans-*
 20 *action Fund, authorized by subchapter III of chapter*
 21 *5 of title 50, United States Code;*

22 (41) \$10,000,000 for the expansion of the De-
 23 *partment of Defense armaments cooperation work-*
 24 *force;*

1 (42) \$500,000,000 for the expansion of the De-
2 *fense Exportability Features* program;

3 (43) \$350,000,000 for production of Navy long-
4 *range air and missile defense interceptors*;

5 (44) \$93,000,000 for replacement of Navy long-
6 *range air and missile defense interceptors*;

7 (45) \$100,000,000 for development of a second
8 *solid rocket motor source for Navy air defense and*
9 *anti ship missiles*;

10 (46) \$65,000,000 for expansion of production ca-
11 *capacity of Missile Defense Agency long-range anti-bal-*
12 *listic missiles*;

13 (47) \$225,000,000 for expansion of production
14 *capacity for Navy air defense and anti-ship missiles*;

15 (48) \$103,300,000 for expansion of depot level
16 *maintenance facility for Navy long-range air and*
17 *missile defense interceptors*;

18 (49) \$18,000,000 for creation of domestic source
19 *for guidance section of Navy short-range air defense*
20 *missiles*;

21 (50) \$65,000,000 for integration of Army me-
22 *dium-range air and missile defense interceptor with*
23 *Navy ships*;

24 (51) \$176,100,000 for production of Army long-
25 *range movable missile defense radar*;

1 (52) \$167,000,000 for accelerated fielding of
2 *Army short-range gun-based air and missile defense*
3 *system;*

4 (53) \$40,000,000 for development of low-cost al-
5 *ternatives to air and missile defense interceptors;*

6 (54) \$50,000,000 for acceleration of Army next-
7 *generation shoulder-fired air defense system;*

8 (55) \$91,000,000 for production of Army next-
9 *generation shoulder-fired air defense system;*

10 (56) \$500,000,000 for development, production,
11 *and integration of counter-unmanned aerial systems*
12 *programs;*

13 (57) \$350,000,000 for development, production,
14 *and integration of non-kinetic counter-unmanned aer-*
15 *ial systems programs;*

16 (58) \$250,000,000 for development, production,
17 *and integration of land-based counter-unmanned aer-*
18 *ial systems programs;*

19 (59) \$200,000,000 for development, production,
20 *and integration of ship-based counter-unmanned aer-*
21 *ial systems programs;*

22 (60) \$400,000,000 for acceleration of hypersonic
23 *strike programs;*

1 (61) \$167,000,000 for procurement of additional
2 launchers for Army medium-range air and missile de-
3 fense interceptors;

4 (62) \$500,000,000 for expansion of defense ad-
5 vanced manufacturing techniques;

6 (63) \$1,000,000 for establishment of the Joint
7 Energetics Transition Office;

8 (64) \$200,000,000 for acceleration of Army me-
9 dium-range air and missile defense interceptors;

10 (65) \$150,000,000 for additive manufacturing
11 for propellant;

12 (66) \$250,000,000 for expansion and acceleration
13 of penetrating munitions production; and

14 (67) \$50,000,000 for development, procurement,
15 and integration of precision extended-range artillery.

16 (b) *APPROPRIATION.*—In addition to amounts other-
17 wise available, there is appropriated to the Secretary of De-
18 fense for fiscal year 2025, out of any money in the Treasury
19 not otherwise appropriated, to remain available until Sep-
20 tember 30, 2029, \$3,300,000,000 for grants and purchase
21 commitments made pursuant to the Industrial Base Fund
22 established under section 4817 of title 10, United States
23 Code.

24 (c) *APPROPRIATION.*—In addition to amounts other-
25 wise available, there is appropriated to the Secretary of De-

1 *fense for fiscal year 2025, out of any money in the Treasury*
 2 *not otherwise appropriated, to remain available until Sep-*
 3 *tember 30, 2029, \$5,000,000,000 for investments in critical*
 4 *minerals supply chains made pursuant to the Industrial*
 5 *Base Fund established under section 4817 of title 10, United*
 6 *States Code.*

7 (d) *APPROPRIATIONS.—In addition to amounts other-*
 8 *wise available, there is appropriated to the Secretary of De-*
 9 *fense, out of any money in the Treasury not otherwise ap-*
 10 *propriated, to remain available until September 30, 2029,*
 11 *\$500,000,000 to the “Department of Defense Credit Pro-*
 12 *gram Account” to carry out the capital assistance program,*
 13 *including loans, loan guarantees, and technical assistance,*
 14 *established under section 149(e) of title 10, United States*
 15 *Code, for critical minerals and related industries and*
 16 *projects, including related Covered Technology Categories:*
 17 *Provided, That—*

18 (1) *such amounts are available to subsidize gross*
 19 *obligations for the principal amount of direct loans,*
 20 *and total loan principal, any part of which is to be*
 21 *guaranteed, not to exceed \$100,000,000,000; and*

22 (2) *such amounts are available to cover all costs*
 23 *and expenditures as provided under section*
 24 *149(e)(5)(B) of title 10, United States Code.*

1 **SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 2 **RESOURCES FOR SCALING LOW-COST WEAP-**
 3 **ONS INTO PRODUCTION.**

4 (a) *APPROPRIATIONS.*—*In addition to amounts other-*
 5 *wise available, there are appropriated to the Secretary of*
 6 *Defense for fiscal year 2025, out of any money in the Treas-*
 7 *ury not otherwise appropriated, to remain available until*
 8 *September 30, 2029—*

9 (1) *\$25,000,000 for the Office of Strategic Cap-*
 10 *ital Global Technology Scout program;*

11 (2) *\$1,400,000,000 for the expansion of the small*
 12 *unmanned aerial system industrial base;*

13 (3) *\$400,000,000 for the development and de-*
 14 *ployment of the Joint Fires Network and associated*
 15 *joint battle management capabilities;*

16 (4) *\$400,000,000 for the expansion of advanced*
 17 *command-and-control tools to combatant commands*
 18 *and military departments;*

19 (5) *\$100,000,000 for the development of shared*
 20 *secure facilities for the defense industrial base;*

21 (6) *\$50,000,000 for the creation of additional*
 22 *Defense Innovation Unit OnRamp Hubs;*

23 (7) *\$600,000,000 for the acceleration of Strategic*
 24 *Capabilities Office programs;*

1 (8) \$650,000,000 for the expansion of Mission
2 Capabilities office joint prototyping and experimen-
3 tation activities for military innovation;

4 (9) \$500,000,000 for the accelerated development
5 and integration of advanced 5G/6G technologies for
6 military use;

7 (10) \$25,000,000 for testing of simultaneous
8 transmit and receive technology for military spectrum
9 agility;

10 (11) \$50,000,000 for the development, procure-
11 ment, and integration of high-altitude stratospheric
12 balloons for military use;

13 (12) \$120,000,000 for the development, procure-
14 ment, and integration of long-endurance unmanned
15 aerial systems for surveillance;

16 (13) \$40,000,000 for the development, procure-
17 ment, and integration of alternative positioning and
18 navigation technology to enable military operations
19 in contested electromagnetic environments;

20 (14) \$750,000,000 for the acceleration of innova-
21 tive military logistics and energy capability develop-
22 ment and deployment;

23 (15) \$125,000,000 for the acceleration of develop-
24 ment of small, portable modular nuclear reactors for
25 military use;

1 (16) \$1,000,000,000 for the expansion of pro-
2 grams to accelerate the procurement and fielding of
3 innovative technologies;

4 (17) \$90,000,000 for the development of reusable
5 hypersonic technology for military strikes;

6 (18) \$2,000,000,000 for the expansion of Defense
7 Innovation Unit scaling of commercial technology for
8 military use;

9 (19) \$500,000,000 to prevent delays in delivery
10 of attritable autonomous military capabilities;

11 (20) \$1,500,000,000 for the development, pro-
12 curement, and integration of low-cost cruise missiles;

13 (21) \$124,000,000 for improvements to Test Re-
14 source Management Center artificial intelligence ca-
15 pabilities;

16 (22) \$145,000,000 for the development of artifi-
17 cial intelligence to enable one-way attack unmanned
18 aerial systems and naval systems;

19 (23) \$250,000,000 for the development of the Test
20 Resource Management Center digital test environ-
21 ment;

22 (24) \$250,000,000 for the advancement of the ar-
23 tificial intelligence ecosystem;

24 (25) \$250,000,000 for the expansion of Cyber
25 Command artificial intelligence lines of effort;

1 (26) \$250,000,000 for the acceleration of the
2 *Quantum Benchmarking Initiative*;

3 (27) \$1,000,000,000 for the expansion and accel-
4 *eration of qualification activities and technical data*
5 *management to enhance competition in defense indus-*
6 *trial base*;

7 (28) \$400,000,000 for the expansion of the de-
8 *fense manufacturing technology program*;

9 (29) \$1,685,000,000 for military cryptographic
10 *modernization activities*;

11 (30) \$90,000,000 for *APEX Accelerators*, the
12 *Mentor-Protege Program*, and cybersecurity support
13 to small non-traditional contractors;

14 (31) \$250,000,000 for the development, procure-
15 ment, and integration of Air Force low-cost counter-
16 air capabilities;

17 (32) \$10,000,000 for additional Air Force
18 wargaming activities; and

19 (33) \$20,000,000 for the Office of Strategic Cap-
20 ital workforce.

21 (b) *APPROPRIATIONS.*—In addition to amounts other-
22 wise available, there are appropriated to the Secretary of
23 Defense, out of any money in the Treasury not otherwise
24 appropriated, to remain available until September 30,
25 2029, \$1,000,000,000 to the “Department of Defense Credit

1 *Program Account” to carry out the capital assistance pro-*
 2 *gram, including loans, loan guarantees, and technical as-*
 3 *sistance, established under section 149(e) of title 10, United*
 4 *States Code: Provided, That—*

5 *(1) such amounts are available to subsidize gross*
 6 *obligations for the principal amount of direct loans,*
 7 *and total loan principal, any part of which is to be*
 8 *guaranteed, not to exceed \$100,000,000,000; and*

9 *(2) such amounts are available to cover all costs*
 10 *and expenditures as provided under section*
 11 *149(e)(5)(B) of title 10, United States Code.*

12 **SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 13 **RESOURCES FOR IMPROVING THE EFFI-**
 14 **CIENCY AND CYBERSECURITY OF THE DE-**
 15 **PARTMENT OF DEFENSE.**

16 *In addition to amounts otherwise available, there are*
 17 *appropriated to the Secretary of Defense for fiscal year*
 18 *2025, out of any money in the Treasury not otherwise ap-*
 19 *propriated, to remain available until September 30, 2029—*

20 *(1) \$150,000,000 for business systems replace-*
 21 *ment to accelerate the audits of the financial state-*
 22 *ments of the Department of Defense pursuant to chap-*
 23 *ter 9A and section 2222 of title 10, United States*
 24 *Code;*

1 (2) \$200,000,000 for the deployment of automa-
 2 tion and artificial intelligence to accelerate the audits
 3 of the financial statements of the Department of De-
 4 fense pursuant to chapter 9A and section 2222 of title
 5 10, United States Code;

6 (3) \$10,000,000 for the improvement of the budg-
 7 etary and programmatic infrastructure of the Office
 8 of the Secretary of Defense; and

9 (4) \$20,000,000 for defense cybersecurity pro-
 10 grams of the Defense Advanced Research Projects
 11 Agency.

12 **SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 13 **RESOURCES FOR AIR SUPERIORITY.**

14 *In addition to amounts otherwise available, there are*
 15 *appropriated to the Secretary of Defense for fiscal year*
 16 *2025, out of any money in the Treasury not otherwise ap-*
 17 *propriated, to remain available until September 30, 2029—*

18 (1) \$3,150,000,000 to increase F-15EX aircraft
 19 production;

20 (2) \$361,220,000 to prevent the retirement of F-
 21 22 aircraft;

22 (3) \$127,460,000 to prevent the retirement of F-
 23 15E aircraft;

24 (4) \$187,000,000 to accelerate installation of F-
 25 16 electronic warfare capability;

1 (5) \$116,000,000 for C-17A Mobility Aircraft

2 Connectivity;

3 (6) \$84,000,000 for KC-135 Mobility Aircraft

4 Connectivity;

5 (7) \$440,000,000 to increase C-130J production;

6 (8) \$474,000,000 to increase EA-37B produc-

7 tion;

8 (9) \$678,000,000 to accelerate the Collaborative

9 Combat Aircraft program;

10 (10) \$400,000,000 to accelerate production of the

11 F-47 aircraft;

12 (11) \$750,000,000 accelerate the FA/XX aircraft;

13 (12) \$100,000,000 for production of Advanced

14 Aerial Sensors;

15 (13) \$160,000,000 to accelerate V-22 nacelle and

16 reliability and safety improvements;

17 (14) \$100,000,000 to accelerate production of

18 MQ-25 aircraft;

19 (15) \$270,000,000 for development, procurement,

20 and integration of Marine Corps unmanned combat

21 aircraft;

22 (16) \$96,000,000 for the procurement and inte-

23 gration of infrared search and track pods;

24 (17) \$50,000,000 for the procurement and inte-

25 gration of additional F-15EX conformal fuel tanks;

1 (18) \$600,000,000 for the development, procure-
 2 ment, and integration of Air Force long-range strike
 3 aircraft; and

4 (19) \$500,000,000 for the development, procure-
 5 ment, and integration of Navy long-range strike air-
 6 craft.

7 **SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR**
 8 **FORCES.**

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

14 (1) \$2,500,000,000 for risk reduction activities
 15 for the Sentinel intercontinental ballistic missile pro-
 16 gram;

17 (2) \$4,500,000,000 only for expansion of produc-
 18 tion capacity of B–21 long-range bomber aircraft and
 19 the purchase of aircraft only available through the ex-
 20 pansion of production capacity;

21 (3) \$500,000,000 for improvements to the Min-
 22 uteman III intercontinental ballistic missile system;

23 (4) \$100,000,000 for capability enhancements to
 24 intercontinental ballistic missile reentry vehicles;

1 (5) \$148,000,000 for the expansion of D5 missile
2 motor production;

3 (6) \$400,000,000 to accelerate the development of
4 Trident D5LE2 submarine-launched ballistic missiles;

5 (7) \$2,000,000,000 to accelerate the development,
6 procurement, and integration of the nuclear-armed
7 sea-launched cruise missile;

8 (8) \$62,000,000 to convert Ohio-class submarine
9 tubes to accept additional missiles, not to be obligated
10 before March 1, 2026;

11 (9) \$168,000,000 to accelerate the production of
12 the Survivable Airborne Operations Center program;

13 (10) \$65,000,000 to accelerate the modernization
14 of nuclear command, control, and communications;

15 (11) \$210,300,000 for the increased production of
16 MH–139 helicopters; and

17 (12) \$150,000,000 to accelerate the development,
18 procurement, and integration of military nuclear
19 weapons delivery programs.

20 (b) NNSA APPROPRIATIONS.—In addition to amounts
21 otherwise available, there are appropriated to the Adminis-
22 trator of the National Nuclear Security Administration for
23 fiscal year 2025, out of any money in the Treasury not
24 otherwise appropriated, to remain available until Sep-
25 tember 30, 2029—

1 (1) \$200,000,000 to perform National Nuclear
2 Security Administration Phase 1 studies pursuant to
3 section 3211 of the National Nuclear Security Admin-
4 istration Act (50 U.S.C. 2401);

5 (2) \$540,000,000 to address deferred mainte-
6 nance and repair needs of the National Nuclear Secu-
7 rity Administration pursuant to section 3211 of the
8 National Nuclear Security Administration Act (50
9 U.S.C. 2401);

10 (3) \$1,000,000,000 to accelerate the construction
11 of National Nuclear Security Administration facili-
12 ties pursuant to section 3211 of the National Nuclear
13 Security Administration Act (50 U.S.C. 2401);

14 (4) \$400,000,000 to accelerate the development,
15 procurement, and integration of the warhead for the
16 nuclear-armed sea-launched cruise missile pursuant
17 to section 3211 of the National Nuclear Security Ad-
18 ministration Act (50 U.S.C. 2401);

19 (5) \$750,000,000 to accelerate primary capa-
20 bility modernization pursuant to section 3211 of the
21 National Nuclear Security Administration Act (50
22 U.S.C. 2401);

23 (6) \$750,000,000 to accelerate secondary capa-
24 bility modernization pursuant to section 3211 of the

1 *National Nuclear Security Administration Act (50*
 2 *U.S.C. 2401);*

3 (7) \$120,000,000 to accelerate domestic uranium
 4 *enrichment centrifuge deployment for defense purposes*
 5 *pursuant to section 3211 of the National Nuclear Se-*
 6 *curity Administration Act (50 U.S.C. 2401);*

7 (8) \$10,000,000 for National Nuclear Security
 8 *Administration evaluation of spent fuel reprocessing*
 9 *technology; and*

10 (9) \$115,000,000 for accelerating nuclear na-
 11 *tional security missions through artificial intel-*
 12 *ligence.*

13 **SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 14 **RESOURCES TO IMPROVE CAPABILITIES OF**
 15 **UNITED STATES INDO-PACIFIC COMMAND.**

16 *In addition to amounts otherwise available, there are*
 17 *appropriated to the Secretary of Defense for fiscal year*
 18 *2025, out of any money in the Treasury not otherwise ap-*
 19 *propriated, to remain available until September 30, 2029—*

20 (1) \$365,000,000 for Army exercises and oper-
 21 *ations in the Western Pacific area of operations;*

22 (2) \$53,000,000 for Special Operations Com-
 23 *mand exercises and operations in the Western Pacific*
 24 *area of operations;*

1 (3) \$47,000,000 for Marine Corps exercises and
2 operations in Western Pacific area of operations;

3 (4) \$90,000,000 for Air Force exercises and oper-
4 ations in Western Pacific area of operations;

5 (5) \$532,600,000 for the Pacific Air Force bien-
6 nial large-scale exercise;

7 (6) \$19,000,000 for the development of naval
8 small craft capabilities;

9 (7) \$35,000,000 for military additive manufac-
10 turing capabilities in the United States Indo-Pacific
11 Command area of operations west of the international
12 dateline;

13 (8) \$450,000,000 for the development of airfields
14 within the area of operations of United States Indo-
15 Pacific Command;

16 (9) \$1,100,000,000 for development of infrastruc-
17 ture within the area of operations of United States
18 Indo-Pacific Command;

19 (10) \$124,000,000 for mission networks for
20 United States Indo-Pacific Command;

21 (11) \$100,000,000 for Air Force regionally based
22 cluster pre-position base kits;

23 (12) \$115,000,000 for exploration and develop-
24 ment of existing Arctic infrastructure;

1 (13) \$90,000,000 for the accelerated development
2 of non-kinetic capabilities;

3 (14) \$20,000,000 for United States Indo-Pacific
4 Command military exercises;

5 (15) \$143,000,000 for anti-submarine sonar ar-
6 rays;

7 (16) \$30,000,000 for surveillance and reconnais-
8 sance capabilities for United States Africa Command;

9 (17) \$30,000,000 for surveillance and reconnais-
10 sance capabilities for United States Indo-Pacific
11 Command;

12 (18) \$500,000,000 for the development, coordina-
13 tion, and deployment of economic competition effects
14 within the Department of Defense;

15 (19) \$10,000,000 for the expansion of Depart-
16 ment of Defense workforce for economic competition;

17 (20) \$1,000,000,000 for offensive cyber oper-
18 ations;

19 (21) \$500,000,000 for personnel and operations
20 costs associated with forces assigned to United States
21 Indo-Pacific Command;

22 (22) \$300,000,000 for the procurement of mesh
23 network communications capabilities for Special Op-
24 erations Command Pacific;

1 (23) \$850,000,000 for the replenishment of mili-
2 tary articles;

3 (24) \$200,000,000 for acceleration of Guam De-
4 fense System program;

5 (25) \$68,000,000 for Space Force facilities im-
6 provements;

7 (26) \$150,000,000 for ground moving target in-
8 dicator military satellites;

9 (27) \$528,000,000 for DARC and
10 SILENTBARKER military space situational aware-
11 ness programs;

12 (28) \$80,000,000 for Navy Operational Support
13 Division;

14 (29) \$1,000,000,000 for the X-37B military
15 spacecraft program;

16 (30) \$3,650,000,000 for the development, pro-
17 curement, and integration of United States military
18 satellites and the protection of United States military
19 satellites.

20 (31) \$125,000,000 for the development, procure-
21 ment, and integration of military space communica-
22 tions.

23 (32) \$350,000,000 for the development, procure-
24 ment, and integration of military space command
25 and control systems.

1 **SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
 2 **RESOURCES FOR IMPROVING THE READINESS**
 3 **OF THE DEPARTMENT OF DEFENSE.**

4 *In addition to amounts otherwise available, there are*
 5 *appropriated to the Secretary of Defense for fiscal year*
 6 *2025, out of any money in the Treasury not otherwise ap-*
 7 *propriated, to remain available until September 30, 2029—*

8 *(1) \$1,400,000,000 for a pilot program on OPN-*
 9 *8 maritime spares and repair rotatable pool;*

10 *(2) \$700,000,000 for a pilot program on OPN-*
 11 *8 maritime spares and repair rotatable pool for am-*
 12 *phibious ships;*

13 *(3) \$2,118,000,000 for spares and repairs to keep*
 14 *Air Force aircraft mission capable;*

15 *(4) \$1,500,000,000 for Army depot moderniza-*
 16 *tion and capacity enhancement;*

17 *(5) \$2,000,000,000 for Navy depot and shipyard*
 18 *modernization and capacity enhancement;*

19 *(6) \$250,000,000 for Air Force depot moderniza-*
 20 *tion and capacity enhancement;*

21 *(7) \$1,640,000,000 for Special Operations Com-*
 22 *mand equipment, readiness, and operations;*

23 *(8) \$500,000,000 for National Guard unit readi-*
 24 *ness;*

25 *(9) \$400,000,000 for Marine Corps readiness and*
 26 *capabilities;*

1 (10) \$20,000,000 for upgrades to Marine Corps
2 utility helicopters;

3 (11) \$310,000,000 for next-generation vertical
4 lift, assault, and intra-theater aeromedical evacuation
5 aircraft;

6 (12) \$75,000,000 for the procurement of anti-lock
7 braking systems for Army wheeled transport vehicles;

8 (13) \$230,000,000 for the procurement of Army
9 wheeled combat vehicles;

10 (14) \$63,000,000 for the development of ad-
11 vanced rotary-wing engines;

12 (15) \$241,000,000 for the development, procure-
13 ment, and integration of Marine Corps amphibious
14 vehicles;

15 (16) \$250,000,000 for the procurement of Army
16 tracked combat transport vehicles;

17 (17) \$98,000,000 for additional Army light ro-
18 tary-wing capabilities;

19 (18) \$1,500,000,000 for increased depot mainte-
20 nance and shipyard maintenance activities;

21 (19) \$2,500,000,000 for Air Force facilities
22 sustainment, restoration, and modernization;

23 (20) \$92,500,000 for the completion of Robotic
24 Combat Vehicle prototyping;

25 (21) \$125,000,000 for Army operations;

1 (22) \$10,000,000 for the Air Force Concepts, De-
2 velopment, 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 in*
13 *support of border operations, operations and maintenance*
14 *activities in support of border operations, counter-narcotics*
15 *and counter-transnational criminal organization mission*
16 *support, the operation of national defense areas and con-*
17 *struction in national defense areas, and the temporary de-*
18 *tention of migrants on Department of Defense installations,*
19 *in accordance with chapter 15 of title 10, United States*
20 *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 De-*
2 *partment of Defense activities for which funding is appro-*
3 *priated in this title, including—*

4 *(1) programs with mutual technological depend-*
5 *encies;*

6 *(2) programs with related data management and*
7 *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 are*
13 *hereby authorized to be appropriated for military construc-*
14 *tion, land acquisition, and military family housing func-*
15 *tions of each military department (as defined in section*
16 *101(a) of title 10, United States Code) as specified in this*
17 *title.*

18 *(b) SPENDING PLAN.—Not later than 30 days after the*
19 *date of the enactment of this title, the Secretary of each*
20 *military department shall submit to the Committees on*
21 *Armed Services of the Senate and House of Representatives*
22 *a detailed spending plan by project for all funds made*
23 *available by this title to be expended on military construc-*
24 *tion projects.*

1 ***TITLE III—COMMITTEE ON BANK-***
 2 ***ING, HOUSING, AND URBAN***
 3 ***AFFAIRS***

4 ***SEC. 30001. FUNDING CAP FOR THE BUREAU OF CONSUMER***
 5 ***FINANCIAL PROTECTION.***

6 *Section 1017(a)(2)(A)(iii) of the Consumer Financial*
 7 *Protection Act of 2010 (12 U.S.C. 5497(a)(2)(A)(iii)) is*
 8 *amended by striking “12” and inserting “6.5”.*

9 ***SEC. 30002. RESCISSION OF FUNDS FOR GREEN AND RESIL-***
 10 ***IENT RETROFIT PROGRAM FOR MULTIFAMILY***
 11 ***HOUSING.***

12 *The unobligated balances of amounts made available*
 13 *under section 30002(a) of the Act entitled “An Act to pro-*
 14 *vide for reconciliation pursuant to title II of S. Con. Res.*
 15 *14”, approved August 16, 2022 (Public Law 117–169; 136*
 16 *Stat. 2027) are rescinded.*

17 ***SEC. 30003. SECURITIES AND EXCHANGE COMMISSION RE-***
 18 ***SERVE FUND.***

19 *(a) IN GENERAL.—Section 4 of the Securities Ex-*
 20 *change Act of 1934 (15 U.S.C. 78d) is amended—*

21 *(1) by striking subsection (i); and*

22 *(2) by redesignating subsections (j) and (k) as*
 23 *subsections (i) and (j), respectively.*

1 (b) *TECHNICAL AND CONFORMING AMENDMENT.*—*Sec-*
 2 *tion 21F(g)(2) of the Securities Exchange Act of 1934 (15*
 3 *U.S.C. 78u–6(g)(2)) is amended to read as follows:*

4 “(a) *USE OF FUND.*—*The Fund shall be available to*
 5 *the Commission, without further appropriation or fiscal*
 6 *year limitation, for paying awards to whistleblowers as*
 7 *provided in subsection (b).”.*

8 (c) *TRANSITION PROVISION.*—*During the period begin-*
 9 *ning on the date of enactment of this Act and ending on*
 10 *October 1, 2025, the Securities and Exchange Commission*
 11 *may expend amounts in the Securities and Exchange Com-*
 12 *mission Reserve Fund that were obligated before the date*
 13 *of enactment of this Act for any program, project, or activ-*
 14 *ity that is ongoing (as of the day before the date of enact-*
 15 *ment of this Act) in accordance with subsection (i) of sec-*
 16 *tion 4 of the Securities Exchange Act of 1934 (15 U.S.C.*
 17 *78d), as in effect on the day before the date of enactment*
 18 *of this Act.*

19 (d) *TRANSFER OF REMAINING AMOUNTS.*—*Effective on*
 20 *October 1, 2025, the obligated and unobligated balances of*
 21 *amounts in the Securities and Exchange Commission Re-*
 22 *serve Fund shall be transferred to the general fund of the*
 23 *Treasury.*

24 (e) *CLOSING OF ACCOUNT.*—*For the purposes of section*
 25 *1555 of title 31, United States Code, the Securities and Ex-*

1 *change Commission Reserve Fund shall be considered closed,*
 2 *and thereafter shall not be available for obligation or ex-*
 3 *penditure for any purpose, upon execution of the transfer*
 4 *required under subsection (d).*

5 **SEC. 30004. APPROPRIATIONS FOR DEFENSE PRODUCTION**
 6 **ACT.**

7 *In addition to amounts otherwise available, there is*
 8 *appropriated for fiscal year 2025, out of amounts not other-*
 9 *wise appropriated, \$1,000,000,000, to remain available*
 10 *until September 30, 2027, to carry out the Defense Produc-*
 11 *tion Act (50 U.S.C. 4501 et seq.).*

12 **TITLE IV—COMMITTEE ON COM-**
 13 **MERCE, SCIENCE, AND TRANS-**
 14 **PORTATION**

15 **SEC. 40001. COAST GUARD MISSION READINESS.**

16 *(a) IN GENERAL.—Chapter 11 of title 14, United*
 17 *States Code, is amended by adding at the end the following:*

18 **“Subchapter V—Coast Guard Mission**
 19 **Readiness**

20 **“§ 1181. Special appropriations**

21 *“In addition to amounts otherwise available, there is*
 22 *appropriated to the Coast Guard for fiscal year 2025, out*
 23 *of any money in the Treasury not otherwise appropriated,*
 24 *\$24,593,500,000, to remain available until September 30,*
 25 *2029, notwithstanding paragraphs (1) and (2) of section*

1 1105(a) and sections 1131, 1132, 1133, and 1156, to use
2 expedited processes to procure or acquire new operational
3 assets and systems, to maintain existing assets and systems,
4 to design, construct, plan, engineer, and improve necessary
5 shore infrastructure, and to enhance operational resilience
6 for monitoring, search and rescue, interdiction, hardening
7 of maritime approaches, and navigational safety, of
8 which—

9 “(1) \$1,142,500,000 is provided for procurement
10 and acquisition of fixed-wing aircraft, equipment re-
11 lated to such aircraft and training simulators and
12 program management for such aircraft, to provide for
13 security of the maritime border;

14 “(2) \$2,283,000,000 is provided for procurement
15 and acquisition of rotary-wing aircraft, equipment
16 related to such aircraft and training simulators and
17 program management for such aircraft, to provide for
18 security of the maritime border;

19 “(3) \$266,000,000 is provided for procurement
20 and acquisition of long-range unmanned aircraft and
21 base stations, equipment related to such aircraft and
22 base stations, and program management for such air-
23 craft and base stations, to provide for security of the
24 maritime border;

1 “(4) \$4,300,000,000 is provided for procurement
2 of Offshore Patrol Cutters, equipment related to such
3 cutters, and program management for such cutters, to
4 provide operational presence and security of the mar-
5 itime border and for interdiction of persons and con-
6 trolled substances;

7 “(5) \$1,000,000,000 is provided for procurement
8 of Fast Response Cutters, equipment related to such
9 cutters, and program management for such cutters, to
10 provide operational presence and security of the mar-
11 itime border and for interdiction of persons and con-
12 trolled substances;

13 “(6) \$4,300,000,000 is provided for procurement
14 of Polar Security Cutters, equipment related to such
15 cutters, and program management for such cutters, to
16 ensure timely presence of the Coast Guard in the Arc-
17 tic and Antarctic regions;

18 “(7) \$3,500,000,000 is provided for procurement
19 of Arctic Security Cutters, equipment related to such
20 cutters, and program management for such cutters, to
21 ensure timely presence of the Coast Guard in the Arc-
22 tic and Antarctic regions;

23 “(8) \$816,000,000 is provided for procurement of
24 light and medium icebreaking cutters, and equipment
25 relating to such cutters, from shipyards that have

1 *demonstrated success in the cost-effective application*
 2 *of design standards and in delivering, on schedule*
 3 *and within budget, vessels of a size and tonnage that*
 4 *are not less than the size and tonnage of the cutters*
 5 *described in this paragraph, and for program man-*
 6 *agement for such cutters, to expand domestic*
 7 *icebreaking capacity;*

8 “(9) \$162,000,000 is provided for procurement of
 9 *Waterways Commerce Cutters, equipment related to*
 10 *such cutters, and program management for such cut-*
 11 *ters, to support aids to navigation, waterways and*
 12 *coastal security, and search and rescue in inland wa-*
 13 *terways;*

14 “(10) \$4,379,000,000 is provided for design,
 15 *planning, engineering, recapitalization, construction,*
 16 *rebuilding, and improvement of, and program man-*
 17 *agement for, shore facilities, of which—*

18 “(A) \$425,000,000 is provided for design,
 19 *planning, engineering, construction of, and pro-*
 20 *gram management for—*

21 “(i) *the enlisted boot camp barracks*
 22 *and multi-use training center; and*

23 “(ii) *other related facilities at the en-*
 24 *listed boot camp;*

25 “(B) \$500,000,000 is provided for—

1 “(i) construction, improvement, and
2 dredging at the Coast Guard Yard; and

3 “(ii) acquisition of a floating drydock
4 for the Coast Guard Yard;

5 “(C) not more than \$2,729,500,000 is pro-
6 vided for homeports and hangars for cutters and
7 aircraft for which funds are appropriated under
8 paragraph (1) through (9); and

9 “(D) \$300,000,000 is provided for home-
10 porting of the existing polar icebreaker commis-
11 sioned into service in 2025;

12 “(11) \$2,200,000,000 is provided for aviation,
13 cutter, and shore facility depot maintenance and
14 maintenance of command, control, communication,
15 computer, and cyber assets;

16 “(12) \$170,000,000 is provided for improving
17 maritime domain awareness on the maritime border,
18 at United States ports, at land-based facilities and in
19 the cyber domain; and

20 “(13) \$75,000,000 is provided to contract the
21 services of, acquire, or procure autonomous maritime
22 systems.”.

23 (b) *TECHNICAL AND CONFORMING AMENDMENT.*—The
24 analysis for chapter 11 of title 14, United States Code, is
25 amended by adding at the end the following:

“1181. *Special appropriations.*”.

1 **SEC. 40002. SPECTRUM AUCTIONS.**

2 (a) *DEFINITIONS.—In this section:*

3 (1) *ASSISTANT SECRETARY.—The term “Assistant*
 4 *Secretary” means the Assistant Secretary of Com-*
 5 *merce for Communications and Information.*

6 (2) *COMMISSION.—The term “Commission”*
 7 *means the Federal Communications Commission.*

8 (3) *COVERED BAND.—The term “covered*
 9 *band”—*

10 (A) *except as provided in subparagraph*
 11 *(B), means the band of frequencies between 1.3*
 12 *gigahertz and 10.5 gigahertz; and*

13 (B) *does not include—*

14 (i) *the band of frequencies between 3.1*
 15 *gigahertz and 3.45 gigahertz for purposes of*
 16 *auction, reallocation, modification, or with-*
 17 *drawal; or*

18 (ii) *the band of frequencies between 7.4*
 19 *gigahertz and 8.4 gigahertz for purposes of*
 20 *auction, reallocation, modification, or with-*
 21 *drawal.*

22 (4) *FULL-POWER COMMERCIAL LICENSED USE*
 23 *CASES.—The term “full-power commercial licensed*
 24 *use cases” means flexible use wireless broadband serv-*

1 *ices with base station power levels sufficient for high-*
 2 *power, high-density, and wide-area commercial mo-*
 3 *bile services, consistent with the service rules under*
 4 *part 27 of title 47, Code of Federal Regulations, or*
 5 *any successor regulations, for wireless broadband de-*
 6 *ployments throughout the covered band.*

7 *(b) GENERAL AUCTION AUTHORITY.—*

8 *(1) AMENDMENT.—Section 309(j)(11) of the*
 9 *Communications Act of 1934 (47 U.S.C. 309(j)(11))*
 10 *is amended by striking “grant a license or permit*
 11 *under this subsection shall expire March 9, 2023” and*
 12 *all that follows and inserting the following: “complete*
 13 *a system of competitive bidding under this subsection*
 14 *shall expire September 30, 2034, except that, with re-*
 15 *spect to the electromagnetic spectrum— “*

16 *“(A) between the frequencies of 3.1 gigahertz*
 17 *and 3.45 gigahertz, such authority shall not*
 18 *apply; and*

19 *“(B) between the frequencies of 7.4 gigahertz*
 20 *and 8.4 gigahertz, such authority shall not*
 21 *apply.”.*

22 *(2) SPECTRUM AUCTIONS.—The Commission*
 23 *shall grant licenses through systems of competitive*
 24 *bidding, before the expiration of the general auction*
 25 *authority of the Commission under section 309(j)(11)*

1 *of the Communications Act of 1934 (47 U.S.C.*
 2 *309(j)(11)), as amended by paragraph (1) of this sub-*
 3 *section, for not less than 300 megahertz, including by*
 4 *completing a system of competitive bidding not later*
 5 *than 2 years after the date of enactment of this Act*
 6 *for not less than 100 megahertz in the band between*
 7 *3.98 gigahertz and 4.2 gigahertz.*

8 *(c) IDENTIFICATION FOR REALLOCATION.—*

9 *(1) IN GENERAL.—The Assistant Secretary, in*
 10 *consultation with the Commission, shall identify 500*
 11 *megahertz of frequencies in the covered band for re-*
 12 *allocation to non-Federal use, shared Federal and*
 13 *non-Federal use, or a combination thereof, for full-*
 14 *power commercial licensed use cases, that—*

15 *(A) as of the date of enactment of this Act,*
 16 *are allocated for Federal use; and*

17 *(B) shall be in addition to the 300 mega-*
 18 *hertz of frequencies for which the Commission*
 19 *grants licenses under subsection (b)(2).*

20 *(2) SCHEDULE.—The Assistant Secretary shall*
 21 *identify the frequencies under paragraph (1) accord-*
 22 *ing to the following schedule:*

23 *(A) Not later than 2 years after the date of*
 24 *enactment of this Act, the Assistant Secretary*

1 *shall identify not less than 200 megahertz of fre-*
2 *quencies within the covered band.*

3 *(B) Not later than 4 years after the date of*
4 *enactment of this Act, the Assistant Secretary*
5 *shall identify any remaining bandwidth required*
6 *to be identified under paragraph (1).*

7 *(3) REQUIRED ANALYSIS.—*

8 *(A) IN GENERAL.—In determining under*
9 *paragraph (1) which specific frequencies within*
10 *the covered band to reallocate, the Assistant Sec-*
11 *retary shall determine the feasibility of the re-*
12 *allocation of frequencies.*

13 *(B) REQUIREMENTS.—In conducting the*
14 *analysis under subparagraph (A), the Assistant*
15 *Secretary shall assess net revenue potential, relo-*
16 *cation or sharing costs, as applicable, and the*
17 *feasibility of reallocating specific frequencies,*
18 *with the goal of identifying the best approach to*
19 *maximize net proceeds of systems of competitive*
20 *bidding for the Treasury, consistent with section*
21 *309(j) of the Communications Act of 1934 (47*
22 *U.S.C. 309(j)).*

23 *(d) AUCTIONS.—The Commission shall grant licenses*
24 *for the frequencies identified for reallocation under sub-*

1 *section (c) through systems of competitive bidding in ac-*
2 *cordance with the following schedule:*

3 (1) *Not later than 4 years after the date of enact-*
4 *ment of this Act, the Commission shall, after noti-*
5 *fying the Assistant Secretary, complete 1 or more sys-*
6 *tems of competitive bidding for not less than 200*
7 *megahertz of the frequencies.*

8 (2) *Not later than 8 years after the date of enact-*
9 *ment of this Act, the Commission shall, after noti-*
10 *fying the Assistant Secretary, complete 1 or more sys-*
11 *tems of competitive bidding for any frequencies iden-*
12 *tified under subsection (c) that remain to be auc-*
13 *tioned after compliance with paragraph (1) of this*
14 *subsection.*

15 (e) *LIMITATION.—The President shall modify or with-*
16 *draw any frequency proposed for reallocation under this*
17 *section not later than 60 days before the commencement of*
18 *a system of competitive bidding scheduled by the Commis-*
19 *sion with respect to that frequency, if the President deter-*
20 *mines that such modification or withdrawal is necessary*
21 *to protect the national security of the United States.*

22 (f) *APPROPRIATION.—In addition to amounts other-*
23 *wise available, there is appropriated to the Department of*
24 *Commerce for fiscal year 2025, out of any money in the*
25 *Treasury not otherwise appropriated, \$50,000,000, to re-*

1 *main available through September 30, 2034, to provide ad-*
 2 *ditional support to the Assistant Secretary to—*

3 *(1) conduct a timely spectrum analysis of the*
 4 *bands of frequencies—*

5 *(A) between 2.7 gigahertz and 2.9 gigahertz;*

6 *(B) between 4.4 gigahertz and 4.9 gigahertz;*

7 *and*

8 *(C) between 7.25 gigahertz and 7.4*
 9 *gigahertz; and*

10 *(2) publish a biennial report, with the last re-*
 11 *port to be published not later than June 30, 2034, on*
 12 *the value of all spectrum used by Federal entities (as*
 13 *defined in section 113(l) of the National Tele-*
 14 *communications and Information Administration Or-*
 15 *ganization Act (47 U.S.C. 923(l))), that assesses the*
 16 *value of bands of frequencies in increments of not*
 17 *more than 100 megahertz.*

18 **SEC. 40003. AIR TRAFFIC CONTROL IMPROVEMENTS.**

19 *(a) IN GENERAL.—For the purpose of the acquisition,*
 20 *construction, sustainment, and improvement of facilities*
 21 *and equipment necessary to improve or maintain aviation*
 22 *safety, in addition to amounts otherwise made available,*
 23 *there is appropriated to the Administrator of the Federal*
 24 *Aviation Administration for fiscal year 2025, out of any*

1 *money in the Treasury not otherwise appropriated, to re-*
 2 *main available until September 30, 2029—*

3 (1) \$4,750,000,000 for telecommunications infra-
 4 structure modernization and systems upgrades;

5 (2) \$3,000,000,000 for radar systems replace-
 6 ment;

7 (3) \$500,000,000 for runway safety technologies,
 8 runway lighting systems, airport surface surveillance
 9 technologies, and to carry out section 347 of the FAA
 10 Reauthorization Act of 2024;

11 (4) \$300,000,000 for Enterprise Information
 12 Display Systems;

13 (5) \$80,000,000 to acquire and install not less
 14 than 50 Automated Weather Observing Systems, to
 15 acquire and install not less than 60 Visual Weather
 16 Observing Systems, to acquire and install not less
 17 than 64 weather camera sites, and to acquire and in-
 18 stall weather stations;

19 (6) \$40,000,000 to carry out section 44745 of
 20 title 49, United States Code, (except for activities de-
 21 scribed in paragraph (5));

22 (7) \$1,900,000,000 for necessary actions to con-
 23 struct a new air route traffic control center (in this
 24 subsection referred to as “ARTCC”): Provided, That
 25 not more than 2 percent of such amount is used for

1 *planning or administrative purposes: Provided fur-*
 2 *ther, That at least 3 existing ARTCCs are divested*
 3 *and integrated into the newly constructed ARTCC;*

4 (8) \$100,000,000 to conduct an ARTCC Realign-
 5 *ment and Consolidation Effort under which at least*
 6 *10 existing ARTCCs are closed or consolidated to fa-*
 7 *cilitate recapitalization of ARTCC facilities owned*
 8 *and operated by the Federal Aviation Administration;*

9 (9) \$1,000,000,000 to support recapitalization
 10 *and consolidation of terminal radar approach control*
 11 *facilities (in this subsection referred to as*
 12 *“TRACONs”), the analysis and identification of*
 13 *TRACONs for divestment, consolidation, or integra-*
 14 *tion, planning, site selection, facility acquisition, and*
 15 *transition activities and other appropriate activities*
 16 *for carrying out such divestment, consolidation, or in-*
 17 *tegration, and the establishment of brand new*
 18 *TRACONs;*

19 (10) \$350,000,000 for unstaffed infrastructure
 20 *sustainment and replacement;*

21 (11) \$50,000,000 to carry out section 961 of the
 22 *FAA Reauthorization Act of 2024;*

23 (12) \$300,000,000 to carry out section 619 of the
 24 *FAA Reauthorization Act of 2024;*

1 (13) \$50,000,000 to carry out section 621 of the
2 *FAA Reauthorization Act of 2024* and to deploy re-
3 mote tower technology at untowered airports; and

4 (14) \$100,000,000 for air traffic controller ad-
5 vanced training technologies.

6 (b) *QUARTERLY REPORTING.*—Not later than 180 days
7 after the date of enactment of this Act, and every 90 days
8 thereafter, the Administrator of the Federal Aviation Ad-
9 ministration shall submit to Congress a report that de-
10 scribes any expenditures under this section.

11 **SEC. 40004. SPACE LAUNCH AND REENTRY LICENSING AND**
12 **PERMITTING USER FEES.**

13 (a) *IN GENERAL.*—Chapter 509 of title 51, United
14 States Code, is amended by adding at the end the following
15 new section:

16 **“§ 50924. Space launch and reentry licensing and per-**
17 **mitting user fees**

18 “(a) *FEES.*—

19 “(1) *IN GENERAL.*—The Secretary of Transpor-
20 tation shall impose a fee, which shall be deposited in
21 the account established under subsection (b), on each
22 launch or reentry carried out under a license or per-
23 mit issued under section 50904 during 2026 or a sub-
24 sequent year, in an amount equal to the lesser of—

1 “(A) the amount specified in paragraph (2)
2 for the year involved per pound of the weight of
3 the payload; or

4 “(B) the amount specified in paragraph (3)
5 for the year involved.

6 “(2) PARAGRAPH (2) SPECIFIED AMOUNT.—The
7 amount specified in this paragraph is—

8 “(A) for 2026, \$0.25;

9 “(B) for 2027, \$0.35;

10 “(C) for 2028, \$0.50;

11 “(D) for 2029, \$0.60;

12 “(E) for 2030, \$0.75;

13 “(F) for 2031, \$1;

14 “(G) for 2032, \$1.25;

15 “(H) for 2033, \$1.50; and

16 “(I) for 2034 and each subsequent year, the
17 amount specified in this paragraph for the pre-
18 vious year increased by the percentage increase
19 in the consumer price index for all urban con-
20 sumers (all items; United States city average)
21 over the previous year.

22 “(3) PARAGRAPH (3) SPECIFIED AMOUNT.—The
23 amount specified in this paragraph is—

24 “(A) for 2026, \$30,000;

25 “(B) for 2027, \$40,000;

1 “(C) for 2028, \$50,000;
 2 “(D) for 2029, \$75,000;
 3 “(E) for 2030, \$100,000;
 4 “(F) for 2031, \$125,000;
 5 “(G) for 2032, \$170,000;
 6 “(H) for 2033, \$200,000; and
 7 “(I) for 2034 and each subsequent year, the
 8 amount specified in this paragraph for the pre-
 9 vious year increased by the percentage increase
 10 in the consumer price index for all urban con-
 11 sumers (all items; United States city average)
 12 over the previous year.

13 “(b) OFFICE OF COMMERCIAL SPACE TRANSPOR-
 14 TATION LAUNCH AND REENTRY LICENSING AND PERMIT-
 15 TING FUND.—There is established in the Treasury of the
 16 United States a separate account, which shall be known as
 17 the ‘Office of Commercial Space Transportation Launch
 18 and Reentry Licensing and Permitting Fund’, for the pur-
 19 poses of expenses of the Office of Commercial Space Trans-
 20 portation of the Federal Aviation Administration and to
 21 carry out section 630(b) of the FAA Reauthorization Act
 22 of 2024. 70 percent of the amounts deposited into the fund
 23 shall be available for such purposes and shall be available
 24 without further appropriation and without fiscal year limi-
 25 tation.”.

1 (b) *CLERICAL AMENDMENT.*—*The table of sections for*
 2 *chapter 509 of title 51, United States Code, is amended by*
 3 *inserting after the item relating to section 50923 the fol-*
 4 *lowing:*

“50924. *Space launch and reentry licensing and permitting user fees.*”.

5 **SEC. 40005. MARS MISSIONS, ARTEMIS MISSIONS, AND**
 6 **MOON TO MARS PROGRAM.**

7 (a) *IN GENERAL.*—*Chapter 203 of title 51, United*
 8 *States Code, is amended by adding at the end the following:*
 9 **“§ 20306. Special appropriations for Mars missions,**
 10 **Artemis missions, and Moon to Mars pro-**
 11 **gram**

12 “(a) *IN GENERAL.*—*In addition to amounts otherwise*
 13 *available, there is appropriated to the Administration for*
 14 *fiscal year 2025, out of any money in the Treasury not*
 15 *otherwise appropriated, \$9,995,000,000, to remain avail-*
 16 *able until September 30, 2032, to use as follows:*

17 “(1) \$700,000,000, to be obligated not later than
 18 *fiscal year 2026, for the procurement, using a com-*
 19 *petitively bid, firm fixed-price contract with a United*
 20 *States commercial provider (as defined in section*
 21 *50101(7)), of a high-performance Mars telecommuni-*
 22 *cations orbiter—*

23 “(A) *that—*

24 “(i) *is capable of providing robust,*
 25 *continuous communications for—*

1 “(I) a Mars sample return mis-
 2 sion, as described in section 432(3)(C)
 3 of the National Aeronautics and Space
 4 Administration Transition Authoriza-
 5 tion Act of 2017 (51 U.S.C. 20302
 6 note; Public Law 115–10); and

7 “(II) future Mars surface, orbital,
 8 and human exploration missions;

9 “(ii) supports autonomous operations,
 10 onboard processing, and extended mission
 11 duration capabilities; and

12 “(iii) is selected from among the com-
 13 mercial proposals that—

14 “(I) received funding from the Ad-
 15 ministration in fiscal year 2024 or
 16 2025 for commercial design studies for
 17 Mars Sample Return; and

18 “(II) proposed a separate, inde-
 19 pendently launched Mars telecommuni-
 20 cation orbiter supporting an end-to-
 21 end Mars sample return mission; and

22 “(B) which shall be delivered to the Admin-
 23 istration not later than December 31, 2028.

24 “(2) \$2,600,000,000 to meet the requirements of
 25 section 20302(a) using the program of record known,

1 *as of the date of the enactment of this section, as*
 2 *‘Gateway’, and as described in section*
 3 *10811(b)(2)(B)(iv) of the National Aeronautics and*
 4 *Space Administration Authorization Act of 2022 (51*
 5 *U.S.C. 20302 note; Public Law 117–167), of which*
 6 *not less than \$750,000,000 shall be obligated for each*
 7 *of fiscal years 2026, 2027, and 2028.*

8 *“(3) \$4,100,000,000 for expenses related to meet-*
 9 *ing the requirements of section 10812 of the National*
 10 *Aeronautics and Space Administration Authorization*
 11 *Act of 2022 (51 U.S.C. 20301; Public Law 117–167)*
 12 *for the procurement, transportation, integration, op-*
 13 *eration, and other necessary expenses of the Space*
 14 *Launch System for Artemis Missions IV and V, of*
 15 *which not less than \$1,025,000,000 shall be obligated*
 16 *for each of fiscal years 2026, 2027, 2028, and 2029.*

17 *“(4) \$20,000,000 for expenses related to the con-*
 18 *tinued procurement of the multi-purpose crew vehicle*
 19 *described in section 303 of the National Aeronautics*
 20 *and Space Administration Authorization Act of 2010*
 21 *(42 U.S.C. 18323), known as the ‘Orion’, for use with*
 22 *the Space Launch System on the Artemis IV Mission*
 23 *and reuse in subsequent Artemis Missions, of which*
 24 *not less than \$20,000,000 shall be obligated not later*
 25 *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 section
 4 503(a) of the National Aeronautics and Space Ad-
 5 ministration Authorization Act of 2010 (42 U.S.C.
 6 18353(a)), of which not less than \$250,000,000 shall
 7 be obligated for such expenses for each of fiscal years
 8 2025, 2026, 2027, 2028, and 2029.

9 “(6) \$1,000,000,000 for infrastructure improve-
 10 ments at the manned spaceflight centers of the Ad-
 11 ministration, of which not less than—

12 “(A) \$120,000,000 shall be obligated not
 13 later than fiscal year 2026 for construction, revi-
 14 talization, recapitalization, or other infrastruc-
 15 ture projects and improvements at the center de-
 16 scribed in Executive Order 12641 (53 Fed. Reg.
 17 18816; relating to designating certain facilities
 18 of the National Aeronautics and Space Adminis-
 19 tration in the State of Mississippi as the John
 20 C. Stennis Space Center);

21 “(B) \$250,000,000 shall be obligated not
 22 later than fiscal year 2026 for construction, revi-
 23 talization, recapitalization, or other infrastruc-
 24 ture projects and improvements at the center de-
 25 scribed in Executive Order 11129 (28 Fed. Reg.

1 12787; relating to designating certain facilities
2 of the National Aeronautics and Space Adminis-
3 tration and of the Department of Defense, in the
4 State of Florida, as the John F. Kennedy Space
5 Center);

6 “(C) \$300,000,000 shall be obligated not
7 later than fiscal year 2026 for construction, revi-
8 talization, recapitalization, or other infrastruc-
9 ture projects and improvements at the center de-
10 scribed in the Joint Resolution entitled ‘Joint
11 Resolution to designate the Manned Spacecraft
12 Center in Houston, Texas, as the “Lyndon B.
13 Johnson Space Center” in honor of the late
14 President’, approved February 17, 1973 (Public
15 Law 93–8; 87 Stat. 7);

16 “(D) \$100,000,000 shall be obligated not
17 later than fiscal year 2026 for construction, revi-
18 talization, recapitalization, or other infrastruc-
19 ture projects and improvements at the center de-
20 scribed in Executive Order 10870 (25 Fed. Reg.
21 2197; relating to designating the facilities of the
22 National Aeronautics and Space Administration
23 at Huntsville, Alabama, as the George C. Mar-
24 shall Space Flight Center);

1 “(E) \$30,000,000 shall be obligated not
 2 later than fiscal year 2026 for construction, revi-
 3 talization, 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 carry
 8 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 sub-
 11 section, with the remainder transferred not later
 12 than the date that is 18 months after the date of
 13 the enactment of this section to the entity des-
 14 ignated under that subsection, for the purpose of
 15 construction of a facility to house the space vehi-
 16 cle referred to in that subsection.

17 “(7) \$325,000,000 to fulfill contract number
 18 80JSC024CA002 issued by the National Aeronautics
 19 and Space Administration on June 26, 2024.

20 “(b) SPACE VEHICLE TRANSFER.—

21 “(1) IN GENERAL.—Not later than 30 days after
 22 the date of the enactment of this section, the Adminis-
 23 trator shall identify a space vehicle described in para-
 24 graph (2) to be—

1 “(A) transferred to a field center of the Ad-
 2 ministration that is involved in the administra-
 3 tion of the Commercial Crew Program (as de-
 4 scribed 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 vehi-
 12 cle 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*.—Not later than 18 months after
 18 the date of the enactment of this section, the space ve-
 19 hicle identified under paragraph (1) shall be trans-
 20 ferred to an entity designated by the Administrator.

21 “(c) *OBLIGATION OF FUNDS*.—Funds appropriated
 22 under subsection (a) shall be obligated as follows:

23 “(1) Not less than 50 percent of the total funds
 24 in subsection (a) shall be obligated not later than
 25 September 30, 2028.

1 “(2) 100 percent of funds shall be obligated not
2 later than September 30, 2029.

3 “(3) All associated outlays shall occur not later
4 than September 30, 2034.”.

5 (b) *CLERICAL AMENDMENT.*—The table of sections for
6 chapter 203 of title 51, United States Code, is amended by
7 adding at the end the following:

“20306. Special appropriations for Mars missions, Artemis missions, and Moon
to Mars program.”.

8 **SEC. 40006. CORPORATE AVERAGE FUEL ECONOMY CIVIL**
9 **PENALTIES.**

10 (a) *IN GENERAL.*—Section 32912 of title 49, United
11 States Code, is amended—

12 (1) in subsection (b), in the matter preceding
13 paragraph (1), by striking “\$5” and inserting
14 “\$0.00”; and

15 (2) in subsection (c)(1)(B), by striking “\$10”
16 and inserting “\$0.00”.

17 (b) *EFFECT; APPLICABILITY.*—The amendments made
18 by subsection (a) shall—

19 (1) take effect on the date of enactment of this
20 section; and

21 (2) apply to all model years of a manufacturer
22 for which the Secretary of Transportation has not
23 provided a notification pursuant to section
24 32903(b)(2)(B) of title 49, United States Code, speci-

1 *fying the penalty due for the average fuel economy of*
2 *that manufacturer being less than the applicable*
3 *standard prescribed under section 32902 of that title.*

4 **SEC. 40007. PAYMENTS FOR LEASE OF METROPOLITAN**
5 **WASHINGTON AIRPORTS.**

6 *Section 49104(b) of title 49, United States Code, is*
7 *amended to read as follows:*

8 “(b) *PAYMENTS.*—

9 “(1) *IN GENERAL.*—Subject to paragraph (2),
10 *under the lease, the Airports Authority must pay to*
11 *the general fund of the Treasury annually an*
12 *amount, computed using the GNP Price Deflator—*

13 “(A) *during the period from 1987 to 2026,*
14 *equal to \$3,000,000 in 1987 dollars; and*

15 “(B) *for 2027 and subsequent years, equal*
16 *to \$15,000,000 in 2027 dollars.*

17 “(2) *RENEGOTIATION.*—The Secretary and the
18 *Airports Authority shall renegotiate the level of lease*
19 *payments at least once every 10 years to ensure that*
20 *in no year the amount specified in paragraph (1)(B)*
21 *is less than \$15,000,000 in 2027 dollars.”.*

1 **SEC. 40008. RESCISSION OF CERTAIN AMOUNTS FOR THE**
2 **NATIONAL OCEANIC AND ATMOSPHERIC AD-**
3 **MINISTRATION.**

4 *Any unobligated balances of amounts appropriated or*
5 *otherwise made available by sections 40001, 40002, 40003,*
6 *and 40004 of Public Law 117–169 (136 Stat. 2028) are*
7 *hereby rescinded.*

8 **SEC. 40009. REDUCTION IN ANNUAL TRANSFERS TO TRAVEL**
9 **PROMOTION FUND.**

10 *Subsection (d)(2)(B) of the Travel Promotion Act of*
11 *2009 (22 U.S.C. 2131(d)(2)(B)) is amended by striking*
12 *“\$100,000,000” and inserting “\$20,000,000”.*

13 **SEC. 40010. TREATMENT OF UNOBLIGATED FUNDS FOR AL-**
14 **TERNATIVE FUEL AND LOW-EMISSION AVIA-**
15 **TION TECHNOLOGY.**

16 *Out of the amounts made available by section 40007(a)*
17 *of title IV of Public Law 117–169 (49 U.S.C. 44504 note),*
18 *any unobligated balances of such amounts are hereby re-*
19 *scinded.*

20 **SEC. 40011. RESCISSION OF AMOUNTS APPROPRIATED TO**
21 **PUBLIC WIRELESS SUPPLY CHAIN INNOVA-**
22 **TION FUND.**

23 *Of the unobligated balances of amounts made available*
24 *under section 106(a) of the CHIPS Act of 2022 (Public Law*
25 *117–167; 136 Stat. 1392), \$850,000,000 are permanently*
26 *rescinded.*

1 **TITLE V—COMMITTEE ON EN-**
 2 **ERGY AND NATURAL RE-**
 3 **SOURCES**

4 **Subtitle A—Oil and Gas Leasing**

5 **SEC. 50101. ONSHORE OIL AND GAS LEASING.**

6 (a) *REPEAL OF INFLATION REDUCTION ACT PROVI-*
 7 *SIONS.—*

8 (1) *ONSHORE OIL AND GAS ROYALTY RATES.—*
 9 *Subsection (a) of section 50262 of Public Law 117–*
 10 *169 (136 Stat. 2056) is repealed, and any provision*
 11 *of law amended or repealed by that subsection is re-*
 12 *stored or revived as if that subsection had not been*
 13 *enacted into law.*

14 (2) *NONCOMPETITIVE LEASING.—Subsection (e)*
 15 *of section 50262 of Public Law 117–169 (136 Stat.*
 16 *2057) is repealed, and any provision of law amended*
 17 *or repealed by that subsection is restored or revived*
 18 *as if that subsection had not been enacted into law.*

19 (b) *REQUIREMENT TO IMMEDIATELY RESUME ON-*
 20 *SHORE OIL AND GAS LEASE SALES.—*

21 (1) *IN GENERAL.—The Secretary of the Interior*
 22 *shall immediately resume quarterly onshore oil and*
 23 *gas lease sales in compliance with the Mineral Leas-*
 24 *ing Act (30 U.S.C. 181 et seq.).*

1 (2) *REQUIREMENT.*—*The Secretary of the Inte-*
 2 *rior shall ensure—*

3 (A) *that any oil and gas lease sale required*
 4 *under paragraph (1) is conducted immediately*
 5 *on completion of all applicable scoping, public*
 6 *comment, and environmental analysis require-*
 7 *ments under the Mineral Leasing Act (30 U.S.C.*
 8 *181 et seq.) and the National Environmental*
 9 *Policy Act of 1969 (42 U.S.C. 4321 et seq.); and*

10 (B) *that the processes described in subpara-*
 11 *graph (A) are conducted in a timely manner to*
 12 *ensure compliance with subsection (b)(1).*

13 (3) *LEASE OF OIL AND GAS LANDS.*—*Section*
 14 *17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C.*
 15 *226(b)(1)(A)), as amended by subsection (a), is*
 16 *amended by inserting “For purposes of the previous*
 17 *sentence, the term ‘eligible lands’ means all lands that*
 18 *are subject to leasing under this Act and are not ex-*
 19 *cluded from leasing by a statutory prohibition, and*
 20 *the term ‘available’, with respect to eligible lands,*
 21 *means those lands that have been designated as open*
 22 *for leasing under a land use plan developed under*
 23 *section 202 of the Federal Land Policy and Manage-*
 24 *ment Act of 1976 (43 U.S.C. 1712) and that have*
 25 *been nominated for leasing through the submission of*

1 *an expression of interest, are subject to drainage in*
 2 *the absence of leasing, or are otherwise designated as*
 3 *available pursuant to regulations adopted by the Sec-*
 4 *retary.” after “sales are necessary.”.*

5 *(c) QUARTERLY LEASE SALES.—*

6 *(1) IN GENERAL.—In accordance with the Min-*
 7 *eral Leasing Act (30 U.S.C. 181 et seq.), each fiscal*
 8 *year, the Secretary of the Interior shall conduct a*
 9 *minimum of 4 oil and gas lease sales of available*
 10 *land in each of the following States:*

11 *(A) Wyoming.*

12 *(B) New Mexico.*

13 *(C) Colorado.*

14 *(D) Utah.*

15 *(E) Montana.*

16 *(F) North Dakota.*

17 *(G) Oklahoma.*

18 *(H) Nevada.*

19 *(I) Alaska.*

20 *(2) REQUIREMENT.—In conducting a lease sale*
 21 *under paragraph (1) in a State described in that*
 22 *paragraph, the Secretary of the Interior—*

23 *(A) shall offer not less than 50 percent of*
 24 *available parcels nominated for oil and gas de-*
 25 *velopment under the applicable resource manage-*

1 *ment plan in effect for relevant Bureau of Land*
 2 *Management resource management areas within*
 3 *the applicable State; and*

4 *(B) shall not restrict the parcels offered to*
 5 *1 Bureau of Land Management field office with-*
 6 *in the applicable State unless all nominated par-*
 7 *cels are located within the same Bureau of Land*
 8 *Management field office.*

9 (3) *REPLACEMENT SALES.*—*The Secretary of the*
 10 *Interior shall conduct a replacement sale during the*
 11 *same fiscal year if—*

12 *(A) a lease sale under paragraph (1) is can-*
 13 *celed, delayed, or deferred, including for a lack*
 14 *of eligible parcels; or*

15 *(B) during a lease sale under paragraph (1)*
 16 *the percentage of acreage that does not receive a*
 17 *bid is equal to or greater than 25 percent of the*
 18 *acreage offered.*

19 (d) *MINERAL LEASING ACT REFORMS.*—*Section 17 of*
 20 *the Mineral Leasing Act (30 U.S.C. 226), as amended by*
 21 *subsection (a), is amended—*

22 (1) *by striking the section designation and all*
 23 *that follows through the end of subsection (a) and in-*
 24 *serting the following:*

1 **“SEC. 17. LEASING OF OIL AND GAS PARCELS.**

2 “(a) *LEASING AUTHORIZED.*—

3 “(1) *IN GENERAL.*—Any parcel of land subject to
4 disposition under this Act that is known or believed
5 to contain oil or gas deposits shall be made available
6 for leasing, subject to paragraph (2), by the Secretary
7 of the Interior, not later than 18 months after the
8 date of receipt by the Secretary of an expression of in-
9 terest in leasing the applicable parcel of land avail-
10 able for disposition under this section, if the Sec-
11 retary determines that the parcel of land is open to
12 oil or gas leasing under the approved resource man-
13 agement plan applicable to the planning area in
14 which the parcel of land is located that is in effect on
15 the date on which the expression of interest was sub-
16 mitted to the Secretary (referred to in this subsection
17 as the ‘approved resource management plan’).

18 “(2) *RESOURCE MANAGEMENT PLANS.*—

19 “(A) *LEASE TERMS AND CONDITIONS.*—A
20 lease issued by the Secretary under this section
21 with respect to an applicable parcel of land
22 made available for leasing under paragraph
23 (1)—

24 “(i) shall be subject to the terms and
25 conditions of the approved resource manage-
26 ment plan; and

1 “(ii) may not require any stipulations
2 or mitigation requirements not included in
3 the approved resource management plan.

4 “(B) *EFFECT OF AMENDMENT.*—The initi-
5 ation of an amendment to an approved resource
6 management plan shall not prevent or delay the
7 Secretary from making the applicable parcel of
8 land available for leasing in accordance with
9 that approved resource management plan if the
10 other requirements of this section have been met,
11 as determined by the Secretary.”;

12 (2) in subsection (p), by adding at the end the
13 following:

14 “(4) *TERM.*—A permit to drill approved under
15 this subsection shall be valid for a single, non-renew-
16 able 4-year period beginning on the date that the per-
17 mit to drill is approved.”; and

18 (3) by striking subsection (q) and inserting the
19 following:

20 “(q) *COMMINGLING OF PRODUCTION.*—The Secretary
21 of the Interior shall approve applications allowing for the
22 commingling of production from 2 or more sources (includ-
23 ing the area of an oil and gas lease, the area included in
24 a drilling spacing unit, a unit participating area, a
25 communitized area, or non-Federal property) before pro-

1 *duction reaches the point of royalty measurement regardless*
 2 *of ownership, the royalty rates, and the number or percent-*
 3 *age of acres for each source if the applicant agrees to install*
 4 *measurement devices for each source, utilize an allocation*
 5 *method that achieves volume measurement uncertainty lev-*
 6 *els within plus or minus 2 percent during the production*
 7 *phase reported on a monthly basis, or utilize an approved*
 8 *periodic well testing methodology. Production from multiple*
 9 *oil and gas leases, drilling spacing units, communitized*
 10 *areas, or participating areas from a single wellbore shall*
 11 *be considered a single source. Nothing in this subsection*
 12 *shall prevent the Secretary of the Interior from continuing*
 13 *the current practice of exercising discretion to authorize*
 14 *higher percentage volume measurement uncertainty levels if*
 15 *appropriate technical and economic justifications have been*
 16 *provided.”.*

17 **SEC. 50102. OFFSHORE OIL AND GAS LEASING.**

18 (a) *LEASE SALES.*—

19 (1) *GULF OF AMERICA REGION.*—

20 (A) *IN GENERAL.*—*Notwithstanding the*
 21 *2024–2029 National Outer Continental Shelf Oil*
 22 *and Gas Leasing Program (and any successor*
 23 *leasing program that does not satisfy the require-*
 24 *ments of this section), in addition to lease sales*
 25 *which may be held under that program, and ex-*

cept within areas subject to existing oil and gas leasing moratoria, the Secretary of the Interior shall conduct a minimum of 30 region-wide oil and gas lease sales, in a manner consistent with the schedule described in subparagraph (B), in the region identified in the map depicting lease terms and economic conditions accompanying the final notice of sale of the Bureau of Ocean Energy Management entitled “Gulf of Mexico Outer Continental Shelf Region-Wide Oil and Gas Lease Sale 254” (85 Fed. Reg. 8010 (February 12, 2020)).

(B) *TIMING REQUIREMENT.*—Of the not fewer than 30 region-wide lease sales required under this paragraph, the Secretary of the Interior shall—

(i) hold not fewer than 1 lease sale in the region described in subparagraph (A) by December 15, 2025;

(ii) hold not fewer than 2 lease sales in that region in each of calendar years 2026 through 2039, 1 of which shall be held by March 15 of the applicable calendar year and 1 of which shall be held after March 15

1 *but not later than August 15 of the applica-*
 2 *ble calendar year; and*

3 *(iii) hold not fewer than 1 lease sale in*
 4 *that region in calendar year 2040, which*
 5 *shall be held by March 15, 2040.*

6 (2) *ALASKA REGION.*—

7 (A) *IN GENERAL.*—*The Secretary of the In-*
 8 *terior shall conduct a minimum of 6 offshore*
 9 *lease sales, in a manner consistent with the*
 10 *schedule described in subparagraph (B), in the*
 11 *Cook Inlet Planning Area as identified in the*
 12 *2017–2022 Outer Continental Shelf Oil and Gas*
 13 *Leasing Proposed Final Program published on*
 14 *November 18, 2016, by the Bureau of Ocean En-*
 15 *ergy Management (as announced in the notice of*
 16 *availability of the Bureau of Ocean Energy*
 17 *Management entitled “Notice of Availability of*
 18 *the 2017–2022 Outer Continental Shelf Oil and*
 19 *Gas Leasing Proposed Final Program” (81 Fed.*
 20 *Reg. 84612 (November 23, 2016))).*

21 (B) *TIMING REQUIREMENT.*—*Of the not*
 22 *fewer than 6 lease sales required under this*
 23 *paragraph, the Secretary of the Interior shall*
 24 *hold not fewer than 1 lease sale in the area de-*
 25 *scribed in subparagraph (A) in each of calendar*

1 *years 2026 through 2028, and in each of cal-*
 2 *endar years 2030 through 2032, by March 15 of*
 3 *the applicable calendar year.*

4 ***(b) REQUIREMENTS.—***

5 ***(1) TERMS AND STIPULATIONS FOR GULF OF***
 6 ***AMERICA SALES.—****In conducting lease sales under*
 7 *subsection (a)(1), the Secretary of the Interior—*

8 ***(A)*** *shall, subject to subparagraph (C), offer*
 9 *the same lease form, lease terms, economic condi-*
 10 *tions, and lease stipulations 4 through 9 as con-*
 11 *tained in the final notice of sale of the Bureau*
 12 *of Ocean Energy Management entitled “Gulf of*
 13 *Mexico Outer Continental Shelf Region-Wide Oil*
 14 *and Gas Lease Sale 254” (85 Fed. Reg. 8010*
 15 *(February 12, 2020));*

16 ***(B)*** *may update lease stipulations 1 through*
 17 *3 and 10 described in that final notice of sale to*
 18 *reflect current conditions for lease sales con-*
 19 *ducted under subsection (a)(1);*

20 ***(C)*** *shall set the royalty rate at not less*
 21 *than 12½ percent but not greater than 16⅔ per-*
 22 *cent; and*

23 ***(D)*** *shall, for a lease in water depths of 800*
 24 *meters or deeper issued as a result of a sale, set*
 25 *the primary term for 10 years.*

1 (2) *TERMS AND STIPULATIONS FOR ALASKA RE-*
 2 *GION SALES.*—

3 (A) *IN GENERAL.*—*In conducting lease sales*
 4 *under subsection (a)(2), the Secretary of the In-*
 5 *terior shall offer the same lease form, lease terms,*
 6 *economic conditions, and stipulations as con-*
 7 *tained in the final notice of sale of the Bureau*
 8 *of Ocean Energy Management entitled “Cook*
 9 *Inlet Planning Area Outer Continental Shelf Oil*
 10 *and Gas Lease Sale 244” (82 Fed. Reg. 23291*
 11 *(May 22, 2017)).*

12 (B) *REVENUE SHARING.*—*Notwithstanding*
 13 *section 8(g) and section 9 of the Outer Conti-*
 14 *mental Shelf Lands Act (43 U.S.C. 1337(g),*
 15 *1338), and beginning in fiscal year 2034, of the*
 16 *bonuses, rents, royalties, and other revenues de-*
 17 *rived from lease sales conducted under subsection*
 18 *(a)(2)—*

19 (i) *70 percent shall be paid to the*
 20 *State of Alaska; and*

21 (ii) *30 percent shall be deposited in the*
 22 *Treasury and credited to miscellaneous re-*
 23 *ceipts.*

24 (3) *AREA OFFERED FOR LEASE.*—

1 (A) *GULF OF AMERICA REGION.*—*For each*
 2 *offshore lease sale conducted under subsection*
 3 *(a)(1), the Secretary of the Interior shall—*

4 (i) *offer not fewer than 80,000,000*
 5 *acres; or*

6 (ii) *if there are fewer than 80,000,000*
 7 *acres that are unleased and available, offer*
 8 *all unleased and available acres.*

9 (B) *ALASKA REGION.*—*For each offshore*
 10 *lease sale conducted under subsection (a)(2), the*
 11 *Secretary of the Interior shall—*

12 (i) *offer not fewer than 1,000,000*
 13 *acres; or*

14 (ii) *if there are fewer than 1,000,000*
 15 *acres that are unleased and available, offer*
 16 *all unleased and available acres.*

17 (c) *OFFSHORE COMMINGLING.*—*The Secretary of the*
 18 *Interior shall approve a request of an operator to com-*
 19 *mingle oil or gas production from multiple reservoirs with-*
 20 *in a single wellbore completed on the outer Continental*
 21 *Shelf in the Gulf of America Region unless the Secretary*
 22 *of the Interior determines that conclusive evidence estab-*
 23 *lishes that the commingling—*

24 (1) *could not be conducted by the operator in a*
 25 *safe manner; or*

1 (2) *would result in an ultimate recovery from*
 2 *the applicable reservoirs to be reduced in comparison*
 3 *to the expected recovery of those reservoirs if they had*
 4 *not been commingled.*

5 (d) *OFFSHORE OIL AND GAS ROYALTY RATE.*—

6 (1) *REPEAL.*—*Section 50261 of Public Law 117–*
 7 *169 (136 Stat. 2056) is repealed, and any provision*
 8 *of law amended or repealed by that section is restored*
 9 *or revived as if that section had not been enacted into*
 10 *law.*

11 (2) *ROYALTY RATE.*—*Section 8(a)(1) of the*
 12 *Outer Continental Shelf Lands Act (43 U.S.C.*
 13 *1337(a)(1)) (as amended by paragraph (1)) is*
 14 *amended—*

15 (A) *in subparagraph (A), by striking “not*
 16 *less than 12¹/₂ per centum” and inserting “not*
 17 *less than 12¹/₂ percent, but not more than 16²/₃*
 18 *percent,”;*

19 (B) *in subparagraph (C), by striking “not*
 20 *less than 12¹/₂ per centum” and inserting “not*
 21 *less than 12¹/₂ percent, but not more than 16²/₃*
 22 *percent,”;*

23 (C) *in subparagraph (F), by striking “no*
 24 *less than 12¹/₂ per centum” and inserting “not*

1 *less than 12¹/₂ percent, but not more than 16²/₃*
 2 *percent,”; and*

3 *(D) in subparagraph (H), by striking “no*
 4 *less than 12 and ¹/₂ per centum” and inserting*
 5 *“not less than 12¹/₂ percent, but not more than*
 6 *16²/₃ percent,”.*

7 *(e) LIMITATIONS ON AMOUNT OF DISTRIBUTED QUALI-*
 8 *FIED OUTER CONTINENTAL SHELF REVENUES.—Section*
 9 *105(f)(1) of the Gulf of Mexico Energy Security Act of 2006*
 10 *(43 U.S.C. 1331 note; Public Law 109–432) is amended—*

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

13 *(2) in subparagraph (C), by striking “2055.”*
 14 *and inserting “2024,”; and*

15 *(3) by adding at the end the following:*

16 *“(D) \$650,000,000 for each of fiscal years*
 17 *2025 through 2034; and*

18 *“(E) \$500,000,000 for each of fiscal years*
 19 *2035 through 2055.”.*

20 **SEC. 50103. ROYALTIES ON EXTRACTED METHANE.**

21 *Section 50263 of Public Law 117–169 (30 U.S.C.*
 22 *1727) is repealed.*

23 **SEC. 50104. ALASKA OIL AND GAS LEASING.**

24 *(a) DEFINITIONS.—In this section:*

1 (1) *COASTAL PLAIN*.—*The term “Coastal Plain”*
 2 *has the meaning given the term in section 20001(a)*
 3 *of Public Law 115–97 (16 U.S.C. 3143 note).*

4 (2) *OIL AND GAS PROGRAM*.—*The term “oil and*
 5 *gas program” means the oil and gas program estab-*
 6 *lished under section 20001(b)(2) of Public Law 115–*
 7 *97 (16 U.S.C. 3143 note).*

8 (3) *SECRETARY*.—*The term “Secretary” means*
 9 *the Secretary of the Interior, acting through the Bu-*
 10 *reau of Land Management.*

11 (b) *LEASE SALES REQUIRED*.—

12 (1) *IN GENERAL*.—*Subject to paragraph (3), in*
 13 *addition to the lease sales required under section*
 14 *20001(c)(1)(A) of Public Law 115–97 (16 U.S.C.*
 15 *3143 note), the Secretary shall conduct not fewer than*
 16 *4 lease sales area-wide under the oil and gas program*
 17 *by not later than 10 years after the date of enactment*
 18 *of this Act.*

19 (2) *TERMS AND CONDITIONS*.—*In conducting*
 20 *lease sales under paragraph (1), the Secretary shall*
 21 *offer the same terms and conditions as contained in*
 22 *the record of decision described in the notice of avail-*
 23 *ability of the Bureau of Land Management entitled*
 24 *“Notice of Availability of the Record of Decision for*
 25 *the Final Environmental Impact Statement for the*

1 *Coastal Plain Oil and Gas Leasing Program, Alaska*”
2 *(85 Fed. Reg. 51754 (August 21, 2020))*.

3 (3) *SALE ACREAGES; SCHEDULE*.—

4 (A) *ACREAGES*.—*In conducting the lease*
5 *sales required under paragraph (1), the Sec-*
6 *retary shall offer for lease under the oil and gas*
7 *program—*

8 (i) *not fewer than 400,000 acres area-*
9 *wide in each lease sale; and*

10 (ii) *those areas that have the highest*
11 *potential for the discovery of hydrocarbons.*

12 (B) *SCHEDULE*.—*The Secretary shall*
13 *offer—*

14 (i) *the initial lease sale under para-*
15 *graph (1) not later than 1 year after the*
16 *date of enactment of this Act;*

17 (ii) *a second lease sale under para-*
18 *graph (1) not later than 3 years after the*
19 *date of enactment of this Act;*

20 (iii) *a third lease sale under para-*
21 *graph (1) not later than 5 years after the*
22 *date of enactment of this Act; and*

23 (iv) *a fourth lease sale under para-*
24 *graph (1) not later than 7 years after the*
25 *date of enactment of this Act.*

1 (4) *RIGHTS-OF-WAY.*—Section 20001(c)(2) of
2 *Public Law 115–97 (16 U.S.C. 3143 note)* shall apply
3 to leases awarded under this subsection.

4 (5) *SURFACE DEVELOPMENT.*—Section
5 20001(c)(3) of *Public Law 115–97 (16 U.S.C. 3143*
6 *note)* shall apply to leases awarded under this sub-
7 section.

8 (c) *RECEIPTS.*—Notwithstanding section 35 of the
9 *Mineral Leasing Act (30 U.S.C. 191)* and section
10 20001(b)(5) of *Public Law 115–97 (16 U.S.C. 3143 note)*,
11 of the amount of adjusted bonus, rental, and royalty re-
12 ceipts derived from the oil and gas program and operations
13 on the Coastal Plain pursuant to this section—

14 (1)(A) for each of fiscal years 2025 through
15 2033, 50 percent shall be paid to the State of Alaska;
16 and

17 (B) for fiscal year 2034 and each fiscal year
18 thereafter, 70 percent shall be paid to the State of
19 Alaska; and

20 (2) the balance shall be deposited into the Treas-
21 ury as miscellaneous receipts.

22 **SEC. 50105. NATIONAL PETROLEUM RESERVE–ALASKA.**

23 (a) *DEFINITIONS.*—In this section:

24 (1) *NPR–A FINAL ENVIRONMENTAL IMPACT*
25 *STATEMENT.*—The term “NPR–A final environmental

1 *impact statement” means the final environmental im-*
 2 *pact statement published by the Bureau of Land*
 3 *Management entitled “National Petroleum Reserve in*
 4 *Alaska Integrated Activity Plan Final Environmental*
 5 *Impact Statement” and dated June 2020, including*
 6 *the errata sheet dated October 6, 2020, and excluding*
 7 *the errata sheet dated September 20, 2022.*

8 (2) *NPR–A RECORD OF DECISION.—The term*
 9 *“NPR–A record of decision” means the record of deci-*
 10 *sion published by the Bureau of Land Management*
 11 *entitled “National Petroleum Reserve in Alaska Inte-*
 12 *grated Activity Plan Record of Decision” and dated*
 13 *December 2020.*

14 (3) *PROGRAM.—The term “Program” means the*
 15 *competitive oil and gas leasing, exploration, develop-*
 16 *ment, and production program established under sec-*
 17 *tion 107 of the Naval Petroleum Reserves Production*
 18 *Act of 1976 (42 U.S.C. 6506a).*

19 (4) *SECRETARY.—The term “Secretary” means*
 20 *the Secretary of the Interior.*

21 (b) *RESTORATION OF NPR–A OIL AND GAS LEASING*
 22 *PROGRAM.—Effective beginning on the date of enactment*
 23 *of this Act, the Secretary shall expeditiously restore and re-*
 24 *sume oil and gas lease sales under the Program for domestic*
 25 *energy production and Federal revenue in the areas des-*

1 *ignated for oil and gas leasing as described in the NPR—*
 2 *A final environmental impact statement and the NPR—A*
 3 *record of decision.*

4 *(c) RESUMPTION OF NPR—A LEASE SALES.—*

5 *(1) IN GENERAL.—Subject to paragraph (2), the*
 6 *Secretary shall conduct not fewer than 5 lease sales*
 7 *under the Program by not later than 10 years after*
 8 *the date of enactment of this Act.*

9 *(2) SALES ACREAGES; SCHEDULE.—*

10 *(A) ACREAGES.—In conducting the lease*
 11 *sales required under paragraph (1), the Sec-*
 12 *retary shall offer not fewer than 4,000,000 acres*
 13 *in each lease sale.*

14 *(B) SCHEDULE.—The Secretary shall*
 15 *offer—*

16 *(i) an initial lease sale under para-*
 17 *graph (1) not later than 1 year after the*
 18 *date of enactment of this Act; and*

19 *(ii) an additional lease sale under*
 20 *paragraph (1) not later than every 2 years*
 21 *after the date of enactment of this Act.*

22 *(d) TERMS AND STIPULATIONS FOR NPR—A LEASE*
 23 *SALES.—In conducting lease sales under subsection (c), the*
 24 *Secretary shall offer the same lease form, lease terms, eco-*
 25 *nomie conditions, and stipulations as described in the*

1 *NPR—A final environmental impact statement and the*
 2 *NPR—A record of decision.*

3 (e) *RECEIPTS.*—Section 107(l) of the Naval Petroleum
 4 *Reserves Production Act of 1976 (42 U.S.C. 6506a(l)) is*
 5 *amended—*

6 (1) *by striking “All receipts from” and inserting*
 7 *the following:*

8 “(1) *IN GENERAL.*—Except as provided in para-
 9 *graph (2), all receipts from”;* and

10 (2) *by adding at the end the following:*

11 “(2) *PERCENT SHARE FOR FISCAL YEAR 2034 AND*
 12 *THEREAFTER.*—Beginning in fiscal year 2034, of the
 13 *receipts from sales, rentals, bonuses, and royalties on*
 14 *leases issued pursuant to this section after the date of*
 15 *enactment of the Act entitled ‘An Act to provide for*
 16 *reconciliation pursuant to title II of H. Con. Res. 14’*
 17 *(119th Congress)—*

18 “(A) 70 percent shall be paid to the State
 19 *of Alaska; and*

20 “(B) 30 percent shall be paid into the
 21 *Treasury of the United States.”.*

22 ***Subtitle B—Mining***

23 ***SEC. 50201. COAL LEASING.***

24 (a) *DEFINITIONS.*—In this section:

1 (1) *COAL LEASE*.—The term “coal lease” means
2 a lease entered into by the United States as lessor,
3 through the Bureau of Land Management, and an ap-
4 plicant on Bureau of Land Management Form 3400-
5 012 (or a successor form that contains the terms of a
6 coal lease).

7 (2) *QUALIFIED APPLICATION*.—The term “quali-
8 fied application” means an application for a coal
9 lease pending as of the date of enactment of this Act
10 or submitted within 90 days thereafter under the lease
11 by application program administered by the Bureau
12 of Land Management pursuant to the Mineral Leas-
13 ing Act (30 U.S.C. 181 et seq.) for which any re-
14 quired environmental review has commenced or the
15 Director of the Bureau of Land Management deter-
16 mines can commence within 90 days after receiving
17 the application.

18 (b) *COAL LEASING ACTIVITIES*.—Not later than 90
19 days after the date of enactment of this Act, the Secretary
20 of the Interior—

21 (1) shall—

22 (A) with respect to each qualified applica-
23 tion—

1 (i) if not previously published for pub-
2 lic comment, publish any required environ-
3 mental review;

4 (ii) establish the fair market value of
5 the applicable coal tract;

6 (iii) hold a lease sale with respect to
7 the applicable coal tract; and

8 (iv) identify the highest bidder at or
9 above the fair market value and take all
10 other intermediate actions necessary to
11 identify the winning bidder and grant the
12 qualified application; and

13 (2) may—

14 (A) with respect to a previously issued coal
15 lease, grant any additional approvals of the De-
16 partment of the Interior required for mining ac-
17 tivities to commence; and

18 (B) after completing the actions required by
19 clauses (i) through (iv) of paragraph (1)(A),
20 grant the qualified application and issue the ap-
21 plicable lease to the person that submitted the
22 qualified application if that person submitted
23 the winning bid in the lease sale held under
24 clause (iii) of paragraph (1)(A).

1 **SEC. 50202. COAL ROYALTY.**

2 (a) *RATE*.—Section 7(a) of the Mineral Leasing Act
3 (30 U.S.C. 207(a)) is amended, in the fourth sentence, by
4 striking “12½ per centum” and inserting “12½ percent,
5 except such amount shall be not more than 7 percent during
6 the period that begins on the date of enactment of the Act
7 entitled ‘An Act to provide for reconciliation pursuant to
8 title II of H. Con. Res. 14’ (119th Congress) and ends Sep-
9 tember 30, 2034,”.

10 (b) *APPLICABILITY TO EXISTING LEASES*.—The
11 amendment made by subsection (a) shall apply to a coal
12 lease—

13 (1) issued under section 2 of the Mineral Leasing
14 Act (30 U.S.C. 201) before, on, or after the date of the
15 enactment of this Act; and

16 (2) that has not been terminated.

17 (c) *ADVANCE ROYALTIES*.—With respect to a lease
18 issued under section 2 of the Mineral Leasing Act (30
19 U.S.C. 201) for which the lessee has paid advance royalties
20 under section 7(b) of that Act (30 U.S.C. 207(b)), the Sec-
21 retary of the Interior shall provide to the lessee a credit
22 for the difference between the amount paid by the lessee in
23 advance royalties for the lease before the date of the enact-
24 ment of this Act and the amount the lessee would have been
25 required to pay if the amendment made by subsection (a)

1 *had been made before the lessee paid advance royalties for*
 2 *the lease.*

3 **SEC. 50203. LEASES FOR KNOWN RECOVERABLE COAL RE-**
 4 **SOURCES.**

5 *Notwithstanding section 2(a)(3)(A) of the Mineral*
 6 *Leasing Act (30 U.S.C. 201(a)(3)(A)) and section 202(a)*
 7 *of the Federal Land Policy and Management Act of 1976*
 8 *(43 U.S.C. 1712(a)), not later than 90 days after the date*
 9 *of enactment of this Act, the Secretary of the Interior shall*
 10 *make available for lease known recoverable coal resources*
 11 *of not less than 4,000,000 additional acres on Federal land*
 12 *located in the 48 contiguous States and Alaska subject to*
 13 *the jurisdiction of the Secretary, but which shall not include*
 14 *any Federal land within—*

- 15 *(1) a National Monument;*
- 16 *(2) a National Recreation Area;*
- 17 *(3) a component of the National Wilderness Pres-*
 18 *ervation System;*
- 19 *(4) a component of the National Wild and Sce-*
 20 *nic Rivers System;*
- 21 *(5) a component of the National Trails System;*
- 22 *(6) a National Conservation Area;*
- 23 *(7) a unit of the National Wildlife Refuge Sys-*
 24 *tem;*

1 (8) *a unit of the National Fish Hatchery Sys-*
2 *tem; or*

3 (9) *a unit of the National Park System.*

4 **SEC. 50204. AUTHORIZATION TO MINE FEDERAL COAL.**

5 (a) *AUTHORIZATION.*—*In order to provide access to*
6 *coal reserves in adjacent State or private land that without*
7 *an authorization could not be mined economically, Federal*
8 *coal reserves located in Federal land subject to a mining*
9 *plan previously approved by the Secretary of the Interior*
10 *as of the date of enactment of this Act and adjacent to coal*
11 *reserves in adjacent State or private land are authorized*
12 *to be mined.*

13 (b) *REQUIREMENT.*—*Not later than 90 days after the*
14 *date of enactment of this Act, the Secretary of the Interior*
15 *shall, without substantial modification, take such steps as*
16 *are necessary to authorize the mining of Federal land de-*
17 *scribed in subsection (a).*

18 (c) *NEPA.*—*Nothing in this section shall prevent a re-*
19 *view under the National Environmental Policy Act of 1969*
20 *(42 U.S.C. 4321 et seq.).*

21 **Subtitle C—Lands**

22 **SEC. 50301. TIMBER SALES AND LONG-TERM CONTRACTING**
23 **FOR THE FOREST SERVICE AND THE BUREAU**
24 **OF LAND MANAGEMENT.**

25 (a) *FOREST SERVICE.*—

1 (1) *DEFINITIONS.—In this subsection:*

2 (A) *FOREST PLAN.—The term “forest plan”*
 3 *means a land and resource management plan*
 4 *prepared by the Secretary for a unit of the Na-*
 5 *tional Forest System pursuant to section 6 of the*
 6 *Forest and Rangeland Renewable Resources*
 7 *Planning Act of 1974 (16 U.S.C. 1604).*

8 (B) *NATIONAL FOREST SYSTEM.—*

9 (i) *IN GENERAL.—The term “National*
 10 *Forest System” means land of the National*
 11 *Forest System (as defined in section 11(a)*
 12 *of the Forest and Rangeland Renewable Re-*
 13 *sources Planning Act of 1974 (16 U.S.C.*
 14 *1609(a))) administered by the Secretary.*

15 (ii) *EXCLUSIONS.—The term “National*
 16 *Forest System” does not include any forest*
 17 *reserve not created from the public domain.*

18 (C) *SECRETARY.—The term “Secretary”*
 19 *means the Secretary of Agriculture, acting*
 20 *through the Chief of the Forest Service.*

21 (2) *TIMBER SALES ON PUBLIC DOMAIN FOREST*
 22 *RESERVES.—*

23 (A) *IN GENERAL.—For each of fiscal years*
 24 *2026 through 2034, the Secretary shall sell tim-*
 25 *ber annually on National Forest System land in*

1 *a total quantity that is not less than 250,000,000*
2 *board-feet greater than the quantity of board-feet*
3 *sold in the previous fiscal year.*

4 *(B) LIMITATION.—The timber sales under*
5 *subparagraph (A) shall be subject to the max-*
6 *imum allowable sale quantity of timber or the*
7 *projected timber sale quantity under the applica-*
8 *ble forest plan in effect on the date of enactment*
9 *of this Act.*

10 *(3) LONG-TERM CONTRACTING FOR THE FOREST*
11 *SERVICE.—*

12 *(A) LONG-TERM CONTRACTING.—For the pe-*
13 *riod of fiscal years 2025 through 2034, the Sec-*
14 *retary shall enter into not fewer than 40 long-*
15 *term timber sale contracts with private persons*
16 *or other public or private entities under sub-*
17 *section (a) of section 14 of the National Forest*
18 *Management Act of 1976 (16 U.S.C. 472a) for*
19 *the sale of national forest materials (as defined*
20 *in subsection (e)(1) of that section) in the Na-*
21 *tional Forest System.*

22 *(B) CONTRACT LENGTH.—The period of a*
23 *timber sale contract entered into to meet the re-*
24 *quirement under subparagraph (A) shall be not*

1 *less than 20 years, with options for extensions or*
 2 *renewals, as determined by the Secretary.*

3 (C) *RECEIPTS.*—*Any monies derived from a*
 4 *timber sale contract entered into to meet the re-*
 5 *quirements under subparagraphs (A) and (B)*
 6 *shall be deposited in the general fund of the*
 7 *Treasury.*

8 (b) *BUREAU OF LAND MANAGEMENT.*—

9 (1) *DEFINITIONS.*—*In this subsection:*

10 (A) *PUBLIC LANDS.*—*The term “public*
 11 *lands” has the meaning given the term in section*
 12 *103 of the Federal Land Policy and Management*
 13 *Act of 1976 (43 U.S.C. 1702).*

14 (B) *RESOURCE MANAGEMENT PLAN.*—*The*
 15 *term “resource management plan” means a land*
 16 *use plan prepared for public lands under section*
 17 *202 of the Federal Land Policy and Management*
 18 *Act of 1976 (43 U.S.C. 1712).*

19 (C) *SECRETARY.*—*The term “Secretary”*
 20 *means the Secretary of the Interior, acting*
 21 *through the Director of the Bureau of Land*
 22 *Management.*

23 (2) *TIMBER SALES ON PUBLIC LANDS.*—

24 (A) *IN GENERAL.*—*For each of fiscal years*
 25 *2026 through 2034, the Secretary shall sell tim-*

1 *ber annually on public lands in a total quantity*
 2 *that is not less than 20,000,000 board-feet great-*
 3 *er than the quantity of board-feet sold in the pre-*
 4 *vious fiscal year.*

5 *(B) LIMITATION.—The timber sales under*
 6 *subparagraph (A) shall be subject to the applica-*
 7 *ble resource management plan in effect on the*
 8 *date of enactment of this Act.*

9 *(3) LONG-TERM CONTRACTING FOR THE BUREAU*
 10 *OF LAND MANAGEMENT.—*

11 *(A) LONG-TERM CONTRACTING.—For the pe-*
 12 *riod of fiscal years 2025 through 2034, the Sec-*
 13 *retary shall enter into not fewer than 5 long-*
 14 *term contracts with private persons or other pub-*
 15 *lic or private entities under section 1 of the Act*
 16 *of July 31, 1947 (commonly known as the “Ma-*
 17 *terials Act of 1947”) (61 Stat. 681, chapter 406;*
 18 *30 U.S.C. 601), for the disposal of vegetative ma-*
 19 *terials described in that section on public lands.*

20 *(B) CONTRACT LENGTH.—The period of a*
 21 *contract entered into to meet the requirement*
 22 *under subparagraph (A) shall be not less than 20*
 23 *years, with options for extensions or renewals, as*
 24 *determined by the Secretary.*

1 (C) *RECEIPTS*.—Any monies derived from a
 2 contract entered into to meet the requirements
 3 under subparagraphs (A) and (B) shall be depos-
 4 ited in the general fund of the Treasury.

5 **SEC. 50302. RENEWABLE ENERGY FEES ON FEDERAL LAND.**

6 (a) *DEFINITIONS*.—In this section:

7 (1) *ANNUAL ADJUSTMENT FACTOR*.—The term
 8 “Annual Adjustment Factor” means 3 percent.

9 (2) *ENCUMBRANCE FACTOR*.—The term “Encum-
 10 brance Factor” means—

11 (A) 100 percent for a solar energy genera-
 12 tion facility; and

13 (B) an amount determined by the Sec-
 14 retary, but not less than 10 percent for a wind
 15 energy generation facility.

16 (3) *NATIONAL FOREST SYSTEM*.—

17 (A) *IN GENERAL*.—The term “National For-
 18 est System” means land of the National Forest
 19 System (as defined in section 11(a) of the Forest
 20 and Rangeland Renewable Resources Planning
 21 Act of 1974 (16 U.S.C. 1609(a))) administered
 22 by the Secretary of Agriculture.

23 (B) *EXCLUSION*.—The term “National For-
 24 est System” does not include any forest reserve
 25 not created from the public domain.

1 (4) *PER-ACRE RATE*.—The term “Per-Acre
2 *Rate*”, with respect to a right-of-way, means the aver-
3 age of the per-acre pastureland rental rates published
4 in the Cash Rents Survey by the National Agricul-
5 tural Statistics Service for the State in which the
6 right-of-way is located over the 5 calendar-year pe-
7 riod preceding the issuance or renewal of the right-of-
8 way.

9 (5) *PROJECT*.—The term “project” means a sys-
10 tem described in section 2801.9(a)(4) of title 43, Code
11 of Federal Regulations (as in effect on the date of en-
12 actment of this Act).

13 (6) *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 Act
17 of 1976 (43 U.S.C. 1702)); and

18 (B) National Forest System land.

19 (7) *RENEWABLE ENERGY PROJECT*.—The term
20 “renewable energy project” means a project located on
21 public land that uses wind or solar energy to generate
22 energy.

23 (8) *RIGHT-OF-WAY*.—The term “right-of-way”
24 has the meaning given the term in section 103 of the

1 *Federal Land Policy and Management Act of 1976*
 2 *(43 U.S.C. 1702).*

3 (9) *SECRETARY.—The term “Secretary”*
 4 *means—*

5 (A) *the Secretary of the Interior, with re-*
 6 *spect to land controlled or administered by the*
 7 *Secretary of the Interior; and*

8 (B) *the Secretary of Agriculture, with re-*
 9 *spect to National Forest System land.*

10 (b) *ACREAGE RENT FOR WIND AND SOLAR RIGHTS-*
 11 *OF-WAY.—*

12 (1) *IN GENERAL.—Pursuant to section 504(g) of*
 13 *the Federal Land Policy and Management Act of*
 14 *1976 (43 U.S.C. 1764(g)), the Secretary shall, subject*
 15 *to paragraph (3) and not later than January 1 of*
 16 *each calendar year, collect from the holder of a right-*
 17 *of-way for a renewable energy project an acreage rent*
 18 *in an amount determined by the equation described*
 19 *in paragraph (2).*

20 (2) *CALCULATION OF ACREAGE RENT RATE.—*

21 (A) *EQUATION.—The amount of an acreage*
 22 *rent collected under paragraph (1) shall be deter-*
 23 *mined using the following equation: Acreage rent*
 24 *= $A \times B \times ((1 + C)^D)$.*

1 (B) *DEFINITIONS.—For purposes of the*
 2 *equation described in subparagraph (A):*

3 (i) *The letter “A” means the Per-Acre*
 4 *Rate.*

5 (ii) *The letter “B” means the Encum-*
 6 *brance Factor.*

7 (iii) *The letter “C” means the Annual*
 8 *Adjustment Factor.*

9 (iv) *The letter “D” means the year in*
 10 *the term of the right-of-way.*

11 (3) *PAYMENT UNTIL PRODUCTION.—The holder of*
 12 *a right-of-way for a renewable energy project shall*
 13 *pay an acreage rent collected under paragraph (1)*
 14 *until the date on which energy generation begins.*

15 (c) *CAPACITY FEES.—*

16 (1) *IN GENERAL.—The Secretary shall, subject to*
 17 *paragraph (3), annually collect a capacity fee from*
 18 *the holder of a right-of-way for a renewable energy*
 19 *project based on the amount described in paragraph*
 20 *(2).*

21 (2) *CALCULATION OF CAPACITY FEE.—The*
 22 *amount of a capacity fee collected under paragraph*
 23 *(1) shall be equal to the greater of—*

24 (A) *an amount equal to the acreage rent de-*
 25 *scribed in subsection (b); and*

1 (B) 3.9 percent of the gross proceeds from
2 the sale of electricity produced by the renewable
3 energy project.

4 (3) *MULTIPLE-USE REDUCTION FACTOR.*—

5 (A) *APPLICATION.*—The holder of a right-of-
6 way for a wind energy generation project may
7 request that the Secretary apply a multiple-use
8 reduction factor of 10-percent to the amount of
9 a capacity fee determined under paragraph (2)
10 by submitting to the Secretary an application at
11 such time, in such manner, and containing such
12 information as the Secretary may require.

13 (B) *APPROVAL.*—The Secretary may ap-
14 prove an application submitted under subpara-
15 graph (A) only if not less than 25 percent of the
16 land within the area of the right-of-way is au-
17 thorized for use, occupancy, or development with
18 respect to an activity other than the generation
19 of wind energy for the entirety of the year in
20 which the capacity fee is collected.

21 (C) *LATE DETERMINATION.*—

22 (i) *IN GENERAL.*—If the Secretary ap-
23 proves an application under subparagraph
24 (B) for a wind energy generation project
25 after the date on which the holder of the

1 *right-of-way for the project begins paying a*
 2 *capacity fee, the Secretary shall apply the*
 3 *multiple-use reduction factor described in*
 4 *subparagraph (A) to the capacity fee for the*
 5 *first year beginning after the date of ap-*
 6 *proval and each year thereafter for the pe-*
 7 *riod during which the right-of-way remains*
 8 *in effect.*

9 (ii) *REFUND.*—*The Secretary may not*
 10 *refund the holder of a right-of-way for the*
 11 *difference in the amount of a capacity fee*
 12 *paid in a previous year.*

13 (d) *LATE PAYMENT FEE; TERMINATION.*—

14 (1) *IN GENERAL.*—*The Secretary may charge the*
 15 *holder of a right-of-way for a renewable energy*
 16 *project a late payment fee if the Secretary does not*
 17 *receive payment for the acreage rent under subsection*
 18 *(b) or the capacity fee under subsection (c) by the*
 19 *date that is 15 days after the date on which the pay-*
 20 *ment was due.*

21 (2) *TERMINATION OF RIGHT-OF-WAY.*—*The Sec-*
 22 *retary may terminate a right-of-way for a renewable*
 23 *energy project if the Secretary does not receive pay-*
 24 *ment for the acreage rent under subsection (b) or the*

1 *capacity fee under subsection (c) by the date that is*
 2 *90 days after the date on which the payment was due.*

3 **SEC. 50303. RENEWABLE ENERGY REVENUE SHARING.**

4 *(a) DEFINITIONS.—In this section:*

5 (1) *COUNTY.*—*The term “county” includes a*
 6 *parish, township, borough, and any other similar,*
 7 *independent unit of local government.*

8 (2) *COVERED LAND.*—*The term “covered land”*
 9 *means land that is—*

10 (A) *public land administered by the Sec-*
 11 *retary; and*

12 (B) *not excluded from the development of*
 13 *solar or wind energy under—*

14 (i) *a land use plan; or*

15 (ii) *other Federal law.*

16 (3) *NATIONAL FOREST SYSTEM.—*

17 (A) *IN GENERAL.*—*The term “National For-*
 18 *est System” means land of the National Forest*
 19 *System (as defined in section 11(a) of the Forest*
 20 *and Rangeland Renewable Resources Planning*
 21 *Act of 1974 (16 U.S.C. 1609(a))) administered*
 22 *by the Secretary of Agriculture.*

23 (B) *EXCLUSION.*—*The term “National For-*
 24 *est System” does not include any forest reserve*
 25 *not created from the public domain.*

1 (4) *PUBLIC LAND*.—The term “public land”
2 *means—*

3 (A) *public lands (as defined in section 103*
4 *of the Federal Land Policy and Management Act*
5 *of 1976 (43 U.S.C. 1702)); and*

6 (B) *National Forest System land.*

7 (5) *RENEWABLE ENERGY PROJECT*.—The term
8 “renewable energy project” means a system described
9 in section 2801.9(a)(4) of title 43, Code of Federal
10 Regulations (as in effect on the date of enactment of
11 this Act), located on covered land that uses wind or
12 solar energy to generate energy.

13 (6) *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) *DISPOSITION OF REVENUE*.—

21 (1) *DISPOSITION OF REVENUES*.—Beginning on
22 January 1, 2026, the amounts collected from a renew-
23 able energy project as bonus bids, rentals, fees, or
24 other payments under a right-of-way, permit, lease,
25 or other authorization shall—

1 (A) be deposited in the general fund of the
2 Treasury; and

3 (B) without further appropriation or fiscal
4 year limitation, be allocated as follows:

5 (i) 25 percent shall be paid from
6 amounts in the general fund of the Treasury
7 to the State within the boundaries of which
8 the revenue is derived.

9 (ii) 25 percent shall be paid from
10 amounts in the general fund of the Treasury
11 to each county in a State within the bound-
12 aries of which the revenue is derived, to be
13 allocated among each applicable county
14 based on the percentage of county land from
15 which the revenue is derived.

16 (2) *PAYMENTS TO STATES AND COUNTIES.*—

17 (A) *IN GENERAL.*—Amounts paid to States
18 and counties under paragraph (1) shall be used
19 in accordance with the requirements of section
20 35 of the Mineral Leasing Act (30 U.S.C. 191).

21 (B) *PAYMENTS IN LIEU OF TAXES.*—A pay-
22 ment to a county under paragraph (1) shall be
23 in addition to a payment in lieu of taxes re-
24 ceived by the county under chapter 69 of title 31,
25 United States Code.

1 (C) *TIMING.*—*The amounts required to be*
 2 *paid under paragraph (1)(B) for an applicable*
 3 *fiscal year shall be made available in the fiscal*
 4 *year that immediately follows the fiscal year for*
 5 *which the amounts were collected.*

6 **SEC. 50304. RESCISSION OF NATIONAL PARK SERVICE AND**
 7 **BUREAU OF LAND MANAGEMENT FUNDS.**

8 *There are rescinded the unobligated balances of*
 9 *amounts made available by the following sections of Public*
 10 *Law 117–169 (commonly known as the “Inflation Reduc-*
 11 *tion Act of 2022”)* (136 Stat. 1818):

12 (1) *Section 50221 (136 Stat. 2052).*

13 (2) *Section 50222 (136 Stat. 2052).*

14 (3) *Section 50223 (136 Stat. 2052).*

15 **SEC. 50305. CELEBRATING AMERICA’S 250TH ANNIVERSARY.**

16 *In addition to amounts otherwise available, there is*
 17 *appropriated to the Secretary of the Interior (acting*
 18 *through the Director of the National Park Service) for fiscal*
 19 *year 2025, out of any money in the Treasury not otherwise*
 20 *appropriated, \$150,000,000 for events, celebrations, and ac-*
 21 *tivities surrounding the observance and commemoration of*
 22 *the 250th anniversary of the founding of the United States,*
 23 *to remain available through fiscal year 2028.*

Subtitle D—Energy

2 SEC. 50401. STRATEGIC PETROLEUM RESERVE.

3 (a) *ENERGY POLICY AND CONSERVATION ACT DEFINI-*
 4 *TIONS.—In this section, the terms “related facility”, “stor-*
 5 *age facility”, and “Strategic Petroleum Reserve” have the*
 6 *meanings given those terms in section 152 of the Energy*
 7 *Policy and Conservation Act (42 U.S.C. 6232).*

8 (b) *APPROPRIATIONS.—In addition to amounts other-*
 9 *wise available, there is appropriated to the Department of*
 10 *Energy for fiscal year 2025, out of any money in the Treas-*
 11 *ury not otherwise appropriated, to remain available until*
 12 *September 30, 2029—*

13 (1) *\$218,000,000 for maintenance of, including*
 14 *repairs to, storage facilities and related facilities of*
 15 *the Strategic Petroleum Reserve; and*

16 (2) *\$171,000,000 to acquire, by purchase, petro-*
 17 *leum products for storage in the Strategic Petroleum*
 18 *Reserve.*

19 (c) *REPEAL OF STRATEGIC PETROLEUM RESERVE*
 20 *DRAWDOWN AND SALE MANDATE.—Section 20003 of Public*
 21 *Law 115–97 (42 U.S.C. 6241 note) is repealed.*

22 SEC. 50402. REPEALS; RESCISSIONS.

23 (a) *REPEAL AND RESCISSION.—Section 50142 of Pub-*
 24 *lic Law 117–169 (136 Stat. 2044) (commonly known as the*
 25 *“Inflation Reduction Act of 2022”) is repealed and the un-*

1 *obligated balance of amounts made available under that sec-*
 2 *tion (as in effect on the day before the date of enactment*
 3 *of this Act) is rescinded.*

4 *(b) RESCISSIONS.—*

5 *(1) IN GENERAL.—The unobligated balances of*
 6 *amounts made available under the sections described*
 7 *in paragraph (2) are rescinded.*

8 *(2) SECTIONS DESCRIBED.—The sections referred*
 9 *to in paragraph (1) are the following sections of Pub-*
 10 *lic Law 117–169 (commonly known as the “Inflation*
 11 *Reduction Act of 2022”):*

12 *(A) Section 50123 (42 U.S.C. 18795b).*

13 *(B) Section 50141 (136 Stat. 2042).*

14 *(C) Section 50144 (136 Stat. 2044).*

15 *(D) Section 50145 (136 Stat. 2045).*

16 *(E) Section 50151 (42 U.S.C. 18715).*

17 *(F) Section 50152 (42 U.S.C. 18715a).*

18 *(G) Section 50153 (42 U.S.C. 18715b).*

19 *(H) Section 50161 (42 U.S.C. 17113b).*

20 **SEC. 50403. ENERGY DOMINANCE FINANCING.**

21 *(a) IN GENERAL.—Section 1706 of the Energy Policy*
 22 *Act of 2005 (42 U.S.C. 16517) is amended—*

23 *(1) in subsection (a)—*

24 *(A) in paragraph (1), by striking “or” at*
 25 *the end;*

1 (B) in paragraph (2), by striking “avoid”
 2 and all that follows through the period at the end
 3 and inserting “increase capacity or output; or”;
 4 and

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

6 “(3) support or enable the provision of known or
 7 forecastable electric supply at time intervals necessary
 8 to maintain or enhance grid reliability or other sys-
 9 tem adequacy needs.”;

10 (2) by striking subsection (c);

11 (3) by redesignating subsections (d) through (f)
 12 as subsections (c) through (e), respectively;

13 (4) in subsection (c) (as so redesignated)—

14 (A) in paragraph (1), by adding “and” at
 15 the end;

16 (B) by striking paragraph (2); and

17 (C) by redesignating paragraph (3) as
 18 paragraph (2);

19 (5) in subsection (e) (as so redesignated), by
 20 striking “for—” in the matter preceding paragraph
 21 (1) and all that follows through the period at the end
 22 of paragraph (2) and inserting “for enabling the
 23 identification, leasing, development, production, proc-
 24 essing, transportation, transmission, refining, and

1 *generation needed for energy and critical minerals.”;*
 2 *and*

3 *(6) by adding at the end the following:*

4 *“(f) FUNDING.—*

5 *“(1) IN GENERAL.—In addition to amounts oth-*
 6 *erwise available, there is appropriated to the Sec-*
 7 *retary for fiscal year 2025, out of any money in the*
 8 *Treasury not otherwise appropriated, \$1,000,000,000,*
 9 *to remain available through September 30, 2028, to*
 10 *carry out activities under this section.*

11 *“(2) ADMINISTRATIVE COSTS.—Of the amount*
 12 *made available under paragraph (1), the Secretary*
 13 *shall use not more than 3 percent for administrative*
 14 *expenses.”.*

15 *(b) COMMITMENT AUTHORITY.—Section 50144(b) of*
 16 *Public Law 117–169 (commonly known as the “Inflation*
 17 *Reduction Act of 2022”)* (136 Stat. 2045) *is amended by*
 18 *striking “2026” and inserting “2028”.*

19 **SEC. 50404. TRANSFORMATIONAL ARTIFICIAL INTEL-**
 20 **LIGENCE MODELS.**

21 *(a) DEFINITIONS.—In this section:*

22 *(1) AMERICAN SCIENCE CLOUD.—The term*
 23 *“American science cloud” means a system of United*
 24 *States government, academic, and private sector pro-*
 25 *grams and infrastructures utilizing cloud computing*

1 *technologies to facilitate and support scientific re-*
 2 *search, data sharing, and computational analysis*
 3 *across various disciplines while ensuring compliance*
 4 *with applicable legal, regulatory, and privacy stand-*
 5 *ards.*

6 (2) *ARTIFICIAL INTELLIGENCE.*—*The term “arti-*
 7 *ficial intelligence” has the meaning given the term in*
 8 *section 5002 of the National Artificial Intelligence*
 9 *Initiative Act of 2020 (15 U.S.C. 9401).*

10 (b) *TRANSFORMATIONAL MODELS.*—*The Secretary of*
 11 *Energy shall—*

12 (1) *mobilize National Laboratories to partner*
 13 *with industry sectors within the United States to cu-*
 14 *rate the scientific data of the Department of Energy*
 15 *across the National Laboratory complex so that the*
 16 *data is structured, cleaned, and preprocessed in a*
 17 *way that makes it suitable for use in artificial intel-*
 18 *ligence and machine learning models; and*

19 (2) *initiate seed efforts for self-improving artifi-*
 20 *cial intelligence models for science and engineering*
 21 *powered by the data described in paragraph (1).*

22 (c) *USES.*—

23 (1) *MICROELECTRONICS.*—*The curated data de-*
 24 *scribed in subsection (b)(1) may be used to rapidly*
 25 *develop next-generation microelectronics that have*

1 *greater capabilities beyond Moore’s law while requir-*
 2 *ing lower energy consumption.*

3 (2) *NEW ENERGY TECHNOLOGIES.—The artifi-*
 4 *cial intelligence models developed under subsection*
 5 *(b)(2) shall be provided to the scientific community*
 6 *through the American science cloud to accelerate inno-*
 7 *vation in discovery science and engineering for new*
 8 *energy technologies.*

9 (d) *APPROPRIATIONS.—There is appropriated, out of*
 10 *any funds in the Treasury not otherwise appropriated,*
 11 *\$150,000,000, to remain available through September 30,*
 12 *2026, to carry out this section.*

13 ***Subtitle E—Water***

14 **SEC. 50501. WATER CONVEYANCE AND SURFACE WATER** 15 **STORAGE ENHANCEMENT.**

16 *In addition to amounts otherwise available, there is*
 17 *appropriated to the Secretary of the Interior, acting*
 18 *through the Commissioner of Reclamation, for fiscal year*
 19 *2025, out of any funds in the Treasury not otherwise appro-*
 20 *priated, \$1,000,000,000, to remain available through Sep-*
 21 *tember 30, 2034, for construction and associated activities*
 22 *that restore or increase the capacity or use of existing con-*
 23 *veyance facilities constructed by the Bureau of Reclamation*
 24 *or for construction and associated activities that increase*
 25 *the capacity of existing Bureau of Reclamation surface*

1 *water storage facilities, in a manner as determined by the*
 2 *Secretary of the Interior, acting through the Commissioner*
 3 *of Reclamation: Provided, That, for the purposes of section*
 4 *203 of the Reclamation Reform Act of 1982 (43 U.S.C.*
 5 *390cc) or section 3404(a) of the Reclamation Projects Au-*
 6 *thorization and Adjustment Act of 1992 (Public Law 102–*
 7 *575; 106 Stat. 4708), a contract or agreement entered into*
 8 *pursuant to this section shall not be treated as a new or*
 9 *amended contract: Provided further, That none of the funds*
 10 *provided under this section shall be reimbursable or subject*
 11 *to matching or cost-sharing requirements.*

12 **TITLE VI—COMMITTEE ON ENVI-**
 13 **RONMENT AND PUBLIC**
 14 **WORKS**

15 **SEC. 60001. RESCISSION OF FUNDING FOR CLEAN HEAVY-**
 16 **DUTY VEHICLES.**

17 *The unobligated balances of amounts made available*
 18 *to carry out section 132 of the Clean Air Act (42 U.S.C.*
 19 *7432) are rescinded.*

20 **SEC. 60002. REPEAL OF GREENHOUSE GAS REDUCTION**
 21 **FUND.**

22 *Section 134 of the Clean Air Act (42 U.S.C. 7434) is*
 23 *repealed and the unobligated balances of amounts made*
 24 *available to carry out that section (as in effect on the day*
 25 *before the date of enactment of this Act) are rescinded.*

1 **SEC. 60003. RESCISSION OF FUNDING FOR DIESEL EMIS-**
 2 **SIONS REDUCTIONS.**

3 *The unobligated balances of amounts made available*
 4 *to carry out section 60104 of Public Law 117–169 (136*
 5 *Stat. 2067) are rescinded.*

6 **SEC. 60004. RESCISSION OF FUNDING TO ADDRESS AIR POL-**
 7 **LUTION.**

8 *The unobligated balances of amounts made available*
 9 *to carry out section 60105 of Public Law 117–169 (136*
 10 *Stat. 2067) are rescinded.*

11 **SEC. 60005. RESCISSION OF FUNDING TO ADDRESS AIR POL-**
 12 **LUTION AT SCHOOLS.**

13 *The unobligated balances of amounts made available*
 14 *to carry out section 60106 of Public Law 117–169 (136*
 15 *Stat. 2069) are rescinded.*

16 **SEC. 60006. RESCISSION OF FUNDING FOR THE LOW EMIS-**
 17 **SIONS ELECTRICITY PROGRAM.**

18 *The unobligated balances of amounts made available*
 19 *to carry out section 135 of the Clean Air Act (42 U.S.C.*
 20 *7435) are rescinded.*

21 **SEC. 60007. RESCISSION OF FUNDING FOR SECTION 211(O)**
 22 **OF THE CLEAN AIR ACT.**

23 *The unobligated balances of amounts made available*
 24 *to carry out section 60108 of Public Law 117–169 (136*
 25 *Stat. 2070) are rescinded.*

1 **SEC. 60008. RESCISSION OF FUNDING FOR IMPLEMENTA-**
2 **TION OF THE AMERICAN INNOVATION AND**
3 **MANUFACTURING ACT.**

4 *The unobligated balances of amounts made available*
5 *to carry out section 60109 of Public Law 117–169 (136*
6 *Stat. 2071) are rescinded.*

7 **SEC. 60009. RESCISSION OF FUNDING FOR ENFORCEMENT**
8 **TECHNOLOGY AND PUBLIC INFORMATION.**

9 *The unobligated balances of amounts made available*
10 *to carry out section 60110 of Public Law 117–169 (136*
11 *Stat. 2071) are rescinded.*

12 **SEC. 60010. RESCISSION OF FUNDING FOR GREENHOUSE**
13 **GAS CORPORATE REPORTING.**

14 *The unobligated balances of amounts made available*
15 *to carry out section 60111 of Public Law 117–169 (136*
16 *Stat. 2072) are rescinded.*

17 **SEC. 60011. RESCISSION OF FUNDING FOR ENVIRON-**
18 **MENTAL PRODUCT DECLARATION ASSIST-**
19 **ANCE.**

20 *The unobligated balances of amounts made available*
21 *to carry out section 60112 of Public Law 117–169 (42*
22 *U.S.C. 4321 note; 136 Stat. 2072) are rescinded.*

1 **SEC. 60012. RESCISSION OF FUNDING FOR METHANE EMIS-**
 2 **SIONS AND WASTE REDUCTION INCENTIVE**
 3 **PROGRAM FOR PETROLEUM AND NATURAL**
 4 **GAS SYSTEMS.**

5 (a) *RESCISSION.*—*The unobligated balances of*
 6 *amounts made available to carry out subsections (a) and*
 7 *(b) of section 136 of the Clean Air Act (42 U.S.C. 7436)*
 8 *are rescinded.*

9 (b) *PERIOD.*—*Section 136(g) of the Clean Air Act (42*
 10 *U.S.C. 7436(g)) is amended by striking “calendar year*
 11 *2024” and inserting “calendar year 2034”.*

12 **SEC. 60013. RESCISSION OF FUNDING FOR GREENHOUSE**
 13 **GAS AIR POLLUTION PLANS AND IMPLEMEN-**
 14 **TATION GRANTS.**

15 *The unobligated balances of amounts made available*
 16 *to carry out section 137 of the Clean Air Act (42 U.S.C.*
 17 *7437) are rescinded.*

18 **SEC. 60014. RESCISSION OF FUNDING FOR ENVIRON-**
 19 **MENTAL PROTECTION AGENCY EFFICIENT,**
 20 **ACCURATE, AND TIMELY REVIEWS.**

21 *The unobligated balances of amounts made available*
 22 *to carry out section 60115 of Public Law 117–169 (136*
 23 *Stat. 2077) are rescinded.*

1 **SEC. 60015. RESCISSION OF FUNDING FOR LOW-EMBODIED**
 2 **CARBON LABELING FOR CONSTRUCTION MA-**
 3 **TERIALS.**

4 *The unobligated balances of amounts made available*
 5 *to carry out section 60116 of Public Law 117–169 (42*
 6 *U.S.C. 4321 note; 136 Stat. 2077) are rescinded.*

7 **SEC. 60016. RESCISSION OF FUNDING FOR ENVIRON-**
 8 **MENTAL AND CLIMATE JUSTICE BLOCK**
 9 **GRANTS.**

10 *The unobligated balances of amounts made available*
 11 *to carry out section 138 of the Clean Air Act (42 U.S.C.*
 12 *7438) are rescinded.*

13 **SEC. 60017. RESCISSION OF FUNDING FOR ESA RECOVERY**
 14 **PLANS.**

15 *The unobligated balances of amounts made available*
 16 *to carry out section 60301 of Public Law 117–169 (136*
 17 *Stat. 2079) are rescinded.*

18 **SEC. 60018. RESCISSION OF FUNDING FOR ENVIRON-**
 19 **MENTAL AND CLIMATE DATA COLLECTION.**

20 *The unobligated balances of amounts made available*
 21 *to carry out section 60401 of Public Law 117–169 (136*
 22 *Stat. 2079) are rescinded.*

1 **SEC. 60019. RESCISSION OF NEIGHBORHOOD ACCESS AND**
2 **EQUITY GRANT PROGRAM.**

3 *The unobligated balances of amounts made available*
4 *to carry out section 177 of title 23, United States Code,*
5 *are rescinded.*

6 **SEC. 60020. RESCISSION OF FUNDING FOR FEDERAL BUILD-**
7 **ING ASSISTANCE.**

8 *The unobligated balances of amounts made available*
9 *to carry out section 60502 of Public Law 117–169 (136*
10 *Stat. 2083) are rescinded.*

11 **SEC. 60021. RESCISSION OF FUNDING FOR LOW-CARBON**
12 **MATERIALS FOR FEDERAL BUILDINGS.**

13 *The unobligated balances of amounts made available*
14 *to carry out section 60503 of Public Law 117–169 (136*
15 *Stat. 2083) are rescinded.*

16 **SEC. 60022. RESCISSION OF FUNDING FOR GSA EMERGING**
17 **AND SUSTAINABLE TECHNOLOGIES.**

18 *The unobligated balances of amounts made available*
19 *to carry out section 60504 of Public Law 117–169 (136*
20 *Stat. 2083) are rescinded.*

21 **SEC. 60023. RESCISSION OF ENVIRONMENTAL REVIEW IM-**
22 **PLEMENTATION FUNDS.**

23 *The unobligated balances of amounts made available*
24 *to carry out section 178 of title 23, United States Code,*
25 *are rescinded.*

1 **SEC. 60024. RESCISSION OF LOW-CARBON TRANSPOR-**
 2 **TATION MATERIALS GRANTS.**

3 *The unobligated balances of amounts made available*
 4 *to carry out section 179 of title 23, United States Code,*
 5 *are rescinded.*

6 **SEC. 60025. JOHN F. KENNEDY CENTER FOR THE PER-**
 7 **FORMING ARTS.**

8 *(a) IN GENERAL.—In addition to amounts otherwise*
 9 *available, there is appropriated for fiscal year 2025, out*
 10 *of any money in the Treasury not otherwise appropriated,*
 11 *\$256,657,000, to remain available until September 30,*
 12 *2029, for necessary expenses for capital repair, restoration,*
 13 *maintenance backlog, and security structures of the build-*
 14 *ing and site of the John F. Kennedy Center for the Per-*
 15 *forming Arts.*

16 *(b) ADMINISTRATIVE COSTS.—Of the amounts made*
 17 *available under subsection (a), not more than 3 percent*
 18 *may be used for administrative costs necessary to carry out*
 19 *this section.*

20 **SEC. 60026. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**
 21 **MENTAL REVIEWS.**

22 *Title I of the National Environmental Policy Act of*
 23 *1969 (42 U.S.C. 4331 et seq.) is amended by adding at the*
 24 *end the following:*

1 **“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**
2 **MENTAL REVIEWS.**

3 “(a) *PROCESS.*—

4 “(1) *PROJECT SPONSOR.*—*A project sponsor that*
5 *intends to pay a fee under this section for the prepa-*
6 *ration, or supervision of the preparation, of an envi-*
7 *ronmental assessment or environmental impact state-*
8 *ment for a project shall submit to the Council—*

9 “(A) *a description of the project; and*

10 “(B) *a declaration of whether the project*
11 *sponsor intends to prepare the environmental as-*
12 *essment or environmental impact statement*
13 *under section 107(f).*

14 “(2) *COUNCIL ON ENVIRONMENTAL QUALITY.*—
15 *Not later than 15 days after the date on which the*
16 *Council receives information described in paragraph*
17 *(1) from a project sponsor, the Council shall provide*
18 *to the project sponsor notice of the amount of the fee*
19 *to be paid under this section, as determined under*
20 *subsection (b).*

21 “(3) *PAYMENT OF FEE.*—*A project sponsor may*
22 *pay a fee under this section after receipt of the notice*
23 *described in paragraph (2).*

24 “(4) *DEADLINE FOR ENVIRONMENTAL REVIEWS*
25 *FOR WHICH A FEE IS PAID.*—*Notwithstanding section*
26 *107(g)(1)—*

1 “(A) an environmental assessment for which
2 a fee is paid under this section shall be com-
3 pleted not later than 180 days after the date on
4 which the fee is paid; and

5 “(B) an environmental impact statement
6 for which a fee is paid under this section shall
7 be completed not later than 1 year after the date
8 of publication of the notice of intent to prepare
9 the environmental impact statement.

10 “(b) *FEE AMOUNT.*—The amount of a fee under this
11 section shall be—

12 “(1) 125 percent of the anticipated costs to pre-
13 pare the environmental assessment or environmental
14 impact statement; and

15 “(2) in the case of an environmental assessment
16 or environmental impact statement to be prepared in
17 whole or in part by a project sponsor under section
18 107(f), 125 percent of the anticipated costs to super-
19 vise preparation of, and, as applicable, prepare, the
20 environmental assessment or environmental impact
21 statement.”.

TITLE VII—FINANCE

Subtitle A—Tax

SEC. 70001. REFERENCES TO THE INTERNAL REVENUE

CODE OF 1986, ETC.

(a) *REFERENCES.*—Except as otherwise expressly provided, whenever in this title, an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) *CERTAIN RULES REGARDING EFFECT OF RATE CHANGES NOT APPLICABLE.*—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in rate of tax by reason of any provision of, or amendment made by, this title.

CHAPTER 1—PROVIDING PERMANENT TAX

RELIEF FOR MIDDLE-CLASS FAMILIES

AND WORKERS

SEC. 70101. EXTENSION AND ENHANCEMENT OF REDUCED

RATES.

(a) *IN GENERAL.*—Section 1(j) is amended—

(1) in paragraph (1), by striking “, and before January 1, 2026”, and

(2) by striking “2018 THROUGH 2025” in the heading and inserting “BEGINNING AFTER 2017”.

1 (b) *INFLATION ADJUSTMENT*.—Section 1(j)(3)(B)(i) is
 2 amended by inserting “solely for purposes of determining
 3 the dollar amounts at which any rate bracket higher than
 4 12 percent ends and at which any rate bracket higher than
 5 22 percent begins,” before “subsection (f)(3)”.

6 (c) *EFFECTIVE DATE*.—The amendments made by this
 7 section shall apply to taxable years beginning after Decem-
 8 ber 31, 2025.

9 **SEC. 70102. EXTENSION AND ENHANCEMENT OF INCREASED**
 10 **STANDARD DEDUCTION.**

11 (a) *IN GENERAL*.—Section 63(c)(7) is amended—

12 (1) by striking “, and before January 1, 2026”
 13 in the matter preceding subparagraph (A), and

14 (2) by striking “2018 THROUGH 2025” in the
 15 heading and inserting “BEGINNING AFTER 2017”.

16 (b) *ADDITIONAL INCREASE IN STANDARD DEDUC-*
 17 *TION*.—Paragraph (7) of section 63(c) is amended—

18 (1) by striking “\$18,000” both places it appears
 19 in subparagraphs (A)(i) and (B)(ii) and inserting
 20 “\$23,625”,

21 (2) by striking “\$12,000” both places it appears
 22 in subparagraphs (A)(ii) and (B)(ii) and inserting
 23 “\$15,750”,

24 (3) by striking “2018” in subparagraph (B)(ii)
 25 and inserting “2025”, and

1 (4) *by striking “2017” in subparagraph*
 2 *(B)(ii)(II) and inserting “2024”.*

3 (c) *EFFECTIVE DATE.—The amendments made by this*
 4 *section shall apply to taxable years beginning after Decem-*
 5 *ber 31, 2024.*

6 **SEC. 70103. TERMINATION OF DEDUCTION FOR PERSONAL**
 7 **EXEMPTIONS OTHER THAN TEMPORARY SEN-**
 8 **IOR DEDUCTION.**

9 (a) *IN GENERAL.—Section 151(d)(5) is amended—*
 10 (1) *by striking “2018 THROUGH 2025” in the*
 11 *heading and inserting “BEGINNING AFTER 2017”,*
 12 (2) *by striking “, and before January 1, 2026”,*
 13 *and*
 14 (3) *by adding at the end the following new sub-*
 15 *paragraph:*

16 “(C) *DEDUCTION FOR SENIORS.—*
 17 “(i) *IN GENERAL.—In the case of a*
 18 *taxable year beginning before January 1,*
 19 *2029, there shall be allowed a deduction in*
 20 *an amount equal to \$6,000 for each quali-*
 21 *fied individual with respect to the taxpayer.*

22 “(ii) *QUALIFIED INDIVIDUAL.—For*
 23 *purposes of clause (i), the term ‘qualified*
 24 *individual’ means—*

1 “(I) the taxpayer, if the taxpayer
2 has attained age 65 before the close of
3 the taxable year, and

4 “(II) in the case of a joint return,
5 the taxpayer’s spouse, if such spouse
6 has attained age 65 before the close of
7 the taxable year.

8 “(iii) *LIMITATION BASED ON MODIFIED*
9 *ADJUSTED GROSS INCOME.—*

10 “(I) *IN GENERAL.—*In the case of
11 any taxpayer for any taxable year, the
12 \$6,000 amount in clause (i) shall be
13 reduced (but not below zero) by 6 per-
14 cent of so much of the taxpayer’s modi-
15 fied adjusted gross income as exceeds
16 \$75,000 (\$150,000 in the case of a
17 joint return).

18 “(II) *MODIFIED ADJUSTED GROSS*
19 *INCOME.—*For purposes of this clause,
20 the term ‘modified adjusted gross in-
21 come’ means the adjusted gross income
22 of the taxpayer for the taxable year in-
23 creased by any amount excluded from
24 gross income under section 911, 931, or
25 933.

1 “(iv) *SOCIAL SECURITY NUMBER RE-*
 2 *QUIRED.*—

3 “(I) *IN GENERAL.*—Clause (i)
 4 *shall not apply with respect to a quali-*
 5 *fied individual unless the taxpayer in-*
 6 *cludes such qualified individual’s so-*
 7 *cial security number on the return of*
 8 *tax for the taxable year.*

9 “(II) *SOCIAL SECURITY NUM-*
 10 *BER.*—For purposes of subclause (I),
 11 *the term ‘social security number’ has*
 12 *the meaning given such term in section*
 13 *24(h)(7).*

14 “(v) *MARRIED INDIVIDUALS.*—If the
 15 *taxpayer is a married individual (within*
 16 *the meaning of section 7703), this subpara-*
 17 *graph shall apply only if the taxpayer and*
 18 *the taxpayer’s spouse file a joint return for*
 19 *the taxable year.”.*

20 (b) *OMISSION OF CORRECT SOCIAL SECURITY NUMBER*
 21 *TREATED AS MATHEMATICAL OR CLERICAL ERROR.*—Sec-
 22 *tion 6213(g)(2) is amended by striking “and” at the end*
 23 *of subparagraph (U), by striking the period at the end of*
 24 *subparagraph (V) and inserting “, and”, and by inserting*
 25 *after subparagraph (V) the following new subparagraph:*

1 “(W) an omission of a correct social secu-
 2 rity number required under section 151(d)(5)(C)
 3 (relating to deduction for seniors).”.

4 (c) *EFFECTIVE DATE.*—The amendments made by this
 5 section shall apply to taxable years beginning after Decem-
 6 ber 31, 2024.

7 **SEC. 70104. EXTENSION AND ENHANCEMENT OF INCREASED**
 8 **CHILD TAX CREDIT.**

9 (a) *EXTENSION AND INCREASE OF EXPANDED CHILD*
 10 *TAX CREDIT.*—Section 24(h) is amended—

11 (1) in paragraph (1), by striking “, and before
 12 January 1, 2026”,

13 (2) in paragraph (2), by striking “\$2,000” and
 14 inserting “\$2,200”, and

15 (3) by striking “2018 THROUGH 2025” in the
 16 heading and inserting “BEGINNING AFTER 2017”.

17 (b) *SOCIAL SECURITY NUMBER REQUIRED.*—Section
 18 24(h)(7) is amended to read as follows:

19 “(7) *SOCIAL SECURITY NUMBER REQUIRED.*—

20 “(A) *IN GENERAL.*—No credit shall be al-
 21 lowed under this section to a taxpayer with re-
 22 spect to any qualifying child unless the taxpayer
 23 includes on the return of tax for the taxable
 24 year—

1 “(i) the taxpayer’s social security
2 number (or, in the case of a joint return,
3 the social security number of at least 1
4 spouse), and

5 “(ii) the social security number of such
6 qualifying child.

7 “(B) SOCIAL SECURITY NUMBER.—For pur-
8 poses of this paragraph, the term ‘social security
9 number’ means a social security number issued
10 to an individual by the Social Security Admin-
11 istration, but only if the social security number
12 is issued—

13 “(i) to a citizen of the United States or
14 pursuant to subclause (I) (or that portion of
15 subclause (III) that relates to subclause (I))
16 of section 205(c)(2)(B)(i) of the Social Secu-
17 rity Act, and

18 “(ii) before the due date for such re-
19 turn.”.

20 (c) INFLATION ADJUSTMENTS.—Section 24(i) is
21 amended to read as follows:

22 “(i) INFLATION ADJUSTMENTS.—

23 “(1) MAXIMUM AMOUNT OF REFUNDABLE CRED-
24 IT.—In the case of a taxable year beginning after

1 2024, the \$1,400 amount in subsection (h)(5) shall be
2 increased by an 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 year
6 in which the taxable year begins, determined by
7 substituting ‘2017’ for ‘2016’ in subparagraph
8 (A)(ii) thereof.

9 “(2) *SPECIAL RULE FOR ADJUSTMENT OF CRED-*
10 *IT AMOUNT.*—In the case of a taxable year beginning
11 after 2025, the \$2,200 amount in subsection (h)(2)
12 shall be increased by an amount equal to—

13 “(A) such dollar amount, multiplied by

14 “(B) the cost-of-living adjustment deter-
15 mined under section 1(f)(3) for the calendar year
16 in which the taxable year begins, determined by
17 substituting ‘2024’ for ‘2016’ in subparagraph
18 (A)(ii) thereof.

19 “(3) *ROUNDING.*—If any increase under this
20 subsection is not a multiple of \$100, such increase
21 shall be rounded to the next lowest multiple of \$100.”.

22 (d) *CONFORMING AMENDMENT.*—Section 24(h)(5) is
23 amended to read as follows:

24 “(5) *MAXIMUM AMOUNT OF REFUNDABLE CRED-*
25 *IT.*—The amount determined under subsection

1 (b) *MINIMUM DEDUCTION FOR ACTIVE QUALIFIED*
 2 *BUSINESS INCOME.*—

3 (1) *IN GENERAL.*—*Subsection (i) of section 199A*
 4 *is amended to read as follows:*

5 “(i) *MINIMUM DEDUCTION FOR ACTIVE QUALIFIED*
 6 *BUSINESS INCOME.*—

7 “(1) *IN GENERAL.*—*In the case of an applicable*
 8 *taxpayer for any taxable year, the deduction allowed*
 9 *under subsection (a) for the taxable year shall be*
 10 *equal to the greater of—*

11 “(A) *the amount of such deduction deter-*
 12 *mined without regard to this subsection, or*

13 “(B) *\$400.*

14 “(2) *APPLICABLE TAXPAYER.*—*For purposes of*
 15 *this subsection—*

16 “(A) *IN GENERAL.*—*The term ‘applicable*
 17 *taxpayer’ means, with respect to any taxable*
 18 *year, a taxpayer whose aggregate qualified busi-*
 19 *ness income with respect to all active qualified*
 20 *trades or businesses of the taxpayer for such tax-*
 21 *able year is at least \$1,000.*

22 “(B) *ACTIVE QUALIFIED TRADE OR BUSI-*
 23 *NESS.*—*The term ‘active qualified trade or busi-*
 24 *ness’ means, with respect to any taxpayer for*
 25 *any taxable year, any qualified trade or business*

1 *of the taxpayer in which the taxpayer materially*
 2 *participates (within the meaning of section*
 3 *469(h)).*

4 “(3) *INFLATION ADJUSTMENT.*—*In the case of*
 5 *any taxable year beginning after 2026, the \$400*
 6 *amount in paragraph (1)(B) and the \$1,000 amount*
 7 *in paragraph (2)(A) shall each be increased by an*
 8 *amount equal to —*

9 *“(A) such dollar amount, multiplied by*

10 *“(B) the cost-of-living adjustment deter-*
 11 *mined under section 1(f)(3) for the calendar year*
 12 *in which the taxable year begins, determined by*
 13 *substituting ‘calendar year 2025’ for ‘calendar*
 14 *year 2016’ in subparagraph (A)(ii) thereof.*

15 *If any increase under this paragraph is not a mul-*
 16 *tiple of \$5, such increase shall be rounded to the near-*
 17 *est multiple of \$5.”.*

18 (2) *CONFORMING AMENDMENT.*—*Section 199A(a)*
 19 *is amended by inserting “except as provided in sub-*
 20 *section (i),” before “there”.*

21 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 22 *section shall apply to taxable years beginning after Decem-*
 23 *ber 31, 2025.*

1 **SEC. 70106. EXTENSION AND ENHANCEMENT OF INCREASED**
 2 **ESTATE AND GIFT TAX EXEMPTION AMOUNTS.**

3 (a) *IN GENERAL.*—Section 2010(c)(3) is amended—
 4 (1) in subparagraph (A) by striking
 5 “\$5,000,000” and inserting “\$15,000,000”,
 6 (2) in subparagraph (B)—
 7 (A) in the matter preceding clause (i), by
 8 striking “2011” and inserting “2026”, and
 9 (B) in clause (ii), by striking “calendar
 10 year 2010” and inserting “calendar year 2025”,
 11 and
 12 (3) by striking subparagraph (C).

13 (b) *EFFECTIVE DATE.*—The amendments made by this
 14 section shall apply to estates of decedents dying and gifts
 15 made after December 31, 2025.

16 **SEC. 70107. EXTENSION OF INCREASED ALTERNATIVE MIN-**
 17 **IMUM TAX EXEMPTION AMOUNTS AND MODI-**
 18 **FICATION OF PHASEOUT THRESHOLDS.**

19 (a) *IN GENERAL.*—Section 55(d)(4) is amended—
 20 (1) in subparagraph (A), by striking “, and be-
 21 fore January 1, 2026”, and
 22 (2) by striking “AND BEFORE 2026” in the head-
 23 ing.
 24 (b) *MODIFICATION OF INFLATION ADJUSTMENT.*—Sec-
 25 tion 55(d)(4)(B) is amended—

1 (1) *by striking “2018” and inserting “2018*
 2 *(2026, in the case of the \$1,000,000 amount in sub-*
 3 *paragraph (A)(ii)(I))”, and*

4 (2) *by striking “determined by substituting ‘cal-*
 5 *endar year 2017’ for ‘calendar year 2016’ in subpara-*
 6 *graph (A)(ii) thereof.” and inserting “determined by*
 7 *substituting for ‘calendar year 2016’ in subparagraph*
 8 *(A)(ii) thereof—*

9 “(1) ‘calendar year 2017’, in the case of the
 10 \$109,400 amount in subparagraph (A)(i)(I) and the
 11 \$70,300 amount in subparagraph (A)(i)(II), and

12 “(2) ‘calendar year 2025’, in the case of the
 13 \$1,000,000 amount in subparagraph (A)(ii)(I).”.

14 (c) *MODIFICATION OF PHASEOUT AMOUNT.*—Section
 15 55(d)(4)(A)(ii) is amended by striking “and” at the end
 16 of subclause (II), and by adding at the end the following
 17 new subclause:

18 “(IV) by substituting ‘50 percent’
 19 for ‘25 percent’, and”.

20 (d) *EFFECTIVE DATE.*—The amendments made by this
 21 section shall apply to taxable years beginning after Decem-
 22 ber 31, 2025.

1 **SEC. 70108. EXTENSION AND MODIFICATION OF LIMITATION**
 2 **ON DEDUCTION FOR QUALIFIED RESIDENCE**
 3 **INTEREST.**

4 (a) *IN GENERAL.*—Section 163(h)(3)(F) is amended—

5 (1) *in clause (i)*—

6 (A) *by striking “, and before January 1,*
 7 *2026”,*

8 (B) *by redesignating subclauses (III) and*
 9 *(IV) as subclauses (IV) and (V), respectively,*

10 (C) *by striking “subclause (III)” in sub-*
 11 *clause (V), as so redesignated, and inserting*
 12 *“subclause (IV)”*, and

13 (D) *by inserting after subclause (II) the fol-*
 14 *lowing new subclause:*

15 “(III) MORTGAGE INSURANCE
 16 PREMIUMS TREATED AS INTEREST.—
 17 Clause (iv) of subparagraph (E) shall
 18 not apply.”,

19 (2) *by striking clause (ii) and redesignating*
 20 *clauses (iii) and (iv) as clauses (ii) and (iii), respec-*
 21 *tively, and*

22 (3) *by striking “2018 THROUGH 2025” in the*
 23 *heading and inserting “BEGINNING AFTER 2017”.*

24 (b) *EFFECTIVE DATE.*—The amendments made by this
 25 section shall apply to taxable years beginning after Decem-
 26 ber 31, 2025.

1 **SEC. 70109. EXTENSION AND MODIFICATION OF LIMITATION**
 2 **ON CASUALTY LOSS DEDUCTION.**

3 (a) *IN GENERAL.*—Section 165(h)(5) is amended—

4 (1) in subparagraph (A), by striking “, and be-
 5 fore January 1, 2026”, and

6 (2) by striking “2018 THROUGH 2025” in the
 7 heading and inserting “BEGINNING AFTER 2017”.

8 (b) *EXTENSION TO STATE DECLARED DISASTERS.*—

9 (1) *IN GENERAL.*—Subparagraph (A) of section
 10 165(h)(5), as amended by subsection (a), is further
 11 amended by striking “(i)(5))” and inserting “(i)(5))
 12 or a State declared disaster”.

13 (2) *EXCEPTION RELATED TO PERSONAL CAS-*
 14 *UALTY GAINS.*—Clause (i) of section 165(h)(5)(B) is
 15 amended by striking “(as so defined)” and inserting
 16 “(as so defined) or a State declared disaster”.

17 (3) *STATE DECLARED DISASTER.*—Paragraph
 18 (5) of section 165(h) is amended by adding at the end
 19 the following new subparagraph:

20 “(C) *STATE DECLARED DISASTER.*—For
 21 purposes of this paragraph—

22 “(i) *IN GENERAL.*—The term ‘State de-
 23 clared disaster’ means, with respect to any
 24 State, any natural catastrophe (including
 25 any hurricane, tornado, storm, high water,
 26 wind-driven water, tidal wave, tsunami,

1 *earthquake, volcanic eruption, landslide,*
 2 *mudslide, snowstorm, or drought), or, re-*
 3 *gardless of cause, any fire, flood, or explo-*
 4 *sion, in any part of the State, which in the*
 5 *determination of the Governor of such State*
 6 *(or the Mayor, in the case of the District of*
 7 *Columbia) and the Secretary causes damage*
 8 *of sufficient severity and magnitude to war-*
 9 *rant the application of the rules of this sec-*
 10 *tion.*

11 “(ii) *STATE.*—*The term ‘State’ in-*
 12 *cludes the District of Columbia, the Com-*
 13 *monwealth of Puerto Rico, the Virgin Is-*
 14 *lands, Guam, American Samoa, and the*
 15 *Commonwealth of the Northern Mariana Is-*
 16 *lands.’”.*

17 *(c) EFFECTIVE DATE.*—*The amendments made by this*
 18 *section shall apply to taxable years beginning after Decem-*
 19 *ber 31, 2025.*

20 **SEC. 70110. TERMINATION OF MISCELLANEOUS ITEMIZED**
 21 **DEDUCTIONS OTHER THAN EDUCATOR EX-**
 22 **PENSES.**

23 *(a) IN GENERAL.*—*Section 67(g) 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 (b) *DEDUCTION FOR EDUCATOR EXPENSES.—*

4 (1) *IN GENERAL.—Section 67(b) is amended by*
 5 *striking “and” at the end of paragraph (11), by strik-*
 6 *ing the period at the end of paragraph (12) and in-*
 7 *serting “, and”, and by adding at the end the fol-*
 8 *lowing new paragraph:*

9 *“(13) the deductions allowed by section 162 for*
 10 *educator expenses (as defined in subsection (g)).”.*

11 (2) *INCLUSION OF COACHES AND CERTAIN NON-*
 12 *ATHLETIC INSTRUCTIONAL EQUIPMENT.—Section 67*
 13 *is amended by redesignating subsection (g), as*
 14 *amended by this section, as subsection (h), and by in-*
 15 *serting after subsection (f) the following new section:*

16 “(g) *EDUCATOR EXPENSES.—For purposes of sub-*
 17 *section (b)(13), the term ‘educator expenses’ means expenses*
 18 *of a type which would be described in section 62(a)(2)(D)*
 19 *if—*

20 *“(1) such section were applied—*

21 *“(A) without regard to the dollar limita-*
 22 *tion,*

23 *“(B) without regard to ‘(other than nonath-*
 24 *letic supplies for courses of instruction in health*
 25 *or physical education)’ in clause (ii) 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 this
8 section shall apply to taxable years beginning after Decem-
9 ber 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 section)
17 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 regard
21 to this section and increased by such amount of
22 itemized deductions) as exceeds the dollar amount at
23 which the 37 percent rate bracket under section 1 be-
24 gins 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 DETERMINATION*
 6 *OF DEDUCTION FOR QUALIFIED BUSINESS INCOME.*—

7 (1) *IN GENERAL.*—Section 199A(e)(1) is amend-
 8 *ed by inserting “without regard to section 68 and”*
 9 *after “shall be computed”.*

10 (2) *PATRONS OF SPECIFIED AGRICULTURAL AND*
 11 *HORTICULTURAL COOPERATIVES.*—Section
 12 *199A(g)(2)(B) is amended by inserting “section 68*
 13 *or” after “without regard to”.*

14 (c) *EFFECTIVE DATE.*—The amendments made by this
 15 *section shall apply to taxable years beginning after Decem-*
 16 *ber 31, 2025.*

17 **SEC. 70112. EXTENSION AND MODIFICATION OF QUALIFIED**
 18 **TRANSPORTATION FRINGE BENEFITS.**

19 (a) *IN GENERAL.*—Section 132(f) is amended—

20 (1) *by striking subparagraph (D) of paragraph*
 21 *(1),*

22 (2) *in paragraph (2), by inserting “and” at the*
 23 *end of subparagraph (A), by striking “, and” at the*
 24 *end of subparagraph (B) and inserting a period, and*
 25 *by striking subparagraph (C),*

1 (3) by striking “(other than a qualified bicycle
2 commuting reimbursement)” in paragraph (4),

3 (4) by striking subparagraph (F) of paragraph
4 (5), and

5 (5) by striking paragraph (8).

6 (b) *INFLATION ADJUSTMENT*.—Clause (ii) of section
7 132(f)(6)(A) is amended by striking “1998” in clause (ii)
8 and inserting “1997”.

9 (c) *COORDINATION WITH DISALLOWANCE OF CERTAIN*
10 *EXPENSES*.—Subsection (l) of section 274 is amended—

11 (1) by striking “*BENEFITS*.—” and all that fol-
12 lows through “No deduction” and inserting “*BENE-*
13 *FITS*.—No deduction”, and

14 (2) by striking paragraph (2).

15 (d) *EFFECTIVE DATE*.—The amendments made by this
16 section shall apply to taxable years beginning after Decem-
17 ber 31, 2025.

18 **SEC. 70113. EXTENSION AND MODIFICATION OF LIMITATION**
19 **ON DEDUCTION AND EXCLUSION FOR MOV-**
20 **ING EXPENSES.**

21 (a) *EXTENSION OF LIMITATION ON DEDUCTION*.—Sec-
22 tion 217(k) is amended—

23 (1) by striking “, and before January 1, 2026”,
24 and

1 (2) *by striking “2018 THROUGH 2025” in the*
 2 *heading and inserting “BEGINNING AFTER 2017”.*

3 (b) *ALLOWANCE OF DEDUCTION FOR MEMBERS OF*
 4 *THE INTELLIGENCE COMMUNITY.—Section 217(k), as*
 5 *amended by subsection (a), is further amended—*

6 (1) *by striking “2017.—Except in the case” and*
 7 *inserting “2017.—*

8 *“(1) IN GENERAL.—Except in the case”, and*

9 (2) *by adding at the end the following new para-*
 10 *graph:*

11 *“(2) MEMBERS OF THE INTELLIGENCE COMMU-*
 12 *NITY.—An employee or new appointee of the intel-*
 13 *ligence community (as defined in section 3 of the Na-*
 14 *tional Security Act of 1947 (50 U.S.C. 3003)) (other*
 15 *than a member of the Armed Forces of the United*
 16 *States) who moves pursuant to a change in assign-*
 17 *ment which requires relocation shall be treated for*
 18 *purposes of this section in the same manner as an in-*
 19 *dividual to whom subsection (g) applies.”.*

20 (c) *EXTENSION OF LIMITATION ON EXCLUSION.—Sec-*
 21 *tion 132(g)(2) is amended—*

22 (1) *by striking “, and before January 1, 2026”,*
 23 *and*

24 (2) *by striking “2018 THROUGH 2025” in the*
 25 *heading and inserting “BEGINNING AFTER 2017”.*

1 (d) *ALLOWANCE OF EXCLUSION FOR MEMBERS OF THE*
 2 *INTELLIGENCE COMMUNITY.*—Section 132(g)(2) of the In-
 3 *ternal Revenue Code of 1986 is amended by inserting “,*
 4 *or an employee or new appointee of the intelligence commu-*
 5 *nity (as defined in section 3 of the National Security Act*
 6 *of 1947 (50 U.S.C. 3003)) (other than a member of the*
 7 *Armed Forces of the United States) who moves pursuant*
 8 *to a change in assignment that requires relocation” after*
 9 *“change of station”.*

10 (e) *EFFECTIVE DATE.*—The amendments made by this
 11 section shall apply to taxable years beginning after Decem-
 12 ber 31, 2025.

13 **SEC. 70114. EXTENSION AND MODIFICATION OF LIMITATION**
 14 **ON WAGERING LOSSES.**

15 (a) *IN GENERAL.*—Section 165 is amended by striking
 16 subsection (d) and inserting the following:

17 “(d) *WAGERING LOSSES.*—

18 “(1) *IN GENERAL.*—For purposes of losses from
 19 wagering transactions, the amount allowed as a de-
 20 duction for any taxable year—

21 “(A) shall be equal to 90 percent of the
 22 amount of such losses during such taxable year,
 23 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 paragraph
5 (1), the term ‘losses from wagering transactions’ in-
6 cludes any deduction otherwise allowable under this
7 chapter incurred in carrying on any wagering trans-
8 action.”.

9 (b) *EFFECTIVE DATE.*—The amendment made by this
10 section shall apply to taxable years beginning after Decem-
11 ber 31, 2025.

12 **SEC. 70115. EXTENSION AND ENHANCEMENT OF INCREASED**
13 **LIMITATION ON CONTRIBUTIONS TO ABLE**
14 **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 1,
21 2026”.

22 (b) *EFFECTIVE DATES.*—

23 (1) *IN GENERAL.*—Except as otherwise provided
24 in this subsection, the amendments made by this sec-

1 *tion shall apply to contributions made after December*
 2 *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 amended*
 11 *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 sec-*
 18 *tion 529A) of which such individual is the des-*
 19 *ignated 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—*

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 (as
7 defined in section 457(b)) of an eligible
8 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 in
13 section 4974(c)).”.

14 (2) *COORDINATION WITH SECURE 2.0 ACT OF 2022*
15 *AMENDMENT.*—Paragraph (1) of section 103(e) of the
16 *SECURE 2.0 Act of 2022* is repealed, and the *Inter-*
17 *nal Revenue Code of 1986* shall be applied and ad-
18 ministered as though such paragraph were never en-
19 acted.

20 (3) *EFFECTIVE DATE.*—The amendments and re-
21 peal 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 by
25 striking “\$2,000” and inserting “\$2,100”.

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
 2 *this subsection shall apply to taxable years beginning*
 3 *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 this*
 10 *section shall apply to taxable years beginning after Decem-*
 11 *ber 31, 2025.*

12 **SEC. 70118. EXTENSION OF TREATMENT OF CERTAIN INDI-**
 13 **VIDUALS 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 IN-*
 20 *CLUDED AS HAZARDOUS DUTY AREAS.*—*Section 11026(b)*
 21 *of Public Law 115–97 is amended to read as follows:*

22 “(b) *QUALIFIED HAZARDOUS DUTY AREA.*—*For pur-*
 23 *poses of this section, the term ‘qualified hazardous duty*
 24 *area’ means each of the following locations, but only during*
 25 *the period for which any member of the Armed Forces of*

1 *the United States is entitled to special pay under section*
 2 *310 of title 37, United States Code (relating to special pay;*
 3 *duty subject to hostile fire or imminent danger), for services*
 4 *performed in such location:*

5 “(1) *the Sinai Peninsula of Egypt.*

6 “(2) *Kenya.*

7 “(3) *Mali.*

8 “(4) *Burkina Faso.*

9 “(5) *Chad.*”.

10 (c) *CONFORMING AMENDMENT.*—Section 11026 of
 11 *Public Law 115–97 is amended by striking subsections (c)*
 12 *and (d).*

13 (d) *EFFECTIVE DATE.*—The amendments made by this
 14 *section shall take effect on January 1, 2026.*

15 ***SEC. 70119. EXTENSION AND MODIFICATION OF EXCLUSION***
 16 ***FROM GROSS INCOME OF STUDENT LOANS***
 17 ***DISCHARGED ON ACCOUNT OF DEATH OR***
 18 ***DISABILITY.***

19 (a) *IN GENERAL.*—Section 108(f)(5) is amended to
 20 *read as follows:*

21 “(5) *DISCHARGES ON ACCOUNT OF DEATH OR*
 22 *DISABILITY.*—

23 “(A) *IN GENERAL.*—*In the case of an indi-*
 24 *vidual, gross income does not include any*
 25 *amount which (but for this subsection) would be*

1 *includible in gross income for such taxable year*
 2 *by reason of the discharge (in whole or in part)*
 3 *of any loan described in subparagraph (B), if*
 4 *such discharge was—*

5 “(i) *pursuant to subsection (a) or (d)*
 6 *of section 437 of the Higher Education Act*
 7 *of 1965 or the parallel benefit under part D*
 8 *of title IV of such Act (relating to the re-*
 9 *payment of loan liability),*

10 “(ii) *pursuant to section 464(c)(1)(F)*
 11 *of such Act, or*

12 “(iii) *otherwise discharged on account*
 13 *of death or total and permanent disability*
 14 *of the student.*

15 “(B) *LOANS DISCHARGED.—A loan is de-*
 16 *scribed in this subparagraph if such loan is—*

17 “(i) *a student loan (as defined in*
 18 *paragraph (2)), or*

19 “(ii) *a private education loan (as de-*
 20 *finied in section 140(a) of the Consumer*
 21 *Credit Protection Act (15 U.S.C. 1650(a)).*

22 “(C) *SOCIAL SECURITY NUMBER REQUIRE-*
 23 *MENT.—*

24 “(i) *IN GENERAL.—Subparagraph (A)*
 25 *shall not apply with respect to any dis-*

1 *charge during any taxable year unless the*
 2 *taxpayer includes the taxpayer’s social secu-*
 3 *urity number on the return of tax for such*
 4 *taxable year.*

5 “(ii) *SOCIAL SECURITY NUMBER.—For*
 6 *purposes of this subparagraph, the term ‘so-*
 7 *cial security number’ has the meaning given*
 8 *such term in section 24(h)(7).”.*

9 **(b) OMISSION OF CORRECT SOCIAL SECURITY NUMBER**
 10 **TREATED AS MATHEMATICAL OR CLERICAL ERROR.—***Sec-*
 11 *tion 6213(g)(2), as amended by this Act, is further amended*
 12 *by striking “and” at the end of subparagraph (V), by strik-*
 13 *ing the period at the end of subparagraph (W) and insert-*
 14 *ing “, and”, and by inserting after subparagraph (W) the*
 15 *following new subparagraph:*

16 “(X) *an omission of a correct social security*
 17 *number required under section 108(f)(5)(C) (re-*
 18 *lating to discharges on account of death or dis-*
 19 *ability).”.*

20 **(c) EFFECTIVE DATE.—***The amendments made by this*
 21 *section shall apply to discharges after December 31, 2025.*

22 **SEC. 70120. LIMITATION ON INDIVIDUAL DEDUCTIONS FOR**
 23 **CERTAIN STATE AND LOCAL TAXES, ETC.**

24 **(a) IN GENERAL.—***Section 164(b)(6) is amended—*

1 (1) *by striking “and before January 1, 2026”,*
 2 *and*

3 (2) *by striking “\$10,000 (\$5,000 in the case of*
 4 *a married individual filing a separate return)” and*
 5 *inserting “the applicable limitation amount (half the*
 6 *applicable limitation amount in the case of a married*
 7 *individual filing a separate return)”.*

8 (b) *APPLICABLE LIMITATION AMOUNT.—Section*
 9 *164(b) is amended by adding at the end the following new*
 10 *paragraph:*

11 “(7) *APPLICABLE LIMITATION AMOUNT.—*

12 “(A) *IN GENERAL.—For purposes of para-*
 13 *graph (6), the term ‘applicable limitation*
 14 *amount’ means—*

15 “(i) *in the case of any taxable year be-*
 16 *ginning in calendar year 2025, \$40,000,*

17 “(ii) *in the case of any taxable year*
 18 *beginning in calendar year 2026, \$40,400,*

19 “(iii) *in the case of any taxable year*
 20 *beginning after calendar year 2026 and be-*
 21 *fore 2030, 101 percent of the dollar amount*
 22 *in effect under this subparagraph for tax-*
 23 *able years beginning in the preceding cal-*
 24 *endar year, and*

1 “(iv) in the case of any taxable year
 2 beginning after calendar year 2029,
 3 \$10,000.

4 “(B) PHASEDOWN BASED ON MODIFIED AD-
 5 JUSTED GROSS INCOME.—

6 “(i) IN GENERAL.—Except as provided
 7 in clause (iii), in the case of any taxable
 8 year beginning before January 1, 2030, the
 9 applicable limitation amount shall be re-
 10 duced by 30 percent of the excess (if any) of
 11 the taxpayer’s modified adjusted gross in-
 12 come over the threshold amount (half the
 13 threshold amount in the case of a married
 14 individual filing a separate return).

15 “(ii) THRESHOLD AMOUNT.—For pur-
 16 poses of this subparagraph, the term ‘thresh-
 17 old amount’ means—

18 “(I) in the case of any taxable
 19 year beginning in calendar year 2025,
 20 \$500,000,

21 “(II) in the case of any taxable
 22 year beginning in calendar year 2026,
 23 \$505,000, and

24 “(III) in the case of any taxable
 25 year beginning after calendar year

1 2026, 101 percent of the dollar amount
 2 in effect under this subparagraph for
 3 taxable years beginning in the pre-
 4 ceding calendar year.

5 “(iii) *LIMITATION ON REDUCTION.*—
 6 The reduction under clause (i) shall not re-
 7 sult in the applicable limitation amount
 8 being less than \$10,000.

9 “(iv) *MODIFIED ADJUSTED GROSS IN-*
 10 *COME.*—For purposes of this paragraph, the
 11 term ‘modified adjusted gross income’
 12 means adjusted gross income increased by
 13 any amount excluded from gross income
 14 under section 911, 931, or 933.”.

15 (c) *EFFECTIVE DATE.*—The amendments made by this
 16 section shall apply to taxable years beginning after Decem-
 17 ber 31, 2024.

18 **CHAPTER 2—DELIVERING ON PRESI-**
 19 **DENTIAL PRIORITIES TO PROVIDE**
 20 **NEW MIDDLE-CLASS TAX RELIEF**

21 **SEC. 70201. NO TAX ON TIPS.**

22 (a) *DEDUCTION ALLOWED.*—Part VII of subchapter B
 23 of chapter 1 is amended by redesignating section 224 as
 24 section 225 and by inserting after section 223 the following
 25 new section:

1 **“SEC. 224. QUALIFIED TIPS.**

2 “(a) *IN GENERAL.*—*There shall be allowed as a deduc-*
 3 *tion an amount equal to the qualified tips received during*
 4 *the taxable year that are included on statements furnished*
 5 *to the individual pursuant to section 6041(d)(3),*
 6 *6041A(e)(3), 6050W(f)(2), or 6051(a)(18), or reported by*
 7 *the taxpayer on Form 4137 (or successor).*

8 “(b) *LIMITATION.*—

9 “(1) *IN GENERAL.*—*The amount allowed as a de-*
 10 *duction under this section for any taxable year shall*
 11 *not exceed \$25,000.*

12 “(2) *LIMITATION BASED ON ADJUSTED GROSS IN-*
 13 *COME.*—

14 “(A) *IN GENERAL.*—*The amount allowable*
 15 *as a deduction under subsection (a) (after appli-*
 16 *cation of paragraph (1)) shall be reduced (but*
 17 *not below zero) by \$100 for each \$1,000 by which*
 18 *the taxpayer’s modified adjusted gross income ex-*
 19 *ceeds \$150,000 (\$300,000 in the case of a joint*
 20 *return).*

21 “(B) *MODIFIED ADJUSTED GROSS IN-*
 22 *COME.*—*For purposes of this paragraph, the*
 23 *term ‘modified adjusted gross income’ means the*
 24 *adjusted gross income of the taxpayer for the tax-*
 25 *able year increased by any amount excluded*

1 *from gross income under section 911, 931, or*
 2 *933.*

3 “(c) *TIPS RECEIVED IN COURSE OF TRADE OR BUSI-*
 4 *NESS.—In the case of qualified tips received by an indi-*
 5 *vidual during any taxable year in the course of a trade*
 6 *or business (other than the trade or business of performing*
 7 *services as an employee) of such individual, such qualified*
 8 *tips shall be taken into account under subsection (a) only*
 9 *to the extent that the gross income for the taxpayer from*
 10 *such trade or business for such taxable year (including such*
 11 *qualified tips) exceeds the sum of the deductions (other than*
 12 *the deduction allowed under this section) allocable to the*
 13 *trade or business in which such qualified tips are received*
 14 *by the individual for such taxable year.*

15 “(d) *QUALIFIED TIPS.—For purposes of this section—*
 16 “(1) *IN GENERAL.—The term ‘qualified tips’*
 17 *means cash tips received by an individual in an occu-*
 18 *pation which customarily and regularly received tips*
 19 *on or before December 31, 2024, as provided by the*
 20 *Secretary.*

21 “(2) *EXCLUSIONS.—Such term shall not include*
 22 *any amount received by an individual unless—*
 23 “(A) *such amount is paid voluntarily with-*
 24 *out any consequence in the event of nonpayment,*

1 *is not the subject of negotiation, and is deter-*
2 *mined by the payor,*

3 *“(B) the trade or business in the course of*
4 *which the individual receives such amount is not*
5 *a specified service trade or business (as defined*
6 *in section 199A(d)(2)), and*

7 *“(C) such other requirements as may be es-*
8 *tablished by the Secretary in regulations or other*
9 *guidance are satisfied.*

10 *For purposes of subparagraph (B), in the case of an*
11 *individual receiving tips in the trade or business of*
12 *performing services as an employee, such individual*
13 *shall be treated as receiving tips in the course of a*
14 *trade or business which is a specified service trade or*
15 *business if the trade or business of the employer is a*
16 *specified service trade or business.*

17 *“(3) CASH TIPS.—For purposes of paragraph*
18 *(1), the term ‘cash tips’ includes tips received from*
19 *customers that are paid in cash or charged and, in*
20 *the case of an employee, tips received under any tip-*
21 *sharing arrangement.*

22 *“(e) SOCIAL SECURITY NUMBER REQUIRED.—*

23 *“(1) IN GENERAL.—No deduction shall be al-*
24 *lowed under this section unless the taxpayer includes*

1 on the return of tax for the taxable year such individ-
2 ual’s social security number.

3 “(2) *SOCIAL SECURITY NUMBER DEFINED.*—For
4 purposes of paragraph (1), the term ‘social security
5 number’ shall have the meaning given such term in
6 section 24(h)(7).

7 “(f) *MARRIED INDIVIDUALS.*—If the taxpayer is a
8 married individual (within the meaning of section 7703),
9 this section shall apply only if the taxpayer and the tax-
10 payer’s spouse file a joint return for the taxable year.

11 “(g) *REGULATIONS.*—The Secretary shall prescribe
12 such regulations or other guidance as may be necessary to
13 prevent reclassification of income as qualified tips, includ-
14 ing regulations or other guidance to prevent abuse of the
15 deduction allowed by this section.

16 “(h) *TERMINATION.*—No deduction shall be allowed
17 under this section for any taxable year beginning after De-
18 cember 31, 2028.”.

19 “(b) *DEDUCTION ALLOWED TO NON-ITEMIZERS.*—Sec-
20 tion 63(b) is amended by striking “and” at the end of para-
21 graph (3), by striking the period at the end of paragraph
22 (4) and inserting “, and”, and by adding at the end the
23 following new paragraph:

24 “(5) the deduction provided in section 224.”.

1 (c) *OMISSION OF CORRECT SOCIAL SECURITY NUMBER*
 2 *TREATED AS MATHEMATICAL OR CLERICAL ERROR.*—Sec-
 3 tion 6213(g)(2), as amended by the preceding provisions of
 4 this Act, is amended by striking “and” at the end of sub-
 5 paragraph (W), by striking the period at the end of sub-
 6 paragraph (X) and inserting “, and”, and by inserting
 7 after subparagraph (X) the following new subparagraph:

8 “(Y) an omission of a correct social security
 9 number required under section 224(e) (relating
 10 to deduction for qualified tips).”.

11 (d) *EXCLUSION FROM QUALIFIED BUSINESS IN-*
 12 *COME.*—Section 199A(c)(4) is amended by striking “and”
 13 at the end of subparagraph (B), by striking the period at
 14 the end of subparagraph (C) and inserting “, and”, and
 15 by adding at the end the following new subparagraph:

16 “(D) any amount with respect to which a
 17 deduction is allowable to the taxpayer under sec-
 18 tion 224(a) for the taxable year.”.

19 (e) *EXTENSION OF TIP CREDIT TO BEAUTY SERVICE*
 20 *BUSINESS.*—

21 (1) *IN GENERAL.*—Section 45B(b)(2) is amended
 22 to read as follows:

23 “(2) *APPLICATION ONLY TO CERTAIN LINES OF*
 24 *BUSINESS.*—In applying paragraph (1) there shall be

1 *taken into account only tips received from customers*
 2 *or clients in connection with the following services:*

3 “(A) *The providing, delivering, or serving of*
 4 *food or beverages for consumption, if the tipping*
 5 *of employees delivering or serving food or bev-*
 6 *erages by customers is customary.*

7 “(B) *The providing of any of the following*
 8 *services to a customer or client if the tipping of*
 9 *employees providing such services is customary:*

10 “(i) *Barbering and hair care.*

11 “(ii) *Nail care.*

12 “(iii) *Esthetics.*

13 “(iv) *Body and spa treatments.”.*

14 (2) *CREDIT DETERMINED WITH RESPECT TO*
 15 *MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B) is*
 16 *amended—*

17 (A) *by striking “as in effect on January 1,*
 18 *2007, and”, and*

19 (B) *by inserting “, and in the case of food*
 20 *or beverage establishments, as in effect on Janu-*
 21 *ary 1, 2007” after “without regard to section*
 22 *3(m) of such Act”.*

23 (f) *REPORTING REQUIREMENTS.—*

24 (1) *RETURNS FOR PAYMENTS MADE IN THE*
 25 *COURSE OF A TRADE OR BUSINESS.—*

1 (A) *STATEMENT FURNISHED TO SEC-*
 2 *RETARY.—Section 6041(a) is amended by insert-*
 3 *ing “(including a separate accounting of any*
 4 *such amounts reasonably designated as cash tips*
 5 *and the occupation described in section 224(d)(1)*
 6 *of the person receiving such tips)” after “such*
 7 *gains, profits, and income”.*

8 (B) *STATEMENT FURNISHED TO PAYEE.—*
 9 *Section 6041(d) is amended by striking “and” at*
 10 *the end of paragraph (1), by striking the period*
 11 *at the end of paragraph (2) and inserting “,*
 12 *and”, and by inserting after paragraph (2) the*
 13 *following new paragraph:*

14 *“(3) in the case of compensation to non-employ-*
 15 *ees, the portion of payments that have been reason-*
 16 *ably designated as cash tips and the occupation de-*
 17 *scribed in section 224(d)(1) of the person receiving*
 18 *such tips.”.*

19 (2) *RETURNS FOR PAYMENTS MADE FOR SERV-*
 20 *ICES AND DIRECT SALES.—*

21 (A) *STATEMENT FURNISHED TO SEC-*
 22 *RETARY.—Section 6041A(a) is amended by in-*
 23 *serting “(including a separate accounting of any*
 24 *such amounts reasonably designated as cash tips*
 25 *and the occupation described in section 224(d)(1)*

1 *of the person receiving such tips)” after “amount*
 2 *of such payments”.*

3 *(B) STATEMENT FURNISHED TO PAYEE.—*
 4 *Section 6041A(e) is amended by striking “and”*
 5 *at the end of paragraph (1), by striking the pe-*
 6 *riod at the end of paragraph (2) and inserting*
 7 *“, and”, and by inserting after paragraph (2)*
 8 *the following new paragraph:*

9 *“(3) in the case of subsection (a), the portion of*
 10 *payments that have been reasonably designated as*
 11 *cash tips and the occupation described in section*
 12 *224(d)(1) of the person receiving such tips.”.*

13 *(3) RETURNS RELATING TO THIRD PARTY SET-*
 14 *TLEMENT ORGANIZATIONS.—*

15 *(A) STATEMENT FURNISHED TO SEC-*
 16 *RETARY.—Section 6050W(a) is amended by*
 17 *striking “and” at the end of paragraph (1), by*
 18 *striking the period at the end of paragraph (2)*
 19 *and inserting “and”, and by adding at the end*
 20 *the following new paragraph:*

21 *“(3) in the case of a third party settlement orga-*
 22 *nization, the portion of reportable payment trans-*
 23 *actions that have been reasonably designated by*
 24 *payors as cash tips and the occupation described in*
 25 *section 224(d)(1) of the person receiving such tips.”.*

1 (B) *STATEMENT FURNISHED TO PAYEE.*—

2 Section 6050W(f)(2) is amended by inserting
3 “(including a separate accounting of any such
4 amounts that have been reasonably designated by
5 payors as cash tips and the occupation described
6 in section 224(d)(1) of the person receiving such
7 tips)” after “reportable payment transactions”.

8 (4) *RETURNS RELATED TO WAGES.*—Section
9 6051(a) is amended by striking “and” at the end of
10 paragraph (16), by striking the period at the end of
11 paragraph (17) and inserting “, and”, and by insert-
12 ing after paragraph (17) the following new para-
13 graph:

14 “(18) the total amount of cash tips reported by
15 the employee under section 6053(a) and the occupa-
16 tion described in section 224(d)(1) such person.”.

17 (g) *CLERICAL AMENDMENT.*—The table of sections for
18 part VII of subchapter B of chapter 1 is amended by redes-
19 ignating the item relating to section 224 as relating to sec-
20 tion 225 and by inserting after the item relating to section
21 223 the following new item:

“Sec. 224. Qualified tips.”.

22 (h) *PUBLISHED LIST OF OCCUPATIONS TRADITION-*
23 *ALLY RECEIVING TIPS.*—Not later than 90 days after the
24 date of the enactment of this Act, the Secretary of the Treas-
25 ury (or the Secretary’s delegate) shall publish a list of occu-

1 *pations which customarily and regularly received tips on*
 2 *or before December 31, 2024, for purposes of section*
 3 *224(d)(1) of the Internal Revenue Code of 1986 (as added*
 4 *by subsection (a)).*

5 *(i) WITHHOLDING.—The Secretary of the Treasury (or*
 6 *the Secretary’s delegate) shall modify the procedures pre-*
 7 *scribed under section 3402(a) of the Internal Revenue Code*
 8 *of 1986 for taxable years beginning after December 31,*
 9 *2025, to take into account the deduction allowed under sec-*
 10 *tion 224 of such Code (as added by this Act).*

11 *(j) EFFECTIVE DATE.—The amendments made by this*
 12 *section shall apply to taxable years beginning after Decem-*
 13 *ber 31, 2024.*

14 *(k) TRANSITION RULE.—In the case of any cash tips*
 15 *required to be reported for periods before January 1, 2026,*
 16 *persons required to file returns or statements under section*
 17 *6041(a), 6041(d)(3), 6041A(a), 6041A(e)(3), 6050W(a), or*
 18 *6050W(f)(2) of the Internal Revenue Code of 1986 (as*
 19 *amended by this section) may approximate a separate ac-*
 20 *counting of amounts designated as cash tips by any reason-*
 21 *able method specified by the Secretary.*

22 **SEC. 70202. NO TAX ON OVERTIME.**

23 *(a) DEDUCTION ALLOWED.—Part VII of subchapter B*
 24 *of chapter 1, as amended by the preceding provisions of this*

1 *Act, is amended by redesignating section 225 as section 226*
 2 *and by inserting after section 224 the following new section:*

3 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

4 “(a) *IN GENERAL.*—*There shall be allowed as a deduc-*
 5 *tion an amount equal to the qualified overtime compensa-*
 6 *tion received during the taxable year and included on state-*
 7 *ments furnished to the individual pursuant to section*
 8 *6041(d)(4) or 6051(a)(19).*

9 “(b) *LIMITATION.*—

10 “(1) *IN GENERAL.*—*The amount allowed as a de-*
 11 *duction under this section for any taxable year shall*
 12 *not exceed \$12,500 (\$25,000 in the case of a joint re-*
 13 *turn).*

14 “(2) *LIMITATION BASED ON ADJUSTED GROSS IN-*
 15 *COME.*—

16 “(A) *IN GENERAL.*—*The amount allowable*
 17 *as a deduction under subsection (a) (after appli-*
 18 *cation of paragraph (1)) shall be reduced (but*
 19 *not below zero) by \$100 for each \$1,000 by which*
 20 *the taxpayer’s modified adjusted gross income ex-*
 21 *ceeds \$150,000 (\$300,000 in the case of a joint*
 22 *return).*

23 “(B) *MODIFIED ADJUSTED GROSS IN-*
 24 *COME.*—*For purposes of this paragraph, the*
 25 *term ‘modified adjusted gross income’ means the*

1 *adjusted gross income of the taxpayer for the tax-*
 2 *able year increased by any amount excluded*
 3 *from gross income under section 911, 931, or*
 4 *933.*

5 “(c) *QUALIFIED OVERTIME COMPENSATION.*—

6 “(1) *IN GENERAL.*—*For purposes of this section,*
 7 *the term ‘qualified overtime compensation’ means*
 8 *overtime compensation paid to an individual re-*
 9 *quired under section 7 of the Fair Labor Standards*
 10 *Act of 1938 that is in excess of the regular rate (as*
 11 *used in such section) at which such individual is em-*
 12 *ployed.*

13 “(2) *EXCLUSIONS.*—*Such term shall not include*
 14 *any qualified tip (as defined in section 224(d)).*

15 “(d) *SOCIAL SECURITY NUMBER REQUIRED.*—

16 “(1) *IN GENERAL.*—*No deduction shall be al-*
 17 *lowed under this section unless the taxpayer includes*
 18 *on the return of tax for the taxable year such individ-*
 19 *ual’s social security number.*

20 “(2) *SOCIAL SECURITY NUMBER DEFINED.*—*For*
 21 *purposes of paragraph (1), the term ‘social security*
 22 *number’ shall have the meaning given such term in*
 23 *section 24(h)(7).*

24 “(e) *MARRIED INDIVIDUALS.*—*If the taxpayer is a*
 25 *married individual (within the meaning of section 7703),*

1 *this section shall apply only if the taxpayer and the tax-*
 2 *payer’s spouse file a joint return for the taxable year.*

3 “(f) *REGULATIONS.*—*The Secretary shall issue such*
 4 *regulations or other guidance as may be necessary or appro-*
 5 *priate to carry out the purposes of this section, including*
 6 *regulations or other guidance to prevent abuse of the deduc-*
 7 *tion allowed by this section.*

8 “(g) *TERMINATION.*—*No deduction shall be allowed*
 9 *under this section for any taxable year beginning after De-*
 10 *cember 31, 2028.”.*

11 (b) *DEDUCTION ALLOWED TO NON-ITEMIZERS.*—*Sec-*
 12 *tion 63(b), as amended by the preceding provisions of this*
 13 *Act, is amended by striking “and” at the end of paragraph*
 14 *(4), by striking the period at the end of paragraph (5) and*
 15 *inserting “, and”, and by adding at the end the following*
 16 *new paragraph:*

17 “(6) *the deduction provided in section 225.”.*

18 (c) *REPORTING.*—

19 (1) *REQUIREMENT TO INCLUDE OVERTIME COM-*
 20 *PENSATION ON W-2.*—*Section 6051(a), as amended by*
 21 *the preceding provision of this Act, is amended by*
 22 *striking “and” at the end of paragraph (17), by strik-*
 23 *ing the period at the end of paragraph (18) and in-*
 24 *serting “, and”, and by inserting after paragraph*
 25 *(18) the following new paragraph:*

1 “(19) the total amount of qualified overtime
2 compensation (as defined in section 225(c)).”.

3 (2) *PAYMENTS TO PERSONS NOT TREATED AS*
4 *EMPLOYEES UNDER TAX LAWS.*—

5 (A) *STATEMENT FURNISHED TO SEC-*
6 *RETARY.*—Section 6041(a), as amended by sec-
7 tion 70201(e)(1)(A), is amended by inserting
8 “and a separate accounting of any amount of
9 qualified overtime compensation (as defined in
10 section 225(c))” after “occupation of the person
11 receiving such tips”.

12 (B) *STATEMENT FURNISHED TO PAYEE.*—
13 Section 6041(d), as amended by section
14 70201(e)(1)(B), is amended by striking “and” at
15 the end of paragraph (2), by striking the period
16 at the end of paragraph (3) and inserting “,
17 and”, and by inserting after paragraph (3) the
18 following new paragraph:

19 “(4) the portion of payments that are qualified
20 overtime compensation (as defined in section
21 225(c)).”.

22 (d) *OMISSION OF CORRECT SOCIAL SECURITY NUM-*
23 *BER TREATED AS MATHEMATICAL OR CLERICAL ERROR.*—
24 Section 6213(g)(2), as amended by the preceding provisions
25 of this Act, is amended by striking “and” at the end of

1 *subparagraph (X), by striking the period at the end of sub-*
 2 *paragraph (Y) and inserting “, and”, and by inserting*
 3 *after subparagraph (Y) the following new subparagraph:*

4 *“(Z) an omission of a correct social security*
 5 *number required under section 225(d) (relating*
 6 *to deduction for qualified overtime).”.*

7 *(e) CLERICAL AMENDMENT.—The table of sections for*
 8 *part VII of subchapter B of chapter 1, as amended by the*
 9 *preceding provisions of this Act, is amended by redesign-*
 10 *ating the item relating to section 225 as an item relating*
 11 *to section 226 and by inserting after the item relating to*
 12 *section 224 the following new item:*

“Sec. 225. Qualified overtime compensation.”.

13 *(f) WITHHOLDING.—The Secretary of the Treasury (or*
 14 *the Secretary’s delegate) shall modify the procedures pre-*
 15 *scribed under section 3402(a) of the Internal Revenue Code*
 16 *of 1986 for taxable years beginning after December 31,*
 17 *2025, to take into account the deduction allowed under sec-*
 18 *tion 225 of such Code (as added by this Act).*

19 *(g) EFFECTIVE DATE.—The amendments made by this*
 20 *section shall apply to taxable years beginning after Decem-*
 21 *ber 31, 2024.*

22 *(h) TRANSITION RULE.—In the case of qualified over-*
 23 *time compensation required to be reported for periods before*
 24 *January 1, 2026, persons required to file returns or state-*
 25 *ments under section 6051(a)(19), 6041(a), or 6041(d)(4) of*

1 *the Internal Revenue Code of 1986 (as amended by this sec-*
 2 *tion) may approximate a separate accounting of amounts*
 3 *designated as qualified overtime compensation by any rea-*
 4 *sonable method specified by the Secretary.*

5 **SEC. 70203. NO TAX ON CAR LOAN INTEREST.**

6 (a) *IN GENERAL.*—Section 163(h) is amended by re-
 7 *designating paragraph (4) as paragraph (5) and by insert-*
 8 *ing after paragraph (3) the following new paragraph:*

9 “(4) *SPECIAL RULES FOR TAXABLE YEARS 2025*
 10 *THROUGH 2028 RELATING TO QUALIFIED PASSENGER*
 11 *VEHICLE LOAN INTEREST.*—

12 “(A) *IN GENERAL.*—In the case of taxable
 13 *years beginning after December 31, 2024, and*
 14 *before January 1, 2029, for purposes of this sub-*
 15 *section the term ‘personal interest’ shall not in-*
 16 *clude qualified passenger vehicle loan interest.*

17 “(B) *QUALIFIED PASSENGER VEHICLE LOAN*
 18 *INTEREST DEFINED.*—

19 “(i) *IN GENERAL.*—For purposes of
 20 *this paragraph, the term ‘qualified pas-*
 21 *senger vehicle loan interest’ means any in-*
 22 *terest which is paid or accrued during the*
 23 *taxable year on indebtedness incurred by*
 24 *the taxpayer after December 31, 2024, for*
 25 *the purchase of, and that is secured by a*

1 *first lien on, an applicable passenger vehicle*
2 *for personal use.*

3 “(ii) *EXCEPTIONS.*—*Such term shall*
4 *not include any amount paid or incurred*
5 *on any of the following:*

6 “(I) *A loan to finance fleet sales.*

7 “(II) *A loan incurred for the pur-*
8 *chase of a commercial vehicle that is*
9 *not used for personal purposes.*

10 “(III) *Any lease financing.*

11 “(IV) *A loan to finance the pur-*
12 *chase of a vehicle with a salvage title.*

13 “(V) *A loan to finance the pur-*
14 *chase of a vehicle intended to be used*
15 *for scrap or parts.*

16 “(iii) *VIN REQUIREMENT.*—*Interest*
17 *shall not be treated as qualified passenger*
18 *vehicle loan interest under this paragraph*
19 *unless the taxpayer includes the vehicle*
20 *identification number of the applicable pas-*
21 *senger vehicle described in clause (i) on the*
22 *return of tax for the taxable year.*

23 “(C) *LIMITATIONS.*—

24 “(i) *DOLLAR LIMIT.*—*The amount of*
25 *interest taken into account by a taxpayer*

1 *under subparagraph (B) for any taxable*
2 *year shall not exceed \$10,000.*

3 “(ii) *LIMITATION BASED ON MODIFIED*
4 *ADJUSTED GROSS INCOME.—*

5 “(I) *IN GENERAL.—The amount*
6 *which is otherwise allowable as a de-*
7 *duction under subsection (a) as quali-*
8 *fied passenger vehicle loan interest (de-*
9 *termined without regard to this clause*
10 *and after the application of clause (i))*
11 *shall be reduced (but not below zero) by*
12 *\$200 for each \$1,000 (or portion there-*
13 *of) by which the modified adjusted*
14 *gross income of the taxpayer for the*
15 *taxable year exceeds \$100,000*
16 *(\$200,000 in the case of a joint re-*
17 *turn).*

18 “(II) *MODIFIED ADJUSTED GROSS*
19 *INCOME.—For purposes of this clause,*
20 *the term ‘modified adjusted gross in-*
21 *come’ means the adjusted gross income*
22 *of the taxpayer for the taxable year in-*
23 *creased by any amount excluded from*
24 *gross income under section 911, 931, or*
25 *933.*

1 “(D) *APPLICABLE PASSENGER VEHICLE*.—

2 *The term ‘applicable passenger vehicle’ means*
3 *any vehicle—*

4 “(i) *the original use of which com-*
5 *mences with the taxpayer,*

6 “(ii) *which is manufactured primarily*
7 *for use on public streets, roads, and high-*
8 *ways (not including a vehicle operated ex-*
9 *clusively on a rail or rails),*

10 “(iii) *which has at least 2 wheels,*

11 “(iv) *which is a car, minivan, van,*
12 *sport utility vehicle, pickup truck, or motor-*
13 *cycle,*

14 “(v) *which is treated as a motor vehi-*
15 *cle for purposes of title II of the Clean Air*
16 *Act, and*

17 “(vi) *which has a gross vehicle weight*
18 *rating of less than 14,000 pounds.*

19 *Such term shall not include any vehicle the final*
20 *assembly of which did not occur within the*
21 *United States.*

22 “(E) *OTHER DEFINITIONS AND SPECIAL*
23 *RULES.—For purposes of this paragraph—*

24 “(i) *FINAL ASSEMBLY.—For purposes*
25 *of subparagraph (D), the term ‘final assem-*

1 *bly’ means the process by which a manufac-*
2 *turer produces a vehicle at, or through the*
3 *use of, a plant, factory, or other place from*
4 *which the vehicle is delivered to a dealer*
5 *with all component parts necessary for the*
6 *mechanical operation of the vehicle included*
7 *with the vehicle, whether or not the compo-*
8 *nent parts are permanently installed in or*
9 *on the vehicle.*

10 “(ii) *TREATMENT OF REFINANCING.—*
11 *Indebtedness described in subparagraph (B)*
12 *shall include indebtedness that results from*
13 *refinancing any indebtedness described in*
14 *such subparagraph, and that is secured by*
15 *a first lien on the applicable passenger vehi-*
16 *cle with respect to which the refinanced in-*
17 *debtedness was incurred, but only to the ex-*
18 *tent the amount of such resulting indebted-*
19 *ness does not exceed the amount of such refi-*
20 *nanced indebtedness.*

21 “(iii) *RELATED PARTIES.—Indebted-*
22 *ness described in subparagraph (B) shall*
23 *not include any indebtedness owed to a per-*
24 *son who is related (within the meaning of*

1 *section 267(b) or 707(b)(1)) to the tax-*
 2 *payer.”.*

3 *(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Sec-*
 4 *tion 63(b), as amended by the preceding provisions of this*
 5 *Act, is amended by striking “and” at the end of paragraph*
 6 *(5), by striking the period at the end of paragraph (6) and*
 7 *inserting “and”, and by adding at the end the following*
 8 *new paragraph:*

9 *“(7) so much of the deduction allowed by section*
 10 *163(a) as is attributable to the exception under sec-*
 11 *tion 163(h)(4)(A).”.*

12 *(c) REPORTING.—*

13 *(1) IN GENERAL.—Subpart B of part III of sub-*
 14 *chapter A of chapter 61 is amended by adding at the*
 15 *end the following new section:*

16 **“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PAS-**
 17 **SENGER VEHICLE LOAN INTEREST RECEIVED**
 18 **IN TRADE OR BUSINESS FROM INDIVIDUALS.**

19 *“(a) IN GENERAL.—Any person—*

20 *“(1) who is engaged in a trade or business, and*

21 *“(2) who, in the course of such trade or business,*
 22 *receives from any individual interest aggregating*
 23 *\$600 or more for any calendar year on a specified*
 24 *passenger vehicle loan,*

1 *shall make the return described in subsection (b) with re-*
 2 *spect to each individual from whom such interest was re-*
 3 *ceived at such time as the Secretary may provide.*

4 “(b) *FORM AND MANNER OF RETURNS.*—A return is
 5 *described in this subsection if such return—*

6 “(1) *is in such form as the Secretary may pre-*
 7 *scribe, and*

8 “(2) *contains—*

9 “(A) *the name and address of the indi-*
 10 *vidual from whom the interest described in sub-*
 11 *section (a)(2) was received,*

12 “(B) *the amount of such interest received*
 13 *for the calendar year,*

14 “(C) *the amount of outstanding principal*
 15 *on the specified passenger vehicle loan as of the*
 16 *beginning of such calendar year,*

17 “(D) *the date of the origination of such*
 18 *loan,*

19 “(E) *the year, make, model, and vehicle*
 20 *identification number of the applicable passenger*
 21 *vehicle which secures such loan (or such other de-*
 22 *scription of such vehicle as the Secretary may*
 23 *prescribe), and*

24 “(F) *such other information as the Sec-*
 25 *retary may prescribe.*

1 “(c) *STATEMENTS TO BE FURNISHED TO INDIVIDUALS*
 2 *WITH RESPECT TO WHOM INFORMATION IS REQUIRED.*—

3 *Every person required to make a return under subsection*
 4 *(a) shall furnish to each individual whose name is required*
 5 *to be set forth in such return a written statement showing—*

6 “(1) *the name, address, and phone number of the*
 7 *information contact of the person required to make*
 8 *such return, and*

9 “(2) *the information described in subparagraphs*
 10 *(B), (C), (D), and (E) of subsection (b)(2) with re-*
 11 *spect to such individual (and such information as is*
 12 *described in subsection (b)(2)(F) with respect to such*
 13 *individual as the Secretary may provide for purposes*
 14 *of this subsection).*

15 *The written statement required under the preceding sen-*
 16 *tence shall be furnished on or before January 31 of the year*
 17 *following the calendar year for which the return under sub-*
 18 *section (a) was required to be made.*

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

20 “(1) *IN GENERAL.*—*Terms used in this section*
 21 *which are also used in paragraph (4) of section*
 22 *163(h) shall have the same meaning as when used in*
 23 *such paragraph.*

24 “(2) *SPECIFIED PASSENGER VEHICLE LOAN.*—

25 *The term ‘specified passenger vehicle loan’ means the*

1 *indebtedness described in section 163(h)(4)(B) with*
 2 *respect to any applicable passenger vehicle.*

3 “(e) *REGULATIONS.*—*The Secretary shall issue such*
 4 *regulations or other guidance as may be necessary or appro-*
 5 *priate to carry out the purposes of this section, including*
 6 *regulations or other guidance to prevent the duplicate re-*
 7 *porting of information under this section.*

8 “(f) *APPLICABILITY.*—*No return shall be required*
 9 *under this section for any period to which section 163(h)(4)*
 10 *does not apply.”.*

11 (2) *PENALTIES.*—*Section 6724(d) is amended—*

12 (A) *in paragraph (1)(B), by striking “or”*
 13 *at the end of clause (xxvii), by striking “and” at*
 14 *the end of clause (xxviii) and inserting “or”, and*
 15 *by adding at the end the following new clause:*

16 “(xxix) *section 6050AA(a) (relating to*
 17 *returns relating to applicable passenger ve-*
 18 *hicle loan interest received in trade or busi-*
 19 *ness 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 state-
 2 ments relating to applicable passenger vehicle
 3 loan interest received in trade or business from
 4 individuals).”.

5 (d) *CONFORMING AMENDMENTS.*—

6 (1) Section 56(e)(1)(B) is amended by striking
 7 “section 163(h)(4)” and inserting “section 163(h)(5)”.

8 (2) The table of sections for subpart B of part
 9 III of subchapter A of chapter 61 is amended by add-
 10 ing 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.”.

11 (e) *EFFECTIVE DATE.*—The amendments made by this
 12 section shall apply to indebtedness incurred after December
 13 31, 2024.

14 **SEC. 70204. TRUMP ACCOUNTS AND CONTRIBUTION PILOT**
 15 **PROGRAM.**

16 (a) *TRUMP ACCOUNTS.*—

17 (1) *IN GENERAL.*—Subchapter F of chapter 1 is
 18 amended by adding at the end the following new part:

19 **“PART IX—TRUMP ACCOUNTS**

 “Sec. 530A. Trump accounts.

20 **“SEC. 530A. TRUMP ACCOUNTS.**

21 “(a) *GENERAL RULE.*—Except as provided in this sec-
 22 tion or under regulations or guidance established by the
 23 Secretary, a Trump account shall be treated for purposes

1 *of this title in the same manner as an individual retirement*
 2 *account under section 408(a).*

3 “(b) *TRUMP ACCOUNT.*—*For purposes of this section—*

4 “(1) *IN GENERAL.*—*The term ‘Trump account’*
 5 *means an individual retirement account (as defined*
 6 *in section 408(a)) which is not designated as a Roth*
 7 *IRA and which meets the following requirements:*

8 “(A) *The account—*

9 “(i) *is created or organized by the Sec-*
 10 *retary for the exclusive benefit of an eligible*
 11 *individual or such eligible individual’s*
 12 *beneficiaries, or*

13 “(ii) *is—*

14 “(I) *created or organized in the*
 15 *United States for the exclusive benefit*
 16 *of an individual who has not attained*
 17 *the age of 18 before the end of the cal-*
 18 *endar year, or such individual’s bene-*
 19 *ficiaries, and*

20 “(II) *funded by a qualified roll-*
 21 *over contribution.*

22 “(B) *The account is designated (in such*
 23 *manner as the Secretary shall prescribe) at the*
 24 *time of the establishment of the account as a*
 25 *Trump account.*

1 “(C) *The written governing instrument cre-*
2 *ating the account meets the following require-*
3 *ments:*

4 “(i) *No contribution will be accepted—*

5 “(I) *before the date that is 12*
6 *months after the date of the enactment*
7 *of this section, or*

8 “(II) *in the case of a contribution*
9 *made in any calendar year before the*
10 *calendar year in which the account*
11 *beneficiary attains age 18, if such con-*
12 *tribution would result in aggregate*
13 *contributions (other than exempt con-*
14 *tributions) for such calendar year in*
15 *excess of the contribution limit speci-*
16 *fied in subsection (c)(2)(A).*

17 “(ii) *Except as provided in subsection*
18 *(d), no distribution will be allowed before*
19 *the first day of the calendar year in which*
20 *the account beneficiary attains age 18.*

21 “(iii) *No part of the account funds will*
22 *be invested in any asset other than an eligi-*
23 *ble investment during any period before the*
24 *first day of the calendar year in which the*
25 *account beneficiary attains age 18.*

1 “(2) *ELIGIBLE INDIVIDUAL*.—The term ‘eligible
2 individual’ means any individual—

3 “(A) *who has not attained the age of 18 be-*
4 *fore the close of the calendar year in which the*
5 *election under subparagraph (C) is made,*

6 “(B) *for whom a social security number*
7 *(within the meaning of section 24(h)(7)) has*
8 *been issued before the date on which an election*
9 *under subsection (C) is made, and*

10 “(C) *for whom—*

11 “(i) *an election is made under this*
12 *subparagraph by the Secretary if the Sec-*
13 *retary determines (based on information*
14 *available to the Secretary from tax returns*
15 *or otherwise) that such individual meets the*
16 *requirements of subparagraphs (A) and (B)*
17 *and no prior election has been made for*
18 *such individual under clause (ii), or*

19 “(ii) *an election is made under this*
20 *subparagraph by a person other than the*
21 *Secretary (at such time and in such man-*
22 *ner as the Secretary may prescribe) for the*
23 *establishment of a Trump account if no*
24 *prior election has been made for such indi-*
25 *vidual under clause (i).*

1 “(3) *ELIGIBLE INVESTMENT*.—

2 “(A) *IN GENERAL*.—*The term ‘eligible in-*
3 *vestment’ means any mutual fund or exchange*
4 *traded fund which—*

5 “(i) *tracks the returns of a qualified*
6 *index,*

7 “(ii) *does not use leverage,*

8 “(iii) *does not have annual fees and*
9 *expenses of more than 0.1 percent of the bal-*
10 *ance of the investment in the fund, and*

11 “(iv) *meets such other criteria as the*
12 *Secretary determines appropriate for pur-*
13 *poses of this section.*

14 “(B) *QUALIFIED INDEX*.—*The term ‘quali-*
15 *fied index’ means—*

16 “(i) *the Standard and Poor’s 500 stock*
17 *market index, or*

18 “(ii) *any other index—*

19 “(I) *which is comprised of equity*
20 *investments in primarily United*
21 *States companies, and*

22 “(II) *for which regulated futures*
23 *contracts (as defined in section*
24 *1256(g)(1)) are traded on a qualified*

1 *board or exchange (as defined in sec-*
 2 *tion 1256(g)(7)).*

3 *Such term shall not include any industry or*
 4 *sector-specific index, but may include an*
 5 *index based on market capitalization.*

6 *“(4) ACCOUNT BENEFICIARY.—The term ‘account*
 7 *beneficiary’ means the individual on whose behalf the*
 8 *Trump account was established.*

9 *“(c) TREATMENT OF CONTRIBUTIONS.—*

10 *“(1) NO DEDUCTION ALLOWED.—No deduction*
 11 *shall be allowed under section 219 for any contribu-*
 12 *tion which is made before the first day of the calendar*
 13 *year in which the account beneficiary attains age 18.*

14 *“(2) CONTRIBUTION LIMIT.—In the case of any*
 15 *contribution made before the calendar year in which*
 16 *the account beneficiary attains age 18—*

17 *“(A) IN GENERAL.—The aggregate amount*
 18 *of contributions (other than exempt contribu-*
 19 *tions) for such calendar year shall not exceed*
 20 *\$5,000.*

21 *“(B) EXEMPT CONTRIBUTION.—For pur-*
 22 *poses of this paragraph, the term ‘exempt con-*
 23 *tribution’ means—*

24 *“(i) a qualified rollover contribution,*

1 “(ii) *any qualified general contribu-*
2 *tion, or*

3 “(iii) *any contribution provided under*
4 *section 6434.*

5 “(C) *COST-OF-LIVING ADJUSTMENT.—*

6 “(i) *IN GENERAL.—In the case of any*
7 *taxable year after 2027, the \$5,000 amount*
8 *under subparagraph (A) shall be increased*
9 *by an amount equal to—*

10 “(I) *such dollar amount, multi-*
11 *plied by*

12 “(II) *the cost-of-living adjustment*
13 *determined under section 1(f)(3) for*
14 *the calendar year in which the taxable*
15 *year begins, determined by substituting*
16 *‘calendar year 2026’ for ‘calendar year*
17 *2016’ in subparagraph (A)(ii) thereof.*

18 “(ii) *ROUNDING.—If any increase*
19 *under this subparagraph is not a multiple*
20 *of \$100, such amount shall be rounded to*
21 *the next lowest multiple of \$100.*

22 “(3) *TIMING OF CONTRIBUTIONS.—Section*
23 *219(f)(3) shall not apply to any contribution made to*
24 *a Trump account for any taxable year ending before*

1 *the calendar year in which the account beneficiary at-*
 2 *tains age 18.*

3 “(d) *DISTRIBUTIONS.*—

4 “(1) *IN GENERAL.*—*Except as otherwise provided*
 5 *in this subsection, no distribution shall be allowed be-*
 6 *fore the first day of the calendar year in which the*
 7 *account beneficiary attains age 18.*

8 “(2) *TAX TREATMENT OF ALLOWABLE DISTRIBUTU-*
 9 *TIONS.*—*For purposes of applying section 72 to any*
 10 *amount distributed from a Trump account, the in-*
 11 *vestment in the contract shall not include—*

12 “(A) *any qualified general contribution,*

13 “(B) *any contribution provided under sec-*
 14 *tion 6434, and*

15 “(C) *the amount of any contribution which*
 16 *is excluded from gross income under section 128.*

17 “(3) *QUALIFIED ROLLOVER CONTRIBUTIONS.*—
 18 *Paragraph (1) shall not apply to any distribution*
 19 *which is a qualified rollover contribution and the*
 20 *amount of such distribution shall not be included in*
 21 *the gross income of the beneficiary.*

22 “(4) *QUALIFIED ABLE ROLLOVER CONTRIBU-*
 23 *TIONS.*—

24 “(A) *IN GENERAL.*—*Paragraph (1) shall*
 25 *not apply to any distribution which is a quali-*

1 *fied ABLE rollover contribution and the amount*
2 *of such distribution shall not be included in the*
3 *gross income of the beneficiary.*

4 “(B) *QUALIFIED ABLE ROLLOVER CON-*
5 *TRIBUTION.—For purposes of this section, the*
6 *term ‘qualified ABLE rollover contribution’*
7 *means an amount which is paid during the cal-*
8 *endar year in which the account beneficiary at-*
9 *tains age 17 in a direct trustee-to-trustee trans-*
10 *fer from a Trump account maintained for the*
11 *benefit of the account beneficiary to an ABLE*
12 *account (as defined in section 529A(e)(6)) for the*
13 *benefit of the such account beneficiary, but only*
14 *if the amount of such payment is equal to the en-*
15 *tire balance of the Trump account from which*
16 *the payment is made.*

17 “(5) *DISTRIBUTIONS OF EXCESS CONTRIBU-*
18 *TIONS.—In the case of any contribution which is*
19 *made before the calendar year in which the account*
20 *beneficiary attains age 18 and which is in excess of*
21 *the limitation in effect under subsection (c)(2)(A) for*
22 *the calendar year—*

23 “(A) *paragraph (1) shall not apply to the*
24 *distribution of such excess,*

1 “(B) the amount of such distribution shall
2 not be included in gross income of the account
3 beneficiary, and

4 “(C) the tax imposed by this chapter on the
5 distributee for the taxable year in which the dis-
6 tribution is made shall be increased by 100 per-
7 cent of the amount of net income attributable to
8 such excess (determined without regard to sub-
9 paragraph (B)).

10 “(6) TREATMENT OF DEATH OF ACCOUNT BENE-
11 FICIARY.—If, by reason of the death of the account
12 beneficiary before the first day of the calendar year
13 in which the account beneficiary attains age 18, any
14 person acquires the account beneficiary’s interest in
15 the Trump account—

16 “(A) paragraph (1) shall not apply,

17 “(B) such account shall cease to be a Trump
18 account as of the date of death, and

19 “(C) an amount equal to the fair market
20 value of the assets (reduced by the investment in
21 the contract) in such account on such date
22 shall—

23 “(i) if such person is not the estate of
24 such beneficiary, be includible in such per-

1 son's gross income for the taxable year
2 which includes such date, or

3 “(ii) if such person is the estate of such
4 beneficiary, be includible in such bene-
5 ficiary's gross income for the last taxable
6 year of such beneficiary.

7 “(e) *QUALIFIED ROLLOVER CONTRIBUTION*.—For pur-
8 poses of this section, the term ‘qualified rollover contribu-
9 tion’ means an amount which is paid in a direct trustee-
10 to-trustee transfer from a Trump account maintained for
11 the benefit of the account beneficiary to a Trump account
12 maintained for such beneficiary, but only if the amount of
13 such payment is equal to the entire balance of the Trump
14 account from which the payment is made.

15 “(f) *QUALIFIED GENERAL CONTRIBUTION*.—For pur-
16 poses of this section—

17 “(1) *IN GENERAL*.—The term ‘qualified general
18 contribution’ means any contribution which—

19 “(A) is made by the Secretary pursuant to
20 a general funding contribution,

21 “(B) is made to the Trump account of an
22 account beneficiary in the qualified class of ac-
23 count beneficiaries specified in the general fund-
24 ing contribution, and

1 “(C) *is in an amount which is equal to the*
2 *ratio of—*

3 “(i) *the amount of such general fund-*
4 *ing contribution, to*

5 “(ii) *the number of account bene-*
6 *ficiaries in such qualified class.*

7 “(2) *GENERAL FUNDING CONTRIBUTION.—The*
8 *term ‘general funding contribution’ means a contribu-*
9 *tion which—*

10 “(A) *is made by—*

11 “(i) *an entity described in section*
12 *170(c)(1) (other than a possession of the*
13 *United States or a political subdivision*
14 *thereof) or an Indian tribal government, or*

15 “(ii) *an organization described in sec-*
16 *tion 501(c)(3) and exempt from tax under*
17 *section 501(a), and*

18 “(B) *which specifies a qualified class of ac-*
19 *count beneficiaries to whom such contribution is*
20 *to be distributed.*

21 “(3) *QUALIFIED CLASS.—*

22 “(A) *IN GENERAL.—The term ‘qualified*
23 *class’ means any of the following:*

24 “(i) *All account beneficiaries who have*
25 *not attained the age of 18 before the close of*

1 *the calendar year in which the contribution*
2 *is made.*

3 “(ii) *All account beneficiaries who*
4 *have not attained the age of 18 before the*
5 *close of the calendar year in which the con-*
6 *tribution is made and who reside in one or*
7 *more States or other qualified geographic*
8 *areas specified by the terms of the general*
9 *funding contribution.*

10 “(iii) *All account beneficiaries who*
11 *have not attained the age of 18 before the*
12 *close of the calendar year in which the con-*
13 *tribution is made and who were born in one*
14 *or more calendar years specified by the*
15 *terms of the general funding contribution.*

16 “(B) *QUALIFIED GEOGRAPHIC AREA.—The*
17 *term ‘qualified geographic area’ means any geo-*
18 *graphic area in which not less than 5,000 ac-*
19 *count beneficiaries reside and which is des-*
20 *ignated by the Secretary as a qualified geo-*
21 *graphic area under this subparagraph.*

22 “(g) *TRUSTEE SELECTION.—In the case of any Trump*
23 *account created or organized by the Secretary, the Secretary*
24 *shall take into account the following criteria in selecting*
25 *the trustee:*

1 “(1) *The history of reliability and regulatory*
2 *compliance of the trustee.*

3 “(2) *The customer service experience of the trust-*
4 *ee.*

5 “(3) *The costs imposed by the trustee on the ac-*
6 *count or the account beneficiary.*

7 “(h) *OTHER SPECIAL RULES AND COORDINATION*
8 *WITH INDIVIDUAL RETIREMENT ACCOUNT RULES.—*

9 “(1) *IN GENERAL.—The rules of subsections (k)*
10 *and (p) of section 408 shall not apply to a Trump*
11 *account, and the rules of subsections (d) and (i) of*
12 *section 408 shall not apply to a Trump account for*
13 *any taxable year beginning before the calendar year*
14 *in which the account beneficiary attains age 18.*

15 “(2) *CUSTODIAL ACCOUNTS.—In the case of a*
16 *Trump account, section 408(h) shall be applied by*
17 *substituting ‘a Trump account described in section*
18 *530A(b)(1)’ for ‘an individual retirement account de-*
19 *scribed in subsection (a)’.*

20 “(3) *CONTRIBUTIONS.—In the case of any tax-*
21 *able year beginning before the first day of the cal-*
22 *endar year in which the account beneficiary attains*
23 *age 18, a contribution to a Trump account shall not*
24 *be taken into account in applying any contribution*

1 *limit to any individual retirement plan other than a*
 2 *Trump account.*

3 “(4) *DISTRIBUTIONS.*—Section 408(d)(2) shall be
 4 *applied separately with respect to Trump Accounts*
 5 *and other individual retirement plans.*

6 “(5) *EXCESS CONTRIBUTIONS.*—For purposes of
 7 *applying section 4973(b) to a Trump account for any*
 8 *taxable year beginning before the first day of the cal-*
 9 *endar year in which the account beneficiary attains*
 10 *age 18, the term ‘excess contributions’ means the sum*
 11 *of—*

12 “(A) *the amount by which the amount con-*
 13 *tributed to the account for the calendar year in*
 14 *which taxable year begins exceeds the amount*
 15 *permitted to be contributed to the account under*
 16 *subsection (c)(2), and*

17 “(B) *the amount determined under this*
 18 *paragraph for the preceding taxable year.*

19 *For purposes of this paragraph, the excess contribu-*
 20 *tions for a taxable year are reduced by the distribu-*
 21 *tions to which subsection (d)(5) applies that are made*
 22 *during the taxable year or by the date prescribed by*
 23 *law (including extensions of time) for filing the ac-*
 24 *count beneficiary’s return for the taxable year.*

25 “(i) *REPORTS.*—

1 “(1) *IN GENERAL.*—*The trustee of a Trump ac-*
2 *count shall make such reports regarding such account*
3 *to the Secretary and to the beneficiary of the account*
4 *at such time and in such manner as may be required*
5 *by the Secretary. Such reports shall include informa-*
6 *tion with respect to—*

7 “(A) *contributions (including the amount*
8 *and source of any contribution in excess of \$25*
9 *made from a person other than the Secretary, the*
10 *account beneficiary, or the parent or legal guard-*
11 *ian of the account beneficiary),*

12 “(B) *distributions (including distributions*
13 *which are qualified rollover contributions),*

14 “(C) *the fair market value of the account,*

15 “(D) *the investment in the contract with re-*
16 *spect to such account, and*

17 “(E) *such other matters as the Secretary*
18 *may require.*

19 “(2) *QUALIFIED ROLLOVER CONTRIBUTIONS.*—
20 *Not later than 30 days after the date of any qualified*
21 *rollover contribution, the trustee of the Trump ac-*
22 *count to which the contribution was made shall make*
23 *a report to the Secretary. Such report shall include—*

24 “(A) *the name, address, and social security*
25 *number of the account beneficiary,*

1 “(B) the name and address of such trustee,
 2 “(C) the account number,
 3 “(D) the routing number of the trustee, and
 4 “(E) such other information as the Sec-
 5 retary may require.

6 “(3) *PERIOD OF REPORTING.*—This subsection
 7 shall not apply to any period after the calendar year
 8 in which the beneficiary attains age 17.”.

9 (2) *QUALIFIED ABLE ROLLOVER CONTRIBUTIONS*
 10 *EXEMPT FROM ABLE CONTRIBUTION LIMITATION.*—

11 (A) *IN GENERAL.*—Section 529A(b)(2)(B) is
 12 amended by inserting “or received in a qualified
 13 ABLE rollover contribution described in section
 14 530A(d)(4)(B)” after “except as provided in the
 15 case of contributions under subsection (c)(1)(C)”.

16 (B) *PROHIBITION ON EXCESS CONTRIBU-*
 17 *TIONS.*—The second sentence of section
 18 529A(b)(6) is amended by inserting “but do not
 19 include any contributions received in a qualified
 20 ABLE rollover contribution described in section
 21 530A(d)(4)(B)” before the period at the end.

22 (C) *CONFORMING AMENDMENT.*—Section
 23 4973(h)(1) is amended by inserting “or contribu-
 24 tions received in a qualified ABLE rollover con-
 25 tribution described in section 530A(d)(4)(B)”

1 *after “other than contributions under section*
 2 *529A(c)(1)(C)”.*

3 (3) *FAILURE TO PROVIDE REPORTS ON TRUMP*
 4 *ACCOUNTS.—Section 6693(a)(2) is amended by strik-*
 5 *ing “and” at the end of subparagraph (E), by strik-*
 6 *ing the period at the end of subparagraph (F) and in-*
 7 *serting “, and”, and by inserting after subparagraph*
 8 *(F) the following new subparagraph:*

9 *“(G) section 530A(i) (relating to Trump ac-*
 10 *counts).”.*

11 (4) *CLERICAL AMENDMENT.—*

12 *(A) The table of parts for subchapter F of*
 13 *chapter 1 is amended by adding at the end the*
 14 *following new item:*

“PART IX—TRUMP ACCOUNTS”.

15 (b) *EMPLOYER CONTRIBUTIONS.—*

16 (1) *IN GENERAL.—Part III of subchapter B of*
 17 *chapter 1 is amended by inserting after section 127*
 18 *the following new section:*

19 **“SEC. 128. EMPLOYER CONTRIBUTIONS TO TRUMP AC-**
 20 **COUNTS.**

21 “(a) *IN GENERAL.—Gross income of an employee does*
 22 *not include amounts paid by the employer as a contribution*
 23 *to the Trump account of such employee or of any dependent*
 24 *of such employee if the amounts are paid or incurred pursu-*
 25 *ant to a program which is described in subsection (c).*

1 “(b) *LIMITATION.*—

2 “(1) *IN GENERAL.*—*The amount which may be*
3 *excluded under subsection (a) with respect to any em-*
4 *ployee shall not exceed \$2,500.*

5 “(2) *INFLATION ADJUSTMENT.*—

6 “(A) *IN GENERAL.*—*In the case of any tax-*
7 *able year beginning after 2027, the \$2,500*
8 *amount in paragraph (1) shall be increased by*
9 *an amount equal to—*

10 “(i) *such dollar amount, multiplied by*

11 “(ii) *the cost-of-living adjustment de-*
12 *termined under section 1(f)(3) for the cal-*
13 *endar year in which the taxable year begins*
14 *by substituting ‘calendar year 2026’ for*
15 *‘calendar year 2016’ in subparagraph*
16 *(A)(ii) thereof.*

17 “(B) *ROUNDING.*—*If any increase deter-*
18 *mined under subparagraph (A) is not a multiple*
19 *of \$100, such increase shall be rounded to the*
20 *next lowest multiple of \$100.*

21 “(c) *TRUMP ACCOUNT CONTRIBUTION PROGRAM.*—*For*
22 *purposes of this section, a Trump account contribution pro-*
23 *gram is a separate written plan of an employer for the ex-*
24 *clusive benefit of his employees to provide contributions to*
25 *the Trump accounts of such employees or dependents of such*

1 *employees which meets requirements similar to the require-*
 2 *ments of paragraphs (2), (3), (6), (7), and (8) of section*
 3 *129(d).”.*

4 (2) *CLERICAL AMENDMENT.—The table of sec-*
 5 *tions for part III of subchapter B of chapter 1 is*
 6 *amended by inserting after the item relating to sec-*
 7 *tion 127 the following new item:*

“Sec. 128. Employer contributions to Trump accounts.”.

8 (c) *CERTAIN CONTRIBUTIONS EXCLUDED FROM GROSS*
 9 *INCOME.—*

10 (1) *IN GENERAL.—Part III of subchapter B of*
 11 *chapter 1 is amended by inserting before section 140*
 12 *the following new section:*

13 **“SEC. 139J. CERTAIN CONTRIBUTIONS TO TRUMP AC-**
 14 **COUNTS.**

15 *“(a) IN GENERAL.—Gross income of an account bene-*
 16 *ficiary shall not include any qualified general contribution*
 17 *to a Trump account of the account beneficiary.*

18 *“(b) DEFINITIONS.—Any term used in this section*
 19 *which is used in section 530A shall have the meaning given*
 20 *such term under section 530A.”.*

21 (2) *CLERICAL AMENDMENT.—The table of sec-*
 22 *tions for part III of subchapter B is amended by in-*
 23 *serting before the item relating to section 140 the fol-*
 24 *lowing new item:*

“Sec. 139J. Certain contributions to Trump accounts.”.

1 (d) *TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-*
 2 *GRAM.*—

3 (1) *IN GENERAL.*—*Subchapter B of chapter 65 is*
 4 *amended by adding at the end the following new sec-*
 5 *tion:*

6 **“SEC. 6434. TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-**
 7 **GRAM.**

8 “(a) *IN GENERAL.*—*In the case of an individual who*
 9 *makes an election under this section with respect to an eli-*
 10 *gible child of the individual, such eligible child shall be*
 11 *treated as making a payment against the tax imposed by*
 12 *subtitle A (for the taxable year for which the election was*
 13 *made) in an amount equal to \$1,000.*

14 “(b) *REFUND OF PAYMENT.*—*The amount treated as*
 15 *a payment under subsection (a) shall be paid by the Sec-*
 16 *retary to the Trump account with respect to which such*
 17 *eligible child is the account beneficiary.*

18 “(c) *ELIGIBLE CHILD.*—*For purposes of this section,*
 19 *the term ‘eligible child’ means a qualifying child (as defined*
 20 *in section 152(c))—*

21 “(1) *who is born after December 31, 2024, and*
 22 *before January 1, 2029,*

23 “(2) *with respect to whom no prior election has*
 24 *been made under this section by such individual or*
 25 *any other individual, and*

1 “(3) *who is a United States citizen.*

2 “(d) *ELECTION.—An election under this section shall*
3 *be made at such time and in such manner as the Secretary*
4 *shall provide.*

5 “(e) *SOCIAL SECURITY NUMBER REQUIRED.—*

6 “(1) *IN GENERAL.—This section shall not apply*
7 *to any taxpayer unless such individual includes with*
8 *the election made under this section the social security*
9 *number of the eligible child with respect to whom the*
10 *election is made.*

11 “(2) *SOCIAL SECURITY NUMBER DEFINED.—For*
12 *purposes of paragraph (1), the term ‘social security*
13 *number’ shall have the meaning given such term in*
14 *section 24(h)(7), determined by substituting ‘before*
15 *the date of the election made under section 6434’ for*
16 *‘before the due date of such return’ in subparagraph*
17 *(B) thereof.*

18 “(f) *EXCEPTION FROM REDUCTION OR OFFSET.—Any*
19 *payment made to any individual under this section shall*
20 *not be—*

21 “(1) *subject to reduction or offset pursuant to*
22 *subsection (c), (d), (e), or (f) of section 6402 or any*
23 *similar authority permitting offset, or*

1 “(2) *reduced or offset by other assessed Federal*
 2 *taxes that would otherwise be subject to levy or collec-*
 3 *tion.*

4 “(g) *SPECIAL RULE REGARDING INTEREST.—The pe-*
 5 *riod determined under section 6611(a) with respect to any*
 6 *payment under this section shall not begin before January*
 7 *1, 2028.*

8 “(h) *MIRROR CODE POSSESSIONS.—In the case of any*
 9 *possession of the United States with a mirror code tax sys-*
 10 *tem (as defined in section 24(k)), this section shall not be*
 11 *treated as part of the income tax laws of the United States*
 12 *for purposes of determining the income tax law of such pos-*
 13 *session unless such possession elects to have this section be*
 14 *so treated.*

15 “(i) *DEFINITIONS.—For purposes of this section, the*
 16 *terms ‘Trump account’ and ‘account beneficiary’ have the*
 17 *meaning given such terms in section 530A(b).’.*

18 “(2) *PENALTY FOR NEGLIGENT CLAIM OR FRAUD-*
 19 *ULENT CLAIM.—Part I of subchapter A of chapter 68*
 20 *is amended by adding at the end the following new*
 21 *section:*

1 **“SEC. 6659. IMPROPER CLAIM FOR TRUMP ACCOUNT CON-**
 2 **TRIBUTION PILOT PROGRAM CREDIT.**

3 “(a) *IN GENERAL.*—*In the case of any individual who*
 4 *makes an election under section 6434 with respect to an*
 5 *individual who is not an eligible child of the taxpayer—*

6 “(1) *if such election was made due to negligence*
 7 *or disregard of the rules or regulations, there shall be*
 8 *imposed a penalty of \$500, or*

9 “(2) *if such election was made due to fraud,*
 10 *there shall be imposed a penalty of \$1,000.*

11 “(b) *DEFINITIONS.*—

12 “(1) *ELIGIBLE CHILD.*—*The term ‘eligible child’*
 13 *has the meaning given such term under section 6434.*

14 “(2) *NEGLIGENCE; DISREGARD.*—*The terms ‘neg-*
 15 *ligence’ and ‘disregard’ have the same meaning as*
 16 *when such terms are used in section 6662.’.*

17 (3) *OMISSION OF CORRECT SOCIAL SECURITY*
 18 *NUMBER TREATED AS MATHEMATICAL OR CLERICAL*
 19 *ERROR.*—*Section 6213(g)(2), as amended by the pre-*
 20 *ceding provisions of this Act, is amended by striking*
 21 *“and” at the end of subparagraph (Y), by striking the*
 22 *period at the end of subparagraph (Z) and inserting*
 23 *“, and”, and by inserting after subparagraph (Z) the*
 24 *following new subparagraph:*

25 “(AA) *an omission of a correct social secu-*
 26 *rity number required under section 6434(e)(1)*

1 *(relating to the Trump accounts contribution*
 2 *pilot program).”.*

3 (4) *CONFORMING AMENDMENTS.—*

4 (A) *The table of sections for subchapter B of*
 5 *chapter 65 is amended by adding at the end the*
 6 *following new item:*

“Sec. 6434. *Trump accounts contribution pilot program.*”.

7 (B) *The table of sections for part I of sub-*
 8 *chapter A of chapter 68 is amended by inserting*
 9 *after the item relating to section 6658 the fol-*
 10 *lowing new item:*

“Sec. 6659. *Improper claim for Trump account contribution pilot program cred-*
it.”.

11 (e) *EFFECTIVE DATE.—The amendments made by this*
 12 *section shall apply to taxable years beginning after Decem-*
 13 *ber 31, 2025.*

14 (f) *FUNDING.—In addition to amounts otherwise*
 15 *available, there is appropriated to the Department of the*
 16 *Treasury, out of any money in the Treasury not otherwise*
 17 *appropriated, \$410,000,000, to remain available until Sep-*
 18 *tember 30, 2034, to carry out the amendments made by this*
 19 *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), by
 11 striking “, and” at the end of clause (ii) and insert-
 12 ing a period, and by striking clause (iii).

13 (2) *PROPERTY WITH LONGER PRODUCTION PERI-*
 14 *ODS.*—Section 168(k)(2)(B) is amended—

15 (A) in clause (i), by striking subclauses (II)
 16 and (III) and redesignating subclauses (IV), (V),
 17 and (VI), as subclauses (II), (III), and (IV), re-
 18 spectively, and

19 (B) by striking clause (ii) and redesign-
 20 ating 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 the
 18 period and inserting “which has a recovery pe-
 19 riod of 7 years or less.”.

20 (b) *100 PERCENT EXPENSING*.—

21 (1) *IN GENERAL*.—Section 168(k) is amended—

22 (A) in paragraph (1)(A), by striking “the
 23 applicable percentage” and inserting “100 per-
 24 cent”, and

25 (B) by striking paragraphs (6) and (8).

1 (2) *CERTAIN PLANTS.*—Section 168(k)(5)(A)(i) is
 2 amended by striking “the applicable percentage” and
 3 inserting “100 percent”.

4 (3) *TRANSITIONAL ELECTION OF REDUCED PER-*
 5 *CENTAGE.*—Section 168(k)(10) is amended by striking
 6 subparagraph (A), by redesignating subparagraph
 7 (B) as subparagraph (C), and by inserting before sub-
 8 paragraph (C) (as so redesignated) the following new
 9 subparagraphs:

10 “(A) *IN GENERAL.*—In the case of qualified
 11 property placed in service by the taxpayer dur-
 12 ing the first taxable year ending after January
 13 19, 2025, if the taxpayer elects to have this para-
 14 graph apply for such taxable year, paragraph
 15 (1)(A) shall be applied—

16 “(i) in the case of property which is
 17 not described in clause (ii), by substituting
 18 ‘40 percent’ for ‘100 percent’, or

19 “(ii) in the case of property which is
 20 described in subparagraph (B) or (C) of
 21 paragraph (2), by substituting ‘60 percent’
 22 for ‘100 percent’.

23 “(B) *SPECIFIED PLANTS.*—In the case of
 24 any specified plant planted or grafted by the
 25 taxpayer during the first taxable year ending

1 *after January 19, 2025, if the taxpayer elects to*
 2 *have this paragraph apply for such taxable year,*
 3 *paragraph (5)(A)(i) shall be applied by sub-*
 4 *stituting ‘40 percent’ for ‘100 percent.’.”.*

5 *(c) EFFECTIVE DATE.—*

6 *(1) IN GENERAL.—Except as otherwise provided*
 7 *in this subsection, the amendments made by this sec-*
 8 *tion shall apply to property acquired after January*
 9 *19, 2025.*

10 *(2) SPECIFIED PLANTS.—Except as provided in*
 11 *paragraph (3), in the case of any specified plant (as*
 12 *defined in section 168(k)(5)(B) of the Internal Rev-*
 13 *enue Code of 1986, as amended by this section), the*
 14 *amendments made by this section shall apply to such*
 15 *plants which are planted or grafted after January 19,*
 16 *2025.*

17 *(3) TRANSITIONAL ELECTION OF REDUCED PER-*
 18 *CENTAGE.—The amendment made by subsection*
 19 *(b)(3) shall apply to taxable years ending after Janu-*
 20 *ary 19, 2025.*

21 *(4) ACQUISITION DATE DETERMINATION.—For*
 22 *purposes of paragraph (1), property shall not be*
 23 *treated as acquired after the date on which a written*
 24 *binding contract is entered into for such acquisition.*

1 **SEC. 70302. FULL EXPENSING OF DOMESTIC RESEARCH AND**
 2 **EXPERIMENTAL EXPENDITURES.**

3 (a) *IN GENERAL.*—Part VI of subchapter B of chapter
 4 1 is amended by inserting after section 174 the following
 5 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 the
 16 taxpayer in connection with the taxpayer’s trade or busi-
 17 ness other than such expenditures which are attributable to
 18 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 do-
 25 mestic research or experimental expenditures which
 26 would (but for subsection (a)) be chargeable to capital

1 *account but not chargeable to property of a character*
2 *which is subject to the allowance under section 167*
3 *(relating to allowance for depreciation, etc.) or section*
4 *611 (relating to allowance for depletion), subsection*
5 *(a) shall not apply and the taxpayer shall—*

6 *“(A) charge such expenditures to capital ac-*
7 *count, and*

8 *“(B) be allowed an amortization deduction*
9 *of such expenditures ratably over such period of*
10 *not less than 60 months as may be selected by*
11 *the taxpayer (beginning with the month in*
12 *which the taxpayer first realizes benefits from*
13 *such expenditures).*

14 *“(2) TIME FOR AND SCOPE OF ELECTION.—The*
15 *election provided by paragraph (1) may be made for*
16 *any taxable year, but only if made not later than the*
17 *time prescribed by law for filing the return for such*
18 *taxable year (including extensions thereof). The meth-*
19 *od so elected, and the period selected by the taxpayer,*
20 *shall be adhered to in computing taxable income for*
21 *the taxable year for which the election is made and*
22 *for all subsequent taxable years unless, with the ap-*
23 *proval of the Secretary, a change to a different meth-*
24 *od (or to a different period) is authorized with respect*
25 *to part or all of such expenditures. The election shall*

1 *not apply to any expenditure paid or incurred during*
 2 *any taxable year before the taxable year for which the*
 3 *taxpayer makes the election.*

4 “(d) *SPECIAL RULES.—*

5 “(1) *LAND AND OTHER PROPERTY.—This section*
 6 *shall not apply to any expenditure for the acquisition*
 7 *or improvement of land, or for the acquisition or im-*
 8 *provement of property to be used in connection with*
 9 *the research or experimentation and of a character*
 10 *which is subject to the allowance under section 167*
 11 *(relating to allowance for depreciation, etc.) or section*
 12 *611 (relating to allowance for depletion); but for pur-*
 13 *poses of this section allowances under section 167,*
 14 *and allowances under section 611, shall be considered*
 15 *as expenditures.*

16 “(2) *EXPLORATION EXPENDITURES.—This sec-*
 17 *tion shall not apply to any expenditure paid or in-*
 18 *curring for the purpose of ascertaining the existence,*
 19 *location, extent, or quality of any deposit of ore or*
 20 *other mineral (including oil and gas).*

21 “(3) *SOFTWARE DEVELOPMENT.—For purposes*
 22 *of this section, any amount paid or incurred in con-*
 23 *nection with the development of any software shall be*
 24 *treated as a research or experimental expenditure.”.*

1 (b) *COORDINATION WITH CERTAIN OTHER PROVI-*
2 *SIONS.*—

3 (1) *FOREIGN RESEARCH EXPENSES.*—*Section*
4 *174 is amended—*

5 (A) *in subsection (a)—*

6 (i) *by striking “a taxpayer’s specified*
7 *research or experimental expenditures” and*
8 *inserting “a taxpayer’s foreign research or*
9 *experimental expenditures”, and*

10 (ii) *by striking “over the 5-year period*
11 *(15-year period in the case of any specified*
12 *research or experimental expenditures which*
13 *are attributable to foreign research (within*
14 *the meaning of section 41(d)(4)(F))” in*
15 *paragraph (2)(B) and inserting “over the*
16 *15-year period”,*

17 (B) *in subsection (b)—*

18 (i) *by striking “specified research” and*
19 *inserting “foreign research”,*

20 (ii) *by inserting “and which are at-*
21 *tributable to foreign research (within the*
22 *meaning of section 41(d)(4)(F))” before the*
23 *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 read
 13 as follows:

14 “(A) with respect to which expenditures are
 15 treated as domestic research or experimental ex-
 16 penditures under section 174A,”.

17 (B) Section 280C(c)(1) is amended to read
 18 as follows:

19 “(1) IN GENERAL.—The domestic research or ex-
 20 perimental expenditures (as defined in section
 21 174A(b)) otherwise taken into account as a deduction
 22 or charged to capital account under this chapter shall
 23 be reduced by the amount of the credit allowed under
 24 section 41(a).”.

1 (3) *AMT ADJUSTMENT.*—Section 56(b)(2) is
2 *amended—*

3 *(A) in subparagraph (A)—*

4 *(i) by striking “or 174(a)” in the mat-*
5 *ter preceding clause (i) and inserting “,*
6 *174(a), or 174A(a)”*, and

7 *(ii) by striking “research and experi-*
8 *mental expenditures described in section*
9 *174(a)” in clause (ii) thereof and inserting*
10 *“foreign research or experimental expendi-*
11 *tures described in section 174(a) and domes-*
12 *tic research or experimental expenditures in*
13 *section 174A(a)”*, and

14 *(B) in subparagraph (C), by inserting “or*
15 *174A(a)” after “174(a)”.*

16 (4) *OPTIONAL 10-YEAR WRITEOFF.*—Section
17 59(e)(2)(B) is amended by striking “section 174(a)
18 (relating to research and experimental expenditures)”
19 and inserting “section 174A(a) (relating to domestic
20 research or experimental expenditures)”.

21 (5) *QUALIFIED SMALL ISSUE BONDS.*—Section
22 144(a)(4)(C)(iv) is amended by striking “174(a)” and
23 inserting “174A(a)”.

1 (6) *START-UP EXPENDITURES.*—Section
2 195(c)(1) is amended by striking “or 174” in the last
3 sentence and inserting “174, or 174A”.

4 (7) *CAPITAL EXPENDITURES.*—

5 (A) Section 263(a)(1)(B) is amended by in-
6 serting “or 174A” after “174”.

7 (B) Section 263A(c)(2) is amended by in-
8 serting “or 174A” after “174”.

9 (8) *ACTIVE BUSINESS COMPUTER SOFTWARE*
10 *ROYALTIES.*—Section 543(d)(4)(A)(i) is amended by
11 inserting “174A,” after “174,”.

12 (9) *SOURCE RULES.*—Section 864(g)(2) is
13 amended—

14 (A) by striking “research and experimental
15 expenditures within the meaning of section 174”
16 in the first sentence and inserting “foreign re-
17 search or experimental expenditures within the
18 meaning of section 174 or domestic research or
19 experimental expenditures within the meaning of
20 section 174A”, and

21 (B) in the last sentence—

22 (i) by striking “treated as deferred ex-
23 penses under subsection (b) of section 174”
24 and inserting “allowed as an amortization

1 *deduction under section 174(a) or section*
 2 *174A(c),”, and*

3 *(ii) by striking “such subsection” and*
 4 *inserting “such section (as the case may*
 5 *be)”.*

6 (10) *BASIS ADJUSTMENT.*—Section 1016(a)(14)
 7 *is amended by striking “deductions as deferred ex-*
 8 *penses under section 174(b)(1) (relating to research*
 9 *and experimental expenditures)” and inserting “de-*
 10 *ductions under section 174 or 174A(c)”.*

11 (11) *SMALL BUSINESS STOCK.*—Section
 12 1202(e)(2)(B) *is amended by striking “which may be*
 13 *treated as research and experimental expenditures*
 14 *under section 174” and inserting “which are treated*
 15 *as foreign research or experimental expenditures*
 16 *under section 174 or domestic research or experi-*
 17 *mental expenditures under section 174A”.*

18 (c) *CHANGE IN METHOD OF ACCOUNTING.*—

19 (1) *IN GENERAL.*—The amendments made by
 20 *subsection (a) shall be treated as a change in method*
 21 *of accounting for purposes of section 481 of the Inter-*
 22 *nal Revenue Code of 1986 and—*

23 (A) *such change shall be treated as initiated*
 24 *by the taxpayer,*

1 (B) such change shall be treated as made
2 with the consent of the Secretary, and

3 (C) such change shall be applied only on a
4 cut-off basis for any domestic research or experi-
5 mental expenditures (as defined in section
6 174A(b) of such Code (as added by this section)
7 and determined by applying the rules of section
8 174A(d) of such Code) paid or incurred in tax-
9 able years beginning after December 31, 2024,
10 and no adjustments under section 481(a) shall be
11 made.

12 (2) *SPECIAL RULES.*—In the case of a taxable
13 year which begins after December 31, 2024, and ends
14 before the date of the enactment of this Act—

15 (A) paragraph (1)(C) shall not apply, and

16 (B) the change in method of accounting
17 under paragraph (1) shall be applied on a modi-
18 fied cut-off basis, taking into account for pur-
19 poses of section 481(a) of such Code only the do-
20 mestic research or experimental expenditures (as
21 defined in section 174A(b) of such Code (as
22 added by this section) and determined by apply-
23 ing the rules of section 174A(d) of such Code)
24 paid or incurred in such taxable year but not al-
25 lowed as a deduction in such taxable year.

1 (d) *CLERICAL AMENDMENT.*—*The table of sections for*
 2 *part VI of subchapter B of chapter 1 is amended by insert-*
 3 *ing after the item relating to section 174 the following new*
 4 *item:*

“Sec. 174A. *Domestic research or experimental expenditures.*”.

5 (e) *EFFECTIVE DATE.*—

6 (1) *IN GENERAL.*—*Except as otherwise provided*
 7 *in this subsection or subsection (f)(1), the amend-*
 8 *ments made by this section shall apply to amounts*
 9 *paid or incurred in taxable years beginning after De-*
 10 *cember 31, 2024.*

11 (2) *TREATMENT OF FOREIGN RESEARCH OR EX-*
 12 *PERIMENTAL EXPENDITURES UPON DISPOSITION.*—

13 (A) *IN GENERAL.*—*The amendment by sub-*
 14 *section (b)(1)(C)(ii) shall apply to property dis-*
 15 *posed, retired, or abandoned after May 12, 2025.*

16 (B) *NO INFERENCE.*—*The amendment made*
 17 *by subsection (b)(1)(C)(ii) shall not be construed*
 18 *to create any inference with respect to the proper*
 19 *application of section 174(d) of the Internal Rev-*
 20 *enue Code of 1986 with respect to taxable years*
 21 *beginning before May 13, 2025.*

22 (3) *COORDINATION WITH RESEARCH CREDIT.*—
 23 *The amendment made by subsection (b)(2)(B) shall*
 24 *apply to taxable years beginning after December 31,*
 25 *2024.*

1 (4) *NO INFERENCE WITH RESPECT TO COORDINA-*
 2 *TION WITH RESEARCH CREDIT FOR PRIOR PERIODS.—*
 3 *The amendment made by subsection (b)(2)(B) shall*
 4 *not be construed to create any inference with respect*
 5 *to the proper application of section 280C(c) of the In-*
 6 *ternal Revenue Code of 1986 with respect to taxable*
 7 *years beginning before January 1, 2025.*

8 (f) *TRANSITION RULES.—*

9 (1) *ELECTION FOR RETROACTIVE APPLICATION*
 10 *BY CERTAIN SMALL BUSINESSES.—*

11 (A) *IN GENERAL.—At the election of an eli-*
 12 *gible taxpayer, paragraphs (1) and (3) of sub-*
 13 *section (e) shall each be applied by substituting*
 14 *“December 31, 2021” for “December 31, 2024”.*
 15 *An election made under this subparagraph shall*
 16 *be made in such manner as the Secretary may*
 17 *provide and not later than the date that is 1*
 18 *year after the date of the enactment of this Act.*
 19 *The taxpayer shall file an amended return for*
 20 *each taxable year affected by such election.*

21 (B) *ELIGIBLE TAXPAYER.—For purposes of*
 22 *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 of*
 2 *section 448(c) for the first taxable year begin-*
 3 *ning 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 subpara-*
 7 *graph (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 ini-*
 14 *tiated by the taxpayer for such taxable year,*

15 (iii) *such change shall be treated as*
 16 *made with the consent of the Secretary, and*

17 (iv) *subsection (c) shall not apply to*
 18 *such taxpayer.*

19 (D) *ELECTION REGARDING COORDINATION*
 20 *WITH RESEARCH CREDIT.—An election under*
 21 *section 280C(c)(2) of the Internal Revenue Code*
 22 *of 1986 (or revocation of such election) for any*
 23 *taxable year beginning after December 31, 2021,*
 24 *by an eligible taxpayer making an election under*
 25 *subparagraph (A) shall not fail to be treated as*

1 *timely made (or as made on the return) if made*
 2 *during the 1-year period beginning on the date*
 3 *of the enactment of this Act on an amended re-*
 4 *turn for such taxable year.*

5 (2) *ELECTION TO DEDUCT CERTAIN*
 6 *UNAMORTIZED AMOUNTS PAID OR INCURRED IN TAX-*
 7 *ABLE YEARS BEGINNING BEFORE JANUARY 1, 2025.—*

8 *(A) IN GENERAL.—In the case of any do-*
 9 *mestic research or experimental expenditures (as*
 10 *defined in section 174A, as added by subsection*
 11 *(a)) which are paid or incurred in taxable years*
 12 *beginning after December 31, 2021, and before*
 13 *January 1, 2025, and which was charged to cap-*
 14 *ital account, a taxpayer may elect—*

15 (i) *to deduct any remaining*
 16 *unamortized amount with respect to such*
 17 *expenditures in the first taxable year begin-*
 18 *ning after December 31, 2024, or*

19 (ii) *to deduct such remaining*
 20 *unamortized amount with respect to such*
 21 *expenditures ratably over the 2-taxable year*
 22 *period beginning with the first taxable year*
 23 *beginning after December 31, 2024.*

1 (B) *CHANGE IN METHOD OF ACCOUNTING.*—

2 *In the case of a taxpayer who makes an election*
3 *under this paragraph—*

4 (i) *such taxpayer shall be treated as*
5 *initiating a change in method of accounting*
6 *for purposes of section 481 of the Internal*
7 *Revenue Code of 1986 with respect to the ex-*
8 *penditures to which the election applies,*

9 (ii) *such change shall be treated as*
10 *made with the consent of the Secretary, and*

11 (iii) *such change shall be applied only*
12 *on a cut-off basis for such expenditures and*
13 *no adjustments under section 481(a) shall*
14 *be made.*

15 (C) *REGULATIONS.*—*The Secretary of the*
16 *Treasury (or the Secretary’s delegate) shall pub-*
17 *lish such guidance or regulations as may be nec-*
18 *essary to carry out the purposes of this para-*
19 *graph, including regulations or guidance allow-*
20 *ing for the deduction allowed under subpara-*
21 *graph (A) in the case of taxpayers with taxable*
22 *years beginning after December 31, 2024, and*
23 *ending before the date of the enactment of this*
24 *Act.*

1 **SEC. 70303. MODIFICATION OF LIMITATION ON BUSINESS**

2 **INTEREST.**

3 (a) *IN GENERAL.*—Section 163(j)(8)(A)(v) is amended
4 by striking “in the case of taxable years beginning before
5 January 1, 2022,”.

6 (b) *FLOOR PLAN FINANCING APPLICABLE TO CERTAIN*
7 *TRAILERS AND CAMPERS.*—Section 163(j)(9)(C) is amend-
8 ed by adding at the end the following new flush sentence:

9 “Such term shall also include any trailer or
10 camper which is designed to provide temporary
11 living quarters for recreational, camping, or sea-
12 sonal use and is designed to be towed by, or af-
13 fixed to, a motor vehicle.”.

14 (c) *EFFECTIVE DATE AND SPECIAL RULE.*—

15 (1) *IN GENERAL.*—The amendments made by
16 this section shall apply to taxable years beginning
17 after December 31, 2024.

18 (2) *SPECIAL RULE FOR SHORT TAXABLE*
19 *YEARS.*—The Secretary of the Treasury (or the Sec-
20 retary’s delegate) may prescribe such rules as are nec-
21 essary or appropriate to provide for the application
22 of the amendments made by this section in the case
23 of any taxable year of less than 12 months that begins
24 after December 31, 2024, and ends before the date of
25 the enactment of this Act.

1 **SEC. 70304. EXTENSION AND ENHANCEMENT OF PAID FAM-**
 2 **ILY AND MEDICAL LEAVE CREDIT.**

3 (a) *IN GENERAL.*—Section 45S is amended—

4 (1) *in subsection (a)*—

5 (A) *by striking paragraph (1) and inserting*
 6 *the following:*

7 “(1) *IN GENERAL.*—For purposes of section 38,
 8 *in the case of an eligible employer, the paid family*
 9 *and medical leave credit is an amount equal to either*
 10 *of the following (as elected by such employer):*

11 “(A) *The applicable percentage of the*
 12 *amount of wages paid to qualifying employees*
 13 *with respect to any period in which such em-*
 14 *ployees are on family and medical leave.*

15 “(B) *If such employer has an insurance pol-*
 16 *icy with regards to the provision of paid family*
 17 *and medical leave which is in force during the*
 18 *taxable year, the applicable percentage of the*
 19 *total amount of premiums paid or incurred by*
 20 *such employer during such taxable year with re-*
 21 *spect to such insurance policy.”, and*

22 (B) *by adding at the end the following:*

23 “(3) *RATE OF PAYMENT DETERMINED WITHOUT*
 24 *REGARD TO WHETHER LEAVE IS TAKEN.*—For pur-
 25 *poses of determining the applicable percentage with*
 26 *respect to paragraph (1)(B), the rate of payment*

1 *under the insurance policy shall be determined with-*
 2 *out regard to whether any qualifying employees were*
 3 *on family and medical leave during the taxable*
 4 *year.”,*

5 *(2) in subsection (b)(1), by striking “credit al-*
 6 *lowed” and inserting “wages taken into account”,*

7 *(3) in subsection (c), by striking paragraphs (3)*
 8 *and (4) and inserting the following:*

9 *“(3) AGGREGATION RULE.—*

10 *“(A) IN GENERAL.—Except as provided in*
 11 *subparagraph (B), all persons which are treated*
 12 *as a single employer under subsections (b) and*
 13 *(c) of section 414 shall be treated as a single em-*
 14 *ployer.*

15 *“(B) EXCEPTION.—*

16 *“(i) IN GENERAL.—Subparagraph (A)*
 17 *shall not apply to any person who estab-*
 18 *lishes to the satisfaction of the Secretary*
 19 *that such person has a substantial and le-*
 20 *gitimate business reason for failing to pro-*
 21 *vide a written policy described in para-*
 22 *graph (1) or (2).*

23 *“(ii) SUBSTANTIAL AND LEGITIMATE*
 24 *BUSINESS REASON.—For purposes of clause*
 25 *(i), the term ‘substantial and legitimate*

1 *business reason’ shall not include the oper-*
 2 *ation of a separate line of business, the rate*
 3 *of wages or category of jobs for employees*
 4 *(or any similar basis), or the application of*
 5 *State or local laws relating to family and*
 6 *medical leave, but may include the grouping*
 7 *of employees of a common law employer.*

8 “(4) *TREATMENT OF BENEFITS MANDATED OR*
 9 *PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For*
 10 *purposes of this section, any leave which is paid by*
 11 *a State or local government or required by State or*
 12 *local law—*

13 “(A) *except as provided in subparagraph*
 14 *(B), shall be taken into account in determining*
 15 *the amount of paid family and medical leave*
 16 *provided by the employer, and*

17 “(B) *shall not be taken into account in de-*
 18 *termining the amount of the paid family and*
 19 *medical leave credit under subsection (a).”,*
 20 *(4) in subsection (d)—*

21 (A) *in paragraph (1), by inserting “(or, at*
 22 *the election of the employer, for not less than 6*
 23 *months)” after “1 year or more”,*

24 (B) *in paragraph (2)—*

1 (i) by inserting “, as determined on an
2 annualized basis (pro-rata for part-time
3 employees),” after “compensation”, and

4 (ii) by striking the period at the end
5 and inserting “, and”, and

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

7 “(3) is customarily employed for not less than 20
8 hours per week.”, and

9 (5) by striking subsection (i).

10 (b) *NO DOUBLE BENEFIT*.—Section 280C(a) is
11 amended—

12 (1) by striking “45S(a)” and inserting
13 “45S(a)(1)(A)”, and

14 (2) by inserting after the first sentence the fol-
15 lowing: “No deduction shall be allowed for that por-
16 tion of the premiums paid or incurred for the taxable
17 year which is equal to that portion of the paid family
18 and medical leave credit which is determined for the
19 taxable year under section 45S(a)(1)(B).”.

20 (c) *EFFECTIVE DATE*.—The amendments made by this
21 section shall apply to taxable years beginning after Decem-
22 ber 31, 2025.

1 **SEC. 70305. EXCEPTIONS FROM LIMITATIONS ON DEDUC-**
 2 **TION FOR BUSINESS MEALS.**

3 (a) *EXCEPTION TO DENIAL OF DEDUCTION FOR BUSI-*
 4 *NESS MEALS.*—Section 274(o), as added by section 13304
 5 of Public Law 115-97, is amended by striking “No deduc-
 6 tion” and inserting “Except in the case of an expense de-
 7 scribed in subsection (e)(8) or (n)(2)(C), no deduction”.

8 (b) *MEALS PROVIDED ON CERTAIN FISHING BOATS*
 9 *AND AT CERTAIN FISH PROCESSING FACILITIES NOT SUB-*
 10 *JECT TO 50 PERCENT LIMITATION.*—Section 274(n)(2)(C)
 11 of the Internal Revenue Code of 1986 is amended by strik-
 12 ing “or” at the end of clause (iii) and by adding at the
 13 end the following new clause:

14 “(v) provided—

15 “(I) on a fishing vessel, fish proc-
 16 essing vessel, or fish tender vessel (as
 17 such terms are defined in section 2101
 18 of title 46, United States Code), or

19 “(II) at a facility for the proc-
 20 essing of fish for commercial use or
 21 consumption which—

22 “(aa) is located in the
 23 United States north of 50 degrees
 24 north latitude, and

25 “(bb) is not located in a met-
 26 ropolitan statistical area (within

1 the meaning of section
2 143(k)(2)(B)), or”.

3 (c) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to amounts paid or incurred after De-*
5 *cember 31, 2025.*

6 **SEC. 70306. INCREASED DOLLAR LIMITATIONS FOR EXPENS-**
7 **ING OF CERTAIN DEPRECIABLE BUSINESS AS-**
8 **SETS.**

9 (a) *IN GENERAL.*—*Section 179(b) is amended—*
10 (1) *in paragraph (1), by striking “\$1,000,000”*
11 *and inserting “\$2,500,000”, and*
12 (2) *in paragraph (2), by striking “\$2,500,000”*
13 *and inserting “\$4,000,000”.*

14 (b) *CONFORMING AMENDMENTS.*—*Section*
15 *179(b)(6)(A) is amended—*
16 (1) *by inserting “(2025 in the case of the dollar*
17 *amounts in paragraphs (1) and (2))” after “In the*
18 *case of any taxable year beginning after 2018”, and*
19 (2) *in clause (ii), by striking “determined by*
20 *substituting ‘calendar year 2017’ for ‘calendar year*
21 *2016’ in subparagraph (A)(ii) thereof.” and inserting*
22 *”determined by substituting in subparagraph (A)(ii)*
23 *thereof— “*

1 “(I) in the case of amounts in
2 paragraphs (1) and (2), ‘calendar year
3 2024’ for ‘calendar year 2016’, and

4 “(II) in the case of the amount in
5 paragraph (5)(A), ‘calendar year 2017’
6 for ‘calendar year 2016’.”.

7 (c) *EFFECTIVE DATE.*—The amendments made by this
8 section shall apply to property placed in service in taxable
9 years beginning after December 31, 2024.

10 **SEC. 70307. SPECIAL DEPRECIATION ALLOWANCE FOR**
11 **QUALIFIED PRODUCTION PROPERTY.**

12 (a) *IN GENERAL.*—Section 168 is amended by adding
13 at the end the following new subsection:

14 “(n) *SPECIAL ALLOWANCE FOR QUALIFIED PRODUC-*
15 *TION PROPERTY.*—

16 “(1) *IN GENERAL.*—In the case of any qualified
17 production property of a taxpayer making an election
18 under this subsection—

19 “(A) the depreciation deduction provided by
20 section 167(a) for the taxable year in which such
21 property is placed in service shall include an al-
22 lowance equal to 100 percent of the adjusted
23 basis of the qualified production property, and

24 “(B) the adjusted basis of the qualified pro-
25 duction property shall be reduced by the amount

1 *of such deduction before computing the amount*
 2 *otherwise allowable as a depreciation deduction*
 3 *under this chapter for such taxable year and any*
 4 *subsequent taxable year.*

5 “(2) *QUALIFIED PRODUCTION PROPERTY.—For*
 6 *purposes of this subsection—*

7 “(A) *IN GENERAL.—The term ‘qualified*
 8 *production property’ means that portion of any*
 9 *nonresidential real property—*

10 “(i) *to which this section applies,*

11 “(ii) *which is used by the taxpayer as*
 12 *an integral part of a qualified production*
 13 *activity,*

14 “(iii) *which is placed in service in the*
 15 *United States or any possession of the*
 16 *United States,*

17 “(iv) *the original use of which com-*
 18 *mences with the taxpayer,*

19 “(v) *the construction of which begins*
 20 *after January 19, 2025, and before January*
 21 *1, 2029,*

22 “(vi) *which is designated by the tax-*
 23 *payer in the election made under this sub-*
 24 *section, and*

1 “(vii) *which is placed in service before*
2 *January 1, 2031.*

3 *For purposes of clause (ii), in the case of prop-*
4 *erty with respect to which the taxpayer is a les-*
5 *sor, property used by a lessee shall not be consid-*
6 *ered to be used by the taxpayer as part of a*
7 *qualified production activity.*

8 “(B) *SPECIAL RULE FOR CERTAIN PROP-*
9 *ERTY NOT PREVIOUSLY USED IN QUALIFIED PRO-*
10 *DUCTION ACTIVITIES.—*

11 “(i) *IN GENERAL.—In the case of prop-*
12 *erty acquired by the taxpayer during the*
13 *period described in subparagraph (A)(v),*
14 *the requirements of clauses (iv) and (v) of*
15 *subparagraph (A) shall be treated as satis-*
16 *fied if—*

17 “(I) *such property was not used*
18 *in a qualified production activity (de-*
19 *termined without regard to the second*
20 *sentence of subparagraph (D)) by any*
21 *person at any time during the period*
22 *beginning on January 1, 2021, and*
23 *ending on May 12, 2025,*

1 “(II) *such property was not used*
2 *by the taxpayer at any time prior to*
3 *such acquisition, and*

4 “(III) *the acquisition of such*
5 *property meets the requirements of*
6 *paragraphs (2)(A), (2)(B), (2)(C), and*
7 *(3) of section 179(d).*

8 “(ii) *WRITTEN BINDING CONTRACTS.—*
9 *For purposes of determining under clause*
10 *(i)—*

11 “(I) *whether such property is ac-*
12 *quired before the period described in*
13 *subparagraph (A)(v), such property*
14 *shall be treated as acquired not later*
15 *than the date on which the taxpayer*
16 *enters into a written binding contract*
17 *for such acquisition, and*

18 “(II) *whether such property is ac-*
19 *quired after such period, such property*
20 *shall be treated as acquired not earlier*
21 *than such date.*

22 “(C) *EXCLUSION OF OFFICE SPACE, ETC.—*
23 *The term ‘qualified production property’ shall*
24 *not include that portion of any nonresidential*
25 *real property which is used for offices, adminis-*

1 *trative services, lodging, parking, sales activities,*
 2 *research activities, software development or engi-*
 3 *neering activities, or other functions unrelated to*
 4 *the manufacturing, production, or refining of*
 5 *tangible personal property.*

6 “(D) *QUALIFIED PRODUCTION ACTIVITY.*—
 7 *The term ‘qualified production activity’ means*
 8 *the manufacturing, production, or refining of a*
 9 *qualified product. The activities of any taxpayer*
 10 *do not constitute manufacturing, production, or*
 11 *refining of a qualified product unless the activi-*
 12 *ties of such taxpayer result in a substantial*
 13 *transformation of the property comprising the*
 14 *product.*

15 “(E) *PRODUCTION.*—*The term ‘production’*
 16 *shall not include activities other than agricul-*
 17 *tural production and chemical production.*

18 “(F) *QUALIFIED PRODUCT.*—*The term*
 19 *‘qualified product’ means any tangible personal*
 20 *property if such property is not a food or bev-*
 21 *erage prepared in the same building as a retail*
 22 *establishment in which such property is sold.*

23 “(G) *SYNDICATION.*—*For purposes of sub-*
 24 *paragraph (A)(iv), rules similar to the rules of*
 25 *subsection (k)(2)(E)(iii) shall apply.*

1 “(H) *EXTENSION OF PLACED IN SERVICE*
2 *DATE UNDER CERTAIN CIRCUMSTANCES.*—*The*
3 *Secretary may extend the date under subpara-*
4 *graph (A)(vii) with respect to any property that*
5 *meets the requirements of clauses (i) through (vi)*
6 *of subparagraph (A) if the Secretary determines*
7 *that an act of God (as defined in section 101(1)*
8 *of the Comprehensive Environmental Response,*
9 *Compensation, and Liability Act of 1980) pre-*
10 *vents the taxpayer from placing such property in*
11 *service before such date.*

12 “(3) *DEDUCTION ALLOWED IN COMPUTING MIN-*
13 *IMUM TAX.*—*For purposes of determining alternative*
14 *minimum taxable income under section 55, the deduc-*
15 *tion under section 167 for qualified production prop-*
16 *erty shall be determined under this section without re-*
17 *gard to any adjustment under section 56.*

18 “(4) *COORDINATION WITH CERTAIN OTHER PRO-*
19 *VISIONS.*—

20 “(A) *OTHER SPECIAL DEPRECIATION AL-*
21 *LOWANCES.*—*For purposes of subsections (k)(7),*
22 *(l)(3)(D), and (m)(2)(B)(iii)—*

23 “(i) *qualified production property*
24 *shall be treated as a separate class of prop-*
25 *erty, and*

1 “(ii) the taxpayer shall be treated as
2 having made an election under such sub-
3 sections with respect to such class.

4 “(B) *ALTERNATIVE DEPRECIATION PROP-*
5 *ERTY.*—The term ‘qualified production property’
6 shall not include any property to which the al-
7 ternative depreciation system under subsection
8 (g) applies. For purposes of subsection (g)(7)(A),
9 qualified production property to which this sub-
10 section applies shall be treated as separate non-
11 residential real property.

12 “(5) *RECAPTURE.*—If, at any time during the
13 10-year period beginning on the date that any quali-
14 fied production property is placed in service by the
15 taxpayer, such property ceases to be used as described
16 in paragraph (2)(A)(ii) and is used by the taxpayer
17 in a productive use not described in paragraph
18 (2)(A)(ii)—

19 “(A) section 1245 shall be applied—

20 “(i) by treating such property as hav-
21 ing been disposed of by the taxpayer as of
22 the first time such property is so used in a
23 productive use not described in paragraph
24 (2)(A)(ii), and

1 “(ii) by treating the amount described
2 in subparagraph (B) of section 1245(a)(1)
3 with respect to such disposition as being not
4 less than the amount described in subpara-
5 graph (A) of such section, and

6 “(B) the basis of the taxpayer in such prop-
7 erty, and the taxpayer’s allowance for deprecia-
8 tion with respect to such property, shall be ap-
9 propriately adjusted to take into account
10 amounts recognized by reason of subparagraph
11 (A).

12 “(6) *ELECTION*.—

13 “(A) *IN GENERAL*.—An election under this
14 subsection for any taxable year shall—

15 “(i) specify the nonresidential real
16 property subject to the election and the por-
17 tion of such property designated under
18 paragraph (2)(A)(vi), and

19 “(ii) except as otherwise provided by
20 the Secretary, be made on the taxpayer’s re-
21 turn of the tax imposed by this chapter for
22 the taxable year.

23 Such election shall be made in such manner as
24 the Secretary may prescribe by regulations or
25 other guidance.

1 “(B) *ELECTION*.—Any election made under
 2 this subsection, and any specification contained
 3 in any such election, may not be revoked except
 4 with the consent of the Secretary (and the Sec-
 5 retary shall provide such consent only in ex-
 6 traordinary circumstances).

7 “(7) *REGULATIONS*.—The Secretary shall issue
 8 such regulations or other guidance as may be nec-
 9 essary or appropriate to carry out the purposes of
 10 this subsection, including regulations or other guid-
 11 ance—

12 “(A) providing rules for regarding what
 13 constitutes substantial transformation of prop-
 14 erty which are consistent with guidance provided
 15 under section 954(d), and

16 “(B) providing for the application of para-
 17 graph (5) with respect to a change in use de-
 18 scribed in such paragraph by a transferee fol-
 19 lowing a fully or partially tax free transfer of
 20 qualified production property.”.

21 (b) *TREATMENT OF QUALIFIED PRODUCTION PROP-*
 22 *ERTY AS SECTION 1245 PROPERTY*.—Section 1245(a)(3) is
 23 amended by striking “or” at the end of subparagraph (E),
 24 by striking the period at the end of subparagraph (F) and

1 inserting “, or”, and by adding at the end the following
 2 new subparagraph:

3 “(G) any qualified production property (as
 4 defined in section 168(n)(2)).”.

5 (c) *EFFECTIVE DATE.*—The amendments made by this
 6 section shall apply to property placed in service after the
 7 date of the enactment of this Act.

8 **SEC. 70308. ENHANCEMENT OF ADVANCED MANUFAC-**
 9 **TURING INVESTMENT CREDIT.**

10 (a) *IN GENERAL.*—Section 48D(a) is amended by
 11 striking “25 percent” and inserting “35 percent”.

12 (b) *EFFECTIVE DATE.*—The amendments made by this
 13 section shall apply to property placed in service after De-
 14 cember 31, 2025.

15 **SEC. 70309. SPACEPORTS ARE TREATED LIKE AIRPORTS**
 16 **UNDER EXEMPT FACILITY BOND RULES.**

17 (a) *IN GENERAL.*—Section 142(a)(1) is amended to
 18 read as follows:

19 “(1) airports and spaceports,”.

20 (b) *TREATMENT OF GROUND LEASES.*—Section
 21 142(b)(1) is amended by adding at the end the following
 22 new subparagraph:

23 “(C) *SPECIAL RULE FOR SPACEPORT*
 24 *GROUND LEASES.*—For purposes of subpara-
 25 graph (A), spaceport property located on land

1 *leased by a governmental unit from the United*
 2 *States shall not fail to be treated as owned by a*
 3 *governmental unit if the requirements of this*
 4 *paragraph are met by the lease and any sub-*
 5 *leases of the property.”.*

6 (c) *DEFINITION OF SPACEPORT.*—Section 142 is
 7 *amended by adding at the end the following new subsection:*

8 “(p) *SPACEPORT.*—

9 “(1) *IN GENERAL.*—For purposes of subsection
 10 (a)(1), the term ‘spaceport’ means any facility located
 11 at or in close proximity to a launch site or reentry
 12 site used for—

13 “(A) *manufacturing, assembling, or repair-*
 14 *ing spacecraft, space cargo, other facilities de-*
 15 *scribed in this paragraph, or any component of*
 16 *the foregoing,*

17 “(B) *flight control operations,*

18 “(C) *providing launch services and reentry*
 19 *services, or*

20 “(D) *transferring crew, spaceflight partici-*
 21 *pants, or space cargo to or from spacecraft.*

22 “(2) *ADDITIONAL TERMS.*—For purposes of
 23 paragraph (1)—

24 “(A) *SPACE CARGO.*—The term ‘space cargo’
 25 *includes satellites, scientific experiments, other*

1 *property transported into space, and any other*
 2 *type of payload, whether or not such property re-*
 3 *turns from space.*

4 “(B) *SPACECRAFT.*—*The term ‘spacecraft’*
 5 *means a launch vehicle or a reentry vehicle.*

6 “(C) *OTHER TERMS.*—*The terms ‘launch*
 7 *site’, ‘crew’, ‘space flight participant’, ‘launch*
 8 *services’, ‘launch vehicle’, ‘payload’, ‘reentry*
 9 *services’, ‘reentry site’, a ‘reentry vehicle’ shall*
 10 *have the respective meanings given to such terms*
 11 *by section 50902 of title 51, United States Code*
 12 *(as in effect on the date of enactment of this sub-*
 13 *section).*

14 “(3) *PUBLIC USE REQUIREMENT.*—*A facility*
 15 *shall not be required to be available for use by the*
 16 *general public to be treated as a spaceport for pur-*
 17 *poses of this section.*

18 “(4) *MANUFACTURING FACILITIES AND INDUS-*
 19 *TRIAL PARKS ALLOWED.*—*With respect to spaceports,*
 20 *subsection (c)(2)(E) shall not apply to spaceport*
 21 *property described in paragraph (1)(A).”.*

22 “(d) *EXCEPTION FROM FEDERALLY GUARANTEED*
 23 *BOND PROHIBITION.*—*Section 149(b)(3) is amended by*
 24 *adding at the end the following new subparagraph:*

1 “(F) *EXCEPTION FOR SPACEPORTS.*—A
 2 *bond shall not be treated as federally guaranteed*
 3 *merely because of the payment of rent, user fees,*
 4 *or other charges by the United States (or any*
 5 *agency or instrumentality thereof) in exchange*
 6 *for the use of the spaceport by the United States*
 7 *(or any agency or instrumentality thereof).”.*

8 (e) *CONFORMING AMENDMENT.*—*The heading for sec-*
 9 *tion 142(c) is amended by inserting “SPACEPORTS,” after*
 10 *“AIRPORTS,”.*

11 (f) *EFFECTIVE DATE.*—*The amendments made by this*
 12 *section shall apply to obligations issued after the date of*
 13 *the enactment of this Act.*

14 ***Subchapter B—Permanent America-first***

15 ***International Tax Reforms***

16 ***PART I—FOREIGN TAX CREDIT***

17 ***SEC. 70311. MODIFICATIONS RELATED TO FOREIGN TAX***
 18 ***CREDIT LIMITATION.***

19 (a) *RULES FOR ALLOCATION OF CERTAIN DEDUC-*
 20 *TIONS TO FOREIGN SOURCE NET CFC TESTED INCOME FOR*
 21 *PURPOSES OF FOREIGN TAX CREDIT LIMITATION.*—*Section*
 22 *904(b) is amended by adding at the end the following new*
 23 *paragraph:*

24 “(5) *DEDUCTIONS TREATED AS ALLOCABLE TO*
 25 *FOREIGN SOURCE NET CFC TESTED INCOME.*—*Solely*

1 *for purposes of the application of subsection (a) with*
 2 *respect to amounts described in subsection (d)(1)(A),*
 3 *the taxpayer’s taxable income from sources without*
 4 *the United States shall be determined by allocating*
 5 *and apportioning—*

6 *“(A) any deduction allowed under section*
 7 *250(a)(1)(B) (and any deduction allowed under*
 8 *section 164(a)(3) for taxes imposed on amounts*
 9 *described in section 250(a)(1)(B)) to such in-*
 10 *come,*

11 *“(B) no amount of interest expense or re-*
 12 *search and experimental expenditures to such in-*
 13 *come, and*

14 *“(C) any other deduction to such income*
 15 *only if such deduction is directly allocable to*
 16 *such income.*

17 *Any amount or deduction which would (but for sub-*
 18 *paragraphs (B) and (C)) have been allocated or ap-*
 19 *portioned to such income shall only be allocated or*
 20 *apportioned to income which is from sources within*
 21 *the United States.”.*

22 ***(b) OTHER MODIFICATIONS.—***

23 *(1) Section 904(d)(2)(H)(i) is amended by strik-*
 24 *ing “paragraph (1)(B)” and inserting “paragraph*
 25 *(1)(D)”.*

1 (2) *Section 904(d)(4)(C)(ii) is amended by strik-*
 2 *ing “paragraph (1)(A)” and inserting “paragraph*
 3 *(1)(C)”.*

4 (3) *Section 951A(f)(1)(A) is amended by striking*
 5 *“904(h)(1)” and inserting “904(h)”.*

6 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 7 *section shall apply to taxable years beginning after Decem-*
 8 *ber 31, 2025.*

9 **SEC. 70312. MODIFICATIONS TO DETERMINATION OF**
 10 **DEEMED PAID CREDIT FOR TAXES PROPERLY**
 11 **ATTRIBUTABLE TO TESTED INCOME.**

12 (a) *INCREASE IN DEEMED PAID CREDIT.*—

13 (1) *IN GENERAL.*—*Section 960(d)(1) is amended*
 14 *by striking “80 percent” and inserting “90 percent”.*

15 (2) *GROSS UP FOR DEEMED PAID FOREIGN TAX*
 16 *CREDIT.*—*Section 78 is amended—*

17 (A) *by striking “subsections (a), (b), and*
 18 *(d)” and inserting “subsections (a) and (d)”,*
 19 *and*

20 (B) *by striking “80 percent” and inserting*
 21 *“90 percent”.*

22 (b) *DISALLOWANCE OF FOREIGN TAX CREDIT WITH*
 23 *RESPECT TO DISTRIBUTIONS OF PREVIOUSLY TAXED NET*
 24 *CFC TESTED INCOME.*—*Section 960(d) is amended by add-*
 25 *ing at the end the following new paragraph:*

1 “(4) *DISALLOWANCE OF FOREIGN TAX CREDIT*
2 *WITH RESPECT TO DISTRIBUTIONS OF PREVIOUSLY*
3 *TAXED NET CFC TESTED INCOME.*—No credit shall be
4 allowed under section 901 for 10 percent of any for-
5 eign income taxes paid or accrued (or deemed paid
6 under subsection (b)(1)) with respect to any amount
7 excluded from gross income under section 959(a) by
8 reason of an inclusion in gross income under section
9 951A(a).”.

10 (c) *EFFECTIVE DATES.*—

11 (1) *IN GENERAL.*—The amendments made by
12 subsection (a) shall apply to taxable years beginning
13 after December 31, 2025.

14 (2) *DISALLOWANCE.*—The amendment made by
15 subsection (b) shall apply to foreign income taxes
16 paid or accrued (or deemed paid under section
17 960(b)(1) of the Internal Revenue Code of 1986) with
18 respect to any amount excluded from gross income
19 under section 959(a) of such Code by reason of an in-
20 clusion in gross income under section 951A(a) of such
21 Code after June 28, 2025.

1 **SEC. 70313. SOURCING CERTAIN INCOME FROM THE SALE**
 2 **OF INVENTORY PRODUCED IN THE UNITED**
 3 **STATES.**

4 (a) *IN GENERAL.*—Section 904(b), as amended by sec-
 5 tion 70311, is amended by adding at the end the following
 6 new paragraph:

7 “(6) *SOURCE RULES FOR CERTAIN INVENTORY*
 8 *PRODUCED IN THE UNITED STATES AND SOLD*
 9 *THROUGH FOREIGN BRANCHES.*—For purposes of this
 10 section, if a United States person maintains an office
 11 or other fixed place of business in a foreign country
 12 (determined under rules similar to the rules of section
 13 864(c)(5)), the portion of income which—

14 “(A) *is from the sale or exchange outside the*
 15 *United States of inventory property (within the*
 16 *meaning of section 865(i)(1))—*

17 “(i) *which is produced in the United*
 18 *States,*

19 “(ii) *which is for use outside the*
 20 *United States, and*

21 “(iii) *to which the third sentence of*
 22 *section 863(b) applies, and*

23 “(B) *is attributable (determined under rules*
 24 *similar to the rules of section 864(c)(5)) to such*
 25 *office or other fixed place of business,*

1 *shall be treated as from sources without the United*
 2 *States, except that the amount so treated shall not ex-*
 3 *ceed 50 percent of the income from the sale or ex-*
 4 *change of such inventory property.”.*

5 *(b) EFFECTIVE DATE.—The amendment made by this*
 6 *section shall apply to taxable years beginning after Decem-*
 7 *ber 31, 2025.*

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

10 ***SEC. 70321. MODIFICATION OF DEDUCTION FOR FOREIGN-***
 11 ***DERIVED DEDUCTION ELIGIBLE INCOME AND***
 12 ***NET CFC TESTED INCOME.***

13 *(a) IN GENERAL.—Section 250(a) is amended—*
 14 *(1) by striking “37.5 percent” in paragraph*
 15 *(1)(A) and inserting “33.34 percent”,*
 16 *(2) by striking “50 percent” in paragraph*
 17 *(1)(B) and inserting “40 percent”, and*
 18 *(3) by striking paragraph (3).*

19 *(b) EFFECTIVE DATE.—The amendments made by this*
 20 *section shall apply to taxable years beginning after Decem-*
 21 *ber 31, 2025.*

22 ***SEC. 70322. DETERMINATION OF DEDUCTION ELIGIBLE IN-***
 23 ***COME.***

24 *(a) SALES OR OTHER DISPOSITIONS OF CERTAIN*
 25 *PROPERTY.—*

1 (1) *IN GENERAL.*—Section 250(b)(3)(A)(i) is
2 *amended—*

3 (A) *by striking “and” at the end of sub-*
4 *clause (V),*

5 (B) *by striking “over” at the end of sub-*
6 *clause (VI) and inserting “and”, and*

7 (C) *by adding at the end the following new*
8 *subclause:*

9 “(VII) *except as otherwise pro-*
10 *vided by the Secretary, any income*
11 *and gain from the sale or other dis-*
12 *position (including pursuant to the*
13 *deemed sale or other deemed disposi-*
14 *tion or a transaction subject to section*
15 *367(d)) of—*

16 “(aa) *intangible property (as*
17 *defined in section 367(d)(4)), and*

18 “(bb) *any other property of a*
19 *type that is subject to deprecia-*
20 *tion, amortization, or depletion by*
21 *the seller, over”.*

22 (2) *CONFORMING AMENDMENT.*—Section
23 250(b)(5)(E) *is amended by inserting “(other than*
24 *paragraph (3)(A)(i)(VII))” after “For purposes of*
25 *this subsection”.*

1 (3) *EFFECTIVE DATE.*—*The amendments made*
 2 *by this subsection shall apply to sales or other dis-*
 3 *positions (including pursuant to deemed sales or other*
 4 *deemed dispositions or a transaction subject to section*
 5 *367(d) of the Internal Revenue Code of 1986) occur-*
 6 *ring after June 16, 2025.*

7 (b) *EXPENSE APPORTIONMENT LIMITED TO PROPERLY*
 8 *ALLOCABLE EXPENSES.*—

9 (1) *IN GENERAL.*—*Section 250(b)(3)(A)(ii) is*
 10 *amended to read as follows:*

11 “(ii) *expenses and deductions (includ-*
 12 *ing taxes), other than interest expense and*
 13 *research or experimental expenditures,*
 14 *properly allocable to such gross income.”.*

15 (2) *EFFECTIVE DATE.*—*The amendment made by*
 16 *this subsection shall apply to taxable years beginning*
 17 *after December 31, 2025.*

18 **SEC. 70323. RULES RELATED TO DEEMED INTANGIBLE IN-**
 19 **COME.**

20 (a) *TAXATION OF NET CFC TESTED INCOME.*—

21 (1) *IN GENERAL.*—*Section 951A(a) is amended*
 22 *by striking “global intangible low-taxed income” and*
 23 *inserting “net CFC tested income”.*

24 (2) *REPEAL OF TAX-FREE DEEMED RETURN ON*
 25 *FOREIGN INVESTMENTS.*—*Section 951A, as amended*

1 *by the preceding provisions of this Act, is amended by*
 2 *striking subsections (b) and (d) and by redesignating*
 3 *subsections (c), (e), and (f) as subsections (b), (c), and*
 4 *(d), respectively.*

5 (3) *CONFORMING AMENDMENTS.—*

6 (A)(i) *Section 250 is amended by striking*
 7 *“global intangible low-taxed income” each place*
 8 *it appears in subsections (a)(1)(B)(i), (a)(2),*
 9 *and (b)(3)(A)(i)(II) and inserting “net CFC test-*
 10 *ed income”.*

11 (ii) *The heading for section 250 of such*
 12 *Code is amended by striking “**GLOBAL INTAN-***
 13 ***GIBLE LOW-TAXED INCOME**” and inserting*
 14 *“**NET CFC TESTED INCOME**”.*

15 (iii) *The item relating to section 250 in the*
 16 *table of sections for part VII of subchapter B of*
 17 *chapter 1 of such Code is amended by striking*
 18 *“global intangible low-taxed income” and insert-*
 19 *ing “net CFC tested income”.*

20 (B) *Section 951A(c)(1), as redesignated by*
 21 *paragraph (2), is amended by striking “sub-*
 22 *sections (b), (c)(1)(A), and (c)(1)(B)” and insert-*
 23 *ing “subsections (b)(1)(A) and (b)(1)(B)”.*

24 (C) *Section 951A(d), as redesignated by*
 25 *paragraph (2), is amended—*

1 (i) by striking “global intangible low-
2 taxed income” each place it appears and in-
3 serting “net CFC tested income”, and

4 (ii) by striking “subsection (c)(1)(A)”
5 in paragraph (2)(B)(ii) and inserting “sub-
6 section (b)(1)(A)”.

7 (D) Section 960(d)(2) is amended—

8 (i) by striking “global intangible low-
9 taxed income” in subparagraph (A) and in-
10 serting “net CFC tested income”, and

11 (ii) by striking “section
12 951A(c)(1)(A)” in subparagraph (B) and
13 inserting “section 951A(b)(1)(A)”.

14 (E)(i) The heading for section 951A is
15 amended by striking “**GLOBAL INTANGIBLE**
16 **LOW-TAXED INCOME**” and inserting “**NET**
17 **CFC TESTED INCOME**”.

18 (ii) The item relating to section 951A in the
19 table of sections for subpart F of part III of sub-
20 chapter N of chapter 1 is amended by striking
21 “Global intangible low-taxed income” and insert-
22 ing “Net CFC tested income”.

23 (b) DEDUCTION FOR FOREIGN-DERIVED DEDUCTION
24 ELIGIBLE INCOME.—

1 (1) *IN GENERAL.*—Section 250(a)(1)(A) is
 2 amended by striking “foreign-derived intangible in-
 3 come” and inserting “foreign-derived deduction eligi-
 4 ble income”.

5 (2) *CONFORMING AMENDMENTS.*—

6 (A) Section 250(a)(2) is amended by strik-
 7 ing “foreign-derived intangible income” each
 8 place it appears and inserting “foreign-derived
 9 deduction eligible income”.

10 (B) Section 250(b), as amended by sub-
 11 section (a), is amended—

12 (i) by striking paragraphs (1) and (2),

13 (ii) by redesignating paragraphs (4)
 14 and (5) as paragraphs (1) and (2), respec-
 15 tively, and by moving such paragraphs be-
 16 fore paragraph (3),

17 (iii) in paragraph (2)(B)(ii), as so re-
 18 designated, by striking “paragraph (4)(B)”
 19 and inserting “paragraph (1)(B)”, and

20 (iv) by striking “**INTANGIBLE**” in the
 21 heading thereof and inserting “**DEDUCTION**
 22 **ELIGIBLE**”.

23 (C)(i) The heading for section 250 is
 24 amended by striking “**INTANGIBLE**” in the

1 heading thereof and inserting “**DEDUCTION EL-**
 2 **IGIBLE**”.

3 (ii) The heading for section 172(d)(9) is
 4 amended by striking “INTANGIBLE” and insert-
 5 ing “DEDUCTION ELIGIBLE”.

6 (iii) The item relating to section 250 in the
 7 table of sections for part VIII of subchapter B of
 8 chapter 1 is amended by striking “intangible”
 9 and inserting “deduction eligible”.

10 (c) **EFFECTIVE DATE.**—The amendments made by this
 11 section shall apply to taxable years beginning after Decem-
 12 ber 31, 2025.

13 **PART III—BASE EROSION MINIMUM TAX**

14 **SEC. 70331. EXTENSION AND MODIFICATION OF BASE ERO-** 15 **SION MINIMUM TAX AMOUNT.**

16 (a) **IN GENERAL.**—Section 59A(b) is amended—

17 (1) by striking “10 percent” in paragraph (1)
 18 and inserting “10.5 percent”, and

19 (2) by striking paragraph (2) and by redesign-
 20 ating paragraphs (3) and (4) as paragraphs (2) and
 21 (3), respectively.

22 (b) **CONFORMING AMENDMENTS.**—

23 (1) Section 59A(b)(1) is amended by striking
 24 “Except as provided in paragraphs (2) and (3)” and
 25 inserting “Except as provided in paragraph (2)”.

1 (2) *Section 59A(b)(2), as redesignated by sub-*
 2 *section (a)(2), is amended by striking “the percentage*
 3 *otherwise in effect under paragraphs (1)(A) and*
 4 *(2)(A) shall each be increased” and inserting “the*
 5 *percentages otherwise in effect under paragraph*
 6 *(1)(A) shall be increased”.*

7 (3) *Section 59A(e)(1)(C) is amended by striking*
 8 *“in the case of a taxpayer described in subsection*
 9 *(b)(3)(B)” and inserting “in the case of a taxpayer*
 10 *described in subsection (b)(2)(B)”.*

11 (c) *OTHER MODIFICATIONS.—*

12 (1) *Section 59A(b)(2)(B)(ii), as redesignated by*
 13 *subsection (a)(2), is amended by striking “registered*
 14 *securities dealer” and inserting “securities dealer reg-*
 15 *istered”.*

16 (2) *Section 59A(h)(2)(B) is amended by striking*
 17 *“section 6038B(b)(2)” and inserting “section*
 18 *6038A(b)(2)”.*

19 (3) *Section 59A(i)(2) is amended—*

20 (A) *by striking “subsection (g)” and insert-*
 21 *ing “subsection (h)”, and*

22 (B) *by striking “subsection (g)(3)” and in-*
 23 *serting “subsection (h)(3)”.*

1 (d) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall apply to taxable years beginning after Decem-*
 3 *ber 31, 2025.*

4 ***PART IV—BUSINESS INTEREST LIMITATION***

5 ***SEC. 70341. COORDINATION OF BUSINESS INTEREST LIM-***
 6 ***TATION WITH INTEREST CAPITALIZATION***
 7 ***PROVISIONS.***

8 (a) *IN GENERAL.*—*Section 163(j) is amended by redes-*
 9 *ignating paragraphs (10) and (11) as paragraphs (11) and*
 10 *(12) and by inserting after paragraph (9) the following:*

11 “(10) *COORDINATION WITH INTEREST CAPITAL-*
 12 *IZATION PROVISIONS.*—

13 “(A) *IN GENERAL.*—*In applying this sub-*
 14 *section—*

15 “(i) *the limitation under paragraph*
 16 *(1) shall apply to business interest without*
 17 *regard to whether the taxpayer would other-*
 18 *wise deduct such business interest or cap-*
 19 *italize such business interest under an in-*
 20 *terest capitalization provision, and*

21 “(ii) *any reference in this subsection to*
 22 *a deduction for business interest shall be*
 23 *treated as including a reference to the cap-*
 24 *italization of business interest.*

1 “(B) *AMOUNT ALLOWED APPLIED FIRST TO*
 2 *CAPITALIZED INTEREST.—The amount allowed*
 3 *after taking into account the limitation described*
 4 *in paragraph (1)—*

5 “(i) *shall be applied first to the aggre-*
 6 *gate amount of business interest which*
 7 *would otherwise be capitalized, and*

8 “(ii) *the remainder (if any) shall be*
 9 *applied to the aggregate amount of business*
 10 *interest which would be deducted.*

11 “(C) *TREATMENT OF DISALLOWED INTER-*
 12 *EST CARRIED FORWARD.—No portion of any*
 13 *business interest carried forward under para-*
 14 *graph (2) from any taxable year to any suc-*
 15 *ceeding taxable year shall, for purposes of this*
 16 *title (including any interest capitalization provi-*
 17 *sion which previously applied to such portion) be*
 18 *treated as interest to which an interest capital-*
 19 *ization provision applies.*

20 “(D) *INTEREST CAPITALIZATION PROVI-*
 21 *SION.—For purposes of this section, the term ‘in-*
 22 *terest capitalization provision’ means any provi-*
 23 *sion of this subtitle under which interest—*

24 “(i) *is required to be charged to capital*
 25 *account, or*

1 “(ii) may be deducted or charged to
2 capital account.”.

3 (b) *CERTAIN CAPITALIZED INTEREST NOT TREATED*
4 *AS BUSINESS INTEREST.*—Section 163(j)(5) is amended by
5 adding at the end the following new sentence: “Such term
6 shall not include any interest which is capitalized under
7 section 263(g) or 263A(f).”.

8 (c) *REGULATORY AUTHORITY.*—Section 163(j), as
9 amended by subsection (a), is amended by redesignating
10 paragraphs (11) and (12) as paragraphs (12) and (13) and
11 by inserting after paragraph (10) the following:

12 “(11) *REGULATORY AUTHORITY.*—The Secretary
13 shall issue such regulations or guidance as may be
14 necessary or appropriate to carry out the purposes of
15 this subsection, including regulations or guidance to
16 determine which business interest is taken into ac-
17 count under this subsection and section 59A(c)(3).”.

18 (d) *EFFECTIVE DATE.*—The amendments made by this
19 section shall apply to taxable years beginning after Decem-
20 ber 31, 2025.

21 **SEC. 70342. DEFINITION OF ADJUSTED TAXABLE INCOME**
22 **FOR BUSINESS INTEREST LIMITATION.**

23 (a) *IN GENERAL.*—Subparagraph (A) of section
24 163(j)(8) is amended—

1 (1) *by striking “and” at the end of clause (iv),*
 2 *and*

3 (2) *by adding at the end the following new*
 4 *clause:*

5 “(vi) *the amounts included in gross in-*
 6 *come under sections 951(a), 951A(a), and*
 7 *78 (and the portion of the deductions al-*
 8 *lowed under sections 245A(a) (by reason of*
 9 *section 964(e)(4)) and 250(a)(1)(B) by rea-*
 10 *son of such inclusions), and”.*

11 (b) *EFFECTIVE DATE.—The amendments made by this*
 12 *section shall apply to taxable years beginning after Decem-*
 13 *ber 31, 2025.*

14 **PART V—OTHER INTERNATIONAL TAX REFORMS**

15 **SEC. 70351. PERMANENT EXTENSION OF LOOK-THRU RULE**
 16 **FOR RELATED CONTROLLED FOREIGN COR-**
 17 **PORATIONS.**

18 (a) *IN GENERAL.—Section 954(c)(6)(C) is amended by*
 19 *striking “and before January 1, 2026,”.*

20 (b) *EFFECTIVE DATE.—The amendment made by this*
 21 *section shall apply to taxable years of foreign corporations*
 22 *beginning after December 31, 2025.*

1 **SEC. 70352. REPEAL OF ELECTION FOR 1-MONTH DEFERRAL**
 2 **IN DETERMINATION OF TAXABLE YEAR OF**
 3 **SPECIFIED FOREIGN CORPORATIONS.**

4 (a) *IN GENERAL.*—Section 898(c) is amended by strik-
 5 ing paragraph (2) and redesignating paragraph (3) as
 6 paragraph (2).

7 (b) *EFFECTIVE DATE.*—The amendments made by this
 8 section shall apply to taxable years of specified foreign cor-
 9 porations beginning after November 30, 2025.

10 (c) *TRANSITION RULE.*—

11 (1) *IN GENERAL.*—In the case of a corporation
 12 that is a specified foreign corporation as of November
 13 30, 2025, such corporation’s first taxable year begin-
 14 ning after such date shall end at the same time as the
 15 first required year (within the meaning of section
 16 898(c)(1) of the Internal Revenue Code of 1986) end-
 17 ing after such date. If any specified foreign corpora-
 18 tion is required by the amendments made by this sec-
 19 tion to change its taxable year for its first taxable
 20 year beginning after November 30, 2025—

21 (A) such change shall be treated as initiated
 22 by such corporation,

23 (B) such change shall be treated as having
 24 been made with the consent of the Secretary, and

25 (C) the Secretary shall issue regulations or
 26 other guidance for allocating foreign taxes that

1 are paid or accrued in such first taxable year
 2 and the succeeding taxable year among such tax-
 3 able years in the manner the Secretary deter-
 4 mines appropriate to carry out the purposes of
 5 this section.

6 (2) *SECRETARY.*—For purposes of this sub-
 7 section, the term “Secretary” means the Secretary of
 8 the Treasury or the Secretary’s delegate.

9 **SEC. 70353. RESTORATION OF LIMITATION ON DOWNWARD**
 10 **ATTRIBUTION OF STOCK OWNERSHIP IN AP-**
 11 **PLYING CONSTRUCTIVE OWNERSHIP RULES.**

12 (a) *IN GENERAL.*—Section 958(b) is amended—

13 (1) by inserting after paragraph (3) the fol-
 14 lowing:

15 “(4) Subparagraphs (A), (B), and (C) of section
 16 318(a)(3) shall not be applied so as to consider a
 17 United States person as owning stock which is owned
 18 by a person who is not a United States person.”, and

19 (2) by striking “Paragraph (1)” in the last sen-
 20 tence and inserting “Paragraphs (1) and (4)”.

21 (b) *FOREIGN CONTROLLED UNITED STATES SHARE-*
 22 *HOLDERS.*—Subpart F of part III of subchapter N of chap-
 23 ter 1 is amended by inserting after section 951A the fol-
 24 lowing new section:

1 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF**
 2 **FOREIGN CONTROLLED UNITED STATES**
 3 **SHAREHOLDERS.**

4 “(a) *IN GENERAL.*—*In the case of any foreign con-*
 5 *trolled United States shareholder of a foreign controlled for-*
 6 *ign corporation—*

7 “(1) *this subpart (other than sections 951A,*
 8 *951(b), and 957) shall be applied with respect to such*
 9 *shareholder (separately from, and in addition to, the*
 10 *application of this subpart without regard to this sec-*
 11 *tion)—*

12 “(A) *by substituting ‘foreign controlled*
 13 *United States shareholder’ for ‘United States*
 14 *shareholder’ each place it appears therein, and*

15 “(B) *by substituting ‘foreign controlled for-*
 16 *ign corporation’ for ‘controlled foreign corpora-*
 17 *tion’ each place it appears therein, and*

18 “(2) *section 951A (and such other provisions of*
 19 *this subpart as provided by the Secretary) shall be*
 20 *applied with respect to such shareholder—*

21 “(A) *by treating each reference to ‘United*
 22 *States shareholder’ in such section as including*
 23 *a reference to such shareholder, and*

24 “(B) *by treating each reference to ‘con-*
 25 *trolled foreign corporation’ in such section as in-*

1 *cluding a reference to such foreign controlled for-*
 2 *ign corporation.*

3 “(b) *FOREIGN CONTROLLED UNITED STATES SHARE-*
 4 *HOLDER.*—*For purposes of this section, the term ‘foreign*
 5 *controlled United States shareholder’ means, with respect*
 6 *to any foreign corporation, any United States person which*
 7 *would be a United States shareholder with respect to such*
 8 *foreign corporation if—*

9 “(1) *section 951(b) were applied by substituting*
 10 *‘more than 50 percent’ for ‘10 percent or more’, and*
 11 “(2) *section 958(b) were applied without regard*
 12 *to paragraph (4) thereof.*

13 “(c) *FOREIGN CONTROLLED FOREIGN CORPORA-*
 14 *TION.*—*For purposes of this section, the term ‘foreign con-*
 15 *trolled foreign corporation’ means a foreign corporation,*
 16 *other than a controlled foreign corporation, which would*
 17 *be a controlled foreign corporation if section 957(a) were*
 18 *applied—*

19 “(1) *by substituting ‘foreign controlled United*
 20 *States shareholders’ for ‘United States shareholders’,*
 21 *and*

22 “(2) *by substituting ‘section 958(b) (other than*
 23 *paragraph (4) thereof)’ for ‘section 958(b)’.*

24 “(d) *REGULATIONS.*—*The Secretary shall prescribe*
 25 *such regulations or other guidance as may be necessary or*

1 *appropriate to carry out the purposes of this section, in-*
 2 *cluding regulations or other guidance—*

3 “(1) *to treat a foreign controlled United States*
 4 *shareholder or a foreign controlled foreign corporation*
 5 *as a United States shareholder or as a controlled for-*
 6 *foreign corporation, respectively, for purposes of provi-*
 7 *sions of this title other than this subpart (including*
 8 *any reporting requirement), and*

9 “(2) *with respect to the treatment of foreign con-*
 10 *trolled foreign corporations that are passive foreign*
 11 *investment companies (as defined in section 1297).”.*

12 (c) *CLERICAL AMENDMENT.—The table of sections for*
 13 *subpart F of part III of subchapter N of chapter 1 is*
 14 *amended by inserting after the item relating to section 951A*
 15 *the following new item:*

“Sec. 951B. Amounts included in gross income of foreign controlled United States shareholders.”.

16 (d) *EFFECTIVE DATE.—The amendments made by this*
 17 *section shall apply to taxable years of foreign corporations*
 18 *beginning after December 31, 2025.*

19 (e) *SPECIAL RULE.—*

20 (1) *IN GENERAL.—Except to the extent provided*
 21 *by the Secretary of the Treasury (or the Secretary’s*
 22 *delegate), the effective date of any amendment to the*
 23 *Internal Revenue Code of 1986 shall be applied by*
 24 *treating references to United States shareholders as*

1 *including references to foreign controlled United*
 2 *States shareholders, and by treating references to con-*
 3 *trolled foreign corporations as including references to*
 4 *foreign controlled foreign corporations.*

5 (2) *DEFINITIONS.*—*Any term used in paragraph*
 6 (1) *which is used in subpart F of part III of sub-*
 7 *chapter N of chapter 1 of the Internal Revenue Code*
 8 *of 1986 (as amended by this section) shall have the*
 9 *meaning given such term in such subpart.*

10 (f) *NO INFERENCE.*—*The amendments made by this*
 11 *section shall not be construed to create any inference with*
 12 *respect to the proper application of any provision of the*
 13 *Internal Revenue Code of 1986 with respect to taxable years*
 14 *beginning before the taxable years to which such amend-*
 15 *ments apply.*

16 **SEC. 70354. MODIFICATIONS TO PRO RATA SHARE RULES.**

17 (a) *IN GENERAL.*—*Subsection (a) of section 951 is*
 18 *amended to read as follows:*

19 “(a) *AMOUNTS INCLUDED.*—

20 “(1) *IN GENERAL.*—*If a foreign corporation is a*
 21 *controlled foreign corporation at any time during a*
 22 *taxable year of the foreign corporation (in this sub-*
 23 *section referred to as the ‘CFC year’)—*

24 “(A) *each United States shareholder which*
 25 *owns (within the meaning of section 958(a))*

1 *stock in such corporation on any day during the*
 2 *CFC year shall include in gross income such*
 3 *shareholder's pro rata share (determined under*
 4 *paragraph (2)) of the corporation's subpart F*
 5 *income for the CFC year, and*

6 *“(B) each United States shareholder which*
 7 *owns (within the meaning of section 958(a))*
 8 *stock in such corporation on the last day, in the*
 9 *CFC year, on which such corporation is a con-*
 10 *trolled foreign corporation shall include in gross*
 11 *income the amount determined under section 956*
 12 *with respect to such shareholder for the CFC*
 13 *year (but only to the extent not excluded from*
 14 *gross income under section 959(a)(2)).*

15 *“(2) PRO RATA SHARE OF SUBPART F INCOME.—*
 16 *A United States shareholder's pro rata share of a con-*
 17 *trolled foreign corporation's subpart F income for a*
 18 *CFC year shall be the portion of such income which*
 19 *is attributable to—*

20 *“(A) the stock of such corporation owned*
 21 *(within the meaning of section 958(a)) by such*
 22 *shareholder, and*

23 *“(B) any period of the CFC year during*
 24 *which—*

1 “(i) such shareholder owned (within
2 the meaning of section 958(a)) such stock,

3 “(ii) such shareholder was a United
4 States shareholder of such corporation, and

5 “(iii) such corporation was a con-
6 trolled foreign corporation.

7 “(3) TAXABLE YEAR OF INCLUSION.—Any
8 amount required to be included in gross income by a
9 United States shareholder under paragraph (1) with
10 respect to a CFC year shall be included in gross in-
11 come for the shareholder’s taxable year which includes
12 the last day on which the shareholder owns (within
13 the meaning of section 958(a)) stock in the controlled
14 foreign corporation during such CFC year.

15 “(4) REGULATORY AUTHORITY.—The Secretary
16 shall prescribe such regulations or other guidance as
17 may be necessary or appropriate to carry out the
18 purposes of this subsection, including regulations or
19 other guidance allowing taxpayers to elect, or requir-
20 ing taxpayers, to close the taxable year of a controlled
21 foreign corporation upon a direct or indirect disposi-
22 tion of stock of such corporation.”.

23 (b) COORDINATION WITH SECTION 951A.—

24 (1) TESTED INCOME.—Section 951A(b), as redes-
25 ignated by section 70323(a)(2), is amended—

1 (A) in paragraph (1)(A), by striking “(de-
 2 terminated for each taxable year of such controlled
 3 foreign corporation which ends in or with such
 4 taxable year of such United States shareholder)”,
 5 and

6 (B) in paragraph (1)(B), by striking “(de-
 7 terminated for each taxable year of such controlled
 8 foreign corporation which ends in or with such
 9 taxable year of such United States shareholder)”.

10 (2) *PRO RATA SHARE*.—Section 951A(c), as re-
 11 designated by section 70323(a)(2), is amended—

12 (A) in paragraph (1), by striking “in which
 13 or with which the taxable year of the controlled
 14 foreign corporation ends” and inserting “deter-
 15 mined under section 951(a)(3)”, and

16 (B) in paragraph (2), by striking “the last
 17 day in the taxable year of such foreign corpora-
 18 tion on which such foreign corporation is a con-
 19 trolled foreign corporation” and inserting “any
 20 day in such taxable year”.

21 (c) *EFFECTIVE DATES*.—

22 (1) *IN GENERAL*.—The amendments made by
 23 this section shall apply to taxable years of foreign cor-
 24 porations beginning after December 31, 2025.

1 (2) *TRANSITION RULE FOR DIVIDENDS.*—*Except*
2 *to the extent provided by the Secretary of the Treas-*
3 *ury (or the Secretary’s delegate), a dividend paid (or*
4 *deemed paid) by a controlled foreign corporation shall*
5 *not be treated as a dividend for purposes of applying*
6 *section 951(a)(2)(B) of the Internal Revenue Code of*
7 *1986 (as in effect before the amendments made by this*
8 *section) if—*

9 (A) *such dividend—*

10 (i) *was paid (or deemed paid) on or*
11 *before June 28, 2025, during the taxable*
12 *year of such controlled foreign corporation*
13 *which includes such date and the United*
14 *States shareholder described in section*
15 *951(a)(1) of such Code (as so in effect) did*
16 *not own (within the meaning of section*
17 *958(a) of such Code) the stock of such con-*
18 *trolled foreign corporation during the por-*
19 *tion of such taxable year on or before June*
20 *28, 2025, or*

21 (ii) *was paid (or deemed paid) after*
22 *June 28, 2025, and before such controlled*
23 *foreign corporation’s first taxable year be-*
24 *ginning after December 31, 2025, and*

1 *(B) such dividend does not increase the tax-*
 2 *able income of a United States person that is*
 3 *subject to Federal income tax for the taxable year*
 4 *(including by reason of a dividends received de-*
 5 *duction, an exclusion from gross income, or an*
 6 *exclusion from subpart F income).*

7 **CHAPTER 4—INVESTING IN AMERICAN**
 8 **FAMILIES, COMMUNITIES, AND SMALL**
 9 **BUSINESSES**

10 **Subchapter A—Permanent Investments in**
 11 **Families and Children**

12 **SEC. 70401. ENHANCEMENT OF EMPLOYER-PROVIDED**
 13 **CHILD CARE CREDIT.**

14 *(a) INCREASE OF AMOUNT OF QUALIFIED CHILD CARE*
 15 *EXPENDITURES TAKEN INTO ACCOUNT.—Section 45F(a)(1)*
 16 *is amended by striking “25 percent” and inserting “40 per-*
 17 *cent (50 percent in the case of an eligible 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 \$500,000*
 3 *and \$600,000 amounts in paragraph (1) shall each be*
 4 *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 year*
 8 *in which the taxable year begins, determined by*
 9 *substituting ‘calendar year 2025’ for ‘calendar*
 10 *year 2016’ in subparagraph (A)(ii) thereof.”.*

11 (c) *ELIGIBLE SMALL BUSINESS.*—*Section 45F(c) is*
 12 *amended by adding at the end the following new paragraph:*

13 “(4) *ELIGIBLE SMALL BUSINESS.*—*The term ‘eli-*
 14 *gible small business’ means a business that meets the*
 15 *gross receipts test of section 448(c), determined—*

16 “(A) *by substituting ‘5-taxable-year’ for ‘3-*
 17 *taxable-year’ in paragraph (1) thereof, and*

18 “(B) *by substituting ‘5-year’ for ‘3-year’ in*
 19 *paragraph (3)(A) thereof.”.*

20 (d) *CREDIT ALLOWED FOR THIRD-PARTY INTER-*
 21 *MEDIARIES.*—*Section 45F(c)(1)(A)(iii) is amended by in-*
 22 *serting “, or under a contract with an intermediate entity*
 23 *that contracts with one or more qualified child care facili-*
 24 *ties to provide such child care services” before the period*
 25 *at the end.*

1 (e) *TREATMENT OF JOINTLY OWNED OR OPERATED*
 2 *CHILD CARE FACILITY.*—Section 45F(c)(2) is amended by
 3 adding at the end the following new subparagraph:

4 “(C) *TREATMENT OF JOINTLY OWNED OR*
 5 *OPERATED CHILD CARE FACILITY.*—A facility
 6 shall not fail to be treated as a qualified child
 7 care facility of the taxpayer merely because such
 8 facility is jointly owned or operated by the tax-
 9 payer and other persons.”.

10 (f) *REGULATIONS AND GUIDANCE.*—Section 45F is
 11 amended by adding at the end the following new subsection:

12 “(g) *REGULATIONS AND GUIDANCE.*—The Secretary
 13 shall issue such regulations or other guidance as may be
 14 necessary to carry out the purposes of this section, including
 15 guidance to carry out the purposes of paragraphs
 16 (1)(A)(iii) and (2)(C) of subsection (c).”.

17 (g) *EFFECTIVE DATE.*—The amendments made by this
 18 section shall apply to amounts paid or incurred after De-
 19 cember 31, 2025.

20 **SEC. 70402. ENHANCEMENT OF ADOPTION CREDIT.**

21 (a) *IN GENERAL.*—Section 23(a) is amended by add-
 22 ing at the end the following new paragraph:

23 “(4) *PORTION OF CREDIT REFUNDABLE.*—So
 24 much of the credit allowed under paragraph (1) as
 25 does not exceed \$5,000 shall be treated as a credit al-

1 *lowed under subpart C and not as a credit allowed*
 2 *under this subpart.”.*

3 *(b) ADJUSTMENTS FOR INFLATION.—Section 23(h) is*
 4 *amended to read as follows:*

5 *“(h) ADJUSTMENTS FOR INFLATION.—*

6 *“(1) IN GENERAL.—In the case of a taxable year*
 7 *beginning after December 31, 2002, each of the dollar*
 8 *amounts in paragraphs (3) and (4) of subsection (a)*
 9 *and paragraphs (1) and (2)(A)(i) of subsection (b)*
 10 *shall be increased 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 year*
 14 *in which the taxable year begins, determined by*
 15 *substituting ‘calendar year 2001’ for ‘calendar*
 16 *year 2016’ in subparagraph (A)(ii) thereof.*

17 *“(2) ROUNDING.—If any amount as increased*
 18 *under paragraph (1) is not a multiple of \$10, such*
 19 *amount shall be rounded to the nearest multiple of*
 20 *\$10.*

21 *“(3) SPECIAL RULE FOR REFUNDABLE POR-*
 22 *TION.—In the case of the dollar amount in subsection*
 23 *(a)(4), paragraph (1) shall be applied—*

24 *“(A) by substituting ‘2025’ for ‘2002’ in the*
 25 *matter preceding subparagraph (A), and*

1 “(B) by substituting ‘calendar year 2024’
 2 for ‘calendar year 2001’ in subparagraph (B)
 3 thereof.”.

4 (c) *EXCLUSION OF REFUNDABLE PORTION OF CREDIT*
 5 *FROM CARRYFORWARD.*—Section 23(c)(1) is amended by
 6 striking “credit allowable under subsection (a)” and insert-
 7 ing “portion of the credit allowable under subsection (a)
 8 which is allowed under this subpart”.

9 (d) *EFFECTIVE DATE.*—The amendments made by this
 10 section shall apply to taxable years beginning after Decem-
 11 ber 31, 2024.

12 **SEC. 70403. RECOGNIZING INDIAN TRIBAL GOVERNMENTS**
 13 **FOR PURPOSES OF DETERMINING WHETHER**
 14 **A CHILD HAS SPECIAL NEEDS FOR PURPOSES**
 15 **OF THE ADOPTION CREDIT.**

16 (a) *IN GENERAL.*—Section 23(d)(3) is amended—
 17 (1) in subparagraph (A), by inserting “or In-
 18 dian tribal government” after “a State”, and
 19 (2) in subparagraph (B), by inserting “or In-
 20 dian tribal government” after “such State”.

21 (b) *EFFECTIVE DATE.*—The amendments made by this
 22 section shall apply to taxable years beginning after Decem-
 23 ber 31, 2024.

1 **SEC. 70404. ENHANCEMENT OF THE DEPENDENT CARE AS-**
 2 **SISTANCE PROGRAM.**

3 (a) *IN GENERAL.*—Section 129(a)(2)(A) is amended
 4 by striking “\$5,000 (\$2,500” and inserting “\$7,500
 5 (\$3,750”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
 7 section shall apply to taxable years beginning after Decem-
 8 ber 31, 2025.

9 **SEC. 70405. ENHANCEMENT OF CHILD AND DEPENDENT**
 10 **CARE TAX CREDIT.**

11 (a) *IN GENERAL.*—Paragraph (2) of section 21(a) is
 12 amended to read as follows:

13 “(2) *APPLICABLE PERCENTAGE DEFINED.*—For
 14 purposes of paragraph (1), the term ‘applicable per-
 15 centage’ means 50 percent—

16 “(A) reduced (but not below 35 percent) by
 17 1 percentage point for each \$2,000 or fraction
 18 thereof by which the taxpayer’s adjusted gross in-
 19 come for the taxable year exceeds \$15,000, and

20 “(B) further reduced (but not below 20 per-
 21 cent) by 1 percentage point for each \$2,000
 22 (\$4,000 in the case of a joint return) or fraction
 23 thereof by which the taxpayer’s adjusted gross in-
 24 come for the taxable year exceeds \$75,000
 25 (\$150,000 in the case of a joint return).”.

1 (b) *EFFECTIVE DATE.*—*The amendment made by this*
 2 *section shall apply to taxable years beginning after Decem-*
 3 *ber 31, 2025.*

4 ***Subchapter B—Permanent Investments in***
 5 ***Students and Reforms to Tax-exempt In-***
 6 ***stitutions***

7 ***SEC. 70411. TAX CREDIT FOR CONTRIBUTIONS OF INDIVID-***
 8 ***UALS TO SCHOLARSHIP GRANTING ORGANI-***
 9 ***ZATIONS.***

10 (a) *ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF*
 11 *INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZA-*
 12 *TIONS.—*

13 (1) *IN GENERAL.*—*Subpart A of part IV of sub-*
 14 *chapter A of chapter 1 is amended by inserting after*
 15 *section 25E the following new section:*

16 ***“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDU-***
 17 ***CATION SCHOLARSHIPS.***

18 ***“(a) ALLOWANCE OF CREDIT.***—*In the case of an indi-*
 19 *vidual who is a citizen or resident of the United States*
 20 *(within the meaning of section 7701(a)(9)), there shall be*
 21 *allowed as a credit against the tax imposed by this chapter*
 22 *for the taxable year an amount equal to the aggregate*
 23 *amount of qualified contributions made by the taxpayer*
 24 *during the taxable year.*

25 ***“(b) LIMITATIONS.—***

1 “(1) *IN GENERAL.*—*The credit allowed under*
 2 *subsection (a) to any taxpayer for any taxable year*
 3 *shall not exceed \$1,700.*

4 “(2) *REDUCTION BASED ON STATE CREDIT.*—*The*
 5 *amount allowed as a credit under subsection (a) for*
 6 *a taxable year shall be reduced by the amount allowed*
 7 *as a credit on any State tax return of the taxpayer*
 8 *for qualified contributions made by the taxpayer dur-*
 9 *ing the taxable year.*

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

11 “(1) *COVERED STATE.*—*The term ‘covered State’*
 12 *means one of the States, or the District of Columbia,*
 13 *that, for a calendar year, voluntarily elects to partici-*
 14 *pate under this section and to identify scholarship*
 15 *granting organizations in the State, in accordance*
 16 *with subsection (g).*

17 “(2) *ELIGIBLE STUDENT.*—*The term ‘eligible*
 18 *student’ means an individual who—*

19 “(A) *is a member of a household with an*
 20 *income which, for the calendar year prior to the*
 21 *date of the application for a scholarship, is not*
 22 *greater than 300 percent of the area median*
 23 *gross income (as such term is used in section*
 24 *42), and*

1 “(B) is eligible to enroll in a public elemen-
2 tary or secondary school.

3 “(3) QUALIFIED CONTRIBUTION.—The term
4 ‘qualified contribution’ means a charitable contribu-
5 tion of cash to a scholarship granting organization
6 that uses the contribution to fund scholarships for eli-
7 gible students solely within the State in which the or-
8 ganization is listed pursuant to subsection (g).

9 “(4) QUALIFIED ELEMENTARY OR SECONDARY
10 EDUCATION EXPENSE.—The term ‘qualified elemen-
11 tary or secondary education expense’ means any ex-
12 pense of an eligible student which is described in sec-
13 tion 530(b)(3)(A).

14 “(5) SCHOLARSHIP GRANTING ORGANIZATION.—
15 The term ‘scholarship granting organization’ means
16 any organization—

17 “(A) which—

18 “(i) is described in section 501(c)(3)
19 and exempt from tax under section 501(a),
20 and

21 “(ii) is not a private foundation,

22 “(B) which prevents the co-mingling of
23 qualified contributions with other amounts by
24 maintaining one or more separate accounts ex-
25 clusively for qualified contributions,

1 “(C) *which satisfies the requirements of sub-*
2 *section (d), and*

3 “(D) *which is included on the list submitted*
4 *for the applicable covered State under subsection*
5 *(g) for the applicable year.*

6 “(d) *REQUIREMENTS FOR SCHOLARSHIP GRANTING*
7 *ORGANIZATIONS.—*

8 “(1) *IN GENERAL.—An organization meets the*
9 *requirements of this subsection if—*

10 “(A) *such organization provides scholar-*
11 *ships to 10 or more students who do not all at-*
12 *tend the same school,*

13 “(B) *such organization spends not less than*
14 *90 percent of the income of the organization on*
15 *scholarships for eligible students,*

16 “(C) *such organization does not provide*
17 *scholarships for any expenses other than quali-*
18 *fied elementary or secondary education expenses,*

19 “(D) *such organization provides a scholar-*
20 *ship to eligible students with a priority for—*

21 “(i) *students awarded a scholarship the*
22 *previous school year, and*

23 “(ii) *after application of clause (i),*
24 *any eligible students who have a sibling*

1 *who was awarded a scholarship from such*
2 *organization,*

3 “(E) *such organization does not earmark or*
4 *set aside contributions for scholarships on behalf*
5 *of any particular student, and*

6 “(F) *such organization—*

7 “(i) *verifies the annual household in-*
8 *come and family size of eligible students*
9 *who apply for scholarships to ensure such*
10 *students meet the requirement of subsection*
11 *(c)(2)(A), and*

12 “(ii) *limits the awarding of scholar-*
13 *ships to eligible students who are a member*
14 *of a household for which the income does not*
15 *exceed the amount established under sub-*
16 *section (c)(2)(A).*

17 “(2) *PROHIBITION ON SELF-DEALING.—*

18 “(A) *IN GENERAL.—A scholarship granting*
19 *organization may not award a scholarship to*
20 *any disqualified person.*

21 “(B) *DISQUALIFIED PERSON.—For purposes*
22 *of this paragraph, a disqualified person shall be*
23 *determined pursuant to rules similar to the rules*
24 *of section 4946.*

1 “(e) *DENIAL OF DOUBLE BENEFIT.*—Any qualified
 2 contribution for which a credit is allowed under this section
 3 shall not be taken into account as a charitable contribution
 4 for purposes of section 170.

5 “(f) *CARRYFORWARD OF UNUSED CREDIT.*—

6 “(1) *IN GENERAL.*—If the credit allowable under
 7 subsection (a) for any taxable year exceeds the limita-
 8 tion imposed by section 26(a) for such taxable year
 9 reduced by the sum of the credits allowable under this
 10 subpart (other than this section, section 23, and sec-
 11 tion 25D), such excess shall be carried to the suc-
 12 ceeding taxable year and added to the credit allowable
 13 under subsection (a) for such taxable year.

14 “(2) *LIMITATION.*—No credit may be carried for-
 15 ward under this subsection to any taxable year fol-
 16 lowing the fifth taxable year after the taxable year in
 17 which the credit arose. For purposes of the preceding
 18 sentence, credits shall be treated as used on a first-in
 19 first-out basis.

20 “(g) *STATE LIST OF SCHOLARSHIP GRANTING ORGA-*
 21 *NIZATIONS.*—

22 “(1) *LIST.*—

23 “(A) *IN GENERAL.*—Not later than January
 24 1 of each calendar year (or, with respect to the
 25 first calendar year for which this section applies,

1 *as early as practicable), a State that voluntarily*
2 *elects to participate under this section shall pro-*
3 *vide to the Secretary a list of the scholarship*
4 *granting organizations that meet the require-*
5 *ments described in subsection (c)(5) and are lo-*
6 *cated in the State.*

7 “(B) *PROCESS.*—*The election under this*
8 *paragraph shall be made by the Governor of the*
9 *State or by such other individual, agency, or en-*
10 *tity as is designated under State law to make*
11 *such elections on behalf of the State with respect*
12 *to Federal tax benefits.*

13 “(2) *CERTIFICATION.*—*Each list submitted under*
14 *paragraph (1) shall include a certification that the*
15 *individual, agency, or entity submitting such list on*
16 *behalf of the State has the authority to perform this*
17 *function.*

18 “(h) *REGULATIONS AND GUIDANCE.*—*The Secretary*
19 *shall issue such regulations or other guidance as the Sec-*
20 *retary determines necessary to carry out the purposes of this*
21 *section, including regulations or other guidance—*

22 “(1) *providing for enforcement of the require-*
23 *ments under subsections (d) and (g), and*

1 “(2) *with respect to recordkeeping or information*
 2 *reporting for purposes of administering the require-*
 3 *ments of this section.*”.

4 (2) *CONFORMING AMENDMENTS.*—

5 (A) *Section 25(e)(1)(C) is amended by*
 6 *striking “and 25D” and inserting “25D, and*
 7 *25F”.*

8 (B) *The table of sections for subpart A of*
 9 *part IV of subchapter A of chapter 1 is amended*
 10 *by inserting after the item relating to section*
 11 *25E the following new item:*

“Sec. 25F. Qualified elementary and secondary education scholarships.”.

12 (b) *EXCLUSION FROM GROSS INCOME FOR SCHOLAR-*
 13 *SHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY EDU-*
 14 *CATION EXPENSES OF ELIGIBLE STUDENTS.*—

15 (1) *IN GENERAL.*—*Part III of subchapter B of*
 16 *chapter 1 is amended by inserting before section 140*
 17 *the following new section:*

18 **“SEC. 139K. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY**
 19 **OR SECONDARY EDUCATION EXPENSES OF**
 20 **ELIGIBLE STUDENTS.**

21 “(a) *IN GENERAL.*—*In the case of an individual, gross*
 22 *income shall not include any amounts provided to such in-*
 23 *dividual or any dependent of such individual pursuant to*
 24 *a scholarship for qualified elementary or secondary edu-*

1 cation expenses of an eligible student which is provided by
2 a scholarship granting organization.

3 “(b) *DEFINITIONS.*—In this section, the terms ‘quali-
4 fied elementary or secondary education expense’, ‘eligible
5 student’, and ‘scholarship granting organization’ have the
6 same meaning given such terms under section 25F(c).”.

7 (2) *CONFORMING AMENDMENT.*—The table of sec-
8 tions for part III of subchapter B of chapter 1 is
9 amended by inserting before the item relating to sec-
10 tion 140 the following new item:

“Sec. 139K. Scholarships for qualified elementary or secondary education ex-
penses of eligible students.”.

11 (c) *EFFECTIVE DATE.*—

12 (1) *IN GENERAL.*—Except as otherwise provided
13 in this subsection, the amendments made by this sec-
14 tion shall apply to taxable years ending after Decem-
15 ber 31, 2026.

16 (2) *EXCLUSION FROM GROSS INCOME.*—The
17 amendments made by subsection (b) shall apply to
18 amounts received after December 31, 2026, in taxable
19 years ending after such date.

20 **SEC. 70412. EXCLUSION FOR EMPLOYER PAYMENTS OF STU-**
21 **DENT LOANS.**

22 (a) *IN GENERAL.*—Section 127(c)(1)(B) is amended by
23 striking “in the case of payments made before January 1,
24 2026,”.

1 (b) *INFLATION ADJUSTMENT.*—Section 127 is amend-
2 *ed*—

3 (1) *by redesignating subsection (d) as subsection*
4 *(e), and*

5 (2) *by inserting after subsection (c) the following*
6 *new subsection:*

7 “(d) *INFLATION ADJUSTMENT.*—

8 “(1) *IN GENERAL.*—In the case of any taxable
9 *year beginning after 2026, both of the \$5,250 amounts*
10 *in subsection (a)(2) shall each be increased by an*
11 *amount equal to—*

12 “(A) *such dollar amount, multiplied by*

13 “(B) *the cost-of-living adjustment deter-*
14 *mined under section 1(f)(3) for the calendar year*
15 *in which the taxable year begins, determined by*
16 *substituting ‘calendar year 2025’ for ‘calendar*
17 *year 2016’ in subparagraph (A)(ii) thereof.*

18 “(2) *ROUNDING.*—If any increase under para-
19 *graph (1) is not a multiple of \$50, such increase shall*
20 *be rounded to the nearest multiple of \$50.”.*

21 (c) *EFFECTIVE DATE.*—The amendment made by this
22 *section shall apply to payments made after December 31,*
23 *2025.*

1 **SEC. 70413. ADDITIONAL EXPENSES TREATED AS QUALI-**
 2 **FIED HIGHER EDUCATION EXPENSES FOR**
 3 **PURPOSES OF 529 ACCOUNTS.**

4 (a) *IN GENERAL.*—

5 (1) *IN GENERAL.*—Section 529(c)(7) is amended
 6 to read as follows:

7 “(7) *TREATMENT OF ELEMENTARY AND SEC-*
 8 *ONDARY TUITION.*—Any reference in this section to
 9 the term ‘qualified higher education expense’ shall in-
 10 clude a reference to the following expenses in connec-
 11 tion with enrollment or attendance at, or for students
 12 enrolled at or attending, an elementary or secondary
 13 public, private, or religious school:

14 “(A) *Tuition.*

15 “(B) *Curriculum and curricular materials.*

16 “(C) *Books or other instructional materials.*

17 “(D) *Online educational materials.*

18 “(E) *Tuition for tutoring or educational*
 19 *classes outside of the home, including at a tutor-*
 20 *ing facility, but only if the tutor or instructor is*
 21 *not related to the student and—*

22 “(i) *is licensed as a teacher in any*
 23 *State,*

24 “(ii) *has taught at an eligible edu-*
 25 *cational institution, or*

1 “(iii) is a subject matter expert in the
2 relevant subject.

3 “(F) Fees for a nationally standardized
4 norm-referenced achievement test, an advanced
5 placement examination, or any examinations re-
6 lated to college or university admission.

7 “(G) Fees for dual enrollment in an institu-
8 tion of higher education.

9 “(H) Educational therapies for students
10 with disabilities provided by a licensed or ac-
11 credited practitioner or provider, including occu-
12 pational, behavioral, physical, and speech-lan-
13 guage therapies.”.

14 (2) *EFFECTIVE DATE.*—The amendment made by
15 this subsection shall apply to distributions made after
16 the date of the enactment of this Act.

17 (b) *INCREASE IN LIMITATION.*—

18 (1) *IN GENERAL.*—The last sentence of section
19 529(e)(3) is amended by striking “\$10,000” and in-
20 serting “\$20,000”.

21 (2) *EFFECTIVE DATE.*—The amendment made by
22 this subsection shall apply to taxable years beginning
23 after December 31, 2025.

1 **SEC. 70414. CERTAIN POSTSECONDARY CREDENTIALING EX-**
 2 **PENSES TREATED AS QUALIFIED HIGHER**
 3 **EDUCATION EXPENSES FOR PURPOSES OF 529**
 4 **ACCOUNTS.**

5 (a) *IN GENERAL.*—Section 529(e)(3) is amended by
 6 adding at the end the following new subparagraph:

7 “(C) CERTAIN POSTSECONDARY
 8 CREDENTIALING EXPENSES.—The term ‘qualified
 9 higher education expenses’ includes qualified
 10 postsecondary credentialing expenses (as defined
 11 in subsection (f)).”.

12 (b) *QUALIFIED POSTSECONDARY CREDENTIALING EX-*
 13 *PENSES.*—Section 529 is amended by redesignating sub-
 14 section (f) as subsection (g) and by inserting after sub-
 15 section (e) the following new subsection:

16 “(f) *QUALIFIED POSTSECONDARY CREDENTIALING EX-*
 17 *PENSES.*—For purposes of this section—

18 “(1) *IN GENERAL.*—The term ‘qualified postsec-

19 ondary credentialing expenses’ means—
 20 “(A) tuition, fees, books, supplies, and
 21 equipment required for the enrollment or attend-
 22 ance of a designated beneficiary in a recognized
 23 postsecondary credential program, or any other
 24 expense incurred in connection with enrollment
 25 in or attendance at a recognized postsecondary
 26 credential program if such expense would, if in-

1 *curring in connection with enrollment or attend-*
 2 *ance at an eligible educational institution, be*
 3 *covered under subsection (e)(3)(A),*

4 *“(B) fees for testing if such testing is re-*
 5 *quired to obtain or maintain a recognized post-*
 6 *secondary credential, and*

7 *“(C) fees for continuing education if such*
 8 *education is required to maintain a recognized*
 9 *postsecondary credential.*

10 *“(2) RECOGNIZED POSTSECONDARY CREDENTIAL*
 11 *PROGRAM.—The term ‘recognized postsecondary cre-*
 12 *dential program’ means any program to obtain a rec-*
 13 *ognized postsecondary credential if—*

14 *“(A) such program is included on a State*
 15 *list prepared under section 122(d) of the Work-*
 16 *force Innovation and Opportunity Act (29*
 17 *U.S.C. 3152(d)),*

18 *“(B) such program is listed in the public*
 19 *directory of the Web Enabled Approval Manage-*
 20 *ment System (WEAMS) of the Veterans Benefits*
 21 *Administration, or successor directory such pro-*
 22 *gram,*

23 *“(C) an examination (developed or admin-*
 24 *istered by an organization widely recognized as*
 25 *providing reputable credentials in the occupa-*

1 *tion) is required to obtain or maintain such cre-*
 2 *dential and such organization recognizes such*
 3 *program as providing training or education*
 4 *which prepares individuals to take such exam-*
 5 *ination, or*

6 *“(D) such program is identified by the Sec-*
 7 *retary, after consultation with the Secretary of*
 8 *Labor, as being a reputable program for obtain-*
 9 *ing a recognized postsecondary credential for*
 10 *purposes of this subparagraph.*

11 *“(3) RECOGNIZED POSTSECONDARY CREDEN-*
 12 *TIAL.—The term ‘recognized postsecondary credential’*
 13 *means—*

14 *“(A) any postsecondary employment creden-*
 15 *tial that is industry recognized and is—*

16 *“(i) any postsecondary employment*
 17 *credential issued by a program that is ac-*
 18 *credited by the Institute for Credentialing*
 19 *Excellence, the National Commission on*
 20 *Certifying Agencies, or the American Na-*
 21 *tional Standards Institute,*

22 *“(ii) any postsecondary employment*
 23 *credential that is included in the*
 24 *Credentialing Opportunities On-Line*
 25 *(COOL) directory of credentialing programs*

1 *(or successor directory) maintained by the*
2 *Department of Defense or by any branch of*
3 *the Armed Forces, or*

4 *“(iii) any postsecondary employment*
5 *credential identified for purposes of this*
6 *clause by the Secretary, after consultation*
7 *with the Secretary of Labor, as being indus-*
8 *try recognized,*

9 *“(B) any certificate of completion of an ap-*
10 *prenticeship that is registered and certified with*
11 *the Secretary of Labor under the Act of August*
12 *16, 1937 (commonly known as the ‘National Ap-*
13 *prenticeship Act’; 50 Stat. 664, chapter 663; 29*
14 *U.S.C. 50 et seq.),*

15 *“(C) any occupational or professional li-*
16 *cence issued or recognized by a State or the Fed-*
17 *eral Government (and any certification that sat-*
18 *isfies a condition for obtaining such a license),*
19 *and*

20 *“(D) any recognized postsecondary creden-*
21 *tial as defined in section 3(52) of the Workforce*
22 *Innovation and Opportunity Act (29 U.S.C.*
23 *3102(52)), provided through a program described*
24 *in paragraph (2)(A).”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall apply to distributions made after the date of*
 3 *the enactment of this Act.*

4 **SEC. 70415. MODIFICATION OF EXCISE TAX ON INVESTMENT**
 5 **INCOME OF CERTAIN PRIVATE COLLEGES**
 6 **AND UNIVERSITIES.**

7 (a) *IN GENERAL.*—*Section 4968 is amended to read*
 8 *as follows:*

9 **“SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME OF**
 10 **PRIVATE COLLEGES AND UNIVERSITIES.**

11 “(a) *TAX IMPOSED.*—*There is hereby imposed on each*
 12 *applicable educational institution for the taxable year a tax*
 13 *equal to the applicable percentage of the net investment in-*
 14 *come of such institution for the taxable year.*

15 “(b) *APPLICABLE PERCENTAGE.*—*For purposes of this*
 16 *section, the term ‘applicable percentage’ means—*

17 “(1) *1.4 percent in the case of an institution*
 18 *with a student adjusted endowment of at least*
 19 *\$500,000, and not in excess of \$750,000,*

20 “(2) *4 percent in the case of an institution with*
 21 *a student adjusted endowment in excess of \$750,000,*
 22 *and not in excess of \$2,000,000, and*

23 “(3) *8 percent in the case of an institution with*
 24 *a student adjusted endowment in excess of \$2,000,000.*

1 “(c) *APPLICABLE EDUCATIONAL INSTITUTION.*—For
 2 purposes of this subchapter, the term ‘applicable edu-
 3 cational institution’ means an eligible educational institu-
 4 tion (as defined in section 25A(f)(2))—

5 “(1) which had at least 3,000 tuition-paying stu-
 6 dents during the preceding taxable year,

7 “(2) more than 50 percent of the tuition-paying
 8 students of which are located in the United States,

9 “(3) the student adjusted endowment of which is
 10 at least \$500,000, and

11 “(4) which is not described in the first sentence
 12 of section 511(a)(2)(B) (relating to State colleges and
 13 universities).

14 “(d) *STUDENT ADJUSTED ENDOWMENT.*—For pur-
 15 poses of this section, the term ‘student adjusted endowment’
 16 means, with respect to any institution for any taxable
 17 year—

18 “(1) the aggregate fair market value of the assets
 19 of such institution (determined as of the end of the
 20 preceding taxable year), other than those assets which
 21 are used directly in carrying out the institution’s ex-
 22 empt purpose, divided by

23 “(2) the number of students of such institution.

24 “(e) *DETERMINATION OF NUMBER OF STUDENTS.*—
 25 For purposes of subsections (c) and (d), the number of stu-

1 *dents of an institution (including for purposes of deter-*
 2 *mining the number of students at a particular location)*
 3 *shall be based on the daily average number of full-time stu-*
 4 *dents attending such institution (with part-time students*
 5 *taken into account on a full-time student equivalent basis).*

6 “(f) *NET INVESTMENT INCOME.*—*For purposes of this*
 7 *section—*

8 “(1) *IN GENERAL.*—*Net investment income shall*
 9 *be determined under rules similar to the rules of sec-*
 10 *tion 4940(c).*

11 “(2) *OVERRIDE OF CERTAIN REGULATORY EX-*
 12 *CEPTIONS.*—

13 “(A) *STUDENT LOAN INTEREST.*—*Net in-*
 14 *vestment income shall be determined by taking*
 15 *into account any interest income from a student*
 16 *loan made by the applicable educational institu-*
 17 *tion (or any related organization) as gross in-*
 18 *vestment income.*

19 “(B) *FEDERALLY-SUBSIDIZED ROYALTY IN-*
 20 *COME.*—

21 “(i) *IN GENERAL.*—*Net investment in-*
 22 *come shall be determined by taking into ac-*
 23 *count any Federally-subsidized royalty in-*
 24 *come as gross investment income.*

1 “(ii) *FEDERALLY-SUBSIDIZED ROYALTY*
2 *INCOME.—For purposes of this subpara-*
3 *graph—*

4 “(I) *IN GENERAL.—The term*
5 *‘Federally-subsidized royalty income’*
6 *means any otherwise-regulatory-exempt*
7 *royalty income if any Federal funds*
8 *were used in the research, development,*
9 *or creation of the patent, copyright, or*
10 *other intellectual or intangible prop-*
11 *erty from which such royalty income is*
12 *derived.*

13 “(II) *OTHERWISE-REGULATORY-*
14 *EXEMPT ROYALTY INCOME.—For pur-*
15 *poses of this subparagraph, the term*
16 *‘otherwise-regulatory-exempt royalty*
17 *income’ means royalty income which*
18 *(but for this subparagraph) would not*
19 *be taken into account as gross invest-*
20 *ment income by reason of being derived*
21 *from patents, copyrights, or other intel-*
22 *lectual or intangible property which*
23 *resulted from the work of students or*
24 *faculty members in their capacities as*

1 *such with the applicable educational*
 2 *institution.*

3 “(III) *FEDERAL FUNDS.—The*
 4 *term ‘Federal funds’ includes any*
 5 *grant made by, and any payment*
 6 *made under any contract with, any*
 7 *Federal agency to the applicable edu-*
 8 *cational institution, any related orga-*
 9 *nization, or any student or faculty*
 10 *member referred to in subclause (II).*

11 “(g) *ASSETS AND NET INVESTMENT INCOME OF RE-*
 12 *LATED ORGANIZATIONS.—*

13 “(1) *IN GENERAL.—For purposes of subsections*
 14 *(d) and (f), assets and net investment income of any*
 15 *related organization with respect to an educational*
 16 *institution shall be treated as assets and net invest-*
 17 *ment income, respectively, of the educational institu-*
 18 *tion, except that—*

19 “(A) *no such amount shall be taken into ac-*
 20 *count with respect to more than 1 educational*
 21 *institution, and*

22 “(B) *unless such organization is controlled*
 23 *by such institution or is described in section*
 24 *509(a)(3) with respect to such institution for the*
 25 *taxable year, assets and net investment income*

1 *which are not intended or available for the use*
 2 *or benefit of the educational institution shall not*
 3 *be taken into account.*

4 “(2) *RELATED ORGANIZATION.*—*For purposes of*
 5 *this subsection, the term ‘related organization’ means,*
 6 *with respect to an educational institution, any orga-*
 7 *nization which—*

8 “(A) *controls, or is controlled by, such insti-*
 9 *tution,*

10 “(B) *is controlled by 1 or more persons*
 11 *which also control such institution, or*

12 “(C) *is a supported organization (as de-*
 13 *finied in section 509(f)(3)), or an organization*
 14 *described in section 509(a)(3), during the taxable*
 15 *year with respect to such institution.*

16 “(h) *REGULATIONS.*—*The Secretary shall prescribe*
 17 *such regulations or other guidance as may be necessary to*
 18 *prevent avoidance of the tax under this section, including*
 19 *regulations or other guidance to prevent avoidance of such*
 20 *tax through the restructuring of endowment funds or other*
 21 *arrangements designed to reduce or eliminate the value of*
 22 *net investment income or assets subject to the tax imposed*
 23 *by this section.”.*

24 (b) *REQUIREMENT TO REPORT CERTAIN INFORMATION*
 25 *WITH RESPECT TO APPLICATION OF EXCISE TAX BASED*

1 *ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNI-*
 2 *VERSITIES.—Section 6033 is amended by redesignating*
 3 *subsection (o) as subsection (p) and by inserting after sub-*
 4 *section (n) the following new subsection:*

5 “(o) *REQUIREMENT TO REPORT CERTAIN INFORMA-*
 6 *TION WITH RESPECT TO EXCISE TAX BASED ON INVEST-*
 7 *MENT INCOME OF PRIVATE COLLEGES AND UNIVER-*
 8 *SITIES.—Each applicable educational institution described*
 9 *in section 4968(c) which is subject to the requirements of*
 10 *subsection (a) shall include on the return required under*
 11 *subsection (a)—*

12 “(1) *the number of tuition-paying students taken*
 13 *into account under section 4968(c), and*

14 “(2) *the number of students of such institution*
 15 *(determined under the rules of section 4968(e)).”.*

16 (c) *EFFECTIVE DATE.—The amendments made by this*
 17 *section shall apply to taxable years beginning after Decem-*
 18 *ber 31, 2025.*

19 **SEC. 70416. EXPANDING APPLICATION OF TAX ON EXCESS**
 20 **COMPENSATION WITHIN TAX-EXEMPT ORGA-**
 21 **NIZATIONS.**

22 (a) *IN GENERAL.—Section 4960(c)(2) is amended to*
 23 *read as follows:*

24 “(2) *COVERED EMPLOYEE.—For purposes of this*
 25 *section, the term ‘covered employee’ means any em-*

1 *ployee of an applicable tax-exempt organization (or*
 2 *any predecessor of such an organization) and any*
 3 *former employee of such an organization (or prede-*
 4 *cessor) who was such an employee during any taxable*
 5 *year beginning after December 31, 2016.”.*

6 **(b) EFFECTIVE DATE.**—*The amendment made by sub-*
 7 *section (a) shall apply to taxable years beginning after De-*
 8 *cember 31, 2025.*

9 ***Subchapter C—Permanent Investments in***
 10 ***Community Development***
 11 ***SEC. 70421. PERMANENT RENEWAL AND ENHANCEMENT OF***
 12 ***OPPORTUNITY ZONES.***

13 **(a) DECENNIAL DESIGNATIONS.**—

14 **(1) DETERMINATION PERIOD.**—*Section 1400Z-*
 15 *1(c)(2)(B) is amended by striking “beginning on the*
 16 *date of the enactment of the Tax Cuts and Jobs Act”*
 17 *and inserting “beginning on the decennial determina-*
 18 *tion date”.*

19 **(2) DECENNIAL DETERMINATION DATE.**—*Section*
 20 *1400Z-1(c)(2) is amended by adding at the end the*
 21 *following new subparagraph:*

22 **“(C) DECENNIAL DETERMINATION DATE.**—
 23 *The term ‘decennial determination date’*
 24 *means—*

25 **“(i) July 1, 2026, and**

1 “(ii) *each July 1 of the year that is 10*
 2 *years after the preceding decennial deter-*
 3 *mination date under this subparagraph.”.*

4 (3) *REPEAL OF SPECIAL RULE FOR PUERTO*
 5 *RICO.—Section 1400Z-1(b) is amended by striking*
 6 *paragraph (3).*

7 (4) *LIMITATION ON NUMBER OF DESIGNA-*
 8 *TIONS.—Section 1400Z-1(d)(1) is amended—*

9 (A) *in paragraph (1)—*

10 (i) *by striking “and subsection (b)(3)”,*

11 *and*

12 (ii) *by inserting “during any period”*
 13 *after “the number of population census*
 14 *tracts in a State that may be designated as*
 15 *qualified opportunity zones under this sec-*
 16 *tion”, and*

17 (B) *in paragraph (2), by inserting “during*
 18 *any period” before the period at the end.*

19 (5) *EFFECTIVE DATES.—*

20 (A) *IN GENERAL.—Except as provided in*
 21 *subparagraph (B), the amendments made by this*
 22 *subsection shall take effect on the date of the en-*
 23 *actment of this Act.*

1 (B) *PUERTO RICO.—The amendment made*
 2 *by paragraph (3) shall take effect on December*
 3 *31, 2026.*

4 (b) *QUALIFICATION FOR DESIGNATIONS.—*

5 (1) *DETERMINATION OF LOW-INCOME COMMU-*
 6 *NITIES.—Section 1400Z-1(c) is amended by striking*
 7 *all that precedes paragraph (2) and inserting the fol-*
 8 *lowing:*

9 “(c) *OTHER DEFINITIONS.—For purposes of this sec-*
 10 *tion—*

11 “(1) *LOW-INCOME COMMUNITIES.—The term*
 12 *‘low-income community’ means any population cen-*
 13 *sus tract if—*

14 “(A) *such population census tract has a me-*
 15 *dian family income that—*

16 “(i) *in the case of a population census*
 17 *tract not located within a metropolitan*
 18 *area, does not exceed 70 percent of the state-*
 19 *wide median family income, or*

20 “(ii) *in the case of a population census*
 21 *tract located within a metropolitan area,*
 22 *does not exceed 70 percent of the metropoli-*
 23 *tan area median family income, or*

24 “(B) *such population census tract—*

1 “(i) has a poverty rate of at least 20
2 percent, and

3 “(ii) has a median family income
4 that—

5 “(I) in the case of a population
6 census tract not located within a met-
7 ropolitan area, does not exceed 125
8 percent of the statewide median family
9 income, or

10 “(II) in the case of a population
11 census tract located within a metro-
12 politan area, does not exceed 125 per-
13 cent of the metropolitan area median
14 family income.”.

15 (2) *REPEAL OF RULE FOR CONTIGUOUS CENSUS*
16 *TRACTS.*—Section 1400Z-1 is amended by striking
17 subsection (e) and by redesignating subsection (f) as
18 subsection (e).

19 (3) *PERIOD FOR WHICH DESIGNATION IS IN EF-*
20 *FECT.*—Section 1400Z-1(e), as redesignated by para-
21 graph (2), is amended to read as follows:

22 “(e) *PERIOD FOR WHICH DESIGNATION IS IN EF-*
23 *FECT.*—

24 “(1) *IN GENERAL.*—A designation as a qualified
25 opportunity zone shall remain in effect for the period

1 *beginning on the applicable start date and ending on*
 2 *the day before the date that is 10 years after the ap-*
 3 *plicable start date.*

4 “(2) *APPLICABLE START DATE.*—*For purposes of*
 5 *this section, the term ‘applicable start date’ means,*
 6 *with respect to any qualified opportunity zone des-*
 7 *ignated under this section, the January 1 following*
 8 *the date on which such qualified opportunity zone*
 9 *was certified and designated by the Secretary under*
 10 *subsection (b)(1)(B).’.*”.

11 “(4) *EFFECTIVE DATE.*—*The amendments made*
 12 *by this subsection shall apply to areas designated*
 13 *under section 1400Z-1 of the Internal Revenue Code*
 14 *of 1986 after the date of the enactment of this Act.*

15 (c) *APPLICATION OF SPECIAL RULES FOR CAPITAL*
 16 *GAINS.*—

17 “(1) *REPEAL OF SUNSET ON ELECTION.*—*Section*
 18 *1400Z-2(a)(2) is amended to read as follows:*

19 “(2) *ELECTION.*—*No election may be made*
 20 *under paragraph (1) with respect to a sale or ex-*
 21 *change if an election previously made with respect to*
 22 *such sale or exchange is in effect.’.*”.

23 “(2) *MODIFICATION OF RULES FOR DEFERRAL OF*
 24 *GAIN.*—*Section 1400Z-2(b) is amended to read as fol-*
 25 *lows:*

1 “(b) *DEFERRAL OF GAIN INVESTED IN OPPORTUNITY*
2 *ZONE PROPERTY.*—

3 “(1) *YEAR OF INCLUSION.*—*Gain to which sub-*
4 *section (a)(1)(B) applies shall be included in gross in-*
5 *come in the taxable year which includes the earlier*
6 *of—*

7 “(A) *the date on which such investment is*
8 *sold or exchanged, or*

9 “(B) *the date which is 5 years after the date*
10 *the investment in the qualified opportunity fund*
11 *was made.*

12 “(2) *AMOUNT INCLUDIBLE.*—

13 “(A) *IN GENERAL.*—*The amount of gain in-*
14 *cluded in gross income under subsection*
15 *(a)(1)(B) shall be the excess of—*

16 “(i) *the lesser of the amount of gain ex-*
17 *cluded under subsection (a)(1)(A) or the*
18 *fair market value of the investment as deter-*
19 *mined as of the date described in paragraph*
20 *(1), over*

21 “(ii) *the taxpayer’s basis in the invest-*
22 *ment.*

23 “(B) *DETERMINATION OF BASIS.*—

24 “(i) *IN GENERAL.*—*Except as otherwise*
25 *provided in this subparagraph or subsection*

1 (c), the taxpayer's basis in the investment
2 shall be zero.

3 “(ii) *INCREASE FOR GAIN RECOGNIZED*
4 *UNDER SUBSECTION (a)(1)(B).*—The basis
5 in the investment shall be increased by the
6 amount of gain recognized by reason of sub-
7 section (a)(1)(B) with respect to such in-
8 vestment.

9 “(iii) *INVESTMENTS HELD FOR 5*
10 *YEARS.*—

11 “(I) *IN GENERAL.*—In the case of
12 any investment held for at least 5
13 years, the basis of such investment
14 shall be increased by an amount equal
15 to 10 percent (30 percent in the case of
16 any investment in a qualified rural
17 opportunity fund) of the amount of
18 gain deferred by reason of subsection
19 (a)(1)(A).

20 “(II) *APPLICATION OF IN-*
21 *CREASE.*—For purposes of this sub-
22 section, any increase in basis under
23 this clause shall be treated as occurring
24 before the date described in paragraph
25 (1)(B).

1 “(C) *QUALIFIED RURAL OPPORTUNITY*
2 *FUND.*—*For purposes of subparagraph (B)(iii)—*

3 “(i) *QUALIFIED RURAL OPPORTUNITY*
4 *FUND.*—*The term ‘qualified rural oppor-*
5 *tunity fund’ means a qualified opportunity*
6 *fund that holds at least 90 percent of its as-*
7 *sets in qualified opportunity zone property*
8 *which—*

9 “(I) *is qualified opportunity zone*
10 *business property substantially all of*
11 *the use of which, during substantially*
12 *all of the fund’s holding period for such*
13 *property, was in a qualified oppor-*
14 *tunity zone comprised entirely of a*
15 *rural area, or*

16 “(II) *is qualified opportunity*
17 *zone stock, or a qualified opportunity*
18 *zone partnership interest, in a quali-*
19 *fied opportunity zone business in*
20 *which substantially all of the tangible*
21 *property owned or leased is qualified*
22 *opportunity zone business property de-*
23 *scribed in subsection (d)(3)(A)(i) and*
24 *substantially all the use of which is in*

1 *a qualified opportunity zone comprised*
 2 *entirely of a rural area.*

3 *For purposes of the preceding sentence,*
 4 *property held in the fund shall be measured*
 5 *under rules similar to the rules of sub-*
 6 *section (d)(1).*

7 *“(ii) RURAL AREA.—The term ‘rural*
 8 *area’ means any area other than—*

9 *“(I) a city or town that has a*
 10 *population of greater than 50,000 in-*
 11 *habitants, and*

12 *“(II) any urbanized area contig-*
 13 *uous and adjacent to a city or town*
 14 *described in subclause (I).”.*

15 *(3) SPECIAL RULE FOR INVESTMENTS HELD AT*
 16 *LEAST 10 YEARS.—Section 1400Z-2(c) is amended by*
 17 *striking “makes an election under this clause” and all*
 18 *that follows and inserting “makes an election under*
 19 *this subsection, the basis of such investment shall be*
 20 *equal to—*

21 *“(A) in the case of an investment sold before*
 22 *the date that is 30 years after the date of the in-*
 23 *vestment, the fair market value of such invest-*
 24 *ment on the date such investment is sold or ex-*
 25 *changed, or*

1 “(B) in any other case, the fair market
2 value of such investment on the date that is 30
3 years after the date of the investment.”.

4 (4) *DETERMINATION OF QUALIFIED OPPOR-*
5 *TUNITY ZONE PROPERTY.*—

6 (A) *QUALIFIED OPPORTUNITY ZONE BUSI-*
7 *NESS PROPERTY.*—Section 1400Z-
8 2(d)(2)(D)(i)(I) is amended by striking “Decem-
9 ber 31, 2017” and inserting “the applicable start
10 date (as defined in section 1400Z-1(e)(2)) with
11 respect to the qualified opportunity zone de-
12 scribed in subclause (III)”.

13 (B) *QUALIFIED OPPORTUNITY ZONE STOCK*
14 *AND PARTNERSHIP INTERESTS.*—Section 1400Z-
15 2(d)(2) is amended—

16 (i) by striking “December 31, 2017,”
17 each place it appears in subparagraphs
18 (B)(i)(I) and (C)(i) and inserting “the ap-
19 plicable date”, and

20 (ii) by adding at the end the following
21 new subparagraph:

22 “(E) *APPLICABLE DATE.*—For purposes of
23 this subparagraph, the term ‘applicable date’
24 means, with respect to any corporation or part-
25 nership which is a qualified opportunity zone

1 *business, the earliest date described in subpara-*
 2 *graph (D)(i)(I) with respect to the qualified op-*
 3 *portunity zone business property held by such*
 4 *qualified opportunity zone business.”.*

5 (C) *SPECIAL RULE FOR IMPROVEMENT OF*
 6 *EXISTING STRUCTURES IN RURAL AREAS.—Sec-*
 7 *tion 1400Z–2(d)(2)(D)(ii) is amended by insert-*
 8 *ing “(50 percent of such adjusted basis in the*
 9 *case of property in a qualified opportunity zone*
 10 *comprised entirely of a rural area (as defined in*
 11 *subsection (b)(2)(C)(ii))” after “the adjusted*
 12 *basis of such property”.*

13 (5) *EFFECTIVE DATES.—*

14 (A) *IN GENERAL.—Except as otherwise pro-*
 15 *vided in this paragraph, the amendments made*
 16 *by this subsection shall apply to amounts in-*
 17 *vested in qualified opportunity funds after De-*
 18 *cember 31, 2026.*

19 (B) *ACQUISITION OF QUALIFIED OPPOR-*
 20 *TUNITY ZONE PROPERTY.—The amendments*
 21 *made by subparagraphs (A) and (B) of para-*
 22 *graph (4) shall apply to property acquired after*
 23 *December 31, 2026.*

1 (C) *SUBSTANTIAL IMPROVEMENT.*—*The*
 2 *amendment made by paragraph (4)(C) shall take*
 3 *effect on the date of the enactment of this Act.*

4 (d) *INFORMATION REPORTING ON QUALIFIED OPPOR-*
 5 *TUNITY FUNDS AND QUALIFIED RURAL OPPORTUNITY*
 6 *FUNDS.*—

7 (1) *FILING REQUIREMENTS FOR FUNDS AND IN-*
 8 *VESTORS.*—*Subpart A of part III of subchapter A of*
 9 *chapter 61 is amended by inserting after section*
 10 *6039J the following new sections:*

11 **“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OP-**
 12 **PORTUNITY FUNDS AND QUALIFIED RURAL**
 13 **OPPORTUNITY FUNDS.**

14 “(a) *IN GENERAL.*—*Every qualified opportunity fund*
 15 *shall file an annual return (at such time and in such man-*
 16 *ner as the Secretary may prescribe) containing the informa-*
 17 *tion described in subsection (b).*

18 “(b) *INFORMATION FROM QUALIFIED OPPORTUNITY*
 19 *FUNDS.*—*The information described in this subsection is—*

20 “(1) *the name, address, and taxpayer identifica-*
 21 *tion number of the qualified opportunity fund,*

22 “(2) *whether the qualified opportunity fund is*
 23 *organized as a corporation or a partnership,*

1 “(3) the value of the total assets held by the
2 qualified opportunity fund as of each date described
3 in section 1400Z–2(d)(1),

4 “(4) the value of all qualified opportunity zone
5 property held by the qualified opportunity fund on
6 each such date,

7 “(5) with respect to each investment held by the
8 qualified opportunity fund in qualified opportunity
9 zone stock or a qualified opportunity zone partner-
10 ship interest—

11 “(A) the name, address, and taxpayer iden-
12 tification number of the corporation in which
13 such stock is held or the partnership in which
14 such interest is held, as the case may be,

15 “(B) each North American Industry Classi-
16 fication System (NAICS) code that applies to the
17 trades or businesses conducted by such corpora-
18 tion or partnership,

19 “(C) the population census tract or popu-
20 lation census tracts in which the qualified oppor-
21 tunity zone business property of such corporation
22 or partnership is located,

23 “(D) the amount of the investment in such
24 stock or partnership interest as of each date de-
25 scribed in section 1400Z–2(d)(1),

1 “(E) the value of tangible property held by
2 such corporation or partnership on each such
3 date which is owned by such corporation or
4 partnership,

5 “(F) the value of tangible property held by
6 such corporation or partnership on each such
7 date which is leased by such corporation or part-
8 nership,

9 “(G) the approximate number of residential
10 units (if any) for any real property held by such
11 corporation or partnership, and

12 “(H) the approximate average monthly
13 number of full-time equivalent employees of such
14 corporation or partnership for the year (within
15 numerical ranges identified by the Secretary) or
16 such other indication of the employment impact
17 of such corporation or partnership as determined
18 appropriate by the Secretary,

19 “(6) with respect to the items of qualified oppor-
20 tunity zone business property held by the qualified
21 opportunity fund—

22 “(A) the North American Industry Classi-
23 fication System (NAICS) code that applies to the
24 trades or businesses in which such property is
25 held,

1 “(B) the population census tract in which
2 the property is located,

3 “(C) whether the property is owned or
4 leased,

5 “(D) the aggregate value of the items of
6 qualified opportunity zone property held by the
7 qualified opportunity fund as of each date de-
8 scribed in section 1400Z–2(d)(1), and

9 “(E) in the case of real property, the num-
10 ber of residential units (if any),

11 “(7) the approximate average monthly number of
12 full-time equivalent employees for the year of the
13 trades or businesses of the qualified opportunity fund
14 in which qualified opportunity zone business property
15 is held (within numerical ranges identified by the
16 Secretary) or such other indication of the employment
17 impact of such trades or businesses as determined ap-
18 propriate by the Secretary,

19 “(8) with respect to each person who disposed of
20 an investment in the qualified opportunity fund dur-
21 ing the year—

22 “(A) the name, address, and taxpayer iden-
23 tification number of such person,

24 “(B) the date or dates on which the invest-
25 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 IN-*
 7 *VESTORS.—Every person required to make a return under*
 8 *subsection (a) shall furnish to each person whose name is*
 9 *required to be set forth in such return by reason of sub-*
 10 *section (b)(8) (at such time and in such manner as the Sec-*
 11 *retary may prescribe) a written statement showing—*

12 “(1) *the name, address, and phone number of the*
 13 *information contact of the person required to make*
 14 *such return, and*

15 “(2) *the information required to be shown on*
 16 *such return by reason of subsection (b)(8) with respect*
 17 *to the person whose name is required to be so set*
 18 *forth.*

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

20 “(1) *IN GENERAL.—Any term used in this sec-*
 21 *tion which is also used in subchapter Z of chapter 1*
 22 *shall have the meaning given such term under such*
 23 *subchapter.*

1 “(2) *FULL-TIME EQUIVALENT EMPLOYEES.*—*The*
 2 *term ‘full-time equivalent employees’ means, with re-*
 3 *spect 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 num-*
 10 *ber of hours of service of employees who are not*
 11 *full-time employees for the month by 120.*

12 “(e) *APPLICATION TO QUALIFIED RURAL OPPOR-*
 13 *TUNITY FUNDS.*—*Every qualified rural opportunity fund*
 14 *(as defined in section 1400Z–2(b)(2)(C)) shall file the an-*
 15 *nual return required under subsection (a), and the state-*
 16 *ments required under subsection (c), applied—*

17 “(1) *by substituting ‘qualified rural opportunity’*
 18 *for ‘qualified opportunity’ each place it appears,*

19 “(2) *by substituting ‘section 1400Z–2(b)(2)(C)’*
 20 *for ‘section 1400Z–2(d)(1)’ each place it appears, and*

21 “(3) *by treating any reference (after the applica-*
 22 *tion of paragraph (1)) to qualified rural opportunity*
 23 *zone stock, a qualified rural opportunity zone part-*
 24 *nership interest, a qualified rural opportunity zone*
 25 *business, or qualified opportunity zone business prop-*

erty as stock, an interest, a business, or property, respectively, described in subclause (I) or (II), as the case may be, of section 1400Z-2(b)(2)(C)(i).

“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED OPPORTUNITY ZONE BUSINESSES AND QUALIFIED RURAL OPPORTUNITY ZONE BUSINESSES.

“(a) *IN GENERAL.*—Every applicable qualified opportunity zone business shall furnish to the qualified opportunity fund described in subsection (b) a written statement at such time, in such manner, and setting forth such information as the Secretary may by regulations prescribe for purposes of enabling such qualified opportunity fund to meet the requirements of section 6039K(b)(5).

“(b) *APPLICABLE QUALIFIED OPPORTUNITY ZONE BUSINESS.*—For purposes of subsection (a), the term ‘applicable qualified opportunity zone business’ means any qualified opportunity zone business—

“(1) which is a trade or business of a qualified opportunity fund,

“(2) in which a qualified opportunity fund holds qualified opportunity zone stock, or

“(3) in which a qualified opportunity fund holds a qualified opportunity zone partnership interest.

1 “(c) *OTHER TERMS.*—Any term used in this section
2 which is also used in subchapter Z of chapter 1 shall have
3 the meaning given such term under such subchapter.

4 “(d) *APPLICATION TO QUALIFIED RURAL OPPOR-*
5 *TUNITY BUSINESSES.*—Every applicable qualified rural op-
6 portunity zone business (as defined in subsection (b) deter-
7 mined after application of the substitutions described in
8 this sentence) shall furnish the written statement required
9 under subsection (a), applied—

10 “(1) by substituting ‘qualified rural opportunity’
11 for ‘qualified opportunity’ each place it appears, and

12 “(2) by treating any reference (after the applica-
13 tion of paragraph (1)) to qualified rural opportunity
14 zone stock, a qualified rural opportunity zone part-
15 nership interest, or a qualified rural opportunity zone
16 business as stock, an interest, or a business, respec-
17 tively, described in subclause (I) or (II), as the case
18 may be, of section 1400Z–2(b)(2)(C)(i).”.

19 (2) *PENALTIES.*—

20 (A) *IN GENERAL.*—Part II of subchapter B
21 of chapter 68 is amended by inserting after sec-
22 tion 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 cor-
 7 rect return under such section in the time and in the man-
 8 ner prescribed therefor, such person shall pay a penalty of
 9 \$500 for each day during which such failure continues.

10 “(b) *LIMITATION.*—

11 “(1) *IN GENERAL.*—The maximum penalty
 12 under this section on failures with respect to any 1
 13 return shall not exceed \$10,000.

14 “(2) *LARGE QUALIFIED OPPORTUNITY FUNDS.*—
 15 In the case of any failure described in subsection (a)
 16 with respect to a fund the gross assets of which (deter-
 17 mined on the last day of the taxable year) are in ex-
 18 cess of \$10,000,000, paragraph (1) shall be applied by
 19 substituting ‘\$50,000’ for ‘\$10,000’.

20 “(c) *PENALTY IN CASES OF INTENTIONAL DIS-*
 21 *REGARD.*—If a failure described in subsection (a) is due
 22 to intentional disregard, then—

23 “(1) subsection (a) shall be applied by sub-
 24 stituting ‘\$2,500’ for ‘\$500’,

25 “(2) subsection (b)(1) shall be applied by sub-
 26 stituting ‘\$50,000’ for ‘\$10,000’, and

1 “(3) subsection (b)(2) shall be applied by sub-
2 stituting ‘\$250,000’ for ‘\$50,000’.

3 “(d) *INFLATION ADJUSTMENT*.—

4 “(1) *IN GENERAL*.—*In the case of any failure re-*
5 *lating to a return required to be filed in a calendar*
6 *year beginning after 2025, each of the dollar amounts*
7 *in subsections (a), (b), and (c) shall be increased by*
8 *an amount equal to—*

9 “(A) such dollar amount, multiplied by

10 “(B) the cost-of-living adjustment deter-
11 mined under section 1(f)(3) for the calendar year
12 determined by substituting ‘calendar year 2024’
13 for ‘calendar year 2016’ in subparagraph (A)(ii)
14 thereof.

15 “(2) *ROUNDING*.—

16 “(A) *IN GENERAL*.—*If the \$500 dollar*
17 *amount in subsection (a) and (c)(1) or the*
18 *\$2,500 amount in subsection (c)(1), after being*
19 *increased under paragraph (1), is not a multiple*
20 *of \$10, such dollar amount shall be rounded to*
21 *the next lowest multiple of \$10.*

22 “(B) *ASSET THRESHOLD*.—*If the*
23 *\$10,000,000 dollar amount in subsection (b)(2),*
24 *after being increased under paragraph (1), is not*
25 *a multiple of \$10,000, such dollar amount shall*

1 *be rounded to the next lowest multiple of*
 2 *\$10,000.*

3 *“(C) OTHER DOLLAR AMOUNTS.—If any*
 4 *dollar amount in subsection (b) or (c) (other*
 5 *than any amount to which subparagraph (A) or*
 6 *(B) applies), after being increased under para-*
 7 *graph (1), is not a multiple of \$1,000, such dol-*
 8 *lar amount shall be rounded to the next lowest*
 9 *multiple of \$1,000.”.*

10 *(B) INFORMATION REQUIRED TO BE SENT*
 11 *TO OTHER TAXPAYERS.—Section 6724(d)(2), as*
 12 *amended by the preceding provisions of this Act,*
 13 *is amended—*

14 *(i) by striking “or” at the end of sub-*
 15 *paragraph (LL),*

16 *(ii) by striking the period at the end of*
 17 *subparagraph (MM) and inserting a*
 18 *comma, and*

19 *(iii) by inserting after subparagraph*
 20 *(MM) the following new subparagraphs:*

21 *“(NN) section 6039K(c) (relating to disposi-*
 22 *tion of qualified opportunity fund investments),*
 23 *or*

24 *“(OO) section 6039L (relating to informa-*
 25 *tion required from certain qualified opportunity*

1 *zone businesses and qualified rural opportunity*
 2 *zone businesses).*”.

3 (3) *ELECTRONIC FILING.*—Section 6011(e) is
 4 *amended by adding at the end the following new*
 5 *paragraph:*

6 “(8) *QUALIFIED OPPORTUNITY FUNDS AND*
 7 *QUALIFIED RURAL OPPORTUNITY FUNDS.*—Notwith-
 8 *standing paragraphs (1) and (2), any return filed by*
 9 *a qualified opportunity fund or qualified rural op-*
 10 *portunity fund under section 6039K shall be filed on*
 11 *magnetic media or other machine-readable form.*”.

12 (4) *CLERICAL AMENDMENTS.*—

13 (A) *The table of sections for subpart A of*
 14 *part III of subchapter A of chapter 61 is amend-*
 15 *ed by inserting after the item relating to section*
 16 *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.*”.

17 (B) *The table of sections for part II of sub-*
 18 *chapter B of chapter 68 is amended by inserting*
 19 *after the item relating to section 6725 the fol-*
 20 *lowing 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 INCEN-*
6 *TIVES.*—

7 (1) *IN GENERAL.*—*In addition to amounts other-*
8 *wise available, there is appropriated, out of any*
9 *money in the Treasury not otherwise appropriated,*
10 *\$15,000,000, to remain available until September 30,*
11 *2028, for necessary expenses of the Internal Revenue*
12 *Service to make the reports described in paragraph*
13 *(2).*

14 (2) *REPORTS.*—*As soon as practical after the*
15 *date of the enactment of this Act, and annually there-*
16 *after, the Secretary of the Treasury, or the Secretary's*
17 *delegate (referred to in this section as the "Sec-*
18 *retary") shall make publicly available a report on*
19 *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 sepa-*
6 *rately for each North American Industry Classi-*
7 *fication System (NAICS) code.*

8 (D) *The percentage of population census*
9 *tracts designated as qualified opportunity zones*
10 *that have received qualified opportunity fund in-*
11 *vestments.*

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 opportunity*
16 *zone businesses in such qualified opportunity*
17 *zone for the preceding 12-month period (within*
18 *numerical ranges identified by the Secretary) or*
19 *such other indication of the employment impact*
20 *of such qualified opportunity fund businesses as*
21 *determined appropriate by the Secretary.*

22 (F) *The percentage of the total amount of*
23 *investments made by qualified opportunity funds*
24 *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 invest-*
10 *ments made by qualified opportunity funds in*
11 *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 im-*
17 *pacts and outcomes of a designation of a popu-*
18 *lation census tract as a qualified opportunity*
19 *zone as measured by economic indicators, such*
20 *as job creation, poverty reduction, new business*
21 *starts, and other metrics as determined by the*
22 *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 date*
2 *of the enactment of this Act, the Secretary*
3 *shall include the following information:*

4 *(I) For population census tracts*
5 *designated as a qualified opportunity*
6 *zone, a comparison (based on aggregate*
7 *information) of the factors listed in*
8 *clause (iii) between the 5-year period*
9 *ending on the date of the enactment of*
10 *Public Law 115–97 and the most re-*
11 *cent 5-year period for which data is*
12 *available.*

13 *(II) For population census tracts*
14 *designated as a qualified opportunity*
15 *zone, a comparison (based on aggregate*
16 *information) of the factors listed in*
17 *clause (iii) for the most recent 5-year*
18 *period for which data is available be-*
19 *tween such population census tracts*
20 *and similar population census tracts*
21 *that were not designated as a qualified*
22 *opportunity zone.*

23 *(ii) CONTROL GROUPS.—For purposes*
24 *of clause (i), the Secretary may combine*
25 *population census tracts into such groups as*

1 *the Secretary determines appropriate for*
2 *purposes of making comparisons.*

3 *(iii) FACTORS LISTED.—The factors*
4 *listed in this clause are the following:*

5 *(I) The unemployment rate.*

6 *(II) The number of persons work-*
7 *ing in the population census tract, in-*
8 *cluding the percentage of such persons*
9 *who were not residents in the popu-*
10 *lation census tract in the preceding*
11 *year.*

12 *(III) Individual, family, and*
13 *household poverty rates.*

14 *(IV) Median family income of*
15 *residents of the population census*
16 *tract.*

17 *(V) Demographic information on*
18 *residents of the population census*
19 *tract, including age, income, edu-*
20 *cation, race, and employment.*

21 *(VI) The average percentage of in-*
22 *come of residents of the population cen-*
23 *sus tract spent on rent annually.*

24 *(VII) The number of residences in*
25 *the population census tract.*

1 (VIII) *The rate of home ownership*
2 *in the population census tract.*

3 (IX) *The average value of residen-*
4 *tial property in the population census*
5 *tract.*

6 (X) *The number of affordable*
7 *housing units in the population census*
8 *tract.*

9 (XI) *The number of new business*
10 *starts in the population census tract.*

11 (XII) *The distribution of employ-*
12 *ees in the population census tract by*
13 *North American Industry Classifica-*
14 *tion System (NAICS) code.*

15 (5) *PROTECTION OF IDENTIFIABLE RETURN IN-*
16 *FORMATION.—In making reports required under this*
17 *subsection, the Secretary—*

18 (A) *shall establish appropriate procedures*
19 *to ensure that any amounts reported do not dis-*
20 *close taxpayer return information that can be*
21 *associated with any particular taxpayer or com-*
22 *petitive or proprietary information, and*

23 (B) *if necessary to protect taxpayer return*
24 *information, may combine information required*

1 *with respect to individual population census*
 2 *tracts into larger geographic areas.*

3 (6) *DEFINITIONS.*—*Any term used in this sub-*
 4 *section which is also used in subchapter Z of chapter*
 5 *1 of the Internal Revenue Code of 1986 shall have the*
 6 *meaning given such term under such subchapter.*

7 (7) *REPORTS ON QUALIFIED RURAL OPPOR-*
 8 *TUNITY FUNDS.*—*The Secretary shall make publicly*
 9 *available, with respect to qualified rural opportunity*
 10 *funds, separate reports as required under this sub-*
 11 *section, applied—*

12 (A) *by substituting “qualified rural oppor-*
 13 *tunity” for “qualified opportunity” each place it*
 14 *appears,*

15 (B) *by substituting a reference to this Act*
 16 *for “Public Law 115–97”, and*

17 (C) *by treating any reference (after the ap-*
 18 *plication of subparagraph (A)) to qualified rural*
 19 *opportunity zone stock, qualified rural oppor-*
 20 *tunity zone partnership interest, qualified rural*
 21 *opportunity zone business, or qualified oppor-*
 22 *tunity zone business property as stock, interest,*
 23 *business, or property, respectively, described in*
 24 *subclause (I) or (II), as the case may be, of sec-*

1 *tion 1400Z-2(b)(2)(C)(i) of the Internal Revenue*
 2 *Code of 1986.*

3 **SEC. 70422. PERMANENT ENHANCEMENT OF LOW-INCOME**
 4 **HOUSING TAX CREDIT.**

5 *(a) PERMANENT STATE HOUSING CREDIT CEILING IN-*
 6 *CREASE FOR LOW-INCOME HOUSING CREDIT.—*

7 *(1) IN GENERAL.—Section 42(h)(3)(I) is amend-*
 8 *ed—*

9 *(A) by striking “2018, 2019, 2020, and*
 10 *2021,” and inserting “beginning after December*
 11 *31, 2025,”*

12 *(B) by striking “1.125” and inserting*
 13 *“1.12”, and*

14 *(C) by striking “2018, 2019, 2020, AND 2021”*
 15 *in the heading and inserting “CALENDAR YEARS*
 16 *AFTER 2025”.*

17 *(2) EFFECTIVE DATE.—The amendments made*
 18 *by this subsection shall apply to calendar years begin-*
 19 *ning after December 31, 2025.*

20 *(b) TAX-EXEMPT BOND FINANCING REQUIREMENT.—*

21 *(1) IN GENERAL.—Section 42(h)(4) is amended*
 22 *by striking subparagraph (B) and inserting the fol-*
 23 *lowing:*

24 *“(B) SPECIAL RULE WHERE MINIMUM PER-*
 25 *CENT OF BUILDINGS IS FINANCED WITH TAX-EX-*

1 *EMPTY BONDS SUBJECT TO VOLUME CAP.—For*
 2 *purposes of subparagraph (A), paragraph (1)*
 3 *shall not apply to any portion of the credit al-*
 4 *lowable under subsection (a) with respect to a*
 5 *building if—*

6 *“(i) 50 percent or more of the aggre-*
 7 *gate basis of such building and the land on*
 8 *which the building is located is financed by*
 9 *1 or more obligations described in subpara-*
 10 *graph (A), or*

11 *“(ii)(I) 25 percent or more of the ag-*
 12 *gregate basis of such building and the land*
 13 *on which the building is located is financed*
 14 *by 1 or more obligations described in sub-*
 15 *paragraph (A), and*

16 *“(II) 1 or more of such obligations—*

17 *“(aa) are part of an issue the*
 18 *issue date of which is after December*
 19 *31, 2025, and*

20 *“(bb) provide the financing for*
 21 *not less than 5 percent of the aggregate*
 22 *basis of such building and the land on*
 23 *which the building is located.”.*

24 *(2) EFFECTIVE DATE.—*

1 (A) *IN GENERAL.*—*The amendment made*
 2 *by this subsection shall apply to buildings placed*
 3 *in service in taxable years beginning after De-*
 4 *cember 31, 2025.*

5 (B) *REHABILITATION EXPENDITURES*
 6 *TREATED AS SEPARATE NEW BUILDING.*—*In the*
 7 *case of any building with respect to which any*
 8 *expenditures are treated as a separate new build-*
 9 *ing under section 42(e) of the Internal Revenue*
 10 *Code of 1986, for purposes of subparagraph (A),*
 11 *both the existing building and the separate new*
 12 *building shall be treated as having been placed*
 13 *in service on the date such expenditures are*
 14 *treated as placed in service under section*
 15 *42(e)(4) of such Code.*

16 **SEC. 70423. PERMANENT EXTENSION OF NEW MARKETS TAX**
 17 **CREDIT.**

18 (a) *IN GENERAL.*—*Section 45D(f)(1)(H) is amended*
 19 *by striking “for for each of calendar years 2020 through*
 20 *2025” and inserting “ for each calendar year after 2019”.*

21 (b) *CARRYOVER OF UNUSED LIMITATION.*—*Section*
 22 *45D(f)(3) is amended—*

23 (1) *by striking “If the” and inserting the fol-*
 24 *lowing:*

25 “(A) *IN GENERAL.*—*If the”, and*

1 (2) *by striking the second sentence and inserting*
 2 *the following:*

3 “(B) *LIMITATION.*—No amount may be car-
 4 ried under subparagraph (A) to any calendar
 5 year afer the fifth calendar year after the cal-
 6 endar year in which the excess described in such
 7 subparagraph occurred. For purposes of this sub-
 8 paragraph, any excess described in subparagraph
 9 (A) with respect to any calendar year before
 10 2026 shall be treated as occurring in calendar
 11 year 2025.”.

12 (c) *EFFECTIVE DATE.*—The amendments made by this
 13 section shall apply to calendar years beginning after De-
 14 cember 31, 2025.

15 **SEC. 70424. PERMANENT AND EXPANDED REINSTATEMENT**
 16 **OF PARTIAL DEDUCTION FOR CHARITABLE**
 17 **CONTRIBUTIONS OF INDIVIDUALS WHO DO**
 18 **NOT ELECT TO ITEMIZE.**

19 (a) *IN GENERAL.*—Section 170(p) is amended—

20 (1) *by striking “\$300 (\$600” and inserting*
 21 *“\$1,000 (\$2,000”, and*

22 (2) *by striking “beginning in 2021”.*

23 (b) *EFFECTIVE DATE.*—The amendments made by this
 24 section shall apply to taxable years beginning after Decem-
 25 ber 31, 2025.

1 **SEC. 70425. 0.5 PERCENT FLOOR ON DEDUCTION OF CON-**
2 **TRIBUTIONS MADE BY INDIVIDUALS.**

3 (a) *IN GENERAL.*—

4 (1) *IN GENERAL.*—Paragraph (1) of section
5 170(b) is amended by adding at the end the following
6 new subparagraph:

7 “(I) 0.5-PERCENT FLOOR.—Any charitable
8 contribution otherwise allowable (without regard
9 to this subparagraph) as a deduction under this
10 section shall be allowed only to the extent that
11 the aggregate of such contributions exceeds 0.5
12 percent of the taxpayer’s contribution base for
13 the taxable year. The preceding sentence shall be
14 applied—

15 “(i) first, by taking into account chari-
16 table contributions to which subparagraph
17 (D) applies to the extent thereof,

18 “(ii) second, by taking into account
19 charitable contributions to which subpara-
20 graph (C) applies to the extent thereof,

21 “(iii) third, by taking into account
22 charitable contributions to which subpara-
23 graph (B) applies to the extent thereof,

24 “(iv) fourth, by taking into account
25 charitable contributions to which subpara-
26 graph (E) applies to the extent thereof,

1 “(v) *fifth, by taking into account char-*
 2 *itable contributions to which subparagraph*
 3 *(A) applies to the extent thereof, and*

4 “(vi) *sixth, by taking into account*
 5 *charitable contributions to which subpara-*
 6 *graph (G) applies to the extent thereof.”.*

7 (2) *APPLICATION OF CARRYFORWARD.—Para-*
 8 *graph (1) of section 170(d) is amended by adding at*
 9 *the end the following new subparagraph:*

10 “(C) *CONTRIBUTIONS DISALLOWED BY 0.5-*
 11 *PERCENT FLOOR CARRIED FORWARD ONLY FROM*
 12 *YEARS IN WHICH LIMITATION IS EXCEEDED.—*

13 “(i) *IN GENERAL.—In the case of any*
 14 *taxable year from which an excess is carried*
 15 *forward (determined without regard to this*
 16 *subparagraph) under any carryover rule,*
 17 *the applicable carryover rule shall be ap-*
 18 *plied by increasing the excess determined*
 19 *under such applicable carryover rule for the*
 20 *contribution year (before the application of*
 21 *subparagraph (B)) by the amount attrib-*
 22 *utable to the charitable contributions to*
 23 *which such rule applies which is not al-*
 24 *lowed as a deduction for the contribution*
 25 *year by reason of subsection (b)(1)(I).*

1 “(ii) *CARRYOVER RULE*.—For purposes
2 of this subparagraph, the term ‘carryover
3 rule’ means—

4 “(I) subparagraph (A) of this
5 paragraph,

6 “(II) subparagraphs (C)(ii),
7 (D)(ii), (E)(ii), and (G)(ii) of sub-
8 section (b)(1), and

9 “(III) the second sentence of sub-
10 section (b)(1)(B).

11 “(iii) *APPLICABLE CARRYOVER*
12 *RULE*.—For purposes of this subparagraph,
13 the term ‘applicable carryover rule’ means
14 any carryover rule applicable to charitable
15 contributions which were (in whole or in
16 part) not allowed as a deduction for the
17 contribution year by reason of subsection
18 (b)(1)(I).”.

19 (3) *COORDINATION WITH DEDUCTION FOR NON-*
20 *ITEMIZERS*.—Section 170(p), as amended by this Act,
21 is further amended by inserting “, (b)(1)(I),” after
22 “subsections (b)(1)(G)(ii)”.

23 (b) *MODIFICATION OF LIMITATION FOR CASH CON-*
24 *TRIBUTIONS*.—

1 (1) *IN GENERAL.*—Clause (i) of section
2 170(b)(1)(G) is amended to read as follows:

3 “(i) *IN GENERAL.*—For taxable years
4 beginning after December 31, 2017, any
5 contribution of cash to an organization de-
6 scribed in subparagraph (A) shall be al-
7 lowed as a deduction under subsection (a)
8 to the extent that the aggregate of such con-
9 tributions does not exceed the excess of—

10 “(I) 60 percent of the taxpayer’s
11 contribution base for the taxable year,
12 over

13 “(II) the aggregate amount of con-
14 tributions taken into account under
15 subparagraph (A) for such taxable
16 year.”.

17 (2) *COORDINATION WITH OTHER LIMITATIONS.*—

18 (A) *IN GENERAL.*—Clause (iii) of section
19 170(b)(1)(G) is amended—

20 (i) by striking “*SUBPARAGRAPHS (A)*
21 *AND (B)*” in the heading and inserting
22 “*SUBPARAGRAPH (A)*”, and

23 (ii) in subclause (II), by striking “,
24 and subparagraph (B)” and all that follows
25 through “this subparagraph”.

1 (B) *OTHER CONTRIBUTIONS.*—Subpara-
2 graph (B) of section 170(b)(1) is amended—

3 (i) by striking “to which subparagraph
4 (A)” both places it appears and inserting
5 “to which subparagraph (A) or (G)”, and

6 (ii) in clause (ii), by striking “over the
7 amount” and all that follows through “sub-
8 paragraph (C)).” and inserting “over—

9 “(I) the amount of charitable con-
10 tributions allowable under subpara-
11 graph (A) (determined without regard
12 to subparagraph (C)) and subpara-
13 graph (G), reduced by

14 “(II) so much of the contributions
15 taken into account under subpara-
16 graph (G) as does not exceed 10 per-
17 cent of the taxpayer’s contribution
18 base.”.

19 (c) *EFFECTIVE DATE.*—The amendments made by this
20 section shall apply to taxable years beginning after Decem-
21 ber 31, 2025.

1 **SEC. 70426. 1-PERCENT FLOOR ON DEDUCTION OF CHARI-**
 2 **TABLE CONTRIBUTIONS MADE BY CORPORA-**
 3 **TIONS.**

4 (a) *IN GENERAL.*—Section 170(b)(2)(A) is amended to
 5 read as follows:

6 “(A) *IN GENERAL.*—Any charitable con-
 7 tribution otherwise allowable (without regard to
 8 this subparagraph) as a deduction under this
 9 section for any taxable year, other than any con-
 10 tribution to which subparagraph (B) or (C) ap-
 11 plies, shall be allowed only to the extent that the
 12 aggregate of such contributions—

13 “(i) exceeds 1 percent of the taxpayer’s
 14 taxable income for the taxable year, and

15 “(ii) does not exceed 10 percent of the
 16 taxpayer’s taxable income for the taxable
 17 year.”.

18 (b) *APPLICATION OF CARRYFORWARD.*—Section
 19 170(d)(2) is amended to read as follows:

20 “(2) *CORPORATIONS.*—

21 “(A) *IN GENERAL.*—Any charitable con-
 22 tribution taken into account under subsection
 23 (b)(2)(A) for any taxable year which is not al-
 24 lowed as a deduction by reason of clause (ii)
 25 thereof shall be taken into account as a chari-
 26 table contribution for the succeeding taxable

year, except that, for purposes of determining under this subparagraph whether such contribution is allowed in such succeeding taxable year, contributions in such succeeding taxable year (determined without regard to this paragraph) shall be taken into account under subsection (b)(2)(A) before any contribution taken into account by reason of this paragraph.

“(B) 5-YEAR CARRYFORWARD.—No charitable contribution may be carried forward under subparagraph (A) to any taxable year following the fifth taxable year after the taxable year in which the charitable contribution was first taken into account. For purposes of the preceding sentence, contributions shall be treated as allowed on a first-in first-out basis.

“(C) CONTRIBUTIONS DISALLOWED BY 1-PERCENT FLOOR CARRIED FORWARD ONLY FROM YEARS IN WHICH 10 PERCENT LIMITATION IS EXCEEDED.—In the case of any taxable year from which a charitable contribution is carried forward under subparagraph (A) (determined without regard to this subparagraph), subparagraph (A) shall be applied by substituting ‘clause (i) or (ii)’ for ‘clause (ii)’.

1 “(D) *SPECIAL RULE FOR NET OPERATING*
 2 *LOSS CARRYOVERS.*—*The amount of charitable*
 3 *contributions carried forward under subpara-*
 4 *graph (A) shall be reduced to the extent that such*
 5 *carryforward would (but for this subparagraph)*
 6 *reduce taxable income (as computed for purposes*
 7 *of the second sentence of section 172(b)(2)) and*
 8 *increase a net operating loss carryover under*
 9 *section 172 to a succeeding taxable year.”.*

10 (c) *CONFORMING AMENDMENTS.*—*Subparagraphs*
 11 *(B)(ii) and (C)(ii) of section 170(b)(2) are each amended*
 12 *by inserting “other than subparagraph (C) thereof” after*
 13 *“subsection (d)(2)”.*

14 (d) *EFFECTIVE DATE.*—*The amendments made by this*
 15 *section shall apply to taxable years beginning after Decem-*
 16 *ber 31, 2025.*

17 **SEC. 70427. PERMANENT INCREASE IN LIMITATION ON**
 18 **COVER OVER OF TAX ON DISTILLED SPIRITS.**

19 (a) *IN GENERAL.*—*Paragraph (1) of section 7652(f) is*
 20 *amended to read as follows:*

21 “(1) \$13.25, or”.

22 (b) *EFFECTIVE DATE.*—*The amendment made by this*
 23 *section shall apply to distilled spirits brought into the*
 24 *United States after December 31, 2025.*

1 **SEC. 70428. NONPROFIT COMMUNITY DEVELOPMENT AC-**
 2 **TIVITIES IN REMOTE NATIVE VILLAGES.**

3 (a) *IN GENERAL.*—For purposes of subchapter F of
 4 chapter 1 of the Internal Revenue Code of 1986, any activ-
 5 ity substantially related to participation or investment in
 6 fisheries in the Bering Sea and Aleutian Islands statistical
 7 and reporting areas (as described in Figure 1 of section
 8 679 of title 50, Code of Federal Regulations) carried on by
 9 an entity identified in section 305(i)(1)(D) of the Magnu-
 10 son-Stevens Fishery Conservation and Management Act (16
 11 U.S.C. 1855(i)(1)(D)) (as in effect on the date of enactment
 12 of this section) shall be considered substantially related to
 13 the exercise or performance of the purpose constituting the
 14 basis of such entity’s exemption under section 501(a) of such
 15 Code if the conduct of such activity is in furtherance of 1
 16 or more of the purposes specified in section 305(i)(1)(A) of
 17 such Act (as so in effect). For purposes of this paragraph,
 18 activities substantially related to participation or invest-
 19 ment in fisheries include the harvesting, processing, trans-
 20 portation, sales, and marketing of fish and fish products
 21 of the Bering Sea and Aleutian Islands statistical and re-
 22 porting areas.

23 (b) *APPLICATION TO CERTAIN WHOLLY OWNED SUB-*
 24 *SIDIARIES.*—If the assets of a trade or business relating to
 25 an activity described in subsection (a) of any subsidiary
 26 wholly owned by an entity identified in section

1 305(i)(1)(D) of the Magnuson-Stevens Fishery Conservation
 2 and Management Act (16 U.S.C. 1855(i)(1)(D)) (as in ef-
 3 fect on the date of enactment of this section) are transferred
 4 to such entity (including in liquidation of such subsidiary)
 5 not later than 18 months after the date of the enactment
 6 of this Act—

7 (1) no gain or income resulting from such trans-
 8 fer shall be recognized to either such subsidiary or
 9 such entity under such Code, and

10 (2) all income derived from such subsidiary from
 11 such transferred trade or business shall be exempt
 12 from taxation under such Code.

13 (c) *EFFECTIVE DATE.*—This section shall take effect
 14 on the date of the enactment of this Act and shall remain
 15 effective during the existence of the western Alaska commu-
 16 nity development quota program established by Section
 17 305(i)(1) of the Magnuson-Stevens Fishery Conservation
 18 and Management Act (16 U.S.C. 1855(i)(1)), as amended.

19 **SEC. 70429. ADJUSTMENT OF CHARITABLE DEDUCTION FOR**
 20 **CERTAIN EXPENSES INCURRED IN SUPPORT**
 21 **OF NATIVE ALASKAN SUBSISTENCE WHALING.**

22 (a) *IN GENERAL.*—Section 170(n)(1) of the Internal
 23 Revenue Code of 1986 is amended by striking “\$10,000”
 24 and inserting “\$50,000”.

1 (b) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall apply to taxable years beginning after Decem-*
 3 *ber 31, 2025.*

4 **SEC. 70430. EXCEPTION TO PERCENTAGE OF COMPLETION**
 5 **METHOD OF ACCOUNTING FOR CERTAIN RES-**
 6 **IDENTIAL CONSTRUCTION CONTRACTS.**

7 (a) *IN GENERAL.*—*Section 460(e) is amended—*

8 (1) *in paragraph (1)—*

9 (A) *by striking “home construction con-*
 10 *tract” both places it appears and inserting “resi-*
 11 *dential construction contract”, and*

12 (B) *by inserting “(determined by sub-*
 13 *stituting ‘3-year’ for ‘2-year’ in subparagraph*
 14 *(B)(i) for any residential construction contract*
 15 *which is not a home construction contract)” after*
 16 *“the requirements of clauses (i) and (ii) of sub-*
 17 *paragraph (B)”,*

18 (2) *by striking paragraph (4) and redesignating*
 19 *paragraph (5) as paragraph (4), and*

20 (3) *in subparagraph (A) of paragraph (4), as so*
 21 *redesignated, by striking “paragraph (4)” and insert-*
 22 *ing “paragraph (3)”.*

23 (b) *APPLICATION OF EXCEPTION FOR PURPOSES OF*
 24 *ALTERNATIVE MINIMUM TAX.*—*Section 56(a)(3) is amend-*
 25 *ed by striking “any home construction contract (as defined*

1 *in section 460(e)(6))” and inserting “any residential con-*
 2 *struction contract (as defined in section 460(e)(4))”.*

3 *(c) EFFECTIVE DATE.—The amendments made by this*
 4 *section shall apply to contracts entered into in taxable years*
 5 *beginning after the date of the enactment of this Act.*

6 ***Subchapter D—Permanent Investments in***
 7 ***Small Business and Rural America***

8 ***SEC. 70431. EXPANSION OF QUALIFIED SMALL BUSINESS***
 9 ***STOCK GAIN EXCLUSION.***

10 *(a) PHASED INCREASE IN EXCLUSION FOR GAIN FROM*
 11 *QUALIFIED SMALL BUSINESS STOCK.—*

12 *(1) IN GENERAL.—Section 1202(a)(1) is amend-*
 13 *ed to read as follows:*

14 *“(1) IN GENERAL.— In the case of a taxpayer*
 15 *other than a corporation, gross income shall not in-*
 16 *clude—*

17 *“(A) except as provided in paragraphs (3)*
 18 *and (4), 50 percent of any gain from the sale or*
 19 *exchange of qualified small business stock ac-*
 20 *quired on or before the applicable date and held*
 21 *for more than 5 years, and*

22 *“(B) the applicable percentage of any gain*
 23 *from the sale or exchange of qualified small busi-*
 24 *ness stock acquired after the applicable date and*
 25 *held for at least 3 years.”.*

1 (2) *APPLICABLE PERCENTAGE.*—*Section 1202(a)*
 2 *is amended by adding at the end the following new*
 3 *paragraph:*

4 “(5) *APPLICABLE PERCENTAGE.*—*The applicable*
 5 *percentage under paragraph (1) shall be determined*
 6 *under the following table:*

<i>“Years stock held:</i>	<i>Applicable percentage:</i>
<i>3 years</i>	<i>50%</i>
<i>4 years</i>	<i>75%</i>
<i>5 years or more</i>	<i>100%”.</i>

7 (3) *APPLICABLE DATE; ACQUISITION DATE.*—*Sec-*
 8 *tion 1202(a), as amended by paragraph (2), is*
 9 *amended by adding at the end the following new*
 10 *paragraph:*

11 “(6) *APPLICABLE DATE; ACQUISITION DATE.*—
 12 *For purposes of this section—*

13 “(A) *APPLICABLE DATE.*—*The term ‘appli-*
 14 *cable date’ means the date of the enactment of*
 15 *this paragraph.*

16 “(B) *ACQUISITION DATE.*—*In the case of*
 17 *any stock which would (but for this paragraph)*
 18 *be treated as having been acquired before, on, or*
 19 *after the applicable date, whichever is applicable,*
 20 *the acquisition date for purposes of this section*
 21 *shall be the first day on which such stock was*

1 *held by the taxpayer determined after the appli-*
 2 *cation of section 1223.”.*

3 (4) *CONTINUED TREATMENT AS NOT ITEM OF*
 4 *TAX PREFERENCE.—*

5 (A) *IN GENERAL.—Section 57(a)(7) is*
 6 *amended by striking “An amount” and inserting*
 7 *“In the case of stock acquired on or before the*
 8 *date of the enactment of the Creating Small*
 9 *Business Jobs Act of 2010, an amount”.*

10 (B) *CONFORMING AMENDMENT.—Section*
 11 *1202(a)(4) is amended—*

12 (i) *by striking “, and” at the end of*
 13 *subparagraph (B) and inserting a period,*
 14 *and*

15 (ii) *by striking subparagraph (C).*

16 (5) *OTHER CONFORMING AMENDMENTS.—*

17 (A) *Paragraphs (3)(A) and (4)(A) of section*
 18 *1202(a) are each amended by striking “para-*
 19 *graph (1)” and inserting “paragraph (1)(A)”.*

20 (B) *Paragraph (4)(A) of section 1202(a) is*
 21 *amended by inserting “and on or before the ap-*
 22 *plicable date” after “2010”.*

23 (C) *Sections 1202(b)(2), 1202(g)(2)(A), and*
 24 *1202(j)(1)(A) are each amended by striking*
 25 *“more than 5 years” and inserting “at least 3*

1 *years (more than 5 years in the case of stock ac-*
 2 *quired on or before the applicable date)’’.*

3 (6) *EFFECTIVE DATES.*—

4 (A) *IN GENERAL.*—*Except as provided in*
 5 *subparagraph (B), the amendments made by this*
 6 *subsection shall apply to taxable years beginning*
 7 *after the date of the enactment of this Act.*

8 (B) *CONTINUED TREATMENT AS NOT ITEM*
 9 *OF TAX PREFERENCE.*—*The amendments made*
 10 *by paragraph (4) shall take effect as if included*
 11 *in the enactment of section 2011 of the Creating*
 12 *Small Business Jobs Act of 2010.*

13 (b) *INCREASE IN PER ISSUER LIMITATION.*—

14 (1) *IN GENERAL.*—*Subparagraph (A) of section*
 15 *1202(b)(1) is amended to read as follows:*

16 “(A) *the applicable dollar limit for the tax-*
 17 *able year, or’’.*

18 (2) *APPLICABLE DOLLAR LIMIT.*—*Section 1202*
 19 *(b) is amended by adding at the end the following:*

20 “(4) *APPLICABLE DOLLAR LIMIT.*—*For purposes*
 21 *of paragraph (1)(A), the applicable dollar limit for*
 22 *any taxable year with respect to eligible gain from 1*
 23 *or more dispositions by a taxpayer of qualified busi-*
 24 *ness stock of a corporation is—*

1 “(A) if such stock was acquired by the tax-
2 payer on or before the applicable date,
3 \$10,000,000, reduced by the aggregate amount of
4 eligible gain taken into account by the taxpayer
5 under subsection (a) for prior taxable years and
6 attributable to dispositions of stock issued by
7 such corporation and acquired by the taxpayer
8 before, on, or after the applicable date, and

9 “(B) if such stock was acquired by the tax-
10 payer after the applicable date, \$15,000,000, re-
11 duced by the sum of—

12 “(i) the aggregate amount of eligible
13 gain taken into account by the taxpayer
14 under subsection (a) for prior taxable years
15 and attributable to dispositions of stock
16 issued by such corporation and acquired by
17 the taxpayer before, on, or after the applica-
18 ble date, plus

19 “(ii) the aggregate amount of eligible
20 gain taken into account by the taxpayer
21 under subsection (a) for the taxable year
22 and attributable to dispositions of stock
23 issued by such corporation and acquired by
24 the taxpayer on or before the applicable
25 date.

1 “(5) *INFLATION ADJUSTMENT.*—

2 “(A) *IN GENERAL.*—*In the case of any tax-*
3 *able year beginning after 2026, the \$15,000,000*
4 *amount in paragraph (4)(B) shall be increased*
5 *by an amount equal to —*

6 “(i) *such dollar amount, multiplied by*

7 “(ii) *the cost-of-living adjustment de-*
8 *termined under section 1(f)(3) for the cal-*
9 *endar year in which the taxable year be-*
10 *gins, determined by substituting ‘calendar*
11 *year 2025’ for ‘calendar year 2016’ in sub-*
12 *paragraph (A)(ii) thereof.*

13 *If any increase under this subparagraph is not*
14 *a multiple of \$10,000, such increase shall be*
15 *rounded to the nearest multiple of \$10,000.*

16 “(B) *NO INCREASE ONCE LIMIT*
17 *REACHED.*—*If, for any taxable year, the eligible*
18 *gain attributable to dispositions of stock issued*
19 *by a corporation and acquired by the taxpayer*
20 *after the applicable date exceeds the applicable*
21 *dollar limit, then notwithstanding any increase*
22 *under subparagraph (A) for any subsequent tax-*
23 *able year, the applicable dollar limit for such*
24 *subsequent taxable year shall be zero.”.*

1 (3) *SEPARATE RETURNS*.—Subparagraph (A) of
2 section 1202(b)(3) is amended to read as follows:

3 “(A) *SEPARATE RETURNS*.—In the case of a
4 separate return by a married individual for any
5 taxable year—

6 “(i) paragraph (4)(A) shall be applied
7 by substituting ‘\$5,000,000’ for
8 ‘\$10,000,000’, and

9 “(ii) paragraph (4)(B) shall be applied
10 by substituting one-half of the dollar
11 amount in effect under such paragraph for
12 the taxable year for the amount so in ef-
13 fect.”.

14 (4) *EFFECTIVE DATE*.—The amendments made
15 by this subsection shall apply to taxable years begin-
16 ning after the date of the enactment of this Act.

17 (c) *INCREASE IN LIMIT IN AGGREGATE GROSS AS-*
18 *SETS*.—

19 (1) *IN GENERAL*.—Subparagraphs (A) and (B)
20 of section 1202(d)(1) are each amended by striking
21 “\$50,000,000” and inserting “\$75,000,000”.

22 (2) *INFLATION ADJUSTMENT*.—Section 1202(b) is
23 amended by adding at the end the following:

24 “(4) *INFLATION ADJUSTMENT*.—In the case of
25 any taxable year beginning after 2026, the

1 \$75,000,000 amounts in paragraphs (1)(A) and
 2 (1)(B) shall each be increased by an amount equal
 3 to—

4 “(A) such dollar amount, multiplied by
 5 “(B) the cost-of-living adjustment deter-
 6 mined under section 1(f)(3) for the calendar year
 7 in which the taxable year begins, determined by
 8 substituting ‘calendar year 2025’ for ‘calendar
 9 year 2016’ in subparagraph (A)(ii) thereof.

10 If any increase under this paragraph is not a mul-
 11 tiple of \$10,000, such increase shall be rounded to the
 12 nearest multiple of \$10,000.”.

13 (3) *EFFECTIVE DATE.*—The amendments made
 14 by this subsection shall apply to stock issued after the
 15 date of the enactment of this Act.

16 **SEC. 70432. REPEAL OF REVISION TO DE MINIMIS RULES**
 17 **FOR THIRD PARTY NETWORK TRANSACTIONS.**

18 (a) *REINSTATEMENT OF EXCEPTION FOR DE MINIMIS*
 19 *PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF AMER-*
 20 *ICAN RESCUE PLAN ACT OF 2021.*—

21 (1) *IN GENERAL.*—Section 6050W(e) is amended
 22 to read as follows:

23 “(e) *EXCEPTION FOR DE MINIMIS PAYMENTS BY*
 24 *THIRD PARTY SETTLEMENT ORGANIZATIONS.*—A third
 25 party settlement organization shall be required to report

1 *any information under subsection (a) with respect to third*
 2 *party network transactions of any participating payee only*
 3 *if—*

4 “(1) *the amount which would otherwise be re-*
 5 *ported under subsection (a)(2) with respect to such*
 6 *transactions exceeds \$20,000, and*

7 “(2) *the aggregate number of such transactions*
 8 *exceeds 200.”.*

9 (2) *EFFECTIVE DATE.—The amendment made by*
 10 *this subsection shall take effect as if included in sec-*
 11 *tion 9674 of the American Rescue Plan Act.*

12 (b) *APPLICATION OF DE MINIMIS RULE FOR THIRD*
 13 *PARTY NETWORK TRANSACTIONS TO BACKUP WITH-*
 14 *HOLDING.—*

15 (1) *IN GENERAL.—Section 3406(b) is amended*
 16 *by adding at the end the following new paragraph:*

17 “(8) *OTHER REPORTABLE PAYMENTS INCLUDE*
 18 *PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-*
 19 *WORK TRANSACTIONS ONLY WHERE AGGREGATE*
 20 *TRANSACTIONS EXCEED REPORTING THRESHOLD FOR*
 21 *THE CALENDAR YEAR.—*

22 “(A) *IN GENERAL.—Any payment in settle-*
 23 *ment of a third party network transaction re-*
 24 *quired to be shown on a return required under*
 25 *section 6050W which is made during any cal-*

1 *endar year shall be treated as a reportable pay-*
2 *ment only if—*

3 *“(i) the aggregate number of trans-*
4 *actions with respect to the participating*
5 *payee during such calendar year exceeds the*
6 *number of transactions specified in section*
7 *6050W(e)(2), and*

8 *“(ii) the aggregate amount of trans-*
9 *actions with respect to the participating*
10 *payee during such calendar year exceeds the*
11 *dollar amount specified in section*
12 *6050W(e)(1) at the time of such payment.*

13 *“(B) EXCEPTION IF THIRD PARTY NETWORK*
14 *TRANSACTIONS MADE IN PRIOR YEAR WERE RE-*
15 *PORTABLE.—Subparagraph (A) shall not apply*
16 *with respect to payments to any participating*
17 *payee during any calendar year if one or more*
18 *payments in settlement of third party network*
19 *transactions made by the payor to the partici-*
20 *pating payee during the preceding calendar year*
21 *were reportable payments.”.*

22 *(2) EFFECTIVE DATE.—The amendment made by*
23 *this subsection shall apply to calendar years begin-*
24 *ning 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 amend-
 7 ed by adding at the end the following new subsection:

8 “(h) *INFLATION ADJUSTMENT.*—In the case of any cal-
 9 endar year after 2026, the dollar amount in subsection (a)
 10 shall be increased by an amount equal to—

11 “(1) such dollar amount, multiplied by

12 “(2) the cost-of-living adjustment determined
 13 under section 1(f)(3) for such calendar year, deter-
 14 mined by substituting ‘calendar year 2025’ for ‘cal-
 15 endar year 2016’ in subparagraph (A)(ii) thereof.

16 If any increase under the preceding sentence is not a mul-
 17 tiple of \$100, such increase shall be rounded to the nearest
 18 multiple of \$100.”.

19 (c) *APPLICATION TO REPORTING ON REMUNERATION*
 20 *FOR SERVICES.*—Section 6041A(a)(2) is amended by strik-
 21 ing “is \$600 or more” and inserting “equals or exceeds the
 22 dollar amount in effect for such calendar year under section
 23 6041(a)”.

24 (d) *APPLICATION TO BACKUP WITHHOLDING.*—Sec-
 25 tion 3406(b)(6) is amended—

1 (1) by striking “\$600” in subparagraph (A) and
 2 inserting “the dollar amount in effect for such cal-
 3 endar year under section 6041(a)”, and

4 (2) by striking “ONLY WHERE AGGREGATE FOR
 5 CALENDAR YEAR IS \$600 OR MORE” in the heading
 6 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 “tax-
 13 able year” and inserting “calendar year”.

14 (f) *EFFECTIVE DATE.*—The amendments made by this
 15 section shall apply with respect to payments made after De-
 16 cember 31, 2025.

17 **SEC. 70434. TREATMENT OF CERTAIN QUALIFIED SOUND**
 18 **RECORDING PRODUCTIONS.**

19 (a) *ELECTION TO TREAT COSTS AS EXPENSES.*—Sec-
 20 tion 181(a)(1) is amended by striking “qualified film or
 21 television production, and any qualified live theatrical pro-
 22 duction,” and inserting “qualified film or television pro-
 23 duction, any qualified live theatrical production, and any
 24 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 sound
 7 recording production, or to so much of the aggre-
 8 gate, cumulative cost of all such qualified sound
 9 recording productions in the taxable year, as ex-
 10 ceeds \$150,000.”.

11 (c) *NO OTHER DEDUCTION OR AMORTIZATION DEDUC-*
 12 *TION ALLOWABLE.*—Section 181(b) is amended by striking
 13 “qualified film or television production or any qualified
 14 live theatrical production” and inserting “qualified film or
 15 television production, any qualified live theatrical produc-
 16 tion, or any qualified sound recording production”.

17 (d) *ELECTION.*—Section 181(c)(1) is amended by
 18 striking “qualified film or television production or any
 19 qualified live theatrical production” and inserting “quali-
 20 fied film or television production, any qualified live theat-
 21 rical production, or any qualified sound recording produc-
 22 tion”.

23 (e) *QUALIFIED SOUND RECORDING PRODUCTION DE-*
 24 *FINED.*—Section 181 is amended by redesignating sub-
 25 sections (f) and (g) as subsections (g) and (h), respectively,

1 *and by inserting after subsection (e) the following new sub-*
 2 *section:*

3 “(f) *QUALIFIED SOUND RECORDING PRODUCTION.*—
 4 *For purposes of this section, the term ‘qualified sound re-*
 5 *cording production’ means a sound recording (as defined*
 6 *in section 101 of title 17, United States Code) produced*
 7 *and recorded in the United States.”.*

8 (f) *APPLICATION OF TERMINATION.*—Section 181(h),
 9 *as redesignated by subsection (e), is amended by striking*
 10 *“qualified film and television productions or qualified live*
 11 *theatrical productions” and inserting “qualified film and*
 12 *television productions, qualified live theatrical productions,*
 13 *or qualified sound recording productions”.*

14 (g) *BONUS DEPRECIATION.*—

15 (1) *QUALIFIED SOUND RECORDING PRODUCTION*
 16 *AS QUALIFIED PROPERTY.*—Section 168(k)(2)(A)(i) *is*
 17 *amended—*

18 (A) *by striking “or” at the end of subclause*
 19 *(IV), by inserting “or” at the end of subclause*
 20 *(V), and by inserting after subclause (V) the fol-*
 21 *lowing:*

22 “(VI) *which is a qualified sound*
 23 *recording production (as defined in*
 24 *subsection (f) of section 181) for which*
 25 *a deduction would have been allowable*

1 under section 181 without regard to
2 subsections (a)(2) and (h) of such sec-
3 tion or this subsection, and”, and

4 (B) in subclauses (IV) and (V) (as so
5 amended) by striking “without regard to sub-
6 sections (a)(2) and (g)” both places it appears
7 and inserting “without regard to subsections
8 (a)(2) and (h)”.

9 (2) *PRODUCTION PLACED IN SERVICE.*—Section
10 168(k)(2)(H) is amended by striking “and” at the
11 end of clause (i), by striking the period at the end of
12 clause (ii) and inserting “, and”, and by adding after
13 clause (ii) the following:

14 “(iii) a qualified sound recording pro-
15 duction shall be considered to be placed in
16 service at the time of initial release or
17 broadcast.”.

18 (h) *CONFORMING AMENDMENTS.*—

19 (1) The heading for section 181 is amended to
20 read as follows: “**TREATMENT OF CERTAIN**
21 **QUALIFIED PRODUCTIONS.**”.

22 (2) The table of sections for part VI of sub-
23 chapter B of chapter 1 is amended by striking the
24 item relating to section 181 and inserting the fol-
25 lowing new item:

“Sec. 181. *Treatment of certain qualified productions.*”.

1 (i) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall apply to productions commencing in taxable*
 3 *years ending after the date of the enactment of this Act.*

4 **SEC. 70435. EXCLUSION OF INTEREST ON LOANS SECURED**
 5 **BY RURAL OR AGRICULTURAL REAL PROP-**
 6 **ERTY.**

7 (a) *IN GENERAL.*—*Part III of subchapter B of chapter*
 8 *1, as amended by the preceding provisions of this Act, is*
 9 *amended by inserting after section 139K the following new*
 10 *section:*

11 **“SEC. 139L. INTEREST ON LOANS SECURED BY RURAL OR**
 12 **AGRICULTURAL REAL PROPERTY.**

13 “(a) *IN GENERAL.*—*Gross income shall not include 25*
 14 *percent of the interest received by a qualified lender on any*
 15 *qualified real estate loan.*

16 “(b) *QUALIFIED LENDER.*—*For purposes of this sec-*
 17 *tion, the term ‘qualified lender’ means—*

18 “(1) *any bank or savings association the deposits*
 19 *of which are insured under the Federal Deposit Insur-*
 20 *ance Act (12 U.S.C. 1811 et seq.),*

21 “(2) *any State- or federally-regulated insurance*
 22 *company,*

23 “(3) *any entity wholly owned, directly or indi-*
 24 *rectly, by a company that is treated as a bank hold-*

1 *ing company for purposes of section 8 of the Inter-*
 2 *national Banking Act of 1978 (12 U.S.C. 3106) if—*

3 *“(A) such entity is organized, incorporated,*
 4 *or established under the laws of the United*
 5 *States or any State, and*

6 *“(B) the principal place of business of such*
 7 *entity is in the United States (including any*
 8 *territory of the United States),*

9 *“(4) any entity wholly owned, directly or indi-*
 10 *rectly, by a company that is considered an insurance*
 11 *holding company under the laws of any State if such*
 12 *entity satisfies the requirements described in subpara-*
 13 *graphs (A) and (B) of paragraph (3), and*

14 *“(5) with respect to interest received on a quali-*
 15 *fied real estate loan secured by real estate described*
 16 *in subsection (c)(3)(A), any federally chartered in-*
 17 *strumentality of the United States established under*
 18 *section 8.1(a) of the Farm Credit Act of 1971 (12*
 19 *U.S.C. 2279aa-1(a)).*

20 *“(c) QUALIFIED REAL ESTATE LOAN.—For purposes*
 21 *of this section—*

22 *“(1) IN GENERAL.—The term ‘qualified real es-*
 23 *tate loan’ means any loan—*

24 *“(A) secured by—*

1 “(i) rural or agricultural real estate,

2 or

3 “(ii) a leasehold mortgage (with a sta-

4 tus as a lien) on rural or agricultural real

5 estate,

6 “(B) made to a person other than a speci-

7 fied foreign entity (as defined in section

8 7701(a)(51)), and

9 “(C) made after the date of the enactment

10 of this section.

11 *For purposes of the preceding sentence, the determina-*

12 *tion of whether property securing such loan is rural*

13 *or agricultural real estate shall be made as of the time*

14 *the interest income on such loan is accrued.*

15 “(2) *REFINANCINGS.*—*For purposes of subpara-*

16 *graphs (A) and (C) of paragraph (1), a loan shall not*

17 *be treated as made after the date of the enactment of*

18 *this section to the extent that the proceeds of such loan*

19 *are used to refinance a loan which was made on or*

20 *before the date of the enactment of this section (or, in*

21 *the case of any series of refinancings, the original*

22 *loan was made on or before such date).*

23 “(3) *RURAL OR AGRICULTURAL REAL ESTATE.*—

24 *The term ‘rural or agricultural real estate’ means—*

1 “(A) any real property which is substan-
2 tially used for the production of one or more ag-
3 ricultural products,

4 “(B) any real property which is substan-
5 tially used in the trade or business of fishing or
6 seafood processing, and

7 “(C) any aquaculture facility.

8 Such term shall not include any property which is
9 not located in a State or a possession of the United
10 States.

11 “(4) AQUACULTURE FACILITY.—The term ‘aqua-
12 culture facility’ means any land, structure, or other
13 appurtenance that is used for aquaculture (including
14 any hatchery, rearing pond, raceway, pen, or incu-
15 bator).

16 “(d) COORDINATION WITH SECTION 265.—In the case
17 of any qualified real estate loan, section 265 shall be ap-
18 plied—

19 “(1) by treating any qualified real estate loan
20 for purposes of subsection (a)(2) thereof as an obliga-
21 tion the interest on which is wholly exempt from the
22 taxes imposed by this subtitle,

23 “(2) by substituting ‘25 percent of the interest on
24 indebtedness’ for ‘Interest on indebtedness’ in such
25 subsection (a)(2),

1 “(3) by treating 25 percent of the adjusted basis
2 of any qualified real estate loan as adjusted basis of
3 a tax-exempt obligation described in subsection
4 (b)(4)(B) thereof, and

5 “(4) by substituting ‘25 percent of the amount of
6 such indebtedness’ for ‘the amount of such indebted-
7 ness’ in subsection (b)(6)(A)(a)(ii) thereof.”.

8 (b) *CLERICAL AMENDMENT.*—The table of sections for
9 part III of subchapter B of chapter 1, as amended by the
10 preceding provisions of this Act, is amended by inserting
11 after the item relating to section 139K the following new
12 item:

 “Sec. 139L. Interest on loans secured by rural or agricultural real property.”.

13 (c) *EFFECTIVE DATE.*—The amendments made by this
14 section shall apply to taxable years ending after the date
15 of the enactment of this Act.

16 **SEC. 70436. REDUCTION OF TRANSFER AND MANUFAC-**
17 **TURING TAXES FOR CERTAIN DEVICES.**

18 (a) *TRANSFER TAX.*—Section 5811(a) is amended to
19 read as follows:

20 “(a) *RATE.*—There shall be levied, collected, and paid
21 on firearms transferred a tax at the rate of—

22 “(1) \$200 for each firearm transferred in the
23 case of a machinegun or a destructive device, and

24 “(2) \$0 for any firearm transferred which is not
25 described in paragraph (1).”.

1 (b) *MAKING TAX.*—Section 5821(a) is amended to read
2 *as follows:*

3 “(a) *RATE.*—There shall be levied, collected, and paid
4 *upon the making of a firearm a tax at the rate of—*

5 “(1) \$200 for each firearm made in the case of
6 *a machinegun or a destructive device, and*

7 “(2) \$0 for any firearm made which is not de-
8 *scribed in paragraph (1).”.*

9 (c) *CONFORMING AMENDMENT.*—Section 4182(a) is
10 *amended by adding at the end the following: “For purposes*
11 *of the preceding sentence, any firearm described in section*
12 *5811(a)(2) shall be deemed to be a firearm on which the*
13 *tax provided by section 5811 has been paid.”*

14 (d) *EFFECTIVE DATE.*—The amendments made by this
15 *section shall apply to calendar quarters beginning more*
16 *than 90 days after the date of the enactment of this Act.*

17 **SEC. 70437. TREATMENT OF CAPITAL GAINS FROM THE**
18 **SALE OF CERTAIN FARMLAND PROPERTY.**

19 (a) *IN GENERAL.*—Part IV of subchapter O of chapter
20 *1 is amended by redesignating section 1062 as section 1063*
21 *and by inserting after section 1061 the following new sec-*
22 *tion:*

1 **“SEC. 1062. GAIN FROM THE SALE OR EXCHANGE OF QUALI-**
 2 **FIED FARMLAND PROPERTY TO QUALIFIED**
 3 **FARMERS.**

4 “(a) *ELECTION TO PAY TAX IN INSTALLMENTS.*—*In*
 5 *the case of gain from the sale or exchange of qualified farm-*
 6 *land property to a qualified farmer, at the election of the*
 7 *taxpayer, the portion of the net income tax of such taxpayer*
 8 *for the taxable year of the sale or exchange which is equal*
 9 *to the applicable net tax liability shall be paid in 4 equal*
 10 *installments.*

11 “(b) *RULES RELATING TO INSTALLMENT PAY-*
 12 *MENTS.*—

13 “(1) *DATE FOR PAYMENT OF INSTALLMENTS.*—*If*
 14 *an election is made under subsection (a), the first in-*
 15 *stallment shall be paid on the due date (determined*
 16 *without regard to any extension of time for filing the*
 17 *return) for the return of tax for the taxable year in*
 18 *which the sale or exchange occurs and each succeeding*
 19 *installment shall be paid on the due date (as so deter-*
 20 *mined) for the return of tax for the taxable year fol-*
 21 *lowing the taxable year with respect to which the pre-*
 22 *ceding installment was made.*

23 “(2) *ACCELERATION OF PAYMENT.*—

24 “(A) *IN GENERAL.*—*If there is an addition*
 25 *to tax for failure to timely pay any installment*
 26 *required under this section, then the unpaid por-*

1 *tion of all remaining installments shall be due*
2 *on the date of such failure.*

3 “(B) *INDIVIDUALS.*—*In the case of an indi-*
4 *vidual, if the individual dies, then the unpaid*
5 *portion of all remaining installment shall be*
6 *paid on the due date for the return of tax for the*
7 *taxable year in which the taxpayer dies.*

8 “(C) *C CORPORATIONS.*—*In the case of a*
9 *taxpayer which is a C corporation, trust, or es-*
10 *tate, if there is a liquidation or sale of substan-*
11 *tially all the assets of the taxpayer (including in*
12 *a title 11 or similar case), a cessation of business*
13 *by the taxpayer (in the case of a C corporation),*
14 *or any similar circumstance, then the unpaid*
15 *portion of all remaining installments shall be*
16 *due on the date of such event (or in the case of*
17 *a title 11 or similar case, the day before the peti-*
18 *tion is filed). The preceding sentence shall not*
19 *apply to the sale of substantially all the assets of*
20 *a taxpayer to a buyer if such buyer enters into*
21 *an agreement with the Secretary under which*
22 *such buyer is liable for the remaining install-*
23 *ments due under this subsection in the same*
24 *manner as if such buyer were the taxpayer.*

1 “(3) *PRORATION OF DEFICIENCY TO INSTALL-*
2 *MENTS.—If an election is made under subsection (a)*
3 *to pay the applicable net tax liability in installments*
4 *and a deficiency has been assessed with respect to*
5 *such applicable net tax liability, the deficiency shall*
6 *be prorated to the installments payable under sub-*
7 *section (a). The part of the deficiency so prorated to*
8 *any installment the date for payment of which has*
9 *not arrived shall be collected at the same time as, and*
10 *as a part of, such installment. The part of the defi-*
11 *ciency so prorated to any installment the date for*
12 *payment of which has arrived shall be paid upon no-*
13 *tice and demand from the Secretary. This section*
14 *shall not apply if the deficiency is due to negligence,*
15 *to intentional disregard of rules and regulations, or*
16 *to fraud with intent to evade tax.*

17 “(c) *ELECTION.—*

18 “(1) *IN GENERAL.—Any election under sub-*
19 *section (a) shall be made not later than the due date*
20 *for the return of tax for the taxable year described in*
21 *subsection (a).*

22 “(2) *PARTNERSHIPS AND S CORPORATIONS.—In*
23 *the case of a sale or exchange described in subsection*
24 *(a) by a partnership or S corporation, the election*
25 *under subsection (a) shall be made at the partner or*

1 *shareholder level. The Secretary may prescribe such*
 2 *regulations or other guidance as necessary to carry*
 3 *out the purposes of this paragraph.*

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

5 “(1) *APPLICABLE NET TAX LIABILITY.—*

6 “(A) *IN GENERAL.—The applicable net tax*
 7 *liability with respect to the sale or exchange of*
 8 *any property described in subsection (a) is the*
 9 *excess (if any) of—*

10 “(i) *such taxpayer’s net income tax for*
 11 *the taxable year, over*

12 “(ii) *such taxpayer’s net income tax*
 13 *for such taxable year determined without re-*
 14 *gard to any gain recognized from the sale or*
 15 *exchange of such property.*

16 “(B) *NET INCOME TAX.—The term ‘net in-*
 17 *come tax’ means the regular tax liability reduced*
 18 *by the credits allowed under subparts A, B, and*
 19 *D of part IV of subchapter A.*

20 “(2) *QUALIFIED FARMLAND PROPERTY.—*

21 “(A) *IN GENERAL.—The term ‘qualified*
 22 *farmland property’ means real property located*
 23 *in the United States—*

24 “(i) *which—*

1 “(I) *has been used by the taxpayer*
2 *as a farm for farming purposes, or*

3 “(II) *leased by the taxpayer to a*
4 *qualified farmer for farming purposes,*
5 *during substantially all of the 10-year pe-*
6 *riod ending on the date of the qualified sale*
7 *or exchange, and*

8 “(ii) *which is subject to a covenant or*
9 *other legally enforceable restriction which*
10 *prohibits the use of such property other*
11 *than as a farm for farming purposes for*
12 *any period before the date that is 10 years*
13 *after the date of the sale or exchange de-*
14 *scribed in subsection (a).*

15 *For purposes of clause (i), property which is*
16 *used or leased by a partnership or S corporation*
17 *in a manner described in such clause shall be*
18 *treated as used or leased in such manner by each*
19 *person who holds a direct or indirect interest in*
20 *such partnership or S corporation.*

21 “(B) *FARM; FARMING PURPOSES.—The*
22 *terms ‘farm’ and ‘farming purposes’ have the re-*
23 *spective meanings given such terms under section*
24 *2032A(e).*

1 “(3) *QUALIFIED FARMER*.—The term ‘qualified
2 farmer’ means any individual who is actively en-
3 gaged in farming (within the meaning of subsections
4 (b) and (c) of section 1001 of the Food Security Act
5 of 1986 (7 U.S.C. 1308–1(b) and (c))).

6 “(e) *RETURN REQUIREMENT*.—A taxpayer making an
7 election under subsection (a) shall include with the return
8 for the taxable year of the sale or exchange described in sub-
9 section (a) a copy of the covenant or other legally enforce-
10 able restriction described in subsection (d)(2)(A)(ii).”.

11 (b) *CLERICAL AMENDMENT*.—The table of sections for
12 part IV of subchapter O of chapter 1 is amended by redesign-
13 ing the item relating to section 1062 as relating to sec-
14 tion 1063 and by inserting after the item relating to section
15 1061 the following new item:

 “Sec. 1062. Gain from the sale or exchange of qualified farmland property to
 qualified farmers.”.

16 (c) *EFFECTIVE DATE*.—The amendments made by this
17 section shall apply to sales or exchanges in taxable years
18 beginning after the date of the enactment of this Act.

19 **SEC. 70438. EXTENSION OF RULES FOR TREATMENT OF**
20 **CERTAIN DISASTER-RELATED PERSONAL CAS-**
21 **UALTY LOSSES.**

22 For purposes of applying section 304(b) of the Tax-
23 payer Certainty and Disaster Tax Relief Act of 2020 (divi-
24 sion EE of Public Law 116–260), section 301 of such Act

1 *shall be applied by substituting the date of the enactment*
 2 *of this section for “the date of the enactment of this Act”*
 3 *each place it appears.*

4 **SEC. 70439. RESTORATION OF TAXABLE REIT SUBSIDIARY**
 5 **ASSET TEST.**

6 (a) *IN GENERAL.*—Section 856(c)(4)(B)(ii) is amend-
 7 *ed by striking “20 percent” and inserting “25 percent”.*

8 (b) *EFFECTIVE DATE.*—The amendment made by this
 9 *section shall apply to taxable years beginning after Decem-*
 10 *ber 31, 2025.*

11 **CHAPTER 5—ENDING GREEN NEW DEAL**
 12 **SPENDING, PROMOTING AMERICA-**
 13 **FIRST ENERGY, AND OTHER REFORMS**
 14 **Subchapter A—Termination of Green New**
 15 **Deal Subsidies**

16 **SEC. 70501. TERMINATION OF PREVIOUSLY-OWNED CLEAN**
 17 **VEHICLE CREDIT.**

18 *Section 25E(g) is amended by striking “December 31,*
 19 *2032” and inserting “September 30, 2025”.*

20 **SEC. 70502. TERMINATION OF CLEAN VEHICLE CREDIT.**

21 (a) *IN GENERAL.*—Section 30D(h) is amended by
 22 *striking “placed in service after December 31, 2032” and*
 23 *inserting “acquired after September 30, 2025”.*

24 (b) *CONFORMING AMENDMENTS.*—Section 30D(e) is
 25 *amended—*

1 (1) *in paragraph (1)(B)—*

2 (A) *in clause (iii), by inserting “and” after*
3 *the comma at the end,*

4 (B) *in clause (iv), by striking “, and” and*
5 *inserting a period, and*

6 (C) *by striking clause (v), and*

7 (2) *in paragraph (2)(B)—*

8 (A) *in clause (ii), by inserting “and” after*
9 *the comma at the end,*

10 (B) *in clause (iii), by striking the comma*
11 *at the end and inserting a period, and*

12 (C) *by striking clauses (iv) through (vi).*

13 **SEC. 70503. TERMINATION OF QUALIFIED COMMERCIAL**
14 **CLEAN VEHICLES CREDIT.**

15 Section 45W(g) is amended by striking “December 31,
16 2032” and inserting “September 30, 2025”.

17 **SEC. 70504. TERMINATION OF ALTERNATIVE FUEL VEHICLE**
18 **REFUELING PROPERTY CREDIT.**

19 Section 30C(i) is amended by striking “December 31,
20 2032” and inserting “June 30, 2026”.

21 **SEC. 70505. TERMINATION OF ENERGY EFFICIENT HOME IM-**
22 **PROVEMENT CREDIT.**

23 (a) *IN GENERAL.*—Section 25C(h) is amended by
24 striking “placed in service” and all that follows through

1 “December 31, 2032” and inserting “placed in service after
2 December 31, 2025”.

3 (b) *CONFORMING AMENDMENT.*—Section 25C(d)(2)(C)
4 is amended to read as follows:

5 “(C) Any oil furnace or hot water boiler
6 which—

7 “(i) meets or exceeds 2021 Energy Star
8 efficiency criteria, and

9 “(ii) is rated by the manufacturer for
10 use with fuel blends at least 20 percent of
11 the volume of which consists of an eligible
12 fuel.”.

13 **SEC. 70506. TERMINATION OF RESIDENTIAL CLEAN ENERGY**
14 **CREDIT.**

15 (a) *IN GENERAL.*—Section 25D(h) is amended by
16 striking “to property placed in service after December 31,
17 2034” and inserting “with respect to any expenditures
18 made after December 31, 2025”.

19 (b) *CONFORMING AMENDMENTS.*—Section 25D(g) is
20 amended—

21 (1) in paragraph (2), by inserting “and” after
22 the comma at the end,

23 (2) in paragraph (3), by striking “ and before
24 January 1, 2033, 30 percent,” and inserting “30 per-
25 cent.”, and

1 (3) *by striking paragraphs (4) and (5).*

2 **SEC. 70507. TERMINATION OF ENERGY EFFICIENT COMMER-**
 3 **CIAL BUILDINGS DEDUCTION.**

4 *Section 179D is amended by adding at the end the*
 5 *following new subsection:*

6 “(i) *TERMINATION.*—*This section shall not apply with*
 7 *respect to property the construction of which begins after*
 8 *June 30, 2026.”.*

9 **SEC. 70508. TERMINATION OF NEW ENERGY EFFICIENT**
 10 **HOME CREDIT.**

11 *Section 45L(h) is amended by striking “December 31,*
 12 *2032” and inserting “June 30, 2026”.*

13 **SEC. 70509. TERMINATION OF COST RECOVERY FOR EN-**
 14 **ERGY PROPERTY.**

15 (a) *ENERGY PROPERTY.*—*Section 168(e)(3)(B)(vi), as*
 16 *amended by section 13703 of Public Law 117–169, is*
 17 *amended—*

18 (1) *by striking subclause (I), and*

19 (2) *by redesignating subclauses (II) and (III) as*
 20 *subclauses (I) and (II), respectively.*

21 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*
 22 *section (a) shall apply to property the construction of which*
 23 *begins after December 31, 2024.*

1 **SEC. 70510. MODIFICATIONS OF ZERO-EMISSION NUCLEAR**
 2 **POWER PRODUCTION CREDIT.**

3 (a) *RESTRICTIONS RELATING TO PROHIBITED FOR-*
 4 *EIGN ENTITIES.*—Section 45U(c) is amended by adding at
 5 *the end the following new paragraph:*

6 “(3) *RESTRICTIONS RELATING TO PROHIBITED*
 7 *FOREIGN ENTITIES.*—

8 “(A) *IN GENERAL.*—No credit shall be deter-
 9 *mined under subsection (a) for any taxable year*
 10 *beginning after the date of enactment of this*
 11 *paragraph if the taxpayer is a specified foreign*
 12 *entity (as defined in section 7701(a)(51)(B)).*

13 “(B) *OTHER PROHIBITED FOREIGN ENTI-*
 14 *TIES.*—No credit shall be determined under sub-
 15 *section (a) for any taxable year beginning after*
 16 *the date which is 2 years after the date of enact-*
 17 *ment of this paragraph if the taxpayer is a for-*
 18 *ign-influenced entity (as defined in section*
 19 *7701(a)(51)(D), without regard to clause (i)(II)*
 20 *thereof).”.*

21 (b) *EFFECTIVE DATE.*—The amendments made by this
 22 *section shall apply to taxable years beginning after the date*
 23 *of enactment of this Act.*

1 **SEC. 70511. TERMINATION OF CLEAN HYDROGEN PRODUC-**
 2 **TION CREDIT.**

3 *Section 45V(c)(3)(C) is amended by striking “January*
 4 *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 calendar*
 16 *year 2032.*

17 *“(4) TERMINATION FOR WIND AND SOLAR FACILI-*
 18 *TIES.—*

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 purposes*
 23 *of this paragraph, the term ‘applicable facility’*
 24 *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 the*
 14 *following new subparagraph:*

15 ***“(E) MATERIAL ASSISTANCE FROM PROHIB-***
 16 ***ITED FOREIGN ENTITIES.—The term ‘qualified***
 17 ***facility’ shall not include any facility for which***
 18 ***construction begins after December 31, 2025, if***
 19 ***the construction of such facility includes any***
 20 ***material assistance from a prohibited foreign en-***
 21 ***tity (as defined in section 7701(a)(52)).”.*** *and*

22 *(2) in subsection (g), by adding at the end the*
 23 *following new paragraph:*

24 ***“(13) RESTRICTIONS RELATING TO PROHIBITED***
 25 ***FOREIGN ENTITIES.—***

1 “(A) *IN GENERAL*.—No credit shall be deter-
 2 mined under subsection (a) for any taxable year
 3 if the taxpayer is—

4 “(i) a specified foreign entity (as de-
 5 fined in section 7701(a)(51)(B)), or

6 “(ii) a foreign-influenced entity (as de-
 7 fined in section 7701(a)(51)(D), without re-
 8 gard to clause (i)(II) thereof).

9 “(B) *EFFECTIVE CONTROL*.—In the case of
 10 a taxpayer for which section
 11 7701(a)(51)(D)(i)(II) is determined to apply for
 12 any taxable year, no credit shall be determined
 13 under subsection (a) for such taxable year if such
 14 determination relates to a qualified facility de-
 15 scribed in subsection (b)(1).”.

16 (c) *DEFINITIONS RELATING TO PROHIBITED FOREIGN*
 17 *ENTITIES*.—Section 7701(a) is amended by adding at the
 18 end the following new paragraphs:

19 “(51) *PROHIBITED FOREIGN ENTITY*.—

20 “(A) *IN GENERAL*.—

21 “(i) *DEFINITION*.—The term ‘prohib-
 22 ited foreign entity’ means a specified for-
 23 eign entity or a foreign-influenced entity.

24 “(ii) *DETERMINATION*.—

1 “(I) *IN GENERAL*.—Subject to
2 subclause (II), for any taxable year,
3 the determination as to whether an en-
4 tity is a specified foreign entity or for-
5 eign-influenced entity shall be made as
6 of the last day of such taxable year.

7 “(II) *INITIAL TAXABLE YEAR*.—
8 For purposes of the first taxable year
9 beginning after the date of enactment
10 of this paragraph, the determination as
11 to whether an entity is a specified for-
12 eign entity described in clauses (i)
13 through (iv) of subparagraph (B) shall
14 be made as of the first day of such tax-
15 able year.

16 “(B) *SPECIFIED FOREIGN ENTITY*.—For
17 purposes of this paragraph, the term ‘specified
18 foreign entity’ means—

19 “(i) a foreign entity of concern de-
20 scribed in subparagraph (A), (B), (D), or
21 (E) of section 9901(8) of the William M.
22 (Mac) Thornberry National Defense Author-
23 ization Act for Fiscal Year 2021 (Public
24 Law 116–283; 15 U.S.C. 4651),

1 “(ii) *an entity identified as a Chinese*
2 *military company operating in the United*
3 *States in accordance with section 1260H of*
4 *the William M. (Mac) Thornberry National*
5 *Defense Authorization Act for Fiscal Year*
6 *2021 (Public Law 116–283; 10 U.S.C. 113*
7 *note),*

8 “(iii) *an entity included on a list re-*
9 *quired by clause (i), (ii), (iv), or (v) of sec-*
10 *tion 2(d)(2)(B) of Public Law 117–78 (135*
11 *Stat. 1527),*

12 “(iv) *an entity specified under section*
13 *154(b) of the National Defense Authoriza-*
14 *tion Act for Fiscal Year 2024 (Public Law*
15 *118–31; 10 U.S.C. note prec. 4651), or*

16 “(v) *a foreign-controlled entity.*

17 “(C) *FOREIGN-CONTROLLED ENTITY.—For*
18 *purposes of subparagraph (B), the term ‘foreign-*
19 *controlled entity’ means—*

20 “(i) *the government (including any*
21 *level of government below the national level)*
22 *of a covered nation,*

23 “(ii) *an agency or instrumentality of a*
24 *government described in clause (i),*

1 “(iii) a person who is a citizen or na-
2 tional of a covered nation, provided that
3 such person is not an individual who is a
4 citizen, national, or lawful permanent resi-
5 dent of the United States,

6 “(iv) an entity or a qualified business
7 unit (as defined in section 989(a)) incor-
8 porated or organized under the laws of, or
9 having its principal place of business in, a
10 covered nation, or

11 “(v) an entity (including subsidiary
12 entities) controlled (as determined under
13 subparagraph (G)) by an entity described
14 in clause (i), (ii), (iii), or (iv).

15 “(D) FOREIGN-INFLUENCED ENTITY.—

16 “(i) IN GENERAL.—For purposes of
17 subparagraph (A), the term ‘foreign-influ-
18 enced entity’ means an entity—

19 “(I) with respect to which, during
20 the taxable year—

21 “(aa) a specified foreign en-
22 tity has the direct authority to
23 appoint a covered officer of such
24 entity,

1 “(bb) a single specified for-
2 eign entity owns at least 25 per-
3 cent of such entity,

4 “(cc) one or more specified
5 foreign entities own in the aggre-
6 gate at least 40 percent of such
7 entity, or

8 “(dd) at least 15 percent of
9 the debt of such entity has been
10 issued, in the aggregate, to 1 or
11 more specified foreign entities, or

12 “(II) which, during the previous
13 taxable year, made a payment to a
14 specified foreign entity pursuant to a
15 contract, agreement, or other arrange-
16 ment which entitles such specified for-
17 eign entity (or an entity related to
18 such specified foreign entity) to exer-
19 cise effective control over—

20 “(aa) any qualified facility
21 or energy storage technology of the
22 taxpayer (or any person related to
23 the taxpayer), or

24 “(bb) with respect to any eli-
25 gible component produced by the

1 *taxpayer (or any person related to*
 2 *the taxpayer)—*

3 *“(AA) the extraction,*
 4 *processing, or recycling of*
 5 *any applicable critical min-*
 6 *eral, or*

7 *“(BB) the production of*
 8 *an eligible component which*
 9 *is not an applicable critical*
 10 *mineral.*

11 *“(ii) EFFECTIVE CONTROL.—*

12 *“(I) IN GENERAL.—*

13 *“(aa) GENERAL RULE.—Sub-*
 14 *ject to subclause (II), for purposes*
 15 *of clause (i)(II), the term ‘effective*
 16 *control’ means 1 or more agree-*
 17 *ments or arrangements similar to*
 18 *those described in subclauses (II)*
 19 *and (III) which provide 1 or more*
 20 *contractual counterparties of a*
 21 *taxpayer with specific authority*
 22 *over key aspects of the production*
 23 *of eligible components, energy gen-*
 24 *eration in a qualified facility, or*
 25 *energy storage which are not in-*

1 *cluded in the measures of control*
2 *through authority, ownership, or*
3 *debt held which are described in*
4 *clause (i)(I).*

5 “(bb) *GUIDANCE.—The Sec-*
6 *retary shall issue such guidance*
7 *as is necessary to carry out the*
8 *purposes of this clause, including*
9 *the establishment of rules to pre-*
10 *vent entities from evading, cir-*
11 *cumventing, or abusing the appli-*
12 *cation of the restrictions described*
13 *subparagraph (C) and subclauses*
14 *(II) and (III) of this clause*
15 *through a contract, agreement, or*
16 *other arrangement.*

17 “(II) *APPLICATION OF RULES*
18 *PRIOR TO ISSUANCE OF GUIDANCE.—*
19 *During any period prior to the date*
20 *that the guidance described in sub-*
21 *clause (I)(bb) is issued by the Sec-*
22 *retary, for purposes of clause (i)(II),*
23 *the term ‘effective control’ means the*
24 *unrestricted contractual right of a con-*
25 *tractual counterparty to—*

1 “(aa) determine the quantity
2 or timing of production of an eli-
3 gible component produced by the
4 taxpayer,

5 “(bb) determine the amount
6 or timing of activities related to
7 the production of electricity un-
8 dertaken at a qualified facility of
9 the taxpayer or the storage of elec-
10 trical energy in energy storage
11 technology of the taxpayer,

12 “(cc) determine which entity
13 may purchase or use the output of
14 a production unit of the taxpayer
15 that produces eligible components,

16 “(dd) determine which entity
17 may purchase or use the output of
18 a qualified facility of the tax-
19 payer,

20 “(ee) restrict access to data
21 critical to production or storage of
22 energy undertaken at a qualified
23 facility of the taxpayer, or to the
24 site of production or any part of
25 a qualified facility or energy stor-

1 *age technology of the taxpayer, to*
2 *the personnel or agents of such*
3 *contractual counterparty, or*

4 “(ff) *on an exclusive basis,*
5 *maintain, repair, or operate any*
6 *plant or equipment which is nec-*
7 *essary to the production by the*
8 *taxpayer of eligible components or*
9 *electricity.*

10 “(III) *LICENSING AND OTHER*
11 *AGREEMENTS.—*

12 “(aa) *IN GENERAL.—In ad-*
13 *dition to subclause (II), for pur-*
14 *poses of clause (i)(II), the term*
15 *‘effective control’ means, with re-*
16 *spect to a licensing agreement for*
17 *the provision of intellectual prop-*
18 *erty (or any other contract, agree-*
19 *ment or other arrangement en-*
20 *tered into with a contractual*
21 *counterparty related to such li-*
22 *ensing agreement) with respect to*
23 *a qualified facility, energy storage*
24 *technology, or the production of*

1 *an eligible component, any of the*
2 *following:*

3 “(AA) A contractual
4 *right retained by the contrac-*
5 *tual counterparty to specify*
6 *or otherwise direct 1 or more*
7 *sources of components, sub-*
8 *components, or applicable*
9 *critical minerals utilized in*
10 *a qualified facility, energy*
11 *storage technology, or in the*
12 *production of an eligible*
13 *component.*

14 “(BB) A contractual
15 *right retained by the contrac-*
16 *tual counterparty to direct*
17 *the operation of any quali-*
18 *fied facility, any energy stor-*
19 *age technology, or any pro-*
20 *duction unit that produces*
21 *an eligible component.*

22 “(CC) A contractual
23 *right retained by the contrac-*
24 *tual counterparty to limit*
25 *the taxpayer’s utilization of*

1 *intellectual property related*
2 *to the operation of a quali-*
3 *fied facility or energy storage*
4 *technology, or in the produc-*
5 *tion of an eligible component.*

6 “(DD) A contractual
7 *right retained by the contrac-*
8 *tual counterparty to receive*
9 *royalties under the licensing*
10 *agreement or any similar*
11 *agreement (or payments*
12 *under any related agreement)*
13 *beyond the 10th year of the*
14 *agreement (including modi-*
15 *fications or extensions there-*
16 *of).*

17 “(EE) A contractual
18 *right retained by the contrac-*
19 *tual counterparty to direct or*
20 *otherwise require the tax-*
21 *payer to enter into an agree-*
22 *ment for the provision of*
23 *services for a duration longer*
24 *than 2 years (including any*

1 *modifications or extensions*
2 *thereof).*

3 “(FF) Such contract,
4 *agreement, or other arrange-*
5 *ment does not provide the li-*
6 *censee with all the technical*
7 *data, information, and*
8 *know-how necessary to enable*
9 *the licensee to produce the el-*
10 *igible component or compo-*
11 *nents subject to the contract,*
12 *agreement, or other arrange-*
13 *ment without further involve-*
14 *ment from the contractual*
15 *counterparty or a specified*
16 *foreign entity.*

17 “(GG) Such contract,
18 *agreement, or other arrange-*
19 *ment was entered into (or*
20 *modified) on or after the date*
21 *of enactment of this para-*
22 *graph.*

23 “(bb) *EXCEPTION.—*

24 “(AA) *IN GENERAL.—*
25 *Item (aa) shall not apply in*

1 *the case of a bona fide pur-*
 2 *chase or sale of intellectual*
 3 *property.*

4 “(BB) *BONA FIDE PUR-*
 5 *CHASE OR SALE.—For pur-*
 6 *poses of item (aa), any pur-*
 7 *chase or sale of intellectual*
 8 *property where the agreement*
 9 *provides that ownership of*
 10 *the intellectual property re-*
 11 *verts to the contractual*
 12 *counterparty after a period*
 13 *of time shall not be consid-*
 14 *ered a bona-fide purchase or*
 15 *sale.*

16 “(IV) *PERSONS RELATED TO THE*
 17 *TAXPAYER.—For purposes of subclauses*
 18 *(I), (II), and (III), the term ‘taxpayer’*
 19 *shall include any person related to the*
 20 *taxpayer.*

21 “(V) *CONTRACTUAL*
 22 *COUNTERPARTY.—For purposes of this*
 23 *clause, the term ‘contractual*
 24 *counterparty’ means an entity with*
 25 *which the taxpayer has entered into a*

1 *contract, agreement, or other arrange-*
2 *ment.*

3 “(iii) *GUIDANCE.*—*Not later than De-*
4 *cember 31, 2026, the Secretary shall issue*
5 *such guidance as is necessary to carry out*
6 *the purposes of this subparagraph, includ-*
7 *ing establishment of rules to prevent entities*
8 *from evading, circumventing, or abusing the*
9 *application of the restrictions against im-*
10 *permissible technology licensing arrange-*
11 *ments with specified foreign entities, such*
12 *as through temporary transfers of intellec-*
13 *tual property, retention by a specified for-*
14 *foreign entity of a reversionary interest in*
15 *transferred intellectual property, or other-*
16 *wise.*

17 “(E) *PUBLICLY TRADED ENTITIES.*—

18 “(i) *IN GENERAL.*—

19 “(I) *NONAPPLICATION OF CERTAIN*
20 *FOREIGN-CONTROLLED ENTITY*
21 *RULES.*—*Subparagraph (C)(v) shall*
22 *not apply in the case of any entity the*
23 *securities of which are regularly traded*
24 *on—*

1 “(aa) a national securities
2 exchange which is registered with
3 the Securities and Exchange Com-
4 mission,

5 “(bb) the national market
6 system established pursuant to
7 section 11A of the Securities and
8 Exchange Act of 1934, or

9 “(cc) any other exchange or
10 other market which the Secretary
11 has determined in guidance issued
12 under section 1296(e)(1)(A)(ii)
13 has rules adequate to carry out
14 the purposes of part VI of sub-
15 chapter P of chapter 1 of subtitle
16 A.

17 “(II) NONAPPLICATION OF CER-
18 TAIN FOREIGN-INFLUENCED ENTITY
19 RULES.—Subparagraph (D)(i)(I) shall
20 not apply in the case of any entity—

21 “(aa) the securities of which
22 are regularly traded in a manner
23 described in subclause (I), or

24 “(bb) for which not less than
25 80 percent of the equity securities

1 *of such entity are owned directly*
 2 *or indirectly by an entity which*
 3 *is described in item (aa).*

4 *“(III) EXCLUSION OF EXCHANGES*
 5 *OR MARKETS IN COVERED NATIONS.—*
 6 *Subclause (I)(cc) shall not apply with*
 7 *respect to any exchange or market*
 8 *which—*

9 *“(aa) is incorporated or or-*
 10 *ganized under the laws of a cov-*
 11 *ered nation, or*

12 *“(bb) has its principal place*
 13 *of business in a covered nation.*

14 *“(ii) ADDITIONAL FOREIGN-CON-*
 15 *TROLLED ENTITY REQUIREMENTS FOR PUB-*
 16 *LICLY TRADED COMPANIES.—In the case of*
 17 *an entity described in clause (i)(I), such en-*
 18 *tity shall be deemed to be a foreign-con-*
 19 *trolled entity under subparagraph (C)(v) if*
 20 *such entity is controlled (as determined*
 21 *under subparagraph (G)) by—*

22 *“(I) 1 or more specified foreign*
 23 *entities (as determined without regard*
 24 *to subparagraph (B)(v)) that are each*
 25 *required to report their beneficial own-*

ership pursuant to a rule described in
clause (iii)(I)(bb), or

“(II) 1 or more foreign-controlled
entities (as determined without regard
to subparagraph (C)(v)) that are each
required to report their beneficial own-
ership pursuant to a rule described in
such clause.

“(iii) *ADDITIONAL FOREIGN-INFLU-
ENCED ENTITY REQUIREMENTS FOR PUB-
LICLY TRADED COMPANIES.*—In the case of
an entity described in clause (i)(II), such
entity shall be deemed to be a foreign-influ-
enced entity under subparagraph (D)(i)(I)
if—

“(I) during the taxable year—

“(aa) a specified foreign en-
tity has the authority to appoint
a covered officer of such entity,

“(bb) a single specified for-
eign entity required to report its
beneficial ownership under Rule
13d-3 of the Securities and Ex-
change Act of 1934 (or, in the case
of an exchange or market de-

1 scribed in clause (i)(I)(cc), an
2 equivalent rule) owns not less
3 than 25 percent of such entity, or
4 “(cc) 1 or more specified for-
5 eign entities that are each re-
6 quired to report their beneficial
7 ownership under Rule 13d-3 of
8 the Securities and Exchange Act
9 of 1934 own, in the aggregate, not
10 less than 40 percent of such enti-
11 ty, or

12 “(II) such entity has issued debt,
13 as part of an original issuance, in ex-
14 cess of 15 percent of its publicly-traded
15 debt to 1 or more specified foreign enti-
16 ties.

17 “(F) COVERED OFFICER.—For purposes of
18 this paragraph, the term ‘covered officer’ means,
19 with respect to an entity—

20 “(i) a member of the board of directors,
21 board of supervisors, or equivalent gov-
22 erning body,

23 “(ii) an executive-level officer, includ-
24 ing the president, chief executive officer,
25 chief operating officer, chief financial offi-

cer, general counsel, or senior vice president,
or

“(iii) an individual having powers or
responsibilities similar to those of officers or
members described in clause (i) or (ii).

“(G) DETERMINATION OF CONTROL.—For
purposes of subparagraph (C)(v), the term ‘con-
trol’ means—

“(i) in the case of a corporation, own-
ership (by vote or value) of more than 50
percent of the stock in such corporation,

“(ii) in the case of a partnership, own-
ership of more than 50 percent of the profits
interests or capital interests in such part-
nership, or

“(iii) in any other case, ownership of
more than 50 percent of the beneficial inter-
ests in the entity.

“(H) DETERMINATION OF OWNERSHIP.—
For purposes of this paragraph, section
318(a)(2) shall apply for purposes of deter-
mining ownership of stock in a corporation.
Similar principles shall apply for purposes of
determining ownership of interests in any other
entity.

1 “(I) *OTHER DEFINITIONS.*—*For purposes of*
2 *this paragraph—*

3 “(i) *APPLICABLE CRITICAL MINERAL.*—
4 *The term ‘applicable critical mineral’ has*
5 *the same meaning given such term under*
6 *section 45X(c)(6).*

7 “(ii) *COVERED NATION.*—*The term*
8 *‘covered nation’ has the same meaning*
9 *given such term under section 4872(f)(2) of*
10 *title 10, United States Code.*

11 “(iii) *ELIGIBLE COMPONENT.*—*The*
12 *term ‘eligible component’ has the same*
13 *meaning given such term under section*
14 *45X(c)(1).*

15 “(iv) *ENERGY STORAGE TECH-*
16 *NOLOGY.*—*The term ‘energy storage tech-*
17 *nology’ has the same meaning given such*
18 *term under section 48E(c)(2).*

19 “(v) *QUALIFIED FACILITY.*—*The term*
20 *‘qualified facility’ means—*

21 “(I) *a qualified facility, as de-*
22 *finied in section 45Y(b)(1), and*

23 “(II) *a qualified facility, as de-*
24 *finied in section 48E(b)(3).*

1 “(vi) *RELATED*.—The term ‘related’
2 shall have the same meaning given such
3 term under sections 267(b) and 707(b).

4 “(J) *BEGINNING OF CONSTRUCTION*.—For
5 purposes of applying any provision under this
6 paragraph, the beginning of construction with
7 respect to any property shall be determined pur-
8 suant to rules similar to the rules under Internal
9 Revenue Service Notice 2013–29 and Internal
10 Revenue Service Notice 2018–59 (as well as any
11 subsequently issued guidance clarifying, modi-
12 fying, or updating either such Notice), as in ef-
13 fect on January 1, 2025.

14 “(K) *REGULATIONS AND GUIDANCE*.—The
15 Secretary may prescribe such regulations and
16 guidance as may be necessary or appropriate to
17 carry out the provisions of this paragraph, in-
18 cluding rules to prevent the circumvention of
19 any rules or restrictions with respect to prohib-
20 ited foreign entities.

21 “(52) *MATERIAL ASSISTANCE FROM A PROHIB-*
22 *ITED FOREIGN ENTITY*.—

23 “(A) *IN GENERAL*.—The term ‘material as-
24 sistance from a prohibited foreign entity’
25 means—

1 “(i) *with respect to any qualified facil-*
2 *ity or energy storage technology, a material*
3 *assistance cost ratio which is less than the*
4 *threshold percentage applicable under sub-*
5 *paragraph (B), or*

6 “(ii) *with respect to any facility which*
7 *produces eligible components, a material as-*
8 *sistance cost ratio which is less than the*
9 *threshold percentage applicable under sub-*
10 *paragraph (C).*

11 “(B) *THRESHOLD PERCENTAGE FOR QUALI-*
12 *FIED FACILITIES AND ENERGY STORAGE TECH-*
13 *NOLOGY.—For purposes of subparagraph (A)(i),*
14 *the threshold percentage shall be—*

15 “(i) *in the case of a qualified facility*
16 *the construction of which begins—*

17 “(I) *during calendar year 2026,*
18 *40 percent,*

19 “(II) *during calendar year 2027,*
20 *45 percent,*

21 “(III) *during calendar year 2028,*
22 *50 percent,*

23 “(IV) *during calendar year 2029,*
24 *55 percent, and*

1 “(V) after December 31, 2029, 60
2 percent, and

3 “(ii) in the case of energy storage tech-
4 nology the construction of which begins—

5 “(I) during calendar year 2026,
6 55 percent,

7 “(II) during calendar year 2027,
8 60 percent,

9 “(III) during calendar year 2028,
10 65 percent,

11 “(IV) during calendar year 2029,
12 70 percent, and

13 “(V) after December 31, 2029, 75
14 percent.

15 “(C) *THRESHOLD PERCENTAGE FOR ELIGI-*
16 *BLE COMPONENTS.*—

17 “(i) *IN GENERAL.*—For purposes of
18 subparagraph (A)(ii), the threshold percent-
19 age shall be—

20 “(I) in the case of any solar en-
21 ergy component (as such term is de-
22 fined in section 45X(c)(3)(A)) which is
23 sold—

24 “(aa) during calendar year
25 2026, 50 percent,

1 “(bb) during calendar year
2 2027, 60 percent,

3 “(cc) during calendar year
4 2028, 70 percent,

5 “(dd) during calendar year
6 2029, 80 percent, and

7 “(ee) after December 31,
8 2029, 85 percent,

9 “(II) in the case of any wind en-
10 ergy component (as such term is de-
11 fined in section 45X(c)(4)(A)) which is
12 sold—

13 “(aa) during calendar year
14 2026, 85 percent, and

15 “(bb) during calendar year
16 2027, 90 percent,

17 “(III) in the case of any inverter
18 described in subparagraphs (B)
19 through (G) of section 45X(c)(2) which
20 is sold—

21 “(aa) during calendar year
22 2026, 50 percent,

23 “(bb) during calendar year
24 2027, 55 percent,

1 “(cc) during calendar year
2 2028, 60 percent,

3 “(dd) during calendar year
4 2029, 65 percent, and

5 “(ee) after December 31,
6 2029, 70 percent,

7 “(IV) in the case of any quali-
8 fying battery component (as such term
9 is defined in section 45X(c)(5)(A))
10 which is sold—

11 “(aa) during calendar year
12 2026, 60 percent,

13 “(bb) during calendar year
14 2027, 65 percent,

15 “(cc) during calendar year
16 2028, 70 percent,

17 “(dd) during calendar year
18 2029, 80 percent, and

19 “(ee) after December 31,
20 2029, 85 percent, and

21 “(V) subject to clause (ii), in the
22 case of any applicable critical mineral
23 (as such term is defined in section
24 45X(c)(6)) which is sold—

1 “(aa) after December 31,
2 2025, and before January 1, 2030,
3 0 percent,

4 “(bb) during calendar year
5 2030, 25 percent,

6 “(cc) during calendar year
7 2031, 30 percent,

8 “(dd) during calendar year
9 2032, 40 percent, and

10 “(ee) after December 31,
11 2032, 50 percent.

12 “(ii) *ADJUSTED THRESHOLD PERCENT-*
13 *AGE FOR APPLICABLE CRITICAL MIN-*
14 *ERALS.—Not later than December 31, 2027,*
15 *the Secretary shall issue threshold percent-*
16 *ages for each of the applicable critical min-*
17 *erals described in section 45X(c)(6)), which*
18 *shall—*

19 “(I) apply in lieu of the threshold
20 percentage determined under clause
21 (i)(V) for each calendar year, and

22 “(II) equal or exceed the threshold
23 percentage which would otherwise
24 apply with respect to such applicable
25 critical mineral under such clause for

1 *such calendar year, taking into ac-*
2 *count—*

3 “(aa) domestic geographic
4 *availability,*

5 “(bb) supply chain con-
6 *straints,*

7 “(cc) domestic processing ca-
8 *capacity needs, and*

9 “(dd) national security con-
10 *cerns.*

11 “(D) MATERIAL ASSISTANCE COST RATIO.—

12 “(i) QUALIFIED FACILITIES AND EN-
13 *ERGY STORAGE TECHNOLOGY.—For pur-*
14 *poses of subparagraph (A)(i), the term ‘ma-*
15 *terial assistance cost ratio’ means the*
16 *amount (expressed as a percentage) equal to*
17 *the quotient of—*

18 “(I) an amount equal to—

19 “(aa) the total direct costs to
20 *the taxpayer attributable to all*
21 *manufactured products (including*
22 *components) which are incor-*
23 *porated into the qualified facility*
24 *or energy storage technology upon*
25 *completion of construction, minus*

1 “(bb) the total direct costs to
2 the taxpayer attributable to all
3 manufactured products (including
4 components) which are—

5 “(AA) incorporated into
6 the qualified facility or en-
7 ergy storage technology upon
8 completion of construction,
9 and

10 “(BB) mined, produced,
11 or manufactured by a pro-
12 hibited foreign entity, di-
13 vided by

14 “(II) the amount described in sub-
15 clause (I)(aa).

16 “(ii) *ELIGIBLE COMPONENTS*.—For
17 purposes of subparagraph (A)(ii), the term
18 ‘material assistance cost ratio’ means the
19 amount (expressed as a percentage) equal to
20 the quotient of—

21 “(I) an amount equal to—

22 “(aa) with respect to an eli-
23 gible component, the total direct
24 material costs that are paid or in-
25 curred (within the meaning of sec-

1 *tion 461 and any regulations*
2 *issued under section 263A) by the*
3 *taxpayer for production of such*
4 *eligible component, minus*

5 *“(bb) with respect to an eli-*
6 *gible component, the total direct*
7 *material costs that are paid or in-*
8 *curring (within the meaning of sec-*
9 *tion 461 and any regulations*
10 *issued under section 263A) by the*
11 *taxpayer for production of such*
12 *eligible component that are*
13 *mined, produced, or manufactured*
14 *by a prohibited foreign entity, di-*
15 *vided by*

16 *“(II) the amount described in sub-*
17 *clause (I)(aa).*

18 *“(iii) SAFE HARBOR TABLES.—*

19 *“(I) IN GENERAL.—Not later than*
20 *December 31, 2026, the Secretary shall*
21 *issue safe harbor tables (and such other*
22 *guidance as deemed necessary) to—*

23 *“(aa) identify the percentage*
24 *of total direct costs of any manu-*
25 *factured product which is attrib-*

1 *utable to a prohibited foreign en-*
2 *tity,*

3 *“(bb) identify the percentage*
4 *of total direct material costs of*
5 *any eligible component which is*
6 *attributable to a prohibited for-*
7 *eign entity, and*

8 *“(cc) provide all rules nec-*
9 *essary to determine the amount of*
10 *a taxpayer’s material assistance*
11 *from a prohibited foreign entity*
12 *within the meaning of this para-*
13 *graph.*

14 *“(II) SAFE HARBORS PRIOR TO*
15 *ISSUANCE.—For purposes of this para-*
16 *graph, prior to the date on which the*
17 *Secretary issues the safe harbor tables*
18 *described in subclause (I), and for con-*
19 *struction of a qualified facility or en-*
20 *ergy storage technology which begins*
21 *on or before the date which is 60 days*
22 *after the date of issuance of such tables,*
23 *a taxpayer may—*

24 *“(aa) use the tables included*
25 *in Internal Revenue Service No-*

1 *tice 2025–08 to establish the per-*
2 *centage of the total direct costs of*
3 *any listed eligible component and*
4 *any manufactured product, and*

5 *“(bb) rely on a certification*
6 *by the supplier of the manufac-*
7 *tured product, eligible component,*
8 *or constituent element, material,*
9 *or subcomponent of an eligible*
10 *component—*

11 *“(AA) of the total direct*
12 *costs or the total direct mate-*
13 *rial costs, as applicable, of*
14 *such product or component*
15 *that was not produced or*
16 *manufactured by a prohib-*
17 *ited foreign entity, or*

18 *“(BB) that such product*
19 *or component was not pro-*
20 *duced or manufactured by a*
21 *prohibited foreign entity.*

22 *“(III) EXCEPTION.—Notwith-*
23 *standing subclauses (I) and (II)—*

24 *“(aa) if the taxpayer knows*
25 *(or has reason to know) that a*

1 *manufactured product or eligible*
2 *component was produced or man-*
3 *ufactured by a prohibited foreign*
4 *entity, the taxpayer shall treat all*
5 *direct costs with respect to such*
6 *manufactured product, or all di-*
7 *rect material costs with respect to*
8 *such eligible component, as attrib-*
9 *utable to a prohibited foreign en-*
10 *tity, and*

11 *“(bb) if the taxpayer knows*
12 *(or has reason to know) that the*
13 *certification referred to in sub-*
14 *clause (II)(bb) pertaining to a*
15 *manufactured product or eligible*
16 *component is inaccurate, the tax-*
17 *payer may not rely on such cer-*
18 *tification.*

19 *“(IV) CERTIFICATION REQUIRE-*
20 *MENT.—In a manner consistent with*
21 *Treasury Regulation section 1.45X-*
22 *4(c)(4)(i) (as in effect on the date of*
23 *enactment of this paragraph), the cer-*
24 *tification referred to in subclause*
25 *(II)(bb) shall—*

1 “(aa) include—

2 “(AA) the supplier’s em-
3 ployer identification number,
4 or

5 “(BB) any such similar
6 identification number issued
7 by a foreign government,

8 “(bb) be signed under pen-
9 alties of perjury,

10 “(cc) be retained by the sup-
11 plier and the taxpayer for a pe-
12 riod of not less than 6 years and
13 shall be provided to the Secretary
14 upon request, and

15 “(dd) be from the supplier
16 from which the taxpayer pur-
17 chased any manufactured product,
18 eligible component, or constituent
19 elements, materials, or subcompo-
20 nents of an eligible component,
21 stating—

22 “(AA) that such prop-
23 erty was not produced or
24 manufactured by a prohib-
25 ited foreign entity and that

1 the supplier does not know
2 (or have reason to know) that
3 any prior supplier in the
4 chain of production of that
5 property is a prohibited for-
6 eign entity,

7 “(BB) for purposes of
8 section 45X, the total direct
9 material costs for each com-
10 ponent, constituent element,
11 material, or subcomponent
12 that were not produced or
13 manufactured by a prohib-
14 ited foreign entity, or

15 “(CC) for purposes of
16 section 45Y or section 48E,
17 the total direct costs attrib-
18 utable to all manufactured
19 products that were not pro-
20 duced or manufactured by a
21 prohibited foreign entity.

22 “(iv) *EXISTING CONTRACT*.—Upon the
23 election of the taxpayer (in such form and
24 manner as the Secretary shall designate), in
25 the case of any manufactured product, eligi-

1 *ble component, or constituent element, mate-*
2 *rial, or subcomponent of an eligible compo-*
3 *nent which is—*

4 *“(I) acquired by the taxpayer, or*
5 *manufactured or assembled by or for*
6 *the taxpayer, pursuant to a binding*
7 *written contract which was entered*
8 *into prior to June 16, 2025, and*

9 *“(II)(aa) placed into service be-*
10 *fore January 1, 2030 (or, in the case*
11 *of an applicable facility, as defined in*
12 *section 45Y(d)(4)(B), before January*
13 *1, 2028) in a facility the construction*
14 *of which began before August 1, 2025,*
15 *or*

16 *“(bb) in the case of a constituent*
17 *element, material, or subcomponent,*
18 *used in a product sold before January*
19 *1, 2030,*

20 *the cost to the taxpayer with respect to such*
21 *product, component, element, material, or*
22 *subcomponent shall not be included for pur-*
23 *poses of determining the material assistance*
24 *cost ratio under this subparagraph.*

1 “(v) *ANTI-CIRCUMVENTION RULES.*—
2 *The Secretary shall prescribe such regula-*
3 *tions and guidance as may be necessary or*
4 *appropriate to prevent circumvention of the*
5 *rules under this subparagraph, including*
6 *prevention of—*

7 “(I) *any abuse of the exception*
8 *provided under clause (iv) through the*
9 *stockpiling of any manufactured prod-*
10 *uct, eligible component, or constituent*
11 *element, material, or subcomponent of*
12 *an eligible component during any pe-*
13 *riod prior to the application of the re-*
14 *quirements under this paragraph, or*

15 “(II) *any evasion with respect to*
16 *the requirements of this subparagraph*
17 *where the facts and circumstances dem-*
18 *onstrate that the beginning of construc-*
19 *tion of a qualified facility or energy*
20 *storage technology has not in fact oc-*
21 *curred.*

22 “(E) *OTHER DEFINITIONS.*—*For purposes*
23 *of this paragraph—*

24 “(i) *ELIGIBLE COMPONENT.*—*The term*
25 *‘eligible component’ means—*

1 “(I) any property described in
2 section 45X(c)(1), or

3 “(II) any component which is
4 identified by the Secretary pursuant to
5 regulations or guidance issued under
6 subparagraph (G).

7 “(ii) *ENERGY STORAGE TECH-*
8 *NOLOGY.—The term ‘energy storage tech-*
9 *nology’ has the same meaning given such*
10 *term under section 48E(c)(2).*

11 “(iii) *MANUFACTURED PRODUCT.—The*
12 *term ‘manufactured product’ means—*

13 “(I) a manufactured product
14 which is a component of a qualified fa-
15 cility, as described in section
16 45Y(g)(11)(B) and any guidance
17 issued thereunder, or

18 “(II) any product which is identi-
19 fied by the Secretary pursuant to regu-
20 lations or guidance issued under sub-
21 paragraph (G).

22 “(iv) *QUALIFIED FACILITY.—The term*
23 *‘qualified facility’ means—*

24 “(I) a qualified facility, as de-
25 fined in section 45Y(b)(1),

1 “(II) a qualified facility, as de-
2 fined in section 48E(b)(3), and

3 “(III) any qualified interconnec-
4 tion property (as defined in section
5 48E(b)(4)) which is part of the quali-
6 fied investment with respect to a quali-
7 fied facility (as described in section
8 48E(b)(1)).

9 “(F) DETERMINATION OF OWNERSHIP; BE-
10 GINNING OF CONSTRUCTION.—Rules similar to
11 the rules under subparagraphs (H) and (J) of
12 paragraph (51) shall apply for purposes of this
13 paragraph.

14 “(G) REGULATIONS AND GUIDANCE.—The
15 Secretary may prescribe such regulations and
16 guidance as may be necessary or appropriate to
17 carry out the provisions of this paragraph, in-
18 cluding—

19 “(i) identification of components or
20 products for purposes of clauses (i) and (iii)
21 of subparagraph (E), and

22 “(ii) for purposes of subparagraph
23 (A)(ii), rules to address facilities which
24 produce more than one eligible component.”.

1 (d) *DENIAL OF CREDIT FOR CERTAIN WIND AND*
 2 *SOLAR LEASING ARRANGEMENTS.*—Section 45Y is amend-
 3 *ed by adding at the end the following new subsection:*

4 “(h) *DENIAL OF CREDIT FOR WIND AND SOLAR LEAS-*
 5 *ING ARRANGEMENTS.*—No credit shall be determined under
 6 *this section with respect to any production of electricity*
 7 *during the taxable year with respect to property described*
 8 *in paragraph (1) or (4) of section 25D(d) (as applied by*
 9 *substituting ‘lessee’ for ‘taxpayer’)* if the taxpayer rents or
 10 *leases such property to a third party during such taxable*
 11 *year.”.*

12 (e) *EMISSIONS RATES TABLES.*—Section 45Y(b)(2)(C)
 13 *is amended by adding at the end the following new clause:*

14 “(iii) *EXISTING STUDIES.*—For pur-
 15 poses of clause (i), in determining green-
 16 house gas emissions rates for types or cat-
 17 egories of facilities for the purpose of deter-
 18 mining whether a facility satisfies the re-
 19 quirements under paragraph (1), the Sec-
 20 retary shall consider studies published on or
 21 before the date of enactment of this clause
 22 which demonstrate a net lifecycle greenhouse
 23 gas emissions rate which is not greater than
 24 zero using widely accepted lifecycle assess-
 25 ment concepts, such as concepts described in

1 standards developed by the International
2 Organization for Standardization.”.

3 (f) *NUCLEAR ENERGY COMMUNITIES*.—

4 (1) *IN GENERAL*.—Section 45(b)(11) is amend-
5 ed—

6 (A) in subparagraph (B)—

7 (i) in clause (ii)(II), by striking “or”
8 at the end,

9 (ii) in clause (iii)(II), by striking the
10 period at the end and inserting “, or”, and

11 (iii) by adding at the end the following
12 new clause:

13 “(iv) for purposes of any qualified fa-
14 cility which is an advanced nuclear facility,
15 a metropolitan statistical area which has
16 (or, at any time during the period begin-
17 ning after December 31, 2009, had) 0.17
18 percent or greater direct employment related
19 to the advancement of nuclear power, in-
20 cluding employment related to—

21 “(I) an advanced nuclear facility,

22 “(II) advanced nuclear power re-
23 search and development,

24 “(III) nuclear fuel cycle research,
25 development, or production, including

1 *mining, enrichment, manufacture,*
 2 *storage, disposal, or recycling of nu-*
 3 *clear fuel, and*

4 *“(IV) the manufacturing or as-*
 5 *sembly of components used in an ad-*
 6 *vanced nuclear facility.”, and*

7 *(B) by adding at the end the following new*
 8 *subparagraph:*

9 *“(C) ADVANCED NUCLEAR FACILITIES.—*

10 *“(i) IN GENERAL.—Subject to clause*
 11 *(ii), for purposes of subparagraph (B)(iv),*
 12 *the term ‘advanced nuclear facility’ means*
 13 *any nuclear facility the reactor design for*
 14 *which is approved in the manner described*
 15 *in section 45J(d)(2).*

16 *“(ii) SPECIAL RULE.—For purposes of*
 17 *clause (i), a facility shall be deemed to have*
 18 *a reactor design which is approved in the*
 19 *manner described in section 45J(d)(2) if the*
 20 *Nuclear Regulatory Commission has au-*
 21 *thorized construction and issued a site-spe-*
 22 *cific construction permit or combined li-*
 23 *cence with respect to such facility (without*
 24 *regard to whether the reactor design was*
 25 *approved after December 31, 1993).”.*

1 (2) *NONAPPLICATION FOR CLEAN ELECTRICITY*
 2 *INVESTMENT CREDIT*.—Section 48E(a)(3)(A)(i) is
 3 amended by inserting “, as applied without regard to
 4 clause (iv) thereof” after “section 45(b)(11)(B)”.

5 (g) *CONFORMING AMENDMENTS*.—Section 45Y(b)(1) is
 6 amended—

7 (1) by redesignating subparagraph (D) as sub-
 8 paragraph (E), and

9 (2) by inserting after subparagraph (C) the fol-
 10 lowing new subparagraph:

11 “(D) *DETERMINATION OF CAPACITY*.—For
 12 purposes of subparagraph (C), additions of ca-
 13 pacity of a facility shall be determined in any
 14 reasonable manner, including based on—

15 “(i) determinations by, or reports to,
 16 the Federal Energy Regulatory Commission
 17 (including interconnection agreements), the
 18 Nuclear Regulatory Commission, or any
 19 similar entity, reflecting additions of capac-
 20 ity,

21 “(ii) determinations or reports reflect-
 22 ing additions of capacity made by an inde-
 23 pendent professional engineer,

24 “(iii) reports to, or issued by, regional
 25 transmission organizations or independent

1 *system operators reflecting additions of ca-*
 2 *capacity, or*

3 *“(iv) any other method or manner pro-*
 4 *vided by the Secretary.”.*

5 *(h) PROHIBITION ON TRANSFER OF CREDITS TO SPEC-*
 6 *IFIED FOREIGN ENTITIES.—Section 6418(g) is amended by*
 7 *adding at the end the following new paragraph:*

8 *“(5) PROHIBITION ON TRANSFER OF CREDITS TO*
 9 *SPECIFIED FOREIGN ENTITIES.—With respect to any*
 10 *eligible credit described in clause (iii), (iv), (vi), (vii),*
 11 *(viii), or (xi) of subsection (f)(1)(A), an eligible tax-*
 12 *payer may not elect to transfer any portion of such*
 13 *credit to a taxpayer that is a specified foreign entity*
 14 *(as defined in section 7701(a)(51)(B)).”.*

15 *(i) EXTENSION OF PERIOD OF LIMITATIONS FOR ER-*
 16 *RORS RELATING TO DETERMINING OF MATERIAL ASSIST-*
 17 *ANCE FROM A PROHIBITED FOREIGN ENTITY.—Section*
 18 *6501 is amended—*

19 *(1) by redesignating subsection (o) as subsection*
 20 *(p), and*

21 *(2) by inserting after subsection (n) the following*
 22 *new subsection:*

23 *“(o) MATERIAL ASSISTANCE FROM A PROHIBITED*
 24 *FOREIGN ENTITY.—In the case of a deficiency attributable*
 25 *to an error with respect to the determination under section*

1 7701(a)(52) for any taxable year, such deficiency may be
 2 assessed at any time within 6 years after the return for
 3 such year was filed.”.

4 (j) IMPOSITION OF ACCURACY-RELATED PENALTIES.—

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 for
 11 which there is a disallowance of an applicable energy
 12 credit for any taxable year, for purposes of deter-
 13 mining whether there is a substantial understatement
 14 of income tax for such taxable year, subsection (d)(1)
 15 shall be applied—

16 “(A) in subparagraphs (A) and (B), by sub-
 17 stituting ‘1 percent’ for ‘10 percent’ each place it
 18 appears, and

19 “(B) without regard to subparagraph (C).

20 “(2) DISALLOWANCE OF AN APPLICABLE ENERGY
 21 CREDIT.—For purposes of this subsection, the term
 22 ‘disallowance of an applicable energy credit’ means
 23 the disallowance of a credit under section 45X, 45Y,
 24 or 48E by reason of overstating the material assist-
 25 ance cost ratio (as determined under section

1 7701(a)(52)) *with respect to any qualified facility,*
 2 *energy storage technology, or facility which produces*
 3 *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 which*
 11 *there is a disallowance described in section*
 12 *6662(m)(2), subparagraph (A) shall apply with*
 13 *respect to any excessive payment resulting from*
 14 *such disallowance.”.*

15 (k) *PENALTY FOR SUBSTANTIAL MISSTATEMENTS ON*
 16 *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 sec-*
 7 *tion,*

8 *“(2) such person knows, or reasonably should*
 9 *have known, that such certification is inaccurate or*
 10 *false with respect to—*

11 *“(A) whether such property was produced or*
 12 *manufactured by a prohibited foreign entity, or*

13 *“(B) the total direct costs or total direct*
 14 *material costs of such property that was not pro-*
 15 *duced or manufactured by a prohibited foreign*
 16 *entity that were provided on such certification,*
 17 *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 in*
 23 *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 pen-*
5 *alty imposed under subsection (a) on any person with re-*
6 *spect 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 attrib-*
9 *utable to the inaccuracy or falsity described in sub-*
10 *section (a)(2), or*

11 “(2) *\$5,000.*

12 “(c) *EXCEPTION.*—*No penalty shall be imposed under*
13 *subsection (a) if the person establishes to the satisfaction*
14 *of the Secretary that any inaccuracy or falsity described*
15 *in subsection (a)(2) is due to a reasonable cause and not*
16 *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 6695B***”,*

1 (ii) in subsections (a), (b), and (e), by
2 striking “and 6695A” each place it appears
3 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 inserting
19 after item relating to section 6695A the following
20 new item:

“Sec. 6695B. Penalty for substantial misstatements on certification provided by
supplier.”.

21 (l) *EFFECTIVE DATES*.—

22 (1) *IN GENERAL*.—Except as provided in para-
23 graphs (2), (3), and (4), the amendments made by

1 “(4) *TERMINATION FOR WIND AND SOLAR FACILI-*
2 *TIES.*—

3 “(A) *IN GENERAL.*—*This section shall not*
4 *apply to any qualified property placed in service*
5 *by the taxpayer after December 31, 2027, which*
6 *is part of an applicable facility.*

7 “(B) *APPLICABLE FACILITY.*—*For purposes*
8 *of this paragraph, the term ‘applicable facility’*
9 *means a qualified facility which—*

10 “(i) *uses wind to produce electricity*
11 *(within the meaning of such term as used*
12 *in section 45(d)(1), as determined without*
13 *regard to any requirement under such sec-*
14 *tion with respect to the date on which con-*
15 *struction of property begins), or*

16 “(ii) *uses solar energy to produce elec-*
17 *tricity (within the meaning of such term as*
18 *used in section 45(d)(4), as determined*
19 *without regard to any requirement under*
20 *such section with respect to the date on*
21 *which construction of property begins).*

22 “(C) *EXCEPTION.*—*This paragraph shall*
23 *not apply with respect to any energy storage*
24 *technology which is placed in service at any ap-*
25 *plicable facility.’’.*

1 (b) *RESTRICTIONS RELATING TO PROHIBITED FOR-*
 2 *EIGN ENTITIES.*—

3 (1) *IN GENERAL.*—Section 48E is amended—

4 (A) in subsection (b)—

5 (i) by redesignating paragraph (6) as
 6 paragraph (7), and

7 (ii) by inserting after paragraph (5)
 8 the following new paragraph:

9 “(6) *MATERIAL ASSISTANCE FROM PROHIBITED*
 10 *FOREIGN ENTITIES.*—The terms ‘qualified facility’
 11 *and ‘qualified interconnection property’ shall not in-*
 12 *clude any facility or property the construction, recon-*
 13 *struction, or erection of which begins after December*
 14 *31, 2025, if the construction, reconstruction, or erec-*
 15 *tion of such facility or property includes any mate-*
 16 *rial assistance from a prohibited foreign entity (as*
 17 *defined in section 7701(a)(52)).”, and*

18 (B) in subsection (c), by adding at the end
 19 the following new paragraph:

20 “(3) *MATERIAL ASSISTANCE FROM PROHIBITED*
 21 *FOREIGN ENTITIES.*—The term ‘energy storage tech-
 22 *nology’ shall not include any property the construc-*
 23 *tion of which begins after December 31, 2025, if the*
 24 *construction of such property includes any material*

1 *assistance from a prohibited foreign entity (as defined*
 2 *in section 7701(a)(52)).”.*

3 (2) *ADDITIONAL RESTRICTIONS.—Section 48E(d)*
 4 *is amended by adding at the end the following new*
 5 *paragraph:*

6 “(6) *RESTRICTIONS RELATING TO PROHIBITED*
 7 *FOREIGN ENTITIES.—*

8 “(A) *IN GENERAL.—No credit shall be deter-*
 9 *mined under subsection (a) for any taxable year*
 10 *if the taxpayer is—*

11 “(i) *a specified foreign entity (as de-*
 12 *finied in section 7701(a)(51)(B)), or*

13 “(ii) *a foreign-influenced entity (as de-*
 14 *finied in section 7701(a)(51)(D), without re-*
 15 *gard to clause (i)(II) thereof).*

16 “(B) *EFFECTIVE CONTROL.—In the case of*
 17 *a taxpayer for which section*
 18 *7701(a)(51)(D)(i)(II) is determined to apply for*
 19 *any taxable year, no credit shall be determined*
 20 *under subsection (a) for such taxable year if such*
 21 *determination relates to a qualified facility de-*
 22 *scribed in subsection (b)(3) or energy storage*
 23 *technology described in subsection (c)(2).”.*

24 (3) *RECAPTURE.—*

1 (A) *IN GENERAL*.—Section 50(a) is amend-
2 ed—

3 (i) *by redesignating paragraphs (4)*
4 *through (6) as paragraphs (5) through (7),*
5 *respectively,*

6 (ii) *by inserting after paragraph (3)*
7 *the following new paragraph:*

8 “(4) *PAYMENTS TO PROHIBITED FOREIGN ENTI-*
9 *TIES.*—

10 “(A) *IN GENERAL.*—If there is an applica-
11 *ble payment made by a specified taxpayer before*
12 *the close of the 10-year period beginning on the*
13 *date such taxpayer placed in service investment*
14 *credit property which is eligible for the clean*
15 *electricity investment credit under section*
16 *48E(a), then the tax under this chapter for the*
17 *taxable year in which such applicable payment*
18 *occurs shall be increased by 100 percent of the*
19 *aggregate decrease in the credits allowed under*
20 *section 38 for all prior taxable years which*
21 *would have resulted solely from reducing to zero*
22 *any credit determined under section 46 which is*
23 *attributable to the clean electricity investment*
24 *credit under section 48E(a) with respect to such*
25 *property.*

1 “(B) *APPLICABLE PAYMENT*.—For purposes
2 of this paragraph, the term ‘applicable payment’
3 means, with respect to any taxable year, a pay-
4 ment or payments described in section
5 7701(a)(51)(D)(i)(II).

6 “(C) *SPECIFIED TAXPAYER*.—For purposes
7 of this paragraph, the term ‘specified taxpayer’
8 means any taxpayer who has been allowed a
9 credit under section 48E(a) for any taxable year
10 beginning after the date which is 2 years after
11 the date of enactment of this paragraph.”,

12 (iii) in paragraph (5), as redesignated
13 by clause (i), by striking “or any applicable
14 transaction to which paragraph (3)(A) ap-
15 plies,” and inserting “any applicable trans-
16 action to which paragraph (3)(A) applies,
17 or any applicable payment to which para-
18 graph (4)(A) applies,” and

19 (iv) in paragraph (7), as redesignated
20 by clause (i), by striking “or (3)” and in-
21 serting “(3), or (4)”.

22 (B) *CONFORMING AMENDMENTS*.—

23 (i) Section 1371(d)(1) is amended by
24 striking “section 50(a)(5)” and inserting
25 “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 CER-*
 5 *TAIN 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 fol-
 10 lowing 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 in-
 14 vestment during the taxable year with respect to property
 15 described in paragraph (1) or (4) of section 25D(d) (as ap-
 16 plied by substituting ‘lessee’ for ‘taxpayer’) if the taxpayer
 17 rents or leases such property to a third party during such
 18 taxable year.”.

19 (2) *CONFORMING RULES.*—Section 50 is amend-
 20 ed by adding at the end the following new subsection:

21 “(e) *RULES FOR GEOTHERMAL HEAT PUMPS.*—For
 22 purposes of this section and section 168, the ownership of
 23 energy property described in section 48(a)(3)(A)(vii) shall
 24 be determined without regard to whether such property is

1 *readily usable by a person other than the lessee or service*
 2 *recipient.”.*

3 *(d) DOMESTIC CONTENT RULES.—Subparagraph (B)*
 4 *of section 48E(a)(3) is amended to read as follows:*

5 *“(B) DOMESTIC CONTENT.—Rules similar*
 6 *to the rules of section 48(a)(12) shall apply, ex-*
 7 *cept that, for purposes of subparagraph (B) of*
 8 *such section and the application of rules similar*
 9 *to the rules of section 45(b)(9)(B), the adjusted*
 10 *percentage (as determined under section*
 11 *45(b)(9)(C)) shall be determined as follows:*

12 *“(i) In the case of any qualified invest-*
 13 *ment with respect to any qualified facility*
 14 *or energy storage technology the construc-*
 15 *tion of which begins before June 16, 2025,*
 16 *40 percent (or, in the case of a qualified fa-*
 17 *cility which is an offshore wind facility, 20*
 18 *percent).*

19 *“(ii) In the case of any qualified in-*
 20 *vestment with respect to any qualified facil-*
 21 *ity or energy storage technology the con-*
 22 *struction of which begins on or after June*
 23 *16, 2025, and before January 1, 2026, 45*
 24 *percent (or, in the case of a qualified facil-*

1 *ity which is an offshore wind facility, 27.5*
 2 *percent).*

3 *“(iii) In the case of any qualified in-*
 4 *vestment with respect to any qualified facil-*
 5 *ity or energy storage technology the con-*
 6 *struction of which begins during calendar*
 7 *year 2026, 50 percent (or, in the case of a*
 8 *qualified facility which is an offshore wind*
 9 *facility, 35 percent).*

10 *“(iv) In the case of any qualified in-*
 11 *vestment with respect to any qualified facil-*
 12 *ity or energy storage technology the con-*
 13 *struction of which begins after December 31,*
 14 *2026, 55 percent.”.*

15 *(e) ELIMINATION OF ENERGY CREDIT FOR CERTAIN*
 16 *ENERGY PROPERTY.—Section 48(a)(2) is amended—*

17 *(1) in subparagraph (A)(ii), by striking “2 per-*
 18 *cent” and inserting “0 percent”, and*

19 *(2) by adding at the end the following new sub-*
 20 *paragraph:*

21 *“(C) NONAPPLICATION OF INCREASES TO*
 22 *ENERGY PERCENTAGE.—For purposes of energy*
 23 *property described in subparagraph (A)(ii), the*
 24 *energy percentage applicable to such property*
 25 *pursuant to such subparagraph shall not be in-*

1 *creased or otherwise adjusted by any provision of*
 2 *this section.”.*

3 (f) *APPLICATION OF CLEAN ELECTRICITY INVESTMENT*
 4 *CREDIT TO QUALIFIED FUEL CELL PROPERTY.—Section*
 5 *48E, as amended by subsection (c), is amended—*

6 (1) *by redesignating subsection (j) as subsection*
 7 *(k), and*

8 (2) *by inserting after subsection (i) the following*
 9 *new subsection:*

10 “(j) *APPLICATION TO QUALIFIED FUEL CELL PROP-*
 11 *ERTY.—For purposes of this section, in the case of any*
 12 *qualified fuel cell property (as defined in section 48(c)(1),*
 13 *as applied without regard to subparagraph (E) thereof—*

14 “(1) *subsection (b)(3)(A) shall be applied with-*
 15 *out regard to clause (iii) thereof,*

16 “(2) *for purposes of subsection (a)(1), the appli-*
 17 *cable percentage shall be 30 percent and such percent-*
 18 *age shall not be increased or otherwise adjusted by*
 19 *any other provision of this section, and*

20 “(3) *subsection (g) shall not apply.”.*

21 (g) *EFFECTIVE DATES.—*

22 (1) *IN GENERAL.—Except as provided in para-*
 23 *graphs (2), (3), (4), and (5), the amendments made*
 24 *by this section shall apply to taxable years beginning*
 25 *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 by*
 6 *subsection (e) shall apply to property the construction*
 7 *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 *ERTY.*—*The amendments made by subsection (f) shall*
 11 *apply to property the construction of which begins*
 12 *after December 31, 2025.*

13 (5) *TERMINATION FOR WIND AND SOLAR FACILI-*
 14 *TIES.*—*The amendments made by subsection (a) shall*
 15 *apply to facilities the construction of which begins*
 16 *after the date which is 12 months after the date of en-*
 17 *actment of this Act.*

18 **SEC. 70514. PHASE-OUT AND RESTRICTIONS ON ADVANCED**
 19 **MANUFACTURING PRODUCTION CREDIT.**

20 (a) *MODIFICATION OF PROVISION RELATING TO SALE*
 21 *OF INTEGRATED COMPONENTS.*—*Paragraph (4) of section*
 22 *45X(d) is amended to read as follows:*

23 “(4) *SALE OF INTEGRATED COMPONENTS.*—

24 “(A) *IN GENERAL.*—*For purposes of this*
 25 *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 this*
4 *paragraph as the ‘primary component’) is*
5 *integrated, incorporated, or assembled into*
6 *another eligible component (referred to in*
7 *this paragraph as the ‘secondary compo-*
8 *nent’) produced within the same manufac-*
9 *turing facility as the primary component,*
10 *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 primary*
21 *components which are mined, produced, or man-*
22 *ufactured 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 TERMINATION” after “PHASE OUT”,*

3 (2) *in subparagraph (A), in the matter preceding clause (i), by striking “subparagraph (C)” and inserting “subparagraphs (C) and (D)”, and*

6 (3) *by striking subparagraph (C) and inserting the following:*

8 *“(C) PHASE OUT FOR APPLICABLE CRITICAL*
 9 *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 31,*
 14 *2030, the amount determined under this*
 15 *subsection with respect to such mineral*
 16 *shall be equal to the product of—*

17 *“(I) the amount determined under*
 18 *paragraph (1) with respect to such*
 19 *mineral, as determined without regard*
 20 *to this subparagraph, multiplied by*

21 *“(II) the phase out percentage*
 22 *under clause (ii).*

23 *“(ii) PHASE OUT PERCENTAGE FOR AP-*
 24 *PLICABLE CRITICAL MINERALS OTHER THAN*

1 *METALLURGICAL COAL.—The phase out per-*
 2 *centage under this clause is equal to—*

3 *“(I) in the case of any applicable*
 4 *critical mineral produced during cal-*
 5 *endar year 2031, 75 percent,*

6 *“(II) in the case of any applicable*
 7 *critical mineral produced during cal-*
 8 *endar year 2032, 50 percent,*

9 *“(III) in the case of any applica-*
 10 *ble critical mineral produced during*
 11 *calendar year 2033, 25 percent, and*

12 *“(IV) in the case of any applica-*
 13 *ble critical mineral produced after De-*
 14 *cember 31, 2033, 0 percent.*

15 *“(D) TERMINATION FOR WIND ENERGY COM-*
 16 *PONENTS.—This section shall not apply to any*
 17 *wind energy component produced and sold after*
 18 *December 31, 2027.*

19 *“(E) TERMINATION FOR METALLURGICAL*
 20 *COAL.—This section shall not apply to any met-*
 21 *allurgical coal produced after December 31,*
 22 *2029.”.*

23 *(c) RESTRICTIONS RELATING TO PROHIBITED FOR-*
 24 *EIGN ENTITIES.—Section 45X is amended—*

1 (1) in subsection (c)(1), by adding at the end the
2 following new subparagraph:

3 “(C) *MATERIAL ASSISTANCE FROM PROHIB-*
4 *ITED FOREIGN ENTITIES.*—*In the case of taxable*
5 *years beginning after the date of enactment of*
6 *this subparagraph, the term ‘eligible component’*
7 *shall not include any property which includes*
8 *any material assistance from a prohibited for-*
9 *foreign entity (as defined in section 7701(a)(52), as*
10 *applied by substituting ‘used in a product sold*
11 *before January 1, 2027’ for ‘used in a product*
12 *sold before January 1, 2030’ in subparagraph*
13 *(D)(iv)(II)(bb) thereof.’, and*

14 (2) in subsection (d), as amended by subsection
15 (a) of this section, by adding at the end the following
16 new paragraph:

17 “(4) *RESTRICTIONS RELATING TO PROHIBITED*
18 *FOREIGN ENTITIES.*—

19 “(A) *IN GENERAL.*—*No credit shall be deter-*
20 *mined under subsection (a) for any taxable year*
21 *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 de-
2 fined in section 7701(a)(51)(D), without re-
3 gard to clause (i)(II) thereof).

4 “(B) *EFFECTIVE CONTROL*.—In the case of
5 a taxpayer for which section
6 7701(a)(51)(D)(i)(II) is determined to apply for
7 any taxable year, no credit shall be determined
8 under subsection (a) for such taxable year if such
9 determination relates to an eligible component
10 described in subsection (c)(1).”.

11 (d) *MODIFICATION OF DEFINITION OF BATTERY MOD-*
12 *ULE*.—Section 45X(c)(5)(B)(iii) is amended—

13 (1) in subclause (I)(bb), by striking “and” at the
14 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, or any other essential energy
24 collection equipment.”.

1 (e) *INCLUSION OF METALLURGICAL COAL AS AN AP-*
 2 *PLICABLE CRITICAL MINERAL FOR PURPOSES OF THE AD-*
 3 *VANCED 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 (AA),*
 8 *respectively, and*

9 (B) *by inserting after subparagraph (Q) the*
 10 *following new subparagraph:*

11 “(R) *METALLURGICAL COAL.*—*Metallurgical*
 12 *coal which is suitable for use in the production*
 13 *of steel (within the meaning of the notice pub-*
 14 *lished by the Department of Energy entitled*
 15 *‘Critical Material List; Addition of Metallurgical*
 16 *Coal Used for Steelmaking’ (90 Fed. Reg. 22711*
 17 *(May 29, 2025))), regardless of whether such pro-*
 18 *duction occurs inside or outside of the United*
 19 *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 shall*

1 *apply to taxable years beginning after the date of en-*
 2 *actment 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 this*
 15 *section shall take effect on the date of enactment of this Act.*

16 **Subchapter B—Enhancement of America-first**
 17 **Energy Policy**

18 **SEC. 70521. EXTENSION AND MODIFICATION OF CLEAN**
 19 **FUEL PRODUCTION CREDIT.**

20 (a) *PROHIBITION ON FOREIGN FEEDSTOCKS.—*

21 (1) *IN GENERAL.—Section 45Z(f)(1)(A) is*
 22 *amended—*

23 (A) *in clause (i)(II)(bb), by striking “and”*
 24 *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.*—The
18 Secretary may round the emissions rates under
19 subparagraph (B) to the nearest multiple of 5
20 kilograms of CO₂e per mmBTU.”, and

21 (B) by adding at the end the following new
22 subparagraph:

23 “(E) *PROHIBITION ON NEGATIVE EMISSION*
24 *RATES.*—For purposes of this section, the emis-

1 *sions rate for a transportation fuel may not be*
 2 *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 December*
 6 *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 based*
 17 *on regulations or methodologies determined*
 18 *by the Secretary.*

19 *“(v) ANIMAL MANURES.—With respect*
 20 *to any transportation fuel which is derived*
 21 *from animal manure, the Secretary—*

22 *“(I) shall provide a distinct emis-*
 23 *sions rate with respect to such fuel*
 24 *based on the specific animal manure*
 25 *feedstock, which may include dairy*

1 *manure, swine manure, poultry ma-*
 2 *nure, or any other sources as are deter-*
 3 *mined appropriate by the Secretary,*
 4 *and*

5 *“(II) notwithstanding subpara-*
 6 *graph (E), may provide an emissions*
 7 *rate that is less than zero.”.*

8 (2) *CONFORMING AMENDMENT.—Section*
 9 *45Z(b)(1)(B)(i) is amended by striking “clauses (ii)*
 10 *and (iii)” and inserting “clauses (ii), (iii), (iv), and*
 11 *(v)”.*

12 (3) *EFFECTIVE DATE.—The amendments made*
 13 *by this subsection shall apply to emissions rates pub-*
 14 *lished for transportation fuel produced after December*
 15 *31, 2025.*

16 (d) *EXTENSION OF CLEAN FUEL PRODUCTION CRED-*
 17 *IT.—Section 45Z(g) is amended by striking “December 31,*
 18 *2027” and inserting “December 31, 2029”.*

19 (e) *PREVENTING DOUBLE CREDIT.—Section 45Z(d)(5)*
 20 *is amended—*

21 (1) *in subparagraph (A)—*

22 (A) *in clause (ii), by striking “and” at the*
 23 *end,*

24 (B) *in clause (iii), by striking the period at*
 25 *the end and inserting “, and”, and*

1 (C) by adding at the end the following new
2 clause:

3 “(iv) is not produced from a fuel for
4 which a credit under this section is allow-
5 able.”, and

6 (2) by adding at the end the following new sub-
7 paragraph:

8 “(C) *REGULATIONS AND GUIDANCE.*—The
9 Secretary shall issue such regulations or other
10 guidance as the Secretary determines necessary
11 to carry out the purposes of subparagraph
12 (A)(iv).”.

13 (f) *SALES TO UNRELATED PERSONS.*—Section
14 45Z(f)(3) is amended by adding at the end the following:
15 “The Secretary may prescribe additional related person
16 rules similar to the rule described in the preceding sentence
17 for entities which are not described in such sentence, includ-
18 ing rules for related persons with respect to which the tax-
19 payer has reason to believe will sell fuel to an unrelated
20 person in a manner described in subsection (a)(4).”.

21 (g) *TREATMENT OF SUSTAINABLE AVIATION FUEL.*—

22 (1) *COORDINATION OF CREDITS.*—

23 (A) *IN GENERAL.*—Section 6426(k) is
24 amended by adding at the end the following new
25 paragraph:

1 “(4) *COORDINATION OF CREDITS.*—*With respect*
 2 *to any gallon of sustainable aviation fuel in a quali-*
 3 *fied mixture, this subsection shall not apply to any*
 4 *such gallon for which a credit under section 45Z is*
 5 *allowable (as determined without regard to subsection*
 6 *(a)(1)(A) of such section).*”.

7 *(B) EFFECTIVE DATE.*—*The amendment*
 8 *made by this paragraph shall apply to—*

9 *(i) fuel sold or used on or after the date*
 10 *of the enactment of this Act, and*

11 *(ii) fuel sold or used before the date of*
 12 *enactment of this Act, but only to the extent*
 13 *that claims for the credit under section*
 14 *6426(k) of the Internal Revenue Code of*
 15 *1986 with respect to such sale or use have*
 16 *not been paid or allowed as of such date.*

17 (2) *ELIMINATION OF SPECIAL RATE.*—

18 *(A) IN GENERAL.*—*Paragraph (3) of section*
 19 *45Z(a) is amended to read as follows:*

20 “(3) *DEFINITION OF SUSTAINABLE AVIATION*
 21 *FUEL.*—*For purposes of this section, the term ‘sus-*
 22 *tainable aviation fuel’ means liquid fuel, the portion*
 23 *of which is not kerosene, which is sold for use in an*
 24 *aircraft and which—*

25 “(A) *meets the requirements of—*

1 “(i) *ASTM International Standard*
2 *D7566, or*

3 “(ii) *the Fischer Tropsch provisions of*
4 *ASTM International Standard D1655,*
5 *Annex A1, and*

6 “(B) *is not derived from palm fatty acid*
7 *distillates or petroleum.*”.

8 (B) *CONFORMING AMENDMENT.*—Section
9 45Z(c)(1) *is amended by striking “, the \$1.00*
10 *amount in subsection (a)(2)(B), the 35 cent*
11 *amount in subsection (a)(3)(A)(i), and the \$1.75*
12 *amount in subsection (a)(3)(A)(ii)” and insert-*
13 *ing “and the \$1.00 amount in subsection*
14 *(a)(2)(B).”*.

15 (C) *EFFECTIVE DATE.*—The amendments
16 made by this paragraph shall apply to fuel pro-
17 duced after December 31, 2025.

18 (h) *SUSTAINABLE AVIATION FUEL CREDIT.*—Section
19 6426(k), as amended by the preceding provisions of this Act,
20 is amended by adding at the end the following new para-
21 graph:

22 “(5) *TERMINATION.*—This subsection shall not
23 apply to any sale or use for any period after Sep-
24 tember 30, 2025.”.

1 *(i) REGISTRATION OF PRODUCERS OF FUEL ELIGIBLE*
 2 *FOR CLEAN FUEL PRODUCTION CREDIT.—*

3 *(1) IN GENERAL.—Section 13704(b)(5) of Public*
 4 *Law 117-169 is amended by striking “after ‘section*
 5 *6426(k)(3),’” and inserting “after ‘section 40B),’”.*

6 *(2) EFFECTIVE DATE.—The amendment made by*
 7 *this subsection shall apply to transportation fuel pro-*
 8 *duced after December 31, 2024.*

9 *(j) EXTENSION AND MODIFICATION OF SMALL AGRI-*
 10 *BIODIESEL PRODUCER CREDIT.—*

11 *(1) IN GENERAL.—Section 40A is amended—*

12 *(A) in subsection (b)(4)—*

13 *(i) in subparagraph (A), by striking*
 14 *“10 cents” and inserting “20 cents”,*

15 *(ii) in subparagraph (B), by inserting*
 16 *“in a manner which complies with the re-*
 17 *quirements under section 45Z(f)(1)(A)(iii)”*
 18 *after “produced by an eligible small agri-*
 19 *biodiesel producer”, and*

20 *(iii) by adding at the end the following*
 21 *new subparagraph:*

22 *“(D) COORDINATION WITH CLEAN FUEL*
 23 *PRODUCTION CREDIT.—The credit determined*
 24 *under this paragraph with respect to any gallon*
 25 *of fuel shall be in addition to any credit deter-*

1 mined under section 45Z with respect to such
2 gallon of fuel.”, and

3 (B) in subsection (g), by inserting “(or, in
4 the case of the small agri-biodiesel producer cred-
5 it, any sale or use after December 31, 2026)”
6 after “December 31, 2024”.

7 (2) TRANSFER OF CREDIT.—Section
8 6418(f)(1)(A) is amended by adding at the end the
9 following new clause:

10 “(xii) So much of the biodiesel fuels
11 credit determined under section 40A which
12 consists of the small agri-biodiesel producer
13 credit determined under subsection (b)(4) of
14 such section.”.

15 (3) EFFECTIVE DATE.—The amendments made
16 by this subsection shall apply to fuel sold or used
17 after June 30, 2025.

18 (k) RESTRICTIONS RELATING TO PROHIBITED FOR-
19 EIGN ENTITIES.—

20 (1) IN GENERAL.—Section 45Z(f) is amended by
21 adding at the end the following new paragraph:

22 “(8) RESTRICTIONS RELATING TO PROHIBITED
23 FOREIGN ENTITIES.—

24 “(A) IN GENERAL.—No credit shall be deter-
25 mined under subsection (a) for any taxable year

1 *beginning after the date of enactment of this*
 2 *paragraph if the taxpayer is a specified foreign*
 3 *entity (as defined in section 7701(a)(51)(B)).*

4 “(B) *OTHER PROHIBITED FOREIGN ENTI-*
 5 *TIES.—No credit shall be determined under sub-*
 6 *section (a) for any taxable year beginning after*
 7 *the date which is 2 years after the date of enact-*
 8 *ment of this paragraph if the taxpayer is a for-*
 9 *foreign-influenced entity (as defined in section*
 10 *7701(a)(51)(D), without regard to clause (i)(II)*
 11 *thereof).”.*

12 (2) *EFFECTIVE DATE.—The amendment made by*
 13 *this subsection shall apply to taxable years beginning*
 14 *after the date of enactment of this Act.*

15 **SEC. 70522. RESTRICTIONS ON CARBON OXIDE SEQUESTRA-**
 16 **TION CREDIT.**

17 (a) *RESTRICTIONS RELATING TO PROHIBITED FOR-*
 18 *EIGN ENTITIES.—Section 45Q(f) is amended by adding at*
 19 *the end the following new paragraph:*

20 “(10) *RESTRICTIONS RELATING TO PROHIBITED*
 21 *FOREIGN ENTITIES.—No credit shall be determined*
 22 *under subsection (a) for any taxable year beginning*
 23 *after the date of enactment of this paragraph if the*
 24 *taxpayer is—*

1 “(A) a specified foreign entity (as defined
2 in section 7701(a)(51)(B)), or

3 “(B) a foreign-influenced entity (as defined
4 in section 7701(a)(51)(D), determined without
5 regard to clause (i)(II) thereof).”.

6 (b) *PARITY FOR DIFFERENT USES AND UTILIZATIONS*
7 *OF QUALIFIED CARBON OXIDE*.—Section 45Q is amend-
8 ed—

9 (1) in subsection (a)—

10 (A) in paragraph (2)(B)(ii), by adding
11 “and” at the end,

12 (B) in paragraph (3), by striking subpara-
13 graph (B) and inserting the following:

14 “(B)(i) disposed of by the taxpayer in se-
15 cure geological storage and not used by the tax-
16 payer as described in clause (ii) or (iii),

17 “(ii) used by the taxpayer as a tertiary
18 injectant in a qualified enhanced oil or natural
19 gas recovery project and disposed of by the tax-
20 payer in secure geological storage, or

21 “(iii) utilized by the taxpayer in a manner
22 described in subsection (f)(5).”, and

23 (C) by striking paragraph (4),

24 (2) in subsection (b)—

25 (A) in paragraph (1)—

1 (i) by striking subparagraph (A) and
2 inserting the following:

3 “(A) *IN GENERAL.*—*Except as provided in*
4 *subparagraph (B) or (C), the applicable dollar*
5 *amount shall be an amount equal to—*

6 “(i) *for any taxable year beginning in*
7 *a calendar year after 2024 and before 2027,*
8 *\$17, and*

9 “(ii) *for any taxable year beginning in*
10 *a calendar year after 2026, an amount*
11 *equal to the product of \$17 and the infla-*
12 *tion adjustment factor for such calendar*
13 *year determined under section 43(b)(3)(B)*
14 *for such calendar year, determined by sub-*
15 *stituting ‘2025’ for ‘1990’.*”, and

16 (ii) *in subparagraph (B), by striking*
17 *“shall be applied” and all that follows*
18 *through the period and inserting “shall be*
19 *applied by substituting ‘\$36’ for ‘\$17’ each*
20 *place it appears.”,*

21 (B) *in paragraph (2)(B), by striking*
22 *“paragraphs (3)(A) and (4)(A)” and inserting*
23 *“paragraph (3)(A)”*, and

24 (C) *in paragraph (3), by striking “the dol-*
25 *lar amounts applicable under paragraph (3) or*

1 (4)” and inserting “the dollar amount applicable
2 under paragraph (3)”,

3 (3) in subsection (f)—

4 (A) in paragraph (5)(B)(i), by striking
5 “(4)(B)(ii)” and inserting “(3)(B)(iii)”, and

6 (B) in paragraph (9), by striking “para-
7 graphs (3) and (4) of subsection (a)” and insert-
8 ing “subsection (a)(3)”, and

9 (4) in subsection (h)(3)(A)(ii), by striking
10 “paragraph (3)(A) or (4)(A) of subsection (a)” and
11 inserting “subsection (a)(3)(A)”.

12 (c) CONFORMING AMENDMENT.—Section
13 6417(d)(3)(C)(i)(II)(bb) is amended by striking “para-
14 graph (3)(A) or (4)(A) of section 45Q(a)” and inserting
15 “section 45Q(a)(3)(A)”.

16 (d) *EFFECTIVE DATES.*—

17 (1) *RESTRICTIONS RELATING TO PROHIBITED*
18 *FOREIGN ENTITIES.*—The amendment made by sub-
19 section (a) shall apply to taxable years beginning
20 after the date of enactment of this Act.

21 (2) *PARITY FOR DIFFERENT USES AND UTILIZA-*
22 *TIONS OF QUALIFIED CARBON OXIDE.*—The amend-
23 ments made subsections (b) and (c) shall apply to fa-
24 cilities or equipment placed in service after the date
25 of enactment of this Act.

1 **SEC. 70523. INTANGIBLE DRILLING AND DEVELOPMENT**
 2 **COSTS TAKEN INTO ACCOUNT FOR PURPOSES**
 3 **OF COMPUTING ADJUSTED FINANCIAL**
 4 **STATEMENT INCOME.**

5 (a) *IN GENERAL.*—Section 56A(c)(13) is amended—
 6 (1) by striking subparagraph (A) and inserting
 7 the following:

8 “(A) reduced by—

9 “(i) depreciation deductions allowed
 10 under section 167 with respect to property
 11 to which section 168 applies to the extent of
 12 the amount allowed as deductions in com-
 13 puting taxable income for the year, and

14 “(ii) any deduction allowed for ex-
 15 penses under section 263(c) (including any
 16 deduction for such expenses under section
 17 59(e) or 291(b)(2)) with respect to property
 18 described therein to the extent of the amount
 19 allowed as deductions in computing taxable
 20 income for the year, and”, and

21 (2) by striking subparagraph (B)(i) and insert-
 22 ing the following:

23 “(i) to disregard any amount of—

24 “(I) depreciation expense that is
 25 taken into account on the taxpayer’s

1 applicable financial statement with re-
2 spect to such property, and

3 “(II) depletion expense that is
4 taken into account on the taxpayer’s
5 applicable financial statement with re-
6 spect to the intangible drilling and de-
7 velopment costs of such property, and”.

8 (b) *EFFECTIVE DATE.*—The amendments made by this
9 section shall apply to taxable years beginning after Decem-
10 ber 31, 2025.

11 **SEC. 70524. INCOME FROM HYDROGEN STORAGE, CARBON**
12 **CAPTURE, ADVANCED NUCLEAR, HYDRO-**
13 **POWER, AND GEOTHERMAL ENERGY ADDED**
14 **TO QUALIFYING INCOME OF CERTAIN PUB-**
15 **LICLY TRADED PARTNERSHIPS.**

16 (a) *IN GENERAL.*—Section 7704(d)(1)(E) is amend-
17 ed—

18 (1) by striking “income and gains derived from
19 the exploration” and inserting the following: “income
20 and gains derived from—

21 “(i) the exploration”.

22 (2) by inserting “or” before “industrial source”,
23 and

24 (3) by striking “or the transportation or storage”
25 and all that follows and inserting the following:

1 “(ii) the transportation or storage of—

2 “(I) any fuel described in sub-
3 section (b), (c), (d), (e), or (k) of sec-
4 tion 6426, or any alcohol fuel defined
5 in section 6426(b)(4)(A) or any bio-
6 diesel fuel as defined in section
7 40A(d)(1) or sustainable aviation fuel
8 as defined in section 40B(d)(1), or

9 “(II) liquified hydrogen or com-
10 pressed hydrogen,

11 “(iii) in the case of a qualified facility
12 (as defined in section 45Q(d), without re-
13 gard to any date by which construction of
14 the facility or equipment is required to
15 begin) not less than 50 percent of the total
16 carbon oxide production of which is quali-
17 fied carbon oxide (as defined in section
18 45Q(c))—

19 “(I) the generation, availability
20 for such generation, or storage of elec-
21 tric power at such facility, or

22 “(II) the capture of carbon diox-
23 ide by such facility,

1 “(iv) the production of electricity from
2 any advanced nuclear facility (as defined in
3 section 45J(d)(2)),

4 “(v) the production of electricity or
5 thermal energy exclusively using a qualified
6 energy resource described in subparagraph
7 (D) or (H) of section 45(c)(1), or

8 “(vi) the operation of energy property
9 described in clause (iii) or (vii) of section
10 48(a)(3)(A) (determined without regard to
11 any requirement under such section with re-
12 spect to the date on which construction of
13 property begins).”.

14 (b) *EFFECTIVE DATE.*—The amendments made by this
15 section shall apply to taxable years beginning after Decem-
16 ber 31, 2025.

17 **SEC. 70525. ALLOW FOR PAYMENTS TO CERTAIN INDIVID-**
18 **UALS WHO DYE FUEL.**

19 (a) *IN GENERAL.*—Subchapter B of chapter 65, as
20 amended by the preceding provisions of this Act, is amended
21 by adding at the end the following new section:

22 **“SEC. 6435. DYED FUEL.**

23 “(a) *IN GENERAL.*—If a person establishes to the satis-
24 faction of the Secretary that such person meets the require-
25 ments of subsection (b) with respect to diesel fuel or ker-

1 osene, then the Secretary shall pay to such person an
 2 amount (without interest) equal to the tax described in sub-
 3 section (b)(2)(A) with respect to such diesel fuel or kerosene.

4 “(b) *REQUIREMENTS.*—

5 “(1) *IN GENERAL.*—A person meets the require-
 6 ments of this subsection with respect to diesel fuel or
 7 kerosene if such person removes from a terminal eligi-
 8 ble indelibly dyed diesel fuel or kerosene.

9 “(2) *ELIGIBLE INDELIBLY DYED DIESEL FUEL*
 10 *OR KEROSENE DEFINED.*—The term ‘eligible indelibly
 11 dyed diesel fuel or kerosene’ means diesel fuel or ker-
 12 osene—

13 “(A) with respect to which a tax under sec-
 14 tion 4081 was previously paid (and not credited
 15 or refunded), and

16 “(B) which is exempt from taxation under
 17 section 4082(a).

18 “(c) *CROSS REFERENCE.*—For civil penalty for exces-
 19 sive claims under this section, see section 6675.”.

20 (b) *CONFORMING AMENDMENTS.*—

21 (1) Section 6206 is amended—

22 (A) by striking “or 6427” each place it ap-
 23 pears and inserting “6427, or 6435”, and

24 (B) by striking “6420 and 6421” and in-
 25 serting “6420, 6421, and 6435”.

1 (2) *Section 6430 is amended—*

2 (A) *by striking “or” at the end of para-*
 3 *graph (2), by striking the period at the end of*
 4 *paragraph (3) and inserting “, or”, and by add-*
 5 *ing at the end the following new paragraph:*

6 *“(4) which are removed as eligible indelibly dyed*
 7 *diesel fuel or kerosene under section 6435.”.*

8 (3) *Section 6675 is amended—*

9 (A) *in subsection (a), by striking “or 6427*
 10 *(relating to fuels not used for taxable purposes)”*
 11 *and inserting “6427 (relating to fuels not used*
 12 *for taxable purposes), or 6435 (relating to eligi-*
 13 *ble indelibly dyed fuel)”*, and

14 (B) *in subsection (b)(1), by striking “6421,*
 15 *or 6427,” and inserting “6421, 6427, or 6435.”.*

16 (4) *The table of sections for subchapter B of*
 17 *chapter 65, as amended by the preceding provisions*
 18 *of this Act, is amended by adding at the end the fol-*
 19 *lowing new item:*

“Sec. 6435. Dyed fuel.”.

20 (c) *EFFECTIVE DATE.—The amendments made by this*
 21 *section shall apply to eligible indelibly dyed diesel fuel or*
 22 *kerosene removed on or after the date that is 180 days after*
 23 *the date of the enactment of this section.*

1 ***Subchapter C—Other Reforms***

2 ***SEC. 70531. MODIFICATIONS TO DE MINIMIS ENTRY PRIVI-***
 3 ***LEGE FOR COMMERCIAL SHIPMENTS.***

4 (a) *CIVIL PENALTY.*—

5 (1) *ADDITIONAL PENALTY IMPOSED.*—*Section*
 6 *321 of the Tariff Act of 1930 (19 U.S.C. 1321) is*
 7 *amended by adding at the end the following new sub-*
 8 *section:*

9 “(c) *Any person who enters, introduces, facilitates, or*
 10 *attempts to introduce an article into the United States*
 11 *using the privilege of this section, the importation of which*
 12 *violates any other provision of United States customs law,*
 13 *shall be assessed, in addition to any other penalty permitted*
 14 *by law, a civil penalty of up to \$5,000 for the first violation*
 15 *and up to \$10,000 for each subsequent violation.”.*

16 (2) *EFFECTIVE DATE.*—*The amendment made by*
 17 *paragraph (1) shall take effect 30 days after the date*
 18 *of the enactment of this Act.*

19 (b) *REPEAL OF COMMERCIAL SHIPMENT EXCEP-*
 20 *TION.*—

21 (1) *REPEAL.*—*Section 321(a)(2) of such Act (19*
 22 *U.S.C. 1321(a)(2)) is amended by striking “of this*
 23 *Act, or” and all that follows through “subdivision (2);*
 24 *and” and inserting “of this Act; and”.*

1 (2) *CONFORMING REPEAL.*—Subsection (c) of
2 such section 321, as added by subsection (a) of this
3 section, is repealed.

4 (3) *EFFECTIVE DATE.*—The amendments made
5 by this subsection shall take effect on July 1, 2027.

6 **CHAPTER 6—ENHANCING DEDUCTION**
7 **AND INCOME TAX CREDIT GUARD-**
8 **RAILS, AND OTHER REFORMS**

9 **SEC. 70601. MODIFICATION AND EXTENSION OF LIMITATION**
10 **ON EXCESS BUSINESS LOSSES OF NONCOR-**
11 **PORATE TAXPAYERS.**

12 (a) *RULE MADE PERMANENT.*—Section 461(l)(1) is
13 amended by striking “and before January 1, 2029,” each
14 place it appears.

15 (b) *ADJUSTMENT OF AMOUNTS FOR CALCULATION OF*
16 *EXCESS BUSINESS LOSS.*—Section 461(l)(3)(C) is amend-
17 ed—

18 (1) in the matter preceding clause (i), by strik-
19 ing “December 31, 2018” and inserting “December
20 31, 2025”, and

21 (2) in clause (ii), by striking “2017” and insert-
22 ing “2024”.

23 (c) *EFFECTIVE DATES.*—

1 (1) *RULE MADE PERMANENT.*—*The amendments*
 2 *made by subsection (a) shall apply to taxable years*
 3 *beginning after December 31, 2026.*

4 (2) *ADJUSTMENT OF AMOUNTS FOR CALCULATION*
 5 *OF EXCESS BUSINESS LOSS.*—*The amendments made*
 6 *by subsection (b) shall apply to taxable years begin-*
 7 *ning after December 31, 2025.*

8 **SEC. 70602. TREATMENT OF PAYMENTS FROM PARTNER-**
 9 **SHIPS TO PARTNERS FOR PROPERTY OR**
 10 **SERVICES.**

11 (a) *IN GENERAL.*—*Section 707(a)(2) is amended by*
 12 *striking “Under regulations prescribed” and inserting “Ex-*
 13 *cept as provided”.*

14 (b) *EFFECTIVE DATE.*—*The amendment made by this*
 15 *section shall apply to services performed, and property*
 16 *transferred, after the date of the enactment of this Act.*

17 (c) *RULE OF CONSTRUCTION.*—*Nothing in this section,*
 18 *or the amendments made by this section, shall be construed*
 19 *to create any inference with respect to the proper treatment*
 20 *under section 707(a) of the Internal Revenue Code of 1986*
 21 *with respect to payments from a partnership to a partner*
 22 *for services performed, or property transferred, on or before*
 23 *the date of the enactment of this Act.*

1 **SEC. 70603. EXCESSIVE EMPLOYEE REMUNERATION FROM**
 2 **CONTROLLED GROUP MEMBERS AND ALLOCA-**
 3 **TION OF DEDUCTION.**

4 (a) *APPLICATION OF AGGREGATION RULES.*—Section
 5 162(m) is amended by adding at the end the following new
 6 paragraph:

7 “(7) *REMUNERATION FROM CONTROLLED GROUP*
 8 *MEMBERS.*—

9 “(A) *IN GENERAL.*—In the case of any pub-
 10 licly held corporation which is a member of a
 11 controlled group—

12 “(i) paragraph (1) shall be applied by
 13 substituting ‘specified covered employee’ for
 14 ‘covered employee’, and

15 “(ii) if any person which is a member
 16 of such controlled group (other than such
 17 publicly held corporation) provides applica-
 18 ble employee remuneration to an individual
 19 who is a specified covered employee of such
 20 controlled group and the aggregate amount
 21 described in subparagraph (B)(ii) with re-
 22 spect to such specified covered employee ex-
 23 ceeds \$1,000,000—

24 “(I) paragraph (1) shall apply to
 25 such person with respect to such remu-
 26 nation, and

1 “(II) paragraph (1) shall apply to
2 such publicly held corporation and to
3 each such related person by sub-
4 stituting ‘the allocable limitation
5 amount’ for ‘\$1,000,000’.

6 “(B) *ALLOCABLE LIMITATION AMOUNT.*—
7 For purposes of this paragraph, the term ‘allo-
8 cable limitation amount’ means, with respect to
9 any member of the controlled group referred to
10 in subparagraph (A) with respect to any speci-
11 fied covered employee of such controlled group,
12 the amount which bears the same ratio to
13 \$1,000,000 as—

14 “(i) the amount of applicable employee
15 remuneration provided by such member
16 with respect to such specified covered em-
17 ployee, bears to

18 “(ii) the aggregate amount of applica-
19 ble employee remuneration provided by all
20 such members with respect to such specified
21 covered employee.

22 “(C) *SPECIFIED COVERED EMPLOYEE.*—For
23 purposes of this paragraph, the term ‘specified
24 covered employee’ means, with respect to any
25 controlled group—

1 “(i) any employee described in sub-
 2 paragraph (A), (B), or (D) of paragraph
 3 (3), with respect to the publicly held cor-
 4 poration which is a member of such con-
 5 trolled group, and

6 “(ii) any employee who would be de-
 7 scribed in subparagraph (C) of paragraph
 8 (3) if such subparagraph were applied by
 9 taking into account the employees of all
 10 members of the controlled group.

11 “(D) CONTROLLED GROUP.—For purposes
 12 of this paragraph, the term ‘controlled group’
 13 means any group treated as a single employer
 14 under subsection (b), (c), (m), or (o) of section
 15 414.”.

16 (b) EFFECTIVE DATE.—The amendment made by this
 17 section shall apply to taxable years beginning after Decem-
 18 ber 31, 2025.

19 **SEC. 70604. EXCISE TAX ON CERTAIN REMITTANCE TRANS-**
 20 **FERS.**

21 (a) IN GENERAL.—Chapter 36 is amended by insert-
 22 ing after subchapter B the following new subchapter:

23 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

1 **“SEC. 4475. IMPOSITION OF TAX.**

2 “(a) *IN GENERAL.*—*There is hereby imposed on any*
3 *remittance transfer a tax equal to 1 percent of the amount*
4 *of such transfer.*

5 “(b) *PAYMENT OF TAX.*—

6 “(1) *IN GENERAL.*—*The tax imposed by this sec-*
7 *tion with respect to any remittance transfer shall be*
8 *paid by the sender with respect to such transfer.*

9 “(2) *COLLECTION OF TAX.*—*The remittance*
10 *transfer provider with respect to any remittance*
11 *transfer shall collect the amount of the tax imposed*
12 *under subsection (a) with respect to such transfer*
13 *from the sender and remit such tax quarterly to the*
14 *Secretary at such time and in such manner as pro-*
15 *vided by the Secretary,*

16 “(3) *SECONDARY LIABILITY.*—*Where any tax im-*
17 *posed by subsection (a) is not paid at the time the*
18 *transfer is made, then to the extent that such tax is*
19 *not collected, such tax shall be paid by the remittance*
20 *transfer provider.*

21 “(c) *TAX LIMITED TO CASH AND SIMILAR INSTRU-*
22 *MENTS.*—*The tax imposed under subsection (a) shall apply*
23 *only to any remittance transfer for which the sender pro-*
24 *vides cash, a money order, a cashier’s check, or any other*
25 *similar physical instrument (as determined by the Sec-*
26 *retary) to the remittance transfer provider.*

1 “(d) *NONAPPLICATION TO CERTAIN NONCASH REMIT-*
 2 *TANCE TRANSFERS.*—*Subsection (a) shall not apply to any*
 3 *remittance transfer for which the funds being transferred*
 4 *are—*

5 “(1) *withdrawn from an account held in or by*
 6 *a financial institution—*

7 “(A) *which is described in subparagraphs*
 8 *(A) through (H) of section 5312(a)(2) of title 31,*
 9 *United States Code, and*

10 “(B) *that is subject to the requirements*
 11 *under subchapter II of chapter 53 of such title,*
 12 *or*

13 “(2) *funded with a debit card or a credit card*
 14 *which is issued in the United States.*

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

16 “(1) *IN GENERAL.*—*The terms ‘remittance trans-*
 17 *fer’, ‘remittance transfer provider’, and ‘sender’ shall*
 18 *each have the respective meanings given such terms by*
 19 *section 919(g) of the Electronic Fund Transfer Act*
 20 *(15 U.S.C. 1693o–1(g)).*

21 “(2) *CREDIT CARD.*—*The term ‘credit card’ has*
 22 *the same meaning given such term under section*
 23 *920(c)(3) of the Electronic Fund Transfer Act (15*
 24 *U.S.C. 1693o–2(c)(3)).*

1 “(3) *DEBIT CARD*.—The term ‘debit card’ has the
2 same meaning given such term under section
3 920(c)(2) of the *Electronic Fund Transfer Act* (15
4 U.S.C. 1693o–2(c)(2)), without regard to subpara-
5 graph (B) of such section.

6 “(f) *APPLICATION OF ANTI-CONDUIT RULES*.—For
7 purposes of section 7701(l), with respect to any multiple-
8 party arrangements involving the sender, a remittance
9 transfer shall be treated as a financing transaction.”.

10 (b) *CONFORMING AMENDMENT*.—The table of sub-
11 chapters for chapter 36 is amended by inserting after the
12 item relating to subchapter B the following new item:

 “SUBCHAPTER C—REMITTANCE TRANSFERS”.

13 (c) *EFFECTIVE DATE*.—The amendments made by this
14 section shall apply to transfers made after December 31,
15 2025.

16 **SEC. 70605. ENFORCEMENT PROVISIONS WITH RESPECT TO**
17 **COVID-RELATED EMPLOYEE RETENTION**
18 **CREDITS.**

19 (a) *ASSESSABLE PENALTY FOR FAILURE TO COMPLY*
20 *WITH DUE DILIGENCE REQUIREMENTS*.—

21 (1) *IN GENERAL*.—Any *COVID–ERTC* promoter
22 which provides aid, assistance, or advice with respect
23 to any *COVID–ERTC* document and which fails to
24 comply with due diligence requirements imposed by
25 the Secretary with respect to determining eligibility

1 *for, or the amount of, any credit or advance payment*
2 *of a credit under section 3134 of the Internal Revenue*
3 *Code of 1986, shall pay a penalty of \$1,000 for each*
4 *such failure.*

5 (2) *DUE DILIGENCE REQUIREMENTS.—The due*
6 *diligence requirements referred to in paragraph (1)*
7 *shall be similar to the due diligence requirements im-*
8 *posed under section 6695(g) of the Internal Revenue*
9 *Code of 1986.*

10 (3) *RESTRICTION TO DOCUMENTS USED IN CON-*
11 *NECTION WITH RETURNS OR CLAIMS FOR REFUND.—*
12 *Paragraph (1) shall not apply with respect to any*
13 *COVID–ERTC document unless such document con-*
14 *stitutes, or relates to, a return or claim for refund.*

15 (4) *TREATMENT AS ASSESSABLE PENALTY,*
16 *ETC.—For purposes of the Internal Revenue Code of*
17 *1986, the penalty imposed under paragraph (1) shall*
18 *be treated as a penalty which is imposed under sec-*
19 *tion 6695(g) of such Code and assessed under section*
20 *6201 of such Code.*

21 (5) *SECRETARY.—For purposes of this sub-*
22 *section, the term “Secretary” means the Secretary of*
23 *the Treasury or the Secretary’s delegate.*

24 (b) *COVID–ERTC PROMOTER.—For purposes of this*
25 *section—*

1 (1) *IN GENERAL.*—*The term “COVID-ERTC*
2 *promoter” means, with respect to any COVID-ERTC*
3 *document, any person which provides aid, assistance,*
4 *or advice with respect to such document if—*

5 (A) *such person charges or receives a fee for*
6 *such aid, assistance, or advice which is based on*
7 *the amount of the refund or credit with respect*
8 *to such document and, with respect to such per-*
9 *son’s taxable year in which such person provided*
10 *such assistance or the preceding taxable year, the*
11 *aggregate of the gross receipts of such person for*
12 *aid, assistance, and advice with respect to all*
13 *COVID-ERTC documents exceeds 20 percent of*
14 *the gross receipts of such person for such taxable*
15 *year, or*

16 (B) *with respect to such person’s taxable*
17 *year in which such person provided such assist-*
18 *ance or the preceding taxable year—*

19 (i) *the aggregate of the gross receipts of*
20 *such person for aid, assistance, and advice*
21 *with respect to all COVID-ERTC docu-*
22 *ments exceeds 50 percent of the gross re-*
23 *ceipts of such person for such taxable year,*
24 *or*

25 (ii) *both—*

1 (I) such aggregate gross receipts
2 exceed 20 percent of the gross receipts
3 of such person for such taxable year,
4 and

5 (II) the aggregate of the gross re-
6 ceipts of such person for aid, assist-
7 ance, and advice with respect to all
8 COVID-ERTC documents (determined
9 after application of paragraph (3)) ex-
10 ceeds \$500,000.

11 (2) *EXCEPTION FOR CERTIFIED PROFESSIONAL*
12 *EMPLOYER ORGANIZATIONS.*—The term “COVID-
13 *ERTC promoter*” shall not include a certified profes-
14 sional employer organization (as defined in section
15 7705 of the Internal Revenue Code of 1986).

16 (3) *AGGREGATION RULE.*—For purposes of para-
17 graph (1), all persons treated as a single employer
18 under subsection (a) or (b) of section 52 of the Inter-
19 nal Revenue Code of 1986, or subsection (m) or (o)
20 of section 414 of such Code, shall be treated as 1 per-
21 son.

22 (4) *SHORT TAXABLE YEARS.*—In the case of any
23 taxable year of less than 12 months, a person shall be
24 treated as a COVID-ERTC promoter if such person is
25 described in paragraph (1) either with respect to such

1 *taxable year or by treating any reference to such tax-*
2 *able year as a reference to the calendar year in which*
3 *such taxable year begins.*

4 *(c) COVID–ERTC DOCUMENT.—For purposes of this*
5 *section, the term “COVID–ERTC document” means any re-*
6 *turn, affidavit, claim, or other document related to any*
7 *credit or advance payment of a credit under section 3134*
8 *of the Internal Revenue Code of 1986, including any docu-*
9 *ment related to eligibility for, or the calculation or deter-*
10 *mination of any amount directly related to, any such credit*
11 *or advance payment.*

12 *(d) LIMITATION ON CREDITS AND REFUNDS.—Not-*
13 *withstanding section 6511 of the Internal Revenue Code of*
14 *1986, no credit under section 3134 of the Internal Revenue*
15 *Code of 1986 shall be allowed, and no refund with respect*
16 *to any such credit shall be made, after the date of the enact-*
17 *ment of this Act, unless a claim for such credit or refund*
18 *was filed by the taxpayer on or before January 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 assess-*
24 *ment of any amount attributable to a credit claimed*

1 *under this section shall not expire before the date that*
 2 *is 6 years after the latest of—*

3 *“(A) the date on which the original return*
 4 *which includes the calendar quarter with respect*
 5 *to which such credit is determined is filed,*

6 *“(B) the date on which such return is treat-*
 7 *ed 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 CRED-*
 12 *IT.—*

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, the*
 16 *limitation on the time period for credit or refund*
 17 *of any amount attributable to a deduction for*
 18 *improperly claimed ERTC wages shall not ex-*
 19 *pire before the time period for such assessment*
 20 *expires under paragraph (1).*

21 *“(B) IMPROPERLY CLAIMED ERTC WAGES.—*
 22 *For purposes of this paragraph, the term ‘im-*
 23 *properly claimed ERTC wages’ means, with re-*
 24 *spect to an assessment attributable to a credit*
 25 *claimed under this section, the wages with re-*

1 *spect to which a deduction would not have been*
 2 *allowed if the portion of the credit to which such*
 3 *assessment relates had been properly claimed.”.*

4 (f) *AMENDMENT TO PENALTY FOR ERRONEOUS CLAIM*
 5 *FOR REFUND OR CREDIT.*—*Section 6676(a) is amended by*
 6 *striking “income tax” and inserting “income or employ-*
 7 *ment tax”.*

8 (g) *EFFECTIVE DATES.*—

9 (1) *IN GENERAL.*—*The provisions of this section*
 10 *shall apply to aid, assistance, and advice provided*
 11 *after the date of the enactment of this Act.*

12 (2) *LIMITATION ON CREDITS AND REFUNDS.*—
 13 *Subsection (d) shall apply to credits and refunds al-*
 14 *lowed or made after the date of the enactment of this*
 15 *Act.*

16 (3) *EXTENSION OF LIMITATION ON ASSESS-*
 17 *MENT.*—*The amendment made by subsection (e) shall*
 18 *apply to assessments made after the date of the enact-*
 19 *ment of this Act.*

20 (4) *AMENDMENT TO PENALTY FOR ERRONEOUS*
 21 *CLAIM FOR REFUND OR CREDIT.*—*The amendment*
 22 *made by subsection (f) shall apply to claims for credit*
 23 *or refund after the date of the enactment of this Act.*

24 (h) *REGULATIONS.*—*The Secretary (as defined in sub-*
 25 *section (a)(5)) shall issue such regulations or other guidance*

1 *as may be necessary or appropriate to carry out the pur-*
 2 *poses of this section (and the amendments made by this sec-*
 3 *tion).*

4 **SEC. 70606. SOCIAL SECURITY NUMBER REQUIREMENT FOR**
 5 **AMERICAN OPPORTUNITY AND LIFETIME**
 6 **LEARNING CREDITS.**

7 (a) *SOCIAL SECURITY NUMBER OF TAXPAYER RE-*
 8 *QUIRED.*—Section 25A(g)(1) is amended to read as follows:

9 “(1) *IDENTIFICATION REQUIREMENT.*—

10 “(A) *SOCIAL SECURITY NUMBER REQUIRE-*
 11 *MENT.*—No credit shall be allowed under sub-
 12 *section (a) to an individual unless the indi-*
 13 *vidual includes on the return of tax for the tax-*
 14 *able year—*

15 “(i) *such individual’s social security*
 16 *number, and*

17 “(ii) *in the case of a credit with re-*
 18 *spect to the qualified tuition and related ex-*
 19 *penses of an individual other than the tax-*
 20 *payer or the taxpayer’s spouse, the name*
 21 *and social security number of such indi-*
 22 *vidual.*

23 “(B) *INSTITUTION.*—No American Oppor-
 24 *tunity Tax Credit shall be allowed under this*
 25 *section unless the taxpayer includes the employer*

1 *identification number of any institution to*
2 *which the taxpayer paid qualified tuition and*
3 *related expenses taken into account under this*
4 *section on the return of tax for the taxable year.*

5 “(C) SOCIAL SECURITY NUMBER DE-
6 FINED.—For purposes of this paragraph, the
7 term ‘social security number’ shall have the
8 meaning given such term in section 24(h)(7).”.

9 (b) OMISSION TREATED AS MATHEMATICAL OR CLER-
10 ICAL ERROR.—Section 6213(g)(2)(J) is amended by strik-
11 ing “TIN” and inserting “social security number or em-
12 ployer identification number”.

(c) *EFFECTIVE DATE.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

16 SEC. 70607. TASK FORCE ON THE REPLACEMENT OF DIRECT
17 FILE.

18 *Out of any money in the Treasury not otherwise ap-*
19 *propriated, there is hereby appropriated for the fiscal year*
20 *ending September 30, 2026, \$15,000,000, to remain avail-*
21 *able until September 30, 2026, for necessary expenses of the*
22 *Department of the Treasury to deliver to Congress, within*
23 *90 days following the date of the enactment of this Act, a*
24 *report on—*

1 (1) *the cost of enhancing and establishing public-*
2 *private partnerships which provide for free tax filing*
3 *for up to 70 percent of all taxpayers calculated by ad-*
4 *justed gross income, and to replace any direct e-file*
5 *programs run by the Internal Revenue Service;*

6 (2) *taxpayer opinions and preferences regarding*
7 *a taxpayer-funded, government-run service or a free*
8 *service provided by the private sector;*

9 (3) *assessment of the feasibility of a new ap-*
10 *proach, how to make the options consistent and sim-*
11 *ple for taxpayers across all participating providers,*
12 *and how to provide features to address taxpayer*
13 *needs; and*

14 (4) *the cost (including options for differential*
15 *coverage based on taxpayer adjusted gross income and*
16 *return complexity) of developing and running a free*
17 *direct e-file tax return system, including costs to*
18 *build and administer each release.*

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.***

(a) *IN GENERAL.*—The Secretary of Health and Human Services shall not, during the period beginning on the date of the enactment of this section and ending September 30, 2034, implement, administer, or enforce the amendments made by the provisions of the final rule published by the Centers for Medicare & Medicaid Services on September 21, 2023, and titled “Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment” (88 Fed. Reg. 65230) to the following sections of title 42, Code of Federal Regulations:

(1) *Section 406.21(c).*

(2) *Section 435.4.*

(3) *Section 435.601.*

(4) *Section 435.911.*

(5) *Section 435.952.*

(b) *IMPLEMENTATION FUNDING.*—For the purposes of carrying out the provisions of this section and section 71102, there are appropriated, out of any monies in the

1 *Treasury not otherwise appropriated, to the Administrator*
 2 *of the Centers for Medicare & Medicaid Services, \$1,000,000*
 3 *for fiscal year 2026, to remain available until expended.*

4 **SEC. 71102. MORATORIUM ON IMPLEMENTATION OF RULE**
 5 **RELATING TO ELIGIBILITY AND ENROLLMENT**
 6 **FOR MEDICAID, CHIP, AND THE BASIC**
 7 **HEALTH PROGRAM.**

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, imple-*
 11 *ment, administer, or enforce the amendments made by the*
 12 *provisions of the final rule published by the Centers for*
 13 *Medicare & Medicaid Services on April 2, 2024, and titled*
 14 *“Medicaid Program; Streamlining the Medicaid, Children’s*
 15 *Health Insurance Program, and Basic Health Program Ap-*
 16 *plication, Eligibility Determination, Enrollment, and Re-*
 17 *newal Processes” (89 Fed. Reg. 22780) to the following sec-*
 18 *tions of title 42, Code of Federal Regulations:*

19 (1) *PART 431.—*

20 (A) *Section 431.213(d).*

21 (2) *PART 435.—*

22 (A) *Section 435.222.*

23 (B) *Section 435.407.*

24 (C) *Section 435.907.*

25 (D) *Section 435.911(c).*

1 *(E) Section 435.912.*

2 *(F) Section 435.916.*

3 *(G) Section 435.919.*

4 *(H) Section 435.1200(b)(3)(i)-(v).*

5 *(I) Section 435.1200(e)(1)(ii).*

6 *(J) Section 435.1200(h)(1).*

7 *(3) PART 447.—Section 447.56(a)(1)(v).*

8 *(4) PART 457.—*

9 *(A) Section 457.344.*

10 *(B) Section 457.960.*

11 *(C) Section 457.1140(d)(4).*

12 *(D) Section 457.1170.*

13 *(E) Section 457.1180.*

14 **SEC. 71103. REDUCING DUPLICATE ENROLLMENT UNDER**

15 **THE MEDICAID AND CHIP PROGRAMS.**

16 *(a) MEDICAID.—*

17 *(1) IN GENERAL.—Section 1902 of the Social Se-*
 18 *curity Act (42 U.S.C. 1396a) is amended—*

19 *(A) in subsection (a)—*

20 *(i) in paragraph (86), by striking*

21 *“and” at the end;*

22 *(ii) in paragraph (87), by striking the*
 23 *period and inserting “; and”; and*

24 *(iii) by inserting after paragraph (87)*

25 *the following new paragraph:*

1 “(88) provide—

2 “(A) beginning not later than January 1,
3 2027, in the case of 1 of the 50 States and the
4 District of Columbia, for a process to regularly
5 obtain address information for individuals en-
6 rolled under such plan (or a waiver of such
7 plan) in accordance with subsection (vv); and

8 “(B) beginning not later than October 1,
9 2029—

10 “(i) for the State to submit to the sys-
11 tem established by the Secretary under sub-
12 section (uu), with respect to an individual
13 enrolled or seeking to enroll under such
14 plan, not less frequently than once each
15 month and during each determination or
16 redetermination of the eligibility of such in-
17 dividual for medical assistance under such
18 plan (or waiver of such plan)—

19 “(I) the social security number of
20 such individual, if such individual has
21 a social security number and is re-
22 quired to provide such number to en-
23 roll under such plan (or waiver); and

24 “(II) such other information with
25 respect to such individual as deter-

1 *mined necessary by the Secretary for*
2 *purposes of preventing individuals*
3 *from simultaneously being enrolled*
4 *under State plans (or waivers of such*
5 *plans) of multiple States;*

6 *“(ii) for the use of such system to pre-*
7 *vent such simultaneous enrollment; and*

8 *“(iii) in the case that such system in-*
9 *dicates that an individual enrolled or seek-*
10 *ing to enroll under such plan (or waiver of*
11 *such plan) is enrolled under a State plan*
12 *(or waiver of such a plan) of another State,*
13 *for the taking of appropriate action (as de-*
14 *termined by the Secretary) to identify*
15 *whether such an individual resides in the*
16 *State and disenroll an individual from the*
17 *State plan of such State if such individual*
18 *does not reside in such State (unless such*
19 *individual meets such an exception as the*
20 *Secretary may specify).”; and*

21 *(B) by adding at the end the following new*
22 *subsections:*

23 *“(uu) PREVENTION OF ENROLLMENT UNDER MUL-*
24 *TIPLE STATE PLANS.—*

1 “(1) *IN GENERAL.*—Not later than October 1,
2 2029, the Secretary shall establish a system to be uti-
3 lized by the Secretary and States to prevent an indi-
4 vidual from being simultaneously enrolled under the
5 State plans (or waivers of such plans) of multiple
6 States. Such system shall—

7 “(A) provide for the receipt of information
8 submitted by a State under subsection
9 (a)(88)(B)(i); and

10 “(B) not less than once each month, trans-
11 mit information to a State (or allow the Sec-
12 retary to transmit information to a State) re-
13 garding whether an individual enrolled or seek-
14 ing to enroll under the State plan of such State
15 (or waiver of such plan) is enrolled under the
16 State plan (or waiver of such plan) of another
17 State.

18 “(2) *STANDARDS.*—The Secretary shall establish
19 such standards as determined necessary by the Sec-
20 retary to limit and protect information submitted
21 under such system and ensure the privacy of such in-
22 formation, consistent with subsection (a)(7).

23 “(3) *IMPLEMENTATION FUNDING.*—There are ap-
24 propriated to the Administrator of the Centers for
25 Medicare & Medicaid Services, out of amounts in the

1 *Treasury not otherwise appropriated, in addition to*
 2 *amounts otherwise available—*

3 “(A) for fiscal year 2026, \$10,000,000 for
 4 purposes of establishing the system and stand-
 5 ards required under this subsection, to remain
 6 available until expended; and

7 “(B) for fiscal year 2029, \$20,000,000 for
 8 purposes of maintaining such system, to remain
 9 available until expended.

10 “(vv) *PROCESS TO OBTAIN ENROLLEE ADDRESS IN-*
 11 *FORMATION.—*

12 “(1) *IN GENERAL.—*For purposes of subsection
 13 (a)(88)(A), a process to regularly obtain address in-
 14 formation for individuals enrolled under a State plan
 15 (or a waiver of such plan) shall obtain address infor-
 16 mation from reliable data sources described in para-
 17 graph (2) and take such actions as the Secretary shall
 18 specify with respect to any changes to such address
 19 based on such information.

20 “(2) *RELIABLE DATA SOURCES DESCRIBED.—*
 21 For purposes of paragraph (1), the reliable data
 22 sources described in this paragraph are the following:

23 “(A) Mail returned to the State by the
 24 United States Postal Service with a forwarding
 25 address.

1 “(B) *The National Change of Address Data-*
 2 *base maintained by the United States Postal*
 3 *Service.*

4 “(C) *A managed care entity (as defined in*
 5 *section 1932(a)(1)(B)) or prepaid inpatient*
 6 *health plan or prepaid ambulatory health plan*
 7 *(as such terms are defined in section*
 8 *1903(m)(9)(D)) that has a contract under the*
 9 *State plan if the address information is provided*
 10 *to such entity or plan directly from, or verified*
 11 *by such entity or plan directly with, such indi-*
 12 *vidual.*

13 “(D) *Other data sources as identified by the*
 14 *State and approved by the Secretary.”.*

15 (2) *CONFORMING AMENDMENTS.—*

16 (A) *PARIS.—Section 1903(r)(3) of the So-*
 17 *cial Security Act (42 U.S.C. 1396b(r)(3)) is*
 18 *amended—*

19 (i) *by striking “In order” and insert-*
 20 *ing “(A) In order”;*

21 (ii) *by striking “through the Public”*
 22 *and inserting “through—*

23 *“(i) the Public”;*

24 (iii) *by striking the period at the end*
 25 *and inserting “; and*

1 “(ii) beginning October 1, 2029, the system
2 established by the Secretary under section
3 1902(uu).”; and

4 (iv) by adding at the end the following
5 new subparagraph:

6 “(B) Beginning October 1, 2029, the Secretary
7 may determine that a State is not required to have
8 in operation an eligibility determination system
9 which provides for data matching (for purposes of ad-
10 dress verification under section 1902(vv)) through the
11 system described in subparagraph (A)(i) to meet the
12 requirements of this paragraph.”.

13 (B) *MANAGED CARE*.—Section 1932 of the
14 Social Security Act (42 U.S.C. 1396u–2) is
15 amended by adding at the end the following new
16 subsection:

17 “(j) *TRANSMISSION OF ADDRESS INFORMATION*.—Be-
18 ginning January 1, 2027, each contract under a State plan
19 with a managed care entity (as defined in section
20 1932(a)(1)(B)) or with a prepaid inpatient health plan or
21 prepaid ambulatory health plan (as such terms are defined
22 in section 1903(m)(9)(D)), shall provide that such entity
23 or plan shall promptly transmit to the State any address
24 information for an individual enrolled with such entity or
25 plan that is provided to such entity or plan directly from,

1 *or verified by such entity or plan directly with, such indi-*
 2 *vidual.”.*

3 *(b) CHIP.—*

4 *(1) IN GENERAL.—Section 2107(e)(1) of the So-*
 5 *cial Security Act (42 U.S.C. 1397gg(e)(1)) is amend-*
 6 *ed—*

7 *(A) by redesignating subparagraphs (H)*
 8 *through (U) as subparagraphs (I) through (V),*
 9 *respectively; and*

10 *(B) by inserting after subparagraph (G) the*
 11 *following new subparagraph:*

12 *“(H) Section 1902(a)(88) (relating to ad-*
 13 *dress information for enrollees and prevention of*
 14 *simultaneous enrollments).”.*

15 *(2) MANAGED CARE.—Section 2103(f)(3) of the*
 16 *Social Security Act (42 U.S.C. 1397cc(f)(3)) is*
 17 *amended by striking “and (e)” and inserting “(e),*
 18 *and (j)”.*

19 **SEC. 71104. ENSURING DECEASED INDIVIDUALS DO NOT RE-**
 20 **MAIN ENROLLED.**

21 *Section 1902 of the Social Security Act (42 U.S.C.*
 22 *1396a), as amended by section 71103, is further amended—*

23 *(1) in subsection (a)—*

24 *(A) in paragraph (87), by striking “; and”*
 25 *and inserting a semicolon;*

1 (B) in paragraph (88), by striking the pe-
2 riod at the end and inserting “; and”; and

3 (C) by inserting after paragraph (88) the
4 following new paragraph:

5 “(89) provide that the State shall comply with
6 the eligibility verification requirements under sub-
7 section (ww), except that this paragraph shall apply
8 only in the case of the 50 States and the District of
9 Columbia.”; and

10 (2) by adding at the end the following new sub-
11 section:

12 “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRI-
13 TERIA.—

14 “(1) IN GENERAL.—For purposes of subsection
15 (a)(89), the eligibility verification requirements, be-
16 ginning January 1, 2027, are as follows:

17 “(A) QUARTERLY SCREENING TO VERIFY
18 ENROLLEE STATUS.—The State shall, not less
19 frequently than quarterly, review the Death Mas-
20 ter File (as such term is defined in section
21 203(d) of the Bipartisan Budget Act of 2013) or
22 a successor system that provides such informa-
23 tion needed to determine whether any individ-
24 uals enrolled for medical assistance under the
25 State plan (or waiver of such plan) are deceased.

1 “(B) *DISENROLLMENT UNDER STATE*
2 *PLAN.—If the State determines, based on infor-*
3 *mation obtained from the Death Master File,*
4 *that an individual enrolled for medical assist-*
5 *ance under the State plan (or waiver of such*
6 *plan) is deceased, the State shall—*

7 “(i) *treat such information as factual*
8 *information confirming the death of a bene-*
9 *ficiary;*

10 “(ii) *disenroll such individual from the*
11 *State plan (or waiver of such plan) in ac-*
12 *cordance with subsection (a)(3); and*

13 “(iii) *discontinue any payments for*
14 *medical assistance under this title made on*
15 *behalf of such individual (other than pay-*
16 *ments for any items or services furnished to*
17 *such individual prior to the death of such*
18 *individual).*

19 “(C) *REINSTATEMENT OF COVERAGE IN THE*
20 *EVENT OF ERROR.—If a State determines that*
21 *an individual was misidentified as deceased*
22 *based on information obtained from the Death*
23 *Master File and was erroneously disenrolled*
24 *from medical assistance under the State plan (or*
25 *waiver of such plan) based on such*

1 *misidentification, the State shall immediately re-*
 2 *enroll such individual under the State plan (or*
 3 *waiver of such plan), retroactive to the date of*
 4 *such disenrollment.*

5 “(2) *RULE OF CONSTRUCTION.*—*Nothing under*
 6 *this subsection shall be construed to preclude the abil-*
 7 *ity of a State to use other electronic data sources to*
 8 *timely identify potentially deceased beneficiaries, so*
 9 *long as the State is also in compliance with the re-*
 10 *quirements of this subsection (and all other require-*
 11 *ments under this title relating to Medicaid eligibility*
 12 *determination and redetermination).’.*

13 **SEC. 71105. ENSURING DECEASED PROVIDERS DO NOT RE-**
 14 **MAIN ENROLLED.**

15 *Section 1902(kk)(1) of the Social Security Act (42*
 16 *U.S.C. 1396a(kk)(1)) is amended—*

17 *(1) by striking “The State” and inserting:*

18 *“(A) IN GENERAL.—The State”; and*

19 *(2) by adding at the end the following new sub-*
 20 *paragraph:*

21 *“(B) PROVIDER SCREENING AGAINST DEATH*
 22 *MASTER FILE.—Beginning January 1, 2028, as*
 23 *part of the enrollment (or reenrollment or re-*
 24 *validation of enrollment) of a provider or sup-*
 25 *plier under this title, and not less frequently*

1 *than quarterly during the period that such pro-*
 2 *vider or supplier is so enrolled, the State con-*
 3 *ducts a check of the Death Master File (as such*
 4 *term is defined in section 203(d) of the Bipar-*
 5 *tisan Budget Act of 2013) to determine whether*
 6 *such provider or supplier is deceased.”.*

7 **SEC. 71106. PAYMENT REDUCTION RELATED TO CERTAIN**
 8 **ERRONEOUS EXCESS PAYMENTS UNDER MED-**
 9 **ICAID.**

10 *(a) IN GENERAL.—Section 1903(u)(1) of the Social Se-*
 11 *curity Act (42 U.S.C. 1396b(u)(1)) is amended—*

12 *(1) in subparagraph (A)—*

13 *(A) by inserting “for audits conducted by*
 14 *the Secretary, or, at the option of the Secretary,*
 15 *audits conducted by the State” after “exceeds*
 16 *0.03”; and*

17 *(B) by inserting “, to the extent prac-*
 18 *ticable” before the period at the end;*

19 *(2) in subparagraph (B)—*

20 *(A) by striking “The Secretary” and insert-*
 21 *ing “(i) Subject to clause (ii), the Secretary”;*
 22 *and*

23 *(B) by adding at the end the following new*
 24 *clause:*

1 “(ii) *The amount waived under clause (i) for a*
 2 *fiscal year may not exceed an amount equal to the er-*
 3 *roneous excess payments for medical assistance de-*
 4 *scribed in subparagraph (D)(i)(II) made for such fis-*
 5 *cal year that exceed the allowable error rate of 0.03.”.*

6 (3) *in subparagraph (C), by striking “he” in*
 7 *each place it appears and inserting “the Secretary”*
 8 *in each such place; and*

9 (4) *in subparagraph (D)(i)—*

10 (A) *in subclause (I), by striking “and” at*
 11 *the end;*

12 (B) *in subclause (II), by striking the period*
 13 *at the end and inserting “, or payments where*
 14 *insufficient information is available to confirm*
 15 *eligibility, and”; and*

16 (C) *by adding at the end the following new*
 17 *subclause:*

18 “(III) *payments (other than payments described*
 19 *in subclause (I)) for items and services furnished to*
 20 *an individual who is not eligible for medical assist-*
 21 *ance under the State plan (or a waiver of such plan)*
 22 *with respect to such items and services, or payments*
 23 *where insufficient information is available to confirm*
 24 *eligibility.”.*

1 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*
 2 *section (a) shall apply beginning with respect to fiscal year*
 3 *2030.*

4 **SEC. 71107. ELIGIBILITY REDETERMINATIONS.**

5 (a) *IN GENERAL.*—*Section 1902(e)(14) of the Social*
 6 *Security Act (42 U.S.C. 1396a(e)(14)) is amended by add-*
 7 *ing at the end the following new subparagraph:*

8 “(L) *FREQUENCY OF ELIGIBILITY REDETER-*
 9 *MINATIONS FOR CERTAIN INDIVIDUALS.*—

10 “(i) *IN GENERAL.*—*Subject to clause*
 11 *(ii), with respect to redeterminations of eli-*
 12 *gibility for medical assistance under a State*
 13 *plan (or waiver of such plan) scheduled on*
 14 *or after the first day of the first quarter*
 15 *that begins after December 31, 2026, a State*
 16 *shall make such a redetermination once*
 17 *every 6 months for the following individ-*
 18 *uals:*

19 “(I) *Individuals enrolled under*
 20 *subsection (a)(10)(A)(i)(VIII).*

21 “(II) *Individuals described in*
 22 *such subsection who are otherwise en-*
 23 *rolled under a waiver of such plan that*
 24 *provides coverage that is equivalent to*
 25 *minimum essential coverage (as de-*

1 *scribed in section 5000A(f)(1)(A) of the*
 2 *Internal Revenue Code of 1986 and de-*
 3 *termined in accordance with standards*
 4 *prescribed by the Secretary in regula-*
 5 *tions) to all individuals described in*
 6 *subsection (a)(10)(A)(i)(VIII).*

7 “(ii) *EXEMPTION.*—*The requirements*
 8 *described in clause (i) shall not apply to*
 9 *any individual described in subsection*
 10 *(xx)(9)(A)(ii)(II).*

11 “(iii) *STATE DEFINED.*—*For purposes*
 12 *of this subparagraph, the term ‘State’*
 13 *means 1 of the 50 States or the District of*
 14 *Columbia.’.*

15 (b) *GUIDANCE.*—*Not later than 180 days after the date*
 16 *of enactment of this section, the Secretary of Health and*
 17 *Human Services, acting through the Administrator of the*
 18 *Centers for Medicare & Medicaid Services, shall issue guid-*
 19 *ance relating to the implementation of the amendments*
 20 *made by this section.*

21 (c) *IMPLEMENTATION FUNDING.*—*For the purposes of*
 22 *carrying out the provisions of, and the amendments made*
 23 *by, this section, there are appropriated, out of any monies*
 24 *in the Treasury not otherwise appropriated, to the Admin-*
 25 *istrator of the Centers for Medicare & Medicaid Services,*

1 \$75,000,000 for fiscal year 2026, to remain available until
2 expended.

3 **SEC. 71108. REVISING HOME EQUITY LIMIT FOR DETER-**
4 **MINING ELIGIBILITY FOR LONG-TERM CARE**
5 **SERVICES UNDER THE MEDICAID PROGRAM.**

6 (a) *REVISING HOME EQUITY LIMIT.*—Section
7 1917(f)(1) of the Social Security Act (42 U.S.C.
8 1396p(f)(1)) is amended—

9 (1) in subparagraph (B)—

10 (A) by striking “A State” and inserting
11 “(i) A State”;

12 (B) in clause (i), as inserted by subpara-
13 graph (A)—

14 (i) by striking “\$500,000” and in-
15 serting “the amount specified in subpara-
16 graph (A)”; and

17 (ii) by inserting “, in the case of an
18 individual’s home that is located on a lot
19 that is zoned for agricultural use,” after
20 “apply subparagraph (A)”; and

21 (C) by adding at the end the following new
22 clause:

23 “(ii) A State may elect, without regard to the re-
24 quirements of section 1902(a)(1) (relating to
25 statewideness) and section 1902(a)(10)(B) (relating to

1 *comparability), to apply subparagraph (A), in the*
 2 *case of an individual's home that is not described in*
 3 *clause (i), by substituting for the amount specified in*
 4 *such subparagraph, an amount that exceeds such*
 5 *amount, but does not exceed \$1,000,000.”; and*

6 *(2) in subparagraph (C)—*

7 *(A) by inserting “(other than the amount*
 8 *specified in subparagraph (B)(ii) (relating to*
 9 *certain non-agricultural homes))” after “speci-*
 10 *fied in this paragraph”; and*

11 *(B) by adding at the end the following new*
 12 *sentence: “In the case that application of the pre-*
 13 *ceding sentence would result in a dollar amount*
 14 *(other than the amount specified in subpara-*
 15 *graph (B)(i) (relating to certain agricultural*
 16 *homes)) exceeding \$1,000,000, such amount shall*
 17 *be deemed to be equal to \$1,000,000.”.*

18 *(b) CLARIFICATION.—Section 1902 of the Social Secu-*
 19 *rity Act (42 U.S.C. 1396a) is amended—*

20 *(1) in subsection (r)(2), by adding at the end the*
 21 *following new subparagraph:*

22 *“(C) This paragraph shall not be construed as permit-*
 23 *ting a State to determine the eligibility of an individual*
 24 *for medical assistance with respect to nursing facility serv-*

1 *ices or other long-term care services without application of*
 2 *the limit under section 1917(f)(1).”; and*

3 *(2) in subsection (e)(14)(D)(iv)—*

4 *(A) by striking “Subparagraphs” and in-*
 5 *serting*

6 *“(I) IN GENERAL.—Subpara-*
 7 *graphs”; and*

8 *(B) by adding at the end the following new*
 9 *subclause:*

10 *“(II) APPLICATION OF HOME EQ-*
 11 *UITY INTEREST LIMIT.—Section*
 12 *1917(f) shall apply for purposes of de-*
 13 *termining the eligibility of an indi-*
 14 *vidual for medical assistance with re-*
 15 *spect to nursing facility services or*
 16 *other long-term care services.”.*

17 *(c) EFFECTIVE DATE.—The amendments made by sub-*
 18 *section (a) shall apply beginning on January 1, 2028.*

19 **SEC. 71109. ALIEN MEDICAID ELIGIBILITY.**

20 *(a) MEDICAID.—Section 1903(v) of the Social Security*
 21 *Act (42 U.S.C. 1396b(v)) is amended—*

22 *(1) in paragraph (1), by striking “and (4)”and*
 23 *inserting “, (4), and (5)”; and*

24 *(2) by adding at the end the following new para-*
 25 *graph:*

1 “(5) *Notwithstanding the preceding paragraphs of this*
2 *subsection, beginning on October 1, 2026, except as provided*
3 *in paragraphs (2) and (4), in no event shall payment be*
4 *made to a State under this section for medical assistance*
5 *furnished to an individual unless such individual is—*

6 “(A) *a resident of 1 of the 50 States, the District*
7 *of Columbia, or a territory of the United States; and*

8 “(B) *either—*

9 “(i) *a citizen or national of the United*
10 *States;*

11 “(ii) *an alien lawfully admitted for perma-*
12 *nent residence as an immigrant as defined by*
13 *sections 101(a)(15) and 101(a)(20) of the Immi-*
14 *gration and Nationality Act, excluding, among*
15 *others, alien visitors, tourists, diplomats, and*
16 *students who enter the United States temporarily*
17 *with no intention of abandoning their residence*
18 *in a foreign country;*

19 “(iii) *an alien who has been granted the*
20 *status of Cuban and Haitian entrant, as defined*
21 *in section 501(e) of the Refugee Education As-*
22 *sistance Act of 1980 (Public Law 96–422); or*

23 “(iv) *an individual who lawfully resides in*
24 *the United States in accordance with a Compact*
25 *of Free Association referred to in section*

1 402(b)(2)(G) of the *Personal Responsibility and*
2 *Work Opportunity Reconciliation Act of 1996*.”.

3 (b) *CHIP*.—Section 2107(e)(1) of the *Social Security*
4 *Act*, as amended by section 71103(b), is further amended—

5 (1) by redesignating subparagraphs (R) through
6 (V) as paragraphs (S) through (W), respectively; 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 aliens),
11 except in relation to payments for services pro-
12 vided under section 2105(a)(1)(D)(ii).”.

13 (c) *IMPLEMENTATION FUNDING*.—For the purposes of
14 carrying out the provisions of, and the amendments made
15 by, this section, there are appropriated, out of any monies
16 in the Treasury not otherwise appropriated, to the Admin-
17 istrator of the Centers for Medicare & Medicaid Services,
18 \$15,000,000 for fiscal year 2026, to remain available until
19 expended.

20 **SEC. 71110. EXPANSION FMAP FOR EMERGENCY MEDICAID.**

21 (a) *IN GENERAL*.—Section 1905 of the *Social Security*
22 *Act* (42 U.S.C. 1396d) is amended by adding at the end
23 the following new subsection:

24 “(kk) *FMAP FOR TREATMENT OF AN EMERGENCY*
25 *MEDICAL CONDITION*.—Notwithstanding subsection (y) and

1 (z), beginning on October 1, 2026, the Federal medical as-
 2 sistance percentage for payments for care and services de-
 3 scribed in paragraph (2) of subsection 1903(v) furnished
 4 to an alien described in paragraph (1) of such subsection
 5 shall not exceed the Federal medical assistance percentage
 6 determined under subsection (b) for such State.”.

7 (b) *IMPLEMENTATION FUNDING.*—For the purposes of
 8 carrying out the provisions of, and the amendments made
 9 by this section, there are appropriated, out of any monies
 10 in the Treasury not otherwise appropriated, to the Admin-
 11 istrator of the Centers for Medicare & Medicaid Services,
 12 \$1,000,000 for fiscal year 2026, to remain available until
 13 expended.

14 ***Subchapter B—Preventing Wasteful Spending***

15 ***SEC. 71111. MORATORIUM ON IMPLEMENTATION OF RULE*** 16 ***RELATING TO STAFFING STANDARDS FOR*** 17 ***LONG-TERM CARE FACILITIES UNDER THE*** 18 ***MEDICARE AND MEDICAID PROGRAMS.***

19 *The Secretary of Health and Human Services shall*
 20 *not, during the period beginning on the date of the enact-*
 21 *ment of this section and ending September 30, 2034, imple-*
 22 *ment, administer, or enforce the amendments made by the*
 23 *provisions of the final rule published by the Centers for*
 24 *Medicare & Medicaid Services on May 10, 2024, and titled*
 25 *“Medicare and Medicaid Programs; Minimum Staffing*

1 *Standards for Long-Term Care Facilities and Medicaid In-*
 2 *stitutional Payment Transparency Reporting” (89 Fed.*
 3 *Reg. 40876) to the following sections of part 483 of title*
 4 *42, Code of Federal Regulations:*

5 (1) *Section 483.5.*

6 (2) *Section 483.35.*

7 **SEC. 71112. REDUCING STATE MEDICAID COSTS.**

8 (a) *IN GENERAL.*—Section 1902(a)(34) of the Social
 9 Security Act (42 U.S.C. 1396a(a)(34)) is amended to read
 10 as follows:

11 “(34) provide that in the case of any individual
 12 who has been determined to be eligible for medical as-
 13 sistance under the plan and—

14 “(A) is enrolled under paragraph
 15 (10)(A)(i)(VIII), such assistance will be made
 16 available to the individual for care and services
 17 included under the plan and furnished in or
 18 after the month before the month in which the
 19 individual made application (or application was
 20 made on the individual’s behalf in the case of a
 21 deceased individual) for such assistance if such
 22 individual was (or upon application would have
 23 been) eligible for such assistance at the time such
 24 care and services were furnished; or

1 “(B) is not described in subparagraph (A),
 2 such assistance will be made available to the in-
 3 dividual for care and services included under the
 4 plan and furnished in or after the second month
 5 before the month in which the individual made
 6 application (or application was made on the in-
 7 dividual’s behalf in the case of a deceased indi-
 8 vidual) for such assistance if such individual
 9 was (or upon application would have been) eligi-
 10 ble for such assistance at the time such care and
 11 services were furnished;”.

12 (b) *DEFINITION OF MEDICAL ASSISTANCE.*—Section
 13 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))
 14 is amended by striking “in or after the third month before
 15 the month in which the recipient makes application for as-
 16 sistance” and inserting “, with respect to an individual de-
 17 scribed in section 1902(a)(34)(A), in or after the month be-
 18 fore the month in which the recipient makes application
 19 for assistance, and with respect to an individual described
 20 in section 1902(a)(34)(B), in or after the second month be-
 21 fore the month in which the recipient makes application
 22 for assistance”.

23 (c) *CHIP.*—Section 2102(b)(1)(B) of the Social Secu-
 24 rity Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

25 (1) in clause (iv), by striking “and” at the end;

1 (2) *in clause (v), by striking the period and in-*
2 *serting “; and”; and*

3 (3) *by adding at the end the following new*
4 *clause:*

5 “(vi) *shall, in the case that the State*
6 *elects to provide child health or pregnancy-*
7 *related assistance to an individual for any*
8 *period prior to the month in which the in-*
9 *dividual made application for such assist-*
10 *ance (or application was made on behalf of*
11 *the individual), provide that such assistance*
12 *is not made available to such individual for*
13 *items and services included under the State*
14 *child health plan (or waiver of such plan)*
15 *that are furnished before the second month*
16 *preceding the month in which such indi-*
17 *vidual made application (or application*
18 *was made on behalf of such individual) for*
19 *assistance.”.*

20 (d) *EFFECTIVE DATE.—The amendments made by this*
21 *section shall apply to medical assistance, child health as-*
22 *sistance, and pregnancy-related assistance with respect to*
23 *individuals whose eligibility for such medical assistance,*
24 *child health assistance, or pregnancy-related assistance is*

1 *based on an application made on or after the first day of*
 2 *the first quarter that begins after December 31, 2026.*

3 *(e) IMPLEMENTATION FUNDING.—For the purposes of*
 4 *carrying out the provisions of, and the amendments made*
 5 *by, this section, there are appropriated, out of any monies*
 6 *in the Treasury not otherwise appropriated, to the Admin-*
 7 *istrator of the Centers for Medicare & Medicaid Services,*
 8 *\$10,000,000 for fiscal year 2026, to remain available until*
 9 *expended.*

10 **SEC. 71113. FEDERAL PAYMENTS TO PROHIBITED ENTITIES.**

11 *(a) IN GENERAL.—No Federal funds that are consid-*
 12 *ered direct spending and provided to carry out a State plan*
 13 *under title XIX of the Social Security Act or a waiver of*
 14 *such a plan shall be used to make payments to a prohibited*
 15 *entity for items and services furnished during the 1-year*
 16 *period beginning on the date of the enactment of this Act,*
 17 *including any payments made directly to the prohibited en-*
 18 *tity or under a contract or other arrangement between a*
 19 *State and a covered organization.*

20 *(b) DEFINITIONS.—In this section:*

21 *(1) PROHIBITED ENTITY.—The term “prohibited*
 22 *entity” means an entity, including its affiliates, sub-*
 23 *sidaries, successors, and clinics—*

1 (A) that, as of the first day of the first
2 quarter beginning after the date of enactment of
3 this Act—

4 (i) is an organization described in sec-
5 tion 501(c)(3) of the Internal Revenue Code
6 of 1986 and exempt from tax under section
7 501(a) of such Code;

8 (ii) is an essential community provider
9 described in section 156.235 of title 45,
10 Code of Federal Regulations (as in effect on
11 the date of enactment of this Act), that is
12 primarily engaged in family planning serv-
13 ices, reproductive health, and related med-
14 ical care; and

15 (iii) provides for abortions, other than
16 an abortion—

17 (I) if the pregnancy is the result
18 of an act of rape or incest; or

19 (II) in the case where a woman
20 suffers from a physical disorder, phys-
21 ical injury, or physical illness, includ-
22 ing a life-endangering physical condi-
23 tion caused by or arising from the
24 pregnancy itself, that would, as cer-
25 tified by a physician, place the woman

1 *in danger of death unless an abortion*
 2 *is performed; and*

3 *(B) for which the total amount of Federal*
 4 *and State expenditures under the Medicaid pro-*
 5 *gram under title XIX of the Social Security Act*
 6 *for medical assistance furnished in fiscal year*
 7 *2023 made directly, or by a covered organiza-*
 8 *tion, to the entity or to any affiliates, subsidi-*
 9 *aries, successors, or clinics of the entity, or made*
 10 *to the entity or to any affiliates, subsidiaries,*
 11 *successors, or clinics of the entity as part of a*
 12 *nationwide health care provider network, exceed-*
 13 *ed \$800,000.*

14 *(2) DIRECT SPENDING.—The term “direct spend-*
 15 *ing” has the meaning given that term under section*
 16 *250(c) of the Balanced Budget and Emergency Deficit*
 17 *Control Act of 1985 (2 U.S.C. 900(c)).*

18 *(3) COVERED ORGANIZATION.—The term “cov-*
 19 *ered organization” means a managed care entity (as*
 20 *defined in section 1932(a)(1)(B) of the Social Secu-*
 21 *rity Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid*
 22 *inpatient health plan or prepaid ambulatory health*
 23 *plan (as such terms are defined in section*
 24 *1903(m)(9)(D) of such Act (42 U.S.C.*
 25 *1396b(m)(9)(D))).*

1 (4) *STATE*.—*The term “State” has the meaning*
 2 *given such term in section 1101 of the Social Security*
 3 *Act (42 U.S.C. 1301).*

4 (c) *IMPLEMENTATION FUNDING*.—*For the purposes of*
 5 *carrying out this section, there are appropriated, out of any*
 6 *monies in the Treasury not otherwise appropriated, to the*
 7 *Administrator of the Centers for Medicare & Medicaid Serv-*
 8 *ices, \$1,000,000 for fiscal year 2026, to remain available*
 9 *until expended.*

10 ***Subchapter C—Stopping Abusive Financing***
 11 ***Practices***

12 ***SEC. 71114. SUNSETTING INCREASED FMAP INCENTIVE.***

13 *Section 1905(ii)(3) of the Social Security Act (42*
 14 *U.S.C. 1396d(ii)(3)) is amended—*

15 (1) *by striking “which has not” and inserting*
 16 *the following: “which—*

17 *“(A) has not”;*

18 (2) *in subparagraph (A), as so inserted, by strik-*
 19 *ing the period at the end and inserting “; and”; and*

20 (3) *by adding at the end the following new sub-*
 21 *paragraph:*

22 *“(B) begins to expend amounts for all such*
 23 *individuals prior to January 1, 2026.”.*

1 **SEC. 71115. PROVIDER TAXES.**

2 (a) *CHANGE IN THRESHOLD FOR HOLD HARMLESS*
 3 *PROVISION OF BROAD-BASED HEALTH CARE RELATED*
 4 *TAXES.*—*Section 1903(w)(4) of the Social Security Act (42*
 5 *U.S.C. 1396b(w)(4)) is amended—*

6 (1) *in subparagraph (C)(ii), by inserting “, and*
 7 *for fiscal years beginning on or after October 1, 2026,*
 8 *the applicable percent determined under subpara-*
 9 *graph (D) shall be substituted for ‘6 percent’ each*
 10 *place it appears” after “each place it appears”; and*

11 (2) *by inserting after subparagraph (C)(ii), the*
 12 *following new subparagraph:*

13 “(D)(i) *For purposes of subparagraph (C)(ii),*
 14 *the applicable percent determined under this subpara-*
 15 *graph is—*

16 “(I) *in the case of a non-expansion State or*
 17 *unit of local government in such State and a*
 18 *class of health care items or services described in*
 19 *section 433.56(a) of title 42, Code of Federal*
 20 *Regulations (as in effect on May 1, 2025)—*

21 “(aa) *if, on the date of enactment of*
 22 *this subparagraph, the non-expansion State*
 23 *or unit of local government in such State*
 24 *has enacted a tax and imposes such tax on*
 25 *such class and the Secretary determines that*
 26 *the tax is within the hold harmless threshold*

1 *as of that date, the applicable percent of net*
2 *patient revenue attributable to such class*
3 *that has been so determined; and*

4 “(bb) *if, on the date of enactment of*
5 *this subparagraph, the non-expansion State*
6 *or unit of local government in such State*
7 *has not enacted or does not impose a tax*
8 *with respect to such class, 0 percent; and*

9 “(II) *in the case of an expansion State or*
10 *unit of local government in such State and a*
11 *class of health care items or services described in*
12 *section 433.56(a) of title 42, Code of Federal*
13 *Regulations (as in effect on May 1, 2025), sub-*
14 *ject to clause (iv)—*

15 “(aa) *if, on the date of enactment of*
16 *this subparagraph, the expansion State or*
17 *unit of local government in such State has*
18 *enacted a tax and imposes such tax on such*
19 *class and the Secretary determines that the*
20 *tax is within the hold harmless threshold as*
21 *of that date, the lower of—*

22 “(AA) *the applicable percent of*
23 *net patient revenue attributable to such*
24 *class that has been so determined; and*

1 “(BB) the applicable percent spec-
 2 ified in clause (ii) for the fiscal year;
 3 and

4 “(bb) if, on the date of enactment of
 5 this subparagraph, the expansion State or
 6 unit of local government in such State has
 7 not enacted or does not impose a tax with
 8 respect to such class, 0 percent.

9 “(ii) For purposes of clause (i)(II)(aa)(BB),
 10 the applicable percent is—

11 “(I) for fiscal year 2028, 5.5 percent;

12 “(II) for fiscal year 2029, 5 percent;

13 “(III) for fiscal year 2030, 4.5 percent;

14 “(IV) for fiscal year 2031, 4 percent;

15 and

16 “(V) for fiscal year 2032 and each sub-
 17 sequent fiscal year, 3.5 percent.

18 “(iii) For purposes of clause (i):

19 “(I) EXPANSION STATE.—The term ‘ex-
 20 pansion State’ means a State that, begin-
 21 ning on January 1, 2014, or on any date
 22 thereafter, elects to provide medical assist-
 23 ance to all individuals described in section
 24 1902(a)(10)(A)(i)(VIII) under the State

1 *plan under this title or under a waiver of*
 2 *such plan.*

3 “(II) *NON-EXPANSION STATE.*—*The*
 4 *term ‘non-expansion State’ means a State*
 5 *that is not an expansion State.*

6 “(iv) *In the case of a tax of an expansion*
 7 *State or unit of local government in such State*
 8 *in effect on the date of enactment of this clause,*
 9 *that applies to a class of health care items or*
 10 *services that is described in paragraph (3) or (4)*
 11 *of section 433.56(a) of title 42, Code of Federal*
 12 *Regulations (as in effect on May 1, 2025), and*
 13 *for which, on such date of enactment, is within*
 14 *the hold harmless threshold (as determined by the*
 15 *Secretary), the applicable percent of net patient*
 16 *revenue attributable to such class that has been*
 17 *so determined shall apply for a fiscal year in-*
 18 *stead of the applicable percent specified in clause*
 19 *(ii) for the fiscal year.”.*

20 (b) *NON-APPLICATION TO TERRITORIES.*—*The amend-*
 21 *ments made by this section shall only apply with respect*
 22 *to a State that is 1 of the 50 States or the District of Colum-*
 23 *bia.*

24 (c) *IMPLEMENTATION FUNDING.*—*For the purposes of*
 25 *carrying out the provisions of, and the amendments made*

1 *by, this section, there are appropriated, out of any monies*
 2 *in the Treasury not otherwise appropriated, to the Admin-*
 3 *istrator of the Centers for Medicare & Medicaid Services,*
 4 *\$20,000,000 for fiscal year 2026, to remain available until*
 5 *expended.*

6 **SEC. 71116. STATE DIRECTED PAYMENTS.**

7 (a) *IN GENERAL.*—Subject to subsection (b), the Sec-
 8 *retary of Health and Human Services (in this section re-*
 9 *ferred to as the Secretary) shall revise section*
 10 *438.6(c)(2)(iii) of title 42, Code of Federal Regulations (or*
 11 *a successor regulation) such that, with respect to a payment*
 12 *described in such section made for a service furnished dur-*
 13 *ing a rating period beginning on or after the date of the*
 14 *enactment of this Act, the total payment rate for such serv-*
 15 *ice is limited to—*

16 (1) *in the case of a State that provides coverage*
 17 *to all individuals described in section*
 18 *1902(a)(10)(A)(i)(VIII) of the Social Security Act (42*
 19 *U.S.C. 1396a(a)(10)(A)(i)(VIII)) that is equivalent to*
 20 *minimum essential coverage (as described in section*
 21 *5000A(f)(1)(A) of the Internal Revenue Code of 1986*
 22 *and determined in accordance with standards pre-*
 23 *scribed by the Secretary in regulations) under the*
 24 *State plan (or waiver of such plan) of such State*
 25 *under title XIX of such Act, 100 percent of the speci-*

1 *fied total published Medicare payment rate (or, in the*
 2 *absence of a specified total published Medicare pay-*
 3 *ment rate, the payment rate under a Medicaid State*
 4 *plan (or under a waiver of such plan)); or*

5 *(2) in the case of a State other than a State de-*
 6 *scribed in paragraph (1), 110 percent of the specified*
 7 *total published Medicare payment rate (or, in the ab-*
 8 *sence of a specified total published Medicare payment*
 9 *rate, the payment rate under a Medicaid State plan*
 10 *(or under a waiver of such plan)).*

11 *(b) GRANDFATHERING CERTAIN PAYMENTS.—In the*
 12 *case of a payment described in section 438.6(c)(2)(iii) of*
 13 *title 42, Code of Federal Regulations (or a successor regula-*
 14 *tion) for which written prior approval (or a good faith ef-*
 15 *fort to receive such approval, as determined by the Sec-*
 16 *retary) was made before May 1, 2025, or a payment de-*
 17 *scribed in such section for a rural hospital (as defined in*
 18 *subsection (d)(2)) for which written prior approval (or a*
 19 *good faith effort to receive such approval, as determined by*
 20 *the Secretary) was made by the date of enactment of this*
 21 *Act, for the rating period occurring within 180 days of the*
 22 *date of the enactment of this Act, or a payment so described*
 23 *for such rating period for which a completed preprint was*
 24 *submitted to the Secretary prior to the date of enactment*
 25 *of this Act, beginning with the rating period on or after*

1 *January 1, 2028, the total amount of such payment shall*
 2 *be reduced by 10 percentage points each year until the total*
 3 *payment rate for such service is equal to the rate for such*
 4 *service specified in subsection (a).*

5 *(c) TREATMENT OF EXPANSION STATES.—The revi-*
 6 *sions described in subsection (a) shall provide that, with*
 7 *respect to a State that begins providing the coverage de-*
 8 *scribed in paragraph (1) of such subsection on or after the*
 9 *date of the enactment of this Act, the limitation described*
 10 *in such paragraph shall apply to such State with respect*
 11 *to a payment described in section 438.6(c)(2)(iii) of title*
 12 *42, Code of Federal Regulations (or a successor regulation)*
 13 *for a service furnished during a rating period beginning*
 14 *on or after the date of enactment of this Act.*

15 *(d) DEFINITIONS.—In this section:*

16 *(1) RATING PERIOD.—The term “rating period”*
 17 *has the meaning given such term in section 438.2 of*
 18 *title 42, Code of Federal Regulations (or a successor*
 19 *regulation).*

20 *(2) RURAL HOSPITAL.—The term “rural hos-*
 21 *pital” means the following:*

22 *(A) A subsection (d) hospital (as defined in*
 23 *paragraph (1)(B) of section 1886(d) of the Social*
 24 *Security Act (42 U.S.C. 1395ww(d))) that—*

1 (i) is located in a rural area (as de-
2 fined in paragraph (2)(D) of such section);

3 (ii) is treated as being located in a
4 rural area pursuant to paragraph (8)(E) of
5 such section; or

6 (iii) is located in a rural census tract
7 of a metropolitan statistical area (as deter-
8 mined under the most recent modification of
9 the Goldsmith Modification, originally pub-
10 lished in the Federal Register on February
11 27, 1992 (57 Fed. Reg. 6725)).

12 (B) A critical access hospital (as defined in
13 section 1861(mm)(1) of such Act (42 U.S.C.
14 1395x(mm)(1))).

15 (C) A sole community hospital (as defined
16 in section 1886(d)(5)(D)(iii) of such Act (42
17 U.S.C. 1395ww(d)(5)(D)(iii))).

18 (D) A Medicare-dependent, small rural hos-
19 pital (as defined in section 1886(d)(5)(G)(iv) of
20 such Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).

21 (E) A low-volume hospital (as defined in
22 section 1886(d)(12)(C) of such Act (42 U.S.C.
23 1395ww(d)(12)(C))).

1 (F) *A rural emergency hospital (as defined*
 2 *in section 1861(kkk)(2) of such Act (42 U.S.C.*
 3 *1395x(kkk)(2))).*

4 (3) *STATE.—The term “State” means 1 of the 50*
 5 *States or the District of Columbia.*

6 (4) *TOTAL PUBLISHED MEDICARE PAYMENT*
 7 *RATE.—The term “total published Medicare payment*
 8 *rate” has the meaning given to such term in section*
 9 *438.6(a) of title 42, Code of Federal Regulations (or*
 10 *a successor regulation).*

11 (5) *WRITTEN PRIOR APPROVAL.—The term*
 12 *“written prior approval” has the meaning given to*
 13 *such term in section 438.6(c)(2)(i) of title 42, Code of*
 14 *Federal Regulations (or a successor regulation).*

15 (e) *FUNDING.—There are appropriated out of any*
 16 *monies in the Treasury not otherwise appropriated*
 17 *\$7,000,000 for each of fiscal years 2026 through 2033 for*
 18 *purposes of carrying out this section, to remain available*
 19 *until expended.*

20 **SEC. 71117. REQUIREMENTS REGARDING WAIVER OF UNI-**
 21 **FORM TAX REQUIREMENT FOR MEDICAID**
 22 **PROVIDER TAX.**

23 (a) *IN GENERAL.—Section 1903(w) of the Social Secu-*
 24 *rity Act (42 U.S.C. 1396b(w)) is amended—*

1 (1) in paragraph (3)(E), by inserting after
2 clause (ii)(II) the following new clause:

3 “(iii) For purposes of clause (ii)(I), a tax is not con-
4 sidered to be generally redistributive if any of the following
5 conditions apply:

6 “(I) Within a permissible class, the tax rate im-
7 posed on any taxpayer or tax rate group (as defined
8 in paragraph (7)(J)) explicitly defined by its rel-
9 atively lower volume or percentage of Medicaid tax-
10 able units (as defined in paragraph (7)(H)) is lower
11 than the tax rate imposed on any other taxpayer or
12 tax rate group explicitly defined by its relatively
13 higher volume or percentage of Medicaid taxable
14 units.

15 “(II) Within a permissible class, the tax rate im-
16 posed on any taxpayer or tax rate group (as so de-
17 fined) based upon its Medicaid taxable units (as so
18 defined) is higher than the tax rate imposed on any
19 taxpayer or tax rate group based upon its non-Med-
20 icaid taxable unit (as defined in paragraph (7)(I)).

21 “(III) The tax excludes or imposes a lower tax
22 rate on a taxpayer or tax rate group (as so defined)
23 based on or defined by any description that results in
24 the same effect as described in subclause (I) or (II) for
25 a taxpayer or tax rate group. Characteristics that

1 *may indicate such type of exclusion include the use*
2 *of terminology to establish a tax rate group—*

3 *“(aa) based on payments or expenditures*
4 *made under the program under this title without*
5 *mentioning the term ‘Medicaid’ (or any similar*
6 *term) to accomplish the same effect as described*
7 *in subclause (I) or (II); or*

8 *“(bb) that closely approximates a taxpayer*
9 *or tax rate group under the program under this*
10 *title, to the same effect as described in subclause*
11 *(I) or (II).”;* and

12 *(2) in paragraph (7), by adding at the end the*
13 *following new subparagraphs:*

14 *“(H) The term ‘Medicaid taxable unit’ means a*
15 *unit that is being taxed within a health care related*
16 *tax that is applicable to the program under this title.*
17 *Such term includes a unit that is used as the basis*
18 *for—*

19 *“(i) payment under the program under this*
20 *title (such as Medicaid bed days);*

21 *“(ii) Medicaid revenue;*

22 *“(iii) costs associated with the program*
23 *under this title (such as Medicaid charges,*
24 *claims, or expenditures); and*

1 “(iv) other units associated with the pro-
2 gram under this title, as determined by the Sec-
3 retary.

4 “(I) The term ‘non-Medicaid taxable unit’ means
5 a unit that is being taxed within a health care related
6 tax that is not applicable to the program under this
7 title. Such term includes a unit that is used as the
8 basis for—

9 “(i) payment by non-Medicaid payers (such
10 as non-Medicaid bed days);

11 “(ii) non-Medicaid revenue;

12 “(iii) costs that are not associated with the
13 program under this title (such as non-Medicaid
14 charges, non-Medicaid claims, or non-Medicaid
15 expenditures); and

16 “(iv) other units not associated with the
17 program under this title, as determined by the
18 Secretary.

19 “(J) The term ‘tax rate group’ means a group of
20 entities contained within a permissible class of a
21 health care related tax that are taxed at the same
22 rate.”.

23 (b) NON-APPLICATION TO TERRITORIES.—The amend-
24 ments made by this section shall only apply with respect

1 *to a State that is 1 of the 50 States or the District of Colum-*
 2 *bia.*

3 *(c) EFFECTIVE DATE.—The amendments made by this*
 4 *section shall take effect upon the date of enactment of this*
 5 *Act, subject to any applicable transition period determined*
 6 *appropriate by the Secretary of Health and Human Serv-*
 7 *ices, not to exceed 3 fiscal years.*

8 **SEC. 71118. REQUIRING BUDGET NEUTRALITY FOR MED-**
 9 **ICAID DEMONSTRATION PROJECTS UNDER**
 10 **SECTION 1115.**

11 *(a) IN GENERAL.—Section 1115 of the Social Security*
 12 *Act (42 U.S.C. 1315) is amended by adding at the end the*
 13 *following new subsection:*

14 *“(g) REQUIREMENT OF BUDGET NEUTRALITY FOR*
 15 *MEDICAID DEMONSTRATION PROJECTS.—*

16 *“(1) IN GENERAL.—Beginning January 1 2027,*
 17 *the Secretary may not approve an application for (or*
 18 *renewal or amendment of) an experimental, pilot, or*
 19 *demonstration project undertaken under subsection*
 20 *(a) to promote the objectives of title XIX in a State*
 21 *(in this subsection referred to as a ‘Medicaid dem-*
 22 *onstration project’) unless the Chief Actuary for the*
 23 *Centers for Medicare & Medicaid Services certifies*
 24 *that such project, or, in the case of a renewal, the du-*
 25 *ration of the preceding waiver, is not expected to re-*

1 *sult in an increase in the amount of Federal expendi-*
2 *tures compared to the amount that such expenditures*
3 *would otherwise be in the absence of such project. For*
4 *purposes of this subsection, expenditures for the cov-*
5 *erage of populations and services that the State could*
6 *have otherwise provided through its Medicaid State*
7 *plan or other authority under title XIX, including ex-*
8 *penditures that could be made under such authority*
9 *but for the provision of such services at a different*
10 *site of service than authorized under such State plan*
11 *or other authority, shall be considered expenditures in*
12 *the absence of such a project.*

13 “(2) *TREATMENT OF SAVINGS.—In the event that*
14 *expenditures with respect to a State under a Medicaid*
15 *demonstration project are, during an approval period*
16 *for such project, less than the amount of such expendi-*
17 *tures that would have otherwise been made in the ab-*
18 *sence of such project, the Secretary shall specify the*
19 *methodology to be used with respect to the subsequent*
20 *approval period for such project for purposes of tak-*
21 *ing the difference between such expenditures into ac-*
22 *count.”.*

23 (b) *IMPLEMENTATION FUNDING.—For the purposes of*
24 *carrying out the provisions of, and the amendments made*
25 *by, this section, there are appropriated, out of any monies*

1 *in the Treasury not otherwise appropriated, to the Admin-*
 2 *istrator of the Centers for Medicare & Medicaid Services,*
 3 *\$5,000,000 for each of fiscal years 2026 and 2027, to re-*
 4 *main available until expended.*

5 ***Subchapter D—Increasing Personal***
 6 ***Accountability***

7 ***SEC. 71119. REQUIREMENT FOR STATES TO ESTABLISH***
 8 ***MEDICAID COMMUNITY ENGAGEMENT RE-***
 9 ***QUIREMENTS FOR CERTAIN INDIVIDUALS.***

10 *(a) IN GENERAL.—Section 1902 of the Social Security*
 11 *Act (42 U.S.C. 1396a), as amended by sections 71103 and*
 12 *71104, is further amended by adding at the end the fol-*
 13 *lowing new subsection:*

14 *“(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR*
 15 *APPLICABLE INDIVIDUALS.—*

16 *“(1) IN GENERAL.—Except as provided in para-*
 17 *graph (11), beginning not later than the first day of*
 18 *the first quarter that begins after December 31, 2026,*
 19 *or, at the option of the State under a waiver or dem-*
 20 *onstration project under section 1115 or the State*
 21 *plan, such earlier date as the State may specify, sub-*
 22 *ject to the succeeding provisions of this subsection, a*
 23 *State shall provide, as a condition of eligibility for*
 24 *medical assistance for an applicable individual, that*

1 *such individual is required to demonstrate commu-*
2 *nity engagement under paragraph (2)—*

3 *“(A) in the case of an applicable individual*
4 *who has filed an application for medical assist-*
5 *ance under a State plan (or a waiver of such*
6 *plan) under this title, for 1 or more but not more*
7 *than 3 (as specified by the State) consecutive*
8 *months immediately preceding the month during*
9 *which such individual applies for such medical*
10 *assistance; and*

11 *“(B) in the case of an applicable individual*
12 *enrolled and receiving medical assistance under*
13 *a State plan (or under a waiver of such plan)*
14 *under this title, for 1 or more (as specified by the*
15 *State) months, whether or not consecutive—*

16 *“(i) during the period between such in-*
17 *dividual’s most recent determination (or re-*
18 *determination, as applicable) of eligibility*
19 *and such individual’s next regularly sched-*
20 *uled redetermination of eligibility (as*
21 *verified by the State as part of such regu-*
22 *larly scheduled redetermination of eligi-*
23 *bility); or*

24 *“(ii) in the case of a State that has*
25 *elected under paragraph (4) to conduct*

1 *more frequent verifications of compliance*
2 *with the requirement to demonstrate com-*
3 *munity engagement, during the period be-*
4 *tween the most recent and next such*
5 *verification with respect to such individual.*

6 “(2) *COMMUNITY ENGAGEMENT COMPLIANCE DE-*
7 *SCRIBED.—Subject to paragraph (3), an applicable*
8 *individual demonstrates community engagement*
9 *under this paragraph for a month if such individual*
10 *meets 1 or more of the following conditions with re-*
11 *spect to such month, as determined in accordance*
12 *with criteria established by the Secretary through reg-*
13 *ulation:*

14 “(A) *The individual works not less than 80*
15 *hours.*

16 “(B) *The individual completes not less than*
17 *80 hours of community service.*

18 “(C) *The individual participates in a work*
19 *program for not less than 80 hours.*

20 “(D) *The individual is enrolled in an edu-*
21 *cational program at least half-time.*

22 “(E) *The individual engages in any com-*
23 *bination of the activities described in subpara-*
24 *graphs (A) through (D), for a total of not less*
25 *than 80 hours.*

1 “(F) *The individual has a monthly income*
2 *that is not less than the applicable minimum*
3 *wage requirement under section 6 of the Fair*
4 *Labor Standards Act of 1938, multiplied by 80*
5 *hours.*

6 “(G) *The individual had an average month-*
7 *ly income over the preceding 6 months that is*
8 *not less than the applicable minimum wage re-*
9 *quirement under section 6 of the Fair Labor*
10 *Standards Act of 1938 multiplied by 80 hours,*
11 *and is a seasonal worker, as described in section*
12 *45R(d)(5)(B) of the Internal Revenue Code of*
13 *1986 .*

14 “(3) *EXCEPTIONS.—*

15 “(A) *MANDATORY EXCEPTION FOR CERTAIN*
16 *INDIVIDUALS.—The State shall deem an applica-*
17 *ble individual to have demonstrated community*
18 *engagement under paragraph (2) for a month,*
19 *and may elect to not require an individual to*
20 *verify information resulting in such deeming,*
21 *if—*

22 “(i) *for part or all of such month, the*
23 *individual—*

1 “(I) *was a specified excluded indi-*
 2 *vidual (as defined in paragraph*
 3 *(9)(A)(ii)); or*

4 “(II) *was—*

5 “(aa) *under the age of 19;*

6 “(bb) *entitled to, or enrolled*
 7 *for, benefits under part A of title*
 8 *XVIII, or enrolled for benefits*
 9 *under part B of title XVIII; or*

10 “(cc) *described in any of sub-*
 11 *clauses (I) through (VII) of sub-*
 12 *section (a)(10)(A)(i); or*

13 “(ii) *at any point during the 3-month*
 14 *period ending on the first day of such*
 15 *month, the individual was an inmate of a*
 16 *public institution.*

17 “(B) *OPTIONAL EXCEPTION FOR SHORT-*
 18 *TERM HARDSHIP EVENTS.—*

19 “(i) *IN GENERAL.—The State plan (or*
 20 *waiver of such plan) may provide, in the*
 21 *case of an applicable individual who experi-*
 22 *ences a short-term hardship event during a*
 23 *month, that the State shall, under proce-*
 24 *dures established by the State (in accord-*
 25 *ance with standards specified by the Sec-*

retary), in the case of a short-term hardship event described in clause (ii)(II) and, upon the request of such individual, a short-term hardship event described in subclause (I) or (III) of clause (ii), deem such individual to have demonstrated community engagement under paragraph (2) for such month.

“(ii) *SHORT-TERM HARDSHIP EVENT DEFINED.*—For purposes of this subparagraph, an applicable individual experiences a short-term hardship event during a month if, for part or all of such month—

“(I) such individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or such other services of similar acuity (including outpatient care relating to other services specified in this subclause) as the Secretary determines appropriate;

“(II) such individual resides in a county (or equivalent unit of local government)—

1 “(aa) in which there exists
2 an emergency or disaster declared
3 by the President pursuant to the
4 National Emergencies Act or the
5 Robert T. Stafford Disaster Relief
6 and Emergency Assistance Act; or

7 “(bb) that, subject to a re-
8 quest from the State to the Sec-
9 retary, made in such form, at
10 such time, and containing such
11 information as the Secretary may
12 require, has an unemployment
13 rate that is at or above the lesser
14 of—

15 “(AA) 8 percent; or

16 “(BB) 1.5 times the na-
17 tional unemployment rate; or

18 “(III) such individual or their de-
19 pendent must travel outside of their
20 community for an extended period of
21 time to receive medical services nec-
22 essary to treat a serious or complex
23 medical condition (as described in
24 paragraph (9)(A)(ii)(V)(ee)) that are

1 *not available within their community*
2 *of residence.*

3 “(4) *OPTION TO CONDUCT MORE FREQUENT COM-*
4 *PLIANCE VERIFICATIONS.*—*With respect to an appli-*
5 *cable individual enrolled and receiving medical as-*
6 *sistance under a State plan (or a waiver of such*
7 *plan) under this title, the State shall verify (in ac-*
8 *cordance with procedures specified by the Secretary)*
9 *that each such individual has met the requirement to*
10 *demonstrate community engagement under paragraph*
11 *(1) during each such individual’s regularly scheduled*
12 *redetermination of eligibility, except that a State may*
13 *provide for such verifications more frequently.*

14 “(5) *EX PARTE VERIFICATIONS.*—*For purposes of*
15 *verifying that an applicable individual has met the*
16 *requirement to demonstrate community engagement*
17 *under paragraph (1), or determining such individual*
18 *to be deemed to have demonstrated community en-*
19 *gagement under paragraph (3), or that an individual*
20 *is a specified excluded individual under paragraph*
21 *(9)(A)(ii), the State shall, in accordance with stand-*
22 *ards established by the Secretary, establish processes*
23 *and use reliable information available to the State*
24 *(such as payroll data or payments or encounter data*
25 *under this title for individuals and data on payments*

1 to such individuals for the provision of services cov-
2 ered under this title) without requiring, where pos-
3 sible, the applicable individual to submit additional
4 information.

5 “(6) *PROCEDURE IN THE CASE OF NONCOMPLI-*
6 *ANCE.*—

7 “(A) *IN GENERAL.*—If a State is unable to
8 verify that an applicable individual has met the
9 requirement to demonstrate community engage-
10 ment under paragraph (1) (including, if appli-
11 cable, by verifying that such individual was
12 deemed to have demonstrated community engage-
13 ment under paragraph (3)) the State shall (in
14 accordance with standards specified by the Sec-
15 retary)—

16 “(i) provide such individual with the
17 notice of noncompliance described in sub-
18 paragraph (B);

19 “(ii)(I) provide such individual with a
20 period of 30 calendar days, beginning on
21 the date on which such notice of noncompli-
22 ance is received by the individual, to—

23 “(aa) make a satisfactory showing
24 to the State of compliance with such
25 requirement (including, if applicable,

1 *by showing that such individual was*
2 *or should be deemed to have dem-*
3 *onstrated community engagement*
4 *under paragraph (3)); or*

5 “(bb) *make a satisfactory showing*
6 *to the State that such requirement does*
7 *not apply to such individual on the*
8 *basis that such individual does not*
9 *meet the definition of applicable indi-*
10 *vidual under paragraph (9)(A); and*

11 “(II) *if such individual is enrolled*
12 *under the State plan (or a waiver of such*
13 *plan) under this title, continue to provide*
14 *such individual with medical assistance*
15 *during such 30-calendar-day period; and*

16 “(iii) *if no such satisfactory showing is*
17 *made and the individual is not a specified*
18 *excluded individual described in paragraph*
19 *(9)(A)(ii), deny such individual’s applica-*
20 *tion for medical assistance under the State*
21 *plan (or waiver of such plan) or, as appli-*
22 *cable, disenroll such individual from the*
23 *plan (or waiver of such plan) not later than*
24 *the end of the month following the month in*

1 *which such 30-calendar-day period ends,*
2 *provided that—*

3 “(I) *the State first determines*
4 *whether, with respect to the individual,*
5 *there is any other basis for eligibility*
6 *for medical assistance under the State*
7 *plan (or waiver of such plan) or for*
8 *another insurance affordability pro-*
9 *gram; 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 noncompliance*
15 *provided to an applicable individual under sub-*
16 *paragraph (A)(i) shall include information (in*
17 *accordance with standards specified by the Sec-*
18 *retary) 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 to*
24 *such individual on the basis that such indi-*
25 *vidual does not meet the definition of appli-*

1 cable individual under paragraph (9)(A);
2 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 PROVISIONS.—

12 “(A) CERTAIN FMAP INCREASES.—A State
13 shall not be treated as not providing medical as-
14 sistance to all individuals described in section
15 1902(a)(10)(A)(i)(VIII), or as not expending
16 amounts for all such individuals under the State
17 plan (or waiver of such plan), solely because
18 such an individual is determined ineligible for
19 medical assistance under the State plan (or
20 waiver) on the basis of a failure to meet the re-
21 quirement to demonstrate community engage-
22 ment under paragraph (1).

23 “(B) OTHER PROVISIONS.—For purposes of
24 section 36B(c)(2)(B) of the Internal Revenue
25 Code of 1986, an individual shall be deemed to

1 *be eligible for minimum essential coverage de-*
2 *scribed in section 5000A(f)(1)(A)(ii) of such Code*
3 *for a month if such individual would have been*
4 *eligible for medical assistance under a State*
5 *plan (or a waiver of such plan) under this title*
6 *but for a failure to meet the requirement to dem-*
7 *onstrate community engagement under para-*
8 *graph (1).*

9 “(8) *OUTREACH.*—

10 “(A) *IN GENERAL.*—*In accordance with*
11 *standards specified by the Secretary, beginning*
12 *not later than the date that precedes December*
13 *31, 2026 (or, if the State elects under paragraph*
14 *(1) to specify an earlier date, such earlier date)*
15 *by the number of months specified by the State*
16 *under paragraph (1)(A) plus 3 months, and pe-*
17 *riodically thereafter, the State shall notify appli-*
18 *cable individuals enrolled under a State plan (or*
19 *waiver) under this title of the requirement to*
20 *demonstrate community engagement under this*
21 *subsection. Such notice shall include information*
22 *on—*

23 “(i) *how to comply with such require-*
24 *ment, including an explanation of the ex-*
25 *ceptions to such requirement under para-*

1 *graph (3) and the definition of the term*
2 *‘applicable individual’ under paragraph*
3 *(9)(A);*

4 *“(ii) the consequences of noncompli-*
5 *ance with such requirement; and*

6 *“(iii) how to report to the State any*
7 *change in the individual’s status that could*
8 *result in—*

9 *“(I) the applicability of an excep-*
10 *tion under paragraph (3) (or the end*
11 *of the applicability of such an excep-*
12 *tion); or*

13 *“(II) the individual qualifying as*
14 *a specified excluded individual under*
15 *paragraph (9)(A)(ii).*

16 *“(B) FORM OF OUTREACH NOTICE.—A no-*
17 *tice required under subparagraph (A) shall be*
18 *delivered—*

19 *“(i) by regular mail (or, if elected by*
20 *the individual, in an electronic format);*
21 *and*

22 *“(ii) in 1 or more additional forms,*
23 *which may include telephone, text message,*
24 *an internet website, other commonly avail-*

1 *able electronic means, and such other forms*
 2 *as the Secretary determines appropriate.*

3 “(9) *DEFINITIONS.—In this subsection:*

4 “(A) *APPLICABLE INDIVIDUAL.—*

5 “(i) *IN GENERAL.—The term ‘applica-*
 6 *ble individual’ means an individual (other*
 7 *than a specified excluded individual (as de-*
 8 *fin ed in clause (ii))—*

9 “(I) *who is eligible to enroll (or is*
 10 *enrolled) under the State plan under*
 11 *subsection (a)(10)(A)(i)(VIII); or*

12 “(II) *who—*

13 “(aa) *is otherwise eligible to*
 14 *enroll (or is enrolled) under a*
 15 *waiver of such plan that provides*
 16 *coverage that is equivalent to*
 17 *minimum essential coverage (as*
 18 *described in section*
 19 *5000A(f)(1)(A) of the Internal*
 20 *Revenue Code of 1986 and as de-*
 21 *termin ed in accordance with*
 22 *standards prescribed by the Sec-*
 23 *retary in regulations); and*

24 “(bb) *has attained the age of*
 25 *19 and is under 65 years of age,*

1 *is not pregnant, is not entitled to,*
 2 *or enrolled for, benefits under part*
 3 *A of title XVIII, or enrolled for*
 4 *benefits under part B of title*
 5 *XVIII, and is not otherwise eligi-*
 6 *ble to enroll under such plan.*

7 “(ii) *SPECIFIED EXCLUDED INDIVIDUAL.*—*For purposes of clause (i), the*
 8 *term ‘specified excluded individual’ means*
 9 *an individual, as determined by the State*
 10 *(in accordance with standards specified by*
 11 *the Secretary)—*

12 *“(I) who is described in subsection*
 13 *(a)(10)(A)(i)(IX);*

14 *“(II) who—*

15 *“(aa) is an Indian or an*
 16 *Urban Indian (as such terms are*
 17 *defined in paragraphs (13) and*
 18 *(28) of section 4 of the Indian*
 19 *Health Care Improvement Act);*

20 *“(bb) is a California Indian*
 21 *described in section 809(a) of such*
 22 *Act; or*

23 *“(cc) has otherwise been de-*
 24 *termined eligible as an Indian for*
 25

1 *the Indian Health Service under*
2 *regulations promulgated by the*
3 *Secretary;*

4 “(III) *who is the parent, guard-*
5 *ian, caretaker relative, or family care-*
6 *giver (as defined in section 2 of the*
7 *RAISE Family Caregivers Act) of a*
8 *dependent child 13 years of age and*
9 *under or a disabled individual;*

10 “(IV) *who is a veteran with a dis-*
11 *ability rated as total under section*
12 *1155 of title 38, United States Code;*

13 “(V) *who is medically frail or oth-*
14 *erwise has special medical needs (as*
15 *defined by the Secretary), including an*
16 *individual—*

17 “(aa) *who is blind or dis-*
18 *abled (as defined in section 1614);*

19 “(bb) *with a substance use*
20 *disorder;*

21 “(cc) *with a disabling mental*
22 *disorder;*

23 “(dd) *with a physical, intel-*
24 *lectual or developmental disability*
25 *that significantly impairs their*

1 *ability to perform 1 or more ac-*
2 *tivities of daily living; or*

3 *“(ee) with a serious or com-*
4 *plex medical condition;*

5 *“(VI) who—*

6 *“(aa) is in compliance with*
7 *any requirements imposed by the*
8 *State pursuant to section 407; or*

9 *“(bb) is a member of a house-*
10 *hold that receives supplemental*
11 *nutrition assistance program ben-*
12 *efits under the Food and Nutri-*
13 *tion Act of 2008 and is not ex-*
14 *empt from a work requirement*
15 *under such Act;*

16 *“(VII) who is participating in a*
17 *drug addiction or alcoholic treatment*
18 *and rehabilitation program (as defined*
19 *in section 3(h) of the Food and Nutri-*
20 *tion Act of 2008);*

21 *“(VIII) who is an inmate of a*
22 *public institution; or*

23 *“(IX) who is pregnant or entitled*
24 *to postpartum medical assistance*

1 under paragraph (5) or (16) of sub-
2 section (e).

3 “(B) *EDUCATIONAL PROGRAM*.—The term
4 ‘educational program’ includes—

5 “(i) an institution of higher education
6 (as defined in section 101 of the Higher
7 Education Act of 1965); and

8 “(ii) a program of career and technical
9 education (as defined in section 3 of the
10 Carl D. Perkins Career and Technical Edu-
11 cation Act of 2006).

12 “(C) *STATE*.—The term ‘State’ means 1 of
13 the 50 States or the District of Columbia.

14 “(D) *WORK PROGRAM*.—The term ‘work
15 program’ has the meaning given such term in
16 section 6(o)(1) of the Food and Nutrition Act of
17 2008.

18 “(10) *PROHIBITING WAIVER OF COMMUNITY EN-*
19 *GAGEMENT REQUIREMENTS*.—Notwithstanding section
20 1115(a), the provisions of this subsection may not be
21 waived.

22 “(11) *SPECIAL IMPLEMENTATION RULE*.—

23 “(A) *IN GENERAL*.—Subject to subpara-
24 graph (C), the Secretary may exempt a State

1 *from compliance with the requirements of this*
2 *subsection if—*

3 “(i) *the State submits to the Secretary*
4 *a request for such exemption, made in such*
5 *form and at such time as the Secretary may*
6 *require, and including the information*
7 *specified in subparagraph (B); and*

8 “(ii) *the Secretary determines that*
9 *based on such request, the State is dem-*
10 *onstrating a good faith effort to comply*
11 *with the requirements of this subsection.*

12 “(B) *GOOD FAITH EFFORT DETERMINA-*
13 *TION.—In determining whether a State is dem-*
14 *onstrating a good faith effort for purposes of sub-*
15 *paragraph (A)(ii), the Secretary shall consider—*

16 “(i) *any actions taken by the State to-*
17 *ward compliance with the requirements of*
18 *this subsection;*

19 “(ii) *any significant barriers to or*
20 *challenges in meeting such requirements, in-*
21 *cluding related to funding, design, develop-*
22 *ment, procurement, or installation of nec-*
23 *essary systems or resources;*

24 “(iii) *the State’s detailed plan and*
25 *timeline for achieving full compliance with*

1 *such requirements, including any milestones*
 2 *of such plan (as defined by the Secretary);*
 3 *and*

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

6 *“(C) DURATION OF EXEMPTION.—*

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

11 *“(ii) EARLY TERMINATION.—The Sec-*
 12 *retary may terminate an exemption granted*
 13 *under subparagraph (A) prior to the expi-*
 14 *ration date of such exemption if the Sec-*
 15 *retary determined that the State has—*

16 *“(I) failed to comply with the re-*
 17 *porting requirements described in sub-*
 18 *paragraph (D); or*

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

1 “(D) *REPORTING REQUIREMENTS.*—A State
2 *granted an exemption under subparagraph (A)*
3 *shall submit to the Secretary—*

4 “(i) *quarterly progress reports on the*
5 *State’s status in achieving the milestones to-*
6 *ward full compliance described in subpara-*
7 *graph (B)(iii); and*

8 “(ii) *information on specific risks or*
9 *newly identified barriers or challenges to*
10 *full compliance, including the State’s plan*
11 *to mitigate such risks, barriers, or chal-*
12 *lenges.”.*

13 (b) *CONFORMING AMENDMENT.*—Section
14 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42
15 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking
16 “subject to subsection (k)” and inserting “subject to sub-
17 sections (k) and (xx)”.

18 (c) *PROHIBITING CONFLICTS OF INTEREST.*—A State
19 *shall not use a Medicaid managed care entity or other speci-*
20 *fied entity (as such terms are defined in section*
21 1903(m)(9)(D)), or other contractor to determine bene-
22 *ficiary compliance under such section unless the contractor*
23 *has no direct or indirect financial relationship with any*
24 *Medicaid managed care entity or other specified entity that*
25 *is responsible for providing or arranging for coverage of*

1 *medical assistance for individuals enrolled with the entity*
2 *pursuant to a contract with such State.*

3 (d) *INTERIM FINAL RULEMAKING.*—*Not later than*
4 *June 1, 2026, the Secretary of Health and Human Services*
5 *shall promulgate an interim final rule for purposes of im-*
6 *plementing the provisions of, and the amendments made by,*
7 *this section. Any action taken to implement the provisions*
8 *of, and the amendments made by, this section shall not be*
9 *subject to the provisions of section 553 of title 5, United*
10 *States Code.*

11 (e) *DEVELOPMENT OF GOVERNMENT EFFICIENCY*
12 *GRANTS TO STATES.*—

13 (1) *IN GENERAL.*—*In order for States to estab-*
14 *lish systems necessary to carry out the provisions of,*
15 *and amendments made by, this section or other sec-*
16 *tions of this chapter that pertain to conducting eligi-*
17 *bility determinations or redeterminations, the Sec-*
18 *retary of Health and Human Services shall—*

19 (A) *out of amounts appropriated under*
20 *paragraph (3)(A), award to each State a grant*
21 *equal to the amount specified in paragraph (2)*
22 *for such State; and*

23 (B) *out of amounts appropriated under*
24 *paragraph (3)(B), distribute an equal amount*
25 *among such States.*

1 (2) *AMOUNT SPECIFIED.*—For purposes of para-
 2 graph (1)(A), the amount specified in this paragraph
 3 is an amount that bears the same ratio to the amount
 4 appropriated under paragraph (3)(A) as the number
 5 of applicable individuals (as defined in section
 6 1902(xx) of the Social Security Act, as added by sub-
 7 section (a)) residing in such State bears to the total
 8 number of such individuals residing in all States, as
 9 of March 31, 2025.

10 (3) *FUNDING.*—There are appropriated, out of
 11 any monies in the Treasury not otherwise appro-
 12 priated—

13 (A) \$100,000,000 for fiscal year 2026 for
 14 purposes of awarding grants under paragraph
 15 (1)(A), to remain available until expended; and

16 (B) \$100,000,000 for fiscal year 2026 for
 17 purposes of award grants under paragraph
 18 (1)(B), to remain available until expended.

19 (4) *DEFINITION.*—In this subsection, the term
 20 “State” means 1 of the 50 States and the District of
 21 Columbia.

22 (f) *IMPLEMENTATION FUNDING.*—For the purposes of
 23 carrying out the provisions of, and the amendments made
 24 by, this section, there are appropriated, out of any monies
 25 in the Treasury not otherwise appropriated, to the Admin-

1 *istrator of the Centers for Medicare & Medicaid Services,*
 2 *\$200,000,000 for fiscal year 2026, to remain available until*
 3 *expended.*

4 **SEC. 71120. MODIFYING COST SHARING REQUIREMENTS**
 5 **FOR CERTAIN EXPANSION INDIVIDUALS**
 6 **UNDER THE MEDICAID PROGRAM.**

7 *(a) IN GENERAL.—Section 1916 of the Social Security*
 8 *Act (42 U.S.C. 1396o) is amended—*

9 *(1) in subsection (a), in the matter preceding*
 10 *paragraph (1), by inserting “(other than, beginning*
 11 *October 1, 2028, specified individuals (as defined in*
 12 *subsection (k)(3)))” after “individuals”; and*

13 *(2) by adding at the end the following new sub-*
 14 *section:*

15 *“(k) SPECIAL RULES FOR CERTAIN EXPANSION INDIVIDUALS.—*
 16 *VIDUALS.—*

17 *“(1) PREMIUMS.—Beginning October 1, 2028,*
 18 *the State plan shall provide that in the case of a spec-*
 19 *ified individual (as defined in paragraph (3)) who is*
 20 *eligible under the plan, no enrollment fee, premium,*
 21 *or similar charge will be imposed under the plan.*

22 *“(2) REQUIRED IMPOSITION OF COST SHAR-*
 23 *ING.—*

24 *“(A) IN GENERAL.—Subject to subpara-*
 25 *graph (B) and subsection (j), in the case of a*

1 *specified individual, the State plan shall, begin-*
2 *ning October 1, 2028, provide for the imposition*
3 *of such deductions, cost sharing, or similar*
4 *charges determined appropriate by the State (in*
5 *an amount greater than \$0) with respect to cer-*
6 *tain care, items, or services furnished to such an*
7 *individual, as determined by the State.*

8 “(B) *LIMITATIONS.—*

9 “(i) *EXCLUSION OF CERTAIN SERV-*
10 *ICES.—In no case may a deduction, cost*
11 *sharing, or similar charge be imposed under*
12 *the State plan with respect to care, items,*
13 *or services described in any of subpara-*
14 *graphs (B) through (J) of subsection (a)(2),*
15 *or any primary care services, mental health*
16 *care services, substance use disorder services,*
17 *or services provided by a Federally qualified*
18 *health center (as defined in 1905(l)(2)), cer-*
19 *tified community behavioral health clinic*
20 *(as defined in section 1905(jj)(2)), or rural*
21 *health clinic (as defined in 1905(l)(1)), fur-*
22 *nished to a specified individual.*

23 “(ii) *ITEM AND SERVICE LIMITA-*
24 *TION.—*

1 “(I) *IN GENERAL.*—*Except as pro-*
2 *vided in subclause (II), in no case may*
3 *a deduction, cost sharing, or similar*
4 *charge imposed under the State plan*
5 *with respect to care or an item or serv-*
6 *ice furnished to a specified individual*
7 *exceed \$35.*

8 “(II) *SPECIAL RULES FOR PRE-*
9 *SCRIPTION DRUGS.*—*In no case may a*
10 *deduction, cost sharing, or similar*
11 *charge imposed under the State plan*
12 *with respect to a prescription drug fur-*
13 *nished to a specified individual exceed*
14 *the limit that would be applicable*
15 *under paragraph (2)(A)(i) or (2)(B) of*
16 *section 1916A(c) with respect to such*
17 *drug and individual if such drug so*
18 *furnished were subject to cost sharing*
19 *under such section.*

20 “(iii) *MAXIMUM LIMIT ON COST SHAR-*
21 *ING.*—*The total aggregate amount of deduc-*
22 *tions, cost sharing, or similar charges im-*
23 *posed under the State plan for all individ-*
24 *uals in the family may not exceed 5 percent*
25 *of the family income of the family involved,*

1 *as applied on a quarterly or monthly basis*
 2 *(as specified by the State).*

3 “(C) *CASES OF NONPAYMENT.*—*Notwith-*
 4 *standing subsection (e), a State may permit a*
 5 *provider participating under the State plan to*
 6 *require, as a condition for the provision of care,*
 7 *items, or services to a specified individual enti-*
 8 *tled to medical assistance under this title for*
 9 *such care, items, or services, the payment of any*
 10 *deductions, cost sharing, or similar charges au-*
 11 *thorized to be imposed with respect to such care,*
 12 *items, or services. Nothing in this subparagraph*
 13 *shall be construed as preventing a provider from*
 14 *reducing or waiving the application of such de-*
 15 *ductions, cost sharing, or similar charges on a*
 16 *case-by-case basis.*

17 “(3) *SPECIFIED INDIVIDUAL DEFINED.*—*For*
 18 *purposes of this subsection, the term ‘specified indi-*
 19 *vidual’ means an individual who has a family in-*
 20 *come (as determined in accordance with section*
 21 *1902(e)(14)) that exceeds the poverty line (as defined*
 22 *in section 2110(c)(5)) applicable to a family of the*
 23 *size involved and—*

24 “(A) *is enrolled under section*
 25 1902(a)(10)(A)(i)(VIII); or

1 “(B) is described in such subsection and
 2 otherwise enrolled under a waiver of the State
 3 plan that provides coverage that is equivalent to
 4 minimum essential coverage (as described in sec-
 5 tion 5000A(f)(1)(A) of the Internal Revenue Code
 6 of 1986 and determined in accordance with
 7 standards prescribed by the Secretary in regula-
 8 tions) to all individuals described in section
 9 1902(a)(10)(A)(i)(VIII).

10 “(4) STATE DEFINED.—For purposes of this sub-
 11 section, the term ‘State’ means 1 of the 50 States or
 12 the District of Columbia.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) REQUIRED APPLICATION.—Section
 15 1902(a)(14) of the Social Security Act (42 U.S.C.
 16 1396a(a)(14)) is amended by inserting “and provide
 17 for imposition of such deductions, cost sharing, or
 18 similar charges for care, items, or services furnished
 19 to specified individuals (as defined in paragraph (3)
 20 of section 1916(k)) in accordance with paragraph (2)
 21 of such section” after “section 1916”.

22 (2) NONAPPLICABILITY OF ALTERNATIVE COST
 23 SHARING.—Section 1916A(a)(1) of the Social Secu-
 24 rity Act (42 U.S.C. 1396o–1(a)(1)) is amended, in the

1 second sentence, by striking “or (j)” and inserting
2 “(j), or (k)”.

3 (c) *IMPLEMENTATION FUNDING.*—For the purposes of
4 carrying out the provisions of, and the amendments made
5 by, this section, there are appropriated, out of any monies
6 in the Treasury not otherwise appropriated, to the Admin-
7 istrator of the Centers for Medicare & Medicaid Services,
8 \$15,000,000 for fiscal year 2026, to remain available until
9 expended.

10 ***Subchapter E—Expanding Access to Care***

11 ***SEC. 71121. MAKING CERTAIN ADJUSTMENTS TO COVERAGE*** 12 ***OF HOME OR COMMUNITY-BASED SERVICES*** 13 ***UNDER MEDICAID.***

14 (a) *EXPANDING HCBS COVERAGE UNDER SECTION*
15 *1915(c) WAIVERS.*—Section 1915(c) of the Social Security
16 Act (42 U.S.C. 1396n(c)) is amended—

17 (1) in paragraph (3), by inserting “paragraph
18 (11) or” before “subsection (h)(2)”; and

19 (2) by adding at the end the following new para-
20 graph:

21 “(11) *EXPANDING COVERAGE FOR HOME OR COMMU-*
22 *NITY-BASED SERVICES.*—

23 “(A) *IN GENERAL.*—Beginning July 1, 2028,
24 notwithstanding paragraph (1), the Secretary may
25 approve a waiver that is standalone from any other

1 *waiver approved under this subsection to include as*
2 *medical assistance under the State plan of such State*
3 *payment for part or all of the cost of home or commu-*
4 *nity-based services (other than room and board (as*
5 *described in paragraph (1))) approved by the Sec-*
6 *retary which are provided pursuant to a written plan*
7 *of care to individuals described in subparagraph*
8 *(B)(iii). A waiver approved under this paragraph*
9 *shall be for an initial term of 3 years and, upon the*
10 *request of the State, shall be extended for additional*
11 *5-year periods unless the Secretary determines that*
12 *for the previous waiver period the requirements speci-*
13 *fied under this subsection (excluding those excepted*
14 *under subparagraph (B)) have not been met.*

15 *“(B) STATE REQUIREMENTS.—In addition to the*
16 *requirements specified under this subsection (except*
17 *for the requirements described in subparagraphs (C)*
18 *and (D) of paragraph (2) and any other requirement*
19 *specified under this subsection that the Secretary de-*
20 *termines to be inapplicable in the context of a waiver*
21 *that does not require individuals to have a determina-*
22 *tion described in paragraph (1)), a State shall meet*
23 *the following requirements as a condition of waiver*
24 *approval:*

1 “(i) *As of the date that such State requests*
2 *a waiver under this subsection to provide home*
3 *or community-based services to individuals de-*
4 *scribed in clause (iii), all other waivers (if any)*
5 *granted under this subsection to such State meet*
6 *the requirements of this subsection.*

7 “(ii) *The State demonstrates to the Sec-*
8 *retary that approval of a waiver under this sub-*
9 *section with respect to individuals described in*
10 *clause (iii) will not result in a material increase*
11 *of the average amount of time that individuals*
12 *with respect to whom a determination described*
13 *in paragraph (1) has been made will need to*
14 *wait to receive home or community-based serv-*
15 *ices under any other waiver granted under this*
16 *subsection, as determined by the Secretary.*

17 “(iii) *The State establishes needs-based cri-*
18 *teria, subject to the approval of the Secretary, re-*
19 *garding who will be eligible for home or commu-*
20 *nity-based services under a waiver approved*
21 *under this paragraph without requiring such in-*
22 *dividuals to have a determination described in*
23 *paragraph (1), and specifies the home or commu-*
24 *nity-based services such individuals so eligible*
25 *will receive.*

1 “(iv) *The State establishes needs-based cri-*
2 *teria for determining whether an individual de-*
3 *scribed in clause (iii) requires the level of care*
4 *provided in a hospital, nursing facility, or an*
5 *intermediate care facility for individuals with*
6 *developmental disabilities under the State plan*
7 *or under any waiver of such plan that are more*
8 *stringent than the needs-based criteria estab-*
9 *lished under clause (iii) for determining eligi-*
10 *bility for home or community-based services.*

11 “(v) *The State attests that the State’s aver-*
12 *age per capita expenditure for medical assistance*
13 *under the State plan (or waiver of such plan)*
14 *provided with respect to such individuals en-*
15 *rolled in a waiver under this paragraph will not*
16 *exceed the State’s average per capita expenditure*
17 *for medical assistance for individuals receiving*
18 *institutional care under the State plan (or waiv-*
19 *er of such plan) for the duration that the waiver*
20 *under this paragraph is in effect.*

21 “(vi) *The State provides to the Secretary*
22 *data (in such form and manner as the Secretary*
23 *may specify) regarding the number of individ-*
24 *uals described in clause (iii) with respect to a*
25 *State seeking approval of a waiver under this*

1 *subsection, to whom the State will make such*
2 *services available under such waiver.*

3 “(vii) *The State agrees to provide to the*
4 *Secretary, not less frequently than annually,*
5 *data for purposes of paragraph (2)(E) (in such*
6 *form and manner as the Secretary may specify)*
7 *regarding, with respect to each preceding year in*
8 *which a waiver under this subsection to provide*
9 *home or community-based services to individuals*
10 *described in clause (iii) was in effect—*

11 “(I) *the cost (as such term is defined*
12 *by the Secretary) of such services furnished*
13 *to individuals described in clause (iii), bro-*
14 *ken down by type of service;*

15 “(II) *with respect to each type of home*
16 *or community-based service provided under*
17 *the waiver, the length of time that such in-*
18 *dividuals have received such service;*

19 “(III) *a comparison between the data*
20 *described in subclause (I) and any com-*
21 *parable data available with respect to indi-*
22 *viduals with respect to whom a determina-*
23 *tion described in paragraph (1) has been*
24 *made and with respect to individuals re-*

1 *ceiving institutional care under this title;*
 2 *and*

3 *“(IV) the number of individuals who*
 4 *have received home or community-based*
 5 *services under the waiver during the pre-*
 6 *ceding year.*

7 *“(C) LIMITATION ON PAYMENTS.—No payments*
 8 *made to carry out this paragraph shall be used by a*
 9 *State to make payments to a third party on behalf of*
 10 *an individual practitioner for benefits such as health*
 11 *insurance, skills training, and other benefits cus-*
 12 *tomary for employees, in the case of a class of practi-*
 13 *tioners for which the program established under this*
 14 *title is the primary source of revenue.”.*

15 *(b) IMPLEMENTATION FUNDING.—*

16 *(1) IN GENERAL.—There are appropriated, out*
 17 *of any monies in the Treasury not otherwise appro-*
 18 *priated, to the Administrator of the Centers for Medi-*
 19 *care & Medicaid Services—*

20 *(A) for fiscal year 2026, \$50,000,000 for*
 21 *purposes of carrying out the provisions of, and*
 22 *the amendments made by, this section, to remain*
 23 *available until expended; and*

24 *(B) for fiscal year 2027, \$100,000,000 for*
 25 *purposes of making payments to States, subject*

to paragraph (2), to support State systems to deliver home or community-based services under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) (as amended by this section) or under section 1115 of such Act (42 U.S.C. 1315), to remain available until expended.

(2) *PAYMENTS BASED ON STATE HCBS ELIGIBLE POPULATION.*—Payments to States from amounts made available by paragraph (1)(B) shall be made, with respect to a State, on the basis of the proportion of the population of the State that is receiving home or community-based services under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) (as amended by this section) or under section 1115 of such Act (42 U.S.C. 1315), as compared to all States.

CHAPTER 2—MEDICARE

Subchapter A—Strengthening Eligibility

Requirements

SEC. 71201. LIMITING MEDICARE COVERAGE OF CERTAIN INDIVIDUALS.

Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:

1 **“SEC. 1899C. LIMITING MEDICARE COVERAGE OF CERTAIN**
 2 **INDIVIDUALS.**

3 “(a) *IN GENERAL.*—Subject to subsection (b), an indi-
 4 vidual may be entitled to, or enrolled for, benefits under
 5 this title only if the individual is—

6 “(1) *a citizen or national of the United States;*

7 “(2) *an alien who is lawfully admitted for per-*
 8 *manent residence under the Immigration and Nation-*
 9 *ality Act;*

10 “(3) *an alien who has been granted the status of*
 11 *Cuban and Haitian entrant, as defined in section*
 12 *501(e) of the Refugee Education Assistance Act of*
 13 *1980 (Public Law 96–422); or*

14 “(4) *an individual who lawfully resides in the*
 15 *United States in accordance with a Compact of Free*
 16 *Association referred to in section 402(b)(2)(G) of the*
 17 *Personal Responsibility and Work Opportunity Rec-*
 18 *onciliation Act of 1996.*

19 “(b) *APPLICATION TO INDIVIDUALS CURRENTLY ENTI-*
 20 *TLED TO OR ENROLLED FOR BENEFITS.*—

21 “(1) *IN GENERAL.*—In the case of an individual
 22 who is entitled to, or enrolled for, benefits under this
 23 title as of the date of the enactment of this section,
 24 subsection (a) shall apply beginning on the date that
 25 is 18 months after such date of enactment.

1 “(2) *REVIEW BY COMMISSIONER OF SOCIAL SE-*
2 *CURITY.—*

3 “(A) *IN GENERAL.—Not later than 1 year*
4 *after the date of the enactment of this section, the*
5 *Commissioner of Social Security shall complete a*
6 *review of individuals entitled to, or enrolled for,*
7 *benefits under this title as of such date of enact-*
8 *ment for purposes of identifying individuals not*
9 *described in any of paragraphs (1) through (4)*
10 *of subsection (a).*

11 “(B) *NOTICE.—The Commissioner of Social*
12 *Security shall notify each individual identified*
13 *under the review conducted under subparagraph*
14 *(A) that such individual’s entitlement to, or en-*
15 *rollment for, benefits under this title will be ter-*
16 *minated as of the date that is 18 months after*
17 *the date of the enactment of this section. Such*
18 *notification shall be made as soon as practicable*
19 *after such identification and in a manner de-*
20 *signed to ensure such individual’s comprehension*
21 *of such notification.”.*

1 ***Subchapter B—Improving Services for Seniors***

2 ***SEC. 71202. TEMPORARY PAYMENT INCREASE UNDER THE***

3 ***MEDICARE PHYSICIAN FEE SCHEDULE TO AC-***

4 ***COUNT FOR EXCEPTIONAL CIRCUMSTANCES.***

5 *(a) IN GENERAL.—Section 1848(t) of the Social Secu-*
 6 *rity Act (42 U.S.C. 1395w–4(t)) is amended—*

7 *(1) in the subsection heading, by striking “DUR-*
 8 *ING 2021 THROUGH 2024”;*

9 *(2) in paragraph (1)—*

10 *(A) in the matter preceding subparagraph*
 11 *(A), by striking “and 2024” and inserting*
 12 *“2024, and 2026”;*

13 *(B) in subparagraph (D), by striking “and”*
 14 *at the end;*

15 *(C) in subparagraph (E), by striking the*
 16 *period at the end and inserting “; and”; and*

17 *(D) by adding at the end the following new*
 18 *subparagraph:*

19 *“(F) such services furnished on or after*
 20 *January 1, 2026, and before January 1, 2027,*
 21 *by 2.5 percent.”; and*

22 *(3) in paragraph (2)(C)—*

23 *(A) in the subparagraph heading, by insert-*
 24 *ing “AND 2026” after “2024”; and*

1 (B) by striking “or 2024” each place it ap-
 2 pears and inserting “2024, or 2026”.

3 (b) CONFORMING AMENDMENT.—Section
 4 1848(c)(2)(B)(iv)(V) of the Social Security Act (42 U.S.C.
 5 1395w–4(c)(2)(B)(iv)(V)) is amended by striking “or 2024”
 6 and inserting “2024, or 2026”.

7 **SEC. 71203. EXPANDING AND CLARIFYING THE EXCLUSION**
 8 **FOR ORPHAN DRUGS UNDER THE DRUG**
 9 **PRICE NEGOTIATION PROGRAM.**

10 (a) IN GENERAL.—Section 1192(e) of the Social Secu-
 11 rity Act (42 U.S.C. 1320f–1(e)) is amended—

12 (1) in paragraph (1), in the matter preceding
 13 subparagraph (A), by striking “and (3)” and insert-
 14 ing “through (4)”;

15 (2) in paragraph (3)(A)—

16 (A) by striking “only one rare disease or
 17 condition” and inserting “one or more rare dis-
 18 eases or conditions”; and

19 (B) by striking “such disease or condition”
 20 and inserting “one or more such rare diseases or
 21 conditions (as such term is defined in section
 22 526(a)(2) of the Federal Food, Drug, and Cos-
 23 metic Act)”;

24 (3) by adding at the end the following new para-
 25 graph:

1 “(4) *TREATMENT OF FORMER ORPHAN DRUGS.*—
2 *In the case of a drug or biological product that, as*
3 *of the date of the approval or licensure of such drug*
4 *or biological product, is a drug or biological product*
5 *described in paragraph (3)(A), paragraph (1)(A)(ii)*
6 *or (1)(B)(ii) (as applicable) shall apply as if the ref-*
7 *erence to ‘the date of such approval’ or ‘the date of*
8 *such licensure’, respectively, were instead a reference*
9 *to ‘the first day after the date of such approval for*
10 *which such drug is not a drug described in paragraph*
11 *(3)(A)’ or ‘the first day after the date of such licen-*
12 *sure for which such biological product is not a bio-*
13 *logical product described in paragraph (3)(A), re-*
14 *spectively.’.”*

15 (b) *APPLICATION.*—*The amendments made by sub-*
16 *section (a) shall apply with respect to initial price applica-*
17 *bility years (as defined in section 1191(b) of the Social Se-*
18 *curity Act (42 U.S.C. 1320f(b))) beginning on or after Jan-*
19 *uary 1, 2028.*

20 **CHAPTER 3—HEALTH TAX**

21 **Subchapter A—Improving Eligibility Criteria**

22 **SEC. 71301. PERMITTING PREMIUM TAX CREDIT ONLY FOR** 23 **CERTAIN INDIVIDUALS.**

24 (a) *IN GENERAL.*—*Section 36B(e)(1) is amended by*
25 *inserting “or, in the case of aliens who are lawfully present,*

1 *are not eligible aliens” after “individuals who are not law-*
 2 *fully present”.*

3 (b) *ELIGIBLE ALIENS.—Section 36B(e)(2) is amend-*
 4 *ed—*

5 (1) *by striking “For purposes of this section, an*
 6 *individual” and inserting “For purposes of this sec-*
 7 *tion—*

8 “(A) *IN GENERAL.—An individual”, and*

9 (2) *by adding at the end the following new sub-*
 10 *paragraph:*

11 “(B) *ELIGIBLE ALIENS.—An individual*
 12 *who is an alien and lawfully present shall be*
 13 *treated as an eligible alien if such individual is,*
 14 *and is reasonably expected to be for the entire*
 15 *period of enrollment for which the credit under*
 16 *this section is being claimed—*

17 “(i) *an alien who is lawfully admitted*
 18 *for permanent residence under the Immi-*
 19 *gration and Nationality Act (8 U.S.C. 1101*
 20 *et seq.),*

21 “(ii) *an alien who has been granted the*
 22 *status of Cuban and Haitian entrant, as*
 23 *defined in section 501(e) of the Refugee*
 24 *Education Assistance Act of 1980 (Public*
 25 *Law 96–422); or*

1 “(iii) *an individual who lawfully re-*
 2 *sides in the United States in accordance*
 3 *with a Compact of Free Association referred*
 4 *to in section 402(b)(2)(G) of the Personal*
 5 *Responsibility and Work Opportunity Rec-*
 6 *onciliation Act of 1996 (8 U.S.C.*
 7 *1612(b)(2)(G)).”.*

8 (c) *CONFORMING AMENDMENTS.*—

9 (1) *VERIFICATION OF INFORMATION.*—*Section*
 10 *1411 of the Patient Protection and Affordable Care*
 11 *Act (42 U.S.C. 18081) is amended—*

12 (A) *in subsection (a)—*

13 (i) *in paragraph (1), by striking “and*
 14 *section 36B(e) of the Internal Revenue Code*
 15 *of 1986”; and*

16 (ii) *in paragraph (2)—*

17 (I) *in subparagraph (A), by strik-*
 18 *ing “and” at the end;*

19 (II) *in subparagraph (B), by add-*
 20 *ing “and” at the end; and*

21 (III) *by adding at the end the fol-*
 22 *lowing new subparagraph:*

23 “(C) *in the case such individual is an alien*
 24 *lawfully present in the United States, whether*

1 *such individual is an eligible alien (within the*
 2 *meaning of section 36B(e)(2) of such Code);”;*

3 *(B) in subsection (b)(3), by adding at the*
 4 *end the following new subparagraph:*

5 *“(D) IMMIGRATION STATUS.—In the case*
 6 *the individual’s eligibility is based on an attesta-*
 7 *tion of the enrollee’s immigration status, an at-*
 8 *testation that such individual is an eligible alien*
 9 *(within the meaning of 36B(e)(2) of the Internal*
 10 *Revenue Code of 1986).”;* and

11 *(C) in subsection (c)(2)(B)(ii), by adding at*
 12 *the end the following new subclause:*

13 *“(III) In the case of an individual*
 14 *described in clause (i)(I) with respect*
 15 *to whom a premium tax credit under*
 16 *section 36B of the Internal Revenue*
 17 *Code of 1986 is being claimed, the at-*
 18 *testation that the individual is an eli-*
 19 *gible alien (within the meaning of sec-*
 20 *tion 36B(e)(2) of such Code).”.*

21 *(2) ADVANCE DETERMINATIONS.—Section*
 22 *1412(d) of the Patient Protection and Affordable Care*
 23 *Act (42 U.S.C. 18082(d)) is amended by inserting be-*
 24 *fore the period at the end the following: “, or credits*
 25 *under section 36B of the Internal Revenue Code of*

1 1986 for aliens who are not eligible aliens (within the
2 meaning of section 36B(e)(2) of such Code)”.

3 (3) *EFFECTIVE DATE.*—The amendments made
4 by this subsection shall apply with respect to plan
5 years beginning on or after January 1, 2027.

6 (d) *REQUIREMENT TO MAINTAIN MINIMUM ESSENTIAL*
7 *COVERAGE.*—Section 5000A(d)(3) is amended by striking
8 “an alien lawfully present in the United States” and insert-
9 ing “an eligible alien (within the meaning of section
10 36B(e)(2))”.

11 (e) *EFFECTIVE DATE.*—The amendments made by this
12 section (other than the amendments made by subsection (c))
13 shall apply to taxable years beginning after December 31,
14 2026.

15 **SEC. 71302. DISALLOWING PREMIUM TAX CREDIT DURING**
16 **PERIODS OF MEDICAID INELIGIBILITY DUE**
17 **TO ALIEN STATUS.**

18 (a) *IN GENERAL.*—Section 36B(c)(1) is amended by
19 striking subparagraph (B).

20 (b) *EFFECTIVE DATE.*—The amendments made by this
21 section shall apply to taxable years beginning after Decem-
22 ber 31, 2025.

1 ***Subchapter B—Preventing Waste, Fraud, and***
 2 ***Abuse***

3 ***SEC. 71303. REQUIRING VERIFICATION OF ELIGIBILITY FOR***
 4 ***PREMIUM TAX CREDIT.***

5 (a) *IN GENERAL.*—Section 36B(c) is amended by add-
 6 ing at the end the following new paragraphs:

7 “(5) *EXCHANGE ENROLLMENT VERIFICATION RE-*
 8 *QUIREMENT.*—

9 “(A) *IN GENERAL.*—The term ‘coverage
 10 month’ shall not include, with respect to any in-
 11 dividual covered by a qualified health plan en-
 12 rolled in through an Exchange, any month be-
 13 ginning before the Exchange verifies, using ap-
 14 plicable enrollment information that shall be
 15 provided or verified by the applicant, such indi-
 16 vidual’s eligibility—

17 “(i) to enroll in the plan through the
 18 Exchange, and

19 “(ii) for any advance payment under
 20 section 1412 of the Patient Protection and
 21 Affordable Care Act of the credit allowed
 22 under this section.

23 “(B) *APPLICABLE ENROLLMENT INFORMA-*
 24 *TION.*—For purposes of subparagraph (A), appli-
 25 cable enrollment information shall include affir-

1 *mation of at least the following information (to*
2 *the extent relevant in determining eligibility de-*
3 *scribed in subparagraph (A)):*

4 *“(i) Household income and family size.*

5 *“(ii) Whether the individual is an eli-*
6 *gible alien.*

7 *“(iii) Any health coverage status or eli-*
8 *gibility for coverage.*

9 *“(iv) Place of residence.*

10 *“(v) Such other information as may be*
11 *determined by the Secretary (in consulta-*
12 *tion with the Secretary of Health and*
13 *Human Services) as necessary to the*
14 *verification prescribed under subparagraph*
15 *(A).*

16 *“(C) VERIFICATION OF PAST MONTHS.—In*
17 *the case of a month that begins before*
18 *verification prescribed by subparagraph (A),*
19 *such month shall be treated as a coverage month*
20 *if the Exchange verifies for such month (using*
21 *applicable enrollment information that shall be*
22 *provided or verified by the applicant) such indi-*
23 *vidual’s eligibility to have so enrolled and for*
24 *any such advance payment.*

1 “(D) *EXCHANGE PARTICIPATION; COORDINA-*
2 *TION WITH OTHER PROCEDURES FOR DETER-*
3 *MINING ELIGIBILITY.*—*An individual shall not,*
4 *solely by reason of failing to meet the require-*
5 *ments of this paragraph with respect to a month,*
6 *be treated for such month as ineligible to enroll*
7 *in a qualified health plan through an Exchange.*

8 “(E) *WAIVER FOR CERTAIN SPECIAL EN-*
9 *ROLLMENT PERIODS.*—*The Secretary may waive*
10 *the application of subparagraph (A) in the case*
11 *of an individual who enrolls in a qualified*
12 *health plan through an Exchange for 1 or more*
13 *months of the taxable year during a special en-*
14 *rollment period provided by the Exchange on the*
15 *basis of a change in the family size of the indi-*
16 *vidual.*

17 “(F) *INFORMATION AND RELIANCE ON*
18 *THIRD-PARTY SOURCES.*—*An Exchange shall be*
19 *permitted to use any data available to the Ex-*
20 *change and any reliable third-party sources in*
21 *collecting information for verification by the ap-*
22 *plicant.*

23 “(6) *EXCHANGE COMPLIANCE WITH FILING RE-*
24 *QUIREMENTS.*—*The term ‘coverage month’ shall not*
25 *include, with respect to any individual covered by a*

1 *qualified health plan enrolled in through an Ex-*
 2 *change, any month for which the Exchange does not*
 3 *meet the requirements of section 155.305(f)(4)(iii) of*
 4 *title 45, Code of Federal Regulations (as published in*
 5 *the Federal Register on June 25, 2025 (90 Fed. Reg.*
 6 *27074), applied as though it applied to all plan years*
 7 *after 2025), with respect to the individual.”.*

8 *(b) PRE-ENROLLMENT VERIFICATION PROCESS RE-*
 9 *QUIRED.—Section 36B(c)(3)(A) is amended—*

10 *(1) by striking “HEALTH PLAN.—The term” and*
 11 *inserting “HEALTH PLAN.— “*

12 *“(i) IN GENERAL.—The term”, and*

13 *(2) by adding at the end the following new*
 14 *clause:*

15 *“(ii) PRE-ENROLLMENT VERIFICATION*
 16 *PROCESS REQUIRED.—Such term shall not*
 17 *include any plan enrolled in through an*
 18 *Exchange, unless such Exchange provides a*
 19 *process for pre-enrollment verification*
 20 *through which any applicant may, begin-*
 21 *ning not later than August 1, verify with*
 22 *the Exchange the applicant’s household in-*
 23 *come and eligibility for enrollment in such*
 24 *plan for plan years beginning in the subse-*
 25 *quent year.”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall apply to taxable years beginning after Decem-*
 3 *ber 31, 2027.*

4 **SEC. 71304. DISALLOWING PREMIUM TAX CREDIT IN CASE**
 5 **OF CERTAIN COVERAGE ENROLLED IN DUR-**
 6 **ING SPECIAL ENROLLMENT PERIOD.**

7 (a) *IN GENERAL.*—*Section 36B(c)(3)(A), as amended*
 8 *by the preceding provisions of this Act, is amended by add-*
 9 *ing at the end the following new clause:*

10 “(iii) *EXCEPTION IN CASE OF CERTAIN*
 11 *SPECIAL ENROLLMENT PERIODS.*—*Such*
 12 *term shall not include any plan enrolled in*
 13 *during a special enrollment period provided*
 14 *for by an Exchange—*

15 “(I) *on the basis of the relation-*
 16 *ship of the individual’s expected house-*
 17 *hold income to such a percentage of the*
 18 *poverty line (or such other amount) as*
 19 *is prescribed by the Secretary of*
 20 *Health and Human Services for pur-*
 21 *poses of such period, and*

22 “(II) *not in connection with the*
 23 *occurrence of an event or change in*
 24 *circumstances specified by the Sec-*

1 *retary of Health and Human Services*
 2 *for such purposes.”.*

3 (b) *EFFECTIVE DATE.*—*The amendments made by this*
 4 *section shall apply with respect to plan years beginning*
 5 *after December 31, 2025.*

6 **SEC. 71305. ELIMINATING LIMITATION ON RECAPTURE OF**
 7 **ADVANCE PAYMENT OF PREMIUM TAX CRED-**
 8 **IT.**

9 (a) *IN GENERAL.*—*Section 36B(f)(2) is amended by*
 10 *striking subparagraph (B).*

11 (b) *CONFORMING AMENDMENTS.*—

12 (1) *Section 36B(f)(2) is amended by striking*
 13 *“ADVANCE PAYMENTS.—” and all that follows through*
 14 *“If the advance payments” and inserting the fol-*
 15 *lowing: “ADVANCE PAYMENTS.—If the advance pay-*
 16 *ments”.*

17 (2) *Section 35(g)(12)(B)(ii) is amended by strik-*
 18 *ing “then section 36B(f)(2)(B) shall be applied by*
 19 *substituting the amount determined under clause (i)*
 20 *for the amount determined under section*
 21 *36B(f)(2)(A)” and inserting “then the amount deter-*
 22 *mined under clause (i) shall be substituted for the*
 23 *amount determined under section 36B(f)(2)”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall apply to taxable years beginning after Decem-*
 3 *ber 31, 2025.*

4 ***Subchapter C—Enhancing Choice for Patients***

5 ***SEC. 71306. PERMANENT EXTENSION OF SAFE HARBOR FOR***
 6 ***ABSENCE OF DEDUCTIBLE FOR TELEHEALTH***
 7 ***SERVICES.***

8 (a) *IN GENERAL.*—*Subparagraph (E) of section*
 9 *223(c)(2) is amended to read as follows:*

10 “(E) *SAFE HARBOR FOR ABSENCE OF DE-*
 11 *DUCTIBLE FOR TELEHEALTH.*—*A plan shall not*
 12 *fail to be treated as a high deductible health plan*
 13 *by reason of failing to have a deductible for tele-*
 14 *health and other remote care services.”.*

15 (b) *CERTAIN COVERAGE DISREGARDED.*—*Clause (ii)*
 16 *of section 223(c)(1)(B) is amended by striking “(in the case*
 17 *of months or plan years to which paragraph (2)(E) ap-*
 18 *plies)”.*

19 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 20 *section shall apply to plan years beginning after December*
 21 *31, 2024.*

1 **SEC. 71307. ALLOWANCE OF BRONZE AND CATASTROPHIC**
 2 **PLANS IN CONNECTION WITH HEALTH SAV-**
 3 **INGS ACCOUNTS.**

4 (a) *IN GENERAL.*—Section 223(c)(2) is amended by
 5 adding at the end the following new subparagraph:

6 “(H) *BRONZE AND CATASTROPHIC PLANS*
 7 *TREATED AS HIGH DEDUCTIBLE HEALTH*
 8 *PLANS.*—The term ‘high deductible health plan’
 9 shall include any plan which is—

10 “(i) *available as individual coverage*
 11 *through an Exchange established under sec-*
 12 *tion 1311 or 1321 of the Patient Protection*
 13 *and Affordable Care Act, and*

14 “(ii) *described in subsection (d)(1)(A)*
 15 *or (e) of section 1302 of such Act.*”.

16 (b) *EFFECTIVE DATE.*—The amendment made by this
 17 section shall apply to months beginning after December 31,
 18 2025.

19 **SEC. 71308. TREATMENT OF DIRECT PRIMARY CARE SERV-**
 20 **ICE ARRANGEMENTS.**

21 (a) *IN GENERAL.*—Section 223(c)(1) is amended by
 22 adding at the end the following new subparagraph:

23 “(E) *TREATMENT OF DIRECT PRIMARY*
 24 *CARE SERVICE ARRANGEMENTS.*—

25 “(i) *IN GENERAL.*—A direct primary
 26 care service arrangement shall not be treat-

1 *ed as a health plan for purposes of subpara-*
2 *graph (A)(ii).*

3 “(ii) *DIRECT PRIMARY CARE SERVICE*
4 *ARRANGEMENT.—For purposes of this sub-*
5 *paragraph—*

6 “(I) *IN GENERAL.—The term ‘di-*
7 *rect primary care service arrangement’*
8 *means, with respect to any individual,*
9 *an arrangement under which such in-*
10 *dividual is provided medical care (as*
11 *defined in section 213(d)) consisting*
12 *solely of primary care services pro-*
13 *vided by primary care practitioners*
14 *(as defined in section 1833(x)(2)(A) of*
15 *the Social Security Act, determined*
16 *without regard to clause (ii) thereof), if*
17 *the sole compensation for such care is*
18 *a fixed periodic fee.*

19 “(II) *LIMITATION.—With respect*
20 *to any individual for any month, such*
21 *term shall not include any arrange-*
22 *ment if the aggregate fees for all direct*
23 *primary care service arrangements (de-*
24 *termined without regard to this sub-*
25 *clause) with respect to such individual*

1 *for such month exceed \$150 (twice such*
 2 *dollar amount in the case of an indi-*
 3 *vidual with any direct primary care*
 4 *service arrangement (as so determined)*
 5 *that covers more than one individual).*

6 “(iii) CERTAIN SERVICES SPECIFI-

7 CALLY EXCLUDED FROM TREATMENT AS

8 PRIMARY CARE SERVICES.—For purposes of

9 this subparagraph, the term ‘primary care

10 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 re-

21 garding 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 following*
 2 *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 this*
 23 *section shall apply to months beginning after December 31,*
 24 *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 2026;

“(ii) \$10,000,000,000 for fiscal year 2027;

“(iii) \$10,000,000,000 for fiscal year 2028;

“(iv) \$10,000,000,000 for fiscal year 2029; and

1 “(v) \$10,000,000,000 for fiscal year
2 2030.

3 “(B) UNEXPENDED OR UNOBLIGATED
4 FUNDS.—

5 “(i) IN GENERAL.—Any amounts ap-
6 propriated under subparagraph (A) that are
7 unexpended or unobligated as of October 1,
8 2032, shall be returned to the Treasury of
9 the United States.

10 “(ii) REDISTRIBUTION OF UNEX-
11 PENDED OR UNOBLIGATED FUNDS.—In car-
12 rying out subparagraph (A), the Adminis-
13 trator shall, not later than March 31, 2028,
14 and annually thereafter through March 31,
15 2032, determine the amount of funds, if
16 any, that are available under such subpara-
17 graph for a previous fiscal year, are unex-
18 pended or unobligated with respect to such
19 fiscal year, and will not be available to a
20 State in the current fiscal year, pursuant to
21 clause (iii).

22 “(iii) AVAILABILITY OF FUNDS.—

23 “(I) IN GENERAL.—Amounts al-
24 lotted to a State under this subsection
25 for a year shall be available for ex-

1 *penditure by the State through the end*
2 *of the fiscal year following the fiscal*
3 *year in which such amounts are allot-*
4 *ted.*

5 “(II) *AVAILABILITY OF AMOUNTS*
6 *REDISTRIBUTED.*—*Amounts redistrib-*
7 *uted to a State under clause (ii) with*
8 *respect to a fiscal year shall be avail-*
9 *able for expenditure by the State*
10 *through the end of the fiscal year fol-*
11 *lowing the fiscal year in which such*
12 *amounts are redistributed (except in*
13 *the case of amounts redistributed in*
14 *fiscal year 2032 which shall only be*
15 *available for expenditure through Sep-*
16 *tember 30, 2032).*

17 “(iv) *MISUSE OF FUNDS.*—*If the Ad-*
18 *ministrator determines that a State is not*
19 *using amounts allotted or redistributed to*
20 *the State under this subsection in a manner*
21 *consistent with the description provided by*
22 *the State in its application approved under*
23 *paragraph (2), the Administrator may*
24 *withhold payments to, or reduce payments*
25 *to, or recover previous payments from, the*

1 *State under this subsection as the Adminis-*
2 *trator deems appropriate, and any amounts*
3 *so withheld, or that remain after any such*
4 *reduction, or so recovered, shall be returned*
5 *to the Treasury of the United States.*

6 “(2) *APPLICATION.—*

7 “(A) *IN GENERAL.—To be eligible for an al-*
8 *lotment under this subsection, a State shall sub-*
9 *mit to the Administrator during an application*
10 *submission period to be specified by the Admin-*
11 *istrator (but that ends not later than December*
12 *31, 2025) an application in such form and man-*
13 *ner as the Administrator may specify, that in-*
14 *cludes—*

15 “(i) *a detailed rural health trans-*
16 *formation plan—*

17 “(I) *to improve access to hos-*
18 *pitals, other health care providers, and*
19 *health care items and services fur-*
20 *nished to rural residents of the State;*

21 “(II) *to improve health care out-*
22 *comes of rural residents of the State;*

23 “(III) *to prioritize the use of new*
24 *and emerging technologies that empha-*

1 *size prevention and chronic disease*
2 *management;*

3 “(IV) to initiate, foster, and
4 *strengthen local and regional strategic*
5 *partnerships between rural hospitals*
6 *and other health care providers in*
7 *order to promote measurable quality*
8 *improvement, increase financial sta-*
9 *bility, maximize economies of scale,*
10 *and share best practices in care deliv-*
11 *ery;*

12 “(V) to enhance economic oppor-
13 *tunity for, and the supply of, health*
14 *care clinicians through enhanced re-*
15 *cruitment and training;*

16 “(VI) to prioritize data and tech-
17 *nology driven solutions that help rural*
18 *hospitals and other rural health care*
19 *providers furnish high-quality health*
20 *care services as close to a patient’s*
21 *home as is possible;*

22 “(VII) that outlines strategies to
23 *manage long-term financial solvency*
24 *and operating models of rural hos-*
25 *pitals in the State; and*

1 “(VIII) that identifies specific
2 causes driving the accelerating rate of
3 stand-alone rural hospitals becoming
4 at risk of closure, conversion, or service
5 reduction;

6 “(ii) a certification that none of the
7 amounts provided under this subsection
8 shall be used by the State for an expendi-
9 ture that is attributable to an intergovern-
10 mental transfer, certified public expendi-
11 ture, or any other expenditure to finance
12 the non-Federal share of expenditures re-
13 quired under any provision of law, includ-
14 ing under the State plan established under
15 this title, the State plan established under
16 title XIX, or under a waiver of such plans;
17 and

18 “(iii) such other information as the
19 Administrator may require.

20 “(B) DEADLINE FOR APPROVAL.—Not later
21 than December 31, 2025, the Administrator shall
22 approve or deny all applications submitted for
23 an allotment under this subsection.

24 “(C) ONE-TIME APPLICATION.—If an appli-
25 cation of a State for an allotment under this

1 *subsection is approved by the Administrator, the*
2 *State shall be eligible for an allotment under this*
3 *subsection for each of fiscal years 2026 through*
4 *2030, except as provided in paragraph*
5 *(1)(B)(iv).*

6 *“(D) ELIGIBILITY.—Only the 50 States*
7 *shall be eligible for an allotment under this sub-*
8 *section and all references in this subsection to a*
9 *State shall be treated as only referring to the 50*
10 *States.*

11 *“(3) ALLOTMENTS.—*

12 *“(A) IN GENERAL.—For each of fiscal years*
13 *2026 through 2030, the Administrator shall de-*
14 *termine under subparagraph (B) the amount of*
15 *the allotment for such fiscal year for each State*
16 *with an approved application under this sub-*
17 *section.*

18 *“(B) AMOUNT DETERMINED.—Subject to*
19 *subparagraph (C), from the amounts appro-*
20 *priated under paragraph (1)(A) for each of fiscal*
21 *years 2026 through 2030, the Administrator*
22 *shall allot—*

23 *“(i) 50 percent of the amounts appro-*
24 *priated for each such fiscal year equally*

1 *among all States with an approved applica-*
 2 *tion under this subsection; and*

3 “(ii) 50 percent of the amounts appro-
 4 *priated for each such fiscal year among all*
 5 *such States in an amount to be determined*
 6 *by the Administrator in accordance with*
 7 *subparagraph (C).*

8 “(C) *REQUIREMENTS.*—*In determining the*
 9 *amount to be allotted to a State under clause (ii)*
 10 *of subparagraph (B) for a fiscal year, the Ad-*
 11 *ministrator shall—*

12 “(i) *ensure that not less than $\frac{1}{4}$ of the*
 13 *States with an approved application under*
 14 *this subsection for a fiscal year are allotted*
 15 *funds from amounts that are to be allotted*
 16 *under clause (ii) of such subparagraph; and*

17 “(ii) *consider—*

18 “(I) *the percentage of the State*
 19 *population that is located in a rural*
 20 *census tract of a metropolitan statis-*
 21 *tical area (as determined under the*
 22 *most recent modification of the Gold-*
 23 *smith Modification, originally pub-*
 24 *lished in the Federal Register on Feb-*
 25 *ruary 27, 1992 (57 Fed. Reg. 6725));*

1 “(II) the proportion of rural
2 health facilities (as defined in subpara-
3 graph (D)) in the State relative to the
4 number of rural health facilities na-
5 tionwide;

6 “(III) the situation of hospitals in
7 the State, as described in section
8 1902(a)(13)(A)(iv); and

9 “(IV) any other factors that the
10 Administrator determines appropriate.

11 “(D) *RURAL HEALTH FACILITY DEFINED.*—
12 For the purposes of subparagraph (C)(ii), the
13 term ‘rural health facility’ means the following:

14 “(i) A subsection (d) hospital (as de-
15 fined in paragraph (1)(B) of section
16 1886(d)) that—

17 “(I) is located in a rural area (as
18 defined in paragraph (2)(D) of such
19 section);

20 “(II) is treated as being located in
21 a rural area pursuant to paragraph
22 (8)(E) of such section; or

23 “(III) is located in a rural census
24 tract of a metropolitan statistical area
25 (as determined under the most recent

1 *modification of the Goldsmith Modi-*
2 *fication, originally published in the*
3 *Federal Register on February 27, 1992*
4 *(57 Fed. Reg. 6725)).*

5 “(ii) *A critical access hospital (as de-*
6 *defined in section 1861(mm)(1)).*

7 “(iii) *A sole community hospital (as*
8 *defined in section 1886(d)(5)(D)(iii)).*

9 “(iv) *A Medicare-dependent, small*
10 *rural hospital (as defined in section*
11 *1886(d)(5)(G)(iv)).*

12 “(v) *A low-volume hospital (as defined*
13 *in section 1886(d)(12)(C)).*

14 “(vi) *A rural emergency hospital (as*
15 *defined in section 1861(kkk)(2)).*

16 “(vii) *A rural health clinic (as defined*
17 *in section 1861(aa)(2)).*

18 “(viii) *A Federally qualified health*
19 *center (as defined in section 1861(aa)(4)).*

20 “(ix) *A community mental health cen-*
21 *ter (as defined in section 1861(ff)(3)(B)).*

22 “(x) *A health center that is receiving a*
23 *grant under section 330 of the Public*
24 *Health Service Act.*

1 “(xi) *An opioid treatment program (as*
2 *defined in section 1861(jj)(2)) that is lo-*
3 *cated in a rural census tract of a metropoli-*
4 *tan statistical area (as determined under*
5 *the most recent modification of the Gold-*
6 *smith Modification, originally published in*
7 *the Federal Register on February 27, 1992*
8 *(57 Fed. Reg. 6725)).*

9 “(xii) *A certified community behav-*
10 *ioral health clinic (as defined in section*
11 *1905(jj)(2)) that is located in a rural census*
12 *tract of a metropolitan statistical area (as*
13 *determined under the most recent modifica-*
14 *tion of the Goldsmith Modification, origi-*
15 *nally published in the Federal Register on*
16 *February 27, 1992 (57 Fed. Reg. 6725)).*

17 “(4) *NO MATCHING PAYMENT.—A State approved*
18 *for an allotment under this subsection for a fiscal*
19 *year shall not be required to provide any matching*
20 *funds as a condition for receiving payments from the*
21 *allotment.*

22 “(5) *TERMS AND CONDITIONS.—The Adminis-*
23 *trator shall specify such terms and conditions for al-*
24 *lotments to States provided under this subsection as*

1 *the Administrator deems appropriate, including the*
2 *following:*

3 “(A) *Each State shall submit to the Admin-*
4 *istrator (at a time, and in a form and manner,*
5 *specified by the Administrator)—*

6 “(i) *a plan for the State to use its al-*
7 *lotment to carry out 3 or more of the activi-*
8 *ties described in paragraph (6); and*

9 “(ii) *annual reports on the use of allot-*
10 *ments, including such additional informa-*
11 *tion as the Administrator determines ap-*
12 *propriate.*

13 “(B) *Not more than 10 percent of the*
14 *amount allotted to a State for a fiscal year may*
15 *be used by the State for administrative expenses.*

16 “(6) *USE OF FUNDS.—Amounts allotted to a*
17 *State under this subsection shall be used for 3 or more*
18 *of the following health-related activities:*

19 “(A) *Promoting evidence-based, measurable*
20 *interventions to improve prevention and chronic*
21 *disease management.*

22 “(B) *Providing payments to health care*
23 *providers for the provision of health care items*
24 *or services, as specified by the Administrator.*

1 “(C) *Promoting consumer-facing, tech-*
 2 *nology-driven solutions for the prevention and*
 3 *management of chronic diseases.*

4 “(D) *Providing training and technical as-*
 5 *sistance for the development and adoption of*
 6 *technology-enabled solutions that improve care*
 7 *delivery in rural hospitals, including remote*
 8 *monitoring, robotics, artificial intelligence, and*
 9 *other advanced technologies.*

10 “(E) *Recruiting and retaining clinical*
 11 *workforce talent to rural areas, with commit-*
 12 *ments to serve rural communities for a min-*
 13 *imum of 5 years.*

14 “(F) *Providing technical assistance, soft-*
 15 *ware, and hardware for significant information*
 16 *technology advances designed to improve effi-*
 17 *ciency, enhance cybersecurity capability develop-*
 18 *ment, and improve patient health outcomes.*

19 “(G) *Assisting rural communities to right*
 20 *size their health care delivery systems by identi-*
 21 *fying needed preventative, ambulatory, pre-hos-*
 22 *pital, emergency, acute inpatient care, out-*
 23 *patient care, and post-acute care service lines.*

24 “(H) *Supporting access to opioid use dis-*
 25 *order treatment services (as defined in section*

1 1861(jjj)(1)), other substance use disorder treat-
2 ment services, and mental health services.

3 “(I) Developing projects that support inno-
4 vative models of care that include value-based
5 care arrangements and alternative payment
6 models, as appropriate.

7 “(J) Additional uses designed to promote
8 sustainable access to high quality rural health
9 care services, as determined by the Adminis-
10 trator.

11 “(7) EXEMPTIONS.—Paragraphs (2), (3), (5),
12 (6), (8), (10), (11), and (12) of subsection (c) do not
13 apply to payments under this subsection.

14 “(8) REVIEW.—There shall be no administrative
15 or judicial review under section 1116 or otherwise of
16 amounts allotted or redistributed to States under this
17 subsection, payments to States withheld or reduced
18 under this subsection, or previous payments recovered
19 from States under this subsection.

20 “(9) HEALTH CARE PROVIDER DEFINED.—For
21 purposes of this subsection, the term ‘health care pro-
22 vider’ means a provider of services or supplier who is
23 enrolled under this title, title XVIII, or title XIX.”.

24 (b) CONFORMING AMENDMENTS.—Title XXI of the So-
25 cial Security Act (42 U.S.C. 1397aa) is amended—

1 (1) *in section 2101—*

2 (A) *in subsection (a), in the matter pre-*
 3 *ceding paragraph (1), by striking “The purpose”*
 4 *and inserting “Except with respect to the rural*
 5 *health transformation program established in*
 6 *section 2105(h), the purpose”;* and

7 (B) *in subsection (b), in the matter pre-*
 8 *ceding paragraph (1), by inserting “subsection*
 9 *(a) or (g) of” before “section 2105”;*

10 (2) *in section 2105(c)(1), by striking “and may*
 11 *not include” and inserting “or to carry out the rural*
 12 *health transformation program established in sub-*
 13 *section (h) and, except in the case of amounts made*
 14 *available under subsection (h), may not include”;* and

15 (3) *in section 2106(a)(1), by inserting “sub-*
 16 *section (a) or (g) of” before “section 2105”.*

17 (c) *IMPLEMENTATION.—The Administrator of the Cen-*
 18 *ters for Medicare & Medicaid Services shall implement this*
 19 *section, including the amendments made by this section, by*
 20 *program instruction or other forms of program guidance.*

21 (d) *IMPLEMENTATION FUNDING.—For the purposes of*
 22 *carrying out the provisions of, and the amendments made*
 23 *by, this section, there are appropriated, out of any monies*
 24 *in the Treasury not otherwise appropriated, to the Admin-*
 25 *istrator of the Centers for Medicare & Medicaid Services,*

1 \$200,000,000 for fiscal year 2025, to remain available until
2 expended.

3 ***Subtitle C—Increase in Debt Limit***

4 ***SEC. 72001. MODIFICATION OF LIMITATION ON THE PUBLIC*** 5 ***DEBT.***

6 *The limitation under section 3101(b) of title 31,*
7 *United States Code, as most recently increased by section*
8 *401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is in-*
9 *creased by \$5,000,000,000,000.*

10 ***Subtitle D—Unemployment***

11 ***SEC. 73001. ENDING UNEMPLOYMENT PAYMENTS TO JOB-*** 12 ***LESS MILLIONAIRES.***

13 *(a) PROHIBITION ON USE OF FEDERAL FUNDS.—*

14 *(1) IN GENERAL.—No Federal funds may be*
15 *used—*

16 *(A) to make payments of unemployment*
17 *compensation benefits under an unemployment*
18 *compensation program of the United States in a*
19 *year to an individual whose wages during the*
20 *individual’s base period are equal to or exceed*
21 *\$1,000,000; or*

22 *(B) for any administrative costs associated*
23 *with making payments described in subpara-*
24 *graph (A).*

25 *(2) COMPLIANCE.—*

1 (A) *SELF-CERTIFICATION.*—Any applica-
2 tion for unemployment compensation under an
3 unemployment compensation program of the
4 United States shall include a form or procedure
5 for an individual applicant to certify that such
6 individual's wages during the individual's base
7 period do not equal or exceed \$1,000,000.

8 (B) *VERIFICATION.*—Each State agency
9 that is responsible for administering any unem-
10 ployment compensation program of the United
11 States shall utilize available systems to verify
12 wage eligibility by assessing claimant income to
13 the degree possible.

14 (3) *RECOVERY OF OVERPAYMENTS.*—Each State
15 agency that is responsible for administering any un-
16 employment compensation program of the United
17 States shall require individuals who have received
18 amounts of unemployment compensation under such
19 a program to which they were not entitled to repay
20 such amounts.

21 (4) *EFFECTIVE DATE.*—The prohibition under
22 paragraph (1) shall apply to weeks of unemployment
23 beginning on or after the date of the enactment of this
24 Act.

1 (b) *UNEMPLOYMENT COMPENSATION PROGRAM OF THE*
2 *UNITED STATES DEFINED.*—*In this section, the term “un-*
3 *employment compensation program of the United States”*
4 *means—*

5 (1) *unemployment compensation for Federal ci-*
6 *vilian employees under subchapter I of chapter 85 of*
7 *title 5, United States Code;*

8 (2) *unemployment compensation for ex-*
9 *servicemembers under subchapter II of chapter 85 of*
10 *title 5, United States Code;*

11 (3) *extended benefits under the Federal-State Ex-*
12 *tended Unemployment Compensation Act of 1970 (26*
13 *U.S.C. 3304 note);*

14 (4) *any Federal temporary extension of unem-*
15 *ployment compensation;*

16 (5) *any Federal program that increases the week-*
17 *ly amount of unemployment compensation payable to*
18 *individuals; and*

19 (6) *any other Federal program providing for the*
20 *payment of unemployment compensation, as deter-*
21 *mined by the Secretary of Labor.*

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 per-
 24 mits owned and controlled by the family.”.

1 (b) *EFFECTIVE DATE AND APPLICATION.*—*The amend-*
 2 *ments made by subsection (a) shall take effect on July 1,*
 3 *2026, and shall apply with respect to award year 2026–*
 4 *2027 and each subsequent award year, as determined under*
 5 *the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).*

6 ***Subtitle B—Loan Limits***

7 ***SEC. 81001. ESTABLISHMENT OF LOAN LIMITS FOR GRAD-***
 8 ***UATE AND PROFESSIONAL STUDENTS AND***
 9 ***PARENT BORROWERS; TERMINATION OF***
 10 ***GRADUATE AND PROFESSIONAL PLUS LOANS.***

11 *Section 455(a) of the Higher Education Act of 1965*
 12 *(20 U.S.C. 1087e(a)) is amended—*

13 (1) *in paragraph (3)—*

14 (A) *in the paragraph heading, by inserting*
 15 *“AND FEDERAL DIRECT PLUS LOANS” after*
 16 *“LOANS”;*

17 (B) *by striking subparagraph (A) and in-*
 18 *serting the following:*

19 “(A) *TERMINATION OF AUTHORITY TO MAKE*
 20 *INTEREST SUBSIDIZED LOANS TO GRADUATE AND*
 21 *PROFESSIONAL STUDENTS.—Subject to subpara-*
 22 *graph (B), and notwithstanding any provision of*
 23 *this part or part B—*

24 “(i) *for any period of instruction be-*
 25 *ginning on or after July 1, 2012, a grad-*

1 uate or professional student shall not be eli-
2 gible to receive a Federal Direct Stafford
3 loan under this part; and

4 “(ii) for any period of instruction be-

5 ginning on July 1, 2012, and ending on

6 June 30, 2026, the maximum annual

7 amount of Federal Direct Unsubsidized

8 Stafford loans such a student may borrow

9 in any academic year (as defined in section

10 481(a)(2)) or its equivalent shall be the

11 maximum annual amount for such student

12 determined under section 428H, plus an

13 amount equal to the amount of Federal Di-

14 rect Stafford loans the student would have

15 received in the absence of this subpara-

16 graph.”; and

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

18 “(C) *TERMINATION OF AUTHORITY TO MAKE*

19 *FEDERAL DIRECT PLUS LOANS TO GRADUATE*

20 *AND PROFESSIONAL STUDENTS.—Subject to*

21 *paragraph (8) and notwithstanding any provi-*

22 *sion of this part or part B, for any period of in-*

23 *struction beginning on or after July 1, 2026, a*

24 *graduate or professional student shall not be eli-*

1 *gible to receive a Federal Direct PLUS Loan*
 2 *under this part.”; and*

3 *(2) by adding at the end the following:*

4 “(4) *GRADUATE AND PROFESSIONAL ANNUAL*
 5 *AND AGGREGATE LIMITS FOR FEDERAL DIRECT UN-*
 6 *SUBSIDIZED STAFFORD LOANS BEGINNING JULY 1,*
 7 *2026.—*

8 “(A) *ANNUAL LIMITS BEGINNING JULY 1,*
 9 *2026.—Subject to paragraphs (7)(A) and (8), be-*
 10 *ginning on July 1, 2026, the maximum annual*
 11 *amount of Federal Direct Unsubsidized Stafford*
 12 *loans—*

13 “(i) *a graduate student, who is not a*
 14 *professional student, may borrow in any*
 15 *academic year or its equivalent shall be*
 16 *\$20,500; and*

17 “(ii) *a professional student may bor-*
 18 *row in any academic year or its equivalent*
 19 *shall be \$50,000.*

20 “(B) *AGGREGATE LIMITS.—Subject to para-*
 21 *graphs (6), (7)(A), and (8), beginning on July 1,*
 22 *2026, the maximum aggregate amount of Federal*
 23 *Direct Unsubsidized Stafford loans, in addition*
 24 *to the amount borrowed for undergraduate edu-*
 25 *cation, that—*

1 “(i) a graduate student—

2 “(I) who is not (and has not been)
3 a professional student, may borrow for
4 programs of study described in sub-
5 paragraph (C)(i) shall be \$100,000; or

6 “(II) who is (or has been) a pro-
7 fessional student, may borrow for pro-
8 grams of study described in subpara-
9 graph (C)(i) shall be an amount equal
10 to—

11 “(aa) \$200,000; minus

12 “(bb) the amount such stu-
13 dent borrowed for programs of
14 study described in subparagraph
15 (C)(ii); and

16 “(ii) a professional student—

17 “(I) who is not (and has not been)
18 a graduate student, may borrow for
19 programs of study described in sub-
20 paragraph (C)(ii) shall be \$200,000; or

21 “(II) who is (or has been) a grad-
22 uate student, may borrow for programs
23 of study described in subparagraph
24 (C)(ii) shall be an amount equal to—

25 “(aa) \$200,000; minus

1 “(bb) *the amount such stu-*
 2 *dent borrowed for programs of*
 3 *study described in subparagraph*
 4 *(C)(i).*

5 “(C) *DEFINITIONS.—*

6 “(i) *GRADUATE STUDENT.—The term*
 7 *‘graduate student’ means a student enrolled*
 8 *in a program of study that awards a grad-*
 9 *uate credential (other than a professional*
 10 *degree) upon completion of the program.*

11 “(ii) *PROFESSIONAL STUDENT.—In*
 12 *this paragraph, the term ‘professional stu-*
 13 *dent’ means a student enrolled in a pro-*
 14 *gram of study that awards a professional*
 15 *degree, as defined under section 668.2 of*
 16 *title 34, Code of Federal Regulations (as in*
 17 *effect on the date of enactment of this para-*
 18 *graph), upon completion of the program.*

19 “(5) *PARENT BORROWER ANNUAL AND AGGRE-*
 20 *GATE LIMITS FOR FEDERAL DIRECT PLUS LOANS BE-*
 21 *GINNING JULY 1, 2026.—*

22 “(A) *ANNUAL LIMITS.—Subject to para-*
 23 *graph (8) and notwithstanding any provision of*
 24 *this part or part B, beginning on July 1, 2026,*
 25 *for each dependent student, the total maximum*

1 *annual amount of Federal Direct PLUS loans*
 2 *that may be borrowed on behalf of that depend-*
 3 *ent student by all parents of that dependent stu-*
 4 *dent shall be \$20,000.*

5 “(B) *AGGREGATE LIMITS.*—*Subject to para-*
 6 *graph (8) and notwithstanding any provision of*
 7 *this part or part B, beginning on July 1, 2026,*
 8 *for each dependent student, the total maximum*
 9 *aggregate amount of Federal Direct PLUS loans*
 10 *that may be borrowed on behalf of that depend-*
 11 *ent student by all parents of that dependent stu-*
 12 *dent shall be \$65,000, without regard to any*
 13 *amounts repaid, forgiven, canceled, or otherwise*
 14 *discharged on any such loan.*

15 “(6) *LIFETIME MAXIMUM AGGREGATE AMOUNT*
 16 *FOR ALL STUDENTS.*—*Subject to paragraph (8) and*
 17 *notwithstanding any provision of this part or part B,*
 18 *beginning on July 1, 2026, the maximum aggregate*
 19 *amount of loans made, insured, or guaranteed under*
 20 *this title that a student may borrow (other than a*
 21 *Federal Direct PLUS loan, or loan under section*
 22 *428B, made to the student as a parent borrower on*
 23 *behalf of a dependent student) shall be \$257,500,*
 24 *without regard to any amounts repaid, forgiven, can-*
 25 *canceled, or otherwise discharged on any such loan.*

1 “(7) *ADDITIONAL RULES REGARDING ANNUAL*
2 *LOAN LIMITS.—*

3 “(A) *LESS THAN FULL-TIME ENROLL-*
4 *MENT.—Notwithstanding any provision of this*
5 *part or part B, in any case in which a student*
6 *is enrolled in a program of study of an institu-*
7 *tion of higher education on less than a full-time*
8 *basis during any academic year, the amount of*
9 *a loan that student may borrow for an academic*
10 *year or its equivalent shall be reduced in direct*
11 *proportion to the degree to which that student is*
12 *not so enrolled on a full-time basis, rounded to*
13 *the nearest whole percentage point, as provided*
14 *in a schedule of reductions published by the Sec-*
15 *retary computed for purposes of this subpara-*
16 *graph.*

17 “(B) *INSTITUTIONALLY DETERMINED LIM-*
18 *ITS.—Notwithstanding the annual loan limits*
19 *established under this section and, for under-*
20 *graduate students, under this part and part B,*
21 *beginning on July 1, 2026, an institution of*
22 *higher education (at the discretion of a financial*
23 *aid administrator at the institution) may limit*
24 *the total amount of loans made under this part*
25 *for a program of study for an academic year*

1 *that a student may borrow, and that a parent*
 2 *may borrow on behalf of such student, as long as*
 3 *any such limit is applied consistently to all stu-*
 4 *dents enrolled in such program of study.*

5 “(8) *INTERIM EXCEPTION FOR CERTAIN STU-*
 6 *DENTS.—*

7 “(A) *APPLICATION OF PRIOR LIMITS.—*
 8 *Paragraphs (3)(C), (4), (5), and (6) shall not*
 9 *apply, and paragraph (3)(A)(ii) shall apply as*
 10 *such paragraph was in effect for periods of in-*
 11 *struction ending before June 30, 2026, during*
 12 *the expected time to credential described in sub-*
 13 *paragraph (B), with respect to an individual*
 14 *who, as of June 30, 2026—*

15 “(i) *is enrolled in a program of study*
 16 *at an institution of higher education; and*

17 “(ii) *has received a loan (or on whose*
 18 *behalf a loan was made) under this part for*
 19 *such program of study.*

20 “(B) *EXPECTED TIME TO CREDENTIAL.—*
 21 *For purposes of this paragraph, the expected*
 22 *time to credential of an individual shall be equal*
 23 *to the lesser of—*

24 “(i) *three academic years; or*

1 “(ii) the period determined by calcu-
2 lating the difference between—

3 “(I) the program length for the
4 program of study in which the indi-
5 vidual is enrolled; and

6 “(II) the period of such program
7 of study that such individual has com-
8 pleted as of the date of the determina-
9 tion under this subparagraph.

10 “(C) *DEFINITION OF PROGRAM LENGTH.*—
11 *In this paragraph, the term ‘program length’*
12 *means the minimum amount of time in weeks,*
13 *months, or years that is specified in the catalog,*
14 *marketing materials, or other official publica-*
15 *tions of an institution of higher education for a*
16 *full-time student to complete the requirements for*
17 *a specific program of study.”.*

18 ***Subtitle C—Loan Repayment***

19 ***SEC. 82001. LOAN REPAYMENT.***

20 (a) *TRANSITION TO INCOME-BASED REPAYMENT*
21 *PLANS.*—

22 (1) *SELECTION.*—*The Secretary of Education*
23 *shall take such steps as may be necessary to ensure*
24 *that before July 1, 2028, each borrower who has one*
25 *or more loans that are in a repayment status in ac-*

1 *cordance with, or an administrative forbearance asso-*
 2 *ciated with, an income contingent repayment plan*
 3 *authorized under section 455(e) of the Higher Edu-*
 4 *cation Act of 1965 (referred to in this subsection as*
 5 *“covered income contingent loans”)* selects one of the
 6 *following income-based repayment plans that is other-*
 7 *wise applicable, and for which that borrower is other-*
 8 *wise eligible, for the repayment of the covered income*
 9 *contingent loans of the borrower:*

10 (A) *The Repayment Assistance Plan under*
 11 *section 455(q) of the Higher Education Act of*
 12 *1965.*

13 (B) *The income-based repayment plan*
 14 *under section 493C of the Higher Education Act*
 15 *of 1965.*

16 (C) *Any other repayment plan as author-*
 17 *ized under section 455(d)(1) of the Higher Edu-*
 18 *cation Act of 1965.*

19 (2) *COMMENCEMENT OF NEW REPAYMENT*
 20 *PLAN.—Beginning on July 1, 2028, a borrower de-*
 21 *scribed in paragraph (1) shall begin repaying the cov-*
 22 *ered income contingent loans of the borrower in ac-*
 23 *cordance with the repayment plan selected under*
 24 *paragraph (1), unless the borrower chooses to begin*

1 *repaying in accordance with the repayment plan se-*
 2 *lected under paragraph (1) before such date.*

3 (3) *FAILURE TO SELECT.*—*In the case of a bor-*
 4 *rower described in paragraph (1) who fails to select*
 5 *a repayment plan in accordance with such para-*
 6 *graph, the Secretary of Education shall—*

7 (A) *enroll the covered income contingent*
 8 *loans of such borrower in—*

9 (i) *the Repayment Assistance Plan*
 10 *under section 455(q) of the Higher Edu-*
 11 *cation Act of 1965 with respect to loans*
 12 *that are eligible for the Repayment Assist-*
 13 *ance Plan under such subsection; or*

14 (ii) *the income-based repayment plan*
 15 *under section 493C of such Act, with respect*
 16 *to loans that are not eligible for the Repay-*
 17 *ment Assistance Plan; and*

18 (B) *require the borrower to begin repaying*
 19 *covered income contingent loans according to the*
 20 *plans under subparagraph (A) on July 1, 2028.*

21 (b) *REPAYMENT PLANS.*—*Section 455(d) of the Higher*
 22 *Education Act of 1965 (20 U.S.C. 1087e(d)) is amended—*

23 (1) *in paragraph (1)—*

24 (A) *in the matter preceding subparagraph*

25 (A), *by inserting “before July 1, 2026, who has*

1 *not received a loan made under this part on or*
2 *after July 1, 2026,” after “made under this*
3 *part”;*

4 *(B) in subparagraph (D)—*

5 *(i) by inserting “before June 30,*
6 *2028,” before “an income contingent repay-*
7 *ment plan”;* and

8 *(ii) by striking “and” after the semi-*
9 *colon;*

10 *(C) in subparagraph (E)—*

11 *(i) by striking “that enables borrowers*
12 *who have a partial financial hardship to*
13 *make a lower monthly payment”;*

14 *(ii) by striking “a Federal Direct Con-*
15 *solidation Loan, if the proceeds of such loan*
16 *were used to discharge the liability on such*
17 *Federal Direct PLUS Loan or a loan under*
18 *section 428B made on behalf of a dependent*
19 *student” and inserting “an excepted Con-*
20 *solidation Loan (as defined in section*
21 *493C(a)(2))”;* and

22 *(iii) by striking the period at the end*
23 *and inserting “; and”;* and

24 *(D) by adding at the end the following:*

1 “(F) beginning on July 1, 2026, the in-
2 come-based Repayment Assistance Plan under
3 subsection (q), provided that—

4 “(i) such Plan shall not be available
5 for the repayment of excepted loans (as de-
6 fined in paragraph (7)(E)); and

7 “(ii) the borrower is required to pay
8 each outstanding loan of the borrower made
9 under this part under such Repayment As-
10 sistance Plan, except that a borrower of an
11 excepted loan (as defined in paragraph
12 (7)(E)) may repay the excepted loan sepa-
13 rately from other loans under this part ob-
14 tained by the borrower.”;

15 (2) in paragraph (5), by amending subpara-
16 graph (B) to read as follows:

17 “(B) repay the loan pursuant to an income-
18 based repayment plan under subsection (q) or
19 section 493C, as applicable.”; and

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

21 “(6) TERMINATION AND LIMITATION OF REPAY-
22 MENT AUTHORITY.—

23 “(A) SUNSET OF REPAYMENT PLANS AVAIL-
24 ABLE BEFORE JULY 1, 2026.—Paragraphs (1)

1 *through (4) of this subsection shall only apply to*
2 *loans made under this part before July 1, 2026.*

3 “(B) *PROHIBITIONS.—The Secretary may*
4 *not, for any loan made under this part on or*
5 *after July 1, 2026—*

6 “(i) *authorize a borrower of such a*
7 *loan to repay such loan pursuant to a re-*
8 *payment plan that is not described in para-*
9 *graph (7)(A); or*

10 “(ii) *carry out or modify a repayment*
11 *plan that is not described in such para-*
12 *graph.*

13 “(7) *REPAYMENT PLANS FOR LOANS MADE ON OR*
14 *AFTER JULY 1, 2026.—*

15 “(A) *DESIGN AND SELECTION.—Beginning*
16 *on July 1, 2026, the Secretary shall offer a bor-*
17 *rower of a loan made under this part on or after*
18 *such date (including such a borrower who also*
19 *has a loan made under this part before such*
20 *date) two plans for repayment of the borrower’s*
21 *loans under this part, including principal and*
22 *interest on such loans. The borrower shall be en-*
23 *titled to accelerate, without penalty, repayment*
24 *on such loans. The borrower may choose—*

25 “(i) *a standard repayment plan—*

1 “(I) with a fixed monthly repay-
2 ment amount paid over a fixed period
3 of time equal to the applicable period
4 determined under subclause (II); and

5 “(II) with the applicable period of
6 time for repayment determined based
7 on the total outstanding principal of
8 all loans of the borrower made under
9 this part before, on, or after July 1,
10 2026, at the time the borrower is enter-
11 ing repayment under such plan, as fol-
12 lows—

13 “(aa) for a borrower with
14 total outstanding principal of less
15 than \$25,000, a period of 10
16 years;

17 “(bb) for a borrower with
18 total outstanding principal of not
19 less than \$25,000 and less than
20 \$50,000, a period of 15 years;

21 “(cc) for a borrower with
22 total outstanding principal of not
23 less than \$50,000 and less than
24 \$100,000, a period of 20 years;
25 and

1 “(dd) for a borrower with
2 total outstanding principal of
3 \$100,000 or more, a period of 25
4 years; or

5 “(ii) the income-based Repayment As-
6 sistance Plan under subsection (q).

7 “(B) *SELECTION BY SECRETARY.*—If a bor-
8 rower of a loan made under this part on or after
9 July 1, 2026, does not select a repayment plan
10 described in subparagraph (A), the Secretary
11 shall provide the borrower with the standard re-
12 payment plan described in subparagraph (A)(i).

13 “(C) *SELECTION APPLIES TO ALL OUT-*
14 *STANDING LOANS.*—A borrower is required to
15 pay each outstanding loan of the borrower made
16 under this part under the same selected repay-
17 ment plan, except that a borrower who selects the
18 Repayment Assistance Plan and also has an ex-
19 cepted loan that is not eligible for repayment
20 under such Repayment Assistance Plan shall
21 repay the excepted loan separately from other
22 loans under this part obtained by the borrower.

23 “(D) *CHANGES OF REPAYMENT PLAN.*—A
24 borrower may change the borrower’s selection
25 of—

1 “(i) the standard repayment plan
2 under subparagraph (A)(i), or the Sec-
3 retary’s selection of such plan for the bor-
4 rower under subparagraph (B), as the case
5 may be, to the Repayment Assistance Plan
6 under subparagraph (A)(ii) at any time;
7 and

8 “(ii) the Repayment Assistance Plan
9 under subparagraph (A)(ii) to the standard
10 repayment plan under subparagraph (A)(i)
11 at any time.

12 “(E) REPAYMENT FOR BORROWERS WITH
13 EXCEPTED LOANS MADE ON OR AFTER JULY 1,
14 2026.—

15 “(i) STANDARD REPAYMENT PLAN RE-
16 QUIRED.—Notwithstanding subparagraphs
17 (A) through (D), beginning on July 1, 2026,
18 the Secretary shall require a borrower who
19 has received an excepted loan made on or
20 after such date (including such a borrower
21 who also has an excepted loan made before
22 such date) to repay each excepted loan, in-
23 cluding principal and interest on those ex-
24 cepted loans, under the standard repayment
25 plan under subparagraph (A)(i). The bor-

1 *rower shall be entitled to accelerate, without*
 2 *penalty, repayment on such loans.*

3 “(ii) *EXCEPTED LOAN DEFINED.*—*For*
 4 *the purposes of this paragraph, the term ‘ex-*
 5 *cepted loan’ means a loan with an out-*
 6 *standing balance that is—*

7 “(I) *a Federal Direct PLUS Loan*
 8 *that is made on behalf of a dependent*
 9 *student; or*

10 “(II) *a Federal Direct Consolida-*
 11 *tion Loan, if the proceeds of such loan*
 12 *were used to discharge the liability*
 13 *on—*

14 “(aa) *an excepted PLUS*
 15 *loan, as defined in section*
 16 *493C(a)(1); or*

17 “(bb) *an excepted consolida-*
 18 *tion loan (as such term is defined*
 19 *in section 493C(a)(2)(A), notwith-*
 20 *standing subparagraph (B) of*
 21 *such section).”.*

22 (c) *ELIMINATION OF AUTHORITY TO PROVIDE INCOME*
 23 *CONTINGENT REPAYMENT PLANS.—*

1 (1) *REPEAL.*—*Subsection (e) of section 455 of*
 2 *the Higher Education Act of 1965 (20 U.S.C.*
 3 *1087e(e)) is repealed.*

4 (2) *FURTHER AMENDMENTS TO ELIMINATE IN-*
 5 *COME CONTINGENT REPAYMENT.*—

6 (A) *Section 428 of the Higher Education*
 7 *Act of 1965 (20 U.S.C. 1078) is amended—*

8 (i) *in subsection (b)(1)(D), by striking*
 9 *“be subject to income contingent repayment*
 10 *in accordance with subsection (m)” and in-*
 11 *serting “be subject to income-based repay-*
 12 *ment in accordance with subsection (m)”;*
 13 *and*

14 (ii) *in subsection (m)—*

15 (I) *in the subsection heading, by*
 16 *striking “INCOME CONTINGENT AND”;*

17 (II) *by amending paragraph (1)*
 18 *to read as follows:*

19 “(1) *AUTHORITY OF SECRETARY TO REQUIRE.*—
 20 *The Secretary may require borrowers who have de-*
 21 *faulted on loans made under this part that are as-*
 22 *signed to the Secretary under subsection (c)(8) to*
 23 *repay those loans pursuant to an income-based repay-*
 24 *ment plan under section 493C.”; and*

1 (III) in the heading of paragraph
 2 (2), by striking “INCOME CONTINGENT
 3 OR”.

4 (B) Section 428C of the Higher Education
 5 Act of 1965 (20 U.S.C. 1078–3) is amended—

6 (i) in subsection (a)(3)(B)(i)(V)(aa),
 7 by striking “for the purposes of obtaining
 8 income contingent repayment or income-
 9 based repayment” and inserting “for the
 10 purposes of qualifying for an income-based
 11 repayment plan under section 455(q) or sec-
 12 tion 493C, as applicable”;

13 (ii) in subsection (b)(5), by striking
 14 “be repaid either pursuant to income con-
 15 tingent repayment under part D of this
 16 title, pursuant to income-based repayment
 17 under section 493C, or pursuant to any
 18 other repayment provision under this sec-
 19 tion” and inserting “be repaid pursuant to
 20 an income-based repayment plan under sec-
 21 tion 493C or any other repayment provi-
 22 sion under this section”; and

23 (iii) in subsection (c)—

24 (I) in paragraph (2)(A), by strik-
 25 ing “or by the terms of repayment pur-

1 *suant to income contingent repayment*
 2 *offered by the Secretary under sub-*
 3 *section (b)(5)” and inserting “or by*
 4 *the terms of repayment pursuant to an*
 5 *income-based repayment plan under*
 6 *section 493C”;* and

7 (II) *in paragraph (3)(B), by*
 8 *striking “except as required by the*
 9 *terms of repayment pursuant to in-*
 10 *come contingent repayment offered by*
 11 *the Secretary under subsection (b)(5)”*
 12 *and inserting “except as required by*
 13 *the terms of repayment pursuant to an*
 14 *income-based repayment plan under*
 15 *section 493C”.*

16 (C) *Section 485(d)(1) of the Higher Edu-*
 17 *cation Act of 1965 (20 U.S.C. 1092(d)(1)) is*
 18 *amended by striking “income-contingent and”.*

19 (D) *Section 494(a)(2) of the Higher Edu-*
 20 *cation Act of 1965 (20 U.S.C. 1098h(a)(2)) is*
 21 *amended—*

22 (i) *in the paragraph heading, by strik-*
 23 *ing “INCOME-CONTINGENT AND INCOME-*
 24 *BASED” and inserting “INCOME-BASED”;*
 25 *and*

1 (ii) in subparagraph (A)—

2 (I) in the matter preceding clause

3 (i), by striking “income-contingent or”;

4 and

5 (II) in clause (ii)(I), by striking

6 “section 455(e)(8) or the equivalent

7 procedures established under section

8 493C(c)(2)(B), as applicable” and in-

9 serting “section 493C(c)(2)”.

10 (3) *EFFECTIVE DATE.*—The amendments made

11 by this subsection shall take effect on July 1, 2028.

12 (d) *REPAYMENT ASSISTANCE PLAN.*—Section 455 of

13 the Higher Education Act of 1965 (20 U.S.C. 1087e) is

14 amended by adding at the end the following new subsection:

15 “(q) *REPAYMENT ASSISTANCE PLAN.*—

16 “(1) *IN GENERAL.*—Notwithstanding any other

17 provision of this Act, beginning on July 1, 2026, the

18 Secretary shall carry out an income-based repayment

19 plan (to be known as the ‘Repayment Assistance

20 Plan’), that shall have the following terms and condi-

21 tions:

22 “(A) The total monthly repayment amount

23 owed by a borrower for all of the loans of the

24 borrower that are repaid pursuant to the Repay-

25 ment Assistance Plan shall be equal to the appli-

1 *cable monthly payment of a borrower calculated*
2 *under paragraph (4)(B), except that the bor-*
3 *rower may not be precluded from repaying an*
4 *amount that exceeds such amount for any month.*

5 *“(B) The Secretary shall apply the bor-*
6 *rower’s applicable monthly payment under this*
7 *paragraph first toward interest due on each such*
8 *loan, next toward any fees due on each loan, and*
9 *then toward the principal of each loan.*

10 *“(C) Any principal due and not paid under*
11 *subparagraph (B) or paragraph (2)(B) shall be*
12 *deferred.*

13 *“(D) A borrower who is not in a period of*
14 *deferral or forbearance shall make an applica-*
15 *ble monthly payment for each month until the*
16 *earlier of—*

17 *“(i) the date on which the outstanding*
18 *balance of principal and interest due on all*
19 *of the loans of the borrower that are repaid*
20 *pursuant to the Repayment Assistance Plan*
21 *is \$0; or*

22 *“(ii) the date on which the borrower*
23 *has made 360 qualifying monthly pay-*
24 *ments.*

1 “(E) *The Secretary shall cancel any out-*
2 *standing balance of principal and interest due*
3 *on a loan made under this part to a borrower—*

4 “(i) *who, for any period of time, par-*
5 *ticipated in the Repayment Assistance Plan*
6 *under this subsection;*

7 “(ii) *whose most recent payment for*
8 *such loan prior to the loan cancellation*
9 *under this subparagraph was made under*
10 *such Repayment Assistance Plan; and*

11 “(iii) *who has made 360 qualifying*
12 *monthly payments on such loan.*

13 “(F) *For the purposes of this subsection, the*
14 *term ‘qualifying monthly payment’ means any*
15 *of the following:*

16 “(i) *An on-time applicable monthly*
17 *payment under this subsection.*

18 “(ii) *An on-time monthly payment*
19 *under the standard repayment plan under*
20 *subsection (d)(7)(A)(i) of not less than the*
21 *monthly payment required under such plan.*

22 “(iii) *A monthly payment under any*
23 *repayment plan (excluding the Repayment*
24 *Assistance Plan under this subsection) of*
25 *not less than the monthly payment that*

1 *would be required under a standard repay-*
2 *ment plan under section 455(d)(1)(A) with*
3 *a repayment period of 10 years.*

4 “(iv) *A monthly payment under sec-*
5 *tion 493C of not less than the monthly pay-*
6 *ment required under such section, including*
7 *a monthly payment equal to the minimum*
8 *payment amount permitted under such sec-*
9 *tion.*

10 “(v) *A monthly payment made before*
11 *July 1, 2028, under an income contingent*
12 *repayment plan carried out under section*
13 *455(d)(1)(D) (or under an alternative re-*
14 *payment plan in lieu of repayment under*
15 *such an income contingent repayment plan,*
16 *if placed in such an alternative repayment*
17 *plan by the Secretary) of not less than the*
18 *monthly payment required under such a*
19 *plan, including a monthly payment equal*
20 *to the minimum payment amount per-*
21 *mitted under such a plan.*

22 “(vi) *A month when the borrower did*
23 *not make a payment because the borrower*
24 *was in deferment under subsection (f)(2)(B)*

1 or due to an economic hardship described in
2 subsection (f)(2)(D).

3 “(vii) A month that ended before the
4 date of enactment of this subsection when
5 the borrower did not make a payment be-
6 cause the borrower was in a period of
7 deferment or forbearance described in sec-
8 tion 685.209(k)(4)(iv) of title 34, Code of
9 Federal Regulations (as in effect on the date
10 of enactment of this subsection).

11 “(G) The procedures established by the Sec-
12 retary under section 493C(c) shall apply for an-
13 nually determining the borrower’s eligibility for
14 the Repayment Assistance Plan, including
15 verification of a borrower’s annual income and
16 the annual amount due on the total amount of
17 loans eligible to be repaid under this subsection,
18 and such other procedures as are necessary to ef-
19 fectively implement income-based repayment
20 under this subsection. With respect to carrying
21 out section 494(a)(2) for the Repayment Assist-
22 ance Plan, an individual may elect to opt out of
23 the disclosures required under section
24 494(a)(2)(A)(ii) in accordance with the proce-
25 dures established under section 493C(c)(2).

1 “(2) *BALANCE ASSISTANCE FOR DISTRESSED*
2 *BORROWERS.*—

3 “(A) *INTEREST SUBSIDY.*—*With respect to*
4 *a borrower of a loan made under this part, for*
5 *each month for which such a borrower makes an*
6 *on-time applicable monthly payment required*
7 *under paragraph (1)(A) and such monthly pay-*
8 *ment is insufficient to pay the total amount of*
9 *interest that accrues for the month on all loans*
10 *of the borrower repaid pursuant to the Repay-*
11 *ment Assistance Plan under this subsection, the*
12 *amount of interest accrued and not paid for the*
13 *month shall not be charged to the borrower.*

14 “(B) *MATCHING PRINCIPAL PAYMENT.*—
15 *With respect to a borrower of a loan made under*
16 *this part and not in a period of deferment or*
17 *forbearance, for each month for which a borrower*
18 *makes an on-time applicable monthly payment*
19 *required under paragraph (1)(A) and such*
20 *monthly payment reduces the total outstanding*
21 *principal balance of all loans of the borrower re-*
22 *paid pursuant to the Repayment Assistance Plan*
23 *under this subsection by less than \$50, the Sec-*
24 *retary shall reduce such total outstanding prin-*

1 *cipal balance of the borrower by an amount that*
 2 *is equal to—*

3 *“(i) the amount that is the lesser of—*

4 *“(I) \$50; or*

5 *“(II) the total amount paid by the*

6 *borrower for such month pursuant to*

7 *paragraph (1)(A); minus*

8 *“(ii) the total amount paid by the bor-*

9 *rower for such month pursuant to para-*

10 *graph (1)(A) that is applied to such total*

11 *outstanding principal balance.*

12 *“(3) ADDITIONAL DOCUMENTS.—A borrower who*

13 *chooses, or is required, to repay a loan under this*

14 *subsection, and for whom adjusted gross income is un-*

15 *available or does not reasonably reflect the borrower’s*

16 *current income, shall provide to the Secretary other*

17 *documentation of income satisfactory to the Secretary,*

18 *which documentation the Secretary may use to deter-*

19 *mine repayment under this subsection.*

20 *“(4) DEFINITIONS.—In this subsection:*

21 *“(A) ADJUSTED GROSS INCOME.—The term*

22 *‘adjusted gross income’, when used with respect*

23 *to a borrower, means the adjusted gross income*

24 *(as such term is defined in section 62 of the In-*

25 *ternal Revenue Code of 1986) of the borrower*

(and the borrower's spouse, as applicable) for the most recent taxable year, except that, in the case of a married borrower who files a separate Federal income tax return, the term does not include the adjusted gross income of the borrower's spouse.

“(B) *APPLICABLE MONTHLY PAYMENT.*—

“(i) *IN GENERAL.*—Except as provided in clause (ii), (iii), or (vi), the term ‘applicable monthly payment’ means, when used with respect to a borrower, the amount equal to—

“(I) the applicable base payment of the borrower, divided by 12; minus

“(II) \$50 for each dependent of the borrower (which, in the case of a married borrower filing a separate Federal income tax return, shall include only each dependent that the borrower claims on that return).

“(ii) *MINIMUM AMOUNT.*—In the case of a borrower with an applicable monthly payment amount calculated under clause (i) that is less than \$10, the applicable monthly payment of the borrower shall be \$10.

1 “(iii) *FINAL PAYMENT.*—*In the case of*
2 *a borrower whose total outstanding balance*
3 *of principal and interest on all of the loans*
4 *of the borrower that are repaid pursuant to*
5 *the Repayment Assistance Plan is less than*
6 *the applicable monthly payment calculated*
7 *pursuant to clause (i) or (ii), as applicable,*
8 *then the applicable monthly payment of the*
9 *borrower shall be the total outstanding bal-*
10 *ance of principal and interest on all such*
11 *loans.*

12 “(iv) *BASE PAYMENT.*—*The amount of*
13 *the applicable base payment for a borrower*
14 *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 such*
19 *adjusted gross income;*

20 “(III) *more than \$20,000 and not*
21 *more than \$30,000, is 2 percent of such*
22 *adjusted gross income;*

23 “(IV) *more than \$30,000 and not*
24 *more than \$40,000, is 3 percent of such*
25 *adjusted gross income;*

1 “(V) more than \$40,000 and not
2 more than \$50,000, is 4 percent of such
3 adjusted gross income;

4 “(VI) more than \$50,000 and not
5 more than \$60,000, is 5 percent of such
6 adjusted gross income;

7 “(VII) more than \$60,000 and not
8 more than \$70,000, is 6 percent of such
9 adjusted gross income;

10 “(VIII) more than \$70,000 and
11 not more than \$80,000, is 7 percent of
12 such adjusted gross income;

13 “(IX) more than \$80,000 and not
14 more than \$90,000, is 8 percent of such
15 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 income.

21 “(v) *DEPENDENT*.—For the purposes of
22 this paragraph, the term ‘dependent’ means
23 an individual who is a dependent under
24 section 152 of the Internal Revenue Code of
25 1986.

1 “(vi) *SPECIAL RULE.*—*In the case of a*
2 *borrower who is required by the Secretary*
3 *to provide information to the Secretary to*
4 *determine the applicable monthly payment*
5 *of the borrower under this subparagraph,*
6 *and who does not comply with such require-*
7 *ment, the applicable monthly payment of*
8 *the borrower shall be—*

9 “(I) *the sum of the monthly pay-*
10 *ment amounts the borrower would have*
11 *paid for each of the borrower’s loans*
12 *made under this part under a stand-*
13 *ard repayment plan with a fixed*
14 *monthly repayment amount, paid over*
15 *a period of 10 years, based on the out-*
16 *standing principal due on such loan*
17 *when such loan entered repayment;*
18 *and*

19 “(II) *determined pursuant to this*
20 *clause until the date on which the bor-*
21 *rower provides such information to the*
22 *Secretary.”.*

23 (e) *FEDERAL CONSOLIDATION LOANS.*—*Section 455(g)*
24 *of the Higher Education Act of 1965 (20 U.S.C. 1087e(g))*

1 *is amended by adding at the end the following new para-*
 2 *graph:*

3 “(3) *CONSOLIDATION LOANS MADE ON OR AFTER*
 4 *JULY 1, 2026.—A Federal Direct Consolidation Loan*
 5 *offered to a borrower under this part on or after July*
 6 *1, 2026, may only be repaid pursuant to a repayment*
 7 *plan described in clause (i) or (ii) of subsection*
 8 *(d)(7)(A) of this section, as applicable, and the repay-*
 9 *ment schedule of such a Consolidation Loan shall be*
 10 *determined in accordance with such repayment*
 11 *plan.”.*

12 (f) *INCOME-BASED REPAYMENT.—*

13 (1) *AMENDMENTS.—*

14 (A) *EXCEPTED CONSOLIDATION LOAN DE-*
 15 *FINED.—Section 493C(a)(2) of the Higher Edu-*
 16 *cation Act of 1965 (20 U.S.C. 1098e(a)(2)) is*
 17 *amended to read as follows:*

18 “(2) *EXCEPTED CONSOLIDATION LOAN.—*

19 “(A) *IN GENERAL.—The term ‘excepted con-*
 20 *solidation loan’ means—*

21 “(i) *a consolidation loan under section*
 22 *428C, or a Federal Direct Consolidation*
 23 *Loan, if the proceeds of such loan were used*
 24 *to discharge the liability on an excepted*
 25 *PLUS loan; or*

1 “(ii) a consolidation loan under sec-
 2 tion 428C, or a Federal Direct Consolida-
 3 tion Loan, if the proceeds of such loan were
 4 used to discharge the liability on a consoli-
 5 dation loan under section 428C, or a Fed-
 6 eral Direct Consolidation Loan described in
 7 clause (i).

8 “(B) *EXCLUSION.*—The term ‘excepted con-
 9 solidation loan’ does not include a Federal Di-
 10 rect Consolidation Loan described in subpara-
 11 graph (A) that, on any date during the period
 12 beginning on the date of enactment of this sub-
 13 paragraph and ending on June 30, 2028, was
 14 being repaid—

15 “(i) pursuant to the Income Contin-
 16 gent Repayment (ICR) plan in accordance
 17 with section 685.209(b) of title 34, Code of
 18 Federal Regulations (as in effect on June
 19 30, 2023); or

20 “(ii) pursuant to another income driv-
 21 en repayment plan.”.

22 (B) *TERMINATION OF PARTIAL FINANCIAL*
 23 *HARDSHIP ELIGIBILITY.*—Section 493C(a)(3) of
 24 the Higher Education Act of 1965 (20 U.S.C.
 25 1098e(a)(3)) is amended to read as follows:

1 “(3) *APPLICABLE AMOUNT.*—The term ‘applica-
2 *ble amount*’ means 15 percent of the result obtained
3 by calculating, on at least an annual basis, the
4 amount by which—

5 “(A) the borrower’s, and the borrower’s
6 spouse’s (if applicable), adjusted gross income;
7 exceeds

8 “(B) 150 percent of the poverty line appli-
9 cable to the borrower’s family size as determined
10 under section 673(2) of the Community Services
11 Block Grant Act (42 U.S.C. 9902(2)).”.

12 (C) *TERMS OF INCOME-BASED REPAY-*
13 *MENT.*—Section 493C(b) of the Higher Edu-
14 cation Act of 1965 (20 U.S.C. 1098e(b)) is
15 amended—

16 (i) by amending paragraph (1) to read
17 as follows:

18 “(1) a borrower of any loan made, insured, or
19 guaranteed under part B or D (other than an ex-
20 cepted *PLUS* loan or excepted consolidation loan),
21 may elect to have the borrower’s aggregate monthly
22 payment for all such loans not exceed the applicable
23 amount divided by 12;”;

24 (ii) by striking paragraph (6) and in-
25 serting the following:

1 “(6) if the monthly payment amount calculated
 2 under this section for all loans made to the borrower
 3 under part B or D (other than an excepted PLUS
 4 loan or excepted consolidation loan) exceeds the
 5 monthly amount calculated under section
 6 428(b)(9)(A)(i) or 455(d)(1)(A), based on a 10-year
 7 repayment period, when the borrower first made the
 8 election described in this subsection (referred to in
 9 this paragraph as the ‘standard monthly repayment
 10 amount’), or if the borrower no longer wishes to con-
 11 tinue the election under this subsection, then—

12 “(A) the maximum monthly payment re-
 13 quired to be paid for all loans made to the bor-
 14 rower under part B or D (other than an excepted
 15 PLUS loan or excepted consolidation loan) shall
 16 be the standard monthly repayment amount; and

17 “(B) the amount of time the borrower is
 18 permitted to repay such loans may exceed 10
 19 years;”;

20 (iii) in paragraph (7)(B)(iv), by in-
 21 serting “(as such section was in effect on the
 22 day before the date of the repeal of section
 23 455(e)” after “section 455(d)(1)(D)”; and

24 (iv) in paragraph (8), by inserting “or
 25 the Repayment Assistance Program under

1 *section 455(q)” after “standard repayment*
 2 *plan”.*

3 *(D) ELIGIBILITY DETERMINATIONS.—Sec-*
 4 *tion 493C(c) of the Higher Education Act of*
 5 *1965 (20 U.S.C. 1098e(c)) is amended to read as*
 6 *follows:*

7 *“(c) ELIGIBILITY DETERMINATIONS; AUTOMATIC RE-*
 8 *CERTIFICATION.—*

9 *“(1) IN GENERAL.—The Secretary shall establish*
 10 *procedures for annually determining, in accordance*
 11 *with paragraph (2), the borrower’s eligibility for in-*
 12 *come-based repayment, including the verification of a*
 13 *borrower’s annual income and the annual amount*
 14 *due on the total amount of loans made, insured, or*
 15 *guaranteed under part B or D (other than an ex-*
 16 *cepted PLUS loan or excepted consolidation loan),*
 17 *and such other procedures as are necessary to effec-*
 18 *tively implement income-based repayment under this*
 19 *section. The Secretary shall consider, but is not lim-*
 20 *ited to, the procedures established in accordance with*
 21 *section 455(e)(1) (as in effect on the day before the*
 22 *date of repeal of subsection (e) of section 455) or in*
 23 *connection with income sensitive repayment schedules*
 24 *under section 428(b)(9)(A)(iii) or 428C(b)(1)(E).*

25 *“(2) AUTOMATIC RECERTIFICATION.—*

1 “(A) *IN GENERAL.*—*The Secretary shall es-*
2 *tablish and implement, with respect to any bor-*
3 *rower enrolled in an income-based repayment*
4 *program under this section or under section*
5 *455(q), procedures to—*

6 “(i) *use return information disclosed*
7 *under section 6103(l)(13) of the Internal*
8 *Revenue Code of 1986, pursuant to ap-*
9 *proval provided under section 494, to deter-*
10 *mine the repayment obligation of the bor-*
11 *rower without further action by the bor-*
12 *rower;*

13 “(ii) *allow the borrower (or the spouse*
14 *of the borrower), at any time, to opt out of*
15 *disclosure under such section 6103(l)(13)*
16 *and instead provide such information as the*
17 *Secretary may require to determine the re-*
18 *payment obligation of the borrower (or*
19 *withdraw from the repayment plan under*
20 *this section or under section 455(q), as the*
21 *case may be); and*

22 “(iii) *provide the borrower with an op-*
23 *portunity to update the return information*
24 *so disclosed before the determination of the*
25 *repayment obligation of the borrower.*

1 “(B) *APPLICABILITY.*—Subparagraph (A)
 2 *shall apply to each borrower of a loan eligible to*
 3 *be repaid under this section or under section*
 4 *455(q), who, on or after the date on which the*
 5 *Secretary establishes procedures under such sub-*
 6 *paragraph (A)—*

7 “(i) *selects, or is required to repay*
 8 *such loan pursuant to, an income-based re-*
 9 *payment plan under this section or under*
 10 *section 455(q); or*

11 “(ii) *recertifies income or family size*
 12 *under such plan.*”.

13 (E) *SPECIAL TERMS FOR NEW BORROWERS*
 14 *ON AND AFTER JULY 1, 2014.*—Section 493C(e) of
 15 *the Higher Education Act of 1965 (20 U.S.C.*
 16 *1098e(e)) is amended—*

17 (i) *in the subsection heading, by insert-*
 18 *ing “AND BEFORE JULY 1, 2026” after*
 19 *“AFTER JULY 1, 2014”; and*

20 (ii) *by inserting “and before July 1,*
 21 *2026” after “after July 1, 2014”.*

22 (2) *EFFECTIVE DATE AND APPLICATION.*—*The*
 23 *amendments made by this subsection shall take effect*
 24 *on the date of enactment of this title, and shall apply*

1 *with respect to any borrower who is in repayment be-*
 2 *fore, on, or after the date of enactment of this title.*

3 (g) *FFEL ADJUSTMENT*.—Section 428(b)(9)(A)(v) of
 4 the Higher Education Act of 1965 (20 U.S.C.
 5 1078(b)(9)(A)(v)) is amended by striking “who has a par-
 6 tial financial hardship”.

7 **SEC. 82002. DEFERMENT; FORBEARANCE.**

8 (a) *SUNSET OF ECONOMIC HARDSHIP AND UNEMPLOY-*
 9 *MENT DEFERMENTS*.—Section 455(f) of the Higher Edu-
 10 cation Act of 1965 (20 U.S.C. 1087e(f)) is amended—

11 (1) *by striking the subsection heading and in-*
 12 *serting the following: “DEFERMENT; FORBEARANCE”;*

13 (2) *in paragraph (2)—*

14 (A) *in subparagraph (B), by striking “not*
 15 *in” and inserting “subject to paragraph (7), not*
 16 *in”; and*

17 (B) *in subparagraph (D), by striking “not*
 18 *in” and inserting “subject to paragraph (7), not*
 19 *in”; and*

20 (3) *by adding at the end the following:*

21 “(7) *SUNSET OF UNEMPLOYMENT AND ECONOMIC*
 22 *HARDSHIP DEFERMENTS*.—A borrower who receives a
 23 loan made under this part on or after July 1, 2027,
 24 shall not be eligible to defer such loan under subpara-
 25 graph (B) or (D) of paragraph (2).”.

1 (b) *FORBEARANCE ON LOANS MADE UNDER THIS*
 2 *PART ON OR AFTER JULY 1, 2027.*—Section 455(f) of the
 3 *Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is*
 4 *amended by adding at the end the following:*

5 “(8) *FORBEARANCE ON LOANS MADE UNDER*
 6 *THIS PART ON OR AFTER JULY 1, 2027.*—A borrower
 7 *who receives a loan made under this part on or after*
 8 *July 1, 2027, may only be eligible for a forbearance*
 9 *on such loan pursuant to section 428(c)(3)(B) that*
 10 *does not exceed 9 months during any 24-month pe-*
 11 *riod.”.*

12 **SEC. 82003. LOAN REHABILITATION.**

13 (a) *UPDATING LOAN REHABILITATION LIMITS.*—

14 (1) *FFEL AND DIRECT LOANS.*—Section
 15 *428F(a)(5) of the Higher Education Act of 1965 (20*
 16 *U.S.C. 1078–6(a)(5)) is amended by striking “one*
 17 *time” and inserting “two times”.*

18 (2) *PERKINS LOANS.*—Section 464(h)(1)(D) of
 19 *the Higher Education Act of 1965 (20 U.S.C.*
 20 *1087dd(h)(1)(D)) is amended by striking “once” and*
 21 *inserting “twice”.*

22 (3) *EFFECTIVE DATE.*—The amendments made
 23 *by this subsection shall take effect beginning on July*
 24 *1, 2027, and shall apply with respect to any loan*
 25 *made, insured, or guaranteed under title IV of the*

1 *Higher Education Act of 1965 (20 U.S.C. 1070 et*
 2 *seq.).*

3 (b) *MINIMUM MONTHLY PAYMENT AMOUNT.*—Section
 4 428F(a)(1)(B) of the *Higher Education Act of 1965 (20*
 5 *U.S.C. 1078–6(a)(1)(B))* is amended by adding at the end
 6 the following: “With respect to a borrower who has 1 or
 7 more loans made under part D on or after July 1, 2027
 8 that are described in subparagraph (A), the total monthly
 9 payment of the borrower for all such loans shall not be less
 10 than \$10.”.

11 **SEC. 82004. PUBLIC SERVICE LOAN FORGIVENESS.**

12 Section 455(m)(1)(A) of the *Higher Education Act of*
 13 *1965 (20 U.S.C. 1087e(m)(1)(A))* is amended—

14 (1) in clause (iii), by striking “; or” and insert-
 15 ing a semicolon;

16 (2) in clause (iv), by striking “; and” and in-
 17 serting “(as in effect on the day before the date of the
 18 repeal of subsection (e) of this section); or”; and

19 (3) by adding at the end the following new
 20 clause:

21 “(v) on-time payments under the Re-
 22 payment Assistance Plan under subsection
 23 (q); and”.

1 **SEC. 82005. STUDENT LOAN SERVICING.**

2 *Paragraph (1) of section 458(a) of the Higher Edu-*
 3 *cation Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended to*
 4 *read as follows:*

5 “(1) *ADDITIONAL MANDATORY FUNDS FOR SERV-*
 6 *ICING.—There shall be available to the Secretary (in*
 7 *addition to any other amounts appropriated under*
 8 *any appropriations Act for administrative costs*
 9 *under this part and part B and out of any money*
 10 *in the Treasury not otherwise appropriated)*
 11 *\$1,000,000,000 to be obligated for administrative costs*
 12 *under this part and part B, including the costs of*
 13 *servicing the direct student loan programs under this*
 14 *part, which shall remain available until expended.”.*

15 ***Subtitle D—Pell Grants***

16 **SEC. 83001. ELIGIBILITY.**

17 (a) *FOREIGN INCOME AND FEDERAL PELL GRANT*
 18 *ELIGIBILITY.—*

19 (1) *ADJUSTED GROSS INCOME DEFINED.—Sec-*
 20 *tion 401(a)(2)(A) of the Higher Education Act of*
 21 *1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to read*
 22 *as follows:*

23 “(A) *the term ‘adjusted gross income’*
 24 *means—*

1 “(i) in the case of a dependent student,
2 for the second tax year preceding the aca-
3 demic year—

4 “(I) the adjusted gross income (as
5 defined in section 62 of the Internal
6 Revenue Code of 1986) of the student’s
7 parents; plus

8 “(II) for Federal Pell Grant deter-
9 minations made for academic years be-
10 ginning on or after July 1, 2026, the
11 foreign income (as described in section
12 480(b)(5)) of the student’s parents; and

13 “(ii) in the case of an independent stu-
14 dent, for the second tax year preceding the
15 academic year—

16 “(I) the adjusted gross income (as
17 defined in section 62 of the Internal
18 Revenue Code of 1986) of the student
19 (and the student’s spouse, if applica-
20 ble); plus

21 “(II) for Federal Pell Grant deter-
22 minations made for academic years be-
23 ginning on or after July 1, 2026, the
24 foreign income (as described in section

1 480(b)(5)) of the student (and the stu-
2 dent’s spouse, if applicable);”.

3 (2) *SUNSET*.—Section 401(b)(1)(D) of the *High-*
4 *er Education Act of 1965* (20 U.S.C. 1070a(b)(1)(D))
5 is amended—

6 (A) by striking “A student” and inserting
7 “*For each academic year beginning before July*
8 *1, 2026, a student*”; and

9 (B) by inserting “, as in effect for such *aca-*
10 *demic year,*” after “section 479A(b)(1)(B)(v)”.

11 (3) *CONFORMING AMENDMENTS*.—

12 (A) *IN GENERAL*.—Section 479A(b)(1)(B) of
13 the *Higher Education Act of 1965* (20 U.S.C.
14 1087t(b)(1)(B)) is amended—

15 (i) by striking clause (v); and

16 (ii) by redesignating clauses (vi) and
17 (vii) as clauses (v) and (vi), respectively.

18 (B) *EFFECTIVE DATE*.—The amendment
19 made by subparagraph (A) shall take effect on
20 July 1, 2026.

21 (b) *FEDERAL PELL GRANT INELIGIBILITY DUE TO A*
22 *HIGH STUDENT AID INDEX*.—

23 (1) *IN GENERAL*.—Section 401(b)(1) of the *High-*
24 *er Education Act of 1965* (20 U.S.C. 1070a(b)(1)) is
25 amended by adding at the end the following:

1 “(F) *INELIGIBILITY OF STUDENTS WITH A*
 2 *HIGH STUDENT AID INDEX.*—*Notwithstanding*
 3 *subparagraphs (A) through (E), a student shall*
 4 *not be eligible for a Federal Pell Grant under*
 5 *this subsection for an academic year in which*
 6 *the student has a student aid index that equals*
 7 *or exceeds twice the amount of the total max-*
 8 *imum Federal Pell Grant for such academic*
 9 *year.”.*

10 (2) *EFFECTIVE DATE.*—*The amendment made by*
 11 *paragraph (1) shall take effect on July 1, 2026.*

12 **SEC. 83002. WORKFORCE PELL GRANTS.**

13 (a) *IN GENERAL.*—*Section 401 of the Higher Edu-*
 14 *cation Act of 1965 (20 U.S.C. 1070a) is amended by adding*
 15 *at the end the following:*

16 “(k) *WORKFORCE PELL GRANT PROGRAM.*—

17 “(1) *IN GENERAL.*—*For the award year begin-*
 18 *ning on July 1, 2026, and each subsequent award*
 19 *year, the Secretary shall award grants (to be known*
 20 *as ‘Workforce Pell Grants’) to eligible students under*
 21 *paragraph (2) in accordance with this subsection.*

22 “(2) *ELIGIBLE STUDENTS.*—*To be eligible to re-*
 23 *ceive a Workforce Pell Grant under this subsection for*
 24 *any period of enrollment, a student shall meet the eli-*

1 *gibility requirements for a Federal Pell Grant under*
 2 *this section, except that the student—*

3 “(A) *shall be enrolled, or accepted for enroll-*
 4 *ment, in an eligible program under section*
 5 *481(b)(3) (hereinafter referred to as an ‘eligible*
 6 *workforce program’); and*

7 “(B) *may not—*

8 “(i) *be enrolled, or accepted for enroll-*
 9 *ment, in a program of study that leads to*
 10 *a graduate credential; or*

11 “(ii) *have attained such a credential.*

12 “(3) *TERMS AND CONDITIONS OF AWARDS.—The*
 13 *Secretary shall award Workforce Pell Grants under*
 14 *this subsection in the same manner and with the*
 15 *same terms and conditions as the Secretary awards*
 16 *Federal Pell Grants under this section, except that—*

17 “(A) *each use of the term ‘eligible program’*
 18 *(except in subsection (b)(9)(A)) shall be sub-*
 19 *stituted by ‘eligible workforce program under sec-*
 20 *tion 481(b)(3)’;*

21 “(B) *the provisions of subsection (d)(2)*
 22 *shall not be applicable to eligible workforce pro-*
 23 *grams; and*

24 “(C) *a student who is eligible for a grant*
 25 *equal to less than the amount of the minimum*

1 *Federal Pell Grant because the eligible workforce*
 2 *program in which the student is enrolled or ac-*
 3 *cepted for enrollment is less than an academic*
 4 *year (in hours of instruction or weeks of dura-*
 5 *tion) may still be eligible for a Workforce Pell*
 6 *Grant in an amount that is prorated based on*
 7 *the length of the program.*

8 “(4) *PREVENTION OF DOUBLE BENEFITS.*—No el-
 9 *igible student described in paragraph (2) may con-*
 10 *currently receive a grant under both this subsection*
 11 *and—*

12 “(A) *subsection (b); or*

13 “(B) *subsection (c).*

14 “(5) *DURATION LIMIT.*—Any period of study cov-
 15 *ered by a Workforce Pell Grant awarded under this*
 16 *subsection shall be included in determining a stu-*
 17 *dent’s duration limit under subsection (d)(5).”.*

18 (b) *PROGRAM ELIGIBILITY FOR WORKFORCE PELL*
 19 *GRANTS.*—Section 481(b) of the Higher Education Act of
 20 *1965 (20 U.S.C. 1088(b)) is amended—*

21 (1) *by redesignating paragraphs (3) and (4) as*
 22 *paragraphs (4) and (5), respectively; and*

23 (2) *by inserting after paragraph (2) the fol-*
 24 *lowing:*

1 “(3)(A) *A program is an eligible program for*
2 *purposes of the Workforce Pell Grant program under*
3 *section 401(k) only if—*

4 “(i) *it is a program of at least 150 clock*
5 *hours of instruction, but less than 600 clock*
6 *hours of instruction, or an equivalent number of*
7 *credit hours, offered by an eligible institution*
8 *during a minimum of 8 weeks, but less than 15*
9 *weeks;*

10 “(ii) *it is not offered as a correspondence*
11 *course, as defined in 600.2 of title 34, Code of*
12 *Federal Regulations (as in effect on July 1,*
13 *2021);*

14 “(iii) *the Governor of a State, after con-*
15 *sultation with the State board, determines that*
16 *the program—*

17 “(I) *provides an education aligned*
18 *with the requirements of high-skill, high-*
19 *wage (as identified by the State pursuant to*
20 *section 122 of the Carl D. Perkins Career*
21 *and Technical Education Act (20 U.S.C.*
22 *2342)), or in-demand industry sectors or oc-*
23 *cupations;*

1 “(II) meets the hiring requirements of
2 potential employers in the sectors or occu-
3 pations described in subclause (I);

4 “(III) either—

5 “(aa) leads to a recognized post-
6 secondary credential that is stackable
7 and portable across more than one em-
8 ployer; or

9 “(bb) with respect to students en-
10 rolled in the program—

11 “(AA) prepares such students
12 for employment in an occupation
13 for which there is only one recog-
14 nized postsecondary credential;
15 and

16 “(BB) provides such students
17 with such a credential upon com-
18 pletion of such program; and

19 “(IV) prepares students to pursue 1 or
20 more certificate or degree programs at 1 or
21 more institutions of higher education (which
22 may include the eligible institution pro-
23 viding the program), including by ensur-
24 ing—

1 “(aa) that a student, upon com-
2 pletion of the program and enrollment
3 in such a related certificate or degree
4 program, will receive academic credit
5 for the Workforce Pell program that
6 will be accepted toward meeting such
7 certificate or degree program require-
8 ments; and

9 “(bb) the acceptability of such
10 credit toward meeting such certificate
11 or degree program requirements; and

12 “(iv) after the Governor of such State makes
13 the determination that the program meets the re-
14 quirements under clause (iii), the Secretary de-
15 termines that—

16 “(I) the program has been offered by
17 the eligible institution for not less than 1
18 year prior to the date on which the Sec-
19 retary makes a determination under this
20 clause;

21 “(II) for each award year, the program
22 has a verified completion rate of at least 70
23 percent, within 150 percent of the normal
24 time for completion;

1 “(III) for each award year, the pro-
2 gram has a verified job placement rate of at
3 least 70 percent, measured 180 days after
4 completion; and

5 “(IV) for each award year, the total
6 amount of the published tuition and fees of
7 the program for such year is an amount
8 that does not exceed the value-added earn-
9 ings of students who received Federal finan-
10 cial aid under this title and who completed
11 the program 3 years prior to the award
12 year, as such earnings are determined by
13 calculating the difference between—

14 “(aa) the median earnings of such
15 students, as adjusted by the State and
16 metropolitan area regional price pari-
17 ties of the Bureau of Economic Anal-
18 ysis based on the location of such pro-
19 gram; and

20 “(bb) 150 percent of the poverty
21 line applicable to a single individual
22 as determined under section 673(2) of
23 the Community Services Block Grant
24 Act (42 U.S.C. 9902(2)) for such year.

25 “(B) In this paragraph:

1 “(i) The term ‘eligible institution’ means an
2 eligible institution for purposes of section 401.

3 “(ii) The term ‘Governor’ means the chief
4 executive of a State.

5 “(iii) The terms ‘in-demand industry sector
6 or occupation’, ‘recognized postsecondary creden-
7 tial’, and ‘State board’ have the meanings given
8 such terms in section 3 of the Workforce Innova-
9 tion and Opportunity Act.”.

10 (c) *EFFECTIVE DATE; APPLICABILITY.*—The amend-
11 ments made by this section shall take effect on July 1, 2026,
12 and shall apply with respect to award year 2026–2027 and
13 each succeeding award year.

14 **SEC. 83003. PELL SHORTFALL.**

15 Section 401(b)(7)(A)(iii) of the Higher Education Act
16 of 1965 (20 U.S.C. 1070a(b)(7)(A)(iii)) is amended by
17 striking “\$2,170,000,000” and inserting
18 “\$12,670,000,000”.

19 **SEC. 83004. FEDERAL PELL GRANT EXCLUSION RELATING**
20 **TO OTHER GRANT AID.**

21 Section 401(d) of the Higher Education Act of 1965
22 (20 U.S.C. 1070a(d)) is amended by adding at the end the
23 following:

24 “(6) *EXCLUSION.*—Beginning on July 1, 2026,
25 and notwithstanding this subsection or subsection (b),

1 *a student shall not be eligible for a Federal Pell*
 2 *Grant under subsection (b) during any period for*
 3 *which the student receives grant aid from non-Federal*
 4 *sources, including States, institutions of higher edu-*
 5 *cation, or private sources, in an amount that equals*
 6 *or exceeds the student’s cost of attendance for such pe-*
 7 *riod.”.*

8 ***Subtitle E—Accountability***

9 ***SEC. 84001. INELIGIBILITY BASED ON LOW EARNING OUT-*** 10 ***COMES.***

11 *Section 454 of the Higher Education Act of 1965 (20*
 12 *U.S.C. 1087d) is amended—*

13 *(1) in subsection (a)—*

14 *(A) in paragraph (5), by striking “and”*
 15 *after the semicolon;*

16 *(B) by redesignating paragraph (6) as*
 17 *paragraph (7); and*

18 *(C) by inserting after paragraph (5) the fol-*
 19 *lowing:*

20 *“(6) provide assurances that, beginning July 1,*
 21 *2026, the institution will comply with all require-*
 22 *ments of subsection (c); and”;*

23 *(2) in subsection (b)(2), by striking “and (6)”*
 24 *and inserting “(6), and (7)”;*

1 (3) *by redesignating subsection (c) as subsection*
 2 *(d); and*

3 (4) *by inserting after subsection (b) the fol-*
 4 *lowing:*

5 “(c) *INELIGIBILITY FOR CERTAIN PROGRAMS BASED*
 6 *ON LOW EARNING OUTCOMES.—*

7 “(1) *IN GENERAL.—Notwithstanding section*
 8 *481(b), an institution of higher education subject to*
 9 *this subsection shall not use funds under this part for*
 10 *student enrollment in an educational program offered*
 11 *by the institution that is described in paragraph (2).*

12 “(2) *LOW-EARNING OUTCOME PROGRAMS DE-*
 13 *SCRIBED.—An educational program at an institution*
 14 *is described in this paragraph if the program awards*
 15 *an undergraduate degree, graduate or professional de-*
 16 *gree, or graduate certificate, for which the median*
 17 *earnings (as determined by the Secretary) of the pro-*
 18 *grammatic cohort of students who received funds*
 19 *under this title for enrollment in such program, who*
 20 *completed such program during the academic year*
 21 *that is 4 years before the year of the determination,*
 22 *who are not enrolled in any institution of higher edu-*
 23 *cation, and who are working, are, for not less than*
 24 *2 of the 3 years immediately preceding the date of the*
 25 *determination, less than the median earnings of a*

1 *working adult described in paragraph (3) for the cor-*
 2 *responding year.*

3 “(3) *CALCULATION OF MEDIAN EARNINGS.—*

4 “(A) *WORKING ADULT.—For purposes of*
 5 *applying paragraph (2) to an educational pro-*
 6 *gram at an institution, a working adult de-*
 7 *scribed in this paragraph is a working adult*
 8 *who, for the corresponding year—*

9 “(i) *is aged 25 to 34;*

10 “(ii) *is not enrolled in an institution*
 11 *of higher education; and*

12 “(iii)(I) *in the case of a determination*
 13 *made for an educational program that*
 14 *awards a baccalaureate or lesser degree, has*
 15 *only a high school diploma or its recognized*
 16 *equivalent; or*

17 “(II) *in the case of a determination*
 18 *made for a graduate or professional pro-*
 19 *gram, has only a baccalaureate degree.*

20 “(B) *SOURCE OF DATA.—For purposes of*
 21 *applying paragraph (2) to an educational pro-*
 22 *gram at an institution, the median earnings of*
 23 *a working adult, as described in subparagraph*
 24 *(A), shall be based on data from the Bureau of*
 25 *the Census—*

1 “(i) with respect to an educational
2 program that awards a baccalaureate or
3 lesser degree—

4 “(I) for the State in which the in-
5 stitution is located; or

6 “(II) if fewer than 50 percent of
7 the students enrolled in the institution
8 reside in the State where the institu-
9 tion is located, for the entire United
10 States; and

11 “(ii) with respect to an educational
12 program that is a graduate or professional
13 program—

14 “(I) for the lowest median earn-
15 ings of—

16 “(aa) a working adult in the
17 State in which the institution is
18 located;

19 “(bb) a working adult in the
20 same field of study (as determined
21 by the Secretary, such as by using
22 the 2-digit CIP code) in the State
23 in which the institution is located;
24 and

1 “(cc) a working adult in the
2 same field of study (as so deter-
3 mined) in the entire United
4 States; or

5 “(II) if fewer than 50 percent of
6 the students enrolled in the institution
7 reside in the State where the institu-
8 tion is located, for the lower median
9 earnings of—

10 “(aa) a working adult in the
11 entire United States; or

12 “(bb) a working adult in the
13 same field of study (as so deter-
14 mined) in the entire United
15 States.

16 “(4) *SMALL PROGRAMMATIC COHORTS.*—For any
17 year for which the programmatic cohort described in
18 paragraph (2) for an educational program of an in-
19 stitution is fewer than 30 individuals, the Secretary
20 shall—

21 “(A) first, aggregate additional years of
22 programmatic data in order to achieve a cohort
23 of at least 30 individuals; and

24 “(B) second, in cases in which the cohort
25 (including the individuals added under subpara-

1 *graph (A)) is still fewer than 30 individuals, ag-*
2 *gregate additional cohort years of programmatic*
3 *data for educational programs of equivalent*
4 *length in order to achieve a cohort of at least 30*
5 *individuals.*

6 “(5) *APPEALS PROCESS.*—*An educational pro-*
7 *gram shall not lose eligibility under this subsection*
8 *unless the institution has had the opportunity to ap-*
9 *peal the programmatic median earnings of students*
10 *working and not enrolled determination under para-*
11 *graph (2), through a process established by the Sec-*
12 *retary. During such appeal, the Secretary may per-*
13 *mit the educational program to continue to partici-*
14 *pate in the program under this part.*

15 “(6) *NOTICE TO STUDENTS.*—

16 “(A) *IN GENERAL.*—*If an educational pro-*
17 *gram of an institution of higher education sub-*
18 *ject to this subsection does not meet the cohort*
19 *median earning requirements, as described in*
20 *paragraph (2), for one year during the applica-*
21 *ble covered period but has not yet failed to meet*
22 *such requirements for 2 years during such cov-*
23 *ered period, the institution shall promptly in-*
24 *form each student enrolled in the educational*
25 *program of the eligible program’s low cohort me-*

1 *dian earnings and that the educational program*
 2 *is at risk of losing its eligibility for funds under*
 3 *this part.*

4 “(B) COVERED PERIOD.—In this para-
 5 *graph, the term ‘covered period’ means the pe-*
 6 *riod of the 3 years immediately preceding the*
 7 *date of a determination made under paragraph*
 8 *(2).*

9 “(7) REGAINING PROGRAMMATIC ELIGIBILITY.—
 10 *The Secretary shall establish a process by which an*
 11 *institution of higher education that has an edu-*
 12 *cational program that has lost eligibility under this*
 13 *subsection may, after a period of not less than 2 years*
 14 *of such program’s ineligibility, apply to regain such*
 15 *eligibility, subject to the requirements established by*
 16 *the Secretary that further the purpose of this sub-*
 17 *section.”.*

18 ***Subtitle F—Regulatory Relief***

19 ***SEC. 85001. DELAY OF RULE RELATING TO BORROWER DE-*** 20 ***FENSE TO REPAYMENT.***

21 (a) DELAY.—Beginning on the date of enactment of
 22 *this section, for loans that first originate before July 1,*
 23 *2035, the provisions of subpart D of part 685 of title 34,*
 24 *Code of Federal Regulations (relating to borrower defense*
 25 *to repayment), as added or amended by the final regula-*

1 tions published by the Department of Education on Novem-
 2 ber 1, 2022, and titled “Institutional Eligibility Under the
 3 Higher Education Act of 1965, as Amended; Student Assist-
 4 ance General Provisions; Federal Perkins Loan Program;
 5 Federal Family Education Loan Program; and William D.
 6 Ford Federal Direct Loan Program” (87 Fed. Reg. 65904)
 7 shall not be in effect.

8 (b) *EFFECT.*—Beginning on the date of enactment of
 9 this section, with respect to loans that first originate before
 10 July 1, 2035, any regulations relating to borrower defense
 11 to repayment that took effect on July 1, 2020, are restored
 12 and revived as such regulations were in effect on such date.

13 **SEC. 85002. DELAY OF RULE RELATING TO CLOSED SCHOOL**
 14 **DISCHARGES.**

15 (a) *DELAY.*—Beginning on the date of enactment of
 16 this section, for loans that first originate before July 1,
 17 2035, the provisions of sections 674.33(g), 682.402(d), and
 18 685.214 of title 34, Code of Federal Regulations (relating
 19 to closed school discharges), as added or amended by the
 20 final regulations published by the Department of Education
 21 on November 1, 2022, and titled “Institutional Eligibility
 22 Under the Higher Education Act of 1965, as Amended; Stu-
 23 dent Assistance General Provisions; Federal Perkins Loan
 24 Program; Federal Family Education Loan Program; and

1 *William 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 of
4 this section, with respect to loans that first originate before
5 July 1, 2035, the portions of the Code of Federal Regula-
6 tions described in subsection (a) and amended by the final
7 regulations described in subsection (a) shall be in effect as
8 if the amendments made by such final regulations had not
9 been made.

10 ***Subtitle G—Garden of Heroes***

11 ***SEC. 86001. GARDEN OF HEROES.***

12 *In addition to amounts otherwise available, there are*
13 *appropriated to the National Endowment for the Human-*
14 *ities for fiscal year 2025, out of any money in the Treasury*
15 *not otherwise appropriated, to remain available through fis-*
16 *cal year 2028, \$40,000,000 for the procurement of statues*
17 *as described in Executive Order 13934 (85 Fed. Reg. 41165;*
18 *relating to building and rebuilding monuments to Amer-*
19 *ican heroes), Executive Order 13978 (86 Fed. Reg. 6809;*
20 *relating to building the National Garden of American He-*
21 *roes), and Executive Order 14189 (90 Fed. Reg. 8849; relat-*
22 *ing to celebrating America’s birthday).*

Subtitle H—Office of Refugee Resettlement

SEC. 87001. POTENTIAL SPONSOR VETTING FOR UNACCOM- PANIED ALIEN CHILDREN APPROPRIATION.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Refugee Resettlement for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, \$300,000,000, to remain available until September 30, 2028, for the purposes described in subsection (b).

(b) USE OF FUNDS.—The funds made available under subsection (a) may only be used for the Office of Refugee Resettlement to support costs associated with—

(1) background checks on potential sponsors, which shall include—

(A) the name of the potential sponsor and of all adult residents of the potential sponsor’s household;

(B) the social security number or tax payer identification number of the potential sponsor and of all adult residents of the potential sponsor’s household;

(C) the date of birth of the potential sponsor and of all adult residents of the potential sponsor’s household;

1 (D) the validated location of the residence
2 at which the unaccompanied alien child will be
3 placed;

4 (E) an in-person or virtual interview with,
5 and suitability study concerning, the potential
6 sponsor and all adult residents of the potential
7 sponsor's household;

8 (F) contact information for the potential
9 sponsor and for all adult residents of the poten-
10 tial sponsor's household; and

11 (G) the results of all background and crimi-
12 nal records checks for the potential sponsor and
13 for all adult residents of the potential sponsor's
14 household, which shall include, at a minimum,
15 an investigation of the public records sex offender
16 registry, a public records background check, and
17 a national criminal history check based on fin-
18 gerprints;

19 (2) home studies of potential sponsors of unac-
20 companied alien children;

21 (3) determining whether an unaccompanied
22 alien child poses a danger to self or others by con-
23 ducting an examination of the unaccompanied alien
24 child for gang-related tattoos and other gang-related
25 markings and covering such tattoos or markings while

1 *the child is in the care of the Office of Refugee Reset-*
 2 *tlement;*

3 (4) *data systems improvement and sharing that*
 4 *supports the health, safety, and well being of unac-*
 5 *companied alien children by determining the appro-*
 6 *priateness of potential sponsors of unaccompanied*
 7 *alien children and of adults residing in the household*
 8 *of the potential sponsor and by assisting with the*
 9 *identification and investigation of child labor exploi-*
 10 *tation and child trafficking; and*

11 (5) *coordinating and communicating with State*
 12 *child welfare agencies regarding the placement of un-*
 13 *accompanied alien children in such States by the Of-*
 14 *fice of Refugee Resettlement.*

15 (c) *DEFINITIONS.—In this section:*

16 (1) *POTENTIAL SPONSOR.—The term “potential*
 17 *sponsor” means an individual or entity who applies*
 18 *for the custody of an unaccompanied alien child.*

19 (2) *UNACCOMPANIED ALIEN CHILD.—The term*
 20 *“unaccompanied alien child” has the meaning given*
 21 *such term in section 462(g) of the Homeland Security*
 22 *Act of 2002 (6 U.S.C. 279(g)).*

1 **TITLE IX—COMMITTEE ON**
2 **HOMELAND SECURITY AND**
3 **GOVERNMENTAL AFFAIRS**
4 **Subtitle A—Homeland Security**
5 **Provisions**

6 **SEC. 90001. BORDER INFRASTRUCTURE AND WALL SYSTEM.**

7 *In addition to amounts otherwise available, there is*
8 *appropriated to the Commissioner of U.S. Customs and*
9 *Border Protection for fiscal year 2025, out of any money*
10 *in the Treasury not otherwise appropriated, to remain*
11 *available until September 30, 2029, \$46,550,000,000 for*
12 *necessary expenses relating to the following elements of the*
13 *border infrastructure and wall system:*

14 *(1) Construction, installation, or improvement of*
15 *new or replacement primary, waterborne, and sec-*
16 *ondary barriers.*

17 *(2) Access roads.*

18 *(3) Barrier system attributes, including cameras,*
19 *lights, sensors, and other detection technology.*

20 *(4) Any work necessary to prepare the ground at*
21 *or near the border to allow U.S. Customs and Border*
22 *Protection to conduct its operations, including the*
23 *construction and maintenance of the barrier system.*

1 **SEC. 90002. U.S. CUSTOMS AND BORDER PROTECTION PER-**
2 **SONNEL, FLEET VEHICLES, AND FACILITIES.**

3 (a) *IN GENERAL.*—In addition to amounts otherwise
4 available, there is appropriated to the Commissioner of U.S.
5 Customs and Border Protection for fiscal year 2025, out
6 of any money in the Treasury not otherwise appropriated,
7 the following:

8 (1) *PERSONNEL.*—\$4,100,000,000, to remain
9 available until September 30, 2029, to hire and train
10 additional Border Patrol agents, Office of Field Oper-
11 ations officers, Air and Marine agents, rehired annu-
12 itants, and U.S. Customs and Border Protection field
13 support personnel.

14 (2) *RETENTION, HIRING, AND PERFORMANCE BO-*
15 *NUSES.*—\$2,052,630,000, to remain available until
16 September 30, 2029, to provide recruitment bonuses,
17 performance awards, or annual retention bonuses to
18 eligible Border Patrol agents, Office of Field Oper-
19 ations officers, and Air and Marine agents.

20 (3) *VEHICLES.*—\$855,000,000, to remain avail-
21 able until September 30, 2029, for the repair of exist-
22 ing patrol units and the lease or acquisition of addi-
23 tional patrol units.

24 (4) *FACILITIES.*—\$5,000,000,000 for necessary
25 expenses relating to lease, acquisition, construction,
26 design, or improvement of facilities and checkpoints

1 *owned, leased, or operated by U.S. Customs and Bor-*
2 *der Protection.*

3 *(b) RESTRICTION.—None of the funds made available*
4 *by subsection (a) may be used to recruit, hire, or train per-*
5 *sonnel for the duties of processing coordinators after October*
6 *31, 2028.*

7 **SEC. 90003. DETENTION CAPACITY.**

8 *(a) IN GENERAL.—In addition to any amounts other-*
9 *wise appropriated, there is appropriated to U.S. Immigra-*
10 *tion and Customs Enforcement for fiscal year 2025, out of*
11 *any money in the Treasury not otherwise appropriated, to*
12 *remain available until September 30, 2029,*
13 *\$45,000,000,000, for single adult alien detention capacity*
14 *and family residential center capacity.*

15 *(b) DURATION AND STANDARDS.—Aliens may be de-*
16 *tained at family residential centers, as described in sub-*
17 *section (a), pending a decision, under the Immigration and*
18 *Nationality Act (8 U.S.C. 1101 et seq.), on whether the*
19 *aliens are to be removed from the United States and, if such*
20 *aliens are ordered removed from the United States, until*
21 *such aliens are removed. The detention standards for the*
22 *single adult detention capacity described in subsection (a)*
23 *shall be set in the discretion of the Secretary of Homeland*
24 *Security, consistent with applicable law.*

1 (c) *DEFINITION OF FAMILY RESIDENTIAL CENTER.*—
2 *In this section, the term “family residential center” means*
3 *a facility used by the Department of Homeland Security*
4 *to detain family units of aliens (including alien children*
5 *who are not unaccompanied alien children (as defined in*
6 *section 462(g) of the Homeland Security Act of 2002 (6*
7 *U.S.C. 279(g)))) who are encountered or apprehended by*
8 *the Department of Homeland Security.*

9 **SEC. 90004. BORDER SECURITY, TECHNOLOGY, AND**
10 **SCREENING.**

11 (a) *IN GENERAL.*—*In addition to amounts otherwise*
12 *available, there is appropriated to the Commissioner of U.S.*
13 *Customs and Border Protection for fiscal year 2025, out*
14 *of any money in the Treasury not otherwise appropriated,*
15 *to remain available until September 30, 2029,*
16 *\$6,168,000,000 for the following:*

17 (1) *Procurement and integration of new non-*
18 *intrusive inspection equipment and associated civil*
19 *works, including artificial intelligence, machine*
20 *learning, and other innovative technologies, as well as*
21 *other mission support, to combat the entry or exit of*
22 *illicit narcotics at ports of entry and along the south-*
23 *west, northern, and maritime borders.*

1 (2) *Air and Marine operations’ upgrading and*
2 *procurement of new platforms for rapid air and ma-*
3 *rine response capabilities.*

4 (3) *Upgrades and procurement of border surveil-*
5 *lance technologies along the southwest, northern, and*
6 *maritime borders.*

7 (4) *Necessary expenses, including the deployment*
8 *of technology, relating to the biometric entry and exit*
9 *system under section 7208 of the Intelligence Reform*
10 *and Terrorism Prevention Act of 2004 (8 U.S.C.*
11 *1365b).*

12 (5) *Screening persons entering or exiting the*
13 *United States.*

14 (6) *Initial screenings of unaccompanied alien*
15 *children (as defined in section 462(g) of the Home-*
16 *land Security Act of 2002 (6 U.S.C. 279(g))), con-*
17 *sistent with the William Wilberforce Trafficking Vic-*
18 *tims Protection Reauthorization Act of 2008 (Public*
19 *Law 110–457; 122 Stat. 5044).*

20 (7) *Enhancing border security by combating*
21 *drug trafficking, including fentanyl and its precursor*
22 *chemicals, at the southwest, northern, and maritime*
23 *borders.*

24 (8) *Commemorating efforts and events related to*
25 *border security.*

1 (b) *RESTRICTIONS*.—None of the funds made available
 2 under subsection (a) may be used for the procurement or
 3 deployment of surveillance towers along the southwest bor-
 4 der and northern border that have not been tested and ac-
 5 cepted by U.S. Customs and Border Protection to deliver
 6 autonomous capabilities.

7 (c) *DEFINITION OF AUTONOMOUS*.—In this section,
 8 with respect to capabilities, the term “autonomous” means
 9 a system designed to apply artificial intelligence, machine
 10 learning, computer vision, or other algorithms to accurately
 11 detect, identify, classify, and track items of interest in real
 12 time such that the system can make operational adjust-
 13 ments without the active engagement of personnel or contin-
 14 uous human command or control.

15 **SEC. 90005. STATE AND LOCAL ASSISTANCE.**

16 (a) *STATE HOMELAND SECURITY GRANT PRO-*
 17 *GRAMS*.—

18 (1) *IN GENERAL*.—In addition to amounts other-
 19 wise available, there is appropriated to the Adminis-
 20 trator of the Federal Emergency Management Agency
 21 for fiscal year 2025, out of any money in the Treas-
 22 ury not otherwise appropriated, to remain available
 23 until September 30, 2029, to be administered under
 24 the State Homeland Security Grant Program author-
 25 ized under section 2004 of the Homeland Security Act

1 *of 2002 (6 U.S.C. 605), to enhance State, local, and*
2 *Tribal security through grants, contracts, cooperative*
3 *agreements, and other activities—*

4 *(A) \$500,000,000 for State and local capa-*
5 *bilities to detect, identify, track, or monitor*
6 *threats from unmanned aircraft systems (as such*
7 *term is defined in section 44801 of title 49,*
8 *United States Code), consistent with titles 18*
9 *and 49 of the United States Code;*

10 *(B) \$625,000,000 for security and other*
11 *costs related to the 2026 FIFA World Cup;*

12 *(C) \$1,000,000,000 for security, planning,*
13 *and other costs related to the 2028 Olympics;*
14 *and*

15 *(D) \$450,000,000 for the Operation*
16 *Stonegarden Grant Program.*

17 *(2) TERMS AND CONDITIONS.—None of the funds*
18 *made available under subparagraph (B) or (C) of*
19 *paragraph (1) shall be subject to the requirements of*
20 *section 2004(e)(1) or section 2008(a)(12) of the Home-*
21 *land Security Act of 2002 (6 U.S.C. 605(e)(1),*
22 *609(a)(12)).*

23 *(b) STATE BORDER SECURITY REINFORCEMENT*
24 *FUND.—*

1 (1) *ESTABLISHMENT.*—*There is established, in*
2 *the Department of Homeland Security, a fund to be*
3 *known as the “State Border Security Reinforcement*
4 *Fund.”*

5 (2) *PURPOSES.*—*The Secretary of Homeland Se-*
6 *curity shall use amounts appropriated or otherwise*
7 *made available for the Fund for grants to eligible*
8 *States and units of local government for any of the*
9 *following purposes:*

10 (A) *Construction or installation of a border*
11 *wall, border fencing or other barrier, or buoys*
12 *along the southern border of the United States,*
13 *which may include planning, procurement of*
14 *materials, and personnel costs related to such*
15 *construction or installation.*

16 (B) *Any work necessary to prepare the*
17 *ground at or near land borders to allow con-*
18 *struction and maintenance of a border wall or*
19 *other barrier fencing.*

20 (C) *Detection and interdiction of illicit sub-*
21 *stances and aliens who have unlawfully entered*
22 *the United States and have committed a crime*
23 *under Federal, State, or local law, and transfer*
24 *or referral of such aliens to the Department of*
25 *Homeland Security as provided by law.*

1 (D) *Relocation of aliens who are unlawfully*
2 *present in the United States from small popu-*
3 *lation centers to other domestic locations.*

4 (3) *APPROPRIATION.—In addition to amounts*
5 *otherwise available for the purposes described in*
6 *paragraph (2), there is appropriated for fiscal year*
7 *2025, out of any money in the Treasury not otherwise*
8 *appropriated, to the Department of Homeland Secu-*
9 *rity for the State Border Security Reinforcement*
10 *Fund established by paragraph (1), \$10,000,000,000,*
11 *to remain available until September 30, 2034, for*
12 *qualified expenses for such purposes.*

13 (4) *ELIGIBILITY.—The Secretary of Homeland*
14 *Security may provide grants from the fund estab-*
15 *lished by paragraph (1) to State agencies and units*
16 *of local governments for expenditures made for com-*
17 *pleted, ongoing, or new activities, in accordance with*
18 *law, that occurred on or after January 20, 2021.*

19 (5) *APPLICATION.—Each State desiring to apply*
20 *for a grant under this subsection shall submit an ap-*
21 *plication to the Secretary containing such informa-*
22 *tion in support of the application as the Secretary*
23 *may require. The Secretary shall require that each*
24 *State include in its application the purposes for*
25 *which the State seeks the funds and a description of*

1 *how the State plans to allocate the funds. The Sec-*
2 *retary shall begin to accept applications not later*
3 *than 90 days after the date of the enactment of this*
4 *Act.*

5 (6) *TERMS AND CONDITIONS.—Nothing in this*
6 *subsection shall authorize any State or local govern-*
7 *ment to exercise immigration or border security au-*
8 *thorities reserved exclusively to the Federal Govern-*
9 *ment under the Immigration and Nationality Act (8*
10 *U.S.C. 1101 et seq.) or the Homeland Security Act of*
11 *2002 (6 U.S.C. 101 et seq.). The Federal Emergency*
12 *Management Agency may use not more than 1 per-*
13 *cent of the funds made available under this subsection*
14 *for the purpose of administering grants provided for*
15 *in this section.*

16 **SEC. 90006. PRESIDENTIAL RESIDENCE PROTECTION.**

17 (a) *IN GENERAL.—In addition to amounts otherwise*
18 *available, there is appropriated to the Administrator of the*
19 *Federal Emergency Management Agency for fiscal year*
20 *2025, out of any money in the Treasury not otherwise ap-*
21 *propriated, \$300,000,000, to remain available until Sep-*
22 *tember 30, 2029, for the reimbursement of extraordinary*
23 *law enforcement personnel costs for protection activities di-*
24 *rectly and demonstrably associated with any residence of*
25 *the President designated pursuant to section 3 or 4 of the*

1 *Presidential Protection Assistance Act of 1976 (Public Law*
2 *94–524; 18 U.S.C. 3056 note) to be secured by the United*
3 *States Secret Service.*

4 (b) *AVAILABILITY.—Funds appropriated under this*
5 *section shall be available only for costs that a State or local*
6 *agency—*

7 (1) *incurred or incurs on or after July 1, 2024;*

8 (2) *demonstrates to the Administrator of the*
9 *Federal Emergency Management Agency as being—*

10 (A) *in excess of typical law enforcement op-*
11 *eration costs;*

12 (B) *directly attributable to the provision of*
13 *protection described in this section; and*

14 (C) *associated with a nongovernmental*
15 *property designated pursuant to section 3 or 4*
16 *of the Presidential Protection Assistance Act of*
17 *1976 (Public Law 94–524; 18 U.S.C. 3056 note)*
18 *to be secured by the United States Secret Service;*
19 *and*

20 (3) *certifies to the Administrator as compen-*
21 *sating protection activities requested by the United*
22 *States Secret Service.*

23 (c) *TERMS AND CONDITIONS.—The Federal Emergency*
24 *Management Agency may use not more than 3 percent of*

1 *the funds made available under this section for the purpose*
 2 *of administering grants provided for in this section.*

3 **SEC. 90007. DEPARTMENT OF HOMELAND SECURITY APPRO-**
 4 **PRIATIONS FOR BORDER SUPPORT.**

5 *In addition to amounts otherwise available, there are*
 6 *appropriated to the Secretary of Homeland Security for fis-*
 7 *cal year 2025, out of any money in the Treasury not other-*
 8 *wise appropriated, \$10,000,000,000, to remain available*
 9 *until September 30, 2029, for reimbursement of costs in-*
 10 *curred in undertaking activities in support of the Depart-*
 11 *ment of Homeland Security’s mission to safeguard the bor-*
 12 *ders of the United States.*

13 ***Subtitle B—Governmental Affairs***
 14 ***Provisions***

15 **SEC. 90101. FEHB IMPROVEMENTS.**

16 (a) *SHORT TITLE.*—*This section may be cited as the*
 17 *“FEHB Protection Act of 2025”.*

18 (b) *DEFINITIONS.*—*In this section:*

19 (1) *DIRECTOR.*—*The term “Director” means the*
 20 *Director of the Office of Personnel Management.*

21 (2) *HEALTH BENEFITS PLAN; MEMBER OF FAM-*
 22 *ILY.*—*The terms “health benefits plan” and “member*
 23 *of family” have the meanings given those terms in*
 24 *section 8901 of title 5, United States Code.*

1 (3) *OPEN SEASON*.—The term “open season”
 2 means an open season described in section 890.301(f)
 3 of title 5, Code of Federal Regulations, or any suc-
 4 cessor regulation.

5 (4) *PROGRAM*.—The term “Program” means the
 6 health insurance programs carried out under chapter
 7 89 of title 5, United States Code, including the pro-
 8 gram carried out under section 8903c of that title.

9 (5) *QUALIFYING LIFE EVENT*.—The term “quali-
 10 fying life event” has the meaning given the term in
 11 section 892.101 of title 5, Code of Federal Regula-
 12 tions, or any successor regulation.

13 (c) *VERIFICATION REQUIREMENTS*.—Not later than 1
 14 year after the date of enactment of this Act, the Director
 15 shall issue regulations and implement a process to verify—

16 (1) the veracity of any qualifying life event
 17 through which an enrollee in the Program seeks to
 18 add a member of family with respect to the enrollee
 19 to a health benefits plan under the Program; and

20 (2) that, when an enrollee in the Program seeks
 21 to add a member of family with respect to the enrollee
 22 to the health benefits plan of the enrollee under the
 23 Program, including during any open season, the indi-
 24 vidual so added is a qualifying member of family
 25 with respect to the enrollee.

1 (d) *FRAUD RISK ASSESSMENT.*—*In any fraud risk as-*
 2 *essment conducted with respect to the Program on or after*
 3 *the date of enactment of this Act, the Director shall include*
 4 *an assessment of individuals who are enrolled in, or covered*
 5 *under, a health benefits plan under the Program even*
 6 *though those individuals are not eligible to be so enrolled*
 7 *or covered.*

8 (e) *FAMILY MEMBER ELIGIBILITY VERIFICATION*
 9 *AUDIT.*—

10 (1) *IN GENERAL.*—*During the 3-year period be-*
 11 *ginning on the date that is 1 year after the date of*
 12 *enactment of this Act, the Director shall carry out a*
 13 *comprehensive audit regarding members of family*
 14 *who are covered under an enrollment in a health ben-*
 15 *efits plan under the Program.*

16 (2) *CONTENTS.*—*With respect to the audit car-*
 17 *ried out under paragraph (1), the Director shall re-*
 18 *view marriage certificates, birth certificates, and*
 19 *other appropriate documents that are necessary to de-*
 20 *termine eligibility to enroll in a health benefits plan*
 21 *under the Program.*

22 (f) *DISENROLLMENT OR REMOVAL.*—*Not later than*
 23 *180 days after the date of enactment of this Act, the Direc-*
 24 *tor shall develop a process by which any individual enrolled*
 25 *in, or covered under, a health benefits plan under the Pro-*

1 *gram who is not eligible to be so enrolled or covered shall*
 2 *be disenrolled or removed from enrollment in, or coverage*
 3 *under, that health benefits plan.*

4 *(g) EARNED BENEFITS AND HEALTH CARE ADMINIS-*
 5 *TRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT*
 6 *FUNDING.—Section 8909 of title 5, United States Code, is*
 7 *amended—*

8 *(1) in subsection (a)(2), by inserting before the*
 9 *period at the end the following: “, except that the*
 10 *amounts required to be set aside under subsection*
 11 *(b)(2) shall not be subject to the limitations that may*
 12 *be specified annually by Congress”;* and

13 *(2) in subsection (b)—*

14 *(A) by redesignating paragraph (2) as*
 15 *paragraph (3); and*

16 *(B) by inserting after paragraph (1) the fol-*
 17 *lowing:*

18 *“(2) In fiscal year 2026, \$66,000,000, to be de-*
 19 *rived from all contributions, and to remain available*
 20 *until the end of fiscal year 2035, for the Director of*
 21 *the Office to carry out subsections (c) through (f) of*
 22 *the FEHB Protection Act of 2025.”.*

1 **SEC. 90102. PANDEMIC RESPONSE ACCOUNTABILITY COM-**
 2 **MITTEE.**

3 (a) *PANDEMIC RESPONSE ACCOUNTABILITY COM-*
 4 *MITTEE FUNDING AVAILABILITY.*—*In addition to amounts*
 5 *otherwise available, there is appropriated for fiscal year*
 6 *2026, out of any money in the Treasury not otherwise ap-*
 7 *propriated, \$88,000,000, to remain available until ex-*
 8 *pended, for the Pandemic Response Accountability Com-*
 9 *mittee to support oversight of the Coronavirus response and*
 10 *of funds provided in this Act or any other Act pertaining*
 11 *to the Coronavirus pandemic.*

12 (b) *CARES ACT.*—*Section 15010 of the CARES Act*
 13 *(Public Law 116–136; 134 Stat. 533) is amended—*

14 (1) *in subsection (a)(6)—*

15 (A) *in subparagraph (E), by striking “or”*
 16 *at the end;*

17 (B) *in subparagraph (F), by striking “and”*
 18 *at the end and inserting “or”; and*

19 (C) *by adding at the end the following:*

20 “(G) *the Act titled ‘An Act to provide for*
 21 *reconciliation pursuant to title II of H. Con.*
 22 *Res. 14’; and”; and*

23 (2) *in subsection (k), by striking “2025” and in-*
 24 *serting “2034”.*

1 **SEC. 90103. APPROPRIATION FOR THE OFFICE OF MANAGE-**
 2 **MENT AND BUDGET.**

3 *In addition to amounts otherwise available, there is*
 4 *appropriated to the Office of Management and Budget for*
 5 *fiscal year 2025, out of any money in the Treasury not*
 6 *otherwise appropriated, \$100,000,000, to remain available*
 7 *until September 30, 2029, for purposes of finding budget*
 8 *and accounting efficiencies in the executive branch.*

9 **TITLE X—COMMITTEE ON THE**
 10 **JUDICIARY**

11 **Subtitle A—Immigration and Law**
 12 **Enforcement Matters**

13 **PART I—IMMIGRATION FEES**

14 **SEC. 100001. APPLICABILITY OF THE IMMIGRATION LAWS.**

15 (a) *APPLICABILITY.*—*The fees under this subtitle shall*
 16 *apply to aliens in the circumstances described in this sub-*
 17 *title.*

18 (b) *TERMS.*—*The terms used under this subtitle shall*
 19 *have the meanings given such terms in section 101 of the*
 20 *Immigration and Nationality Act (8 U.S.C. 1101).*

21 (c) *REFERENCES TO IMMIGRATION AND NATIONALITY*
 22 *ACT.*—*Except as otherwise expressly provided, any ref-*
 23 *erence in this subtitle to a section or other provision shall*
 24 *be considered to be to a section or other provision of the*
 25 *Immigration and Nationality Act (8 U.S.C. 1101 et seq.).*

1 **SEC. 100002. ASYLUM FEE.**

2 (a) *IN GENERAL.*—*In addition to any other fee author-*
3 *ized by law, the Secretary of Homeland Security or the At-*
4 *torney General, as applicable, shall require the payment of*
5 *a fee, equal to the amount specified in this section, by any*
6 *alien who files an application for asylum under section 208*
7 *(8 U.S.C. 1158) at the time such application is filed.*

8 (b) *INITIAL AMOUNT.*—*During fiscal year 2025, the*
9 *amount specified in this section shall be the greater of—*

10 (1) *\$100; or*

11 (2) *such amount as the Secretary or the Attorney*
12 *General, as applicable, may establish, by rule.*

13 (c) *ANNUAL ADJUSTMENTS FOR INFLATION.*—*During*
14 *fiscal year 2026, and during each subsequent fiscal year,*
15 *the amount specified in this section shall be equal to the*
16 *sum of—*

17 (1) *the amount of the fee required under this sec-*
18 *tion for the most recently concluded fiscal year; and*

19 (2) *the product resulting from the multiplication*
20 *of the amount referred to in paragraph (1) by the*
21 *percentage (if any) by which the Consumer Price*
22 *Index for All Urban Consumers for the month of July*
23 *preceding the date on which such adjustment takes ef-*
24 *fect exceeds the Consumer Price Index for All Urban*
25 *Consumers for the same month of the preceding cal-*

1 *endar year, rounded to the next lowest multiple of*
2 *\$10.*

3 *(d) DISPOSITION OF ASYLUM FEE PROCEEDS.—Dur-*
4 *ing each fiscal year—*

5 *(1) 50 percent of the fees received from aliens fil-*
6 *ing applications with the Attorney General—*

7 *(A) shall be credited to the Executive Office*
8 *for Immigration Review; and*

9 *(B) may be retained and expended without*
10 *further appropriation;*

11 *(2) 50 percent of fees received from aliens filing*
12 *applications with the Secretary of Homeland Secu-*
13 *rity—*

14 *(A) shall be credited to U.S. Citizenship*
15 *and Immigration Services;*

16 *(B) shall be deposited into the Immigration*
17 *Examinations Fee Account established under sec-*
18 *tion 286(m) (8 U.S.C. 1356(m)); and*

19 *(C) may be retained and expended without*
20 *further appropriation; and*

21 *(3) any amounts received in fees required under*
22 *this section that were not credited to the Executive*
23 *Office for Immigration Review pursuant to para-*
24 *graph (1) or to U.S. Citizenship and Immigration*

1 (A) the amount of the fee required under
2 this section for the most recently concluded fiscal
3 year; and

4 (B) the product resulting from the mul-
5 tiplication of the amount referred to in subpara-
6 graph (A) by the percentage (if any) by which
7 the Consumer Price Index for All Urban Con-
8 sumers for the month of July preceding the date
9 on which such adjustment takes effect exceeds the
10 Consumer Price Index for All Urban Consumers
11 for the same month of the preceding calendar
12 year, rounded to the next lowest multiple of \$10.

13 (4) DISPOSITION OF EMPLOYMENT AUTHORIZA-
14 TION DOCUMENT FEES.—During each fiscal year—

15 (A) 25 percent of the fees collected pursuant
16 to this subsection—

17 (i) shall be credited to U.S. Citizenship
18 and Immigration Services;

19 (ii) shall be deposited into the Immi-
20 gration Examinations Fee Account estab-
21 lished under section 286(m) (8 U.S.C.
22 1356(m)); and

23 (iii) may be retained and expended by
24 U.S. Citizenship and Immigration Services
25 without further appropriation, provided

1 that not less than 50 percent is used to de-
2 tect and prevent immigration benefit fraud;
3 and

4 (B) any amounts collected pursuant to this
5 subsection that are not credited to U.S. Citizen-
6 ship and Immigration Services pursuant to sub-
7 paragraph (A) shall be deposited into the general
8 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) *PAROLEES.*—

12 (1) *IN GENERAL.*—In addition to any other fee
13 authorized by law, the Secretary of Homeland Secu-
14 rity shall require the payment of a fee, equal to the
15 amount specified in this subsection, by any alien pa-
16 roled into the United States for any initial applica-
17 tion for employment authorization at the time such
18 initial application is filed. Each initial employment
19 authorization shall be valid for a period of 1 year or
20 for the duration of the alien’s parole, whichever is
21 shorter.

22 (2) *INITIAL AMOUNT.*—During fiscal year 2025,
23 the amount specified in this subsection shall be the
24 greater of—

25 (A) \$550; or

1 (B) such amount as the Secretary of Home-
2 land Security may establish, by rule.

3 (3) ANNUAL ADJUSTMENTS FOR INFLATION.—
4 During fiscal year 2026, and during each subsequent
5 fiscal year, the amount specified in this subsection
6 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 subpara-
12 graph (A) by the percentage (if any) by which
13 the Consumer Price Index for All Urban Con-
14 sumers for the month of July preceding the date
15 on which such adjustment takes effect exceeds the
16 Consumer Price Index for All Urban Consumers
17 for the same month of the preceding calendar
18 year, rounded to the next lowest multiple of \$10.

19 (4) DISPOSITION OF PAROLEE EMPLOYMENT AU-
20 THORIZATION APPLICATION FEES.—All of the fees col-
21 lected pursuant to this subsection shall be deposited
22 into the general fund of the Treasury.

23 (5) NO FEE WAIVER.—Fees required to be paid
24 under this subsection shall not be waived or reduced.

25 (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 who*
5 *files an initial application for employment authoriza-*
6 *tion 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 is*
11 *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 Home-*
17 *land Security may establish, by rule.*

18 (3) *ANNUAL ADJUSTMENTS FOR INFLATION.*—
19 *During fiscal year 2026, and during each subsequent*
20 *fiscal year, the amount specified in this subsection*
21 *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 subpara-
 3 graph (A) by the percentage (if any) by which
 4 the Consumer Price Index for All Urban Con-
 5 sumers for the month of July preceding the date
 6 on which such adjustment takes effect exceeds the
 7 Consumer Price Index for All Urban Consumers
 8 for the same month of the preceding calendar
 9 year, rounded to the next lowest multiple of \$10.

10 (4) *DISPOSITION OF EMPLOYMENT AUTHORIZA-*
 11 *TION APPLICATION FEES COLLECTED FROM ALIENS*
 12 *GRANTED TEMPORARY PROTECTED STATUS.*—All of
 13 the fees collected pursuant to this subsection shall be
 14 deposited into the general fund of the Treasury.

15 (5) *NO FEE WAIVER.*—Fees required to be paid
 16 under this subsection shall not be waived or reduced.

17 **SEC. 100004. IMMIGRATION PAROLE FEE.**

18 (a) *IN GENERAL.*—Except as provided under sub-
 19 section (b), the Secretary of Homeland Security shall re-
 20 quire the payment of a fee, equal to the amount specified
 21 in this section and in addition to any other fee authorized
 22 by law, by any alien who is paroled into the United States.

23 (b) *EXCEPTIONS.*—An alien shall not be subject to the
 24 fee otherwise required under subsection (a) if the alien es-
 25 tablishes, to the satisfaction of the Secretary of Homeland

1 *Security, on an individual, case-by-case basis, that the*
2 *alien is being paroled because—*

3 *(1)(A) the alien has a medical emergency; and*

4 *(B)(i) the alien cannot obtain necessary treat-*
5 *ment in the foreign state in which the alien is resid-*
6 *ing; or*

7 *(ii) the medical emergency is life-threatening*
8 *and there is insufficient time for the alien to be ad-*
9 *mitted to the United States through the normal visa*
10 *process;*

11 *(2)(A) the alien is the parent or legal guardian*
12 *of an alien described in paragraph (1); and*

13 *(B) the alien described in paragraph (1) is a*
14 *minor;*

15 *(3)(A) the alien is needed in the United States*
16 *to donate an organ or other tissue for transplant; and*

17 *(B) there is insufficient time for the alien to be*
18 *admitted to the United States through the normal*
19 *visa process;*

20 *(4)(A) the alien has a close family member in*
21 *the United States whose death is imminent; and*

22 *(B) the alien could not arrive in the United*
23 *States in time to see such family member alive if the*
24 *alien were to be admitted to the United States*
25 *through the normal visa process;*

1 (5)(A) *the alien is seeking to attend the funeral*
2 *of a close family member; and*

3 (B) *the alien could not arrive in the United*
4 *States in time to attend such funeral if the alien were*
5 *to be admitted to the United States through the nor-*
6 *mal visa process;*

7 (6) *the alien is an adopted child—*

8 (A) *who has an urgent medical condition;*

9 (B) *who is in the legal custody of the peti-*
10 *tioner for a final adoption-related visa; and*

11 (C) *whose medical treatment is required be-*
12 *fore the expected award of a final adoption-re-*
13 *lated visa;*

14 (7) *the alien—*

15 (A) *is a lawful applicant for adjustment of*
16 *status under section 245 (8 U.S.C. 1255); and*

17 (B) *is returning to the United States after*
18 *temporary travel abroad;*

19 (8) *the alien—*

20 (A) *has been returned to a contiguous coun-*
21 *try pursuant to section 235(b)(2)(C) (8 U.S.C.*
22 *1225(b)(2)(C)); and*

23 (B) *is being paroled into the United States*
24 *to allow the alien to attend the alien's immigra-*
25 *tion hearing;*

1 (9) *the alien has been granted the status of*
2 *Cuban and Haitian entrant (as defined in section*
3 *501(e) of the Refugee Education Assistance Act of*
4 *1980 (Public Law 96-422; 8 U.S.C. 1522 note); or*

5 (10) *the Secretary of Homeland Security deter-*
6 *mines that a significant public benefit has resulted or*
7 *will result from the parole of an alien—*

8 (A) *who has assisted or will assist the*
9 *United States Government in a law enforcement*
10 *matter;*

11 (B) *whose presence is required by the*
12 *United States Government in furtherance of such*
13 *law enforcement matter; and*

14 (C)(i) *who is inadmissible or does not sat-*
15 *isfy the eligibility requirements for admission as*
16 *a nonimmigrant; or*

17 (ii) *for which there is insufficient time for*
18 *the alien to be admitted to the United States*
19 *through the normal visa process.*

20 (c) *INITIAL AMOUNT.—For fiscal year 2025, the*
21 *amount specified in this section shall be the greater of—*

22 (1) *\$1,000; or*

23 (2) *such amount as the Secretary of Homeland*
24 *Security may establish, by rule.*

1 (d) *ANNUAL ADJUSTMENTS FOR INFLATION.*—During
2 *fiscal year 2026, and during each subsequent fiscal year,*
3 *the amount specified in this section shall be equal to the*
4 *sum of—*

5 (1) *the amount of the fee required under this sub-*
6 *section for the most recently concluded fiscal year;*
7 *and*

8 (2) *the product resulting from the multiplication*
9 *of the amount referred to in paragraph (1) by the*
10 *percentage (if any) by which the Consumer Price*
11 *Index for All Urban Consumers for the month of July*
12 *preceding the date on which such adjustment takes ef-*
13 *fect exceeds the Consumer Price Index for All Urban*
14 *Consumers for the same month of the preceding cal-*
15 *endar year, rounded to the next lowest multiple of*
16 *\$10.*

17 (e) *DISPOSITION OF FEES COLLECTED FROM ALIENS*
18 *GRANTED PAROLE.*—All of the fees collected pursuant to
19 *this section shall be deposited into the general fund of the*
20 *Treasury.*

21 (f) *NO FEE WAIVER.*—Except as provided in sub-
22 *section (b), fees required to be paid under this section shall*
23 *not be waived or reduced.*

1 **SEC. 100005. SPECIAL IMMIGRANT JUVENILE FEE.**

2 (a) *IN GENERAL.*—*In addition to any other fee author-*
3 *ized by law, the Secretary of Homeland Security shall re-*
4 *quire 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.*—*During*
14 *fiscal year 2026, and during each subsequent fiscal year,*
15 *the amount specified in this section shall be equal to the*
16 *sum of—*

17 (1) *the amount of the fee required under this sub-*
18 *section for the most recently concluded fiscal year;*
19 *and*

20 (2) *the product resulting from the multiplication*
21 *of the amount referred to in paragraph (1) by the*
22 *percentage (if any) by which the Consumer Price*
23 *Index for All Urban Consumers for the month of July*
24 *preceding the date on which such adjustment takes ef-*
25 *fect exceeds the Consumer Price Index for All Urban*
26 *Consumers for the same month of the preceding cal-*

1 *endar year, rounded to the next lowest multiple of*
 2 *\$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 Gen-*
 12 *eral”;*

13 *(2) in clause (i), as redesignated, by striking*
 14 *“\$50” and inserting “\$500, subject to the adjustments*
 15 *required under clause (ii)”;* and

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 max-*
 20 *imum amount of the fee authorized under*
 21 *clause (i) shall be equal to the sum of—*

22 *“(I) the maximum amount of the*
 23 *fee authorized under this subparagraph*
 24 *for the most recently concluded fiscal*
 25 *year; and*

1 “(II) the product resulting from
2 the multiplication of the amount re-
3 ferred to in subclause (I) by the per-
4 centage (if any) by which the Con-
5 sumer Price Index for All Urban Con-
6 sumers for the month of July preceding
7 the date on which such adjustment
8 takes effect exceeds the Consumer Price
9 Index for All Urban Consumers for the
10 same month of the preceding calendar
11 year, rounded to the next lowest mul-
12 tiple of \$10.

13 “(iii) *DISPOSITION OF TEMPORARY*
14 *PROTECTED STATUS FEES.*—All of the fees
15 collected pursuant to this subparagraph
16 shall be deposited into the general fund of
17 the Treasury.

18 “(iv) *NO FEE WAIVER.*—Fees required
19 to be paid under this subparagraph shall
20 not be waived or reduced.”.

21 **SEC. 100007. VISA INTEGRITY FEE.**

22 (a) *VISA INTEGRITY FEE.*—

23 (1) *IN GENERAL.*—In addition to any other fee
24 authorized by law, the Secretary of Homeland Secu-
25 rity shall require the payment of a fee, equal to the

1 *amount specified in this subsection, by any alien*
2 *issued a nonimmigrant visa at the time of such*
3 *issuance.*

4 (2) *INITIAL AMOUNT.—For fiscal year 2025, the*
5 *amount specified in this section shall be the greater*
6 *of—*

7 (A) *\$250; or*

8 (B) *such amount as the Secretary of Home-*
9 *land Security may establish, by rule.*

10 (3) *ANNUAL ADJUSTMENTS FOR INFLATION.—*
11 *During fiscal year 2026, and during each subsequent*
12 *fiscal year, the amount specified in this section shall*
13 *be equal to the sum of—*

14 (A) *the amount of the fee required under*
15 *this subsection for the most recently concluded*
16 *fiscal year; and*

17 (B) *the product resulting from the mul-*
18 *tiplication of the amount referred to in subpara-*
19 *graph (A) by the percentage (if any) by which*
20 *the Consumer Price Index for All Urban Con-*
21 *sumers for the month of July preceding the date*
22 *on which such adjustment takes effect exceeds the*
23 *Consumer Price Index for All Urban Consumers*
24 *for the same month of the preceding calendar*
25 *year, rounded down to the nearest dollar.*

1 (4) *DISPOSITION OF VISA INTEGRITY FEES.*—All
2 of the fees collected pursuant to this section that are
3 not reimbursed pursuant to subsection (b) shall be de-
4 posited into the general fund of the Treasury.

5 (5) *NO FEE WAIVER.*—Fees required to be paid
6 under this subsection shall not be waived or reduced.

7 (b) *FEE REIMBURSEMENT.*—The Secretary of Home-
8 land Security may provide a reimbursement to an alien
9 of the fee required under subsection (a) for the issuance of
10 a nonimmigrant visa after the expiration of such non-
11 immigrant visa's period of validity if such alien dem-
12 onstrates that he or she—

13 (1) after admission to the United States pursu-
14 ant to such nonimmigrant visa, complied with all
15 conditions of such nonimmigrant visa, including the
16 condition that an alien shall not accept unauthorized
17 employment; and

18 (2)(A) has not sought to extend his or her period
19 of admission during such period of validity and de-
20 parted the United States not later than 5 days after
21 the last day of such period; or

22 (B) during such period of validity, was granted
23 an extension of such nonimmigrant status or an ad-
24 justment to the status of a lawful permanent resident.

1 **SEC. 100008. FORM I-94 FEE.**

2 (a) *FEE AUTHORIZED.*—*In addition to any other fee*
3 *authorized by law, the Secretary of Homeland Security*
4 *shall require the payment of a fee, equal to the amount spec-*
5 *ified in subsection (b), by any alien who submits an appli-*
6 *cation for a Form I-94 Arrival/Departure Record.*

7 (b) *AMOUNT SPECIFIED.*—

8 (1) *INITIAL AMOUNT.*—*For fiscal year 2025, the*
9 *amount specified in this section shall be the greater*
10 *of—*

11 (A) *\$24; or*

12 (B) *such amount as the Secretary of Home-*
13 *land Security may establish, by rule.*

14 (2) *ANNUAL ADJUSTMENTS FOR INFLATION.*—
15 *During fiscal year 2026, and during each subsequent*
16 *fiscal year, the amount specified in this section shall*
17 *be equal to the sum of—*

18 (A) *the amount of the fee required under*
19 *this subsection for the most recently concluded*
20 *fiscal year; and*

21 (B) *the product resulting from the mul-*
22 *tiplication of the amount referred to in subpara-*
23 *graph (A) by the percentage (if any) by which*
24 *the Consumer Price Index for All Urban Con-*
25 *sumers for the month of July preceding the date*
26 *on which such adjustment takes effect exceeds the*

1 *Consumer Price Index for All Urban Consumers*
2 *for the same month of the preceding calendar*
3 *year, rounded down to the nearest dollar.*

4 (c) *DISPOSITION OF FORM I-94 FEES.*—During each
5 *fiscal year—*

6 (1) *20 percent of the fees collected pursuant to*
7 *this section—*

8 (A) *shall be deposited into the Land Border*
9 *Inspection Fee Account in accordance with sec-*
10 *tion 286(q)(2) (8 U.S.C. 1356(q)(2)); and*

11 (B) *shall be made available to U.S. Customs*
12 *and Border Protection to retain and spend with-*
13 *out further appropriation for the purpose of*
14 *processing Form I-94; and*

15 (2) *any amounts not deposited into the Land*
16 *Border Inspection Fee Account pursuant to para-*
17 *graph (1)(A) shall be deposited in the general fund of*
18 *the Treasury.*

19 (d) *NO FEE WAIVER.*—Fees required to be paid under
20 *this section shall not be waived or reduced.*

21 **SEC. 100009. ANNUAL ASYLUM FEE.**

22 (a) *FEE AUTHORIZED.*—In addition to any other fee
23 *authorized by law, for each calendar year that an alien's*
24 *application for asylum remains pending, the Secretary of*
25 *Homeland Security or the Attorney General, as applicable,*

1 *shall require the payment of a fee, equal to the amount spec-*
2 *ified in subsection (b), by such alien.*

3 *(b) AMOUNT SPECIFIED.—*

4 *(1) INITIAL AMOUNT.—For fiscal year 2025, the*
5 *amount specified in this section shall be the greater*
6 *of—*

7 *(A) \$100; or*

8 *(B) such amount as the Secretary of Home-*
9 *land Security may establish, by rule.*

10 *(2) ANNUAL ADJUSTMENTS FOR INFLATION.—*
11 *During fiscal year 2026, and during each subsequent*
12 *fiscal year, the amount specified in this section shall*
13 *be equal to the sum of—*

14 *(A) the amount of the fee required under*
15 *this subsection for the most recently concluded*
16 *fiscal year; and*

17 *(B) the product resulting from the mul-*
18 *tiplication of the amount referred to in subpara-*
19 *graph (A) by the percentage (if any) by which*
20 *the Consumer Price Index for All Urban Con-*
21 *sumers for the month of July preceding the date*
22 *on which such adjustment takes effect exceeds the*
23 *Consumer Price Index for All Urban Consumers*
24 *for the same month of the preceding calendar*
25 *year, rounded down to the nearest dollar.*

1 (c) *DISPOSITION OF ANNUAL ASYLUM FEES.*—All of
 2 the fees collected pursuant to this section shall be deposited
 3 into the general fund of the Treasury.

4 (d) *NO FEE WAIVER.*—Fees required to be paid under
 5 this section shall not be waived or reduced.

6 **SEC. 100010. FEE RELATING TO RENEWAL AND EXTENSION**
 7 **OF EMPLOYMENT AUTHORIZATION FOR PA-**
 8 **ROLEES.**

9 (a) *IN GENERAL.*—In addition to any other fee author-
 10 ized by law, the Secretary of Homeland Security shall re-
 11 quire the payment of a fee, equal to the amount specified
 12 in subsection (b), for any parolee who seeks a renewal or
 13 extension of employment authorization based on a grant of
 14 parole. The employment authorization for each alien pa-
 15 roled into the United States, or any renewal or extension
 16 of such parole, shall be valid for a period of 1 year or for
 17 the duration of the alien’s parole, whichever is shorter.

18 (b) *AMOUNT SPECIFIED.*—

19 (1) *INITIAL AMOUNT.*—For fiscal year 2025, the
 20 amount specified in this subsection shall be the great-
 21 er of—

22 (A) \$275; or

23 (B) such amount as the Secretary of Home-
 24 land Security may establish, by rule.

1 (2) *ANNUAL ADJUSTMENTS FOR INFLATION.*—

2 *During fiscal year 2026, and during each subsequent*
 3 *fiscal year, the amount specified in this section shall*
 4 *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 subpara-*
 10 *graph (A) by the percentage (if any) by which*
 11 *the Consumer Price Index for All Urban Con-*
 12 *sumers for the month of July preceding the date*
 13 *on which such adjustment takes effect exceeds the*
 14 *Consumer Price Index for All Urban Consumers*
 15 *for the same month of the preceding calendar*
 16 *year, rounded to the next lowest multiple of \$10.*

17 (c) *DISPOSITION OF FEES RELATING TO RENEWAL*
 18 *AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR*
 19 *PAROLEES.*—*During each fiscal year—*

20 (1) *25 percent of the fees collected pursuant to*
 21 *this section—*

22 (A) *shall be credited to U.S. Citizenship*
 23 *and Immigration Services;*

1 (B) shall be deposited into the Immigration
2 Examinations Fee Account established under sec-
3 tion 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 Im-
9 migration Services pursuant to subparagraph (A)
10 shall be deposited into the general fund of the Treas-
11 ury.

12 (d) *NO FEE WAIVER.*—Fees required to be paid under
13 this section shall not be waived or reduced.

14 **SEC. 100011. FEE RELATING TO RENEWAL OR EXTENSION**
15 **OF EMPLOYMENT AUTHORIZATION FOR ASY-**
16 **LUM APPLICANTS.**

17 (a) *IN GENERAL.*—In addition to any other fee author-
18 ized by law, the Secretary of Homeland Security shall re-
19 quire the payment of a fee of not less than \$275 by any
20 alien who has applied for asylum for each renewal or exten-
21 sion of employment authorization based on such applica-
22 tion.

23 (b) *TERMINATION.*—Each initial employment author-
24 ization, or renewal or extension of such authorization, shall
25 terminate—

1 (1) *immediately following the denial of an asy-*
 2 *lum application by an asylum officer, unless the case*
 3 *is referred to an immigration judge;*

4 (2) *on the date that is 30 days after the date on*
 5 *which an immigration judge denies an asylum appli-*
 6 *cation, unless the alien makes a timely appeal to the*
 7 *Board of Immigration Appeals; or*

8 (3) *immediately following the denial by the*
 9 *Board of Immigration Appeals of an appeal of a de-*
 10 *denial of an asylum application.*

11 (c) *DISPOSITION OF FEES RELATING TO RENEWAL*
 12 *AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR*
 13 *ASYLUM APPLICANTS.—During each fiscal year—*

14 (1) *25 percent of the fees collected pursuant to*
 15 *this section—*

16 (A) *shall be credited to U.S. Citizenship*
 17 *and Immigration Services;*

18 (B) *shall be deposited into the Immigration*
 19 *Examinations Fee Account established under sec-*
 20 *tion 286(m) (8 U.S.C. 1356(m)); and*

21 (C) *may be retained and expended by U.S.*
 22 *Citizenship and Immigration Services without*
 23 *further appropriation; and*

24 (2) *any amounts collected pursuant to this sec-*
 25 *tion that are not credited to U.S. Citizenship and Im-*

1 *migration Services pursuant to subparagraph (A)*
 2 *shall be deposited into the general fund of the Treas-*
 3 *ury.*

4 *(d) NO FEE WAIVER.—Fees required to be paid under*
 5 *this section shall not be waived or reduced.*

6 **SEC. 100012. FEE RELATING TO RENEWAL AND EXTENSION**
 7 **OF EMPLOYMENT AUTHORIZATION FOR**
 8 **ALIENS GRANTED TEMPORARY PROTECTED**
 9 **STATUS.**

10 *(a) IN GENERAL.—In addition to any other fee author-*
 11 *ized by law, the Secretary of Homeland Security shall re-*
 12 *quire the payment of a fee, equal to the amount specified*
 13 *in subsection (b), by any alien at the time such alien seeks*
 14 *a renewal or extension of employment authorization based*
 15 *on a grant of temporary protected status. Any employment*
 16 *authorization for an alien granted temporary protected sta-*
 17 *tus, or any renewal or extension of such employment au-*
 18 *thorization, shall be valid for a period of 1 year or for the*
 19 *duration of the designation of temporary protected status,*
 20 *whichever is shorter.*

21 *(b) AMOUNT SPECIFIED.—*

22 *(1) INITIAL AMOUNT.—For fiscal year 2025, the*
 23 *amount specified in this subsection shall be the great-*
 24 *er of—*

25 *(A) \$275; or*

1 (B) such amount as the Secretary of Home-
2 land Security may establish, by rule.

3 (2) ANNUAL ADJUSTMENTS FOR INFLATION.—
4 During fiscal year 2026, and during each subsequent
5 fiscal year, the amount specified in this section shall
6 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 subpara-
12 graph (A) by the percentage (if any) by which
13 the Consumer Price Index for All Urban Con-
14 sumers for the month of July preceding the date
15 on which such adjustment takes effect exceeds the
16 Consumer Price Index for All Urban Consumers
17 for the same month of the preceding calendar
18 year, rounded to the next lowest multiple of \$10.

19 (c) DISPOSITION OF FEES RELATING TO RENEWAL
20 AND EXTENSION OF EMPLOYMENT AUTHORIZATION FOR
21 TEMPORARY PROTECTED STATUS APPLICANTS.—During
22 each fiscal year—

23 (1) 25 percent of the fees collected pursuant to
24 this section—

1 (A) shall be credited to U.S. Citizenship
2 and Immigration Services;

3 (B) shall be deposited into the Immigration
4 Examinations Fee Account established under sec-
5 tion 286(m) (8 U.S.C. 1356(m)); and

6 (C) may be retained and expended by U.S.
7 Citizenship and Immigration Services without
8 further appropriation; and

9 (2) any amounts collected pursuant to this sec-
10 tion that are not credited to U.S. Citizenship and Im-
11 migration Services pursuant to subparagraph (A)
12 shall be deposited into the general fund of the Treas-
13 ury.

14 (d) *NO FEE WAIVER.*—Fees required to be paid under
15 this section shall not be waived or reduced.

16 **SEC. 100013. FEES RELATING TO APPLICATIONS FOR AD-**
17 **JUSTMENT OF STATUS.**

18 (a) *FEE FOR FILING AN APPLICATION TO ADJUST STA-*
19 *TUS TO THAT OF A LAWFUL PERMANENT RESIDENT.*—

20 (1) *IN GENERAL.*—In addition to any other fees
21 authorized by law, the Attorney General shall require
22 the payment of a fee, equal to the amount specified
23 in paragraph (2), by any alien who files an applica-
24 tion with an immigration court to adjust the alien's
25 status to that of a lawful permanent resident, or

1 *whose application to adjust his or her status to that*
2 *of a lawful permanent resident is adjudicated in im-*
3 *migration court. Such fee shall be paid at the time*
4 *such application is filed or before such application is*
5 *adjudicated by the immigration court.*

6 (2) *AMOUNT SPECIFIED.—*

7 (A) *INITIAL AMOUNT.—For fiscal year*
8 *2025, the amount specified in this paragraph*
9 *shall be the greater of—*

10 (i) *\$1,500; or*

11 (ii) *such amount as the Attorney Gen-*
12 *eral may establish, by rule.*

13 (B) *ANNUAL ADJUSTMENTS FOR INFLA-*
14 *TION.—During fiscal year 2026, and during*
15 *each subsequent fiscal year, the amount specified*
16 *in this paragraph shall be equal to the sum 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 mul-*
21 *tiplication 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 Price*
2 *Index for All Urban Consumers for the same*
3 *month of the preceding calendar year,*
4 *rounded to the next lowest multiple of \$10.*

5 (3) *DISPOSITION OF ADJUSTMENT OF STATUS AP-*
6 *PLICATION FEES.—During each fiscal year—*

7 (A) *not more than 25 percent of the fees col-*
8 *lected pursuant to this subsection—*

9 (i) *shall be derived by transfer from the*
10 *Immigration Examinations Fee Account*
11 *under section 286(n) (8 U.S.C. 1356(n));*
12 *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) shall*
19 *be deposited into the general fund of the Treas-*
20 *ury.*

21 (b) *FEE FOR FILING APPLICATION FOR WAIVER OF*
22 *GROUND OF INADMISSIBILITY.—*

23 (1) *IN GENERAL.—In addition to any other fees*
24 *authorized by law, the Attorney General shall require*
25 *the payment of a fee, equal to the amount specified*

1 *in paragraph (2), by any alien at the time such alien*
2 *files an application with an immigration court for a*
3 *waiver of a ground of inadmissibility, or before such*
4 *application is adjudicated by the immigration court.*

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) *\$1,050; 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 specified*
15 *in this paragraph shall be equal to the sum 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 mul-*
20 *tiplication 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 Price*

1 *Index for All Urban Consumers for the same*
2 *month of the preceding calendar year,*
3 *rounded to the next lowest multiple of \$10.*

4 (3) *DISPOSITION OF WAIVER OF GROUND OF AD-*
5 *MISSIBILITY APPLICATION FEES.—During each fiscal*
6 *year—*

7 (A) *not more than 25 percent of the fees col-*
8 *lected pursuant to this subsection—*

9 (i) *shall be derived by transfer from the*
10 *Immigration Examinations Fee Account*
11 *under section 286(n) (8 U.S.C. 1356(n));*
12 *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) shall*
19 *be deposited into the general fund of the Treas-*
20 *ury.*

21 (c) *FEE FOR FILING AN APPLICATION FOR TEMPORARY*
22 *PROTECTED STATUS.—*

23 (1) *IN GENERAL.—In addition to any other fees*
24 *authorized by law, the Attorney General shall require*
25 *the payment of a fee, equal to the amount specified*

1 *in paragraph (2), by any alien at the time such alien*
2 *files an application with an immigration court for*
3 *temporary protected status, or before such application*
4 *is adjudicated by the immigration court.*

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) *\$500; 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 specified*
15 *in this paragraph shall be equal to the sum 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 mul-*
20 *tiplication 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 Price*

1 *Index for All Urban Consumers for the same*
 2 *month of the preceding calendar year,*
 3 *rounded to the next lowest multiple of \$10.*

4 (3) *DISPOSITION OF TEMPORARY PROTECTED*
 5 *STATUS APPLICATION FEES.—During each fiscal*
 6 *year—*

7 (A) *not more than 25 percent of the fees col-*
 8 *lected pursuant to this subsection—*

9 (i) *shall be derived by transfer from the*
 10 *Immigration Examinations Fee Account*
 11 *under section 286(n) (8 U.S.C. 1356(n));*
 12 *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) shall*
 19 *be deposited into the general fund of the Treas-*
 20 *ury.*

21 (d) *FEE FOR FILING AN APPEAL OF A DECISION OF*
 22 *AN IMMIGRATION JUDGE.—*

23 (1) *IN GENERAL.—Except as provided in para-*
 24 *graph (3), the Attorney General shall require, in ad-*
 25 *dition to any other fees authorized by law, the pay-*

1 *ment of a fee, equal to the amount specified in para-*
2 *graph (2), by any alien at the time such alien files*
3 *an appeal from a decision of an immigration judge.*

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) *\$900; 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 specified*
14 *in this paragraph shall be equal to the sum of—*

15 (i) *the amount of the fee required*
16 *under this subsection for the most recently*
17 *concluded fiscal year; and*

18 (ii) *the product resulting from the mul-*
19 *tiplication of the amount referred to in*
20 *clause (i) by the percentage (if any) by*
21 *which the Consumer Price Index for All*
22 *Urban Consumers for the month of July*
23 *preceding the date on which such adjust-*
24 *ment takes effect exceeds the Consumer Price*
25 *Index for All Urban Consumers for the same*

1 *month of the preceding calendar year,*
 2 *rounded to the next lowest multiple of \$10.*

3 (3) *EXCEPTION.—The fee required under para-*
 4 *graph (1) shall not apply to the appeal of a bond de-*
 5 *cision.*

6 (4) *DISPOSITION OF FEES FOR APPEALING IMMI-*
 7 *GRATION JUDGE DECISIONS.—During each fiscal*
 8 *year—*

9 (A) *not more than 25 percent of the fees col-*
 10 *lected pursuant to this subsection—*

11 (i) *shall be derived by transfer from the*
 12 *Immigration Examinations Fee Account*
 13 *under section 286(n) (8 U.S.C. 1356(n));*
 14 *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) shall*
 21 *be deposited into the general fund of the Treas-*
 22 *ury.*

23 (e) *FEE FOR FILING AN APPEAL FROM A DECISION*
 24 *OF AN OFFICER OF THE DEPARTMENT OF HOMELAND SE-*
 25 *curity.—*

1 (1) *IN GENERAL.*—*In addition to any other fees*
2 *authorized by law, the Attorney General shall require*
3 *the payment of a fee, equal to the amount specified*
4 *in paragraph (2), by any alien at the time such alien*
5 *files an appeal of a decision of an officer of the De-*
6 *partment of Homeland Security.*

7 (2) *AMOUNT SPECIFIED.*—

8 (A) *INITIAL AMOUNT.*—*For fiscal year*
9 *2025, the amount specified in this paragraph*
10 *shall be the greater of—*

11 (i) *\$900; or*

12 (ii) *such amount as the Attorney Gen-*
13 *eral may establish, by rule.*

14 (B) *ANNUAL ADJUSTMENTS FOR INFLA-*
15 *TION.*—*During fiscal year 2026, and during*
16 *each subsequent fiscal year, the amount specified*
17 *in this paragraph shall be equal to the sum of—*

18 (i) *the amount of the fee required*
19 *under this subsection for the most recently*
20 *concluded fiscal year; and*

21 (ii) *the product resulting from the mul-*
22 *tiplication of the amount referred to in*
23 *clause (i) by the percentage (if any) by*
24 *which the Consumer Price Index for All*
25 *Urban Consumers for the month of July*

1 *preceding the date on which such adjust-*
 2 *ment takes effect exceeds the Consumer Price*
 3 *Index for All Urban Consumers for the same*
 4 *month of the preceding calendar year,*
 5 *rounded to the next lowest multiple 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 col-*
 10 *lected pursuant to this subsection—*

11 *(i) shall be derived by transfer from the*
 12 *Immigration Examinations Fee Account*
 13 *under section 286(n) (8 U.S.C. 1356(n));*
 14 *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) shall*
 21 *be deposited into the general fund of the Treas-*
 22 *ury.*

23 (f) *FEE FOR FILING AN APPEAL FROM A DECISION OF*
 24 *AN ADJUDICATING OFFICIAL IN A PRACTITIONER DISCIPLI-*
 25 *NARY CASE.—*

1 (1) *IN GENERAL.*—*In addition to any other fees*
 2 *authorized by law, the Attorney General shall require*
 3 *the payment of a fee, equal to the amount specified*
 4 *in paragraph (2), by any practitioner at the time*
 5 *such practitioner files an appeal from a decision of*
 6 *an adjudicating official in a practitioner disciplinary*
 7 *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 specified*
 18 *in this paragraph shall be equal to the sum of—*

19 (i) *the amount of the fee required*
 20 *under this subsection for the most recently*
 21 *concluded fiscal year; and*

22 (ii) *the product resulting from the mul-*
 23 *tiplication of the amount referred to in*
 24 *clause (i) by the percentage (if any) by*
 25 *which the Consumer Price Index for All*

1 *Urban Consumers for the month of July*
 2 *preceding the date on which such adjust-*
 3 *ment takes effect exceeds the Consumer Price*
 4 *Index for All Urban Consumers for the same*
 5 *month of the preceding calendar year,*
 6 *rounded to the next lowest multiple of \$10.*

7 (3) *DISPOSITION OF FEES FOR APPEALING DE-*
 8 *PARTMENT OF HOMELAND SECURITY OFFICER DECI-*
 9 *SIONS.—During each fiscal year—*

10 (A) *not more than 25 percent of the fees col-*
 11 *lected pursuant to this subsection—*

12 (i) *shall be derived by transfer from the*
 13 *Immigration Examinations Fee Account*
 14 *under section 286(n) (8 U.S.C. 1356(n));*
 15 *and*

16 (ii) *shall be credited to the Executive*
 17 *Office for Immigration Review to retain*
 18 *and spend without further appropriation;*
 19 *and*

20 (B) *any amounts not derived by transfer*
 21 *and credited pursuant to subparagraph (A) shall*
 22 *be deposited into the general fund of the Treas-*
 23 *ury.*

24 (g) *FEE FOR FILING A MOTION TO REOPEN OR A MO-*
 25 *TION TO RECONSIDER.—*

1 (1) *IN GENERAL.*—*Except as provided in para-*
 2 *graph (3), in addition to any other fees authorized by*
 3 *law, the Attorney General shall require the payment*
 4 *of a fee, equal to the amount specified in paragraph*
 5 *(2), by any alien at the time such alien files a motion*
 6 *to reopen or motion to reconsider a decision of an im-*
 7 *migration judge or the Board of Immigration Ap-*
 8 *peals.*

9 (2) *AMOUNT SPECIFIED.*—

10 (A) *INITIAL AMOUNT.*—*For fiscal year*
 11 *2025, the amount specified in this paragraph*
 12 *shall be the greater of—*

13 (i) \$900; or

14 (ii) *such amount as the Attorney Gen-*
 15 *eral may establish, by rule.*

16 (B) *ANNUAL ADJUSTMENTS FOR INFLA-*
 17 *TION.*—*During fiscal year 2026, and during*
 18 *each subsequent fiscal year, the amount specified*
 19 *in this paragraph shall be equal to the sum 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 mul-*
 24 *tiplication 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 Price*
 5 *Index for All Urban Consumers for the same*
 6 *month of the preceding calendar year,*
 7 *rounded to the next lowest multiple of \$10.*

8 (3) *EXCEPTIONS.—The fee required under para-*
 9 *graph (1) shall not apply to—*

10 (A) *a motion to reopen a removal order en-*
 11 *tered in absentia if such motion is filed in ac-*
 12 *cordance with section 240(b)(5)(C)(ii) (8 U.S.C.*
 13 *1229a(b)(5)(C)(ii)); or*

14 (B) *a motion to reopen a deportation order*
 15 *entered in absentia if such motion is filed in ac-*
 16 *cordance with section 242B(c)(3)(B) prior to*
 17 *April 1, 1997.*

18 (4) *DISPOSITION OF FEES FOR FILING CERTAIN*
 19 *MOTIONS.—During each fiscal year—*

20 (A) *not more than 25 percent of the fees col-*
 21 *lected pursuant to this subsection—*

22 (i) *shall be derived by transfer from the*
 23 *Immigration Examinations Fee Account*
 24 *under section 286(n) (8 U.S.C. 1356(n));*
 25 *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) shall
 7 be deposited into the general fund of the Treas-
 8 ury.

9 (h) *FEE FOR FILING APPLICATION FOR SUSPENSION*
 10 *OF DEPORTATION.*—

11 (1) *IN GENERAL.*—In addition to any other fees
 12 authorized by law, the Attorney General shall require
 13 the payment of a fee, equal to the amount specified
 14 in paragraph (2), by any alien at the time such alien
 15 files an application with an immigration court for
 16 suspension of deportation.

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) \$600; 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

1 *each subsequent fiscal year, the amount specified*
 2 *in this paragraph shall be equal to the sum 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 mul-*
 7 *tiplication 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 Price*
 13 *Index for All Urban Consumers for the same*
 14 *month of the preceding calendar year,*
 15 *rounded to the next lowest multiple of \$10.*

16 *(3) DISPOSITION OF FEES FOR FILING APPLICA-*
 17 *TION FOR SUSPENSION OF DEPORTATION.—During*
 18 *each fiscal year—*

19 *(A) not more than 25 percent of the fees col-*
 20 *lected pursuant to this subsection—*

21 *(i) shall be derived by transfer from the*
 22 *Immigration Examinations Fee Account*
 23 *under section 286(n) (8 U.S.C. 1356(n));*
 24 *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) shall
7 be deposited into the general fund of the Treas-
8 ury.

9 (i) *FEE FOR FILING APPLICATION FOR CANCELLATION*
10 *OF REMOVAL FOR CERTAIN PERMANENT RESIDENTS.—*

11 (1) *IN GENERAL.—In addition to any other fees*
12 *authorized by law, the Attorney General shall require*
13 *the payment of a fee, equal to the amount specified*
14 *in paragraph (2), by any alien at the time such alien*
15 *files an application with an immigration court an*
16 *application for cancellation of removal for an alien*
17 *who is a lawful permanent resident.*

18 (2) *AMOUNT SPECIFIED.—*

19 (A) *INITIAL AMOUNT.—For fiscal year*
20 *2025, the amount specified in this paragraph*
21 *shall be the greater of—*

22 (i) \$600; or

23 (ii) *such amount as the Attorney Gen-*
24 *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 specified*
 4 *in this paragraph shall be equal to the sum of—*

5 (i) *the amount of the fee required*
 6 *under this subsection for the most recently*
 7 *concluded fiscal year; and*

8 (ii) *the product resulting from the mul-*
 9 *tiplication of the amount referred to in*
 10 *clause (i) by the percentage (if any) by*
 11 *which the Consumer Price Index for All*
 12 *Urban Consumers for the month of July*
 13 *preceding the date on which such adjust-*
 14 *ment takes effect exceeds the Consumer Price*
 15 *Index for All Urban Consumers for the same*
 16 *month of the preceding calendar year,*
 17 *rounded to the next lowest multiple of \$10.*

18 (3) *DISPOSITION OF FEES FOR FILING APPLICA-*
 19 *TION FOR CANCELLATION OF REMOVAL.—During each*
 20 *fiscal year—*

21 (A) *not more than 25 percent of the fees col-*
 22 *lected pursuant to this subsection—*

23 (i) *shall be derived by transfer from the*
 24 *Immigration Examinations Fee Account*

1 *under section 286(n) (8 U.S.C. 1356(n));*

2 *and*

3 *(ii) shall be credited to the Executive*

4 *Office for Immigration Review to retain*

5 *and spend without further appropriation;*

6 *and*

7 *(B) any amounts not derived by transfer*

8 *and credited pursuant to subparagraph (A) shall*

9 *be deposited into the general fund of the Treas-*

10 *ury.*

11 *(j) FEE FOR FILING AN APPLICATION FOR CANCELLA-*

12 *TION OF REMOVAL AND ADJUSTMENT OF STATUS FOR CER-*

13 *TAIN NONPERMANENT RESIDENTS.—*

14 *(1) IN GENERAL.—In addition to any other fees*

15 *authorized by law, the Attorney General shall require*

16 *the payment of a fee, equal to the amount specified*

17 *in paragraph (2), by any alien who is not a lawful*

18 *permanent resident at the time such alien files an ap-*

19 *plication with an immigration court for cancellation*

20 *of removal and adjustment of status for any alien.*

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) \$1,500; 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 specified
6 in this paragraph shall be equal to the sum of—

7 (i) the amount of the fee required
8 under this subsection for the most recently
9 concluded fiscal year; and

10 (ii) the product resulting from the mul-
11 tiplication of the amount referred to in
12 clause (i) by the percentage (if any) by
13 which the Consumer Price Index for All
14 Urban Consumers for the month of July
15 preceding the date on which such adjust-
16 ment takes effect exceeds the Consumer Price
17 Index for All Urban Consumers for the same
18 month of the preceding calendar year,
19 rounded to the next lowest multiple of \$10.

20 (3) DISPOSITION OF FEES FOR FILING APPLICA-
21 TION FOR CANCELLATION OF REMOVAL.—During each
22 fiscal year—

23 (A) not more than 25 percent of the fees col-
24 lected pursuant to this subsection—

1 (i) shall be derived by transfer from the
2 Immigration Examinations Fee Account
3 under section 286(n) (8 U.S.C. 1356(n));
4 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) shall
11 be deposited into the general fund of the Treas-
12 ury.

13 (k) *LIMITATION ON USE OF FUNDS.*—No fees collected
14 pursuant to this section may be expended by the Executive
15 Office for Immigration Review for the Legal Orientation
16 Program, or for any successor program.

17 **SEC. 100014. ELECTRONIC SYSTEM FOR TRAVEL AUTHOR-**
18 **IZATION FEE.**

19 Section 217(h)(3)(B) (8 U.S.C. 1187(h)(3)(B)) is
20 amended—

21 (1) in clause (i)—

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

24 (B) in subclause (II)—

1 (i) by inserting “of not less than \$10”

2 after “an amount”; and

3 (ii) by striking the period at the end

4 and inserting “; and”; and

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

6 “(III) not less than \$13 per travel

7 authorization.”;

8 (2) in clause (iii), by striking “October 31,

9 2028” and inserting “October 31, 2034”; and

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

11 “(iv) *SUBSEQUENT ADJUSTMENT.*—

12 *During fiscal year 2026 and each subse-*

13 *quent fiscal year, the amount specified in*

14 *clause (i)(II) for a fiscal year shall be equal*

15 *to the sum of—*

16 “(I) the amount of the fee required

17 under this subparagraph during the

18 most recently concluded fiscal year;

19 and

20 “(II) the product of the amount

21 referred to in subclause (I) multiplied

22 by the percentage (if any) by which the

23 Consumer Price Index for All Urban

24 Consumers for the month of July pre-

25 ceding the date on which such adjust-

1 *ment takes effect exceeds the Consumer*
 2 *Price Index for All Urban Consumers*
 3 *for the same month of the preceding*
 4 *calendar year.”.*

5 **SEC. 100015. ELECTRONIC VISA UPDATE SYSTEM FEE.**

6 (a) *IN GENERAL.*—*In addition to any other fee author-*
 7 *ized by law, the Secretary of Homeland Security shall re-*
 8 *quire the payment of a fee, in the amount specified in sub-*
 9 *section (b), by any alien subject to the Electronic Visa Up-*
 10 *date System at the time of such alien’s enrollment in such*
 11 *system.*

12 (b) *AMOUNT SPECIFIED.*—

13 (1) *IN GENERAL.*—*For fiscal year 2025, the*
 14 *amount specified in this subsection shall be the great-*
 15 *er of—*

16 (A) *\$30; or*

17 (B) *such amount as the Secretary of Home-*
 18 *land Security may establish, by rule.*

19 (2) *ANNUAL ADJUSTMENTS FOR INFLATION.*—
 20 *During fiscal year 2026 and each subsequent fiscal*
 21 *year, the amount specified in this subsection shall be*
 22 *equal to the sum of—*

23 (A) *the amount of the fee required under*
 24 *this subsection during the most recently con-*
 25 *cluded fiscal year; and*

1 (B) the product resulting from the mul-
 2 tiplication of the amount referred to in subpara-
 3 graph (A) by the percentage (if any) by which
 4 the Consumer Price Index for All Urban Con-
 5 sumers for the month of July preceding the date
 6 on which such adjustment takes effect exceeds the
 7 Consumer Price Index for All Urban Consumers
 8 for the same month of the preceding calendar
 9 year, rounded to the next lowest multiple of
 10 \$0.25.

11 (c) *DISPOSITION OF ELECTRONIC VISA UPDATE SYS-*
 12 *TEM FEES.*—

13 (1) *IN GENERAL.*—Section 286 (8 U.S.C. 1356)
 14 is amended by adding at the end the following:

15 “(w) *CBP ELECTRONIC VISA UPDATE SYSTEM AC-*
 16 *COUNT.*—

17 “(1) *ESTABLISHMENT.*—There is established in
 18 the general fund of the Treasury a separate account,
 19 which shall be known as the ‘CBP Electronic Visa
 20 Update System Account’ (referred to in this sub-
 21 section as the ‘Account’).

22 “(2) *DEPOSITS.*—There shall be deposited into
 23 the Account an amount equal to the difference be-
 24 tween—

1 “(A) *all of the fees received pursuant to sec-*
2 *tion 100015 of the Act entitled ‘An Act to pro-*
3 *vide for reconciliation pursuant to title II of H.*
4 *Con. Res. 14’ (119th Congress); and*

5 “(B) *an amount equal to \$5 multiplied by*
6 *the number of payments collected pursuant to*
7 *such section.*

8 “(3) *APPROPRIATION.—Amounts deposited in the*
9 *Account—*

10 “(A) *are hereby appropriated to make pay-*
11 *ments and offset program costs in accordance*
12 *with section 100015 of the Act entitled ‘An Act*
13 *to provide for reconciliation pursuant to title II*
14 *of H. Con. Res. 14’ (119th Congress), without*
15 *further appropriation; and*

16 “(B) *shall remain available until expended*
17 *for any U.S. Customs and Border Protection*
18 *costs associated with administering the CBP*
19 *Electronic Visa Update System.”.*

20 “(2) *REMAINING FEES.—Of the fees collected pur-*
21 *suant to this section, an amount equal to \$5 multi-*
22 *plied by the number of payments collected pursuant*
23 *to this section shall be deposited to the general fund*
24 *of the Treasury.*

1 (d) *NO FEE WAIVER.*—*Fees required to be paid under*
 2 *this section shall not be waived or reduced.*

3 **SEC. 100016. FEE FOR ALIENS ORDERED REMOVED IN**
 4 **ABSENTIA.**

5 (a) *IN GENERAL.*—*As partial reimbursement for the*
 6 *cost of arresting an alien described in this section, the Sec-*
 7 *retary of Homeland Security, except as provided in sub-*
 8 *section (c), shall require the payment of a fee, equal to the*
 9 *amount specified in subsection (b) on any alien who—*

10 (1) *is ordered removed in absentia pursuant to*
 11 *section 240(b)(5) (8 U.S.C. 1229a(b)(5)); and*

12 (2) *is subsequently arrested by U.S. Immigration*
 13 *and Customs Enforcement.*

14 (b) *AMOUNT SPECIFIED.*—

15 (1) *INITIAL AMOUNT.*—*For fiscal year 2025, the*
 16 *amount specified in this section shall be the greater*
 17 *of—*

18 (A) *\$5,000; or*

19 (B) *such amount as the Secretary of Home-*
 20 *land Security may establish, by rule.*

21 (2) *ANNUAL ADJUSTMENTS FOR INFLATION.*—
 22 *During fiscal year 2026, and during each subsequent*
 23 *fiscal year, the amount specified in this section shall*
 24 *be equal to the sum of—*

1 (A) the amount of the fee required under
2 this subsection for the most recently concluded
3 fiscal year; and

4 (B) the product resulting from the mul-
5 tiplication of the amount referred to in subpara-
6 graph (A) by the percentage (if any) by which
7 the Consumer Price Index for All Urban Con-
8 sumers for the month of July preceding the date
9 on which such adjustment takes effect exceeds the
10 Consumer Price Index for All Urban Consumers
11 for the same month of the preceding calendar
12 year, rounded to the next lowest multiple of \$10.

13 (c) *EXCEPTION.*—The fee described in this section shall
14 not apply to any alien who was ordered removed in
15 absentia if such order was rescinded pursuant to section
16 240(b)(5)(C) (8 U.S.C. 1229a(b)(5)(C)).

17 (d) *DISPOSITION OF REMOVAL IN ABSENTIA FEES.*—
18 During each fiscal year—

19 (1) 50 percent of the fees collected pursuant to
20 this section—

21 (A) shall be credited to U.S. Immigration
22 and Customs Enforcement;

23 (B) shall be deposited into the Detention
24 and Removal Office Fee Account; and

1 (C) may be retained and expended by U.S.
 2 Immigration and Customs Enforcement without
 3 further appropriation; and

4 (2) any amounts collected pursuant to this sec-
 5 tion that are not credited to U.S. Immigration and
 6 Customs Enforcement pursuant to paragraph (1)
 7 shall be deposited into the general fund of the Treas-
 8 ury.

9 (e) *NO FEE WAIVER.*—Fees required to be paid under
 10 this section shall not be waived or reduced.

11 **SEC. 100017. INADMISSIBLE ALIEN APPREHENSION FEE.**

12 (a) *IN GENERAL.*—In addition to any other fee author-
 13 ized by law, the Secretary of Homeland Security shall re-
 14 quire the payment of a fee, equal to the amount specified
 15 in subsection (b), by any inadmissible alien at the time such
 16 alien is apprehended between ports of entry.

17 (b) *AMOUNT SPECIFIED.*—

18 (1) *INITIAL AMOUNT.*—For fiscal year 2025, the
 19 amount specified in this section shall be the greater
 20 of—

21 (A) \$5,000; or

22 (B) such amount as the Secretary of Home-
 23 land Security may establish, by rule.

24 (2) *ANNUAL ADJUSTMENTS FOR INFLATION.*—
 25 During fiscal year 2026, and during each subsequent

1 *fiscal year, the amount specified in this section shall*
 2 *be equal to the sum of—*

3 *(A) the amount of the fee required under*
 4 *this subsection for the most recently concluded*
 5 *fiscal year; and*

6 *(B) the product resulting from the mul-*
 7 *tiplication of the amount referred to in subpara-*
 8 *graph (A) by the percentage (if any) by which*
 9 *the Consumer Price Index for All Urban Con-*
 10 *sumers for the month of July preceding the date*
 11 *on which such adjustment takes effect exceeds the*
 12 *Consumer Price Index for All Urban Consumers*
 13 *for the same month of the preceding calendar*
 14 *year, rounded to the next lowest multiple of \$10.*

15 *(c) DISPOSITION OF INADMISSIBLE ALIEN APPREHEN-*
 16 *SION FEES.—During each fiscal year—*

17 *(1) 50 percent of the fees collected pursuant to*
 18 *this section—*

19 *(A) shall be credited to U.S. Immigration*
 20 *and Customs Enforcement;*

21 *(B) shall be deposited into the Detention*
 22 *and Removal Office Fee Account; and*

23 *(C) may be retained and expended by U.S.*
 24 *Immigration and Customs Enforcement without*
 25 *further appropriation; and*

1 (2) *any amounts collected pursuant to this sec-*
 2 *tion that are not credited to U.S. Immigration and*
 3 *Customs Enforcement pursuant to paragraph (1)*
 4 *shall be deposited into the general fund of the Treas-*
 5 *ury.*

6 (d) *DISPOSITION OF INADMISSIBLE ALIEN APPREHEN-*
 7 *SION FEES.—All of the fees collected pursuant to this sec-*
 8 *tion shall be deposited into the general fund of the Treasury.*

9 **SEC. 100018. AMENDMENT TO AUTHORITY TO APPLY FOR**
 10 **ASYLUM.**

11 *Section 208(d)(3) (8 U.S.C. 1158(d)(3)) is amended—*

12 (1) *in the first sentence, by striking “may” and*
 13 *inserting “shall”;*

14 (2) *by striking “Such fees shall not exceed” and*
 15 *all that follows and inserting the following: “Nothing*
 16 *in this paragraph may be construed to limit the au-*
 17 *thority of the Attorney General to set additional adju-*
 18 *dication and naturalization fees in accordance with*
 19 *section 286(m).”.*

20 **PART II—IMMIGRATION AND LAW ENFORCEMENT**
 21 **FUNDING**

22 **SEC. 100051. APPROPRIATION FOR THE DEPARTMENT OF**
 23 **HOMELAND SECURITY.**

24 *In addition to amounts otherwise available, there is*
 25 *appropriated to the Secretary of Homeland Security for fis-*

1 *cal year 2025, out of any money in the Treasury not other-*
2 *wise appropriated, \$2,055,000,000, to remain available*
3 *through September 30, 2029, for the following purposes:*

4 (1) *IMMIGRATION AND ENFORCEMENT ACTIVITIES.—Hiring and training of additional U.S. Cus-*
5 *toms and Border Protection agents, and the necessary*
6 *support staff, to carry out immigration enforcement*
7 *activities.*

9 (2) *DEPARTURES AND REMOVALS.—Funding for*
10 *transportation costs and related costs associated with*
11 *the departure or removal of aliens.*

12 (3) *PERSONNEL ASSIGNMENTS.—Funding for the*
13 *assignment of Department of Homeland Security em-*
14 *ployees and State officers to carry out immigration*
15 *enforcement activities pursuant to sections 103(a) and*
16 *287(g) of the Immigration and Nationality Act (8*
17 *U.S.C. 1103(a) and 1357(g)).*

18 (4) *BACKGROUND CHECKS.—Hiring additional*
19 *staff and investing the necessary resources to enhance*
20 *screening and vetting of all aliens seeking entry into*
21 *United States, consistent with section 212 of such Act*
22 *(8 U.S.C. 1182), or intending to remain in the*
23 *United States, consistent with section 237 of such Act*
24 *(8 U.S.C. 1227).*

1 (5) *PROTECTING ALIEN CHILDREN FROM EXPLOI-*
2 *TATION.—In instances of aliens and alien children*
3 *entering the United States without a valid visa, fund-*
4 *ing is provided for the purposes of—*

5 (A) *collecting fingerprints, in accordance*
6 *with section 262 of the Immigration and Nation-*
7 *ality Act (8 U.S.C. 1302) and subsections (a)(3)*
8 *and (b) of section 235 of such Act (8 U.S.C.*
9 *1225); and*

10 (B) *collecting DNA, in accordance with sec-*
11 *tions 235(d) and 287(b) of the Immigration and*
12 *Nationality Act (8 U.S.C. 1225(d) and 1357(b)).*

13 (6) *TRANSPORTING AND RETURN OF ALIENS*
14 *FROM CONTIGUOUS TERRITORY.—Transporting and*
15 *facilitating the return, pursuant to section*
16 *235(b)(2)(C) of the Immigration and Nationality Act*
17 *(8 U.S.C. 1225(b)(2)(C)), of aliens arriving from con-*
18 *tiguous territory.*

19 (7) *STATE AND LOCAL PARTICIPATION.—Fund-*
20 *ing for State and local participation in homeland se-*
21 *curity efforts for purposes of—*

22 (A) *ending the presence of criminal gangs*
23 *and criminal organizations throughout the*
24 *United States;*

1 (B) *addressing crime and public safety*
 2 *threats;*

3 (C) *combating human smuggling and traf-*
 4 *ficking networks throughout the United States;*

5 (D) *supporting immigration enforcement*
 6 *activities; and*

7 (E) *providing reimbursement for State and*
 8 *local participation in such efforts.*

9 (8) *REMOVAL OF SPECIFIED UNACCOMPANIED*
 10 *ALIEN CHILDREN.—*

11 (A) *IN GENERAL.—Funding removal oper-*
 12 *ations for specified unaccompanied alien chil-*
 13 *dren.*

14 (B) *USE OF FUNDS.—Amounts made avail-*
 15 *able under this paragraph shall only be used for*
 16 *permitting a specified unaccompanied alien*
 17 *child to withdraw the application for admission*
 18 *of the child pursuant to section 235(a)(4) of the*
 19 *Immigration and Nationality Act (8 U.S.C.*
 20 *1225(a)(4)).*

21 (C) *DEFINITIONS.—In this paragraph:*

22 (i) *SPECIFIED UNACCOMPANIED ALIEN*
 23 *CHILD.—The term “specified unaccom-*
 24 *panied alien child” means an unaccom-*
 25 *panied alien child (as defined in section*

1 462(g) of the Homeland Security Act of
 2 2002 (6 U.S.C. 279(g))) who the Secretary
 3 of Homeland Security determines on a case-
 4 by-case basis—

5 (I) has been found by an immi-
 6 gration officer at a land border or port
 7 of entry of the United States and is in-
 8 admissible under the Immigration and
 9 Nationality Act (8 U.S.C. 1101 et
 10 seq.);

11 (II) has not been a victim of se-
 12 vere forms of trafficking in persons,
 13 and there is no credible evidence that
 14 such child is at risk of being trafficked
 15 upon return of the child to the child's
 16 country of nationality or country of
 17 last habitual residence; and

18 (III) does not have a fear of re-
 19 turning to the child's country of na-
 20 tionality or country of last habitual
 21 residence owing to a credible fear of
 22 persecution.

23 (ii) SEVERE FORMS OF TRAFFICKING
 24 IN PERSONS.—The term “severe forms of
 25 trafficking in persons” has the meaning

1 *given such term in section 103 of the Traf-*
 2 *ficking Victims Protection Act of 2000 (22*
 3 *U.S.C. 7102).*

4 (9) *EXPEDITED REMOVAL OF CRIMINAL*
 5 *ALIENS.—Funding for the expedited removal of crimi-*
 6 *nal aliens, in accordance with the provisions of sec-*
 7 *tion 235(b)(1) of the Immigration and Nationality*
 8 *Act (8 U.S.C. 1225(b)(1)).*

9 (10) *REMOVAL OF CERTAIN CRIMINAL ALIENS*
 10 *WITHOUT FURTHER HEARINGS.—Funding for the re-*
 11 *moval of certain criminal aliens without further hear-*
 12 *ings, in accordance with the provisions of section*
 13 *235(c) of the Immigration and Nationality Act (8*
 14 *U.S.C. 1225(c)).*

15 (11) *CRIMINAL AND GANG CHECKS FOR UNAC-*
 16 *COMPANIED ALIEN CHILDREN.—Funding for criminal*
 17 *and gang checks of unaccompanied alien children (as*
 18 *defined in section 462(g) of the Homeland Security*
 19 *Act of 2002 (6 U.S.C. 279(g))) who are 12 years of*
 20 *age and older, including the examination of such un-*
 21 *accompanied alien children for gang-related tattoos*
 22 *and other gang-related markings.*

23 (12) *INFORMATION TECHNOLOGY.—Information*
 24 *technology investments to support immigration pur-*

1 *poses, including improvements to fee and revenue col-*
 2 *lections.*

3 **SEC. 100052. APPROPRIATION FOR U.S. IMMIGRATION AND**
 4 **CUSTOMS ENFORCEMENT.**

5 *In addition to amounts otherwise available, there is*
 6 *appropriated to the Secretary of Homeland Security for*
 7 *U.S. Immigration and Customs Enforcement for fiscal year*
 8 *2025, out of any money in the Treasury not otherwise ap-*
 9 *propriated, \$29,850,000,000, to remain available through*
 10 *September 30, 2029, for the following purposes:*

11 (1) *HIRING AND TRAINING.—Hiring and train-*
 12 *ing additional U.S. Immigration and Customs En-*
 13 *forcement personnel, including officers, agents, inves-*
 14 *tigators, and support staff, to carry out immigration*
 15 *enforcement activities and prioritizing and stream-*
 16 *lining the hiring of retired U.S. Immigration and*
 17 *Customs Enforcement personnel.*

18 (2) *PERFORMANCE, RETENTION, AND SIGNING*
 19 *BONUSES.—*

20 (A) *IN GENERAL.—Providing performance,*
 21 *retention, and signing bonuses for qualified U.S.*
 22 *Immigration and Customs Enforcement per-*
 23 *sonnel in accordance with this subsection.*

24 (B) *PERFORMANCE BONUSES.—The Direc-*
 25 *tor of U.S. Immigration and Customs Enforce-*

1 *ment, at the Director's discretion, may provide*
2 *performance bonuses to any U.S. Immigration*
3 *and Customs Enforcement agent, officer, or at-*
4 *torney who demonstrates exemplary service.*

5 (C) *RETENTION BONUSES.*—*The Director of*
6 *U.S. Immigration and Customs Enforcement*
7 *may provide retention bonuses to any U.S. Im-*
8 *migration and Customs Enforcement agent, offi-*
9 *cer, or attorney who commits to 2 years of addi-*
10 *tional service with U.S. Immigration and Cus-*
11 *toms Enforcement to carry out immigration en-*
12 *forcement activities.*

13 (D) *SIGNING BONUSES.*—*The Director of*
14 *U.S. Immigration and Customs Enforcement*
15 *may provide a signing bonus to any U.S. Immi-*
16 *gration and Customs Enforcement agent, officer,*
17 *or attorney who—*

18 (i) *is hired on or after the date of the*
19 *enactment of this Act; and*

20 (ii) *who commits to 5 years of service*
21 *with U.S. Immigration and Customs En-*
22 *forcement to carry out immigration enforce-*
23 *ment activities.*

24 (E) *SERVICE AGREEMENT.*—*In providing a*
25 *retention or signing bonus under this paragraph,*

1 *the Director of U.S. Immigration and Customs*
2 *Enforcement shall provide each qualifying indi-*
3 *vidual with a written service agreement that in-*
4 *cludes—*

5 *(i) the commencement and termination*
6 *dates of the required service period (or pro-*
7 *visions for the determination of such dates);*

8 *(ii) the amount of the bonus; and*

9 *(iii) any other term or condition under*
10 *which the bonus is payable, subject to the*
11 *requirements of this paragraph, including—*

12 *(I) the conditions under which the*
13 *agreement may be terminated before*
14 *the agreed-upon service period has been*
15 *completed; and*

16 *(II) the effect of a termination de-*
17 *scribed in subclause (I).*

18 *(3) RECRUITMENT, HIRING, AND ONBOARDING.—*
19 *Facilitating the recruitment, hiring, and onboarding*
20 *of additional U.S. Immigration and Customs En-*
21 *forcement personnel to carry out immigration enforce-*
22 *ment activities, including by—*

23 *(A) investing in information technology, re-*
24 *cruitment, and marketing; and*

1 (B) hiring staff necessary to carry out in-
2 formation technology, recruitment, and mar-
3 keting activities.

4 (4) *TRANSPORTATION.—Funding for transpor-*
5 *tation costs and related costs associated with alien de-*
6 *parture or removal operations.*

7 (5) *INFORMATION TECHNOLOGY.—Funding for*
8 *information technology investments to support en-*
9 *forcement and removal operations, including improve-*
10 *ments to fee collections.*

11 (6) *FACILITY UPGRADES.—Funding for facility*
12 *upgrades to support enforcement and removal oper-*
13 *ations.*

14 (7) *FLEET MODERNIZATION.—Funding for fleet*
15 *modernization to support enforcement and removal*
16 *operations.*

17 (8) *FAMILY UNITY.—Promoting family unity*
18 *by—*

19 (A) *maintaining the care and custody, dur-*
20 *ing the period in which a charge described in*
21 *clause (i) is pending, in accordance with appli-*
22 *cable laws, of an alien who—*

23 (i) *is charged only with a mis-*
24 *demeanor offense under section 275(a) of the*

1 *Immigration and Nationality Act (8 U.S.C.*
2 *1325(a)); and*
3 *(ii) entered the United States with the*
4 *alien's child who has not attained 18 years*
5 *of age; and*
6 *(B) detaining such an alien with the alien's*
7 *child.*

8 (9) 287(g) AGREEMENTS.—*Expanding, facili-*
9 *tating, and implementing agreements under section*
10 *287(g) of the Immigration and Nationality Act (8*
11 *U.S.C. 1357(g)).*

12 (10) VICTIMS OF IMMIGRATION CRIME ENGAGE-
13 *MENT OFFICE.—Hiring and training additional staff*
14 *to carry out the mission of the Victims of Immigra-*
15 *tion Crime Engagement Office and for providing non-*
16 *financial assistance to the victims of crimes per-*
17 *petrated by aliens who are present in the United*
18 *States without authorization.*

19 (11) OFFICE OF THE PRINCIPAL LEGAL ADVI-
20 *SOR.—Hiring additional attorneys and the necessary*
21 *support staff within the Office of the Principal Legal*
22 *Advisor to represent the Department of Homeland Se-*
23 *curity in immigration enforcement and removal pro-*
24 *ceedings.*

1 **SEC. 100053. APPROPRIATION FOR FEDERAL LAW ENFORCE-**
 2 **MENT TRAINING CENTERS.**

3 (a) *APPROPRIATION.*—*In addition to amounts other-*
 4 *wise available, there is appropriated to the Secretary of*
 5 *Homeland Security for the Federal Law Enforcement*
 6 *Training Centers for fiscal year 2025, out of any money*
 7 *in the Treasury not otherwise appropriated, \$750,000,000,*
 8 *to remain available until September 30, 2029, for the pur-*
 9 *poses described in subsections (b) and (c).*

10 (b) *TRAINING.*—*Not less than \$285,000,000 of the*
 11 *amounts available under subsection (a) shall be for sup-*
 12 *porting the training of newly hired Federal law enforcement*
 13 *personnel employed by the Department of Homeland Secu-*
 14 *rity and State and local law enforcement agencies operating*
 15 *in support of the Department of Homeland Security.*

16 (c) *FACILITIES.*—*Not more than \$465,000,000 of the*
 17 *amounts available under subsection (a) shall be for procure-*
 18 *ment, construction and maintenance of, improvements to,*
 19 *training equipment for, and related expenses, of facilities*
 20 *of the Federal Law Enforcement Training Centers.*

21 **SEC. 100054. APPROPRIATION FOR THE DEPARTMENT OF**
 22 **JUSTICE.**

23 *In addition to amounts otherwise available, there is*
 24 *appropriated to the Attorney General for the Department*
 25 *of Justice for fiscal year 2025, out of any money in the*
 26 *Treasury not otherwise appropriated, \$3,330,000,000, to re-*

1 *main available through September 30, 2029, for the fol-*
2 *lowing purposes:*

3 (1) *EXECUTIVE OFFICE FOR IMMIGRATION RE-*
4 *VIEW.—*

5 (A) *IN GENERAL.—Hiring immigration*
6 *judges and necessary support staff for the Execu-*
7 *tive Office for Immigration Review to address*
8 *the backlog of petitions, cases, and removals.*

9 (B) *STAFFING LEVEL.—Effective November*
10 *1, 2028, the Executive Office for Immigration*
11 *Review shall be comprised of not more than 800*
12 *immigration judges, along with the necessary*
13 *support staff.*

14 (2) *COMBATING DRUG TRAFFICKING.—Funding*
15 *efforts to combat drug trafficking (including traf-*
16 *ficking of fentanyl and its precursor chemicals) and*
17 *illegal drug use.*

18 (3) *PROSECUTION OF IMMIGRATION MATTERS.—*
19 *Funding efforts to investigate and prosecute immigra-*
20 *tion matters, gang-related crimes involving aliens,*
21 *child trafficking and smuggling involving aliens with-*
22 *in the United States, unlawful voting by aliens, viola-*
23 *tions of the Alien Registration Act, 1940 (54 Stat.,*
24 *chapter 439), and violations of or fraud relating to*
25 *title IV of the Personal Responsibility and Work Op-*

portunity Act of 1996 (Public Law 104–193; 110 Stat. 2277), including hiring additional Department of Justice personnel to investigate and prosecute such matters.

(4) *NONPARTY OR OTHER INJUNCTIVE RELIEF.*—
Hiring additional attorneys and necessary support staff for the purpose of continuing implementation of assignments by the Attorney General pursuant to sections 516, 517, and 518 of title 28, United States Code, to conduct litigation and attend to the interests of the United States in suits pending in a court of the United States or in a court of a State in suits seeking nonparty or other injunctive relief against the Federal Government.

(5) *EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM AND OFFICE OF COMMUNITY ORIENTED POLICING.*—

(A) *IN GENERAL.*—Increasing funding for the Edward Byrne Memorial Justice Assistance Grant Program and the Office of Community Oriented Policing for initiatives associated with—

(i) investigating and prosecuting violent crime;

1 (ii) *criminal enforcement initiatives;*

2 *and*

3 (iii) *immigration enforcement and re-*

4 *moval efforts.*

5 (B) *LIMITATIONS.—No funds made avail-*

6 *able under this subsection shall be made avail-*

7 *able to community violence intervention and pre-*

8 *vention initiative programs.*

9 (C) *ELIGIBILITY.—To be eligible to receive*

10 *funds made available under this subsection, a*

11 *State or local government shall be in full compli-*

12 *ance, as determined by the Attorney General,*

13 *with section 642 of the Illegal Immigration Re-*

14 *form and Immigrant Responsibility Act of 1996*

15 *(8 U.S.C. 1373).*

16 (6) *FISCALLY RESPONSIBLE LAWSUIT SETTLE-*

17 *MENTS.—Hiring additional attorneys and necessary*

18 *support staff for the purpose of maximizing lawsuit*

19 *settlements that require the payment of fines and pen-*

20 *alties to the Treasury of the United States in lieu of*

21 *providing for the payment to any person or entity*

22 *other than the United States, other than a payment*

23 *that provides restitution or otherwise directly rem-*

24 *edies actual harm directly and proximately caused by*

25 *the party making the payment, or constitutes pay-*

1 *ment for services rendered in connection with the*
2 *case.*

3 (7) *COMPENSATION FOR INCARCERATION OF*
4 *CRIMINAL ALIENS.—*

5 (A) *IN GENERAL.—Providing compensation*
6 *to a State or political subdivision of a State for*
7 *the incarceration of criminal aliens.*

8 (B) *USE OF FUNDS.—The amounts made*
9 *available under subparagraph (A) shall only be*
10 *used to compensate a State or political subdivi-*
11 *sion of a State, as appropriate, with respect to*
12 *the incarceration of an alien who—*

13 (i) *has been convicted of a felony or 2*
14 *or more misdemeanors; and*

15 (ii)(I) *entered the United States with-*
16 *out inspection or at any time or place other*
17 *than as designated by the Secretary of*
18 *Homeland Security;*

19 (II) *was the subject of removal pro-*
20 *ceedings at the time the alien was taken*
21 *into custody by the State or a political sub-*
22 *division of the State; or*

23 (III) *was admitted as a nonimmigrant*
24 *and, at the time the alien was taken into*
25 *custody by the State or a political subdivi-*

1 *sion of the State, has failed to maintain the*
2 *nonimmigrant status in which the alien*
3 *was admitted, or to which it was changed,*
4 *or to comply with the conditions of any*
5 *such status.*

6 (C) *LIMITATION.—Amounts made available*
7 *under this subsection shall be distributed to more*
8 *than 1 State. The amounts made available under*
9 *subparagraph (A) may not be used to com-*
10 *pensate any State or political subdivision of a*
11 *State if the State or political subdivision of the*
12 *State prohibits or in any way restricts a Fed-*
13 *eral, State, or local government entity, official,*
14 *or other personnel from doing any of the fol-*
15 *lowing:*

16 (i) *Complying with the immigration*
17 *laws (as defined in section 101(a)(17) of the*
18 *Immigration and Nationality Act (8 U.S.C.*
19 *1101(a)(17))).*

20 (ii) *Assisting or cooperating with Fed-*
21 *eral law enforcement entities, officials, or*
22 *other personnel regarding the enforcement of*
23 *the immigration laws.*

24 (iii) *Undertaking any of the following*
25 *law enforcement activities as such activities*

1 *relate to information regarding the citizen-*
 2 *ship or immigration status, lawful or un-*
 3 *lawful, the inadmissibility or deportability,*
 4 *and the custody status, of any individual:*

5 *(I) Making inquiries to any indi-*
 6 *vidual to obtain such information re-*
 7 *garding such individual or any other*
 8 *individuals.*

9 *(II) Notifying the Federal Govern-*
 10 *ment regarding the presence of individ-*
 11 *uals who are encountered by law en-*
 12 *forcement officials or other personnel of*
 13 *a State or political subdivision of a*
 14 *State.*

15 *(III) Complying with requests for*
 16 *such information from Federal law en-*
 17 *forcement entities, officials, or other*
 18 *personnel.*

19 **SEC. 100055. BRIDGING IMMIGRATION-RELATED DEFICITS**
 20 **EXPERIENCED NATIONWIDE REIMBURSE-**
 21 **MENT FUND.**

22 *(a) ESTABLISHMENT.—There is established within the*
 23 *Department of Justice a fund, to be known as the “Bridging*
 24 *Immigration-related Deficits Experienced Nationwide*

1 *(BIDEN) Reimbursement Fund” (referred to in this section*
2 *as the “Fund”).*

3 *(b) USE OF FUNDS.—The Attorney General shall use*
4 *amounts appropriated or otherwise made available for the*
5 *Fund for grants to eligible States, State agencies, and units*
6 *of local government, pursuant to their existing statutory au-*
7 *thorities, for any of the following purposes:*

8 *(1) Locating and apprehending aliens who have*
9 *committed a crime under Federal, State, or local law,*
10 *in addition to being unlawfully present in the United*
11 *States.*

12 *(2) Collection and analysis of law enforcement*
13 *investigative information within the United States to*
14 *counter gang or other criminal activity.*

15 *(3) Investigating and prosecuting—*

16 *(A) crimes committed by aliens within the*
17 *United States; and*

18 *(B) drug and human trafficking crimes*
19 *committed within the United States.*

20 *(4) Court operations related to the prosecution*
21 *of—*

22 *(A) crimes committed by aliens; and*

23 *(B) drug and human trafficking crimes.*

24 *(5) Temporary criminal detention of aliens.*

1 (6) *Transporting aliens described in paragraph*
2 (1) *within the United States to locations related to*
3 *the apprehension, detention, and prosecution of such*
4 *aliens.*

5 (7) *Vehicle maintenance, logistics, transpor-*
6 *tation, and other support provided to law enforcement*
7 *agencies by a State agency to enhance the ability to*
8 *locate and apprehend aliens who have committed*
9 *crimes under Federal, State, or local law, in addition*
10 *to being unlawfully present in the United States.*

11 (c) *APPROPRIATION.—In addition to amounts other-*
12 *wise available for the purposes described in subsection (b),*
13 *there is appropriated to the Attorney General for fiscal year*
14 *2025, out of any money in the Treasury not otherwise ap-*
15 *propriated, not to exceed \$3,500,000,000, to remain avail-*
16 *able until September 30, 2028, for the Fund for qualified*
17 *and documented expenses that achieve any such purpose.*

18 (d) *GRANT ELIGIBILITY OF COMPLETED, ONGOING, OR*
19 *NEW ACTIVITIES.—The Attorney General may provide*
20 *grants under this section to State agencies and units of local*
21 *government for expenditures made by State agencies or*
22 *units of local government for completed, ongoing, or new*
23 *activities determined to be eligible for such grant funding*
24 *that occurred on or after January 20, 2021. Amounts made*

1 *available under this section shall be distributed to more*
 2 *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 30,*
 10 *2029, for the purposes described in subsections (b) and (c).*

11 *(b) SALARIES AND BENEFITS.—Not less than*
 12 *\$3,000,000,000 of the amounts made available under sub-*
 13 *section (a) shall be for hiring and training of new employ-*
 14 *ees, including correctional officers, medical professionals,*
 15 *and facilities and maintenance employees, the necessary*
 16 *support staff, and for additional funding for salaries and*
 17 *benefits for the current workforce of the Bureau of Prisons.*

18 *(c) FACILITIES.—Not more than \$2,000,000,000 of the*
 19 *amounts made available under subsection (a) shall be for*
 20 *addressing maintenance and repairs to facilities main-*
 21 *tained or operated by the Bureau of Prisons.*

22 **SEC. 100057. APPROPRIATION FOR THE UNITED STATES SE-**
 23 **CRET SERVICE.**

24 *(a) APPROPRIATION.—In addition to amounts other-*
 25 *wise available, there is appropriated to the Director of the*

1 *United States Secret Service (referred to in this section as*
2 *the “Director”)* for fiscal year 2025, out of any money in
3 *the Treasury not otherwise appropriated, \$1,170,000,000,*
4 *to remain available through September 30, 2029, for the*
5 *purposes described in subsection (b).*

6 (b) *USE OF FUNDS.—Amounts made available under*
7 *subsection (a) may only be used for—*

8 (1) *additional United States Secret Service re-*
9 *sources, including personnel, training facilities, pro-*
10 *gramming, and technology; and*

11 (2) *performance, retention, and signing bonuses*
12 *for qualified United States Secret Service personnel*
13 *in accordance with subsection (c).*

14 (c) *PERFORMANCE, RETENTION, AND SIGNING BO-*
15 *NUSES.—*

16 (1) *PERFORMANCE BONUSES.—The Director, at*
17 *the Director’s discretion, may provide performance*
18 *bonuses to any Secret Service agent, officer, or ana-*
19 *lyst who demonstrates exemplary service.*

20 (2) *RETENTION BONUSES.—The Director may*
21 *provide retention bonuses to any Secret Service agent,*
22 *officer, or analyst who commits to 2 years of addi-*
23 *tional service with the Secret Service.*

1 (3) *SIGNING BONUSES.*—*The Director may pro-*
2 *vide a signing bonus to any Secret Service agent, offi-*
3 *cer, or analyst who—*

4 *(A) is hired on or after the date of the en-*
5 *actment of this Act; and*

6 *(B) commits to 5 years of service with the*
7 *United States Secret Service.*

8 (4) *SERVICE AGREEMENT.*—*In providing a re-*
9 *tention or signing bonus under this subsection, the*
10 *Director shall provide each qualifying individual*
11 *with a written service agreement that includes—*

12 *(A) the commencement and termination*
13 *dates of the required service period (or provisions*
14 *for the determination of such dates);*

15 *(B) the amount of the bonus; and*

16 *(C) any other term or condition under*
17 *which the bonus is payable, subject to the re-*
18 *quirements under this subsection, including—*

19 *(i) the conditions under which the*
20 *agreement may be terminated before the*
21 *agreed-upon service period has been com-*
22 *pleted; and*

23 *(ii) the effect of a termination de-*
24 *scribed in clause (i).*

1 ***Subtitle B—Judiciary Matters***

2 ***SEC. 100101. APPROPRIATION TO THE ADMINISTRATIVE OF-***
3 ***FICE OF THE UNITED STATES COURTS.***

4 *In addition to amounts otherwise available, there is*
5 *appropriated to the Director of the Administrative Office*
6 *of the United States Courts, out of amounts in the Treasury*
7 *not otherwise appropriated, \$1,250,000 for each of fiscal*
8 *years 2025 through 2028, for the purpose of continuing*
9 *analyses and reporting pursuant to section 604(a)(2) of*
10 *title 28, United States Code, to examine the state of the*
11 *dockets of the courts and to prepare and transmit statistical*
12 *data and reports as to the business of the courts, including*
13 *an assessment of the number, frequency, and related metrics*
14 *of judicial orders issuing non-party relief against the Fed-*
15 *eral Government and their aggregate cost impact on the*
16 *taxpayers of the United States, as determined by each court*
17 *when imposing securities for the issuance of preliminary*
18 *injunctions or temporary restraining orders against the*
19 *Federal Government pursuant to rule 65(c) of the Federal*
20 *Rules of Civil Procedure.*

21 ***SEC. 100102. APPROPRIATION TO THE FEDERAL JUDICIAL***
22 ***CENTER.***

23 *(a) APPROPRIATION.—In addition to amounts other-*
24 *wise available, there is appropriated to the Director of the*
25 *Federal Judicial Center, out of amounts in the Treasury*

1 *not otherwise appropriated, \$1,000,000 for each of fiscal*
 2 *years 2025 through 2028, for the purpose described in sub-*
 3 *section (b).*

4 *(b) USE OF FUNDS.—The Federal Judicial Center*
 5 *shall use the amounts appropriated under subsection (a) for*
 6 *the continued implementation of programs pursuant to sec-*
 7 *tion 620(b)(3) of title 28, United States Code, to stimulate,*
 8 *create, develop, and conduct programs of continuing edu-*
 9 *cation and training for personnel of the judicial branch,*
 10 *including training on the absence of constitutional and*
 11 *statutory authority supporting legal claims that seek non-*
 12 *party relief against the Federal Government, and strategic*
 13 *approaches for mitigating the aggregate cost impact of such*
 14 *legal claims on the taxpayers of the United States.*

15 ***Subtitle C—Radiation Exposure***
 16 ***Compensation Matters***

17 ***SEC. 100201. EXTENSION OF FUND.***

18 *Section 3(d) of the Radiation Exposure Compensation*
 19 *Act (Public Law 101–426; 42 U.S.C. 2210 note) is amend-*
 20 *ed—*

21 *(1) by striking the first sentence and inserting*
 22 *“The Fund shall terminate on December 31, 2028.”;*
 23 *and*

24 *(2) by striking “the end of that 2-year period”*
 25 *and inserting “such date”.*

1 **SEC. 100202. CLAIMS RELATING TO ATMOSPHERIC TESTING.**

2 (a) *LEUKEMIA CLAIMS RELATING TO TRINITY TEST*
 3 *IN NEW MEXICO AND TESTS AT THE NEVADA SITE.*—Sec-
 4 *tion 4(a)(1)(A) of the Radiation Exposure Compensation*
 5 *Act (Public Law 101–426; 42 U.S.C. 2210 note) is amend-*
 6 *ed—*

7 (1) *in clause (i)—*

8 (A) *in subclause (I), by striking “October*
 9 *31, 1958” and inserting “November 6, 1962”;*

10 (B) *in subclause (II)—*

11 (i) *by striking “in the affected area”*
 12 *and inserting “in an affected area”; and*

13 (ii) *by striking “or” after the semi-*
 14 *colon;*

15 (C) *by redesignating subclause (III) as sub-*
 16 *clause (IV); and*

17 (D) *by inserting after subclause (II) the fol-*
 18 *lowing:*

19 *“(III) was physically present in*
 20 *an affected area for a period of at least*
 21 *1 year during the period beginning on*
 22 *September 24, 1944, and ending on*
 23 *November 6, 1962; or”;* and

24 (2) *in clause (ii)(I), by striking “physical pres-*
 25 *ence described in subclause (I) or (II) of clause (i) or*
 26 *onsite participation described in clause (i)(III)” and*

1 *inserting “physical presence described in subclause*
 2 *(I), (II), or (III) of clause (i) or onsite participation*
 3 *described in clause (i)(IV)”.*

4 *(b) AMOUNTS FOR CLAIMS RELATED TO LEUKEMIA.—*
 5 *Section 4(a)(1) of the Radiation Exposure Compensation*
 6 *Act (Public Law 101–426; 42 U.S.C. 2210 note) is amend-*
 7 *ed—*

8 *(1) in subparagraph (A), by striking “an*
 9 *amount” and inserting “the amount”;*

10 *(2) by striking subparagraph (B) and inserting*
 11 *the following:*

12 *“(B) AMOUNT.—If the conditions described*
 13 *in subparagraph (C) are met, an individual who*
 14 *is described in subparagraph (A) shall receive*
 15 *\$100,000.”; and*

16 *(3) in subparagraph (C), by adding at the end*
 17 *the following:*

18 *“(iv) No payment under this para-*
 19 *graph previously has been made to the indi-*
 20 *vidual, on behalf of the individual, or to a*
 21 *survivor of the individual.”.*

22 *(c) CONDITIONS FOR CLAIMS RELATED TO LEU-*
 23 *KEMIA.—Section 4(a)(1)(C) of the Radiation Exposure*
 24 *Compensation Act (Public Law 101–426; 42 U.S.C. 2210*
 25 *note) is amended—*

1 (1) *by striking clause (i); and*

2 (2) *by redesignating clauses (ii) and (iii) as*
3 *clauses (i) and (ii), respectively.*

4 (d) *SPECIFIED DISEASES CLAIMS RELATING TO TRIN-*
5 *ITY TEST IN NEW MEXICO AND TESTS AT THE NEVADA*
6 *SITE.—Section 4(a)(2) of the Radiation Exposure Com-*
7 *pensation Act (Public Law 101–426; 42 U.S.C. 2210 note)*
8 *is amended—*

9 (1) *in subparagraph (A)—*

10 (A) *by striking “in the affected area” and*
11 *inserting “in an affected area”;*

12 (B) *by striking “2 years” and inserting “1*
13 *year”;* *and*

14 (C) *by striking “October 31, 1958,” and in-*
15 *serting “November 6, 1962;”;*

16 (2) *in subparagraph (B)—*

17 (A) *by striking “in the affected area” and*
18 *inserting “in an affected area”; and*

19 (B) *by striking “, or” at the end and insert-*
20 *ing a semicolon;*

21 (3) *by redesignating subparagraph (C) as sub-*
22 *paragraph (D); and*

23 (4) *by inserting after subparagraph (B) the fol-*
24 *lowing:*

1 “(C) *was physically present in an affected*
 2 *area for a period of at least 1 year during the*
 3 *period beginning on September 24, 1944, and*
 4 *ending on November 6, 1962; or”.*

5 (e) *AMOUNTS FOR CLAIMS RELATED TO SPECIFIED*
 6 *DISEASES.—Section 4(a)(2) of the Radiation Exposure*
 7 *Compensation Act (Public Law 101–426; 42 U.S.C. 2210*
 8 *note) is amended in the matter following subparagraph (D)*
 9 *(as redesignated by subsection (d) of this section)—*

10 (1) *by striking “\$50,000 (in the case of an indi-*
 11 *vidual described in subparagraph (A) or (B)) or*
 12 *\$75,000 (in the case of an individual described in*
 13 *subparagraph (C)),” and inserting “\$100,000”;*

14 (2) *in clause (i), by striking “, and” and insert-*
 15 *ing a semicolon;*

16 (3) *in clause (ii), by striking the period at the*
 17 *end and inserting “; and”;* and

18 (4) *by adding at the end the following:*

19 “(iii) *no payment under this para-*
 20 *graph previously has been made to the indi-*
 21 *vidual, on behalf of the individual, or to a*
 22 *survivor of the individual.”.*

23 (f) *DOWNWIND STATES.—Section 4(b)(1) of the Radi-*
 24 *ation Exposure Compensation Act (Public Law 101–426;*
 25 *42 U.S.C. 2210 note) is amended to read as follows:*

1 “(1) ‘affected area’ means—

2 “(A) except as provided under subpara-
3 graph (B)—

4 “(i) the States of New Mexico, Utah,
5 and Idaho;

6 “(ii) in the State of Nevada, the coun-
7 ties of White Pine, Nye, Lander, Lincoln,
8 Eureka, and that portion of Clark County
9 that consists of townships 13 through 16 at
10 ranges 63 through 71; and

11 “(iii) in the State of Arizona, the
12 counties of Coconino, Yavapai, Navajo,
13 Apache, and Gila, and Mohave; and

14 “(B) with respect to a claim by an indi-
15 vidual under subsection (a)(1)(A)(i)(III) or sub-
16 section (a)(2)(C), only New Mexico; and”.

17 **SEC. 100203. CLAIMS RELATING TO URANIUM MINING.**

18 (a) **EMPLOYEES OF MINES AND MILLS.**—Section
19 5(a)(1)(A)(i) of the Radiation Exposure Compensation Act
20 (Public Law 101–426; 42 U.S.C. 2210 note) is amended to
21 read as follows:

22 “(i)(I) was employed in a uranium
23 mine or uranium mill (including any indi-
24 vidual who was employed in the transport
25 of uranium ore or vanadium-uranium ore

1 *from such mine or mill) located in Colo-*
 2 *rado, New Mexico, Arizona, Wyoming,*
 3 *South Dakota, Washington, Utah, Idaho,*
 4 *North Dakota, Oregon, or Texas at any*
 5 *time during the period beginning on Janu-*
 6 *ary 1, 1942, and ending on December 31,*
 7 *1990; or*

8 *“(II) was employed as a core driller in*
 9 *a State referred to in subclause (I) during*
 10 *the period described in such subclause;*
 11 *and”.*

12 *(b) MINERS.—Section 5(a)(1)(A)(ii)(I) of the Radi-*
 13 *ation Exposure Compensation Act (Public Law 101–426;*
 14 *42 U.S.C. 2210 note) is amended by inserting “or renal*
 15 *cancer or any other chronic renal disease, including nephri-*
 16 *tis and kidney tubal tissue injury” after “nonmalignant*
 17 *respiratory disease”.*

18 *(c) MILLERS, CORE DRILLERS, AND ORE TRANS-*
 19 *PORTERS.—Section 5(a)(1)(A)(ii)(II) of the Radiation Ex-*
 20 *posure Compensation Act (Public Law 101–426; 42 U.S.C.*
 21 *2210 note) is amended—*

22 *(1) by inserting “, core driller,” after “was a*
 23 *millor”;*

1 (2) by inserting “, or was involved in remedi-
2 ation efforts at such a uranium mine or uranium
3 mill,” after “ore transporter”;

4 (3) by inserting “(I)” after “clause (i)”; and

5 (4) by striking “or renal cancers” and all that
6 follows and inserting “or renal cancer or any other
7 chronic renal disease, including nephritis and kidney
8 tubal tissue injury; or”.

9 (d) COMBINED WORK HISTORIES.—Section
10 5(a)(1)(A)(ii) of the Radiation Exposure Compensation Act
11 (Public Law 101–426; 42 U.S.C. 2210 note), as amended
12 by subsection (c), is further amended—

13 (1) in subclause (I), by striking “or” at the end;
14 and

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

16 “(III)(aa) does not meet the con-
17 ditions of subclause (I) or (II);

18 “(bb) worked, during the period
19 described in clause (i)(I), in 2 or more
20 of the following positions: miner, mil-
21 ler, core driller, and ore transporter;

22 “(cc) meets the requirements
23 under paragraph (4) or (5); and

24 “(dd) submits written medical
25 documentation that the individual de-

1 *veloped lung cancer, a nonmalignant*
 2 *respiratory disease, renal cancer, or*
 3 *any other chronic renal disease, includ-*
 4 *ing nephritis and kidney tubal tissue*
 5 *injury after exposure to radiation*
 6 *through work in one or more of the po-*
 7 *sitions referred to in item (bb);”.*

8 *(e) SPECIAL RULES RELATING TO COMBINED WORK*
 9 *HISTORIES.—Section 5(a) of the Radiation Exposure Com-*
 10 *pensation Act (Public Law 101–426; 42 U.S.C. 2210 note)*
 11 *is amended by adding at the end the following:*

12 *“(4) SPECIAL RULE RELATING TO COMBINED*
 13 *WORK HISTORIES FOR INDIVIDUALS WITH AT LEAST*
 14 *ONE YEAR OF EXPERIENCE.—An individual meets the*
 15 *requirements under this paragraph if the individual*
 16 *worked in one or more of the positions referred to in*
 17 *paragraph (1)(A)(ii)(III)(bb) for a period of at least*
 18 *one year during the period described in paragraph*
 19 *(1)(A)(i)(I).*

20 *“(5) SPECIAL RULE RELATING TO COMBINED*
 21 *WORK HISTORIES FOR MINERS.—An individual meets*
 22 *the requirements of this paragraph if the individual,*
 23 *during the period described in paragraph (1)(A)(i)(I),*
 24 *worked as a miner and was exposed to such number*
 25 *of working level months that the Attorney General de-*

1 *termines, when combined with the exposure of such*
 2 *individual to radiation through work as a miller, core*
 3 *driller, or ore transporter during the period described*
 4 *in paragraph (1)(A)(i)(I), results in such individual*
 5 *being exposed to a total level of radiation that is*
 6 *greater or equal to the level of exposure of an indi-*
 7 *vidual described in paragraph (4).”.*

8 *(f) DEFINITION OF CORE DRILLER.—Section 5(b) of*
 9 *the Radiation Exposure Compensation Act (Public Law*
 10 *101–426; 42 U.S.C. 2210 note) is amended—*

11 *(1) in paragraph (7), by striking “and” at the*
 12 *end;*

13 *(2) in paragraph (8), by striking the period at*
 14 *the end and inserting “; and”; and*

15 *(3) by adding at the end the following:*

16 *“(9) the term ‘core driller’ means any individual*
 17 *employed to engage in the act or process of obtaining*
 18 *cylindrical rock samples of uranium or vanadium by*
 19 *means of a borehole drilling machine for the purpose*
 20 *of mining uranium or vanadium.”.*

21 **SEC. 100204. CLAIMS RELATING TO MANHATTAN PROJECT**
 22 **WASTE.**

23 *The Radiation Exposure Compensation Act (Public*
 24 *Law 101–426; 42 U.S.C. 2210 note) is amended by insert-*
 25 *ing after section 5 the following:*

1 **“SEC. 5A. CLAIMS RELATING TO MANHATTAN PROJECT**
2 **WASTE.**

3 “(a) *IN GENERAL.*—A claimant shall receive com-
4 pensation for a claim made under this Act, as described
5 in subsection (b) or (c), if—

6 “(1) a claim for compensation is filed with the
7 Attorney General—

8 “(A) by an individual described in para-
9 graph (2); or

10 “(B) on behalf of that individual by an au-
11 thorized agent of that individual, if the indi-
12 vidual is deceased or incapacitated, such as—

13 “(i) an executor of estate of that indi-
14 vidual; or

15 “(ii) a legal guardian or conservator of
16 that individual;

17 “(2) that individual, or if applicable, an author-
18 ized agent of that individual, demonstrates that such
19 individual—

20 “(A) was physically present in an affected
21 area for a period of at least 2 years after Janu-
22 ary 1, 1949; and

23 “(B) contracted a specified disease after
24 such period of physical presence;

25 “(3) the Attorney General certifies that the iden-
26 tity of that individual, and if applicable, the author-

1 *ized agent of that individual, is not fraudulent or oth-*
 2 *erwise misrepresented; and*

3 *“(4) the Attorney General determines that the*
 4 *claimant has satisfied the applicable requirements of*
 5 *this Act.*

6 *“(b) LOSSES AVAILABLE TO LIVING AFFECTED INDIV-*
 7 *VIDUALS.—*

8 *“(1) IN GENERAL.—In the event of a claim*
 9 *qualifying for compensation under subsection (a) that*
 10 *is submitted to the Attorney General to be eligible for*
 11 *compensation under this section at a time when the*
 12 *individual described in subsection (a)(2) is living, the*
 13 *amount of compensation under this section shall be in*
 14 *an amount that is the greater of \$50,000 or the total*
 15 *amount of compensation for which the individual is*
 16 *eligible under paragraph (2).*

17 *“(2) LOSSES DUE TO MEDICAL EXPENSES.—A*
 18 *claimant described in paragraph (1) shall be eligible*
 19 *to receive, upon submission of contemporaneous writ-*
 20 *ten medical records, reports, or billing statements cre-*
 21 *ated by or at the direction of a licensed medical pro-*
 22 *fessional who provided contemporaneous medical care*
 23 *to the claimant, additional compensation in the*
 24 *amount of all documented out-of-pocket medical ex-*
 25 *penses incurred as a result of the specified disease suf-*

1 *ferred by that claimant, such as any medical expenses*
2 *not covered, paid for, or reimbursed through—*

3 *“(A) any public or private health insur-*
4 *ance;*

5 *“(B) any employee health insurance;*

6 *“(C) any workers’ compensation program;*
7 *or*

8 *“(D) any other public, private, or employee*
9 *health program or benefit.*

10 *“(3) LIMITATION.—No claimant is eligible to re-*
11 *ceive compensation under this subsection with respect*
12 *to medical expenses unless the submissions described*
13 *in paragraph (2) with respect to such expenses are*
14 *submitted on or before December 31, 2028.*

15 *“(c) PAYMENTS TO BENEFICIARIES OF DECEASED IN-*
16 *DIVIDUALS.—In the event that an individual described in*
17 *subsection (a)(2) who qualifies for compensation under sub-*
18 *section (a) is deceased at the time of submission of the*
19 *claim—*

20 *“(1) a surviving spouse may, upon submission of*
21 *a claim and records sufficient to satisfy the require-*
22 *ments of subsection (a) with respect to the deceased*
23 *individual, receive compensation in the amount of*
24 *\$25,000; or*

1 “(2) *in the event that there is no surviving*
 2 *spouse, the surviving children, minor or otherwise, of*
 3 *the deceased individual may, upon submission of a*
 4 *claim and records sufficient to satisfy the require-*
 5 *ments of subsection (a) with respect to the deceased*
 6 *individual, receive compensation in the total amount*
 7 *of \$25,000, paid in equal shares to each surviving*
 8 *child.*

9 “(d) *AFFECTED AREAS.—For purposes of this section,*
 10 *the term ‘affected area’ means—*

11 “(1) *in the State of Missouri, the ZIP Codes of*
 12 *63031, 63033, 63034, 63042, 63045, 63074, 63114,*
 13 *63135, 63138, 63044, 63121, 63140, 63145, 63147,*
 14 *63102, 63304, 63134, 63043, 63341, 63368, and*
 15 *63367;*

16 “(2) *in the State of Tennessee, the ZIP Codes of*
 17 *37716, 37840, 37719, 37748, 37763, 37828, 37769,*
 18 *37710, 37845, 37887, 37829, 37854, 37830, and*
 19 *37831;*

20 “(3) *in the State of Alaska, the ZIP Codes of*
 21 *99546 and 99547; and*

22 “(4) *in the State of Kentucky, the ZIP Codes of*
 23 *42001, 42003, and 42086.*

24 “(e) *SPECIFIED DISEASE.—For purposes of this sec-*
 25 *tion, the term ‘specified disease’ means any of the following:*

1 “(1) *Any leukemia, provided that the initial ex-*
 2 *posure occurred after 20 years of age and the onset*
 3 *of the disease was at least 2 years after first exposure.*

4 “(2) *Any of the following diseases, provided that*
 5 *the onset was at least 2 years after the initial expo-*
 6 *sure:*

7 “(A) *Multiple myeloma.*

8 “(B) *Lymphoma, other than Hodgkin’s dis-*
 9 *ease.*

10 “(C) *Primary cancer of the—*

11 “(i) *thyroid;*

12 “(ii) *male or female breast;*

13 “(iii) *esophagus;*

14 “(iv) *stomach;*

15 “(v) *pharynx;*

16 “(vi) *small intestine;*

17 “(vii) *pancreas;*

18 “(viii) *bile ducts;*

19 “(ix) *gall bladder;*

20 “(x) *salivary gland;*

21 “(xi) *urinary bladder;*

22 “(xii) *brain;*

23 “(xiii) *colon;*

24 “(xiv) *ovary;*

25 “(xv) *bone;*

1 “(xvi) renal;

2 “(xvii) liver, except if cirrhosis or hep-
3 atitis B is indicated; or

4 “(xviii) lung.

5 “(f) *PHYSICAL PRESENCE*.—

6 “(1) *IN GENERAL*.—For purposes of this section,
7 the Attorney General may not determine that a
8 claimant has satisfied the requirements under sub-
9 section (a) unless demonstrated by submission of—

10 “(A) contemporaneous written residential
11 documentation or at least 1 additional employer-
12 issued or government-issued document or record
13 that the claimant, for at least 2 years after Jan-
14 uary 1, 1949, was physically present in an af-
15 fected area; or

16 “(B) other documentation determined by the
17 Attorney General to demonstrate that the claim-
18 ant, for at least 2 years after January 1, 1949,
19 was physically present in an affected area.

20 “(2) *TYPES OF PHYSICAL PRESENCE*.—For pur-
21 poses of determining physical presence under this sec-
22 tion, a claimant shall be considered to have been
23 physically present in an affected area if—

24 “(A) the claimant’s primary residence was
25 in the affected area;

1 “(B) the claimant’s place of employment
2 was in the affected area; or

3 “(C) the claimant attended school in the af-
4 fected area.

5 “(g) DISEASE CONTRACTION IN AFFECTED AREAS.—
6 For purposes of this section, the Attorney General may not
7 determine that a claimant has satisfied the requirements
8 under subsection (a) unless the claimant submits—

9 “(1) written medical records or reports created
10 by or at the direction of a licensed medical profes-
11 sional, created contemporaneously with the provision
12 of medical care to the claimant, that the claimant,
13 after a period of physical presence in an affected
14 area, contracted a specified disease; or

15 “(2) other documentation determined by the At-
16 torney General to demonstrate that the claimant con-
17 tracted a specified disease after a period of physical
18 presence in an affected area.”.

19 **SEC. 100205. LIMITATIONS ON CLAIMS.**

20 Section 8(a) of the Radiation Exposure Compensation
21 Act (Public Law 101–426; 42 U.S.C. 2210 note) is amended

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1 *by striking “2 years after the date of enactment of the*
 2 *RECA Extension Act of 2022” and inserting “December 31,*
 3 *2027”.*

Attest:

*Secretary.***知识星球 全球资讯精读**

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