

107TH CONGRESS
1ST SESSION

H. R. 2329

To amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, to amend title 49, United States Code, to provide for approval by the Secretary of Transportation of projects to be funded by those bonds, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2001

Mr. HOUGHTON (for himself, Mr. OBERSTAR, Mr. QUINN, Mr. CLEMENT, Mr. KING, Mr. RAHALL, Mr. CUMMINGS, Mr. CASTLE, Mr. DEFazio, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. McHUGH, Ms. NORTON, Ms. BROWN of Florida, Mr. SHAYS, Mr. LIPINSKI, Mr. SWEENEY, Mr. CARDIN, Mr. BORSKI, Mr. COSTELLO, Mr. GILMAN, Mr. CANTOR, Mr. BARCIA, Mr. BACHUS, Mr. ISAKSON, Mr. MENENDEZ, Mr. HORN, Mr. BLAGOJEVICH, Mr. RUSH, Mr. OWENS, Mr. LATOURETTE, Mr. BOSWELL, Mr. EHLERS, Mr. PAYNE, Mr. FARR of California, Mr. ACEVEDO-VILÁ, Mrs. ROUKEMA, Mr. KILDEE, Mr. MCGOVERN, Mr. GUTIERREZ, Mr. SCHROCK, Ms. DUNN of Washington, Mr. BARRETT of Wisconsin, Mr. ENGLISH, Mr. TOWNS, Mr. CAPUANO, Mr. NADLER, Mr. BECERRA, Mr. NORWOOD, Mrs. JONES of Ohio, Ms. BALDWIN, Mr. ANDREWS, Mr. MEEKS of New York, Mr. KIRK, Mr. BOUCHER, Mr. DOYLE, Mr. PASCRELL, Ms. MILLENDER-MCDONALD, Mr. BLUMENAUER, Ms. PELOSI, Mr. FILNER, Mr. LARSEN of Washington, Mr. BACA, Mr. BAIRD, Mr. FERGUSON, Mr. BALDACCI, Mr. BROWN of Ohio, Mr. DICKS, Mr. UPTON, Mrs. TAUSCHER, Mr. HINCHEY, Mr. INSLEE, Ms. KAPTUR, Mr. BOEHLERT, Ms. KILPATRICK, Mr. WELLER, Ms. LEE, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. BUYER, Mr. MORAN of Virginia, Mr. HOLDEN, Mr. FORD, Mr. GOODLATTE, Mr. MATSUI, Ms. MCCARTHY of Missouri, Mr. DOOLEY of California, Mr. MASCARA, Mr. SERRANO, Mr. CARSON of Oklahoma, Mr. HOLT, Mr. McNULTY, Mr. DAVIS of Illinois, Mr. EVANS, Mrs. THURMAN, Mr. HILLIARD, Mr. SANDLIN, Mr. SAWYER, Mr. BRADY of Pennsylvania, Ms. BERKLEY, Mr. BERRY, Ms. CARSON of Indiana, Mr. SCOTT, Mr. PRICE of North Carolina, Ms. HOOLEY of Oregon, Mr. LEWIS of Georgia, Mrs. MALONEY of New York, Ms. SLAUGHTER, Mr. FRANK, Mr. ALLEN, Mr. BISHOP, Ms. JACKSON-LEE of Texas, Mr. SMITH of Washington, Ms. DELAURO, Mr. MARKEY, Ms. RIVERS, Mr. KUCINICH, Mr. LAMPSON, Mr. ETHERIDGE, Mrs. CAPPS, Mr. LAFALCE, Mr. GEORGE MILLER of California, Mr. CALVERT, Mr. LANTOS, and Ms. WATSON of California) introduced the following bill; which was

referred to the Committee on Ways and Means, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, to amend title 49, United States Code, to provide for approval by the Secretary of Transportation of projects to be funded by those bonds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “High-Speed Rail Investment Act of 2001”.

6 (b) TABLE OF CONTENTS.—The table of contents for
 7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CREDIT FOR AMTRAK BONDS

Sec. 101. Credit to holders of qualified Amtrak bonds.

TITLE II—HIGH-SPEED RAIL PROVISIONS

Sec. 201. Department of Transportation approval for qualified Amtrak projects.

Sec. 202. Multiyear capital spending plan and oversight.

Sec. 203. Issuance of regulations.

Sec. 204. Sense of Congress regarding effect on Amtrak funding.

Sec. 205. Effective date.

1 **TITLE I—CREDIT FOR AMTRAK**
2 **BONDS**

3 **SEC. 101. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
4 **BONDS.**

5 (a) IN GENERAL.—Part IV of subchapter A of chap-
6 ter 1 of the Internal Revenue Code of 1986 (relating to
7 credits against tax) is amended by adding at the end the
8 following new subpart:

9 **“Subpart H—Nonrefundable Credit for Holders of**
10 **Qualified Amtrak Bonds**

“Sec. 54. Credit to holders of qualified Amtrak bonds.

11 **“SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
12 **BONDS.**

13 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
14 payer who holds a qualified Amtrak bond on a credit al-
15 lowance date of such bond which occurs during the taxable
16 year, there shall be allowed as a credit against the tax
17 imposed by this chapter for such taxable year an amount
18 equal to the sum of the credits determined under sub-
19 section (b) with respect to credit allowance dates during
20 such year on which the taxpayer holds such bond.

21 “(b) AMOUNT OF CREDIT.—

22 “(1) IN GENERAL.—The amount of the credit
23 determined under this subsection with respect to any
24 credit allowance date for a qualified Amtrak bond is

1 25 percent of the annual credit determined with re-
2 spect to such bond.

3 “(2) ANNUAL CREDIT.—The annual credit de-
4 termined with respect to any qualified Amtrak bond
5 is the product of—

6 “(A) the applicable credit rate, multiplied
7 by

8 “(B) the outstanding face amount of the
9 bond.

10 “(3) APPLICABLE CREDIT RATE.—For purposes
11 of paragraph (2), the applicable credit rate with re-
12 spect to an issue is the rate equal to an average
13 market yield (as of the day before the date of sale
14 of the issue) on outstanding long-term corporate
15 debt obligations (determined under regulations pre-
16 scribed by the Secretary).

17 “(4) CREDIT ALLOWANCE DATE.—For purposes
18 of this section, the term ‘credit allowance date’
19 means—

20 “(A) March 15,

21 “(B) June 15,

22 “(C) September 15, and

23 “(D) December 15.

24 Such term includes the last day on which the bond
25 is outstanding.

1 “(5) SPECIAL RULE FOR ISSUANCE AND RE-
2 DEMPTION.—In the case of a bond which is issued
3 during the 3-month period ending on a credit allow-
4 ance date, the amount of the credit determined
5 under this subsection with respect to such credit al-
6 lowance date shall be a ratable portion of the credit
7 otherwise determined based on the portion of the 3-
8 month period during which the bond is outstanding.
9 A similar rule shall apply when the bond is re-
10 deemed.

11 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

12 “(1) IN GENERAL.—The credit allowed under
13 subsection (a) for any taxable year shall not exceed
14 the excess of—

15 “(A) the sum of the regular tax liability
16 (as defined in section 26(b)) plus the tax im-
17 posed by section 55, over

18 “(B) the sum of the credits allowable
19 under this part (other than this subpart and
20 subpart C).

21 “(2) CARRYOVER OF UNUSED CREDIT.—If the
22 credit allowable under subsection (a) exceeds the
23 limitation imposed by paragraph (1) for such taxable
24 year, such excess shall be carried to the succeeding

1 taxable year and added to the credit allowable under
2 subsection (a) for such taxable year.

3 “(d) CREDIT INCLUDED IN GROSS INCOME.—Gross
4 income includes the amount of the credit allowed to the
5 taxpayer under this section (determined without regard to
6 subsection (c)) and the amount so included shall be treat-
7 ed as interest income.

8 “(e) QUALIFIED AMTRAK BOND.—For purposes of
9 this part, the term ‘qualified Amtrak bond’ means any
10 bond issued as part of an issue if—

11 “(1) 95 percent or more of the proceeds from
12 the sale of such issue are to be used for expenditures
13 incurred after the date of the enactment of this sec-
14 tion for any qualified project,

15 “(2) the bond is issued by the National Rail-
16 road Passenger Corporation, is in registered form,
17 and meets the bond limitation requirements under
18 subsection (f),

19 “(3) the issuer designates such bond for pur-
20 poses of this section,

21 “(4) the issuer certifies that it meets the State
22 contribution requirement of subsection (k) with re-
23 spect to such project, as in effect on the date of the
24 enactment of this section,

1 “(5) the issuer certifies that it has obtained the
2 written approval of the Secretary of Transportation
3 for such project in accordance with section 26301 of
4 title 49, United States Code, as in effect on the date
5 of the enactment of this section,

6 “(6) the term of each bond which is part of
7 such issue does not exceed 20 years,

8 “(7) the payment of principal with respect to
9 such bond is the obligation of the National Railroad
10 Passenger Corporation, and

11 “(8) the issue meets the requirements of sub-
12 section (g) (relating to arbitrage).

13 “(f) LIMITATIONS ON AMOUNT OF BONDS DES-
14 IGNATED.—

15 “(1) IN GENERAL.—There is a qualified Am-
16 trak bond limitation for each fiscal year. Such limi-
17 tation is—

18 “(A) \$1,200,000,000 for each of the fiscal
19 years 2002 through 2011, and

20 “(B) zero after fiscal year 2011.

21 “(2) LIMITS ON BONDS FOR NORTHEAST RAIL
22 CORRIDOR AND INDIVIDUAL STATES.—

23 “(A) NORTHEAST RAIL CORRIDOR.—Not
24 more than \$3,000,000,000 of the limitation
25 under paragraph (1) may be designated for

1 qualified projects on the northeast rail corridor
2 between Washington, D.C., and Boston, Massa-
3 chusetts.

4 “(B) INDIVIDUAL STATES.—Not more
5 than \$3,000,000,000 of the limitation under
6 paragraph (1) may be designated for any indi-
7 vidual State. The dollar limitation under this
8 subparagraph is in addition to the dollar limita-
9 tion for the qualified projects described in sub-
10 paragraph (A).

11 “(3) LIMIT ON BONDS FOR OTHER
12 PROJECTS.—Not more than \$100,000,000 of the
13 limitation under paragraph (1) for any fiscal year
14 may be designated for all qualified projects described
15 in subsection (j)(1)(C).

16 “(4) CARRYOVER OF UNUSED LIMITATION.—If
17 for any fiscal year—

18 “(A) the limitation amount under para-
19 graph (1), exceeds

20 “(B) the amount of bonds issued during
21 such year which are designated under sub-
22 section (e)(3),

23 the limitation amount under paragraph (1) for the
24 following fiscal year (through fiscal year 2015) shall
25 be increased by the amount of such excess.

1 “(g) SPECIAL RULES RELATING TO ARBITRAGE.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 an issue shall be treated as meeting the require-
4 ments of this subsection if as of the date of
5 issuance, the issuer reasonably expects—

6 “(A) to spend at least 95 percent of the
7 proceeds from the sale of the issue for 1 or
8 more qualified projects within the 3-year period
9 beginning on such date,

10 “(B) to incur a binding commitment with
11 a third party to spend at least 10 percent of the
12 proceeds from the sale of the issue, or to com-
13 mence construction, with respect to such
14 projects within the 6-month period beginning on
15 such date, and

16 “(C) to proceed with due diligence to com-
17 plete such projects and to spend the proceeds
18 from the sale of the issue.

19 “(2) RULES REGARDING CONTINUING COMPLI-
20 ANCE AFTER 3-YEAR DETERMINATION.—If at least
21 95 percent of the proceeds from the sale of the issue
22 is not expended for 1 or more qualified projects
23 within the 3-year period beginning on the date of
24 issuance, but the requirements of paragraph (1) are
25 otherwise met, an issue shall be treated as con-

1 tinuing to meet the requirements of this subsection
2 if either—

3 “(A) the issuer uses all unspent proceeds
4 from the sale of the issue to redeem bonds of
5 the issue within 90 days after the end of such
6 3-year period, or

7 “(B) the following requirements are met:

8 “(i) The issuer spends at least 75 per-
9 cent of the proceeds from the sale of the
10 issue for 1 or more qualified projects with-
11 in the 3-year period beginning on the date
12 of issuance.

13 “(ii) Either—

14 “(I) the issuer spends at least 95
15 percent of the proceeds from the sale
16 of the issue for 1 or more qualified
17 projects within the 4-year period be-
18 ginning on the date of issuance, or

19 “(II) the issuer pays to the Fed-
20 eral Government any earnings on the
21 proceeds from the sale of the issue
22 that accrue after the end of the 3-year
23 period beginning on the date of
24 issuance and uses all unspent pro-
25 ceeds from the sale of the issue to re-

1 deem bonds of the issue within 90
2 days after the end of the 4-year pe-
3 riod beginning on the date of
4 issuance.

5 “(h) RECAPTURE OF PORTION OF CREDIT WHERE
6 CESSATION OF COMPLIANCE.—

7 “(1) IN GENERAL.—If any bond which when
8 issued purported to be a qualified Amtrak bond
9 ceases to be such a qualified bond, the issuer shall
10 pay to the United States (at the time required by
11 the Secretary) an amount equal to the sum of—

12 “(A) the aggregate of the credits allowable
13 under this section with respect to such bond
14 (determined without regard to subsection (c))
15 for taxable years ending during the calendar
16 year in which such cessation occurs and the 2
17 preceding calendar years, and

18 “(B) interest at the underpayment rate
19 under section 6621 on the amount determined
20 under subparagraph (A) for each calendar year
21 for the period beginning on the first day of
22 such calendar year.

23 “(2) FAILURE TO PAY.—If the issuer fails to
24 timely pay the amount required by paragraph (1)
25 with respect to such bond, the tax imposed by this

1 chapter on each holder of any such bond which is
2 part of such issue shall be increased (for the taxable
3 year of the holder in which such cessation occurs) by
4 the aggregate decrease in the credits allowed under
5 this section to such holder for taxable years begin-
6 ning in such 3 calendar years which would have re-
7 sulted solely from denying any credit under this sec-
8 tion with respect to such issue for such taxable
9 years.

10 “(3) SPECIAL RULES.—

11 “(A) TAX BENEFIT RULE.—The tax for
12 the taxable year shall be increased under para-
13 graph (2) only with respect to credits allowed
14 by reason of this section which were used to re-
15 duce tax liability. In the case of credits not so
16 used to reduce tax liability, the carryforwards
17 and carrybacks under section 39 shall be appro-
18 priately adjusted.

19 “(B) NO CREDITS AGAINST TAX.—Any in-
20 crease in tax under paragraph (2) shall not be
21 treated as a tax imposed by this chapter for
22 purposes of determining—

23 “(i) the amount of any credit allow-
24 able under this part, or

1 “(ii) the amount of the tax imposed
2 by section 55.

3 “(i) TRUST ACCOUNT.—

4 “(1) IN GENERAL.—The following amounts
5 shall be held in a trust account by a trustee inde-
6 pendent of the National Railroad Passenger Cor-
7 poration:

8 “(A) The proceeds from the sale of all
9 bonds designated for purposes of this section.

10 “(B) The amount of any matching con-
11 tributions with respect to such bonds.

12 “(C) The temporary period investment
13 earnings on proceeds from the sale of such
14 bonds.

15 “(D) Any earnings on any amounts de-
16 scribed in subparagraph (A), (B), or (C).

17 “(2) USE OF FUNDS.—Amounts in the trust ac-
18 count may be used only to pay costs of qualified
19 projects and redeem qualified Amtrak bonds, except
20 that amounts withdrawn from the trust account to
21 pay costs of qualified projects may not exceed the
22 aggregate proceeds from the sale of all qualified Am-
23 trak bonds issued under this section.

24 “(3) USE OF REMAINING FUNDS IN TRUST AC-
25 COUNT.—Upon the redemption of all qualified Am-

1 trak bonds issued under this section, any remaining
2 amounts in the trust account described in paragraph
3 (1) shall be available to the issuer for any qualified
4 project.

5 “(j) QUALIFIED PROJECT.—For purposes of this
6 section—

7 “(1) IN GENERAL.—The term ‘qualified project’
8 means—

9 “(A) the acquisition, financing, or refi-
10 nancing of equipment, rolling stock, and other
11 capital improvements (including the introduc-
12 tion of new high-speed technologies such as
13 magnetic levitation systems), including track or
14 signal improvements or the elimination of grade
15 crossings, for the northeast rail corridor be-
16 tween Washington, D.C., and Boston, Massa-
17 chusetts,

18 “(B) the acquisition, financing, or refi-
19 nancing of equipment, rolling stock, and other
20 capital improvements (including the introduc-
21 tion of new high-speed technologies such as
22 magnetic levitation systems), including develop-
23 ment of intermodal facilities, track or signal im-
24 provements, or the elimination of grade cross-
25 ings, for the improvement of train speeds or

1 safety (or both) on the high-speed rail corridors
2 designated under section 104(d)(2) of title 23,
3 United States Code, as in effect on the date of
4 the enactment of this section, and

5 “(C) the acquisition, financing, or refi-
6 nancing of equipment, rolling stock, and other
7 capital improvements, including station rehabili-
8 tation or construction, development of inter-
9 modal facilities, track or signal improvements,
10 or the elimination of grade crossings, for the
11 improvement of train speeds or safety (or both)
12 for other intercity passenger rail corridors and
13 for the Alaska Railroad.

14 “(2) REFINANCING RULES.—For purposes of
15 paragraph (1), a refinancing shall constitute a quali-
16 fied project only if the indebtedness being refinanced
17 (including any obligation directly or indirectly refi-
18 nanced by such indebtedness) was originally incurred
19 by the issuer—

20 “(A) after the date of the enactment of
21 this section,

22 “(B) for a term of not more than 3 years,

23 “(C) to finance or acquire capital improve-
24 ments described in paragraph (1), and

1 “(D) in anticipation of being refinanced
2 with proceeds of a qualified Amtrak bond.

3 “(k) STATE CONTRIBUTION REQUIREMENTS.—

4 “(1) IN GENERAL.—For purposes of subsection
5 (e)(4), the State contribution requirement of this
6 subsection is met with respect to any qualified
7 project if the National Railroad Passenger Corpora-
8 tion has received from 1 or more States, not later
9 than the date of issuance of the bond, matching con-
10 tributions of not less than 20 percent of the cost of
11 the qualified project.

12 “(2) NO STATE CONTRIBUTION REQUIREMENT
13 FOR CERTAIN QUALIFIED PROJECTS.—The State
14 contribution requirement of this subsection is zero
15 with respect to the following projects:

16 “(A) Any qualified project for the acquisi-
17 tion and installation of platform facilities, per-
18 formance of railroad force account work nec-
19 essary to complete improvements below street
20 grade, and any other necessary improvements
21 related to construction at the railroad station at
22 the James A. Farley Post Office Building in
23 New York City, New York.

24 “(B) Any project described in subsection
25 (j)(1)(C) for the Alaska Railroad.

1 “(3) STATE MATCHING CONTRIBUTIONS MAY
2 NOT INCLUDE FEDERAL FUNDS.—For purposes of
3 this subsection, State matching contributions shall
4 not be derived, directly or indirectly, from Federal
5 funds, including any transfers from the Highway
6 Trust Fund under section 9503.

7 “(1) OTHER DEFINITIONS AND SPECIAL RULES.—
8 For purposes of this section—

9 “(1) BOND.—The term ‘bond’ includes any ob-
10 ligation.

11 “(2) TREATMENT OF CHANGES IN USE.—For
12 purposes of subsection (e)(1), the proceeds from the
13 sale of an issue shall not be treated as used for a
14 qualified project to the extent that the issuer takes
15 any action within its control which causes such pro-
16 ceeds not to be used for a qualified project. The Sec-
17 retary shall prescribe regulations specifying remedial
18 actions that may be taken (including conditions to
19 taking such remedial actions) to prevent an action
20 described in the preceding sentence from causing a
21 bond to fail to be a qualified Amtrak bond.

22 “(3) PARTNERSHIP; S CORPORATION; AND
23 OTHER PASS-THRU ENTITIES.—Under regulations
24 prescribed by the Secretary, in the case of a partner-
25 ship, trust, S corporation, or other pass-thru entity,

1 rules similar to the rules of section 41(g) shall apply
 2 with respect to the credit allowable under subsection
 3 (a).

4 “(4) BONDS HELD BY REGULATED INVEST-
 5 MENT COMPANIES.—If any qualified Amtrak bond is
 6 held by a regulated investment company, the credit
 7 determined under subsection (a) shall be allowed to
 8 shareholders of such company under procedures pre-
 9 scribed by the Secretary.

10 “(5) REPORTING.—Issuers of qualified Amtrak
 11 bonds shall submit reports similar to the reports re-
 12 quired under section 149(e).”.

13 (b) AMENDMENTS TO OTHER CODE SECTIONS.—

14 (1) REPORTING.—Subsection (d) of section
 15 6049 of the Internal Revenue Code of 1986 (relating
 16 to returns regarding payments of interest) is amend-
 17 ed by adding at the end the following new para-
 18 graph:

19 “(8) REPORTING OF CREDIT ON QUALIFIED AM-
 20 TRAK BONDS.—

21 “(A) IN GENERAL.—For purposes of sub-
 22 section (a), the term ‘interest’ includes amounts
 23 includible in gross income under section 54(d)
 24 and such amounts shall be treated as paid on

1 the credit allowance date (as defined in section
2 54(b)(4)).

3 “(B) REPORTING TO CORPORATIONS,
4 ETC.—Except as otherwise provided in regula-
5 tions, in the case of any interest described in
6 subparagraph (A), subsection (b)(4) shall be
7 applied without regard to subparagraphs (A),
8 (H), (I), (J), (K), and (L)(i) of such subsection.

9 “(C) REGULATORY AUTHORITY.—The Sec-
10 retary may prescribe such regulations as are
11 necessary or appropriate to carry out the pur-
12 poses of this paragraph, including regulations
13 which require more frequent or more detailed
14 reporting.”.

15 (2) TREATMENT FOR ESTIMATED TAX PUR-
16 POSES.—

17 (A) INDIVIDUAL.—Section 6654 of such
18 Code (relating to failure by individual to pay es-
19 timated income tax) is amended by redesign-
20 ating subsection (m) as subsection (n) and by
21 inserting after subsection (l) the following new
22 subsection:

23 “(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED
24 AMTRAK BONDS.—For purposes of this section, the credit
25 allowed by section 54 to a taxpayer by reason of holding

1 a qualified Amtrak bond on a credit allowance date shall
2 be treated as if it were a payment of estimated tax made
3 by the taxpayer on such date.”.

4 (B) CORPORATE.—Section 6655 of such
5 Code (relating to failure by corporation to pay
6 estimated income tax) is amended by adding at
7 the end of subsection (g) the following new
8 paragraph:

9 “(5) SPECIAL RULE FOR HOLDERS OF QUALI-
10 FIED AMTRAK BONDS.—For purposes of this section,
11 the credit allowed by section 54 to a taxpayer by
12 reason of holding a qualified Amtrak bond on a
13 credit allowance date shall be treated as if it were
14 a payment of estimated tax made by the taxpayer
15 on such date.”.

16 (3) EXCLUSION FROM GROSS INCOME OF CON-
17 TRIBUTIONS BY AMTRAK TO OTHER RAIL CAR-
18 RIERS.—

19 (A) IN GENERAL.—Section 118 of the In-
20 ternal Revenue Code of 1986 (relating to con-
21 tributions to the capital of a corporation) is
22 amended by redesignating subsection (d) as
23 subsection (e) and by inserting after subsection
24 (c) the following new subsection:

1 “(d) SPECIAL RULE FOR CONTRIBUTIONS BY AM-
 2 TRAK TO OTHER RAIL CARRIERS.—For purposes of this
 3 section, the term ‘contribution to the capital of the tax-
 4 payer’ does not include any contribution by the National
 5 Railroad Passenger Corporation of personal or real prop-
 6 erty funded by the proceeds of qualified Amtrak bonds
 7 under section 54.”.

8 (B) CONFORMING AMENDMENT.—Sub-
 9 section (b) of such section 118 is amended by
 10 striking “subsection (c)” and inserting “sub-
 11 sections (c) and (d)”.

12 (4) PROTECTION OF HIGHWAY TRUST FUND.—
 13 Section 9503 of such Code (relating to Highway
 14 Trust Fund) is amended by adding at the end the
 15 following new subsection:

16 “(g) SPECIAL RULE RELATING TO NATIONAL RAIL-
 17 ROAD PASSENGER CORPORATION.—Except as provided in
 18 subsection (c), as in effect on the date of the enactment
 19 of this subsection, amounts in the Highway Trust Fund
 20 may not be used to provide funds to the National Railroad
 21 Passenger Corporation for any purpose, including issuance
 22 of any qualified Amtrak bond pursuant to section 54. The
 23 preceding sentence may not be waived by any provision
 24 of law which is not contained or referenced in this title,
 25 whether such provision of law is a subsequently enacted

1 provision or directly or indirectly seeks to waive the appli-
2 cation of such sentence.”.

3 (c) CLERICAL AMENDMENTS.—

4 (1) The table of subparts for part IV of sub-
5 chapter A of chapter 1 is amended by adding at the
6 end the following new item:

“Subpart H. Nonrefundable Credit for Holders of Qualified Am-
trak Bonds.”.

7 (2) Section 6401(b)(1) is amended by striking
8 “and G” and inserting “G, and H”.

9 (d) ANNUAL REPORT BY TREASURY ON AMTRAK
10 TRUST ACCOUNT.—The Secretary of the Treasury shall
11 annually report to Congress as to whether the amount de-
12 posited in the trust account established by the National
13 Railroad Passenger Corporation under section 54(i) of the
14 Internal Revenue Code of 1986, as added by this section,
15 is sufficient to fully repay at maturity the principal of any
16 outstanding qualified Amtrak bonds issued pursuant to
17 section 54 of such Code (as so added), together with
18 amounts expected to be deposited into such account, as
19 certified by the National Railroad Passenger Corporation
20 in accordance with procedures prescribed by the Secretary
21 of the Treasury.

22 (e) ISSUANCE OF REGULATIONS.—The Secretary of
23 the Treasury shall issue regulations required under section
24 54 of the Internal Revenue Code of 1986 (as added by

1 this section) not later than 90 days after the date of the
2 enactment of this Act.

3 (f) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to obligations issued after the date
5 of enactment of this Act.

6 **TITLE II—HIGH-SPEED RAIL** 7 **PROVISIONS**

8 **SEC. 201. DEPARTMENT OF TRANSPORTATION APPROVAL** 9 **FOR QUALIFIED AMTRAK PROJECTS.**

10 (a) AMENDMENT.—Part D of subtitle V of title 49,
11 United States Code, is amended by adding at the end the
12 following new chapter:

13 **“CHAPTER 263—HIGH-SPEED RAIL** 14 **INITIATIVES**

“Sec.

“26301. Department of Transportation approval for qualified high-speed rail projects.

“26302. Qualified projects.

“26303. State contribution requirements.”.

15 **“§ 26301. Department of Transportation approval for** 16 **qualified high-speed rail projects**

17 “(a) IN GENERAL.—The written approval of a quali-
18 fied project by the Secretary of Transportation required
19 for purposes of subsection (e)(5) of section 54 of the Inter-
20 nal Revenue Code of 1986 (relating to credit to holders
21 of qualified Amtrak bonds) shall include—

1 “(1) the finding by the Inspector General of the
2 Department of Transportation described in sub-
3 section (b);

4 “(2) the certification by the Secretary of Trans-
5 portation described in subsection (c); and

6 “(3) the agreement by the National Railroad
7 Passenger Corporation described in subsection (d).

8 “(b) FINDING BY INSPECTOR GENERAL.—For pur-
9 poses of subsection (a), the finding described in this sub-
10 section is a finding by the Inspector General of the De-
11 partment of Transportation that there is a reasonable like-
12 lihood that the proposed project will result in a positive
13 financial contribution to the National Railroad Passenger
14 Corporation and that the investment evaluation process
15 includes consideration of a return on investment,
16 leveraging of funds (including State capital and operating
17 contributions), cost effectiveness, safety improvement, mo-
18 bility improvement, and feasibility.

19 “(c) CERTIFICATION.—For purposes of subsection
20 (a), the certification described in this subsection is a cer-
21 tification by the Secretary of Transportation that the
22 issuer of the qualified Amtrak bond—

23 “(1) except with respect to projects described in
24 section 54(j)(1)(C) of the Internal Revenue Code of
25 1986, has entered into a written agreement with the

1 owners of rail properties which are to be improved
 2 by the project to be funded by the qualified Amtrak
 3 bond, as to the scope and estimated cost of such
 4 project and the impact on rail freight capacity; and
 5 “(2) has met the State contribution require-
 6 ments described in section 26303.

7 The National Railroad Passenger Corporation shall not
 8 exercise its rights under section 24308(a)(2) to resolve
 9 disputes with respect to a project to be funded by a quali-
 10 fied Amtrak bond, or with respect to the cost of such a
 11 project, unless the project is intended to result in railroad
 12 speeds of 79 miles per hour or less.

13 “(d) AGREEMENT BY AMTRAK TO ISSUE ADDI-
 14 TIONAL BONDS FOR PROJECTS OF OTHER CARRIERS.—

15 “(1) IN GENERAL.—For purposes of subsection
 16 (a), the agreement described in this subsection is an
 17 agreement by the National Railroad Passenger Cor-
 18 poration with the Secretary of Transportation to
 19 issue bonds which meet the requirements of section
 20 54 of the Internal Revenue Code of 1986 for use in
 21 financing projects described in paragraph (2).

22 “(2) PROJECTS COVERED.—For purposes of
 23 paragraph (1), the projects described in this para-
 24 graph are any project described in subsection
 25 (j)(1)(B) or (j)(1)(C) of section 54 of the Internal

1 Revenue Code of 1986 for an intercity rail passenger
2 carrier other than the National Railroad Passenger
3 Corporation or for the Alaska Railroad.

4 “(3) ADDITIONAL REQUIREMENTS.—Any
5 project financed by bonds referred to in paragraph
6 (1) shall be carried out by the intercity rail pas-
7 senger carrier other than the National Railroad Pas-
8 senger Corporation, through a contract entered into
9 by the National Railroad Passenger Corporation
10 with such carrier. Such other intercity rail passenger
11 carrier, in carrying out the project, shall be subject
12 to the provisions of this subtitle governing the Na-
13 tional Railroad Passenger Corporation.

14 “(4) DEFINITION.—For purposes of this sub-
15 section, the term ‘intercity rail passenger carrier’
16 means any rail carrier (as such term is defined in
17 section 24102(7)) that is part of the interstate sys-
18 tem of rail transportation and that provides intercity
19 rail passenger transportation (as such term is de-
20 fined in section 24102(5)).

21 “(e) ADDITIONAL SELECTION CRITERIA.—In deter-
22 mining projects to be approved under this section (other
23 than projects for the Alaska Railroad), or to be included
24 in an agreement under subsection (d), the Secretary of
25 Transportation shall give preference to—

1 “(1) any project with a State matching con-
2 tribution rate exceeding 20 percent;

3 “(2) projects expected to have a significant im-
4 pact on air traffic congestion;

5 “(3) projects expected to also improve com-
6 muter rail operations;

7 “(4) projects that anticipate fares designed to
8 recover costs and generate a return on investment;
9 and

10 “(5) projects that promote regional balance in
11 infrastructure investment and the national interest
12 in ensuring the development of a nationwide high-
13 speed rail transportation network.

14 **“§ 26302. Qualified projects**

15 “For purposes of this chapter—

16 “(1) IN GENERAL.—The term ‘qualified project’
17 means—

18 “(A) the acquisition, financing, or reffi-
19 nancing of equipment, rolling stock, and other
20 capital improvements (including the introduc-
21 tion of new high-speed technologies such as
22 magnetic levitation systems), including track or
23 signal improvements or the elimination of grade
24 crossings, for the northeast rail corridor be-

1 tween Washington, D.C., and Boston, Massa-
2 chusetts;

3 “(B) the acquisition, financing, or refi-
4 nancing of equipment, rolling stock, and other
5 capital improvements (including the introduc-
6 tion of new high-speed technologies such as
7 magnetic levitation systems), including develop-
8 ment of intermodal facilities, track or signal im-
9 provements, or the elimination of grade cross-
10 ings, for the improvement of train speeds or
11 safety (or both) on the high-speed rail corridors
12 designated under section 104(d)(2) of title 23,
13 United States Code, as in effect on the date of
14 the enactment of this section; and

15 “(C) the acquisition, financing, or refi-
16 nancing of equipment, rolling stock, and other
17 capital improvements, including station rehabili-
18 tation or construction, development of inter-
19 modal facilities, track or signal improvements,
20 or the elimination of grade crossings, for the
21 improvement of train speeds or safety (or both)
22 for other intercity passenger rail corridors and
23 for the Alaska Railroad.

24 “(2) REFINANCING RULES.—For purposes of
25 paragraph (1), a refinancing shall constitute a quali-

1 fied project only if the indebtedness being refinanced
 2 (including any obligation directly or indirectly refi-
 3 nanced by such indebtedness) was originally incurred
 4 by the issuer—

5 “(A) after the date of the enactment of
 6 this section;

7 “(B) for a term of not more than 3 years;

8 “(C) to finance or acquire capital improve-
 9 ments described in paragraph (1); and

10 “(D) in anticipation of being refinanced
 11 with proceeds of a qualified Amtrak bond.

12 **“§ 26303. State contribution requirements**

13 “(a) IN GENERAL.—For purposes of section
 14 26301(c)(2), the State contribution requirement of this
 15 section is met with respect to any qualified project if the
 16 National Railroad Passenger Corporation has received
 17 from 1 or more States, not later than the date of issuance
 18 of the bond, matching contributions of not less than 20
 19 percent of the cost of the qualified project.

20 “(b) NO STATE CONTRIBUTION REQUIREMENT FOR
 21 CERTAIN QUALIFIED PROJECTS.—The State contribution
 22 requirement of this section is zero with respect to the fol-
 23 lowing projects:

24 “(1) Any qualified project for the acquisition
 25 and installation of platform facilities, performance of

1 railroad force account work necessary to complete
 2 improvements below street grade, and any other nec-
 3 essary improvements related to construction at the
 4 railroad station at the James A. Farley Post Office
 5 Building in New York City, New York.

6 “(2) Any project described in subsection
 7 (j)(1)(C) of section 54 of the Internal Revenue Code
 8 of 1986 for the Alaska Railroad.

9 “(c) STATE MATCHING CONTRIBUTIONS MAY NOT
 10 INCLUDE FEDERAL FUNDS.—For purposes of this sec-
 11 tion, State matching contributions shall not be derived, di-
 12 rectly or indirectly, from Federal funds, including any
 13 transfers from the Highway Trust Fund under section
 14 9503 of the Internal Revenue Code of 1986.”.

15 (b) TABLE OF CHAPTERS AMENDMENT.—The table
 16 of chapters of subtitle V of title 49, United States Code,
 17 is amended by inserting after the item relating to chapter
 18 261 the following new item:

“263. HIGH-SPEED RAIL INITIATIVES 26301”.

19 **SEC. 202. MULTIYEAR CAPITAL SPENDING PLAN AND OVER-**
 20 **SIGHT.**

21 (a) AMENDMENT.—Chapter 243 of title 49, United
 22 States Code, is amended by adding at the end the fol-
 23 lowing new section:

1 **“§ 24316. Multiyear capital spending plan and over-**
2 **sight**

3 “(a) AMTRAK CAPITAL SPENDING PLAN.—

4 “(1) IN GENERAL.—The National Railroad
5 Passenger Corporation shall annually submit to the
6 President and Congress a multiyear capital spending
7 plan, as approved by the Board of Directors of the
8 Corporation.

9 “(2) CONTENTS OF PLAN.—Such plan shall
10 identify the capital investment needs of the Corpora-
11 tion over a period of not less than 5 years and the
12 funding sources available to finance such needs and
13 shall prioritize such needs according to corporate
14 goals and strategies.

15 “(3) INITIAL SUBMISSION DATE.—The first
16 plan shall be submitted before the issuance of any
17 qualified Amtrak bonds by the National Railroad
18 Passenger Corporation pursuant to section 54 of the
19 Internal Revenue Code of 1986.

20 “(b) OVERSIGHT OF QUALIFIED PROJECTS.—The
21 Secretary of Transportation shall contract for an annual
22 independent assessment of the costs and benefits of the
23 qualified projects financed by qualified Amtrak bonds pur-
24 suant to section 54 of the Internal Revenue Code of 1986,
25 including an assessment of the investment evaluation proc-

1 ess of the Corporation. The annual assessment shall be
 2 included in the plan submitted under subsection (a).”.

3 (b) TABLE OF SECTIONS AMENDMENT.—The table of
 4 sections of chapter 243 of title 49, United States Code,
 5 is amended by adding after the item relating to section
 6 24315 the following new item:

“24316. Multiyear capital spending plan and oversight.”.

7 **SEC. 203. ISSUANCE OF REGULATIONS.**

8 The Secretary of Transportation shall issue regula-
 9 tions for carrying out chapter 263 of title 49, United
 10 States Code (as added by section 201 of this Act), not
 11 later than 90 days after the date of the enactment of this
 12 Act.

13 **SEC. 204. SENSE OF CONGRESS REGARDING EFFECT ON**
 14 **AMTRAK FUNDING.**

15 It is the sense of the Congress that the proceeds of
 16 qualified Amtrak bonds issued under section 54 of the In-
 17 ternal Revenue Code of 1986 are intended to finance the
 18 construction of qualified projects (as defined in section
 19 26302 of title 49, United States Code, as added by section
 20 201 of this Act) and are not intended to meet the regular,
 21 ongoing capital funding needs of the National Railroad
 22 Passenger Corporation.

1 **SEC. 205. EFFECTIVE DATE.**

2 The amendments made by this title shall apply to ob-
3 ligations issued after the date of the enactment of this
4 Act.

