

113TH CONGRESS
2^D SESSION

S. 2366

To amend the Richard B. Russell National School Lunch Act to establish a permanent, nationwide summer electronic benefits transfer for children program.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2014

Mrs. MURRAY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Richard B. Russell National School Lunch Act to establish a permanent, nationwide summer electronic benefits transfer for children program.

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 “Stop Child Summer
5 Hunger Act of 2014”.

1 **SEC. 2. SUMMER ELECTRONIC BENEFITS TRANSFER FOR**
 2 **CHILDREN PROGRAM.**

3 Section 13(a) of the Richard B. Russell National
 4 School Lunch Act (42 U.S.C. 1761(a)) is amended by add-
 5 ing at the end the following:

6 “(13) SUMMER ELECTRONIC BENEFITS TRANS-
 7 FER FOR CHILDREN PROGRAM.—

8 “(A) DEFINITIONS.—In this paragraph:

9 “(i) ELIGIBLE HOUSEHOLD.—The
 10 term ‘eligible household’ means a house-
 11 hold that includes 1 or more children who
 12 are eligible to receive free or reduced price
 13 lunches under this Act or free or reduced
 14 price breakfasts under the Child Nutrition
 15 Act of 1966 (42 U.S.C. 1771 et seq.).

16 “(ii) SUMMER EBT CARD.—The term
 17 ‘summer EBT card’ means an electronic
 18 benefit transfer card that is issued to an
 19 eligible household under this paragraph
 20 and limited to food purchases.

21 “(B) PROGRAM.—The Secretary shall es-
 22 tablish a program under which the Secretary
 23 shall provide to eligible households summer
 24 EBT cards for the purpose of providing access
 25 to food for children during summer months—

1 “(i) to reduce or eliminate the food in-
2 security and hunger of children; and

3 “(ii) to improve the nutritional status
4 of children.

5 “(C) USE.—An eligible household may use
6 a summer EBT card only to purchase food
7 from retail food stores that have been approved
8 for participation in the supplemental nutrition
9 assistance program established under the Food
10 and Nutrition Act of 2008 (7 U.S.C. 2011 et
11 seq.), in accordance with section 7(b) of that
12 Act (7 U.S.C. 2016(b)).

13 “(D) AMOUNT.—Each summer EBT card
14 issued shall be in an amount of—

15 “(i) for calendar year 2016, \$150 in
16 food assistance per child per summer; and

17 “(ii) for each subsequent calendar
18 year, the amount specified in clause (i) as
19 adjusted to reflect changes in reimburse-
20 ment rates for school meals under this Act
21 between calendar year 2016 and the most
22 recent calendar year.

23 “(E) TIMING.—Summer EBT cards shall
24 be issued at the end of the regular school year.

25 “(F) FUNDING.—

1 “(i) IN GENERAL.—On October 1,
2 2015, and on each October 1 thereafter,
3 out of any funds in the Treasury not oth-
4 erwise appropriated, the Secretary of the
5 Treasury shall transfer to the Secretary
6 such sums as are necessary to carry out
7 this section, to remain available until ex-
8 pended.

9 “(ii) RECEIPT AND ACCEPTANCE.—
10 The Secretary shall be entitled to receive,
11 shall accept, and shall use to carry out this
12 section the funds transferred under clause
13 (i), without further appropriation.

14 “(G) REGULATIONS.—

15 “(i) IN GENERAL.—Not later than Oc-
16 tober 1, 2015, the Secretary shall issue
17 regulations to carry out this paragraph.

18 “(ii) REQUIREMENTS.—Regulations
19 issued under this subparagraph shall re-
20 quire that—

21 “(I) children shall be eligible to
22 participate and shall be enrolled into
23 the program under this paragraph for
24 a summer without further application
25 if the children are enrolled to partici-

1 pate in the free or reduced price lunch
2 program under this Act or the free or
3 reduced price breakfast program
4 under the Child Nutrition Act of 1966
5 (42 U.S.C. 1771 et seq.) during the
6 school year immediately preceding the
7 summer; and

8 “(II) local educational agencies
9 shall distribute to the families of all
10 children enrolled in schools partici-
11 pating in programs authorized under
12 this Act and the Child Nutrition Act
13 of 1966 (42 U.S.C. 1771 et seq.) and,
14 to the maximum extent practicable,
15 the families of all children enrolled in
16 schools of the local educational agency
17 information, as provided by the Sec-
18 retary—

19 “(aa) regarding the program
20 authorized under this paragraph,
21 including eligibility rules and how
22 children in eligible households
23 that are not automatically en-
24 rolled under subclause (I) may
25 apply for program benefits; and

1 “(bb) to assist households
2 receiving summer EBT cards in
3 making healthy food choices and
4 maximizing resources.

5 “(iii) ALTERNATIVE TIMING.—

6 “(I) IN GENERAL.—In issuing
7 regulations under this subparagraph,
8 the Secretary shall allow alternative
9 plans for the timing of issuance of the
10 summer electronic benefit cards under
11 subparagraph (D) in any part of a
12 State in which the school year does
13 not include a typical summer break,
14 on the condition that the Secretary
15 determines that no alternative plan in-
16 creases or decreases Federal costs.

17 “(II) CONSIDERATIONS.—In de-
18 veloping regulations under subclause
19 (I), the Secretary shall consider the
20 ability of a State effectively to issue
21 benefits under an alternative sched-
22 ule.”.

1 **SEC. 3. DEFER DEDUCTION OF INTEREST EXPENSE RE-**
 2 **LATED TO DEFERRED INCOME.**

3 (a) IN GENERAL.—Section 163 of the Internal Rev-
 4 enue Code of 1986 (relating to deductions for interest ex-
 5 pense) is amended by redesignating subsection (n) as sub-
 6 section (o) and by inserting after subsection (m) the fol-
 7 lowing new subsection:

8 “(n) DEFERRAL OF DEDUCTION FOR INTEREST EX-
 9 PENSE RELATED TO DEFERRED INCOME.—

10 “(1) GENERAL RULE.—The amount of foreign-
 11 related interest expense of any taxpayer allowed as
 12 a deduction under this chapter for any taxable year
 13 shall not exceed an amount equal to the applicable
 14 percentage of the sum of—

15 “(A) the taxpayer’s foreign-related interest
 16 expense for the taxable year, plus

17 “(B) the taxpayer’s deferred foreign-re-
 18 lated interest expense.

19 For purposes of this paragraph, the applicable per-
 20 centage is the percentage equal to the current inclu-
 21 sion ratio.

22 “(2) TREATMENT OF DEFERRED DEDUC-
 23 TIONS.—If, for any taxable year, the amount of the
 24 limitation determined under paragraph (1) exceeds
 25 the taxpayer’s foreign-related interest expense for
 26 the taxable year, there shall be allowed as a deduc-

1 tion for the taxable year an amount equal to the
2 lesser of—

3 “(A) such excess, or

4 “(B) the taxpayer’s deferred foreign-re-
5 lated interest expense.

6 “(3) DEFINITIONS AND SPECIAL RULE.—For
7 purposes of this subsection—

8 “(A) FOREIGN-RELATED INTEREST EX-
9 PENSE.—The term ‘foreign-related interest ex-
10 pense’ means, with respect to any taxpayer for
11 any taxable year, the amount which bears the
12 same ratio to the amount of interest expense
13 for such taxable year allocated and apportioned
14 under sections 861, 864(e), and 864(f) to in-
15 come from sources outside the United States
16 as—

17 “(i) the value of all stock held by the
18 taxpayer in all section 902 corporations
19 with respect to which the taxpayer meets
20 the ownership requirements of subsection
21 (a) or (b) of section 902, bears to

22 “(ii) the value of all assets of the tax-
23 payer which generate gross income from
24 sources outside the United States.

1 “(B) DEFERRED FOREIGN-RELATED IN-
2 TEREST EXPENSE.—The term ‘deferred foreign-
3 related interest expense’ means the excess, if
4 any, of the aggregate foreign-related interest
5 expense for all prior taxable years beginning
6 after December 31, 2014, over the aggregate
7 amount allowed as a deduction under para-
8 graphs (1) and (2) for all such prior taxable
9 years.

10 “(C) VALUE OF ASSETS.—Except as other-
11 wise provided by the Secretary, for purposes of
12 subparagraph (A)(ii), the value of any asset
13 shall be the amount with respect to such asset
14 determined for purposes of allocating and ap-
15 portioning interest expense under sections 861,
16 864(e), and 864(f).

17 “(D) CURRENT INCLUSION RATIO.—The
18 term ‘current inclusion ratio’ means, with re-
19 spect to any domestic corporation which meets
20 the ownership requirements of subsection (a) or
21 (b) of section 902 with respect to one or more
22 section 902 corporations for any taxable year,
23 the ratio (expressed as a percentage) of—

24 “(i) the sum of all dividends received
25 by the domestic corporation from all such

1 section 902 corporations during the taxable
2 year plus amounts includible in gross in-
3 come under section 951(a) from all such
4 section 902 corporations, in each case com-
5 puted without regard to section 78, divided
6 by

7 “(ii) the aggregate amount of post-
8 1986 undistributed earnings.

9 “(E) AGGREGATE AMOUNT OF POST-1986
10 UNDISTRIBUTED EARNINGS.—The term ‘aggre-
11 gate amount of post-1986 undistributed earn-
12 ings’ means, with respect to any domestic cor-
13 poration which meets the ownership require-
14 ments of subsection (a) or (b) of section 902
15 with respect to one or more section 902 cor-
16 porations, the domestic corporation’s pro rata
17 share of the post-1986 undistributed earnings
18 (as defined in section 902(c)(1)) of all such sec-
19 tion 902 corporations.

20 “(F) FOREIGN CURRENCY CONVERSION.—
21 For purposes of determining the current inclu-
22 sion ratio, and except as otherwise provided by
23 the Secretary, the aggregate amount of post-
24 1986 undistributed earnings for the taxable
25 year shall be determined by translating each

1 section 902 corporation's post-1986 undistrib-
2 uted earnings into dollars using the average ex-
3 change rate for such year.

4 “(G) SECTION 902 CORPORATION.—The
5 term ‘section 902 corporation’ has the meaning
6 given to such term by section 909(d)(5).

7 “(4) TREATMENT OF AFFILIATED GROUPS.—
8 The current inclusion ratio of each member of an af-
9 filiated group (as defined in section 864(e)(5)(A))
10 shall be determined as if all members of such group
11 were a single corporation.

12 “(5) APPLICATION TO SEPARATE CATEGORIES
13 OF INCOME.—This subsection shall be applied sepa-
14 rately with respect to the categories of income speci-
15 fied in section 904(d)(1).

16 “(6) REGULATIONS.—The Secretary may pre-
17 scribe such regulations or other guidance as is nec-
18 essary or appropriate to carry out the purposes of
19 this subsection, including regulations or other guid-
20 ance providing—

21 “(A) for the proper application of this sub-
22 section with respect to changes in ownership of
23 a section 902 corporation,

24 “(B) that certain corporations that other-
25 wise would not be members of the affiliated

1 group will be treated as members of the affili-
2 ated group for purposes of this subsection,

3 “(C) for the proper application of this sub-
4 section with respect to the taxpayer’s share of
5 a deficit in earnings and profits of a section
6 902 corporation,

7 “(D) for appropriate adjustments to the
8 determination of the value of stock in any sec-
9 tion 902 corporation for purposes of this sub-
10 section or to the foreign-related interest expense
11 to account for income that is subject to tax
12 under section 882(a)(1), and

13 “(E) for the proper application of this sub-
14 section with respect to interest expense that is
15 directly allocable to income with respect to cer-
16 tain assets.”.

17 (b) **EFFECTIVE DATE.**—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2014.

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