

113TH CONGRESS
2D SESSION

S. 2489

To amend the Internal Revenue Code of 1986 to ensure that sufficient funding is made available for the Highway Trust Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2014

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

A BILL

To amend the Internal Revenue Code of 1986 to ensure that sufficient funding is made available for the Highway Trust Fund, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “American Jobs for American Infrastructure Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—HIGHWAY TRUST FUND

Sec. 101. Ensuring sufficient funding for the Highway Trust Fund.

Sec. 102. Sense of Congress regarding the Surface Transportation reauthorization.

TITLE II—WATER INFRASTRUCTURE

Sec. 201. Reclamation Water Infrastructure Fund.
 Sec. 202. Sense of Congress regarding direction of Secretary of the Interior.

TITLE III—ENERGY INFRASTRUCTURE

Sec. 301. Energy Upgrade and Retrofit Infrastructure Fund.
 Sec. 302. Sense of Congress regarding direction of Secretary of Energy.

TITLE IV—TAXATION OF FOREIGN INCOME

Sec. 401. Allocation of expenses and taxes on basis of repatriation of foreign income.
 Sec. 402. Modifications to rules relating to inverted corporations.

TITLE V—DEFICIT REDUCTION

Sec. 501. Deficit reduction.

1 **TITLE I—HIGHWAY TRUST FUND**

2 **SEC. 101. ENSURING SUFFICIENT FUNDING FOR THE HIGH-**

3 **WAY TRUST FUND.**

4 (a) IN GENERAL.—Section 9503(f) of the Internal
 5 Revenue Code of 1986 is amended by redesignating para-
 6 graph (5) as paragraph (6) and by inserting after para-
 7 graph (4) the following new paragraph:

8 “(5) ENSURING ADEQUATE BALANCES IN HIGH-
 9 WAY ACCOUNT AND MASS TRANSIT ACCOUNT.—For
 10 the period of fiscal years 2014 through 2018, out of
 11 money in the Treasury not otherwise appropriated,
 12 there are hereby appropriated—

13 “(A) in the case of the Highway Account
 14 (as defined in subsection (e)(5)(B)) in the
 15 Highway Trust Fund, such amounts as are de-
 16 termined by the Secretary to be necessary to

1 ensure that the balance of such account is not
 2 less than \$4,000,000,000 for any quarter dur-
 3 ing such period, and

4 “(B) in the case of the Mass Transit Ac-
 5 count in the Highway Trust Fund, such
 6 amounts as are determined by the Secretary to
 7 be necessary to ensure that the balance of such
 8 account is not less than \$1,000,000,000 for any
 9 quarter during such period.”.

10 (b) EFFECTIVE DATE.—The amendments made by
 11 this section shall take effect on the date of the enactment
 12 of this Act.

13 **SEC. 102. SENSE OF CONGRESS REGARDING THE SURFACE**
 14 **TRANSPORTATION REAUTHORIZATION.**

15 It is the sense of Congress that Congress should pro-
 16 vide annual inflation increases for the Federal Lands Ac-
 17 cess Program, the Federal Lands Transportation Pro-
 18 gram, and the Tribal Transportation Program in the next
 19 Surface Transportation reauthorization.

20 **TITLE II—WATER**
 21 **INFRASTRUCTURE**

22 **SEC. 201. RECLAMATION WATER INFRASTRUCTURE FUND.**

23 (a) ESTABLISHMENT OF FUND.—There is estab-
 24 lished in the Treasury a fund to be known as the “Rec-
 25 lamation Water Infrastructure Fund” (referred to in this

1 section as the “Fund”), to be administered by the Sec-
2 retary of the Interior, to be available without fiscal year
3 limitation and not subject to appropriation, for use in ac-
4 cordance with subsection (e).

5 (b) DEPOSITS.—For the period of fiscal years 2015
6 through 2036, the Secretary of the Treasury shall deposit
7 in the Fund—

8 (1) of the revenues that would otherwise be de-
9 posited for each fiscal year in the reclamation fund
10 established by the first section of the Act of June
11 17, 1902 (32 Stat. 388, chapter 1093),
12 \$150,000,000; and

13 (2) out of amounts in the Treasury not other-
14 wise obligated, \$6,500,000,000.

15 (c) INVESTMENT.—

16 (1) IN GENERAL.—The Secretary of the Treas-
17 ury shall invest such portion of the Fund as is not,
18 in the judgment of the Secretary, required to meet
19 current withdrawals.

20 (2) CREDITS TO FUND.—The interest on, and
21 the proceeds from the sale or redemption of, any ob-
22 ligations held in the Fund shall be credited to, and
23 form a part of, the Fund.

1 (d) PROHIBITION.—Amounts in the Fund may not
2 be made available for any purpose other than a purpose
3 described in subsection (e).

4 (e) USE OF FUNDS.—The Secretary of the Interior
5 may use amounts in the Fund for the following purposes:

6 (1) RURAL WATER PROJECTS.—To complete
7 construction (but not including operation or mainte-
8 nance) of rural water projects—

9 (A) that were authorized to be carried out
10 by the Secretary on or before the date of enact-
11 ment of this Act; or

12 (B) for which—

13 (i) pursuant to section 106(e) of the
14 Rural Water Supply Act of 2006 (43
15 U.S.C. 2405(e)), a feasibility study has
16 been submitted to the Secretary by not
17 later than December 31, 2015; and

18 (ii) an Act enacted after the date of
19 enactment of this Act authorizes construc-
20 tion.

21 (2) DEFERRED MAINTENANCE OF INDIAN IRRI-
22 GATION PROJECTS.—To address deferred mainte-
23 nance needs of Indian irrigation projects (including
24 maintenance, repair, and replacement activities for
25 any structures, facilities, equipment, or vehicles used

1 in connection with the operation of those projects)
2 that, on the date of enactment of this Act—

3 (A) are owned by the Federal Government,
4 as listed in the Federal inventory required by
5 Executive Order 13327 (40 U.S.C. 121 note;
6 relating to Federal real property asset manage-
7 ment);

8 (B) are managed by the Bureau of Indian
9 Affairs (including projects managed under con-
10 tracts or compacts pursuant to the Indian Self-
11 Determination and Education Assistance Act
12 (25 U.S.C. 450 et seq.)); and

13 (C) have deferred maintenance documented
14 by the Bureau of Indian Affairs.

15 (3) INDIAN RESERVED WATER RIGHTS SETTLE-
16 MENTS.—To provide amounts to complete construc-
17 tion, planning, and design of any project, or to im-
18 plement any provision of Federal law, that—

19 (A) settles or otherwise resolves, in whole
20 or in part, litigation involving the United States
21 and the rights of one or more federally recog-
22 nized Indian tribes to access, use, or manage
23 water resources; or

24 (B) implements an agreement approved by
25 Congress pursuant to which one or more feder-

1 ally recognized Indian tribes agree to some limi-
2 tation on the exercise of rights or claims to ac-
3 cess, use, or manage water resources.

4 (f) ANNUAL REPORTS.—

5 (1) IN GENERAL.—Not later than 60 days after
6 the end of each fiscal year beginning with fiscal year
7 2015, the Secretary of the Interior shall submit to
8 the Committee on Appropriations of the House of
9 Representatives, the Committee on Appropriations of
10 the Senate, and authorizing committees a report on
11 the operation of the Fund during the fiscal year.

12 (2) CONTENTS.—Each report shall include, for
13 the fiscal year covered by the report, the following:

14 (A) A statement of the amounts deposited
15 into the Fund.

16 (B) A description of the expenditures made
17 from the Fund for the fiscal year, including the
18 purpose of the expenditures.

19 (C) Recommendations for additional au-
20 thorities to fulfill the purpose of the Fund.

21 (D) A statement of the balance remaining
22 in the Fund at the end of the fiscal year.

1 **SEC. 202. SENSE OF CONGRESS REGARDING DIRECTION OF**
 2 **SECRETARY OF THE INTERIOR.**

3 It is the sense of Congress that Congress should pro-
 4 vide direction to the Secretary of the Interior with respect
 5 to expenditures under this title, including—

6 (1) requirements under the annual budget sub-
 7 mission of the President;

8 (2) annual reporting requirements describing
 9 final allocations;

10 (3) programmatic goals to carry out this title;
 11 and

12 (4) funding prioritization criteria to serve as a
 13 methodology for distributing funds.

14 **TITLE III—ENERGY**
 15 **INFRASTRUCTURE**

16 **SEC. 301. ENERGY UPGRADE AND RETROFIT INFRASTRUC-**
 17 **TURE FUND.**

18 (a) ESTABLISHMENT OF FUND.—There is estab-
 19 lished in the Treasury a fund to be known as the “Energy
 20 Upgrade and Retrofit Infrastructure Fund” (referred to
 21 in this section as the “Fund”), to be administered by the
 22 Secretary of Energy, to be available without fiscal year
 23 limitation and not subject to appropriation, for use in ac-
 24 cordance with subsection (e).

25 (b) DEPOSITS.—For the period of fiscal years 2015
 26 through 2034, the Secretary of the Treasury shall deposit

1 in the Fund, out of amounts in the Treasury not otherwise
2 obligated, \$8,000,000,000.

3 (c) INVESTMENT.—

4 (1) IN GENERAL.—The Secretary of the Treas-
5 ury shall invest such portion of the Fund as is not,
6 in the judgment of the Secretary, required to meet
7 current withdrawals.

8 (2) CREDITS TO FUND.—The interest on, and
9 the proceeds from the sale or redemption of, any ob-
10 ligations held in the Fund shall be credited to, and
11 form a part of, the Fund.

12 (d) PROHIBITION.—Amounts in the Fund may not
13 be made available for any purpose other than a purpose
14 described in subsection (e).

15 (e) USE OF FUNDS.—

16 (1) IN GENERAL.—Of amounts in the Fund,
17 the Secretary of Energy may use, in accordance with
18 this title, such sums as are necessary to provide
19 grants, loans, loan guarantees, or other credit fi-
20 nancing instruments, including any such instruments
21 under the Energy Policy Act of 2005 (42 U.S.C.
22 15801 et seq.), to support novel and innovative tech-
23 nologies that—

24 (A) capture or prevent carbon dioxide
25 emissions from carbon-based fuels;

1 (B) enable the beneficial use of carbon di-
2 oxide and other greenhouse gases;

3 (C) enable the long-term storage of carbon
4 dioxide;

5 (D) reduce net carbon emissions from the
6 fleet of electric generation units in a State or
7 region of the bulk electric system; or

8 (E) construct, upgrade, or retrofit electric
9 transmission property that serves the public in-
10 terest by facilitating the deployment of low-car-
11 bon energy sources while ensuring reliability
12 and reducing congestion.

13 (2) PRIORITIZATION.—In carrying out para-
14 graph (1), the Secretary of Energy shall give pri-
15 ority to projects that upgrade or retrofit existing in-
16 frastructure for the generation and transmission of
17 electric power.

18 (3) COMMERCIAL-SCALE COAL TECHNOLOGY.—

19 (A) EXPENDITURE.—Not less than 60 per-
20 cent of amounts expended under this subsection
21 shall be for commercial-scale, coal-fired electric
22 generation units—

23 (i) designed to generate and sell elec-
24 tric power directly to consumers or for re-
25 sale; and

1 (ii) with a carbon dioxide capture and
2 storage system having a useful life of not
3 fewer than 15 years.

4 (B) ELIGIBLE PROJECTS.—Eligible
5 projects under this paragraph include projects
6 for—

7 (i) the construction of new coal-fired
8 electric generation units;

9 (ii) the retrofitting of existing coal-
10 fired electric generation units; or

11 (iii) the construction of carbon dioxide
12 transmission pipelines to transport carbon
13 dioxide from carbon capture and sequestra-
14 tion facilities to—

15 (I) sequestration sites; or

16 (II) sites at which the carbon di-
17 oxide will be used for hydrocarbon re-
18 covery.

19 (f) ANNUAL REPORTS.—

20 (1) IN GENERAL.—Not later than 60 days after
21 the end of each fiscal year beginning with fiscal year
22 2015, the Secretary of Energy shall submit to the
23 Committee on Appropriations of the House of Rep-
24 resentatives, the Committee on Appropriations of the

1 Senate, and authorizing committees a report on the
2 operation of the Fund during the fiscal year.

3 (2) CONTENTS.—Each report shall include, for
4 the fiscal year covered by the report, the following:

5 (A) A statement of the amounts deposited
6 into the Fund.

7 (B) A description of the expenditures made
8 from the Fund for the fiscal year, including the
9 purpose of the expenditures.

10 (C) Recommendations for additional au-
11 thorities to fulfill the purpose of the Fund.

12 (D) A statement of the balance remaining
13 in the Fund at the end of the fiscal year.

14 **SEC. 302. SENSE OF CONGRESS REGARDING DIRECTION OF**
15 **SECRETARY OF ENERGY.**

16 It is the sense of Congress that Congress should pro-
17 vide direction to the Secretary of Energy with respect to
18 effects of expenditures under this title on other applicable
19 Federal programs and laws, including—

20 (1) provisions of the Internal Revenue Code of
21 1986 that affect electric power generation and trans-
22 mission;

23 (2) existing standards with respect to the per-
24 centage of carbon dioxide required to be captured

1 and stored by projects that receive Federal funds;
2 and

3 (3) liability standards with respect to the long-
4 term storage of carbon dioxide.

5 **TITLE IV—TAXATION OF**
6 **FOREIGN INCOME**

7 **SEC. 401. ALLOCATION OF EXPENSES AND TAXES ON BASIS**
8 **OF REPATRIATION OF FOREIGN INCOME.**

9 (a) IN GENERAL.—Part III of subchapter N of chap-
10 ter 1 of the Internal Revenue Code of 1986 is amended
11 by inserting after subpart G the following new subpart:

12 **“Subpart H—Special Rules for Allocation of Foreign-**
13 **Related Deductions**

“Sec. 975. Deductions allocated to deferred foreign income may not offset
United States source income.

14 **“SEC. 975. DEDUCTIONS ALLOCATED TO DEFERRED FOR-**
15 **EIGN INCOME MAY NOT OFFSET UNITED**
16 **STATES SOURCE INCOME.**

17 “(a) CURRENT YEAR DEDUCTIONS.—For purposes
18 of this chapter, foreign-related deductions for any taxable
19 year—

20 “(1) shall be taken into account for such tax-
21 able year only to the extent that such deductions are
22 allocable to currently-taxed foreign income, and

1 “(2) to the extent not so allowed, shall be taken
2 into account in subsequent taxable years as provided
3 in subsection (b).

4 Foreign-related deductions shall be allocated to currently-
5 taxed foreign income in the same proportion which cur-
6 rently-taxed foreign income bears to the sum of currently-
7 taxed foreign income and deferred foreign income.

8 “(b) DEDUCTIONS RELATED TO REPATRIATED DE-
9 FERRED FOREIGN INCOME.—

10 “(1) IN GENERAL.—If there is repatriated for-
11 eign income for a taxable year, the portion of the
12 previously deferred deductions allocated to the repa-
13 triated foreign income shall be taken into account
14 for the taxable year as a deduction allocated to in-
15 come from sources outside the United States. Any
16 such amount shall not be included in foreign-related
17 deductions for purposes of applying subsection (a) to
18 such taxable year.

19 “(2) PORTION OF PREVIOUSLY DEFERRED DE-
20 Ductions.—For purposes of paragraph (1), the por-
21 tion of the previously deferred deductions allocated
22 to repatriated foreign income is—

23 “(A) the amount which bears the same
24 proportion to such deductions, as

1 “(B) the repatriated income bears to the
2 previously deferred foreign income.

3 “(c) DEFINITIONS AND SPECIAL RULE.—For pur-
4 poses of this section—

5 “(1) FOREIGN-RELATED DEDUCTIONS.—The
6 term ‘foreign-related deductions’ means the total
7 amount of deductions and expenses which would be
8 allocated or apportioned to gross income from
9 sources without the United States for the taxable
10 year if both the currently-taxed foreign income and
11 deferred foreign income were taken into account.

12 “(2) CURRENTLY-TAXED FOREIGN INCOME.—
13 The term ‘currently-taxed foreign income’ means the
14 amount of gross income from sources without the
15 United States for the taxable year (determined with-
16 out regard to repatriated foreign income for such
17 year).

18 “(3) DEFERRED FOREIGN INCOME.—The term
19 ‘deferred foreign income’ means the excess of—

20 “(A) the amount that would be includible
21 in gross income under subpart F of this part
22 for the taxable year if—

23 “(i) all controlled foreign corporations
24 were treated as one controlled foreign cor-
25 poration, and

1 “(ii) all earnings and profits of all
2 controlled foreign corporations were sub-
3 part F income (as defined in section 952),
4 over

5 “(B) the sum of—

6 “(i) all dividends received during the
7 taxable year from controlled foreign cor-
8 porations, plus

9 “(ii) amounts includible in gross in-
10 come under section 951(a).

11 “(4) PREVIOUSLY DEFERRED FOREIGN IN-
12 COME.—The term ‘previously deferred foreign in-
13 come’ means the aggregate amount of deferred for-
14 eign income for all prior taxable years to which this
15 part applies, determined as of the beginning of the
16 taxable year, reduced by the repatriated foreign in-
17 come for all such prior taxable years.

18 “(5) REPATRIATED FOREIGN INCOME.—The
19 term ‘repatriated foreign income’ means the amount
20 included in gross income on account of distributions
21 out of previously deferred foreign income.

22 “(6) PREVIOUSLY DEFERRED DEDUCTIONS.—
23 The term ‘previously deferred deductions’ means the
24 aggregate amount of foreign-related deductions not
25 taken into account under subsection (a) for all prior

1 taxable years (determined as of the beginning of the
2 taxable year), reduced by any amounts taken into
3 account under subsection (b) for such prior taxable
4 years.

5 “(7) TREATMENT OF CERTAIN FOREIGN
6 TAXES.—

7 “(A) PAID BY CONTROLLED FOREIGN COR-
8 PORATION.—Section 78 shall not apply for pur-
9 poses of determining currently-taxed foreign in-
10 come and deferred foreign income.

11 “(B) PAID BY TAXPAYER.—For purposes
12 of determining currently-taxed foreign income,
13 gross income from sources without the United
14 States shall be reduced by the aggregate
15 amount of taxes described in the applicable
16 paragraph of section 901(b) which are paid by
17 the taxpayer (without regard to sections 902
18 and 960) during the taxable year.

19 “(d) APPLICATION OF SECTION.—This section—

20 “(1) shall be applied before subpart A, and

21 “(2) shall be applied separately with respect to
22 the categories of income specified in section
23 904(d)(1).”.

24 (b) CLERICAL AMENDMENT.—The table of subparts
25 for part III of subpart N of chapter 1 of such Code is

1 amended by inserting after the item relating to subpart
 2 G the following new item:

“SUBPART H. SPECIAL RULES FOR ALLOCATION OF FOREIGN-RELATED
 DEDUCTIONS”.

3 (c) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 the date of the enactment of this Act.

6 **SEC. 402. MODIFICATIONS TO RULES RELATING TO IN-**
 7 **VERTED CORPORATIONS.**

8 (a) IN GENERAL.—Subsection (b) of section 7874 of
 9 the Internal Revenue Code of 1986 is amended to read
 10 as follows:

11 “(b) INVERTED CORPORATIONS TREATED AS DO-

12 MESTIC CORPORATIONS.—

13 “(1) IN GENERAL.—Notwithstanding section
 14 7701(a)(4), a foreign corporation shall be treated for
 15 purposes of this title as a domestic corporation if—

16 “(A) such corporation would be a surro-
 17 gate foreign corporation if subsection (a)(2)
 18 were applied by substituting ‘80 percent’ for
 19 ‘60 percent’, or

20 “(B) such corporation is an inverted do-
 21 mestic corporation.

22 “(2) INVERTED DOMESTIC CORPORATION.—For
 23 purposes of this subsection, a foreign corporation
 24 shall be treated as an inverted domestic corporation

1 if, pursuant to a plan (or a series of related trans-
2 actions)—

3 “(A) the entity completes after May 8,
4 2014, the direct or indirect acquisition of—

5 “(i) substantially all of the properties
6 held directly or indirectly by a domestic
7 corporation, or

8 “(ii) substantially all of the assets of,
9 or substantially all of the properties consti-
10 tuting a trade or business of, a domestic
11 partnership, and

12 “(B) after the acquisition, either—

13 “(i) more than 50 percent of the stock
14 (by vote or value) of the entity is held—

15 “(I) in the case of an acquisition
16 with respect to a domestic corpora-
17 tion, by former shareholders of the
18 domestic corporation by reason of
19 holding stock in the domestic corpora-
20 tion, or

21 “(II) in the case of an acquisition
22 with respect to a domestic partner-
23 ship, by former partners of the do-
24 mestic partnership by reason of hold-

1 ing a capital or profits interest in the
2 domestic partnership, or

3 “(ii) the management and control of
4 the expanded affiliated group which in-
5 cludes the entity occurs, directly or indi-
6 rectly, primarily within the United States,
7 and such expanded affiliated group has
8 significant domestic business activities.

9 “(3) EXCEPTION FOR CORPORATIONS WITH
10 SUBSTANTIAL BUSINESS ACTIVITIES IN FOREIGN
11 COUNTRY OF ORGANIZATION.—A foreign corporation
12 described in paragraph (2) shall not be treated as an
13 inverted domestic corporation if after the acquisition
14 the expanded affiliated group which includes the en-
15 tity has substantial business activities in the foreign
16 country in which or under the law of which the enti-
17 ty is created or organized when compared to the
18 total business activities of such expanded affiliated
19 group. For purposes of subsection (a)(2)(B)(iii) and
20 the preceding sentence, the term ‘substantial busi-
21 ness activities’ shall have the meaning given such
22 term under regulations in effect on May 8, 2014, ex-
23 cept that the Secretary may issue regulations in-
24 creasing the threshold percent in any of the tests
25 under such regulations for determining if business

1 activities constitute substantial business activities for
2 purposes of this paragraph.

3 “(4) MANAGEMENT AND CONTROL.—For pur-
4 poses of paragraph (2)(B)(ii)—

5 “(A) IN GENERAL.—The Secretary shall
6 prescribe regulations for purposes of deter-
7 mining cases in which the management and
8 control of an expanded affiliated group is to be
9 treated as occurring, directly or indirectly, pri-
10 marily within the United States. The regula-
11 tions prescribed under the preceding sentence
12 shall apply to periods after May 8, 2014.

13 “(B) EXECUTIVE OFFICERS AND SENIOR
14 MANAGEMENT.—Such regulations shall provide
15 that the management and control of an ex-
16 panded affiliated group shall be treated as oc-
17 ccurring, directly or indirectly, primarily within
18 the United States if substantially all of the ex-
19 ecutive officers and senior management of the
20 expanded affiliated group who exercise day-to-
21 day responsibility for making decisions involving
22 strategic, financial, and operational policies of
23 the expanded affiliated group are based or pri-
24 marily located within the United States. Indi-
25 viduals who in fact exercise such day-to-day re-

1 sponsibilities shall be treated as executive offi-
2 cers and senior management regardless of their
3 title.

4 “(5) SIGNIFICANT DOMESTIC BUSINESS ACTIVI-
5 TIES.—For purposes of paragraph (2)(B)(ii), an ex-
6 panded affiliated group has significant domestic
7 business activities if at least 25 percent of—

8 “(A) the employees of the group are based
9 in the United States,

10 “(B) the employee compensation incurred
11 by the group is incurred with respect to employ-
12 ees based in the United States,

13 “(C) the assets of the group are located in
14 the United States, or

15 “(D) the income of the group is derived in
16 the United States,

17 determined in the same manner as such determina-
18 tions are made for purposes of determining substan-
19 tial business activities under regulations referred to
20 in paragraph (3) as in effect on May 8, 2014, but
21 applied by treating all references in such regulations
22 to ‘foreign country’ and ‘relevant foreign country’ as
23 references to ‘the United States’. The Secretary may
24 issue regulations decreasing the threshold percent in
25 any of the tests under such regulations for deter-

1 mining if business activities constitute significant
2 domestic business activities for purposes of this
3 paragraph.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Clause (i) of section 7874(a)(2)(B) of such
6 Code is amended by striking “after March 4, 2003,”
7 and inserting “after March 4, 2003, and before May
8 9, 2014,”.

9 (2) Subsection (c) of section 7874 of such Code
10 is amended—

11 (A) in paragraph (2)—

12 (i) by striking “subsection
13 (a)(2)(B)(ii)” and inserting “subsections
14 (a)(2)(B)(ii) and (b)(2)(B)(i)”, and

15 (ii) by inserting “or (b)(2)(A)” after
16 “(a)(2)(B)(i)” in subparagraph (B),

17 (B) in paragraph (3), by inserting “or
18 (b)(2)(B)(i), as the case may be,” after
19 “(a)(2)(B)(ii)”,

20 (C) in paragraph (5), by striking “sub-
21 section (a)(2)(B)(ii)” and inserting “sub-
22 sections (a)(2)(B)(ii) and (b)(2)(B)(i)”, and

23 (D) in paragraph (6), by inserting “or in-
24 verted domestic corporation, as the case may
25 be,” after “surrogate foreign corporation”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after May
3 8, 2014.

4 **TITLE V—DEFICIT REDUCTION**

5 **SEC. 501. DEFICIT REDUCTION.**

6 For purposes of the amount of any increase in rev-
7 enue to the Treasury by reason of the provisions of this
8 Act and the amendments made by this Act,
9 \$1,000,000,000 of such amount shall be, at such times
10 and in such manner as determined appropriate by the Sec-
11 retary of the Treasury (or the Secretary's delegate), de-
12 posited and credited as general revenue of the Treasury
13 for the purposes of deficit reduction and shall not be avail-
14 able for obligation.

○