

109TH CONGRESS
1ST SESSION

H. R. 2683

To increase the expertise and capacity of community-based organizations involved in economic development activities and key community development programs.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2005

Mrs. JONES of Ohio (for herself, Mr. TIBERI, Mr. GRIJALVA, Mr. BLUMENAUER, Mr. MCINTYRE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. OWENS, Mr. KILDEE, Ms. CARSON, Ms. SCHAKOWSKY, and Mr. BROWN of Ohio) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Ways and Means, 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 increase the expertise and capacity of community-based organizations involved in economic development activities and key community development programs.

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.**

4 This Act may be cited as the “Community Economic
5 Development Expertise Enhancement Act of 2005”.

TITLE I—EXPERTISE ENHANCEMENT

3 SEC. 101. FINDINGS AND PURPOSES.

4 (a) CONGRESSIONAL FINDINGS.—The Congress finds
5 that—

6 (1) there are a multitude of community eco-
7 nomic development programs that the Federal Gov-
8 ernment successfully administers that help many of
9 the Nation’s most economically distressed areas revi-
10 talize their physical and economic structures and
11 provide support to small and medium-sized busi-
12 nesses to help them grow and generate long-term
13 jobs and economic opportunity;

14 (2) there are many nonprofit, nongovernmental,
15 community-based economic development organiza-
16 tions, including faith-based organizations, that have
17 successfully operated community economic develop-
18 ment programs that create jobs, build homes, and
19 revitalize local markets;

20 (3) existing Federal community economic devel-
21 opment programs are intended to leverage private
22 sector investment as part of an overall community
23 development effort;

24 (4) existing Federal community economic devel-
25 opment programs connect residents of distressed

1 neighborhoods to jobs and opportunities of the re-
2 gional marketplace, thereby replacing economic dis-
3 tress with opportunity;

4 (5) existing Federal community economic devel-
5 opment programs provide financial assistance, in-
6 cluding tax credits and loan guarantees, involve pri-
7 vate investment institutions and universities, and
8 provide technical expertise for small businesses;

9 (6) existing Federal community economic devel-
10 opment programs build upon ongoing efforts to en-
11 courage economic growth in distressed communities,
12 helping to create new affordable housing opportuni-
13 ties, allowing communities to address important pub-
14 lic safety, access to capital, infrastructure, and envi-
15 ronmental concerns, and providing social services in-
16 cluding affordable health care, transportation, child
17 care, and youth development;

18 (7) the continuing success of Federal commu-
19 nity economic development programs will depend in
20 great measure upon the ability of community-based
21 organizations and private sector institutions to form
22 partnerships that connect residents of distressed
23 neighborhoods to jobs and other opportunities;

24 (8) the Federal Government administers various
25 programs that employ the services and capabilities

1 of community-based organizations to deliver a wide
2 range of services to residents of distressed commu-
3 nities;

4 (9) Federal community economic development
5 programs help achieve lasting improvement and en-
6 hance domestic prosperity by the establishment of
7 stable and diversified local economies, sustainable
8 development, and improved local conditions;

9 (10) there is a need for greater cooperation be-
10 tween the Federal Government, States, and other
11 entities to ensure that, consistent with national com-
12 munity economic development objectives, Federal
13 programs are compatible with, and further the objec-
14 tives of, State, regional, and local economic develop-
15 ment plans and comprehensive economic develop-
16 ment strategies;

17 (11) while economic development is an inher-
18 ently local process, the Federal Government should
19 work in closer partnership with community-based
20 economic development organizations to ensure that
21 existing resources are fully utilized and all Ameri-
22 cans have an opportunity to participate in the eco-
23 nomic growth of the United States; and

1 (12) extending technical assistance to commu-
2 nity-based economic development organizations may
3 be necessary or desirable to—

4 (A) alleviate economic distress;

5 (B) encourage and support public-private
6 partnerships for the formation and improve-
7 ment of economic development strategies that
8 promote the growth of the national economy;

9 (C) stimulate modernization and techno-
10 logical advances in the generation and commer-
11 cialization of goods and services; and

12 (D) enhance the effectiveness of United
13 States companies in the global economy.

14 (b) PURPOSES.—The purposes of this title are—

15 (1) to provide a new source of Federal funding
16 to enhance the capabilities of nonprofit, nongovern-
17 mental, community-based economic development or-
18 ganizations, or collaborations of such organizations,
19 to leverage private sector investment in low income,
20 renewal communities, enterprise communities, and
21 empowerment zones as part of an overall community
22 development strategy;

23 (2) to establish educational programs for non-
24 profit, nongovernmental, community-based organiza-

1 tions to expand their project development capabili-
2 ties;

3 (3) to increase the use of tax incentives to le-
4 verage private sector investment in community eco-
5 nomic development projects;

6 (4) to promote and facilitate investments in
7 community-based economic development projects
8 from traditional and nontraditional capital sources;

9 (5) to encourage partnerships between commu-
10 nity-based organizations that will expand and en-
11 hance the expertise of emerging such nonprofit, non-
12 governmental organizations in utilizing private sec-
13 tor investment as part of their comprehensive com-
14 munity development strategies; and

15 (6) to ensure that viable community economic
16 development projects are successfully pursued
17 throughout the United States in communities having
18 a wide range of economic, geographic, and social
19 characteristics.

1 **SEC. 102. GRANTS TO INCREASE CAPACITY AND EXPERTISE**
2 **OF NONPROFIT, NONGOVERNMENTAL COM-**
3 **MUNITY-BASED ORGANIZATIONS INVOLVED**
4 **IN COMMUNITY ECONOMIC DEVELOPMENT**
5 **ACTIVITIES.**

6 (a) GRANT AUTHORITY.—The Secretary of Housing
7 and Urban Development may make grants under this sec-
8 tion only to eligible community-based economic develop-
9 ment organizations only for the purposes under subsection
10 (c).

11 (b) ELIGIBLE COMMUNITY-BASED ECONOMIC DE-
12 VELOPMENT ORGANIZATIONS.—For purposes of this sec-
13 tion, the term “eligible community-based economic devel-
14 opment organization” means a community-based economic
15 development organization (as such term is defined under
16 section 7), or a collaboration of such organizations (such
17 as city or state community economic development associa-
18 tions), that demonstrates management capacity by meet-
19 ing, as determined by the Secretary, two or more of the
20 following requirements:

21 (1) AFFORDABLE HOUSING.—Having completed
22 construction of 10 or more dwelling units of afford-
23 able housing.

24 (2) FACILITIES.—Having completed construc-
25 tion of a commercial, industrial, retail, or commu-
26 nity facility project.

1 (3) PARTNERING.—Partnering, or having a his-
2 tory of partnering, with community-based economic
3 development organizations to provide training, edu-
4 cation, capacity, technical assistance, or other men-
5 toring services.

6 (4) SUPPORT OF EMERGING ORGANIZATIONS.—
7 Exhibiting willingness to form operational partner-
8 ships and execute contractual agreements with
9 emerging community-based economic development
10 organizations.

11 (5) OWNERSHIP OF ASSETS.—Having owner-
12 ship of tangible assets the value of which are equal
13 to or exceed the value of the grant requested under
14 this section.

15 (c) USE OF FUNDS.—

16 (1) PURPOSES.—Amounts from grants under
17 this section may be used only for the following pur-
18 poses:

19 (A) SALARIES AND ADMINISTRATIVE EX-
20 PENSES.—For salaries or administrative ex-
21 penses of the grantee or an emerging commu-
22 nity-based economic development organization
23 that is undertaking a community economic de-
24 velopment project.

1 (B) TECHNICAL ASSISTANCE.—To provide
2 technical assistance to an emerging community-
3 based economic development organization that
4 is undertaking a community economic develop-
5 ment project.

6 (C) TRAINING AND RESEARCH.—Through
7 subgrants pursuant to paragraph (2), for train-
8 ing, research, and technical assistance relating
9 to community economic development, including
10 subgrants for program evaluation and economic
11 impact analyses.

12 (2) EXPENDITURE.—Amounts from grants
13 under this section may be used directly by the eligi-
14 ble community-based economic development organi-
15 zation receiving the grant or redistributed by such
16 recipient to other nonprofit, nongovernmental enti-
17 ties in grants, loans, loan guarantees, payments to
18 reduce interest on loan guarantees, or other appro-
19 priate assistance, except that a recipient may not
20 provide any such assistance from grant amounts to
21 a private, for-profit entity.

22 (d) SELECTION CRITERIA.—The Secretary shall issue
23 rules, guidelines, and procedures to provide for the selec-
24 tion of eligible community-based economic development or-
25 ganizations for grants under this section, based upon a

1 determination of the relative effectiveness of such organi-
2 zations in carrying out the purposes of this title. Such
3 rules, guidelines, and procedures shall provide for consid-
4 eration of the following factors:

5 (1) The number of such organizations eligible
6 to receive assistance under existing programs other
7 than this section.

8 (2) The extent to which grant amounts pro-
9 vided under this section will enhance the capabilities
10 of community-based economic development organiza-
11 tions in underserved States and localities.

12 (3) The extent to which an eligible community-
13 based economic development organization applying
14 for a grant does not have access to other traditional
15 local financial sources.

16 (4) The extent to which such an organization
17 represents nonprofit, nongovernmental organizations
18 that serve low-income communities and persons.

19 (5) The extent to which such an organization
20 will implement a plan to become financially sustain-
21 able.

22 (e) AMOUNT.—A grant under this section to a single
23 grantee shall be in an amount that is not less than
24 \$250,000 and does not exceed \$1,000,000.

1 (f) PROHIBITION OF MATCHING FUNDS REQUIRE-
2 MENT.—The Secretary may not require a grantee under
3 this section to provide amounts from sources other than
4 this section to fund the specific activities to be carried out
5 with grant amounts under this section.

6 (g) ELIGIBILITY FOR COMMUNITY REINVESTMENT
7 ACT CREDITS.—In assessing and taking into account,
8 under section 804(a) of the Community Reinvestment Act
9 of 1977, the record of any regulated financial institution,
10 the appropriate Federal financial supervisory agency (as
11 defined in section 803(1) of such Act) may consider as
12 a factor investments in community economic development
13 projects of eligible community-based economic develop-
14 ment organizations in determining whether the institution
15 is meeting the credit needs of its community for purposes
16 of such section 804(a).

17 (h) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) IN GENERAL.—There are authorized to be
19 appropriated for grants under this section
20 \$75,000,000 for each of fiscal years 2006, 2007,
21 and 2008.

22 (2) SET-ASIDE FOR TECHNICAL ASSISTANCE
23 AND TRAINING.—Of the amount made available
24 under this title for each fiscal year, \$10,000,000
25 shall be available only for technical assistance and

1 training activities, to be conducted by national com-
2 munity development organizations, state community
3 development associations, or city community develop-
4 ment associations, which have extensive nationwide
5 partnerships and experience in working with commu-
6 nity-based economic development organizations, as
7 authorized by section 4 of the HUD Demonstration
8 Act of 1993 (42 U.S.C. 9816 note), as in effect im-
9 mediately before May 1, 2000. Of the amount re-
10 served for use under this paragraph, not less than
11 \$4,000,000 shall be used for the support of develop-
12 ment organizations in rural areas.

13 **SEC. 103. ASSESSMENT OF COMMUNITY-BASED ECONOMIC**
14 **DEVELOPMENT EXPERTISE.**

15 (a) CAPABILITY STUDY.—The Secretary shall con-
16 duct a study to assess the capability needs of community-
17 based economic development organizations, which shall—

18 (1) analyze, evaluate, and recommend processes
19 to improve the administrative and operational capa-
20 bilities of such organizations to acceptable levels of
21 success in support of the role of the Federal Govern-
22 ment in community economic development; and

23 (2) assess the extent to which federal agencies
24 can incorporate such organizations into the formula-
25 tion of the strategic plans of funding agencies and,

1 if the extent or quality of this type of involvement
2 is satisfactory, can support the role of the Federal
3 Government in community economic development.

4 The Secretary shall submit a report regarding the results
5 of the study under this subsection not later than the expi-
6 ration of the 6-month period beginning on the date of the
7 enactment of this Act.

8 (b) ANNUAL REPORTS TO CONGRESS.—Not later
9 than the first March 1 occurring after the end of each
10 fiscal year for which amounts are made available for
11 grants under section 3, the Secretary shall submit a report
12 to the Congress, which shall include—

13 (1) an evaluation of the progress made during
14 such fiscal year to enhance the administrative and
15 operational capabilities of community-based eco-
16 nomic development organizations in support of the
17 role of the Federal Government in community eco-
18 nomic development;

19 (2) an assessment of the extent to which Fed-
20 eral agencies have, during such fiscal year, involved
21 community-based economic development organiza-
22 tions in responsibilities for carrying out community
23 economic development programs administered by the
24 agencies and delivering services under such pro-

1 grams that enhance the operational capabilities of
2 the organizations; and

3 (3) a plan for making recommendations for ac-
4 tions or measures to further involve community-
5 based economic development organizations in the
6 strategic operations of Federal agencies in support
7 of community economic development.

8 (c) FINAL EVALUATION.—The Secretary shall select
9 an independent entity that has experience with national
10 community economic development activities, nonprofit
11 community-based developers, and impact evaluation and
12 analysis to conduct an evaluation of the impact of the
13 grant program under section 3. The evaluation shall be
14 conducted upon the termination of the program. Not later
15 than 6 months after the conclusion of the last fiscal year
16 for which amounts are made available for grants under
17 section 3, the entity conducting the evaluation shall sub-
18 mit to the Secretary and the Congress a final report re-
19 garding the evaluation.

20 **SEC. 104. ADVISORY COUNCIL.**

21 (a) ESTABLISHMENT AND DUTIES.—The Secretary
22 shall establish an advisory council to be known as the Sec-
23 retary’s Advisory Council on Community Economic Devel-
24 opment (in this section referred to as the “Advisory Coun-
25 cil”). The Advisory Council shall make recommendations

1 to the Secretary on carrying out this title, including rec-
2 ommendations on developing plans under section 4(b)(3)
3 and reviewing and making recommendations on such plans
4 that have been developed.

5 (b) MEMBERSHIP.—The Advisory Council shall con-
6 sist of not less than 19 members, appointed by the Sec-
7 retary, as follows:

8 (1) EX OFFICIO MEMBERS.—The following
9 members, who shall serve as nonvoting members:

10 (A) The Secretary of Housing and Urban
11 Development, or the designee of such Secretary.

12 (B) The Secretary of Health and Human
13 Services, or the designee of such Secretary.

14 (C) The Assistant Secretary for Economic
15 Development of the Department of Commerce,
16 or the designee of the Assistant Secretary.

17 (D) The Administrator of the Community
18 Development Financial Institutions Fund, or
19 the designee of the Administrator.

20 (E) The Under Secretary of Agriculture
21 for Rural Development, or the designee of the
22 Under Secretary.

23 (2) OTHER MEMBERS.—No fewer than 14
24 members, who are not officers or employees of the

1 Federal Government, who shall serve as voting mem-
2 bers:

3 (A) No fewer than 2 individuals who con-
4 duct research on community economic develop-
5 ment activities.

6 (B) No fewer than 2 individuals who are
7 experts in community economic development fi-
8 nancing.

9 (C) No fewer than 3 individuals who are
10 publicly elected officials.

11 (D) No fewer than 7 individuals who are
12 representatives of community-based economic
13 development organizations that carry out com-
14 munity economic development activities.

15 (e) TRAVEL EXPENSES.—Members of the Advisory
16 Council shall not receive any pay by reason of their service
17 on the Advisory Council, but shall receive travel expenses,
18 including per diem in lieu of subsistence, in accordance
19 with sections 5702 and 5703 of title 5, United States
20 Code.

21 **SEC. 105. COORDINATION WITH PRESIDENT'S ANNUAL**
22 **BUDGET REQUEST.**

23 The President of the United States shall include, to-
24 gether with each annual budget of the United States Gov-
25 ernment required to be submitted under section 1105(a)

1 of title 31, United States Code, a report regarding Federal
2 financial support for community economic development
3 that includes—

4 (1) a detailed summary of the total level of
5 funding committed to community-based economic de-
6 velopment organizations throughout all Federal
7 agencies;

8 (2) a statement of projected funding levels for
9 the grant program under section 102 of this Act for
10 the upcoming fiscal year and each fiscal year there-
11 after until 2010, and projected funding levels for fi-
12 nancial assistance for economic development activi-
13 ties for each Federal agency that provides such as-
14 sistance;

15 (3) an identification and analysis of the method
16 (including grant agreements, procurement contracts,
17 and cooperative agreements (as such terms are used
18 in chapter 63 of title 31, United States Code) by
19 which such financial assistance is provided for each
20 such economic development activity; and

21 (4) Recommendations for specific activities and
22 measures to enhance community-based economic de-
23 velopment capacity building in states having less
24 concentrated economic and infrastructure resources

1 and to strengthen nationwide community-based eco-
2 nomic development.

3 **SEC. 106. DEFINITIONS.**

4 For purposes of this title, the following definitions
5 shall apply:

6 (1) COMMUNITY-BASED ECONOMIC DEVELOP-
7 MENT ORGANIZATION.—

8 (A) IN GENERAL.—For purposes of this
9 section, the term “community-based economic
10 development organization” means a nonprofit,
11 nongovernmental organization that—

12 (i) has as its primary mission to
13 serve, or provide investment capital for,
14 low-income communities and low-income
15 persons; and

16 (ii)(I) maintains accountability to resi-
17 dents of low-income communities through
18 their representation on any governing
19 board of the organization or on any advi-
20 sory board to the organization; or

21 (II) maintains accountability to low-
22 income communities by having a board pri-
23 marily consisting of leaders of community-
24 based development organizations from its
25 region or State on its governing board.

1 (B) NONDISCRIMINATION AGAINST FAITH-
2 BASED ORGANIZATIONS.—Such term shall in-
3 clude any faith-based organization that complies
4 with the requirements under clauses (i) and (ii)
5 of subparagraph (A).

6 (C) TREATMENT OF COMMUNITY DEVEL-
7 OPMENT FINANCIAL INSTITUTIONS.—The re-
8 quirements of subparagraph (A) shall be treat-
9 ed as met by any community development fi-
10 nancial institution (as such term is defined in
11 section 103 of the Community Development
12 Banking and Financial Institutions Act of 1994
13 (12 U.S.C. 4702).

14 (2) COMMUNITY ECONOMIC DEVELOPMENT
15 PROJECT.—The term “community economic develop-
16 ment project” means a project that involves—

17 (A) investment in business enterprises, in-
18 cluding investments in the form of loan origina-
19 tion, equity investment, and monetary assist-
20 ance to home buyers or to business owners for
21 business development projects; or

22 (B) the construction or rehabilitation of fa-
23 cilities, including commercial or industrial facili-
24 ties, homes, apartment buildings, and commu-
25 nity parks.

1 (3) LOW-INCOME COMMUNITIES AND PER-
2 SONS.—The terms “low-income communities” and
3 “low-income persons” shall have the meanings given
4 such terms in section 45D of the Internal Revenue
5 Code of 1986 (26 U.S.C. 45D).

6 (4) SECRETARY.—The term “Secretary” means
7 the Secretary of Housing and Urban Development.

8 **TITLE II—TAX INCENTIVES FOR**
9 **DEVELOPMENT PROJECTS IN**
10 **RENEWAL, EMPOWERMENT,**
11 **AND ENTERPRISE COMMU-**
12 **NITIES**

13 **SEC. 201. HOUSING INFRASTRUCTURE CREDIT.**

14 (a) IN GENERAL.—Subpart D of part IV of sub-
15 chapter A of chapter 1 of the Internal Revenue Code of
16 1986 (relating to business-related credits) is amended by
17 adding at the end the following new section:

18 **“SEC. 45J. HOUSING INFRASTRUCTURE.**

19 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
20 tion 38, the housing infrastructure credit determined
21 under this section for the taxable year is an amount equal
22 to 50 percent of the aggregate bases of qualified housing
23 infrastructure property placed in service by the taxpayer
24 during the taxable year.

1 “(b) QUALIFIED HOUSING INFRASTRUCTURE PROP-
2 PERTY.—For purposes of this subpart—

3 “(1) IN GENERAL.—The term ‘qualified housing
4 infrastructure property’ means any housing infra-
5 structure property—

6 “(A) which is property to which section
7 168 applies,

8 “(B) which is placed in service after the
9 date of the enactment of this section, and

10 “(C)(i) the construction, reconstruction, or
11 erection of which is completed by the taxpayer,
12 or

13 “(ii) which is acquired by the taxpayer if
14 the original use of such property commences
15 with the taxpayer.

16 “(2) HOUSING INFRASTRUCTURE PROPERTY.—
17 For purposes of this subsection, the term ‘housing
18 infrastructure property’ means property—

19 “(A) which is located in an empowerment
20 zone, enterprise community, or renewal commu-
21 nity, and

22 “(B) substantially all of the use of which
23 is to provide water, sewer, electricity, or natural
24 gas services to residences located in such a zone
25 or community.

1 Such term shall not include property which uses
2 such services after the point of residential metering.

3 “(c) CERTAIN RULES NOT TO APPLY.—

4 “(1) RECAPTURE NOT TO APPLY TO DISPOSI-
5 TIONS TO GOVERNMENT.—Section 50(a) shall not
6 apply to a disposition to a governmental unit.

7 “(2) USE BY GOVERNMENT PERMITTED.—Sec-
8 tion 50(b)(4) shall not apply.”.

9 (b) CREDIT TO BE PART OF GENERAL BUSINESS
10 CREDIT.—Subsection (a) of section 38 of such Code is
11 amended by striking “plus” at the end of paragraph (18),
12 by striking the period at the end of paragraph (19) and
13 inserting “, plus”, and by adding at the end the following
14 new paragraph:

15 “(20) the housing infrastructure credit deter-
16 mined under section 45J(a).”.

17 (c) CLERICAL AMENDMENT.—The table of sections
18 for subpart D of part IV of subchapter A of chapter 1
19 of such Code is amended by adding at the end the fol-
20 lowing new item:

“Sec. 45J. Housing infrastructure.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to periods after the date of the
23 enactment of this Act under rules similar to the rules of
24 section 48(m) of the Internal Revenue Code of 1986 (as

1 in effect on the day before the the date of the enactment
2 of the Revenue Reconciliation Act of 1990).

3 **SEC. 202. INCREASE AND EXTENSION OF BENEFITS FOR**
4 **EMPLOYMENT AND CERTAIN INVESTMENTS.**

5 (a) CREDITS FOR EMPLOYMENT.—

6 (1) WORK OPPORTUNITY CREDIT.—

7 (A) CREDIT DOUBLED.—Subsection (b) of
8 section 51 of the Internal Revenue Code of
9 1986 is amended by adding at the end the fol-
10 lowing new paragraph:

11 “(4) TEMPORARY DOUBLING OF CREDIT.—In
12 the case of individuals beginning work for the em-
13 ployer after the date of the enactment of the Com-
14 munity Economic Development Expertise Enhance-
15 ment Act of 2005 and before January 1, 2010, this
16 section shall be applied by doubling each of the dol-
17 lar amounts in paragraph (3) and subsections
18 (d)(7)(B)(ii) and (h)(1). ”.

19 (B) EXTENSION.—Subparagraph (B) of
20 section 51(c)(4) of such Code is amended by
21 striking “December 31 2005” and inserting
22 “December 31, 2009”.

23 (2) WELFARE-TO-WORK CREDIT.—

24 (A) TEMPORARY DOUBLING OF CREDIT.—

25 Section 51A of such Code is amended by redess-

1 ignating subsection (f) as subsection (g) and by
2 inserting after subsection (e) the following new
3 subsection:

4 “(f) TEMPORARY DOUBLING OF CREDIT.—In the
5 case of individuals beginning work for the employer after
6 the date of the enactment of the Community Economic
7 Development Expertise Enhancement Act of 2005 and be-
8 fore January 1, 2010, this section shall be applied by dou-
9 bling each of the dollar amounts in paragraphs (4) and
10 (5)(C) of subsection (b).”.

11 (B) EXTENSION.—Subsection (f) of section
12 51A of such Code is amended by striking “De-
13 cember 31 2005” and inserting “December 31,
14 2009”.

15 (3) TEMPORARY DOUBLING OF EMPOWERMENT
16 ZONE EMPLOYMENT CREDIT.—Subsection (c) of sec-
17 tion 1396 of such Code is amended by adding at the
18 end the following new paragraph:

19 “(4) TEMPORARY DOUBLING OF CREDIT.—In
20 the case of individuals beginning work for the em-
21 ployer after the date of the enactment of the Com-
22 munity Economic Development Expertise Enhance-
23 ment Act of 2005 and before January 1, 2010, this
24 section shall be applied by doubling the dollar
25 amounts in paragraphs (2) and (3)(B).”.

1 (4) TEMPORARY DOUBLING OF RENEWAL COM-
2 MUNITY EMPLOYMENT CREDIT.—Subsection (b) of
3 section 1400H of such Code is amended by adding
4 at the end the following new flush sentence:
5 “In the case of individuals beginning work for the em-
6 ployer after the date of the enactment of the Community
7 Economic Development Expertise Enhancement Act of
8 2005 and before January 1, 2010, paragraph (2) shall be
9 applied by substituting ‘\$20,000’ for ‘\$10,000’. ”.

10 (5) INDIAN EMPLOYMENT CREDIT.—

11 (A) TEMPORARY INCREASE IN CREDIT.—

12 (i) IN GENERAL.—Paragraph (3) of
13 section 45A(b) of such Code is amended by
14 inserting before the period “(\$25,000 in
15 the case of individuals beginning work for
16 the employer after the date of the enact-
17 ment of the Community Economic Devel-
18 opment Expertise Enhancement Act of
19 2005 and before January 1, 2010)”.

20 (ii) CONFORMING AMENDMENT.—

21 Paragraph (2) of section 45A(c) of such
22 Code is amended by adding at the end the
23 following new sentence: “In the case of in-
24 dividuals beginning work for the employer
25 after the date of the enactment of the

1 Community Economic Development Exper-
2 tise Enhancement Act of 2005 and before
3 January 1, 2010, the limitation under the
4 preceding sentence shall not be less than
5 the limitation in effect under subsection
6 (b)(3).”.

7 (B) EXTENSION.—Subsection (f) of section
8 45A of such Code is amended by striking “De-
9 cember 31 2005” and inserting “December 31,
10 2009”.

11 (b) DEDUCTIONS FOR EXPENSING THE COST OF
12 PROPERTY.—

13 (1) INCREASE IN SECTION 179 DEDUCTION.—

14 (A) DOLLAR LIMITATION.—Paragraph (1)
15 of section 179(b) of such Code is amended by
16 striking the parenthetical and inserting
17 “(\$125,000 in the case of taxable years begin-
18 ning after the date of the enactment of the
19 Community Economic Development Expertise
20 Enhancement Act of 2005 and before January
21 1, 2010)”.

22 (B) REDUCTION IN LIMITATION.—Para-
23 graph (2) of section 179(b) of such Code is
24 amended by striking the parenthetical and in-
25 serting “(\$500,000 in the case of taxable years

1 beginning after the date of the enactment of the
2 Community Economic Development Expertise
3 Enhancement Act of 2005 and before January
4 1, 2010”.

5 (2) INCREASE IN DEDUCTION FOR COMMERCIAL
6 REVITALIZATION.—

7 (A) DOLLAR LIMITATION PER BUILDING.—
8 Paragraph (1) of section 1400I(c) of such Code
9 is amended by inserting before the comma
10 “(\$12,500,000 in the case of buildings placed in
11 service after the date of the enactment of the
12 Community Economic Development Expertise
13 Enhancement Act of 2005 and before January
14 1, 2010”.

15 (B) DOLLAR LIMITATION PER RENEWAL
16 COMMUNITY.—Subparagraph (A) of section
17 1400I(d)(2) of such Code is amended by strik-
18 ing “\$12,000,000” and inserting “\$12,000,000
19 (\$15,000,000 in the case of calendar years end-
20 ing after the date of the enactment of the Com-
21 munity Economic Development Expertise En-
22 hancement Act of 2005 and before 2010”.

23 (3) EXTENSION OF SPECIAL DEDUCTION FOR
24 ENVIRONMENTAL REMEDIATION.—Subsection (h) of
25 section 198 of such Code is amended by striking

1 “December 31 2005” and inserting “December 31,
2 2009”.

3 (4) EXTENSION OF SPECIAL DEDUCTION FOR
4 PROPERTY USED ON INDIAN RESERVATIONS.—Para-
5 graph (8) of section 168(j) of such Code is amended
6 by striking “December 31 2005” and inserting “De-
7 cember 31, 2009”.

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