

In the Senate of the United States,

December 15, 2010.

Resolved, That the bill from the House of Representatives (H.R. 4853) entitled “An Act to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes.”, do pass with the following

**SENATE AMENDMENT TO HOUSE AMENDMENT TO
SENATE AMENDMENT:**

In lieu of the matter proposed to be inserted, insert the following:

1 ***SECTION 1. SHORT TITLE; ETC.***

2 (a) *SHORT TITLE*.—*This Act may be cited as the “Tax*
3 *Relief, Unemployment Insurance Reauthorization, and Job*
4 *Creation Act of 2010”.*

5 (b) *AMENDMENT OF 1986 CODE*.—*Except as otherwise*
6 *expressly provided, whenever in this Act an amendment or*
7 *repeal is expressed in terms of an amendment to, or repeal*

1 of, a section or other provision, the reference shall be consid-
 2 ered to be made to a section or other provision of the Inter-
 3 nal Revenue Code of 1986.

4 (c) *TABLE OF CONTENTS.*—The table of contents for
 5 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—TEMPORARY EXTENSION OF TAX RELIEF

Sec. 101. Temporary extension of 2001 tax relief.

Sec. 102. Temporary extension of 2003 tax relief.

Sec. 103. Temporary extension of 2009 tax relief.

TITLE II—TEMPORARY EXTENSION OF INDIVIDUAL AMT RELIEF

Sec. 201. Temporary extension of increased alternative minimum tax exemption amount.

Sec. 202. Temporary extension of alternative minimum tax relief for nonrefundable personal credits.

TITLE III—TEMPORARY ESTATE TAX RELIEF

Sec. 301. Reinstatement of estate tax; repeal of carryover basis.

Sec. 302. Modifications to estate, gift, and generation-skipping transfer taxes.

Sec. 303. Applicable exclusion amount increased by unused exclusion amount of deceased spouse.

Sec. 304. Application of EGTRRA sunset to this title.

TITLE IV—TEMPORARY EXTENSION OF INVESTMENT INCENTIVES

Sec. 401. Extension of bonus depreciation; temporary 100 percent expensing for certain business assets.

Sec. 402. Temporary extension of increased small business expensing.

TITLE V—TEMPORARY EXTENSION OF UNEMPLOYMENT INSURANCE AND RELATED MATTERS

Sec. 501. Temporary extension of unemployment insurance provisions.

Sec. 502. Temporary modification of indicators under the extended benefit program.

Sec. 503. Technical amendment relating to collection of unemployment compensation debts.

Sec. 504. Technical correction relating to repeal of continued dumping and subsidy offset.

Sec. 505. Additional extended unemployment benefits under the Railroad Unemployment Insurance Act.

TITLE VI—TEMPORARY EMPLOYEE PAYROLL TAX CUT

Sec. 601. Temporary employee payroll tax cut.

TITLE VII—TEMPORARY EXTENSION OF CERTAIN EXPIRING
PROVISIONS

Subtitle A—Energy

- Sec. 701. Incentives for biodiesel and renewable diesel.*
- Sec. 702. Credit for refined coal facilities.*
- Sec. 703. New energy efficient home credit.*
- Sec. 704. Excise tax credits and outlay payments for alternative fuel and alternative fuel mixtures.*
- Sec. 705. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.*
- Sec. 706. Suspension of limitation on percentage depletion for oil and gas from marginal wells.*
- Sec. 707. Extension of grants for specified energy property in lieu of tax credits.*
- Sec. 708. Extension of provisions related to alcohol used as fuel.*
- Sec. 709. Energy efficient appliance credit.*
- Sec. 710. Credit for nonbusiness energy property.*
- Sec. 711. Alternative fuel vehicle refueling property.*

Subtitle B—Individual Tax Relief

- Sec. 721. Deduction for certain expenses of elementary and secondary school teachers.*
- Sec. 722. Deduction of State and local sales taxes.*
- Sec. 723. Contributions of capital gain real property made for conservation purposes.*
- Sec. 724. Above-the-line deduction for qualified tuition and related expenses.*
- Sec. 725. Tax-free distributions from individual retirement plans for charitable purposes.*
- Sec. 726. Look-thru of certain regulated investment company stock in determining gross estate of nonresidents.*
- Sec. 727. Parity for exclusion from income for employer-provided mass transit and parking benefits.*
- Sec. 728. Refunds disregarded in the administration of Federal programs and federally assisted programs.*

Subtitle C—Business Tax Relief

- Sec. 731. Research credit.*
- Sec. 732. Indian employment tax credit.*
- Sec. 733. New markets tax credit.*
- Sec. 734. Railroad track maintenance credit.*
- Sec. 735. Mine rescue team training credit.*
- Sec. 736. Employer wage credit for employees who are active duty members of the uniformed services.*
- Sec. 737. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.*
- Sec. 738. 7-year recovery period for motorsports entertainment complexes.*
- Sec. 739. Accelerated depreciation for business property on an Indian reservation.*
- Sec. 740. Enhanced charitable deduction for contributions of food inventory.*
- Sec. 741. Enhanced charitable deduction for contributions of book inventories to public schools.*
- Sec. 742. Enhanced charitable deduction for corporate contributions of computer inventory for educational purposes.*

- Sec. 743. Election to expense mine safety equipment.*
Sec. 744. Special expensing rules for certain film and television productions.
Sec. 745. Expensing of environmental remediation costs.
Sec. 746. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 747. Modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 748. Treatment of certain dividends of regulated investment companies.
Sec. 749. RIC qualified investment entity treatment under FIRPTA.
Sec. 750. Exceptions for active financing income.
Sec. 751. Look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
Sec. 752. Basis adjustment to stock of S corps making charitable contributions of property.
Sec. 753. Empowerment zone tax incentives.
Sec. 754. Tax incentives for investment in the District of Columbia.
Sec. 755. Temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
Sec. 756. American Samoa economic development credit.
Sec. 757. Work opportunity credit.
Sec. 758. Qualified zone academy bonds.
Sec. 759. Mortgage insurance premiums.
Sec. 760. Temporary exclusion of 100 percent of gain on certain small business stock.

Subtitle D—Temporary Disaster Relief Provisions

SUBPART A—NEW YORK LIBERTY ZONE

- Sec. 761. Tax-exempt bond financing.*

SUBPART B—GO ZONE

- Sec. 762. Increase in rehabilitation credit.*
Sec. 763. Low-income housing credit rules for buildings in GO zones.
Sec. 764. Tax-exempt bond financing.
Sec. 765. Bonus depreciation deduction applicable to the GO Zone.

TITLE VIII—BUDGETARY PROVISIONS

- Sec. 801. Determination of budgetary effects.*
Sec. 802. Emergency designations.

1 **TITLE I—TEMPORARY**
2 **EXTENSION OF TAX RELIEF**
3 **SEC. 101. TEMPORARY EXTENSION OF 2001 TAX RELIEF.**

4 (a) *TEMPORARY EXTENSION.*—

5 (1) *IN GENERAL.*—*Section 901 of the Economic*
6 *Growth and Tax Relief Reconciliation Act of 2001 is*

1 amended by striking “December 31, 2010” both places
2 it appears and inserting “December 31, 2012”.

3 (2) *EFFECTIVE DATE.*—The amendment made by
4 this subsection shall take effect as if included in the
5 enactment of the *Economic Growth and Tax Relief*
6 *Reconciliation Act of 2001.*

7 (b) *SEPARATE SUNSET FOR EXPANSION OF ADOPTION*
8 *BENEFITS UNDER THE PATIENT PROTECTION AND AF-*
9 *FORDABLE CARE ACT.*—

10 (1) *IN GENERAL.*—Subsection (c) of section
11 10909 of the *Patient Protection and Affordable Care*
12 *Act* is amended to read as follows:

13 “(c) *SUNSET PROVISION.*—Each provision of law
14 amended by this section is amended to read as such provi-
15 sion would read if this section had never been enacted. The
16 amendments made by the preceding sentence shall apply to
17 taxable years beginning after December 31, 2011.”.

18 (2) *CONFORMING AMENDMENT.*—Subsection (d)
19 of section 10909 of such Act is amended by striking
20 “The amendments” and inserting “Except as pro-
21 vided in subsection (c), the amendments”.

22 **SEC. 102. TEMPORARY EXTENSION OF 2003 TAX RELIEF.**

23 (a) *IN GENERAL.*—Section 303 of the *Jobs and Growth*
24 *Tax Relief Reconciliation Act of 2003* is amended by strik-

1 ing “December 31, 2010” and inserting “December 31,
2 2012”.

3 (b) *EFFECTIVE DATE.*—The amendment made by this
4 section shall take effect as if included in the enactment of
5 the Jobs and Growth Tax Relief Reconciliation Act of 2003.

6 **SEC. 103. TEMPORARY EXTENSION OF 2009 TAX RELIEF.**

7 (a) *AMERICAN OPPORTUNITY TAX CREDIT.*—

8 (1) *IN GENERAL.*—Section 25A(i) is amended by
9 striking “or 2010” and inserting “, 2010, 2011, or
10 2012”.

11 (2) *TREATMENT OF POSSESSIONS.*—Section
12 1004(c)(1) of the American Recovery and Reinvest-
13 ment Tax Act of 2009 is amended by striking “and
14 2010” each place it appears and inserting “, 2010,
15 2011, and 2012”.

16 (b) *CHILD TAX CREDIT.*—Section 24(d)(4) is amend-
17 ed—

18 (1) by striking “2009 AND 2010” in the heading
19 and inserting “2009, 2010, 2011, AND 2012”, and

20 (2) by striking “or 2010” and inserting “, 2010,
21 2011, or 2012”.

22 (c) *EARNED INCOME TAX CREDIT.*—Section 32(b)(3)
23 is amended—

24 (1) by striking “2009 AND 2010” in the heading
25 and inserting “2009, 2010, 2011, AND 2012”, and

1 (2) by striking “or 2010” and inserting “, 2010,
2 2011, or 2012”.

3 (d) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to taxable years beginning after Decem-*
5 *ber 31, 2010.*

6 **TITLE II—TEMPORARY EXTEN-**
7 **SION OF INDIVIDUAL AMT RE-**
8 **LIEF**

9 **SEC. 201. TEMPORARY EXTENSION OF INCREASED ALTER-**
10 **NATIVE MINIMUM TAX EXEMPTION AMOUNT.**

11 (a) *IN GENERAL.*—*Paragraph (1) of section 55(d) is*
12 *amended—*

13 (1) by striking “\$70,950” and all that follows
14 through “2009” in subparagraph (A) and inserting
15 “\$72,450 in the case of taxable years beginning in
16 2010 and \$74,450 in the case of taxable years begin-
17 ning in 2011”, and

18 (2) by striking “\$46,700” and all that follows
19 through “2009” in subparagraph (B) and inserting
20 “\$47,450 in the case of taxable years beginning in
21 2010 and \$48,450 in the case of taxable years begin-
22 ning in 2011”.

23 (b) *EFFECTIVE DATE.*—*The amendments made by this*
24 *section shall apply to taxable years beginning after Decem-*
25 *ber 31, 2009.*

1 (c) *REPEAL OF EGTRRA SUNSET.*—Title IX of the
 2 *Economic Growth and Tax Relief Reconciliation Act of*
 3 *2001 (relating to sunset of provisions of such Act) shall not*
 4 *apply to title VII of such Act (relating to alternative min-*
 5 *imum tax).*

6 **SEC. 202. TEMPORARY EXTENSION OF ALTERNATIVE MIN-**
 7 **IMUM TAX RELIEF FOR NONREFUNDABLE**
 8 **PERSONAL CREDITS.**

9 (a) *IN GENERAL.*—Paragraph (2) of section 26(a) is
 10 *amended—*

11 (1) *by striking “or 2009” and inserting “2009,*
 12 *2010, or 2011”, and*

13 (2) *by striking “2009” in the heading thereof and*
 14 *inserting “2011”.*

15 (b) *EFFECTIVE DATE.*—The amendments made by this
 16 *section shall apply to taxable years beginning after Decem-*
 17 *ber 31, 2009.*

18 **TITLE III—TEMPORARY ESTATE**
 19 **TAX RELIEF**

20 **SEC. 301. REINSTATEMENT OF ESTATE TAX; REPEAL OF**
 21 **CARRYOVER BASIS.**

22 (a) *IN GENERAL.*—Each provision of law amended by
 23 *subtitle A or E of title V of the Economic Growth and Tax*
 24 *Relief Reconciliation Act of 2001 is amended to read as*

1 *such provision would read if such subtitle had never been*
2 *enacted.*

3 (b) *CONFORMING AMENDMENT.*—*On and after Janu-*
4 *ary 1, 2011, paragraph (1) of section 2505(a) of the Inter-*
5 *nal Revenue Code of 1986 is amended to read as such para-*
6 *graph would read if section 521(b)(2) of the Economic*
7 *Growth and Tax Relief Reconciliation Act of 2001 had*
8 *never been enacted.*

9 (c) *SPECIAL ELECTION WITH RESPECT TO ESTATES*
10 *OF DECEDENTS DYING IN 2010.*—*Notwithstanding sub-*
11 *section (a), in the case of an estate of a decedent dying after*
12 *December 31, 2009, and before January 1, 2011, the execu-*
13 *tor (within the meaning of section 2203 of the Internal Rev-*
14 *enue Code of 1986) may elect to apply such Code as though*
15 *the amendments made by subsection (a) do not apply with*
16 *respect to chapter 11 of such Code and with respect to prop-*
17 *erty acquired or passing from such decedent (within the*
18 *meaning of section 1014(b) of such Code). Such election*
19 *shall be made at such time and in such manner as the Sec-*
20 *retary of the Treasury or the Secretary's delegate shall pro-*
21 *vide. Such an election once made shall be revocable only*
22 *with the consent of the Secretary of the Treasury or the Sec-*
23 *retary's delegate. For purposes of section 2652(a)(1) of such*
24 *Code, the determination of whether any property is subject*

1 *to the tax imposed by such chapter 11 shall be made without*
2 *regard to any election made under this subsection.*

3 (d) *EXTENSION OF TIME FOR PERFORMING CERTAIN*
4 *ACTS.—*

5 (1) *ESTATE TAX.—In the case of the estate of a*
6 *decedent dying after December 31, 2009, and before*
7 *the date of the enactment of this Act, the due date*
8 *for—*

9 (A) *filing any return under section 6018 of*
10 *the Internal Revenue Code of 1986 (including*
11 *any election required to be made on such a re-*
12 *turn) as such section is in effect after the date*
13 *of the enactment of this Act without regard to*
14 *any election under subsection (c),*

15 (B) *making any payment of tax under*
16 *chapter 11 of such Code, and*

17 (C) *making any disclaimer described in sec-*
18 *tion 2518(b) of such Code of an interest in prop-*
19 *erty passing by reason of the death of such dece-*
20 *dent,*

21 *shall not be earlier than the date which is 9 months*
22 *after the date of the enactment of this Act.*

23 (2) *GENERATION-SKIPPING TAX.—In the case of*
24 *any generation-skipping transfer made after Decem-*
25 *ber 31, 2009, and before the date of the enactment of*

1 *this Act, the due date for filing any return under sec-*
2 *tion 2662 of the Internal Revenue Code of 1986 (in-*
3 *cluding any election required to be made on such a*
4 *return) shall not be earlier than the date which is 9*
5 *months after the date of the enactment of this Act.*

6 *(e) EFFECTIVE DATE.—Except as otherwise provided*
7 *in this section, the amendments made by this section shall*
8 *apply to estates of decedents dying, and transfers made,*
9 *after December 31, 2009.*

10 **SEC. 302. MODIFICATIONS TO ESTATE, GIFT, AND GENERA-**
11 **TION-SKIPPING TRANSFER TAXES.**

12 *(a) MODIFICATIONS TO ESTATE TAX.—*

13 *(1) \$5,000,000 APPLICABLE EXCLUSION*
14 *AMOUNT.—Subsection (c) of section 2010 is amended*
15 *to read as follows:*

16 *“(c) APPLICABLE CREDIT AMOUNT.—*

17 *“(1) IN GENERAL.—For purposes of this section,*
18 *the applicable credit amount is the amount of the ten-*
19 *tative tax which would be determined under section*
20 *2001(c) if the amount with respect to which such ten-*
21 *tative tax is to be computed were equal to the appli-*
22 *cable exclusion amount.*

23 *“(2) APPLICABLE EXCLUSION AMOUNT.—*

1 “(A) *IN GENERAL.*—*For purposes of this*
 2 *subsection, the applicable exclusion amount is*
 3 *\$5,000,000.*

4 “(B) *INFLATION ADJUSTMENT.*—*In the case*
 5 *of any decedent dying in a calendar year after*
 6 *2011, the dollar amount in subparagraph (A)*
 7 *shall be increased by an amount equal to—*

8 “(i) *such dollar amount, multiplied by*

9 “(ii) *the cost-of-living adjustment de-*
 10 *termined under section 1(f)(3) for such cal-*
 11 *endar year by substituting ‘calendar year*
 12 *2010’ for ‘calendar year 1992’ in subpara-*
 13 *graph (B) thereof.*

14 *If any amount as adjusted under the preceding*
 15 *sentence is not a multiple of \$10,000, such*
 16 *amount shall be rounded to the nearest multiple*
 17 *of \$10,000.”.*

18 (2) *MAXIMUM ESTATE TAX RATE EQUAL TO 35*
 19 *PERCENT.*—*Subsection (c) of section 2001 is amend-*
 20 *ed—*

21 (A) *by striking “Over \$500,000” and all*
 22 *that follows in the table contained in paragraph*
 23 (1) *and inserting the following:*

“Over \$500,000 \$155,800, plus 35 percent of the excess
 of such amount over \$500,000.”,

24 (B) *by striking “(1) IN GENERAL.—”, and*

1 (C) *by striking paragraph (2).*

2 (b) *MODIFICATIONS TO GIFT TAX.—*

3 (1) *RESTORATION OF UNIFIED CREDIT AGAINST*
4 *GIFT TAX.—*

5 (A) *IN GENERAL.—Paragraph (1) of section*
6 *2505(a), after the application of section 301(b),*
7 *is amended by striking “(determined as if the*
8 *applicable exclusion amount were \$1,000,000)”.*

9 (B) *EFFECTIVE DATE.—The amendment*
10 *made by this paragraph shall apply to gifts*
11 *made after December 31, 2010.*

12 (2) *MODIFICATION OF GIFT TAX RATE.—On and*
13 *after January 1, 2011, subsection (a) of section 2502*
14 *is amended to read as such subsection would read if*
15 *section 511(d) of the Economic Growth and Tax Re-*
16 *lief Reconciliation Act of 2001 had never been en-*
17 *acted.*

18 (c) *MODIFICATION OF GENERATION-SKIPPING TRANS-*
19 *FER TAX.—In the case of any generation-skipping transfer*
20 *made after December 31, 2009, and before January 1, 2011,*
21 *the applicable rate determined under section 2641(a) of the*
22 *Internal Revenue Code of 1986 shall be zero.*

23 (d) *MODIFICATIONS OF ESTATE AND GIFT TAXES TO*
24 *REFLECT DIFFERENCES IN CREDIT RESULTING FROM DIF-*
25 *FERENT TAX RATES.—*

1 (1) *ESTATE TAX.*—

2 (A) *IN GENERAL.*—Section 2001(b)(2) is
3 amended by striking “if the provisions of sub-
4 section (c) (as in effect at the decedent’s death)”
5 and inserting “if the modifications described in
6 subsection (g)”.

7 (B) *MODIFICATIONS.*—Section 2001 is
8 amended by adding at the end the following new
9 subsection:

10 “(g) *MODIFICATIONS TO GIFT TAX PAYABLE TO RE-*
11 *FLECT DIFFERENT TAX RATES.*—For purposes of applying
12 subsection (b)(2) with respect to 1 or more gifts, the rates
13 of tax under subsection (c) in effect at the decedent’s death
14 shall, in lieu of the rates of tax in effect at the time of such
15 gifts, be used both to compute—

16 “(1) the tax imposed by chapter 12 with respect
17 to such gifts, and

18 “(2) the credit allowed against such tax under
19 section 2505, including in computing—

20 “(A) the applicable credit amount under
21 section 2505(a)(1), and

22 “(B) the sum of the amounts allowed as a
23 credit for all preceding periods under section
24 2505(a)(2).”.

1 (2) *GIFT TAX.*—Section 2505(a) is amended by
2 adding at the end the following new flush sentence:

3 “*For purposes of applying paragraph (2) for any calendar*
4 *year, the rates of tax in effect under section 2502(a)(2) for*
5 *such calendar year shall, in lieu of the rates of tax in effect*
6 *for preceding calendar periods, be used in determining the*
7 *amounts allowable as a credit under this section for all pre-*
8 *ceding calendar periods.*”.

9 (e) *CONFORMING AMENDMENT.*—Section 2511 is
10 amended by striking subsection (c).

11 (f) *EFFECTIVE DATE.*—Except as otherwise provided
12 in this subsection, the amendments made by this section
13 shall apply to estates of decedents dying, generation-skip-
14 ping transfers, and gifts made, after December 31, 2009.

15 **SEC. 303. APPLICABLE EXCLUSION AMOUNT INCREASED BY**
16 **UNUSED EXCLUSION AMOUNT OF DECEASED**
17 **SPOUSE.**

18 (a) *IN GENERAL.*—Section 2010(c), as amended by
19 section 302(a), is amended by striking paragraph (2) and
20 inserting the following new paragraphs:

21 “(2) *APPLICABLE EXCLUSION AMOUNT.*—For
22 purposes of this subsection, the applicable exclusion
23 amount is the sum of—

24 “(A) the basic exclusion amount, and

1 “(B) *in the case of a surviving spouse, the*
2 *deceased spousal unused exclusion amount.*

3 “(3) *BASIC EXCLUSION AMOUNT.—*

4 “(A) *IN GENERAL.—For purposes of this*
5 *subsection, the basic exclusion amount is*
6 *\$5,000,000.*

7 “(B) *INFLATION ADJUSTMENT.—In the case*
8 *of any decedent dying in a calendar year after*
9 *2011, the dollar amount in subparagraph (A)*
10 *shall be increased by an amount equal to—*

11 “(i) *such dollar amount, multiplied by*

12 “(ii) *the cost-of-living adjustment de-*
13 *termined under section 1(f)(3) for such cal-*
14 *endar year by substituting ‘calendar year*
15 *2010’ for ‘calendar year 1992’ in subpara-*
16 *graph (B) thereof.*

17 *If any amount as adjusted under the preceding*
18 *sentence is not a multiple of \$10,000, such*
19 *amount shall be rounded to the nearest multiple*
20 *of \$10,000.*

21 “(4) *DECEASED SPOUSAL UNUSED EXCLUSION*
22 *AMOUNT.—For purposes of this subsection, with re-*
23 *spect to a surviving spouse of a deceased spouse dying*
24 *after December 31, 2010, the term ‘deceased spousal*
25 *unused exclusion amount’ means the lesser of—*

1 “(A) *the basic exclusion amount, or*

2 “(B) *the excess of—*

3 “(i) *the basic exclusion amount of the*
4 *last such deceased spouse of such surviving*
5 *spouse, over*

6 “(ii) *the amount with respect to which*
7 *the tentative tax is determined under sec-*
8 *tion 2001(b)(1) on the estate of such de-*
9 *ceased spouse.*

10 “(5) *SPECIAL RULES.—*

11 “(A) *ELECTION REQUIRED.—A deceased*
12 *spousal unused exclusion amount may not be*
13 *taken into account by a surviving spouse under*
14 *paragraph (2) unless the executor of the estate of*
15 *the deceased spouse files an estate tax return on*
16 *which such amount is computed and makes an*
17 *election on such return that such amount may be*
18 *so taken into account. Such election, once made,*
19 *shall be irrevocable. No election may be made*
20 *under this subparagraph if such return is filed*
21 *after the time prescribed by law (including ex-*
22 *tensions) for filing such return.*

23 “(B) *EXAMINATION OF PRIOR RETURNS*
24 *AFTER EXPIRATION OF PERIOD OF LIMITATIONS*
25 *WITH RESPECT TO DECEASED SPOUSAL UNUSED*

1 *EXCLUSION AMOUNT.*—*Notwithstanding any pe-*
2 *riod of limitation in section 6501, after the time*
3 *has expired under section 6501 within which a*
4 *tax may be assessed under chapter 11 or 12 with*
5 *respect to a deceased spousal unused exclusion*
6 *amount, the Secretary may examine a return of*
7 *the deceased spouse to make determinations with*
8 *respect to such amount for purposes of carrying*
9 *out this subsection.*

10 “(6) *REGULATIONS.*—*The Secretary shall pre-*
11 *scribe such regulations as may be necessary or appro-*
12 *priate to carry out this subsection.”.*

13 *(b) CONFORMING AMENDMENTS.*—

14 (1) *Paragraph (1) of section 2505(a), as amend-*
15 *ed by section 302(b)(1), is amended to read as follows:*

16 “(1) *the applicable credit amount in effect under*
17 *section 2010(c) which would apply if the donor died*
18 *as of the end of the calendar year, reduced by”.*

19 (2) *Section 2631(c) is amended by striking “the*
20 *applicable exclusion amount” and inserting “the*
21 *basic exclusion amount”.*

22 (3) *Section 6018(a)(1) is amended by striking*
23 *“applicable exclusion amount” and inserting “basic*
24 *exclusion amount”.*

25 *(c) EFFECTIVE DATES.*—

1 (1) *IN GENERAL.*—*Except as provided in para-*
2 *graph (2), the amendments made by this section shall*
3 *apply to estates of decedents dying and gifts made*
4 *after December 31, 2010.*

5 (2) *CONFORMING AMENDMENT RELATING TO*
6 *GENERATION-SKIPPING TRANSFERS.*—*The amendment*
7 *made by subsection (b)(2) shall apply to generation-*
8 *skipping transfers after December 31, 2010.*

9 **SEC. 304. APPLICATION OF EGTRRA SUNSET TO THIS TITLE.**

10 *Section 901 of the Economic Growth and Tax Relief*
11 *Reconciliation Act of 2001 shall apply to the amendments*
12 *made by this title.*

13 **TITLE IV—TEMPORARY EXTEN-**
14 **SION OF INVESTMENT INCEN-**
15 **TIVES**

16 **SEC. 401. EXTENSION OF BONUS DEPRECIATION; TEM-**
17 **PORARY 100 PERCENT EXPENSING FOR CER-**
18 **TAIN BUSINESS ASSETS.**

19 (a) *IN GENERAL.*—*Paragraph (2) of section 168(k) is*
20 *amended—*

21 (1) *by striking “January 1, 2012” in subpara-*
22 *graph (A)(iv) and inserting “January 1, 2014”, and*

23 (2) *by striking “January 1, 2011” each place it*
24 *appears and inserting “January 1, 2013”.*

1 (b) *TEMPORARY 100 PERCENT EXPENSING.*—Sub-
2 section (k) of section 168 is amended by adding at the end
3 the following new paragraph:

4 “(5) *SPECIAL RULE FOR PROPERTY ACQUIRED*
5 *DURING CERTAIN PRE-2012 PERIODS.*—In the case of
6 qualified property acquired by the taxpayer (under
7 rules similar to the rules of clauses (ii) and (iii) of
8 paragraph (2)(A)) after September 8, 2010, and be-
9 fore January 1, 2012, and which is placed in service
10 by the taxpayer before January 1, 2012 (January 1,
11 2013, in the case of property described in subpara-
12 graph (2)(B) or (2)(C)), paragraph (1)(A) shall be
13 applied by substituting ‘100 percent’ for ‘50 per-
14 cent’.”.

15 (c) *EXTENSION OF ELECTION TO ACCELERATE THE*
16 *AMT CREDIT IN LIEU OF BONUS DEPRECIATION.*—

17 (1) *EXTENSION.*—Clause (iii) of section
18 168(k)(4)(D) is amended by striking “or production”
19 and all that follows and inserting “or production—

20 “(I) after March 31, 2008, and be-
21 fore January 1, 2010, and

22 “(II) after December 31, 2010,
23 and before January 1, 2013,

24 shall be taken into account under subpara-
25 graph (B)(ii) thereof.”.

1 (2) *RULES FOR ROUND 2 EXTENSION PROP-*
2 *ERTY.—Paragraph (4) of section 168(k) is amended*
3 *by adding at the end the following new subparagraph:*

4 “(I) *SPECIAL RULES FOR ROUND 2 EXTEN-*
5 *SION PROPERTY.—*

6 “(i) *IN GENERAL.—In the case of*
7 *round 2 extension property, this paragraph*
8 *shall be applied without regard to—*

9 “(I) *the limitation described in*
10 *subparagraph (B)(i) thereof, and*

11 “(II) *the business credit increase*
12 *amount under subparagraph (E)(iii)*
13 *thereof.*

14 “(ii) *TAXPAYERS PREVIOUSLY ELECT-*
15 *ING ACCELERATION.—In the case of a tax-*
16 *payer who made the election under subpara-*
17 *graph (A) for its first taxable year ending*
18 *after March 31, 2008, or a taxpayer who*
19 *made the election under subparagraph*
20 *(H)(ii) for its first taxable year ending*
21 *after December 31, 2008—*

22 “(I) *the taxpayer may elect not to*
23 *have this paragraph apply to round 2*
24 *extension property, but*

1 “(II) if the taxpayer does not
2 make the election under subclause (I),
3 in applying this paragraph to the tax-
4 payer the bonus depreciation amount,
5 maximum amount, and maximum in-
6 crease amount shall be computed and
7 applied to eligible qualified property
8 which is round 2 extension property.

9 The amounts described in subclause (II)
10 shall be computed separately from any
11 amounts computed with respect to eligible
12 qualified property which is not round 2 ex-
13 tension property.

14 “(iii) TAXPAYERS NOT PREVIOUSLY
15 ELECTING ACCELERATION.—In the case of a
16 taxpayer who neither made the election
17 under subparagraph (A) for its first taxable
18 year ending after March 31, 2008, nor
19 made the election under subparagraph
20 (H)(ii) for its first taxable year ending
21 after December 31, 2008—

22 “(I) the taxpayer may elect to
23 have this paragraph apply to its first
24 taxable year ending after December 31,

1 2010, and each subsequent taxable
2 year, and

3 “(II) if the taxpayer makes the
4 election under subclause (I), this para-
5 graph shall only apply to eligible
6 qualified property which is round 2 ex-
7 tension property.

8 “(iv) *ROUND 2 EXTENSION PROP-*
9 *ERTY.—For purposes of this subparagraph,*
10 *the term ‘round 2 extension property’ means*
11 *property which is eligible qualified property*
12 *solely by reason of the extension of the ap-*
13 *plication of the special allowance under*
14 *paragraph (1) pursuant to the amendments*
15 *made by section 401(a) of the Tax Relief,*
16 *Unemployment Insurance Reauthorization,*
17 *and Job Creation Act of 2010 (and the ap-*
18 *plication of such extension to this para-*
19 *graph pursuant to the amendment made by*
20 *section 401(c)(1) of such Act).”.*

21 (d) *CONFORMING AMENDMENTS.—*

22 (1) *The heading for subsection (k) of section 168*
23 *is amended by striking “JANUARY 1, 2011” and in-*
24 *serting “JANUARY 1, 2013”.*

1 (2) *The heading for clause (ii) of section*
2 *168(k)(2)(B) is amended by striking “PRE-JANUARY 1,*
3 *2011” and inserting “PRE-JANUARY 1, 2013”.*

4 (3) *Subparagraph (D) of section 168(k)(4) is*
5 *amended—*

6 (A) *by striking clauses (iv) and (v),*

7 (B) *by inserting “and” at the end of clause*
8 *(ii), and*

9 (C) *by striking the comma at the end of*
10 *clause (iii) and inserting a period.*

11 (4) *Paragraph (5) of section 168(l) is amend-*
12 *ed—*

13 (A) *by inserting “and” at the end of sub-*
14 *paragraph (A),*

15 (B) *by striking subparagraph (B), and*

16 (C) *by redesignating subparagraph (C) as*
17 *subparagraph (B).*

18 (5) *Subparagraph (C) of section 168(n)(2) is*
19 *amended by striking “January 1, 2011” and insert-*
20 *ing “January 1, 2013”.*

21 (6) *Subparagraph (D) of section 1400L(b)(2) is*
22 *amended by striking “January 1, 2011” and insert-*
23 *ing “January 1, 2013”.*

1 (7) *Subparagraph (B) of section 1400N(d)(3) is*
2 *amended by striking “January 1, 2011” and insert-*
3 *ing “January 1, 2013”.*

4 (e) *EFFECTIVE DATES.—*

5 (1) *IN GENERAL.—Except as provided in para-*
6 *graph (2), the amendments made by this section shall*
7 *apply to property placed in service after December*
8 *31, 2010, in taxable years ending after such date.*

9 (2) *TEMPORARY 100 PERCENT EXPENSING.—The*
10 *amendment made by subsection (b) shall apply to*
11 *property placed in service after September 8, 2010, in*
12 *taxable years ending after such date.*

13 **SEC. 402. TEMPORARY EXTENSION OF INCREASED SMALL**
14 **BUSINESS EXPENSING.**

15 (a) *DOLLAR LIMITATION.—Section 179(b)(1) is*
16 *amended by striking “and” at the end of subparagraph (B)*
17 *and by striking subparagraph (C) and inserting the fol-*
18 *lowing new subparagraphs:*

19 *“(C) \$125,000 in the case of taxable years*
20 *beginning in 2012, and*

21 *“(D) \$25,000 in the case of taxable years*
22 *beginning after 2012.”.*

23 (b) *REDUCTION IN LIMITATION.—Section 179(b)(2) is*
24 *amended by striking “and” at the end of subparagraph (B)*

1 *and by striking subparagraph (C) and inserting the fol-*
2 *lowing new subparagraphs:*

3 “(C) \$500,000 in the case of taxable years
4 beginning in 2012, and

5 “(D) \$200,000 in the case of taxable years
6 beginning after 2012.”.

7 (c) *INFLATION ADJUSTMENT.*—Subsection (b) of sec-
8 *tion 179 is amended by adding at the end the following*
9 *new paragraph:*

10 “(6) *INFLATION ADJUSTMENT.*—

11 “(A) *IN GENERAL.*—In the case of any tax-
12 *able year beginning in calendar year 2012, the*
13 *\$125,000 and \$500,000 amounts in paragraphs*
14 *(1)(C) and (2)(C) shall each be increased by an*
15 *amount equal to—*

16 “(i) *such dollar amount, multiplied by*

17 “(ii) *the cost-of-living adjustment de-*
18 *termined under section 1(f)(3) for the cal-*
19 *endar year in which the taxable year be-*
20 *gins, by substituting ‘calendar year 2006’*
21 *for ‘calendar year 1992’ in subparagraph*
22 *(B) thereof.*

23 “(B) *ROUNDING.*—

24 “(i) *DOLLAR LIMITATION.*—If the
25 *amount in paragraph (1) as increased*

1 under subparagraph (A) is not a multiple
2 of \$1,000, such amount shall be rounded to
3 the nearest multiple of \$1,000.

4 “(i) *PHASEOUT AMOUNT.*—If the
5 amount in paragraph (2) as increased
6 under subparagraph (A) is not a multiple
7 of \$10,000, such amount shall be rounded to
8 the nearest multiple of \$10,000.”.

9 (d) *COMPUTER SOFTWARE.*—Section 179(d)(1)(A)(ii)
10 is amended by striking “2012” and inserting “2013”.

11 (e) *CONFORMING AMENDMENT.*—Section 179(c)(2) is
12 amended by striking “2012” and inserting “2013”.

13 (f) *EFFECTIVE DATE.*—The amendments made by this
14 section shall apply to taxable years beginning after Decem-
15 ber 31, 2011.

16 **TITLE V—TEMPORARY EXTEN-**
17 **SION OF UNEMPLOYMENT IN-**
18 **SURANCE AND RELATED MAT-**
19 **TERS**

20 **SEC. 501. TEMPORARY EXTENSION OF UNEMPLOYMENT IN-**
21 **SURANCE PROVISIONS.**

22 (a) *IN GENERAL.*—(1) Section 4007 of the Supple-
23 mental Appropriations Act, 2008 (Public Law 110–252; 26
24 U.S.C. 3304 note) is amended—

1 (A) by striking “November 30, 2010” each place
2 it appears and inserting “January 3, 2012”;

3 (B) in the heading for subsection (b)(2), by strik-
4 ing “NOVEMBER 30, 2010” and inserting “JANUARY 3,
5 2012”; and

6 (C) in subsection (b)(3), by striking “April 30,
7 2011” and inserting “June 9, 2012”.

8 (2) Section 2005 of the Assistance for Unemployed
9 Workers and Struggling Families Act, as contained in Pub-
10 lic Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is
11 amended—

12 (A) by striking “December 1, 2010” each place
13 it appears and inserting “January 4, 2012”; and

14 (B) in subsection (c), by striking “May 1, 2011”
15 and inserting “June 11, 2012”.

16 (3) Section 5 of the Unemployment Compensation Ex-
17 tension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304
18 note) is amended by striking “April 30, 2011” and insert-
19 ing “June 10, 2012”.

20 (b) FUNDING.—Section 4004(e)(1) of the Supplemental
21 Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C.
22 3304 note) is amended—

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

1 (2) by inserting after subparagraph (F) the fol-
2 lowing:

3 “(G) the amendments made by section
4 501(a)(1) of the Tax Relief, Unemployment In-
5 surance Reauthorization, and Job Creation Act
6 of 2010; and”.

7 (c) *EFFECTIVE DATE.*—The amendments made by this
8 section shall take effect as if included in the enactment of
9 the Unemployment Compensation Extension Act of 2010
10 (Public Law 111–205).

11 **SEC. 502. TEMPORARY MODIFICATION OF INDICATORS**
12 **UNDER THE EXTENDED BENEFIT PROGRAM.**

13 (a) *INDICATOR.*—Section 203(d) of the Federal-State
14 Extended Unemployment Compensation Act of 1970 (26
15 U.S.C. 3304 note) is amended, in the flush matter following
16 paragraph (2), by inserting after the first sentence the fol-
17 lowing sentence: “Effective with respect to compensation for
18 weeks of unemployment beginning after the date of enact-
19 ment of the Tax Relief, Unemployment Insurance Reauthor-
20 ization, and Job Creation Act of 2010 (or, if later, the date
21 established pursuant to State law), and ending on or before
22 December 31, 2011, the State may by law provide that the
23 determination of whether there has been a state ‘on’ or ‘off’
24 indicator beginning or ending any extended benefit period

1 *shall be made under this subsection as if the word ‘two’*
 2 *were ‘three’ in subparagraph (1)(A).”.*

3 (b) *ALTERNATIVE TRIGGER.*—Section 203(f) of the
 4 *Federal-State Extended Unemployment Compensation Act*
 5 *of 1970 (26 U.S.C. 3304 note) is amended—*

6 (1) *by redesignating paragraph (2) as para-*
 7 *graph (3); and*

8 (2) *by inserting after paragraph (1) the fol-*
 9 *lowing new paragraph:*

10 “(2) *Effective with respect to compensation for weeks*
 11 *of unemployment beginning after the date of enactment of*
 12 *the Tax Relief, Unemployment Insurance Reauthorization,*
 13 *and Job Creation Act of 2010 (or, if later, the date estab-*
 14 *lished pursuant to State law), and ending on or before De-*
 15 *cember 31, 2011, the State may by law provide that the*
 16 *determination of whether there has been a state ‘on’ or ‘off’*
 17 *indicator beginning or ending any extended benefit period*
 18 *shall be made under this subsection as if the word ‘either’*
 19 *were ‘any’, the word ‘both’ were ‘all’, and the figure ‘2’*
 20 *were ‘3’ in clause (1)(A)(ii).”.*

21 **SEC. 503. TECHNICAL AMENDMENT RELATING TO COLLEC-**
 22 **TION OF UNEMPLOYMENT COMPENSATION**
 23 **DEBTS.**

24 (a) *IN GENERAL.*—Section 6402(f)(3)(C), as amended
 25 *by section 801 of the Claims Resolution Act of 2010, is*

1 amended by striking “is not a covered unemployment com-
2 pensation debt” and inserting “is a covered unemployment
3 compensation debt”.

4 (b) *EFFECTIVE DATE.*—The amendment made by sub-
5 section (a) shall take effect as if included in section 801
6 of the Claims Resolution Act of 2010.

7 **SEC. 504. TECHNICAL CORRECTION RELATING TO REPEAL**
8 **OF CONTINUED DUMPING AND SUBSIDY OFF-**
9 **SET.**

10 (a) *IN GENERAL.*—Section 822(2)(A) of the Claims
11 Resolution Act of 2010 is amended by striking “or” and
12 inserting “and”.

13 (b) *EFFECTIVE DATE.*—The amendment made by sub-
14 section (a) shall take effect as if included in the provisions
15 of the Claims Resolution Act of 2010.

16 **SEC. 505. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**
17 **FITS UNDER THE RAILROAD UNEMPLOYMENT**
18 **INSURANCE ACT.**

19 (a) *EXTENSION.*—Section 2(c)(2)(D)(iii) of the Rail-
20 road Unemployment Insurance Act, as added by section
21 2006 of the American Recovery and Reinvestment Act of
22 2009 (Public Law 111–5) and as amended by section 9 of
23 the Worker, Homeownership, and Business Assistance Act
24 of 2009 (Public Law 111–92), is amended—

1 (1) *by striking “June 30, 2010” and inserting*
2 *“June 30, 2011”; and*

3 (2) *by striking “December 31, 2010” and insert-*
4 *ing “December 31, 2011”.*

5 (b) *CLARIFICATION ON AUTHORITY TO USE FUNDS.—*
6 *Funds appropriated under either the first or second sen-*
7 *tence of clause (iv) of section 2(c)(2)(D) of the Railroad Un-*
8 *employment Insurance Act shall be available to cover the*
9 *cost of additional extended unemployment benefits provided*
10 *under such section 2(c)(2)(D) by reason of the amendments*
11 *made by subsection (a) as well as to cover the cost of such*
12 *benefits provided under such section 2(c)(2)(D), as in effect*
13 *on the day before the date of the enactment of this Act.*

14 **TITLE VI—TEMPORARY**
15 **EMPLOYEE PAYROLL TAX CUT**

16 **SEC. 601. TEMPORARY EMPLOYEE PAYROLL TAX CUT.**

17 (a) *IN GENERAL.—Notwithstanding any other provi-*
18 *sion of law—*

19 (1) *with respect to any taxable year which begins*
20 *in the payroll tax holiday period, the rate of tax*
21 *under section 1401(a) of the Internal Revenue Code of*
22 *1986 shall be 10.40 percent, and*

23 (2) *with respect to remuneration received during*
24 *the payroll tax holiday period, the rate of tax under*
25 *3101(a) of such Code shall be 4.2 percent (including*

1 for purposes of determining the applicable percentage
2 under sections 3201(a) and 3211(a)(1) of such Code).

3 (b) *COORDINATION WITH DEDUCTIONS FOR EMPLOY-*
4 *MENT TAXES.*—

5 (1) *DEDUCTION IN COMPUTING NET EARNINGS*
6 *FROM SELF-EMPLOYMENT.*—For purposes of applying
7 section 1402(a)(12) of the Internal Revenue Code of
8 1986, the rate of tax imposed by subsection 1401(a)
9 of such Code shall be determined without regard to the
10 reduction in such rate under this section.

11 (2) *INDIVIDUAL DEDUCTION.*—In the case of the
12 taxes imposed by section 1401 of such Code for any
13 taxable year which begins in the payroll tax holiday
14 period, the deduction under section 164(f) with re-
15 spect to such taxes shall be equal to the sum of—

16 (A) 59.6 percent of the portion of such taxes
17 attributable to the tax imposed by section
18 1401(a) (determined after the application of this
19 section), plus

20 (B) one-half of the portion of such taxes at-
21 tributable to the tax imposed by section 1401(b).

22 (c) *PAYROLL TAX HOLIDAY PERIOD.*—The term “pay-
23 roll tax holiday period” means calendar year 2011.

1 (d) *EMPLOYER NOTIFICATION.*—*The Secretary of the*
2 *Treasury shall notify employers of the payroll tax holiday*
3 *period in any manner the Secretary deems appropriate.*

4 (e) *TRANSFERS OF FUNDS.*—

5 (1) *TRANSFERS TO FEDERAL OLD-AGE AND SUR-*
6 *VIVORS INSURANCE TRUST FUND.*—*There are hereby*
7 *appropriated to the Federal Old-Age and Survivors*
8 *Trust Fund and the Federal Disability Insurance*
9 *Trust Fund established under section 201 of the So-*
10 *cial Security Act (42 U.S.C. 401) amounts equal to*
11 *the reduction in revenues to the Treasury by reason*
12 *of the application of subsection (a). Amounts appro-*
13 *priated by the preceding sentence shall be transferred*
14 *from the general fund at such times and in such man-*
15 *ner as to replicate to the extent possible the transfers*
16 *which would have occurred to such Trust Fund had*
17 *such amendments not been enacted.*

18 (2) *TRANSFERS TO SOCIAL SECURITY EQUIVA-*
19 *LIENT BENEFIT ACCOUNT.*—*There are hereby appro-*
20 *priated to the Social Security Equivalent Benefit Ac-*
21 *count established under section 15A(a) of the Rail-*
22 *road Retirement Act of 1974 (45 U.S.C. 231n–1(a))*
23 *amounts equal to the reduction in revenues to the*
24 *Treasury by reason of the application of subsection*
25 *(a)(2). Amounts appropriated by the preceding sen-*

1 *tence shall be transferred from the general fund at*
 2 *such times and in such manner as to replicate to the*
 3 *extent possible the transfers which would have oc-*
 4 *curred to such Account had such amendments not*
 5 *been enacted.*

6 (3) *COORDINATION WITH OTHER FEDERAL*
 7 *LAWS.—For purposes of applying any provision of*
 8 *Federal law other than the provisions of the Internal*
 9 *Revenue Code of 1986, the rate of tax in effect under*
 10 *section 3101(a) of such Code shall be determined*
 11 *without regard to the reduction in such rate under*
 12 *this section.*

13 ***TITLE VII—TEMPORARY EXTEN-***
 14 ***SION OF CERTAIN EXPIRING***
 15 ***PROVISIONS***

16 ***Subtitle A—Energy***

17 ***SEC. 701. INCENTIVES FOR BIODIESEL AND RENEWABLE***
 18 ***DIESEL.***

19 (a) *CREDITS FOR BIODIESEL AND RENEWABLE DIE-*
 20 *SEL USED AS FUEL.—Subsection (g) of section 40A is*
 21 *amended by striking “December 31, 2009” and inserting*
 22 *“December 31, 2011”.*

23 (b) *EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR*
 24 *BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.—*

1 (1) Paragraph (6) of section 6426(c) is amended
2 by striking “December 31, 2009” and inserting “De-
3 cember 31, 2011”.

4 (2) Subparagraph (B) of section 6427(e)(6) is
5 amended by striking “December 31, 2009” and insert-
6 ing “December 31, 2011”.

7 (c) *SPECIAL RULE FOR 2010.*—Notwithstanding any
8 other provision of law, in the case of any biodiesel mixture
9 credit properly determined under section 6426(c) of the In-
10 ternal Revenue Code of 1986 for periods during 2010, such
11 credit shall be allowed, and any refund or payment attrib-
12 utable to such credit (including any payment under section
13 6427(e) of such Code) shall be made, only in such manner
14 as the Secretary of the Treasury (or the Secretary’s dele-
15 gate) shall provide. Such Secretary shall issue guidance
16 within 30 days after the date of the enactment of this Act
17 providing for a one-time submission of claims covering pe-
18 riods during 2010. Such guidance shall provide for a 180-
19 day period for the submission of such claims (in such man-
20 ner as prescribed by such Secretary) to begin not later than
21 30 days after such guidance is issued. Such claims shall
22 be paid by such Secretary not later than 60 days after re-
23 ceipt. If such Secretary has not paid pursuant to a claim
24 filed under this subsection within 60 days after the date
25 of the filing of such claim, the claim shall be paid with

1 *interest from such date determined by using the overpay-*
2 *ment rate and method under section 6621 of such Code.*

3 (d) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to fuel sold or used after December 31,*
5 *2009.*

6 **SEC. 702. CREDIT FOR REFINED COAL FACILITIES.**

7 (a) *IN GENERAL.*—*Subparagraph (B) of section*
8 *45(d)(8) is amended by striking “January 1, 2010” and*
9 *inserting “January 1, 2012”.*

10 (b) *EFFECTIVE DATE.*—*The amendment made by this*
11 *section shall apply to facilities placed in service after De-*
12 *cember 31, 2009.*

13 **SEC. 703. NEW ENERGY EFFICIENT HOME CREDIT.**

14 (a) *IN GENERAL.*—*Subsection (g) of section 45L is*
15 *amended by striking “December 31, 2009” and inserting*
16 *“December 31, 2011”.*

17 (b) *EFFECTIVE DATE.*—*The amendment made by this*
18 *section shall apply to homes acquired after December 31,*
19 *2009.*

20 **SEC. 704. EXCISE TAX CREDITS AND OUTLAY PAYMENTS**
21 **FOR ALTERNATIVE FUEL AND ALTERNATIVE**
22 **FUEL MIXTURES.**

23 (a) *IN GENERAL.*—*Sections 6426(d)(5), 6426(e)(3),*
24 *and 6427(e)(6)(C) are each amended by striking “December*
25 *31, 2009” and inserting “December 31, 2011”.*

1 (b) *EXCLUSION OF BLACK LIQUOR FROM CREDIT ELI-*
2 *GIBILITY.*—*The last sentence of section 6426(d)(2) is*
3 *amended by striking “or biodiesel” and inserting “biodiesel,*
4 *or any fuel (including lignin, wood residues, or spent*
5 *pulping liquors) derived from the production of paper or*
6 *pulp”.*

7 (c) *SPECIAL RULE FOR 2010.*—*Notwithstanding any*
8 *other provision of law, in the case of any alternative fuel*
9 *credit or any alternative fuel mixture credit properly deter-*
10 *mined under subsection (d) or (e) of section 6426 of the*
11 *Internal Revenue Code of 1986 for periods during 2010,*
12 *such credit shall be allowed, and any refund or payment*
13 *attributable to such credit (including any payment under*
14 *section 6427(e) of such Code) shall be made, only in such*
15 *manner as the Secretary of the Treasury (or the Secretary’s*
16 *delegate) shall provide. Such Secretary shall issue guidance*
17 *within 30 days after the date of the enactment of this Act*
18 *providing for a one-time submission of claims covering pe-*
19 *riods during 2010. Such guidance shall provide for a 180-*
20 *day period for the submission of such claims (in such man-*
21 *ner as prescribed by such Secretary) to begin not later than*
22 *30 days after such guidance is issued. Such claims shall*
23 *be paid by such Secretary not later than 60 days after re-*
24 *ceipt. If such Secretary has not paid pursuant to a claim*
25 *filed under this subsection within 60 days after the date*

1 of the filing of such claim, the claim shall be paid with
2 interest from such date determined by using the overpay-
3 ment rate and method under section 6621 of such Code.

4 (d) *EFFECTIVE DATE.*—The amendments made by this
5 section shall apply to fuel sold or used after December 31,
6 2009.

7 **SEC. 705. SPECIAL RULE FOR SALES OR DISPOSITIONS TO**
8 **IMPLEMENT FERC OR STATE ELECTRIC RE-**
9 **STRUCTURING POLICY FOR QUALIFIED ELEC-**
10 **TRIC UTILITIES.**

11 (a) *IN GENERAL.*—Paragraph (3) of section 451(i) is
12 amended by striking “January 1, 2010” and inserting
13 “January 1, 2012”.

14 (b) *EFFECTIVE DATE.*—The amendment made by this
15 section shall apply to dispositions after December 31, 2009.

16 **SEC. 706. SUSPENSION OF LIMITATION ON PERCENTAGE**
17 **DEPLETION FOR OIL AND GAS FROM MAR-**
18 **GINAL WELLS.**

19 (a) *IN GENERAL.*—Clause (ii) of section
20 613A(c)(6)(H) is amended by striking “January 1, 2010”
21 and inserting “January 1, 2012”.

22 (b) *EFFECTIVE DATE.*—The amendment made by this
23 section shall apply to taxable years beginning after Decem-
24 ber 31, 2009.

1 **SEC. 707. EXTENSION OF GRANTS FOR SPECIFIED ENERGY**
2 **PROPERTY IN LIEU OF TAX CREDITS.**

3 (a) *IN GENERAL.*—Subsection (a) of section 1603 of
4 division B of the American Recovery and Reinvestment Act
5 of 2009 is amended—

6 (1) in paragraph (1), by striking “2009 or
7 2010” and inserting “2009, 2010, or 2011”, and

8 (2) in paragraph (2)—

9 (A) by striking “after 2010” and inserting
10 “after 2011”, and

11 (B) by striking “2009 or 2010” and insert-
12 ing “2009, 2010, or 2011”.

13 (b) *CONFORMING AMENDMENT.*—Subsection (j) of sec-
14 tion 1603 of division B of such Act is amended by striking
15 “2011” and inserting “2012”.

16 **SEC. 708. EXTENSION OF PROVISIONS RELATED TO ALCO-**
17 **HOL USED AS FUEL.**

18 (a) *EXTENSION OF INCOME TAX CREDIT FOR ALCO-*
19 *HOL USED AS FUEL.*—

20 (1) *IN GENERAL.*—Paragraph (1) of section 40(e)
21 is amended—

22 (A) by striking “December 31, 2010” in
23 subparagraph (A) and inserting “December 31,
24 2011”, and

1 (B) by striking “January 1, 2011” in sub-
2 paragraph (B) and inserting “January 1,
3 2012”.

4 (2) *REDUCED AMOUNT FOR ETHANOL BLEND-*
5 *ERS.*—Subsection (h) of section 40 is amended by
6 striking “2010” both places it appears and inserting
7 “2011”.

8 (3) *EFFECTIVE DATE.*—The amendments made
9 by this subsection shall apply to periods after Decem-
10 ber 31, 2010.

11 (b) *EXTENSION OF EXCISE TAX CREDIT FOR ALCOHOL*
12 *USED AS FUEL.*—

13 (1) *IN GENERAL.*—Paragraph (6) of section
14 6426(b) is amended by striking “December 31, 2010”
15 and inserting “December 31, 2011”.

16 (2) *EFFECTIVE DATE.*—The amendment made by
17 this subsection shall apply to periods after December
18 31, 2010.

19 (c) *EXTENSION OF PAYMENT FOR ALCOHOL FUEL*
20 *MIXTURE.*—

21 (1) *IN GENERAL.*—Subparagraph (A) of section
22 6427(e)(6) is amended by striking “December 31,
23 2010” and inserting “December 31, 2011”.

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
 2 *this subsection shall apply to sales and uses after De-*
 3 *cember 31, 2010.*

4 (d) *EXTENSION OF ADDITIONAL DUTIES ON ETH-*
 5 *ANOL.*—

6 (1) *IN GENERAL.*—*Headings 9901.00.50 and*
 7 *9901.00.52 of the Harmonized Tariff Schedule of the*
 8 *United States are each amended in the effective pe-*
 9 *riod column by striking “1/1/2011” and inserting “1/*
 10 *1/2012”.*

11 (2) *EFFECTIVE DATE.*—*The amendments made*
 12 *by this subsection shall take effect on January 1,*
 13 *2011.*

14 **SEC. 709. ENERGY EFFICIENT APPLIANCE CREDIT.**

15 (a) *DISHWASHERS.*—*Paragraph (1) of section 45M(b)*
 16 *is amended by striking “and” at the end of subparagraph*
 17 *(A), by striking the period at the end of subparagraph (B)*
 18 *and inserting a comma, and by adding at the end the fol-*
 19 *lowing new subparagraphs:*

20 “(C) \$25 in the case of a dishwasher which
 21 is manufactured in calendar year 2011 and
 22 which uses no more than 307 kilowatt hours per
 23 year and 5.0 gallons per cycle (5.5 gallons per
 24 cycle for dishwashers designed for greater than
 25 12 place settings),

1 “(D) \$50 in the case of a dishwasher which
2 is manufactured in calendar year 2011 and
3 which uses no more than 295 kilowatt hours per
4 year and 4.25 gallons per cycle (4.75 gallons per
5 cycle for dishwashers designed for greater than
6 12 place settings), and

7 “(E) \$75 in the case of a dishwasher which
8 is manufactured in calendar year 2011 and
9 which uses no more than 280 kilowatt hours per
10 year and 4 gallons per cycle (4.5 gallons per
11 cycle for dishwashers designed for greater than
12 12 place settings).”.

13 (b) *CLOTHES WASHERS*.—Paragraph (2) of section
14 45M(b) is amended by striking “and” at the end of sub-
15 paragraph (C), by striking the period at the end of subpara-
16 graph (D) and inserting a comma, and by adding at the
17 end the following new subparagraphs:

18 “(E) \$175 in the case of a top-loading
19 clothes washer manufactured in calendar year
20 2011 which meets or exceeds a 2.2 modified en-
21 ergy factor and does not exceed a 4.5 water con-
22 sumption factor, and

23 “(F) \$225 in the case of a clothes washer
24 manufactured in calendar year 2011—

1 “(i) which is a top-loading clothes
2 washer and which meets or exceeds a 2.4
3 modified energy factor and does not exceed
4 a 4.2 water consumption factor, or

5 “(ii) which is a front-loading clothes
6 washer and which meets or exceeds a 2.8
7 modified energy factor and does not exceed
8 a 3.5 water consumption factor.”.

9 (c) *REFRIGERATORS.*—Paragraph (3) of section
10 45M(b) is amended by striking “and” at the end of sub-
11 paragraph (C), by striking the period at the end of subpara-
12 graph (D) and inserting a comma, and by adding at the
13 end the following new subparagraphs:

14 “(E) \$150 in the case of a refrigerator man-
15 ufactured in calendar year 2011 which consumes
16 at least 30 percent less energy than the 2001 en-
17 ergy conservation standards, and

18 “(F) \$200 in the case of a refrigerator man-
19 ufactured in calendar year 2011 which consumes
20 at least 35 percent less energy than the 2001 en-
21 ergy conservation standards.”.

22 (d) *REBASING OF LIMITATIONS.*—

23 (1) *IN GENERAL.*—Paragraph (1) of section
24 45M(e) is amended—

1 (A) by striking “\$75,000,000” and inserting
2 “\$25,000,000”, and

3 (B) by striking “December 31, 2007” and
4 inserting “December 31, 2010”.

5 (2) *EXCEPTION FOR CERTAIN REFRIGERATORS*
6 *AND CLOTHES WASHERS.*—Paragraph (2) of section
7 45M(e) is amended—

8 (A) by striking “subsection (b)(3)(D)” and
9 inserting “subsection (b)(3)(F)”, and

10 (B) by striking “subsection (b)(2)(D)” and
11 inserting “subsection (b)(2)(F)”.

12 (3) *GROSS RECEIPTS LIMITATION.*—Paragraph
13 (3) of section 45M(e) is amended by striking “2 per-
14 cent” and inserting “4 percent”.

15 (e) *EFFECTIVE DATES.*—

16 (1) *IN GENERAL.*—The amendments made by
17 subsections (a), (b), and (c) shall apply to appliances
18 produced after December 31, 2010.

19 (2) *LIMITATIONS.*—The amendments made by
20 subsection (d) shall apply to taxable years beginning
21 after December 31, 2010.

22 **SEC. 710. CREDIT FOR NONBUSINESS ENERGY PROPERTY.**

23 (a) *EXTENSION.*—Section 25C(g)(2) is amended by
24 striking “2010” and inserting “2011”.

1 **(b) RETURN TO PRE-ARRA LIMITATIONS AND STAND-**
2 *ARDS.*—

3 **(1) IN GENERAL.**—*Subsections (a) and (b) of sec-*
4 *tion 25C are amended to read as follows:*

5 **“(a) ALLOWANCE OF CREDIT.**—*In the case of an indi-*
6 *vidual, there shall be allowed as a credit against the tax*
7 *imposed by this chapter for the taxable year an amount*
8 *equal to the sum of—*

9 **“(1)** *10 percent of the amount paid or incurred*
10 *by the taxpayer for qualified energy efficiency im-*
11 *provements installed during such taxable year, and*

12 **“(2)** *the amount of the residential energy prop-*
13 *erty expenditures paid or incurred by the taxpayer*
14 *during such taxable year.*

15 **“(b) LIMITATIONS.**—

16 **“(1) LIFETIME LIMITATION.**—*The credit allowed*
17 *under this section with respect to any taxpayer for*
18 *any taxable year shall not exceed the excess (if any)*
19 *of \$500 over the aggregate credits allowed under this*
20 *section with respect to such taxpayer for all prior tax-*
21 *able years ending after December 31, 2005.*

22 **“(2) WINDOWS.**—*In the case of amounts paid or*
23 *incurred for components described in subsection*
24 *(c)(2)(B) by any taxpayer for any taxable year, the*
25 *credit allowed under this section with respect to such*

1 *amounts for such year shall not exceed the excess (if*
2 *any) of \$200 over the aggregate credits allowed under*
3 *this section with respect to such amounts for all prior*
4 *taxable years ending after December 31, 2005.*

5 *“(3) LIMITATION ON RESIDENTIAL ENERGY*
6 *PROPERTY EXPENDITURES.—The amount of the credit*
7 *allowed under this section by reason of subsection*
8 *(a)(2) shall not exceed—*

9 *“(A) \$50 for any advanced main air circu-*
10 *lating fan,*

11 *“(B) \$150 for any qualified natural gas,*
12 *propane, or oil furnace or hot water boiler, and*

13 *“(C) \$300 for any item of energy-efficient*
14 *building property.”.*

15 *(2) MODIFICATION OF STANDARDS.—*

16 *(A) IN GENERAL.—Paragraph (1) of section*
17 *25C(c) is amended by striking “2000” and all*
18 *that follows through “this section” and inserting*
19 *“2009 International Energy Conservation Code,*
20 *as such Code (including supplements) is in effect*
21 *on the date of the enactment of the American Re-*
22 *covery and Reinvestment Tax Act of 2009”.*

23 *(B) WOOD STOVES.—Subparagraph (E) of*
24 *section 25C(d)(3) is amended by striking “, as*
25 *measured using a lower heating value”.*

1 (C) *OIL FURNACES AND HOT WATER BOIL-*
 2 *ERS.—*

3 (i) *IN GENERAL.—Paragraph (4) of*
 4 *section 25C(d) is amended to read as fol-*
 5 *lows:*

6 “(4) *QUALIFIED NATURAL GAS, PROPANE, OR OIL*
 7 *FURNACE OR HOT WATER BOILER.—The term ‘quali-*
 8 *fied natural gas, propane, or oil furnace or hot water*
 9 *boiler’ means a natural gas, propane, or oil furnace*
 10 *or hot water boiler which achieves an annual fuel uti-*
 11 *lization efficiency rate of not less than 95.”.*

12 (ii) *CONFORMING AMENDMENT.—*
 13 *Clause (ii) of section 25C(d)(2)(A) is*
 14 *amended to read as follows:*

15 “(ii) *a qualified natural gas, propane,*
 16 *or oil furnace or hot water boiler, or”.*

17 (D) *EXTERIOR WINDOWS, DOORS, AND SKY-*
 18 *LIGHTS.—*

19 (i) *IN GENERAL.—Subsection (c) of sec-*
 20 *tion 25C is amended by striking paragraph*
 21 *(4).*

22 (ii) *APPLICATION OF ENERGY STAR*
 23 *STANDARDS.—Paragraph (1) of section*
 24 *25C(c) is amended by inserting “an exterior*
 25 *window, a skylight, an exterior door,” after*

1 *“in the case of” in the matter preceding*
2 *subparagraph (A).*

3 (E) *INSULATION.*—*Subparagraph (A) of*
4 *section 25C(c)(2) is amended by striking “and*
5 *meets the prescriptive criteria for such material*
6 *or system established by the 2009 International*
7 *Energy Conservation Code, as such Code (includ-*
8 *ing supplements) is in effect on the date of the*
9 *enactment of the American Recovery and Rein-*
10 *vestment Tax Act of 2009”.*

11 (3) *SUBSIDIZED ENERGY FINANCING.*—*Sub-*
12 *section (e) of section 25C is amended by adding at the*
13 *end the following new paragraph:*

14 *“(3) PROPERTY FINANCED BY SUBSIDIZED EN-*
15 *ERGY FINANCING.*—*For purposes of determining the*
16 *amount of expenditures made by any individual with*
17 *respect to any property, there shall not be taken into*
18 *account expenditures which are made from subsidized*
19 *energy financing (as defined in section 48(a)(4)(C)).”.*

20 (c) *EFFECTIVE DATE.*—*The amendments made by this*
21 *section shall apply to property placed in service after De-*
22 *cember 31, 2010.*

1 **SEC. 711. ALTERNATIVE FUEL VEHICLE REFUELING PROP-**
2 **ERTY.**

3 (a) *EXTENSION OF CREDIT.*—Paragraph (2) of section
4 30C(g) is amended by striking “December 31, 2010” and
5 inserting “December 31, 2011.”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section shall apply to property placed in service after De-
8 cember 31, 2010.

9 **Subtitle B—Individual Tax Relief**

10 **SEC. 721. DEDUCTION FOR CERTAIN EXPENSES OF ELEMEN-**
11 **TARY AND SECONDARY SCHOOL TEACHERS.**

12 (a) *IN GENERAL.*—Subparagraph (D) of section
13 62(a)(2) is amended by striking “or 2009” and inserting
14 “2009, 2010, or 2011”.

15 (b) *EFFECTIVE DATE.*—The amendment made by this
16 section shall apply to taxable years beginning after Decem-
17 ber 31, 2009.

18 **SEC. 722. DEDUCTION OF STATE AND LOCAL SALES TAXES.**

19 (a) *IN GENERAL.*—Subparagraph (I) of section
20 164(b)(5) is amended by striking “January 1, 2010” and
21 inserting “January 1, 2012”.

22 (b) *EFFECTIVE DATE.*—The amendment made by this
23 section shall apply to taxable years beginning after Decem-
24 ber 31, 2009.

1 **SEC. 723. CONTRIBUTIONS OF CAPITAL GAIN REAL PROP-**
2 **ERTY MADE FOR CONSERVATION PURPOSES.**

3 (a) *IN GENERAL.*—Clause (vi) of section 170(b)(1)(E)
4 is amended by striking “December 31, 2009” and inserting
5 “December 31, 2011”.

6 (b) *CONTRIBUTIONS BY CERTAIN CORPORATE FARM-*
7 *ERS AND RANCHERS.*—Clause (iii) of section 170(b)(2)(B)
8 is amended by striking “December 31, 2009” and inserting
9 “December 31, 2011”.

10 (c) *EFFECTIVE DATE.*—The amendments made by this
11 section shall apply to contributions made in taxable years
12 beginning after December 31, 2009.

13 **SEC. 724. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED**
14 **TUITION AND RELATED EXPENSES.**

15 (a) *IN GENERAL.*—Subsection (e) of section 222 is
16 amended by striking “December 31, 2009” and inserting
17 “December 31, 2011”.

18 (b) *EFFECTIVE DATE.*—The amendment made by this
19 section shall apply to taxable years beginning after Decem-
20 ber 31, 2009.

21 **SEC. 725. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RE-**
22 **TIREMENT PLANS FOR CHARITABLE PUR-**
23 **POSES.**

24 (a) *IN GENERAL.*—Subparagraph (F) of section
25 408(d)(8) is amended by striking “December 31, 2009” and
26 inserting “December 31, 2011”.

1 (b) *EFFECTIVE DATE; SPECIAL RULE.*—

2 (1) *EFFECTIVE DATE.*—*The amendment made by*
3 *this section shall apply to distributions made in tax-*
4 *able years beginning after December 31, 2009.*

5 (2) *SPECIAL RULE.*—*For purposes of subsections*
6 *(a)(6), (b)(3), and (d)(8) of section 408 of the Inter-*
7 *nal Revenue Code of 1986, at the election of the tax-*
8 *payer (at such time and in such manner as pre-*
9 *scribed by the Secretary of the Treasury) any quali-*
10 *fied charitable distribution made after December 31,*
11 *2010, and before February 1, 2011, shall be deemed*
12 *to have been made on December 31, 2010.*

13 **SEC. 726. LOOK-THRU OF CERTAIN REGULATED INVEST-**
14 **MENT COMPANY STOCK IN DETERMINING**
15 **GROSS ESTATE OF NONRESIDENTS.**

16 (a) *IN GENERAL.*—*Paragraph (3) of section 2105(d)*
17 *is amended by striking “December 31, 2009” and inserting*
18 *“December 31, 2011”.*

19 (b) *EFFECTIVE DATE.*—*The amendment made by this*
20 *section shall apply to estates of decedents dying after De-*
21 *cember 31, 2009.*

1 **SEC. 727. PARITY FOR EXCLUSION FROM INCOME FOR EM-**
2 **EMPLOYER-PROVIDED MASS TRANSIT AND PARK-**
3 **ING BENEFITS.**

4 (a) *IN GENERAL.*—Paragraph (2) of section 132(f) is
5 amended by striking “January 1, 2011” and inserting
6 “January 1, 2012”.

7 (b) *EFFECTIVE DATE.*—The amendment made by this
8 section shall apply to months after December 31, 2010.

9 **SEC. 728. REFUNDS DISREGARDED IN THE ADMINISTRA-**
10 **TION OF FEDERAL PROGRAMS AND FEDER-**
11 **ALLY ASSISTED PROGRAMS.**

12 (a) *IN GENERAL.*—Subchapter A of chapter 65 is
13 amended by adding at the end the following new section:
14 **“SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRA-**
15 **TION OF FEDERAL PROGRAMS AND FEDER-**
16 **ALLY ASSISTED PROGRAMS.**

17 “(a) *IN GENERAL.*—Notwithstanding any other provi-
18 sion of law, any refund (or advance payment with respect
19 to a refundable credit) made to any individual under this
20 title shall not be taken into account as income, and shall
21 not be taken into account as resources for a period of 12
22 months from receipt, for purposes of determining the eligi-
23 bility of such individual (or any other individual) for bene-
24 fits or assistance (or the amount or extent of benefits or
25 assistance) under any Federal program or under any State

1 *or local program financed in whole or in part with Federal*
2 *funds.*

3 “(b) *TERMINATION.*—*Subsection (a) shall not apply to*
4 *any amount received after December 31, 2012.*”.

5 (b) *CLERICAL AMENDMENT.*—*The table of sections for*
6 *such subchapter is amended by adding at the end the fol-*
7 *lowing new item:*

“Sec. 6409. Refunds disregarded in the administration of Federal programs and
federally assisted programs.”.

8 (c) *EFFECTIVE DATE.*—*The amendments made by this*
9 *section shall apply to amounts received after December 31,*
10 *2009.*

11 ***Subtitle C—Business Tax Relief***

12 ***SEC. 731. RESEARCH CREDIT.***

13 (a) *IN GENERAL.*—*Subparagraph (B) of section*
14 *41(h)(1) is amended by striking “December 31, 2009” and*
15 *inserting “December 31, 2011”.*

16 (b) *CONFORMING AMENDMENT.*—*Subparagraph (D) of*
17 *section 45C(b)(1) is amended by striking “December 31,*
18 *2009” and inserting “December 31, 2011”.*

19 (c) *EFFECTIVE DATE.*—*The amendments made by this*
20 *section shall apply to amounts paid or incurred after De-*
21 *cember 31, 2009.*

1 **SEC. 732. INDIAN EMPLOYMENT TAX CREDIT.**

2 (a) *IN GENERAL.*—Subsection (f) of section 45A is
3 amended by striking “December 31, 2009” and inserting
4 “December 31, 2011”.

5 (b) *EFFECTIVE DATE.*—The amendment made by this
6 section shall apply to taxable years beginning after Decem-
7 ber 31, 2009.

8 **SEC. 733. NEW MARKETS TAX CREDIT.**

9 (a) *IN GENERAL.*—Paragraph (1) of section 45D(f) is
10 amended—

11 (1) by striking “and” at the end of subpara-
12 graph (E),

13 (2) by striking the period at the end of subpara-
14 graph (F), and

15 (3) by adding at the end the following new sub-
16 paragraph:

17 “(G) \$3,500,000,000 for 2010 and 2011.”.

18 (b) *CONFORMING AMENDMENT.*—Paragraph (3) of sec-
19 tion 45D(f) is amended by striking “2014” and inserting
20 “2016”.

21 (c) *EFFECTIVE DATE.*—The amendments made by this
22 section shall apply to calendar years beginning after 2009.

23 **SEC. 734. RAILROAD TRACK MAINTENANCE CREDIT.**

24 (a) *IN GENERAL.*—Subsection (f) of section 45G is
25 amended by striking “January 1, 2010” and inserting
26 “January 1, 2012”.

1 (b) *EFFECTIVE DATE.*—*The amendment made by this*
2 *section shall apply to expenditures paid or incurred in tax-*
3 *able years beginning after December 31, 2009.*

4 **SEC. 735. MINE RESCUE TEAM TRAINING CREDIT.**

5 (a) *IN GENERAL.*—*Subsection (e) of section 45N is*
6 *amended by striking “December 31, 2009” and inserting*
7 *“December 31, 2011”.*

8 (b) *EFFECTIVE DATE.*—*The amendment made by this*
9 *section shall apply to taxable years beginning after Decem-*
10 *ber 31, 2009.*

11 **SEC. 736. EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO**
12 **ARE ACTIVE DUTY MEMBERS OF THE UNI-**
13 **FORMED SERVICES.**

14 (a) *IN GENERAL.*—*Subsection (f) of section 45P is*
15 *amended by striking “December 31, 2009” and inserting*
16 *“December 31, 2011”.*

17 (b) *EFFECTIVE DATE.*—*The amendment made by this*
18 *section shall apply to payments made after December 31,*
19 *2009.*

1 **SEC. 737. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR**
2 **QUALIFIED LEASEHOLD IMPROVEMENTS,**
3 **QUALIFIED RESTAURANT BUILDINGS AND IM-**
4 **PROVEMENTS, AND QUALIFIED RETAIL IM-**
5 **PROVEMENTS.**

6 (a) *IN GENERAL.*—*Clauses (iv), (v), and (ix) of section*
7 *168(e)(3)(E) are each amended by striking “January 1,*
8 *2010” and inserting “January 1, 2012”.*

9 (b) *CONFORMING AMENDMENTS.*—

10 (1) *Clause (i) of section 168(e)(7)(A) is amended*
11 *by striking “if such building is placed in service after*
12 *December 31, 2008, and before January 1, 2010,”.*

13 (2) *Paragraph (8) of section 168(e) is amended*
14 *by striking subparagraph (E).*

15 (3) *Section 179(f)(2) is amended—*

16 (A) *by striking “(without regard to the*
17 *dates specified in subparagraph (A)(i) thereof)”*
18 *in subparagraph (B), and*

19 (B) *by striking “(without regard to sub-*
20 *paragraph (E) thereof)” in subparagraph (C).*

21 (c) *EFFECTIVE DATE.*—*The amendments made by this*
22 *section shall apply to property placed in service after De-*
23 *cember 31, 2009.*

1 **SEC. 738. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**
2 **ENTERTAINMENT COMPLEXES.**

3 (a) *IN GENERAL.*—Subparagraph (D) of section
4 168(i)(15) is amended by striking “December 31, 2009” and
5 inserting “December 31, 2011”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section shall apply to property placed in service after De-
8 cember 31, 2009.

9 **SEC. 739. ACCELERATED DEPRECIATION FOR BUSINESS**
10 **PROPERTY ON AN INDIAN RESERVATION.**

11 (a) *IN GENERAL.*—Paragraph (8) of section 168(j) is
12 amended by striking “December 31, 2009” and inserting
13 “December 31, 2011”.

14 (b) *EFFECTIVE DATE.*—The amendment made by this
15 section shall apply to property placed in service after De-
16 cember 31, 2009.

17 **SEC. 740. ENHANCED CHARITABLE DEDUCTION FOR CON-**
18 **TRIBUTIONS OF FOOD INVENTORY.**

19 (a) *IN GENERAL.*—Clause (iv) of section 170(e)(3)(C)
20 is amended by striking “December 31, 2009” and inserting
21 “December 31, 2011”.

22 (b) *EFFECTIVE DATE.*—The amendment made by this
23 section shall apply to contributions made after December
24 31, 2009.

1 **SEC. 741. ENHANCED CHARITABLE DEDUCTION FOR CON-**
2 **TRIBUTIONS OF BOOK INVENTORIES TO PUB-**
3 **LIC SCHOOLS.**

4 (a) *IN GENERAL.*—Clause (iv) of section 170(e)(3)(D)
5 is amended by striking “December 31, 2009” and inserting
6 “December 31, 2011”.

7 (b) *EFFECTIVE DATE.*—The amendment made by this
8 section shall apply to contributions made after December
9 31, 2009.

10 **SEC. 742. ENHANCED CHARITABLE DEDUCTION FOR COR-**
11 **PORATE CONTRIBUTIONS OF COMPUTER IN-**
12 **VENTORY FOR EDUCATIONAL PURPOSES.**

13 (a) *IN GENERAL.*—Subparagraph (G) of section
14 170(e)(6) is amended by striking “December 31, 2009” and
15 inserting “December 31, 2011”.

16 (b) *EFFECTIVE DATE.*—The amendment made by this
17 section shall apply to contributions made in taxable years
18 beginning after December 31, 2009.

19 **SEC. 743. ELECTION TO EXPENSE MINE SAFETY EQUIP-**
20 **MENT.**

21 (a) *IN GENERAL.*—Subsection (g) of section 179E is
22 amended by striking “December 31, 2009” and inserting
23 “December 31, 2011”.

24 (b) *EFFECTIVE DATE.*—The amendment made by this
25 section shall apply to property placed in service after De-
26 cember 31, 2009.

1 **SEC. 744. SPECIAL EXPENSING RULES FOR CERTAIN FILM**
2 **AND TELEVISION PRODUCTIONS.**

3 (a) *IN GENERAL.*—Subsection (f) of section 181 is
4 amended by striking “December 31, 2009” and inserting
5 “December 31, 2011”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section shall apply to productions commencing after Decem-
8 ber 31, 2009.

9 **SEC. 745. EXPENSING OF ENVIRONMENTAL REMEDIATION**
10 **COSTS.**

11 (a) *IN GENERAL.*—Subsection (h) of section 198 is
12 amended by striking “December 31, 2009” and inserting
13 “December 31, 2011”.

14 (b) *EFFECTIVE DATE.*—The amendment made by this
15 section shall apply to expenditures paid or incurred after
16 December 31, 2009.

17 **SEC. 746. DEDUCTION ALLOWABLE WITH RESPECT TO IN-**
18 **COME ATTRIBUTABLE TO DOMESTIC PRODUC-**
19 **TION ACTIVITIES IN PUERTO RICO.**

20 (a) *IN GENERAL.*—Subparagraph (C) of section
21 199(d)(8) is amended—

22 (1) by striking “first 4 taxable years” and in-
23 serting “first 6 taxable years”; and

24 (2) by striking “January 1, 2010” and inserting
25 “January 1, 2012”.

1 (b) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to taxable years beginning after Decem-*
3 *ber 31, 2009.*

4 **SEC. 747. MODIFICATION OF TAX TREATMENT OF CERTAIN**
5 **PAYMENTS TO CONTROLLING EXEMPT ORGA-**
6 **NIZATIONS.**

7 (a) *IN GENERAL.*—*Clause (iv) of section 512(b)(13)(E)*
8 *is amended by striking “December 31, 2009” and inserting*
9 *“December 31, 2011”.*

10 (b) *EFFECTIVE DATE.*—*The amendment made by this*
11 *section shall apply to payments received or accrued after*
12 *December 31, 2009.*

13 **SEC. 748. TREATMENT OF CERTAIN DIVIDENDS OF REGU-**
14 **LATED INVESTMENT COMPANIES.**

15 (a) *IN GENERAL.*—*Paragraphs (1)(C) and (2)(C) of*
16 *section 871(k) are each amended by striking “December 31,*
17 *2009” and inserting “December 31, 2011”.*

18 (b) *EFFECTIVE DATE.*—*The amendments made by this*
19 *section shall apply to taxable years beginning after Decem-*
20 *ber 31, 2009.*

21 **SEC. 749. RIC QUALIFIED INVESTMENT ENTITY TREATMENT**
22 **UNDER FIRPTA.**

23 (a) *IN GENERAL.*—*Clause (ii) of section 897(h)(4)(A)*
24 *is amended by striking “December 31, 2009” and inserting*
25 *“December 31, 2011”.*

1 **(b) EFFECTIVE DATE.**—

2 **(1) IN GENERAL.**—*The amendment made by sub-*
3 *section (a) shall take effect on January 1, 2010. Not-*
4 *withstanding the preceding sentence, such amendment*
5 *shall not apply with respect to the withholding re-*
6 *quirement under section 1445 of the Internal Revenue*
7 *Code of 1986 for any payment made before the date*
8 *of the enactment of this Act.*

9 **(2) AMOUNTS WITHHELD ON OR BEFORE DATE**
10 **OF ENACTMENT.**—*In the case of a regulated invest-*
11 *ment company—*

12 **(A)** *which makes a distribution after De-*
13 *cember 31, 2009, and before the date of the enact-*
14 *ment of this Act; and*

15 **(B)** *which would (but for the second sen-*
16 *tence of paragraph (1)) have been required to*
17 *withhold with respect to such distribution under*
18 *section 1445 of such Code,*

19 *such investment company shall not be liable to any*
20 *person to whom such distribution was made for any*
21 *amount so withheld and paid over to the Secretary of*
22 *the Treasury.*

1 **SEC. 750. EXCEPTIONS FOR ACTIVE FINANCING INCOME.**

2 (a) *IN GENERAL.*—Sections 953(e)(10) and 954(h)(9)
3 are each amended by striking “January 1, 2010” and in-
4 serting “January 1, 2012”.

5 (b) *CONFORMING AMENDMENT.*—Section 953(e)(10) is
6 amended by striking “December 31, 2009” and inserting
7 “December 31, 2011”.

8 (c) *EFFECTIVE DATE.*—The amendments made by this
9 section shall apply to taxable years of foreign corporations
10 beginning after December 31, 2009, and to taxable years
11 of United States shareholders with or within which any
12 such taxable year of such foreign corporation ends.

13 **SEC. 751. LOOK-THRU TREATMENT OF PAYMENTS BETWEEN**
14 **RELATED CONTROLLED FOREIGN CORPORA-**
15 **TIONS UNDER FOREIGN PERSONAL HOLDING**
16 **COMPANY RULES.**

17 (a) *IN GENERAL.*—Subparagraph (C) of section
18 954(c)(6) is amended by striking “January 1, 2010” and
19 inserting “January 1, 2012”.

20 (b) *EFFECTIVE DATE.*—The amendment made by this
21 section shall apply to taxable years of foreign corporations
22 beginning after December 31, 2009, and to taxable years
23 of United States shareholders with or within which any
24 such taxable year of such foreign corporation ends.

1 **SEC. 752. BASIS ADJUSTMENT TO STOCK OF S CORPS MAK-**
2 **ING CHARITABLE CONTRIBUTIONS OF PROP-**
3 **ERTY.**

4 (a) *IN GENERAL.*—Paragraph (2) of section 1367(a)
5 is amended by striking “December 31, 2009” and inserting
6 “December 31, 2011”.

7 (b) *EFFECTIVE DATE.*—The amendment made by this
8 section shall apply to contributions made in taxable years
9 beginning after December 31, 2009.

10 **SEC. 753. EMPOWERMENT ZONE TAX INCENTIVES.**

11 (a) *IN GENERAL.*—Section 1391 is amended—

12 (1) by striking “December 31, 2009” in sub-
13 section (d)(1)(A)(i) and inserting “December 31,
14 2011”; and

15 (2) by striking the last sentence of subsection
16 (h)(2).

17 (b) *INCREASED EXCLUSION OF GAIN ON STOCK OF EM-*
18 *POWERMENT ZONE BUSINESSES.*—Subparagraph (C) of
19 section 1202(a)(2) is amended—

20 (1) by striking “December 31, 2014” and insert-
21 ing “December 31, 2016”; and

22 (2) by striking “2014” in the heading and insert-
23 ing “2016”.

24 (c) *TREATMENT OF CERTAIN TERMINATION DATES*
25 *SPECIFIED IN NOMINATIONS.*—In the case of a designation
26 of an empowerment zone the nomination for which included

1 a termination date which is contemporaneous with the date
2 specified in subparagraph (A)(i) of section 1391(d)(1) of
3 the Internal Revenue Code of 1986 (as in effect before the
4 enactment of this Act), subparagraph (B) of such section
5 shall not apply with respect to such designation if, after
6 the date of the enactment of this section, the entity which
7 made such nomination amends the nomination to provide
8 for a new termination date in such manner as the Secretary
9 of the Treasury (or the Secretary's designee) may provide.

10 (d) *EFFECTIVE DATE.*—The amendments made by this
11 section shall apply to periods after December 31, 2009.

12 **SEC. 754. TAX INCENTIVES FOR INVESTMENT IN THE DIS-**
13 **TRICT OF COLUMBIA.**

14 (a) *IN GENERAL.*—Subsection (f) of section 1400 is
15 amended by striking “December 31, 2009” each place it ap-
16 pears and inserting “December 31, 2011”.

17 (b) *TAX-EXEMPT DC EMPOWERMENT ZONE BONDS.*—
18 Subsection (b) of section 1400A is amended by striking “De-
19 cember 31, 2009” and inserting “December 31, 2011”.

20 (c) *ZERO-PERCENT CAPITAL GAINS RATE.*—

21 (1) *ACQUISITION DATE.*—Paragraphs (2)(A)(i),
22 (3)(A), (4)(A)(i), and (4)(B)(i)(I) of section 1400B(b)
23 are each amended by striking “January 1, 2010” and
24 inserting “January 1, 2012”.

25 (2) *LIMITATION ON PERIOD OF GAINS.*—

1 (A) *IN GENERAL.*—Paragraph (2) of section
2 1400B(e) is amended—

3 (i) by striking “December 31, 2014”
4 and inserting “December 31, 2016”; and
5 (ii) by striking “2014” in the heading
6 and inserting “2016”.

7 (B) *PARTNERSHIPS AND S-CORPS.*—Para-
8 graph (2) of section 1400B(g) is amended by
9 striking “December 31, 2014” and inserting “De-
10 cember 31, 2016”.

11 (d) *FIRST-TIME HOMEBUYER CREDIT.*—Subsection (i)
12 of section 1400C is amended by striking “January 1, 2010”
13 and inserting “January 1, 2012”.

14 (e) *EFFECTIVE DATES.*—

15 (1) *IN GENERAL.*—Except as otherwise provided
16 in this subsection, the amendments made by this sec-
17 tion shall apply to periods after December 31, 2009.

18 (2) *TAX-EXEMPT DC EMPOWERMENT ZONE*
19 *BONDS.*—The amendment made by subsection (b)
20 shall apply to bonds issued after December 31, 2009.

21 (3) *ACQUISITION DATES FOR ZERO-PERCENT*
22 *CAPITAL GAINS RATE.*—The amendments made by
23 subsection (c) shall apply to property acquired or sub-
24 stantially improved after December 31, 2009.

1 (4) *HOMEBUYER CREDIT.*—*The amendment*
2 *made by subsection (d) shall apply to homes pur-*
3 *chased after December 31, 2009.*

4 **SEC. 755. TEMPORARY INCREASE IN LIMIT ON COVER OVER**
5 **OF RUM EXCISE TAXES TO PUERTO RICO AND**
6 **THE VIRGIN ISLANDS.**

7 (a) *IN GENERAL.*—*Paragraph (1) of section 7652(f) is*
8 *amended by striking “January 1, 2010” and inserting*
9 *“January 1, 2012”.*

10 (b) *EFFECTIVE DATE.*—*The amendment made by this*
11 *section shall apply to distilled spirits brought into the*
12 *United States after December 31, 2009.*

13 **SEC. 756. AMERICAN SAMOA ECONOMIC DEVELOPMENT**
14 **CREDIT.**

15 (a) *IN GENERAL.*—*Subsection (d) of section 119 of di-*
16 *vision A of the Tax Relief and Health Care Act of 2006*
17 *is amended—*

18 (1) *by striking “first 4 taxable years” and in-*
19 *serting “first 6 taxable years”, and*

20 (2) *by striking “January 1, 2010” and inserting*
21 *“January 1, 2012”.*

22 (b) *EFFECTIVE DATE.*—*The amendments made by this*
23 *section shall apply to taxable years beginning after Decem-*
24 *ber 31, 2009.*

1 **SEC. 757. WORK OPPORTUNITY CREDIT.**

2 (a) *IN GENERAL.*—Subparagraph (B) of section
3 51(c)(4) is amended by striking “August 31, 2011” and in-
4 serting “December 31, 2011”.

5 (b) *EFFECTIVE DATE.*—The amendment made by this
6 section shall apply to individuals who begin work for the
7 employer after the date of the enactment of this Act.

8 **SEC. 758. QUALIFIED ZONE ACADEMY BONDS.**

9 (a) *IN GENERAL.*—Section 54E(c)(1) is amended—

10 (1) by striking “2008 and” and inserting
11 “2008,” and

12 (2) by inserting “and \$400,000,000 for 2011”
13 after “2010,”.

14 (b) *REPEAL OF REFUNDABLE CREDIT FOR QZABS.*—
15 Paragraph (3) of section 6431(f) is amended by inserting
16 “determined without regard to any allocation relating to
17 the national zone academy bond limitation for 2011 or any
18 carryforward of such allocation” after “54E)” in subpara-
19 graph (A)(iii).

20 (c) *EFFECTIVE DATE.*—The amendments made by this
21 section shall apply to obligations issued after December 31,
22 2010.

23 **SEC. 759. MORTGAGE INSURANCE PREMIUMS.**

24 (a) *IN GENERAL.*—Clause (iv) of section 163(h)(3)(E)
25 is amended by striking “December 31, 2010” and inserting
26 “December 31, 2011”.

1 (b) *EFFECTIVE DATE.*—*The amendment made by this*
2 *section shall apply to amounts paid or accrued after Decem-*
3 *ber 31, 2010.*

4 **SEC. 760. TEMPORARY EXCLUSION OF 100 PERCENT OF**
5 **GAIN ON CERTAIN SMALL BUSINESS STOCK.**

6 (a) *IN GENERAL.*—*Paragraph (4) of section 1202(a)*
7 *is amended—*

8 (1) *by striking “January 1, 2011” and inserting*
9 *“January 1, 2012”, and*

10 (2) *by inserting “AND 2011” after “2010” in the*
11 *heading thereof.*

12 (b) *EFFECTIVE DATE.*—*The amendments made by this*
13 *section shall apply to stock acquired after December 31,*
14 *2010.*

15 ***Subtitle D—Temporary Disaster***
16 ***Relief Provisions***

17 ***PART***

18 ***Subpart A—New York Liberty Zone***

19 **SEC. 761. TAX-EXEMPT BOND FINANCING.**

20 (a) *IN GENERAL.*—*Subparagraph (D) of section*
21 *1400L(d)(2) is amended by striking “January 1, 2010” and*
22 *inserting “January 1, 2012”.*

23 (b) *EFFECTIVE DATE.*—*The amendment made by this*
24 *section shall apply to bonds issued after December 31, 2009.*

1 **Subpart B—GO Zone**

2 **SEC. 762. INCREASE IN REHABILITATION CREDIT.**

3 (a) *IN GENERAL.*—Subsection (h) of section 1400N is
4 amended by striking “December 31, 2009” and inserting
5 “December 31, 2011”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section shall apply to amounts paid or incurred after De-
8 cember 31, 2009.

9 **SEC. 763. LOW-INCOME HOUSING CREDIT RULES FOR**
10 **BUILDINGS IN GO ZONES.**

11 Section 1400N(c)(5) is amended by striking “January
12 1, 2011” and inserting “January 1, 2012”.

13 **SEC. 764. TAX-EXEMPT BOND FINANCING.**

14 (a) *IN GENERAL.*—Paragraphs (2)(D) and (7)(C) of
15 section 1400N(a) are each amended by striking “January
16 1, 2011” and inserting “January 1, 2012”.

17 (b) *CONFORMING AMENDMENTS.*—Sections 702(d)(1)
18 and 704(a) of the Heartland Disaster Tax Relief Act of
19 2008 are each amended by striking “January 1, 2011” each
20 place it appears and inserting “January 1, 2012”.

21 **SEC. 765. BONUS DEPRECIATION DEDUCTION APPLICABLE**
22 **TO THE GO ZONE.**

23 (a) *IN GENERAL.*—Paragraph (6) of section 1400N(d)
24 is amended—

1 (1) by striking “December 31, 2010” both places
2 it appears in subparagraph (B) and inserting “De-
3 cember 31, 2011”, and

4 (2) by striking “January 1, 2010” in the head-
5 ing and the text of subparagraph (D) and inserting
6 “January 1, 2012”.

7 (b) *EFFECTIVE DATE.*—The amendment made by this
8 section shall apply to property placed in service after De-
9 cember 31, 2009.

10 **TITLE VIII—BUDGETARY** 11 **PROVISIONS**

12 **SEC. 801. DETERMINATION OF BUDGETARY EFFECTS.**

13 *The budgetary effects of this Act, for the purpose of*
14 *complying with the Statutory Pay-As-You-Go Act of 2010,*
15 *shall be determined by reference to the latest statement titled*
16 *“Budgetary Effects of PAYGO Legislation” for this Act,*
17 *jointly submitted for printing in the Congressional Record*
18 *by the Chairmen of the House and Senate Budget Commit-*
19 *tees, provided that such statement has been submitted prior*
20 *to the vote on passage in the House acting first on this con-*
21 *ference report or amendment between the Houses.*

22 **SEC. 802. EMERGENCY DESIGNATIONS.**

23 (a) *STATUTORY PAYGO.*—*This Act is designated as an*
24 *emergency requirement pursuant to section 4(g) of the Stat-*
25 *utory Pay-As-You-Go Act of 2010 (Public Law 111–139;*

1 2 U.S.C. 933(g)) except to the extent that the budgetary ef-
2 fects of this Act are determined to be subject to the current
3 policy adjustments under sections 4(c) and 7 of the Statu-
4 tory Pay-As-You-Go Act.

5 (b) SENATE.—In the Senate, this Act is designated as
6 an emergency requirement pursuant to section 403(a) of S.
7 Con. Res. 13 (111th Congress), the concurrent resolution on
8 the budget for fiscal year 2010.

9 (c) HOUSE OF REPRESENTATIVES.—In the House of
10 Representatives, every provision of this Act is expressly des-
11 ignated as an emergency for purposes of pay-as-you-go
12 principles except to the extent that any such provision is
13 subject to the current policy adjustments under section 4(c)
14 of the Statutory Pay-As-You-Go Act of 2010.

Attest:

Secretary.

11TH CONGRESS
2^D SESSION

H.R. 4853

**SENATE AMENDMENT TO
HOUSE AMENDMENT TO
SENATE AMENDMENT**