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1ST SESSION

S. 250

To amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2001

Mr. BIDEN (for himself, Mrs. HUTCHISON, Mr. LOTT, Mr. DASCHLE, Mr. KERRY, Mr. BAUCUS, Mrs. BOXER, Mr. BREAUX, Mr. BURNS, Mr. BYRD, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. COCHRAN, Ms. COLLINS, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. HELMS, Mr. HOLLINGS, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KOHL, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. MILLER, Mrs. MURRAY, Mr. REID, Mr. ROCKEFELLER, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. TORRICELLI, Mr. WARNER, and Mr. WELLSTONE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, 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; AMENDMENT OF 1986 CODE.**

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

★(Star Print)

1 (b) AMENDMENT OF 1986 CODE.—Except as other-
 2 wise expressly provided, whenever in this Act an amend-
 3 ment or repeal is expressed in terms of an amendment
 4 to, or repeal of, a section or other provision, the reference
 5 shall be considered to be made to a section or other provi-
 6 sion of the Internal Revenue Code of 1986.

7 **SEC. 2. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
 8 **BONDS.**

9 (a) IN GENERAL.—Part IV of subchapter A of chap-
 10 ter 1 (relating to credits against tax) is amended by add-
 11 ing at the end the following new subpart:

12 **“Subpart H—Nonrefundable Credit for Holders of**
 13 **Qualified Amtrak Bonds**

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

14 **“SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
 15 **BONDS.**

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

24 “(b) AMOUNT OF CREDIT.—

1 “(1) IN GENERAL.—The amount of the credit
2 determined under this subsection with respect to any
3 credit allowance date for a qualified Amtrak bond is
4 25 percent of the annual credit determined with re-
5 spect to such bond.

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

9 “(A) the applicable credit rate, multiplied
10 by

11 “(B) the outstanding face amount of the
12 bond.

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

20 “(4) SPECIAL RULE FOR ISSUANCE AND RE-
21 DEMPTION.—In the case of a bond which is issued
22 during the 3-month period ending on a credit allow-
23 ance date, the amount of the credit determined
24 under this subsection with respect to such credit al-
25 lowance date shall be a ratable portion of the credit

1 otherwise determined based on the portion of the 3-
2 month period during which the bond is outstanding.
3 A similar rule shall apply when the bond is re-
4 deemed.

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

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

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

12 “(B) the sum of the credits allowable
13 under this part (other than this subpart and
14 subpart C).

15 “(2) CARRYOVER OF UNUSED CREDIT.—If the
16 credit allowable under subsection (a) exceeds the
17 limitation imposed by paragraph (1) for such taxable
18 year, such excess shall be carried to the succeeding
19 taxable year and added to the credit allowable under
20 subsection (a) for such taxable year.

21 “(d) QUALIFIED AMTRAK BOND.—For purposes of
22 this part—

23 “(1) IN GENERAL.—The term ‘qualified Amtrak
24 bond’ means any bond issued as part of an issue
25 if—

1 “(A) 95 percent or more of the proceeds of
2 such issue are to be used for any qualified
3 project,

4 “(B) the bond is issued by the National
5 Railroad Passenger Corporation,

6 “(C) the issuer—

7 “(i) designates such bond for purposes
8 of this section,

9 “(ii) certifies that it meets the State
10 contribution requirement of paragraph (3)
11 with respect to such project and that it has
12 received the required State contribution
13 payment before the issuance of such bond,

14 “(iii) certifies that it has obtained the
15 written approval of the Secretary of Trans-
16 portation for such project, including a
17 finding by the Inspector General of the De-
18 partment of Transportation that there is a
19 reasonable likelihood that the proposed
20 program will result in a positive incre-
21 mental financial contribution to the Na-
22 tional Railroad Passenger Corporation and
23 that the investment evaluation process in-
24 cludes a return on investment, leveraging
25 of funds (including State capital and oper-

1 ating contributions), cost effectiveness,
2 safety improvement, mobility improvement,
3 and feasibility, and

4 “(iv) certifies that it has obtained
5 written certification by the Secretary, after
6 consultation with the Secretary of Trans-
7 portation, that, in the case of a qualified
8 project which results in passenger trains
9 operating at speeds greater than 79 miles
10 per hour, the issuer has entered into a
11 written agreement with the rail carriers (as
12 defined in section 24102 of title 49, United
13 States Code) the properties of which are to
14 be improved by such project as to the
15 scope and estimated cost of such project
16 and the impact on freight capacity of such
17 rail carriers; Provided that the National
18 Railroad Passenger Corporation shall not
19 exercise its rights under section 24308(a)
20 of such title 49 to resolve disputes with re-
21 spect to such project or the cost of such
22 project,

23 “(D) the term of each bond which is part
24 of such issue does not exceed 20 years,

1 “(E) the payment of principal with respect
2 to such bond is the obligation of the National
3 Railroad Passenger Corporation (regardless of
4 the establishment of the trust account under
5 subsection (j)), and

6 “(F) the issue meets the requirements of
7 subsection (h).

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

19 “(3) STATE CONTRIBUTION REQUIREMENT.—

20 “(A) IN GENERAL.—For purposes of para-
21 graph (1)(C)(ii), the State contribution require-
22 ment of this paragraph is met with respect to
23 any qualified project if the National Railroad
24 Passenger Corporation has a written binding
25 commitment from 1 or more States to make

1 matching contributions not later than the date
 2 of issuance of the issue of not less than 20 per-
 3 cent of the cost of the qualified project. State
 4 matching contributions may include privately
 5 funded contributions.

6 “(B) USE OF STATE MATCHING CONTRIBU-
 7 TIONS.—The matching contributions described
 8 in subparagraph (A) with respect to each quali-
 9 fied project shall be used—

10 “(i) as necessary to redeem bonds
 11 which are a part of the issue with respect
 12 to such project, and

13 “(ii) in the case of any remaining
 14 amount, at the election of the National
 15 Railroad Passenger Corporation and the
 16 contributing State—

17 “(I) to fund a qualified project,

18 “(II) to redeem other qualified
 19 Amtrak bonds, or

20 “(III) for the purposes of sub-
 21 clauses (I) and (II).

22 “(C) STATE CONTRIBUTION REQUIREMENT
 23 FOR CERTAIN QUALIFIED PROJECTS.—

24 “(i) IN GENERAL.—Notwithstanding
 25 any other provision of law, with respect to

1 any qualified project on the high-speed rail
2 corridors designated under section
3 104(d)(2) of title 23, United States Code,
4 the State contribution requirement of this
5 paragraph may include the value of land to
6 be contributed by a State for right-of-way
7 and may be derived by a State directly or
8 indirectly from Federal funds, including
9 transfers from the Highway Trust Fund
10 under section 9503.

11 “(ii) SPECIAL RULES REGARDING USE
12 OF BOND PROCEEDS.—Proceeds from the
13 issuance of bonds for such a qualified
14 project may be used to the extent nec-
15 essary for the purpose of subparagraph
16 (B)(i), and any such proceeds deposited
17 into the trust account required under sub-
18 section (j) shall be deemed expenditures
19 for the qualified project under subsection
20 (h).

21 “(D) STATE MATCHING CONTRIBUTIONS
22 MAY NOT INCLUDE FEDERAL FUNDS.—Except
23 as provided in subparagraph (C), for purposes
24 of this paragraph, State matching contributions
25 shall not be derived, directly or indirectly, from

1 Federal funds, including any transfers from the
2 Highway Trust Fund under section 9503.

3 “(E) NO STATE CONTRIBUTION REQUIRE-
4 MENT FOR CERTAIN QUALIFIED PROJECTS.—
5 With respect to any qualified project described
6 in subsection (e)(4), the State contribution re-
7 quirement of this paragraph is zero.

8 “(4) QUALIFIED PROJECT.—

9 “(A) IN GENERAL.—The term ‘qualified
10 project’ means—

11 “(i) the acquisition, financing, or refi-
12 nancing of equipment, rolling stock, and
13 other capital improvements, including sta-
14 tion rehabilitation or construction, track or
15 signal improvements, or the elimination of
16 grade crossings, for the northeast rail cor-
17 ridor between Washington, D.C. and Bos-
18 ton, Massachusetts,

19 “(ii) the acquisition, financing, or refi-
20 nancing of equipment, rolling stock, and
21 other capital improvements, including sta-
22 tion rehabilitation or construction, track or
23 signal improvements, or the elimination of
24 grade crossings, for the improvement of
25 train speeds or safety (or both) on the

1 high-speed rail corridors designated under
2 section 104(d)(2) of title 23, United States
3 Code, and

4 “(iii) the acquisition, financing, or re-
5 financing of equipment, rolling stock, and
6 other capital improvements, including sta-
7 tion rehabilitation or construction, track or
8 signal improvements, or the elimination of
9 grade crossings, for other intercity pas-
10 senger rail corridors for the purpose of in-
11 creasing railroad speeds up to 90 miles per
12 hour.

13 “(B) REFINANCING RULES.—For purposes
14 of subparagraph (A), a refinancing shall con-
15 stitute a qualified project only if the indebted-
16 ness being refinanced (including any obligation
17 directly or indirectly refinanced by such indebt-
18 edness) was originally incurred by the National
19 Railroad Passenger Corporation—

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

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

1 “(iii) to finance or acquire capital im-
2 provements described in subparagraph (A),
3 and

4 “(iv) in anticipation of being refi-
5 nanced with proceeds of a qualified Am-
6 trak bond.

7 “(C) PRIOR ISSUANCE COSTS.—For pur-
8 poses of subparagraph (A), a qualified project
9 may include the costs a State incurs prior to
10 the issuance of the bonds to fulfill any statutory
11 requirements directly necessary for implementa-
12 tion of the project.

13 “(e) 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) except as provided in paragraph (5),
21 zero after fiscal year 2011.

22 “(2) BONDS FOR RAIL CORRIDORS.—Not more
23 than \$3,000,000,000 of the limitation under para-
24 graph (1) may be designated for any 1 rail corridor
25 described in clause (i) or (ii) of subsection (d)(4)(A).

1 “(3) BONDS FOR OTHER PROJECTS.—Not more
2 than \$100,000,000 of the limitation under para-
3 graph (1) for any fiscal year may be allocated to all
4 qualified projects described in subsection
5 (d)(4)(A)(iii).

6 “(4) BONDS FOR ALASKA RAILROAD.—The Sec-
7 retary of Transportation may allocate to the Alaska
8 Railroad a portion of the qualified Amtrak limitation
9 for any fiscal year in order to allow the Alaska Rail-
10 road to issue bonds which meet the requirements of
11 this section for use in financing any project de-
12 scribed in subsection (d)(4)(A)(iii) (determined with-
13 out regard to the requirement of increasing railroad
14 speeds). For purposes of this section, the Alaska
15 Railroad shall be treated in the same manner as the
16 National Railroad Passenger Corporation.

17 “(5) CARRYOVER OF UNUSED LIMITATION.—If
18 for any fiscal year—

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

21 “(B) the amount of bonds issued during
22 such year which are designated under sub-
23 section (d)(1)(C)(i),

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

4 “(6) ADDITIONAL SELECTION CRITERIA.—In
 5 selecting qualified projects for allocation of the
 6 qualified Amtrak bond limitation under this sub-
 7 section, the Secretary of Transportation—

8 “(A) may give preference to any project
 9 with a State matching contribution rate exceed-
 10 ing 20 percent, and

11 “(B) shall consider regional balance in in-
 12 frastructure investment and the national inter-
 13 est in ensuring the development of a nation-
 14 wide high-speed rail transportation network.

15 “(f) OTHER DEFINITIONS.—For purposes of this
 16 subpart—

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

19 “(2) CREDIT ALLOWANCE DATE.—The term
 20 ‘credit allowance date’ means—

21 “(A) March 15,

22 “(B) June 15,

23 “(C) September 15, and

24 “(D) December 15.

1 Such term includes the last day on which the bond
2 is outstanding.

3 “(3) STATE.—The term ‘State’ means the sev-
4 eral States and the District of Columbia, and any
5 subdivision thereof.

6 “(4) PROGRAM.—The term ‘program’ means 1
7 or more projects implemented over 1 or more years
8 to support the development of intercity passenger
9 rail corridors.

10 “(g) CREDIT INCLUDED IN GROSS INCOME.—Gross
11 income includes the amount of the credit allowed to the
12 taxpayer under this section (determined without regard to
13 subsection (c)) and the amount so included shall be treat-
14 ed as interest income.

15 “(h) SPECIAL RULES RELATING TO ARBITRAGE.—

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

20 “(A) to spend at least 95 percent of the
21 proceeds of the issue for 1 or more qualified
22 projects within the 5-year period beginning on
23 such date, and

1 “(B) to proceed with due diligence to com-
2 plete such projects and to spend the proceeds of
3 the issue.

4 “(2) RULES REGARDING CONTINUING COMPLI-
5 ANCE AFTER 5-YEAR DETERMINATION.—If at least
6 95 percent of the proceeds of the issue is not ex-
7 pended for 1 or more qualified projects within the 5-
8 year period beginning on the date of issuance, an
9 issue shall be treated as continuing to meet the re-
10 quirements of this subsection if either—

11 “(A) the issuer uses all unspent proceeds
12 of the issue to redeem bonds of the issue within
13 90 days after the end of such 5-year period, or

14 “(B) the following requirements are met:

15 “(i) The issuer spends at least 75 per-
16 cent of the proceeds of the issue for 1 or
17 more qualified projects within the 5-year
18 period beginning on the date of issuance.

19 “(ii) The issuer has proceeded with
20 due diligence to spend the proceeds of the
21 issue within such 5-year period and con-
22 tinues to proceed with due diligence to
23 spend such proceeds.

24 “(iii) The issuer pays to the Federal
25 Government any earnings on the proceeds

1 of the issue that accrue after the end of
2 such 5-year period.

3 “(iv) Either—

4 “(I) at least 95 percent of the
5 proceeds of the issue is expended for
6 1 or more qualified projects within the
7 6-year period beginning on the date of
8 issuance, or

9 “(II) the issuer uses all unspent
10 proceeds of the issue to redeem bonds
11 of the issue within 90 days after the
12 end of such 6-year period.

13 “(i) RECAPTURE OF PORTION OF CREDIT WHERE
14 CESSATION OF COMPLIANCE.—

15 “(1) IN GENERAL.—If any bond which when
16 issued purported to be a qualified Amtrak bond
17 ceases to be a qualified Amtrak bond, the issuer
18 shall pay to the United States (at the time required
19 by the Secretary) an amount equal to the sum of—

20 “(A) the aggregate of the credits allowable
21 under this section with respect to such bond
22 (determined without regard to subsection (e))
23 for taxable years ending during the calendar
24 year in which such cessation occurs and the 2
25 preceding calendar years, and

1 “(B) interest at the underpayment rate
2 under section 6621 on the amount determined
3 under subparagraph (A) for each calendar year
4 for the period beginning on the first day of
5 such calendar year.

6 “(2) FAILURE TO PAY.—If the issuer fails to
7 timely pay the amount required by paragraph (1)
8 with respect to such bond, the tax imposed by this
9 chapter on each holder of any such bond which is
10 part of such issue shall be increased (for the taxable
11 year of the holder in which such cessation occurs) by
12 the aggregate decrease in the credits allowed under
13 this section to such holder for taxable years begin-
14 ning in such 3 calendar years which would have re-
15 sulted solely from denying any credit under this sec-
16 tion with respect to such issue for such taxable
17 years.

18 “(3) SPECIAL RULES.—

19 “(A) TAX BENEFIT RULE.—The tax for
20 the taxable year shall be increased under para-
21 graph (2) only with respect to credits allowed
22 by reason of this section which were used to re-
23 duce tax liability. In the case of credits not so
24 used to reduce tax liability, the carryforwards

1 and carrybacks under section 39 shall be appro-
2 priately adjusted.

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

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

9 “(ii) the amount of the tax imposed
10 by section 55.

11 “(j) USE OF TRUST ACCOUNT.—

12 “(1) IN GENERAL.—The amount of any match-
13 ing contribution with respect to a qualified project
14 described in subsection (d)(3)(B)(i) or
15 (d)(3)(B)(ii)(II) and the temporary period invest-
16 ment earnings on proceeds of the issue with respect
17 to such project, and any earnings thereon, shall be
18 held in a trust account by a trustee independent of
19 the National Railroad Passenger Corporation to be
20 used to the extent necessary to redeem bonds which
21 are part of such issue.

22 “(2) USE OF REMAINING FUNDS IN TRUST AC-
23 COUNT.—Upon the repayment of the principal of all
24 qualified Amtrak bonds issued under this section,

1 any remaining funds in the trust account described
2 in paragraph (1) shall be available—

3 “(A) to the trustee described in paragraph
4 (1), to meet any remaining obligations under
5 any guaranteed investment contract used to se-
6 cure earnings sufficient to repay the principal
7 of such bonds, and

8 “(B) to the issuer, for any qualified
9 project.

10 “(k) OTHER SPECIAL RULES.—

11 “(1) PARTNERSHIP; S CORPORATION; AND
12 OTHER PASS-THRU ENTITIES.—Under regulations
13 prescribed by the Secretary, in the case of a partner-
14 ship, trust, S corporation, or other pass-thru entity,
15 rules similar to the rules of section 41(g) shall apply
16 with respect to the credit allowable under subsection
17 (a).

18 “(2) BONDS HELD BY REGULATED INVEST-
19 MENT COMPANIES.—If any qualified Amtrak bond is
20 held by a regulated investment company, the credit
21 determined under subsection (a) shall be allowed to
22 shareholders of such company under procedures pre-
23 scribed by the Secretary.

24 “(3) CREDITS MAY BE STRIPPED.—Under regu-
25 lations prescribed by the Secretary—

1 “(A) IN GENERAL.—There may be a sepa-
2 ration (including at issuance) of the ownership
3 of a qualified Amtrak bond and the entitlement
4 to the credit under this section with respect to
5 such bond. In case of any such separation, the
6 credit under this section shall be allowed to the
7 person who on the credit allowance date holds
8 the instrument evidencing the entitlement to
9 the credit and not to the holder of the bond.

10 “(B) CERTAIN RULES TO APPLY.—In the
11 case of a separation described in subparagraph
12 (A), the rules of section 1286 shall apply to the
13 qualified Amtrak bond as if it were a stripped
14 bond and to the credit under this section as if
15 it were a stripped coupon.

16 “(4) TREATMENT FOR ESTIMATED TAX PUR-
17 POSES.—Solely for purposes of sections 6654 and
18 6655, the credit allowed by this section to a tax-
19 payer by reason of holding a qualified Amtrak bond
20 on a credit allowance date shall be treated as if it
21 were a payment of estimated tax made by the tax-
22 payer on such date.

23 “(5) CREDIT MAY BE TRANSFERRED.—Nothing
24 in any law or rule of law shall be construed to limit

1 the transferability of the credit allowed by this sec-
 2 tion through sale and repurchase agreements.

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

6 (b) REPORTING.—Subsection (d) of section 6049 (re-
 7 lating to returns regarding payments of interest), as
 8 amended by section 505(d), is amended by adding at the
 9 end the following new paragraph:

10 “(9) REPORTING OF CREDIT ON QUALIFIED AM-
 11 TRAK BONDS.—

12 “(A) IN GENERAL.—For purposes of sub-
 13 section (a), the term ‘interest’ includes amounts
 14 includible in gross income under section 54(g)
 15 and such amounts shall be treated as paid on
 16 the credit allowance date (as defined in section
 17 54(f)(2)).

18 “(B) REPORTING TO CORPORATIONS,
 19 ETC.—Except as otherwise provided in regula-
 20 tions, in the case of any interest described in
 21 subparagraph (A) of this paragraph, subsection
 22 (b)(4) of this section shall be applied without
 23 regard to subparagraphs (A), (H), (I), (J), (K),
 24 and (L)(i).

1 “(C) REGULATORY AUTHORITY.—The Sec-
2 retary may prescribe such regulations as are
3 necessary or appropriate to carry out the pur-
4 poses of this paragraph, including regulations
5 which require more frequent or more detailed
6 reporting.”.

7 (c) CLERICAL AMENDMENTS.—

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

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

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

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to obligations issued after Sep-
15 tember 30, 2001.

16 (e) MULTI-YEAR CAPITAL SPENDING PLAN AND
17 OVERSIGHT.—

18 (1) AMTRAK CAPITAL SPENDING PLAN.—

19 (A) IN GENERAL.—The National Railroad
20 Passenger Corporation shall annually submit to
21 the President and Congress a multi-year capital
22 spending plan, as approved by the Board of Di-
23 rectors of the Corporation.

1 (B) CONTENTS OF PLAN.—Such plan shall
2 identify the capital investment needs of the
3 Corporation over a period of not less than 5
4 years and the funding sources available to fi-
5 nance such needs and shall prioritize such
6 needs according to corporate goals and strate-
7 gies.

8 (C) INITIAL SUBMISSION DATE.—The first
9 plan shall be submitted before the issuance of
10 any qualified Amtrak bonds by the National
11 Railroad Passenger Corporation pursuant to
12 section 54 of the Internal Revenue Code of
13 1986 (as added by this section).

14 (2) OVERSIGHT OF AMTRAK TRUST ACCOUNT
15 AND QUALIFIED PROJECTS.—

16 (A) TRUST ACCOUNT OVERSIGHT.—The
17 Secretary of the Treasury shall annually report
18 to Congress as to whether the amount deposited
19 in the trust account established by the National
20 Railroad Passenger Corporation under section
21 54(j) of such Code (as so added) is sufficient to
22 fully repay at maturity the principal of any out-
23 standing qualified Amtrak bonds issued pursu-
24 ant to section 54 of such Code (as so added),
25 together with amounts expected to be deposited

1 into such account, as certified by the National
2 Railroad Passenger Corporation in accordance
3 with procedures prescribed by the Secretary of
4 the Treasury.

5 (B) PROJECT OVERSIGHT.—The National
6 Railroad Passenger Corporation shall contract
7 for an annual independent assessment of the
8 costs and benefits of the qualified projects fi-
9 nanced by such qualified Amtrak bonds, includ-
10 ing an assessment of the investment evaluation
11 process of the Corporation. The annual assess-
12 ment shall be included in the plan submitted
13 under paragraph (1).

14 (C) OVERSIGHT FUNDING.—Not more than
15 0.5 percent of the amounts made available
16 through the issuance of qualified Amtrak bonds
17 by the National Railroad Passenger Corpora-
18 tion pursuant to section 54 of such Code (as so
19 added) may be used by the National Railroad
20 Passenger Corporation for assessments de-
21 scribed in subparagraph (B).

22 (f) PROTECTION OF HIGHWAY TRUST FUND.—

23 (1) CERTIFICATION BY THE SECRETARY OF
24 THE TREASURY.—The issuance of any qualified Am-
25 trak bonds by the National Railroad Passenger Cor-

1 poration or the Alaska Railroad pursuant to section
2 54 of the Internal Revenue Code of 1986 (as added
3 by this section) is conditioned on certification by the
4 Secretary of the Treasury, after consultation with
5 the Secretary of Transportation, within 30 days of
6 a request by the issuer, that with respect to funds
7 of the Highway Trust Fund described under para-
8 graph (2), the issuer either—

9 (A) has not received such funds during fis-
10 cal years commencing with fiscal year 2002 and
11 ending before the fiscal year the bonds are
12 issued, or

13 (B) has repaid to the Highway Trust Fund
14 any such funds which were received during such
15 fiscal years.

16 (2) **APPLICABILITY.**—This subsection shall
17 apply to funds received directly, or indirectly from a
18 State or local transit authority, from the Highway
19 Trust Fund established under section 9503 of the
20 Internal Revenue Code of 1986, except for funds au-
21 thorized to be expended under section 9503(c) of
22 such Code, as in effect on the date of the enactment
23 of this Act.

24 (3) **NO RETROACTIVE EFFECT.**—Nothing in
25 this subsection shall adversely affect the entitlement

1 of the holders of qualified Amtrak bonds to the tax
2 credit allowed pursuant to section 54 of the Internal
3 Revenue Code of 1986 (as so added) or to repay-
4 ment of principal upon maturity.

5 (g) EXEMPTION FROM TAXES FOR HIGH-SPEED
6 RAIL LINES AND IMPROVEMENTS.—Notwithstanding any
7 other provision of law, no rail carrier (as defined in section
8 24102 of title 49, United States Code) shall be required
9 to pay any tax or fee imposed by the Internal Revenue
10 Code of 1986 or by any State or local government with
11 respect to the acquisition, improvement, or ownership of—

12 (1) personal or real property funded by the pro-
13 ceeds of qualified Amtrak bonds (as defined in sec-
14 tion 54(d) of the Internal Revenue Code of 1986 (as
15 added by this section) or any State or local bond (as
16 defined in section 103(c)(1) of such Code), or reve-
17 nues or income from such acquisition, improvement,
18 or ownership, or

19 (2) rail lines in high-speed rail corridors des-
20 ignated under section 104(d)(2) of title 23, United
21 States Code, that are leased by the National Rail-
22 road Passenger Corporation.

23 (h) ISSUANCE OF REGULATIONS.—The Secretary of
24 the Treasury shall issue regulations required under section
25 54 of the Internal Revenue Code (as added by this section)

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

3 (i) ISSUANCE OF TAX-EXEMPT BONDS FOR RAIL
4 PASSENGER PROJECTS.—

5 (1) FUNDING STATE MATCH REQUIREMENT.—

6 Section 142(a) (relating to exempt facility bond) is
7 amended by striking “or” at the end of paragraph
8 (11), by striking the period at the end of paragraph
9 (12) and inserting “, or”, and by adding at the end
10 the following new paragraph:

11 “(13) the State contribution requirement for
12 qualified projects under section 54.”.

13 (2) REPEAL OF GOVERNMENTAL OWNERSHIP
14 REQUIREMENT FOR MASS COMMUTING FACILITIES.—

15 Section 142(b)(1)(A) (relating to certain facilities
16 must be governmentally owned) is amended by strik-
17 ing “(3),”.

18 (3) DEFINITION OF HIGH-SPEED INTERCITY

19 RAIL FACILITIES.—Section 142(i)(1) is amended by
20 striking “in excess of 150 miles per hour” and in-
21 sserting “prescribed in section 104(d)(2) of title 23,
22 United States Code,”.

23 (4) EXEMPTION FROM VOLUME CAP.—Sub-

24 section (g) of section 146 (relating to exception for
25 certain bonds) is amended by striking paragraph (4)

1 and the last sentence of such subsection and insert-
2 ing the following new paragraph:

3 “(4) any exempt facility bond issued as part of
4 an issue described in paragraph (3), (11), or (13) of
5 section 142(a) (relating to mass commuting facili-
6 ties, high-speed intercity rail facilities, and State
7 contribution requirements under section 54).”.

8 (5) EFFECTIVE DATE.—The amendments made
9 by this subsection shall apply to bonds issued after
10 the date of enactment of this Act.

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