

## Calendar No. 198

114TH CONGRESS  
1ST SESSION**S. 1946****[Report No. 114–118]**

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2015

Mr. HATCH, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

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**A BILL**

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, 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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Tax Relief Extension Act of 2015”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-  
7 wise expressly provided, whenever in this Act an amend-  
8 ment or repeal is expressed in terms of an amendment

1 to, or repeal of, a section or other provision, the reference  
 2 shall be considered to be made to a section or other provi-  
 3 sion of the Internal 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.

Sec. 2. Sense of the Senate.

#### TITLE I—PROVISIONS THAT EXPIRED IN 2014

##### Subtitle A—Individual Tax Extenders

Sec. 101. Extension and modification of deduction for certain expenses of elementary and secondary school teachers.

Sec. 102. Extension and modification of exclusion from gross income of discharge of qualified principal residence indebtedness.

Sec. 103. Extension of parity and modification of exclusion from income for employer-provided mass transit and parking benefits.

Sec. 104. Extension of mortgage insurance premiums treated as qualified residence interest.

Sec. 105. Extension of deduction of State and local general sales taxes.

Sec. 106. Extension of special rule for contributions of capital gain real property made for conservation purposes.

Sec. 107. Extension of above-the-line deduction for qualified tuition and related expenses.

Sec. 108. Extension of tax-free distributions from individual retirement plans for charitable purposes.

##### Subtitle B—Business Tax Extenders

Sec. 111. Extension and modification of research credit.

Sec. 112. Extension and modification of temporary minimum low-income housing tax credit rate for non-federally subsidized buildings.

Sec. 113. Extension of military housing allowance exclusion for determining whether a tenant in certain counties is low-income.

Sec. 114. Extension of Indian employment tax credit.

Sec. 115. Extension and modification of new markets tax credit.

Sec. 116. Extension and modification of railroad track maintenance credit.

Sec. 117. Extension of mine rescue team training credit.

Sec. 118. Extension and modification of employer wage credit for employees who are active duty members of the uniformed services.

Sec. 119. Extension and modification of work opportunity tax credit.

Sec. 120. Extension and modification of qualified zone academy bonds.

Sec. 121. Extension of classification of certain race horses as 3-year property.

Sec. 122. Extension of 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.

Sec. 123. Extension of 7-year recovery period for motorsports entertainment complexes.

- Sec. 124. Extension and modification of accelerated depreciation for business property on an Indian reservation.
- Sec. 125. Extension of bonus depreciation.
- Sec. 126. Extension of enhanced charitable deduction for contributions of food inventory.
- Sec. 127. Extension and modification of increased expensing limitations and treatment of certain real property as section 179 property.
- Sec. 128. Extension of election to expense mine safety equipment.
- Sec. 129. Extension of special expensing rules for certain film and television productions; special expensing for live theatrical productions.
- Sec. 130. Extension of deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
- Sec. 131. Extension of modification of tax treatment of certain payments to controlling exempt organizations.
- Sec. 132. Extension of treatment of certain dividends of regulated investment companies.
- Sec. 133. Extension of RIC qualified investment entity treatment under FIRPTA.
- Sec. 134. Extension of subpart F exception for active financing income.
- Sec. 135. Extension of look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
- Sec. 136. Extension of temporary exclusion of 100 percent of gain on certain small business stock.
- Sec. 137. Extension of basis adjustment to stock of S corporations making charitable contributions of property.
- Sec. 138. Extension of reduction in S-corporation recognition period for built-in gains tax.
- Sec. 139. Extension and modification of empowerment zone tax incentives.
- Sec. 140. Extension of temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
- Sec. 141. Extension of American Samoa economic development credit.

#### Subtitle C—Energy Tax Extenders

- Sec. 151. Extension and modification of credit for nonbusiness energy property.
- Sec. 152. Extension of credit for new qualified fuel cell motor vehicles.
- Sec. 153. Extension of credit for alternative fuel vehicle refueling property.
- Sec. 154. Extension of second generation biofuel producer credit.
- Sec. 155. Extension and reform of biodiesel tax incentives.
- Sec. 156. Extension of production credit for Indian coal facilities placed in service before 2009.
- Sec. 157. Extension of credits with respect to facilities producing energy from certain renewable resources.
- Sec. 158. Extension of credit for energy-efficient new homes.
- Sec. 159. Extension of special allowance for second generation biofuel plant property.
- Sec. 160. Extension and modification of energy efficient commercial buildings deduction.
- Sec. 161. Extension of special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- Sec. 162. Extension of excise tax credits relating to alternative fuels.

#### TITLE II—PROVISION THAT EXPIRED IN 2013

Sec. 201. Extension of credit for 2-wheeled plug-in electric vehicles.

TITLE III—REVENUE PROVISIONS

Sec. 301. Exclusion from gross income of certain clean coal power grants to non-corporate taxpayers.

Sec. 302. Treatment of certain persons as employers with respect to motion picture projects.

Sec. 303. Equalization of excise tax and credits with respect to liquefied petroleum gas and liquefied natural gas.

Sec. 304. Additional information on returns relating to mortgage interest.

TITLE IV—BUDGETARY EFFECTS

Sec. 401. Budgetary effects.

1 **SEC. 2. SENSE OF THE SENATE.**

2 It is the sense of the Senate that—

3 (1) Congress should pursue a process of com-  
4 prehensive tax reform;

5 (2) Congress should endeavor, as part of such  
6 tax reform process, to eliminate temporary provi-  
7 sions from the Internal Revenue Code of 1986 by  
8 making permanent those provisions that merit per-  
9 manency and allowing others to expire; and

10 (3) a major focus of such tax reform process  
11 should be fostering economic growth and lowering  
12 tax rates by broadening the tax base.

1           **TITLE I—PROVISIONS THAT**  
2                           **EXPIRED IN 2014**  
3                   **Subtitle A—Individual Tax**  
4                           **Extenders**

5   **SEC. 101. EXTENSION AND MODIFICATION OF DEDUCTION**  
6                           **FOR CERTAIN EXPENSES OF ELEMENTARY**  
7                           **AND SECONDARY SCHOOL TEACHERS.**

8           (a) **IN GENERAL.**—Subparagraph (D) of section  
9 62(a)(2) is amended by striking “or 2014” and inserting  
10 “2014, 2015, or 2016”.

11           (b) **ADJUSTMENT FOR INFLATION.**—Subparagraph  
12 (D) of section 62(a)(2), as amended by subsection (a), is  
13 amended—

14                   (1) by striking “**TEACHERS.—In the case of**”  
15                   and inserting “**TEACHERS.—**

16                                   “(i) **IN GENERAL.—In the case of**”,

17                                   and

18                   (2) by adding at the end the following new  
19                   clause:

20                                   “(ii) **ADJUSTMENT FOR INFLATION.—**

21                                   In the case of any taxable year beginning  
22                                   after 2014, the \$250 amount in clause (i)  
23                                   shall be increased by an amount equal to—

24                                                   “(I) such dollar amount, multi-  
25                                                   plied by

1                   “(II) the cost-of-living adjust-  
 2                   ment determined under section 1(f)(3)  
 3                   for the calendar year in which the tax-  
 4                   able year begins, by substituting ‘cal-  
 5                   endar year 2013’ for ‘calendar year  
 6                   1992’ in subparagraph (B) thereof.

7                   If any amount as increased under the pre-  
 8                   ceding sentence is not a multiple of \$25,  
 9                   such amount shall be rounded to the near-  
 10                  est multiple of \$25.”.

11           (c) INCLUSION OF PROFESSIONAL DEVELOPMENT  
 12 EXPENSES.—Clause (i) of section 62(a)(2)(D), as amend-  
 13 ed by subsections (a) and (b), is amended by striking the  
 14 period at the end and inserting “, and in connection with  
 15 professional development activities of such educator.”.

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

19 **SEC. 102. EXTENSION AND MODIFICATION OF EXCLUSION**  
 20 **FROM GROSS INCOME OF DISCHARGE OF**  
 21 **QUALIFIED PRINCIPAL RESIDENCE INDEBT-**  
 22 **EDNESS.**

23           (a) EXTENSION.—Subparagraph (E) of section  
 24 108(a)(1) is amended by striking “January 1, 2015” and  
 25 inserting “January 1, 2017”.

1 (b) MODIFICATION.—Subparagraph (E) of section  
2 108(a)(1), as amended by subsection (a), is amended by  
3 striking “discharged before” and all that follows and in-  
4 serting “discharged—

5 “(i) before January 1, 2017, or

6 “(ii) subject to an arrangement that  
7 is entered into and evidenced in writing be-  
8 fore January 1, 2017.”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to discharges of indebtedness after  
11 December 31, 2014.

12 **SEC. 103. EXTENSION OF PARITY AND MODIFICATION OF**  
13 **EXCLUSION FROM INCOME FOR EMPLOYER-**  
14 **PROVIDED MASS TRANSIT AND PARKING**  
15 **BENEFITS.**

16 (a) EXTENSION.—

17 (1) IN GENERAL.—Paragraph (2) of section  
18 132(f) is amended by striking “January 1, 2015”  
19 and inserting “January 1, 2017”.

20 (2) EFFECTIVE DATE.—The amendment made  
21 by this subsection shall apply to months after De-  
22 cember 31, 2014.

23 (b) USE OF A BIKE SHARE PROGRAM AS A QUALI-  
24 FIED TRANSPORTATION FRINGE.—

1           (1) IN GENERAL.—Section 132(f)(5)(F) is  
2 amended—

3           (A) in clause (i), by striking “repair, and  
4 storage, if such bicycle” and inserting “repair,  
5 and storage (or use of a bike sharing program,  
6 in the case of taxable years beginning before  
7 January 1, 2017), if such bicycle or bike shar-  
8 ing program”, and

9           (B) in clause (iii)(I), by inserting “or bike  
10 sharing program” after “bicycle”.

11           (2) EFFECTIVE DATE.—The amendments made  
12 by this subsection shall apply to months after De-  
13 cember 31, 2014.

14 **SEC. 104. EXTENSION OF MORTGAGE INSURANCE PRE-**  
15 **MIUMS TREATED AS QUALIFIED RESIDENCE**  
16 **INTEREST.**

17           (a) IN GENERAL.—Subclause (I) of section  
18 163(h)(3)(E)(iv) is amended by striking “December 31,  
19 2014” and inserting “December 31, 2016”.

20           (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to amounts paid or accrued after  
22 December 31, 2014.



1 **SEC. 105. EXTENSION OF DEDUCTION OF STATE AND LOCAL**  
2 **GENERAL SALES TAXES.**

3 (a) **IN GENERAL.**—Subparagraph (I) of section  
4 164(b)(5) is amended by striking “January 1, 2015” and  
5 inserting “January 1, 2017”.

6 (b) **EFFECTIVE DATE.**—The amendment made by  
7 this section shall apply to taxable years beginning after  
8 December 31, 2014.

9 **SEC. 106. EXTENSION OF SPECIAL RULE FOR CONTRIBU-**  
10 **TIONS OF CAPITAL GAIN REAL PROPERTY**  
11 **MADE FOR CONSERVATION PURPOSES.**

12 (a) **IN GENERAL.**—Clause (vi) of section  
13 170(b)(1)(E) is amended by striking “December 31,  
14 2014” and inserting “December 31, 2016”.

15 (b) **CONTRIBUTIONS BY CERTAIN CORPORATE FARM-**  
16 **ERS AND RANCHERS.**—Clause (iii) of section 170(b)(2)(B)  
17 is amended by striking “December 31, 2014” and insert-  
18 ing “December 31, 2016”.

19 (c) **EFFECTIVE DATE.**—The amendments made by  
20 this section shall apply to contributions made in taxable  
21 years beginning after December 31, 2014.

1 **SEC. 107. EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR**  
2 **QUALIFIED TUITION AND RELATED EX-**  
3 **PENSES.**

4 (a) **IN GENERAL.**—Subsection (e) of section 222 is  
5 amended by striking “December 31, 2014” and inserting  
6 “December 31, 2016”.

7 (b) **EFFECTIVE DATE.**—The amendment made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2014.

10 **SEC. 108. EXTENSION OF TAX-FREE DISTRIBUTIONS FROM**  
11 **INDIVIDUAL RETIREMENT PLANS FOR CHARI-**  
12 **TABLE PURPOSES.**

13 (a) **IN GENERAL.**—Subparagraph (F) of section  
14 408(d)(8) is amended by striking “December 31, 2014”  
15 and inserting “December 31, 2016”.

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

19 **Subtitle B—Business Tax**  
20 **Extenders**

21 **SEC. 111. EXTENSION AND MODIFICATION OF RESEARCH**  
22 **CREDIT.**

23 (a) **EXTENSION.**—

24 (1) **IN GENERAL.**—Paragraph (1) of section  
25 41(h) is amended by striking “December 31, 2014”  
26 and inserting “December 31, 2016”.

1           (2) EFFECTIVE DATE.—The amendment made  
2           by this subsection shall apply to amounts paid or in-  
3           curred after December 31, 2014.

4           (b) TREATMENT OF RESEARCH CREDIT FOR CER-  
5 TAIN STARTUP COMPANIES.—

6           (1) IN GENERAL.—Section 41 is amended by  
7           adding at the end the following new subsection:

8           “(i) TREATMENT OF CREDIT FOR QUALIFIED SMALL  
9 BUSINESSES.—

10           “(1) IN GENERAL.—At the election of a quali-  
11           fied small business for any taxable year, section  
12           3111(f) shall apply to the payroll tax credit portion  
13           of the credit otherwise determined under subsection  
14           (a) for the taxable year and such portion shall not  
15           be treated (other than for purposes of section 280C)  
16           as a credit determined under subsection (a).

17           “(2) PAYROLL TAX CREDIT PORTION.—For  
18           purposes of this subsection, the payroll tax credit  
19           portion of the credit determined under subsection  
20           (a) with respect to any qualified small business for  
21           any taxable year is the least of—

22           “(A) the amount specified in the election  
23           made under this subsection,

1           “(B) the credit determined under sub-  
2           section (a) for the taxable year (determined be-  
3           fore the application of this subsection), or

4           “(C) in the case of a qualified small busi-  
5           ness other than a partnership or S corporation,  
6           the amount of the business credit carryforward  
7           under section 39 carried from the taxable year  
8           (determined before the application of this sub-  
9           section to the taxable year).

10           “(3) QUALIFIED SMALL BUSINESS.—For pur-  
11           poses of this subsection—

12           “(A) IN GENERAL.—The term ‘qualified  
13           small business’ means, with respect to any tax-  
14           able year—

15           “(i) a corporation or partnership, if—

16           “(I) the gross receipts (as deter-  
17           mined under the rules of section  
18           448(c)(3), without regard to subpara-  
19           graph (A) thereof) of such entity for  
20           the taxable year is less than  
21           \$5,000,000, and

22           “(II) such entity did not have  
23           gross receipts (as so determined) for  
24           any taxable year preceding the 5-tax-

1           able-year period ending with such tax-  
2           able year, and

3           “(ii) any person (other than a cor-  
4           poration or partnership) who meets the re-  
5           quirements of subclauses (I) and (II) of  
6           clause (i), determined—

7                   “(I) by substituting ‘person’ for  
8                   ‘entity’ each place it appears, and

9                   “(II) by only taking into account  
10                  the aggregate gross receipts received  
11                  by such person in carrying on all  
12                  trades or businesses of such person.

13                  “(B) LIMITATION.—Such term shall not  
14                  include an organization which is exempt from  
15                  taxation under section 501.

16                  “(4) ELECTION.—

17                   “(A) IN GENERAL.—Any election under  
18                  this subsection for any taxable year—

19                           “(i) shall specify the amount of the  
20                           credit to which such election applies,

21                           “(ii) shall be made on or before the  
22                           due date (including extensions) of—

23                                   “(I) in the case of a qualified  
24                                   small business which is a partnership,

1 the return required to be filed under  
2 section 6031,

3 “(II) in the case of a qualified  
4 small business which is an S corpora-  
5 tion, the return required to be filed  
6 under section 6037, and

7 “(III) in the case of any other  
8 qualified small business, the return of  
9 tax for the taxable year, and

10 “(iii) may be revoked only with the  
11 consent of the Secretary.

12 “(B) LIMITATIONS.—

13 “(i) AMOUNT.—The amount specified  
14 in any election made under this subsection  
15 shall not exceed \$250,000.

16 “(ii) NUMBER OF TAXABLE YEARS.—  
17 A person may not make an election under  
18 this subsection if such person (or any other  
19 person treated as a single taxpayer with  
20 such person under paragraph (5)(A)) has  
21 made an election under this subsection for  
22 5 or more preceding taxable years.

23 “(C) SPECIAL RULE FOR PARTNERSHIPS  
24 AND S CORPORATIONS.—In the case of a quali-  
25 fied small business which is a partnership or S

1 corporation, the election made under this sub-  
2 section shall be made at the entity level.

3 “(5) AGGREGATION RULES.—

4 “(A) IN GENERAL.—Except as provided in  
5 subparagraph (B), all persons or entities treat-  
6 ed as a single taxpayer under subsection (f)(1)  
7 shall be treated as a single taxpayer for pur-  
8 poses of this subsection.

9 “(B) SPECIAL RULES.—For purposes of  
10 this subsection and section 3111(f)—

11 “(i) each of the persons treated as a  
12 single taxpayer under subparagraph (A)  
13 may separately make the election under  
14 paragraph (1) for any taxable year, and

15 “(ii) the \$250,000 amount under  
16 paragraph (4)(B)(i) shall be allocated  
17 among all persons treated as a single tax-  
18 payer under subparagraph (A) in the same  
19 manner as under subparagraph (A)(ii) or  
20 (B)(ii) of subsection (f)(1), whichever is  
21 applicable.

22 “(6) REGULATIONS.—The Secretary shall pre-  
23 scribe such regulations as may be necessary to carry  
24 out the purposes of this subsection, including—

1           “(A) regulations to prevent the avoidance  
2 of the purposes of the limitations and aggrega-  
3 tion rules under this subsection through the use  
4 of successor companies or other means,

5           “(B) regulations to minimize compliance  
6 and record-keeping burdens under this sub-  
7 section, and

8           “(C) regulations for recapturing the ben-  
9 efit of credits determined under section 3111(f)  
10 in cases where there is a subsequent adjustment  
11 to the payroll tax credit portion of the credit  
12 determined under subsection (a), including re-  
13 quiring amended income tax returns in the  
14 cases where there is such an adjustment.”.

15           (2) CREDIT ALLOWED AGAINST FICA TAXES.—

16           Section 3111 is amended by adding at the end the  
17 following new subsection:

18           “(f) CREDIT FOR RESEARCH EXPENDITURES OF  
19 QUALIFIED SMALL BUSINESSES.—

20           “(1) IN GENERAL.—In the case of a taxpayer  
21 who has made an election under section 41(i) for a  
22 taxable year, there shall be allowed as a credit  
23 against the tax imposed by subsection (a) for the  
24 first calendar quarter which begins after the date on  
25 which the taxpayer files the return specified in sec-



1 tion 41(i)(4)(A)(ii) an amount equal to the payroll  
2 tax credit portion determined under section 41(i)(2).

3 “(2) LIMITATION.—The credit allowed by para-  
4 graph (1) shall not exceed the tax imposed by sub-  
5 section (a) for any calendar quarter on the wages  
6 paid with respect to the employment of all individ-  
7 uals in the employ of the employer.

8 “(3) CARRYOVER OF UNUSED CREDIT.—If the  
9 amount of the credit under paragraph (1) exceeds  
10 the limitation of paragraph (2) for any calendar  
11 quarter, such excess shall be carried to the suc-  
12 ceeding calendar quarter and allowed as a credit  
13 under paragraph (1) for such quarter.

14 “(4) DEDUCTION ALLOWED FOR CREDITED  
15 AMOUNTS.—The credit allowed under paragraph (1)  
16 shall not be taken into account for purposes of de-  
17 termining the amount of any deduction allowed  
18 under chapter 1 for taxes imposed under subsection  
19 (a).”.

20 (3) EFFECTIVE DATE.—The amendments made  
21 by this subsection shall apply to credits determined  
22 for taxable years beginning after December 31,  
23 2014.

24 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
25 IMUM TAX.—

1 (1) IN GENERAL.—Subparagraph (B) of section  
2 38(c)(4) is amended—

3 (A) by redesignating clauses (ii), (iii), (iv),  
4 (v), (vi), (vii), (viii), and (ix) as clauses (iii),  
5 (iv), (v), (vi), (vii), (viii), (ix), and (x), respec-  
6 tively, and

7 (B) by inserting after clause (i) the fol-  
8 lowing new clause:

9 “(ii) the credit determined under sec-  
10 tion 41 with respect to an eligible small  
11 business (as defined in paragraph (5)(C),  
12 after application of rules similar to the  
13 rules of paragraph (5)(D)),”.

14 (2) EFFECTIVE DATE.—The amendments made  
15 by this subsection shall apply to credits determined  
16 for taxable years beginning after December 31,  
17 2014, and to carrybacks of such credits.

18 **SEC. 112. EXTENSION AND MODIFICATION OF TEMPORARY**  
19 **MINIMUM LOW-INCOME HOUSING TAX CRED-**  
20 **IT RATE FOR NON-FEDERALLY SUBSIDIZED**  
21 **BUILDINGS.**

22 (a) IN GENERAL.—Subparagraph (A) of section  
23 42(b)(2) is amended by striking “January 1, 2015” and  
24 inserting “January 1, 2017”.

1 (b) TEMPORARY MINIMUM CREDIT RATE FOR NON-  
 2 FEDERALLY SUBSIDIZED EXISTING BUILDINGS.—Sub-  
 3 section (b) of section 42 is amended by redesignating  
 4 paragraph (3) as paragraph (4) and by inserting after  
 5 paragraph (2) the following new paragraph:

6 “(3) TEMPORARY MINIMUM CREDIT RATE FOR  
 7 NON-FEDERALLY SUBSIDIZED EXISTING BUILD-  
 8 INGS.—In the case of any existing building—

9 “(A) which is placed in service by the tax-  
 10 payer after the date of the enactment of the  
 11 Tax Relief Extension Act of 2015 with respect  
 12 to housing credit dollar amount allocations  
 13 made before January 1, 2017, and

14 “(B) which is not federally subsidized for  
 15 the taxable year,  
 16 the applicable percentage shall not be less than 4  
 17 percent.”.

18 (c) EFFECTIVE DATE.—The amendments made by  
 19 this section shall take effect on January 1, 2015.

20 **SEC. 113. EXTENSION OF MILITARY HOUSING ALLOWANCE**  
 21 **EXCLUSION FOR DETERMINING WHETHER A**  
 22 **TENANT IN CERTAIN COUNTIES IS LOW-IN-**  
 23 **COME.**

24 (a) IN GENERAL.—Subsection (b) of section 3005 of  
 25 the Housing Assistance Tax Act of 2008 is amended by

1 striking “January 1, 2015” each place it appears and in-  
2 serting “January 1, 2017”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall take effect as if included in the enact-  
5 ment of section 3005 of the Housing Assistance Tax Act  
6 of 2008.

7 **SEC. 114. EXTENSION OF INDIAN EMPLOYMENT TAX CRED-**  
8 **IT.**

9 (a) IN GENERAL.—Subsection (f) of section 45A is  
10 amended by striking “December 31, 2014” and inserting  
11 “December 31, 2016”.

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 2014.

15 **SEC. 115. EXTENSION AND MODIFICATION OF NEW MAR-**  
16 **KETS TAX CREDIT.**

17 (a) IN GENERAL.—Paragraph (1) of section 45D(f)  
18 is amended by striking the period at the end of subpara-  
19 graph (G) and inserting “, and” and by adding at the end  
20 the following new subparagraph:

21 “(H) \$3,940,000,000 for 2015 and  
22 2016.”.

23 (b) CARRYOVER OF UNUSED LIMITATION.—Para-  
24 graph (3) of section 45D(f) is amended by striking  
25 “2019” and inserting “2021”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 December 31, 2014.

4 **SEC. 116. EXTENSION AND MODIFICATION OF RAILROAD**  
5 **TRACK MAINTENANCE CREDIT.**

6 (a) IN GENERAL.—Subsection (f) of section 45G is  
7 amended by striking “January 1, 2015” and inserting  
8 “January 1, 2017”.

9 (b) EXPENDITURES.—Subsection (d) of section 45G  
10 is amended by striking “January 1, 2005,” and inserting  
11 “January 1, 2015 (January 1, 2005, in the case of ex-  
12 penditures in taxable years beginning after December 31,  
13 2004, and before January 1, 2015)”.

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to expenditures paid or incurred  
16 in taxable years beginning after December 31, 2014.

17 **SEC. 117. EXTENSION OF MINE RESCUE TEAM TRAINING**  
18 **CREDIT.**

19 (a) IN GENERAL.—Subsection (e) of section 45N is  
20 amended by striking “December 31, 2014” and inserting  
21 “December 31, 2016”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2014.

1 **SEC. 118. EXTENSION AND MODIFICATION OF EMPLOYER**  
2 **WAGE CREDIT FOR EMPLOYEES WHO ARE AC-**  
3 **TIVE DUTY MEMBERS OF THE UNIFORMED**  
4 **SERVICES.**

5 (a) **IN GENERAL.**—Subsection (f) of section 45P is  
6 amended by striking “December 31, 2014” and inserting  
7 “December 31, 2016”.

8 (b) **APPLICABILITY TO ALL EMPLOYERS.**—

9 (1) **IN GENERAL.**—Subsection (a) of section  
10 45P is amended by striking “, in the case of an eli-  
11 gible small business employer”.

12 (2) **CONFORMING AMENDMENT.**—Paragraph (3)  
13 of section 45P(b) is amended to read as follows:

14 “(3) **CONTROLLED GROUPS.**—All persons treat-  
15 ed as a single employer under subsection (b), (c),  
16 (m), or (o) of section 414 shall be treated as a single  
17 employer.”.

18 (c) **EXPANSION TO 100 PERCENT OF ELIGIBLE DIF-**  
19 **FERENTIAL WAGE PAYMENTS.**—Subsection (a) of section  
20 45P is amended by striking “20 percent of the sum” and  
21 inserting “the sum”.

22 (d) **EFFECTIVE DATE.**—The amendments made by  
23 this section shall apply to payments made after December  
24 31, 2014.

1 **SEC. 119. EXTENSION AND MODIFICATION OF WORK OP-**  
 2 **PORTUNITY TAX CREDIT.**

3 (a) **IN GENERAL.**—Paragraph (4) of section 51(c) is  
 4 amended by striking “December 31, 2014” and inserting  
 5 “December 31, 2016”.

6 (b) **CREDIT FOR HIRING LONG-TERM UNEMPLOY-**  
 7 **MENT RECIPIENTS.**—

8 (1) **IN GENERAL.**—Paragraph (1) of section  
 9 51(d) is amended by striking “or” at the end of sub-  
 10 paragraph (H), by striking the period at the end of  
 11 subparagraph (I) and inserting “, or”, and by add-  
 12 ing at the end the following new subparagraph:

13 “(J) a qualified long-term unemployment  
 14 recipient.”.

15 (2) **QUALIFIED LONG-TERM UNEMPLOYMENT**  
 16 **RECIPIENT.**—Subsection (d) of section 51 is amend-  
 17 ed by adding at the end the following new para-  
 18 graph:

19 “(15) **QUALIFIED LONG-TERM UNEMPLOYMENT**  
 20 **RECIPIENT.**—The term ‘qualified long-term unem-  
 21 ployment recipient’ means any individual who is cer-  
 22 tified by the designated local agency as being in a  
 23 period of unemployment which—

24 “(A) is not less than 27 consecutive weeks,  
 25 and

1           “(B) includes a period in which the indi-  
2           vidual was receiving unemployment compensa-  
3           tion under State or Federal law.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to individuals who begin work for  
6 the employer after December 31, 2014.

7 **SEC. 120. EXTENSION AND MODIFICATION OF QUALIFIED**  
8 **ZONE ACADEMY BONDS.**

9           (a) EXTENSION.—Paragraph (1) of section 54E(c) is  
10 amended by striking “and 2014” and inserting “2014,  
11 2015, and 2016”.

12           (b) REDUCTION OF PRIVATE BUSINESS CONTRIBU-  
13 TION REQUIREMENT.—Subsection (b) of section 54E is  
14 amended by striking “10 percent” and inserting “5 per-  
15 cent”.

16           (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to obligations issued after Decem-  
18 ber 31, 2014.

19 **SEC. 121. EXTENSION OF CLASSIFICATION OF CERTAIN**  
20 **RACE HORSES AS 3-YEAR PROPERTY.**

21           (a) IN GENERAL.—Clause (i) of section 168(e)(3)(A)  
22 is amended—

23           (1) by striking “January 1, 2015” in subclause  
24           (I) and inserting “January 1, 2017”, and



1           (2) by striking “December 31, 2014” in sub-  
2           clause (II) and inserting “December 31, 2016”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to property placed in service after  
5 December 31, 2014.

6 **SEC. 122. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RE-**  
7                           **COVERY FOR QUALIFIED LEASEHOLD IM-**  
8                           **PROVEMENTS, QUALIFIED RESTAURANT**  
9                           **BUILDINGS AND IMPROVEMENTS, AND**  
10                          **QUALIFIED RETAIL IMPROVEMENTS.**

11          (a) IN GENERAL.—Clauses (iv), (v), and (ix) of sec-  
12 tion 168(e)(3)(E) are each amended by striking “January  
13 1, 2015” and inserting “January 1, 2017”.

14          (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to property placed in service after  
16 December 31, 2014.

17 **SEC. 123. EXTENSION OF 7-YEAR RECOVERY PERIOD FOR**  
18                           **MOTORSPORTS ENTERTAINMENT COM-**  
19                           **PLEXES.**

20          (a) IN GENERAL.—Subparagraph (D) of section  
21 168(i)(15) is amended by striking “December 31, 2014”  
22 and inserting “December 31, 2016”.

23          (b) EFFECTIVE DATE.—The amendment made by  
24 this section shall apply to property placed in service after  
25 December 31, 2014.

1 **SEC. 124. EXTENSION AND MODIFICATION OF ACCELER-**  
2 **ATED DEPRECIATION FOR BUSINESS PROP-**  
3 **ERTY ON AN INDIAN RESERVATION.**

4 (a) IN GENERAL.—Paragraph (8) of section 168(j)  
5 is amended by striking “December 31, 2014” and insert-  
6 ing “December 31, 2016”.

7 (b) ELECTION TO HAVE SPECIAL RULES NOT  
8 APPLY.—Subsection (j) of section 168 is amended by re-  
9 designating paragraph (8), as amended by subsection (a),  
10 as paragraph (9), and by inserting after paragraph (7)  
11 the following new paragraph:

12 “(8) ELECTION OUT.—If a taxpayer makes an  
13 election under this paragraph with respect to any  
14 class of property for any taxable year, this sub-  
15 section shall not apply to all property in such class  
16 placed in service during such taxable year. Such  
17 election, once made, shall be irrevocable.”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to property placed in service after  
20 December 31, 2014.

21 **SEC. 125. EXTENSION OF BONUS DEPRECIATION.**

22 (a) IN GENERAL.—Paragraph (2) of section 168(k)  
23 is amended—

24 (1) by striking “January 1, 2016” in subpara-  
25 graph (A)(iv) and inserting “January 1, 2018”, and

1           (2) by striking “January 1, 2015” each place  
2           it appears and inserting “January 1, 2017”.

3           (b) SPECIAL RULE FOR FEDERAL LONG-TERM CON-  
4 TRACTS.—Clause (ii) of section 460(c)(6)(B) is amended  
5 by striking “January 1, 2015 (January 1, 2016” and in-  
6 serting “January 1, 2017 (January 1, 2018”.

7           (c) EXTENSION OF ELECTION TO ACCELERATE THE  
8 AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—

9           (1) IN GENERAL.—Subclause (II) of section  
10          168(k)(4)(D)(iii) is amended by striking “January  
11          1, 2015” and inserting “January 1, 2017”.

12          (2) ROUND 5 EXTENSION PROPERTY.—Para-  
13          graph (4) of section 168(k) is amended by adding at  
14          the end the following new subparagraph:

15                 “(L) SPECIAL RULES FOR ROUND 5 EX-  
16                 TENSION PROPERTY.—

17                         “(i) IN GENERAL.—In the case of  
18                         round 5 extension property, in applying  
19                         this paragraph to any taxpayer—

20                                 “(I) the limitation described in  
21                                 subparagraph (B)(i) and the business  
22                                 credit increase amount under sub-  
23                                 paragraph (E)(iii) thereof shall not  
24                                 apply, and

1           “(II) the bonus depreciation  
2 amount, maximum amount, and maximum  
3 increase amount shall be computed  
4 separately from amounts computed  
5 with respect to eligible qualified  
6 property which is not round 5 extension  
7 property.

8           “(ii) ELECTION.—

9           “(I) A taxpayer who has an election  
10 in effect under this paragraph for  
11 round 4 extension property shall be  
12 treated as having an election in effect  
13 for round 5 extension property unless  
14 the taxpayer elects to not have this  
15 paragraph apply to round 5 extension  
16 property.

17           “(II) A taxpayer who does not  
18 have an election in effect under this  
19 paragraph for round 4 extension property  
20 may elect to have this paragraph  
21 apply to round 5 extension property.

22           “(iii) ROUND 5 EXTENSION PROPERTY.—For purposes of this subparagraph,  
23 the term ‘round 5 extension property’  
24 means property which is eligible  
25

1 qualified property solely by reason of the  
2 extension of the application of the special  
3 allowance under paragraph (1) pursuant to  
4 the amendments made by section 125(a) of  
5 the Tax Relief Extension Act of 2015 (and  
6 the application of such extension to this  
7 paragraph pursuant to the amendment  
8 made by section 125(c) of such Act).”.

9 (d) CONFORMING AMENDMENTS.—

10 (1) The heading for subsection (k) of section  
11 168 is amended by striking “JANUARY 1, 2015” and  
12 inserting “JANUARY 1, 2017”.

13 (2) The heading for clause (ii) of section  
14 168(k)(2)(B) is amended by striking “PRE-JANUARY  
15 1, 2015” and inserting “PRE-JANUARY 1, 2017”.

16 (3) Subparagraph (C) of section 168(n)(2) is  
17 amended by striking “January 1, 2015” and insert-  
18 ing “January 1, 2017”.

19 (4) Subparagraph (D) of section 1400L(b)(2) is  
20 amended by striking “January 1, 2015” and insert-  
21 ing “January 1, 2017”.

22 (5) Subparagraph (B) of section 1400N(d)(3)  
23 is amended by striking “January 1, 2015” and in-  
24 serting “January 1, 2017”.

1 (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 December 31, 2014, in taxable years ending after such  
4 date.

5 **SEC. 126. EXTENSION OF ENHANCED CHARITABLE DEDUC-**  
6 **TION FOR CONTRIBUTIONS OF FOOD INVEN-**  
7 **TORY.**

8 (a) IN GENERAL.—Clause (iv) of section  
9 170(e)(3)(C) is amended by striking “December 31,  
10 2014” and inserting “December 31, 2016”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to contributions made after De-  
13 cember 31, 2014.

14 **SEC. 127. EXTENSION AND MODIFICATION OF INCREASED**  
15 **EXPENSING LIMITATIONS AND TREATMENT**  
16 **OF CERTAIN REAL PROPERTY AS SECTION**  
17 **179 PROPERTY.**

18 (a) IN GENERAL.—

19 (1) DOLLAR LIMITATION.—Section 179(b)(1) is  
20 amended—

21 (A) by striking “2015” in subparagraph

22 (B) and inserting “2017”, and

23 (B) by striking “2014” in subparagraph

24 (C) and inserting “2016”.

1           (2) REDUCTION IN LIMITATION.—Section  
2       179(b)(2) is amended—

3           (A) by striking “2015” in subparagraph

4           (B) and inserting “2017”, and

5           (B) by striking “2014” in subparagraph

6           (C) and inserting “2016”.

7       (b)           COMPUTER           SOFTWARE.—Section

8       179(d)(1)(A)(ii) is amended by striking “2015” and in-

9       serting “2017”.

10       (c) ELECTION.—Section 179(c)(2) is amended by

11       striking “2015” and inserting “2017”.

12       (d) SPECIAL RULES FOR TREATMENT OF QUALIFIED

13       REAL PROPERTY.—

14           (1) IN GENERAL.—Section 179(f)(1) is amend-

15       ed by striking “2015” and inserting “2017”.

16           (2) CARRYOVER LIMITATION.—

17           (A) IN GENERAL.—Section 179(f)(4) is

18       amended by striking “2014” each place it ap-

19       pears and inserting “2016”.

20           (B) CONFORMING AMENDMENT.—The

21       heading of subparagraph (C) of section

22       179(f)(4) is amended by striking “AND 2013”

23       and inserting “2013, 2014, AND 2015”.

1 (e) ADJUSTMENT FOR INFLATION.—Subsection (b)  
2 of section 179 is amended by adding at the end the fol-  
3 lowing new paragraph:

4 “(6) INFLATION ADJUSTMENT.—

5 “(A) IN GENERAL.—In the case of any  
6 taxable year beginning after 2014, the  
7 \$500,000 amount in paragraph (1)(B) and the  
8 \$2,000,000 amount in paragraph (2)(B) shall  
9 each be increased by an amount equal to—

10 “(i) such dollar amount, multiplied by

11 “(ii) the cost-of-living adjustment de-  
12 termined under section 1(f)(3) for the cal-  
13 endar year in which the taxable year be-  
14 gins, by substituting ‘calendar year 2013’  
15 for ‘calendar year 1992’ in subparagraph  
16 (B) thereof.

17 “(B) ROUNDING.—

18 “(i) DOLLAR LIMITATION.—If the  
19 amount in paragraph (1)(B) as increased  
20 under subparagraph (A) is not a multiple  
21 of \$1,000, such amount shall be rounded  
22 to the nearest multiple of \$1,000.

23 “(ii) PHASEOUT AMOUNT.—If the  
24 amount in paragraph (2)(B) as increased  
25 under subparagraph (A) is not a multiple



1                   of \$10,000, such amount shall be rounded  
2                   to the nearest multiple of \$10,000.”.

3           (f) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2014.

6 **SEC. 128. EXTENSION OF ELECTION TO EXPENSE MINE**  
7                   **SAFETY EQUIPMENT.**

8           (a) IN GENERAL.—Subsection (g) of section 179E is  
9 amended by striking “December 31, 2014” and inserting  
10 “December 31, 2016”.

11          (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to property placed in service after  
13 December 31, 2014.

14 **SEC. 129. EXTENSION OF SPECIAL EXPENSING RULES FOR**  
15                   **CERTAIN FILM AND TELEVISION PRODUC-**  
16                   **TIONS; SPECIAL EXPENSING FOR LIVE THE-**  
17                   **ATRICAL PRODUCTIONS.**

18          (a) IN GENERAL.—Subsection (f) of section 181 is  
19 amended by striking “December 31, 2014” and inserting  
20 “December 31, 2016”.

21          (b) APPLICATION TO LIVE PRODUCTIONS.—

22               (1) IN GENERAL.—Paragraph (1) of section  
23 181(a) is amended by inserting “, and any qualified  
24 live theatrical production,” after “any qualified film  
25 or television production”.

1           (2) CONFORMING AMENDMENTS.—Section 181  
2 is amended—

3           (A) by inserting “or any qualified live the-  
4           atrical production” after “qualified film or tele-  
5           vision production” each place it appears in sub-  
6           sections (a)(2), (b), and (c)(1),

7           (B) by inserting “or qualified live theat-  
8           rical productions” after “qualified film or tele-  
9           vision productions” in subsection (f), and

10           (C) by inserting “**AND LIVE THEAT-**  
11           **RICAL**” after “**FILM AND TELEVISION**” in  
12           the heading.

13           (3) CLERICAL AMENDMENT.—The item relating  
14           to section 181 in the table of sections for part VI  
15           of subchapter B of chapter 1 is amended to read as  
16           follows:

“Sec. 181. Treatment of certain qualified film and television and live theatrical  
productions.”.

17           (c) QUALIFIED LIVE THEATRICAL PRODUCTION.—  
18 Section 181 is amended—

19           (1) by redesignating subsections (e) and (f), as  
20           amended by subsections (a) and (b), as subsections  
21           (f) and (g), respectively, and

22           (2) by inserting after subsection (d) the fol-  
23           lowing new subsection:

1       “(e) QUALIFIED LIVE THEATRICAL PRODUCTION.—

2 For purposes of this section—

3           “(1) IN GENERAL.—The term ‘qualified live  
4 theatrical production’ means any production de-  
5 scribed in paragraph (2) if 75 percent of the total  
6 compensation of the production is qualified com-  
7 pensation (as defined in subsection (d)(3)).

8           “(2) PRODUCTION.—

9           “(A) IN GENERAL.—A production is de-  
10 scribed in this paragraph if such production is  
11 a live staged production of a play (with or with-  
12 out music) which is derived from a written book  
13 or script and is produced or presented by a tax-  
14 able entity in any venue which has an audience  
15 capacity of not more than 3,000 or a series of  
16 venues the majority of which have an audience  
17 capacity of not more than 3,000.

18           “(B) TOURING COMPANIES, ETC.—In the  
19 case of multiple live staged productions—

20           “(i) for which the election under this  
21 section would be allowable to the same tax-  
22 payer, and

23           “(ii) which are—

24           “(I) separate phases of a produc-  
25 tion, or

1                   “(II) separate simultaneous stag-  
2                   ings of the same production in dif-  
3                   ferent geographical locations (not in-  
4                   cluding multiple performance locations  
5                   of any one touring production),

6                   each such live staged production shall be treat-  
7                   ed as a separate production.

8                   “(C) PHASE.—For purposes of subpara-  
9                   graph (B), the term ‘phase’ with respect to any  
10                  qualified live theatrical production refers to  
11                  each of the following, but only if each of the fol-  
12                  lowing is treated by the taxpayer as a separate  
13                  activity for all purposes of this title:

14                  “(i) The initial staging of a live theat-  
15                  rical production.

16                  “(ii) Subsequent additional stagings  
17                  or touring of such production which are  
18                  produced by the same producer as the ini-  
19                  tial staging.

20                  “(D) SEASONAL PRODUCTIONS.—

21                  “(i) IN GENERAL.—In the case of a  
22                  live staged production not described in  
23                  subparagraph (B) which is produced or  
24                  presented by a taxable entity for not more  
25                  than 10 weeks of the taxable year, sub-

1 paragraph (A) shall be applied by sub-  
2 stituting ‘6,500’ for ‘3,000’.

3 “(ii) SHORT TAXABLE YEARS.—For  
4 purposes of clause (i), in the case of any  
5 taxable year of less than 12 months, the  
6 number of weeks for which a production is  
7 produced or presented shall be annualized  
8 by multiplying the number of weeks the  
9 production is produced or presented during  
10 such taxable year by 12 and dividing the  
11 result by the number of months in such  
12 taxable year.

13 “(E) EXCEPTION.—A production is not de-  
14 scribed in this paragraph if such production in-  
15 cludes or consists of any performance of con-  
16 duct described in section 2257(h)(1) of title 18,  
17 United States Code.”.

18 (d) EFFECTIVE DATES.—

19 (1) IN GENERAL.—The amendments made by  
20 this section shall apply to productions commencing  
21 after December 31, 2014.

22 (2) COMMENCEMENT.—For purposes of para-  
23 graph (1), the date on which a qualified live theat-  
24 rical production commences is the date of the first

1 public performance of such production for a paying  
2 audience.

3 **SEC. 130. EXTENSION OF DEDUCTION ALLOWABLE WITH**  
4 **RESPECT TO INCOME ATTRIBUTABLE TO DO-**  
5 **MESTIC PRODUCTION ACTIVITIES IN PUERTO**  
6 **RICO.**

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

9 (1) by striking “first 9 taxable years” and in-  
10 sserting “first 11 taxable years”, and

11 (2) by striking “January 1, 2015” and insert-  
12 ing “January 1, 2017”.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2014.

16 **SEC. 131. EXTENSION OF MODIFICATION OF TAX TREAT-**  
17 **MENT OF CERTAIN PAYMENTS TO CONTROL-**  
18 **LING EXEMPT ORGANIZATIONS.**

19 (a) IN GENERAL.—Clause (iv) of section  
20 512(b)(13)(E) is amended by striking “December 31,  
21 2014” and inserting “December 31, 2016”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to payments received or accrued  
24 after December 31, 2014.

1 **SEC. 132. EXTENSION OF TREATMENT OF CERTAIN DIVI-**  
2 **DENDS OF REGULATED INVESTMENT COMPA-**  
3 **NIES.**

4 (a) IN GENERAL.—Paragraphs (1)(C)(v) and  
5 (2)(C)(v) of section 871(k) are each amended by striking  
6 “December 31, 2014” and inserting “December 31,  
7 2016”.

8 (b) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2014.

11 **SEC. 133. EXTENSION OF RIC QUALIFIED INVESTMENT EN-**  
12 **TITY TREATMENT UNDER FIRPTA.**

13 (a) IN GENERAL.—Clause (ii) of section  
14 897(h)(4)(A) is amended by striking “December 31,  
15 2014” and inserting “December 31, 2016”.

16 (b) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendment made by  
18 this section shall take effect on January 1, 2015.  
19 Notwithstanding the preceding sentence, such  
20 amendment shall not apply with respect to the with-  
21 holding requirement under section 1445 of the Inter-  
22 nal Revenue Code of 1986 for any payment made  
23 before the date of the enactment of this Act.

24 (2) AMOUNTS WITHHELD ON OR BEFORE DATE  
25 OF ENACTMENT.—In the case of a regulated invest-  
26 ment company—

1 (A) which makes a distribution after De-  
2 cember 31, 2014, and before the date of the en-  
3 actment of this Act, and

4 (B) which would (but for the second sen-  
5 tence of paragraph (1)) have been required to  
6 withhold with respect to such distribution under  
7 section 1445 of such Code,  
8 such investment company shall not be liable to any  
9 person to whom such distribution was made for any  
10 amount so withheld and paid over to the Secretary  
11 of the Treasury.

12 **SEC. 134. EXTENSION OF SUBPART F EXCEPTION FOR AC-**  
13 **TIVE FINANCING INCOME.**

14 (a) EXEMPT INSURANCE INCOME.—Paragraph (10)  
15 of section 953(e) is amended—

16 (1) by striking “January 1, 2015” and insert-  
17 ing “January 1, 2017”, and

18 (2) by striking “December 31, 2014” and in-  
19 serting “December 31, 2016”.

20 (b) SPECIAL RULE FOR INCOME DERIVED IN THE  
21 ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR  
22 BUSINESSES.—Paragraph (9) of section 954(h) is amend-  
23 ed by striking “January 1, 2015” and inserting “January  
24 1, 2017”.



1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years of foreign corpora-  
3 tions beginning after December 31, 2014, and to taxable  
4 years of United States shareholders with or within which  
5 any such taxable year of such foreign corporation ends.

6 **SEC. 135. EXTENSION OF LOOK-THRU TREATMENT OF PAY-**  
7 **MENTS BETWEEN RELATED CONTROLLED**  
8 **FOREIGN CORPORATIONS UNDER FOREIGN**  
9 **PERSONAL HOLDING COMPANY RULES.**

10 (a) IN GENERAL.—Subparagraph (C) of section  
11 954(c)(6) is amended by striking “January 1, 2015” and  
12 inserting “January 1, 2017”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to taxable years of foreign corpora-  
15 tions beginning after December 31, 2014, and to taxable  
16 years of United States shareholders with or within which  
17 such taxable years of foreign corporations end.

18 **SEC. 136. EXTENSION OF TEMPORARY EXCLUSION OF 100**  
19 **PERCENT OF GAIN ON CERTAIN SMALL BUSI-**  
20 **NESS STOCK.**

21 (a) IN GENERAL.—Paragraph (4) of section 1202(a)  
22 is amended—

23 (1) by striking “January 1, 2015” and insert-  
24 ing “January 1, 2017”, and

1           (2) by striking “AND 2014” in the heading and  
2           inserting “2014, 2015, AND 2016”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to stock acquired after December  
5 31, 2014.

6 **SEC. 137. EXTENSION OF BASIS ADJUSTMENT TO STOCK OF**  
7                                   **S CORPORATIONS MAKING CHARITABLE CON-**  
8                                   **TRIBUTIONS OF PROPERTY.**

9           (a) IN GENERAL.—Paragraph (2) of section 1367(a)  
10 is amended by striking “December 31, 2014” and insert-  
11 ing “December 31, 2016”.

12           (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to contributions made in taxable  
14 years beginning after December 31, 2014.

15 **SEC. 138. EXTENSION OF REDUCTION IN S-CORPORATION**  
16                                   **RECOGNITION PERIOD FOR BUILT-IN GAINS**  
17                                   **TAX.**

18           (a) IN GENERAL.—Subparagraph (C) of section  
19 1374(d)(7) is amended—

20                   (1) by striking “or 2014” and inserting “2014,  
21                   2015, or 2016”, and

22                   (2) by striking “AND 2014” in the heading and  
23                   inserting “2014, 2015, AND 2016”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2014.

4 **SEC. 139. EXTENSION AND MODIFICATION OF EMPOWER-**  
5 **MENT ZONE TAX INCENTIVES.**

6 (a) IN GENERAL.—

7 (1) EXTENSION.—Clause (i) of section  
8 1391(d)(1)(A) is amended by striking “December  
9 31, 2014” and inserting “December 31, 2016”.

10 (2) TREATMENT OF CERTAIN TERMINATION  
11 DATES SPECIFIED IN NOMINATIONS.—In the case of  
12 a designation of an empowerment zone the nomina-  
13 tion for which included a termination date which is  
14 contemporaneous with the date specified in subpara-  
15 graph (A)(i) of section 1391(d)(1) of the Internal  
16 Revenue Code of 1986 (as in effect before the enact-  
17 ment of this Act), subparagraph (B) of such section  
18 shall not apply with respect to such designation if,  
19 after the date of the enactment of this section, the  
20 entity which made such nomination amends the  
21 nomination to provide for a new termination date in  
22 such manner as the Secretary of the Treasury (or  
23 the Secretary’s designee) may provide.

1           (3) EFFECTIVE DATE.—The amendment made  
2           by this subsection shall apply to periods after De-  
3           cember 31, 2014.

4           (b) MODIFICATION.—Clause (i) of section  
5 1394(b)(3)(B) is amended—

6           (1) by striking “References” and inserting the  
7           following:

8                           “(I) IN GENERAL.—Except as  
9                           provided in subclause (II), ref-  
10                          erences”, and

11           (2) by adding at the end the following new sub-  
12           clause:

13                           “(II) SPECIAL RULE FOR EM-  
14                          PLOYEE RESIDENCE TEST.—For pur-  
15                          poses of subsection (b)(6) and (c)(5)  
16                          of section 1397C, an employee shall  
17                          be treated as a resident of an em-  
18                          powerment zone if such employee is a  
19                          resident of an empowerment zone, an  
20                          enterprise community, or a qualified  
21                          low-income community within an ap-  
22                          plicable nominating jurisdiction.”.

23           (c) DEFINITIONS.—

24           (1) QUALIFIED LOW-INCOME COMMUNITY.—  
25           Paragraph (3) of section 1394(b) is amended by re-

1 designating subparagraphs (C) and (D) as subpara-  
2 graphs (D) and (E), respectively, and by inserting  
3 after subparagraph (B) the following new subpara-  
4 graph:

5 “(C) QUALIFIED LOW-INCOME COMMU-  
6 NITY.—For purposes of subparagraph (B)—

7 “(i) IN GENERAL.—The term ‘quali-  
8 fied low-income community’ means any  
9 population census tract if—

10 “(I) the poverty rate for such  
11 tract is at least 20 percent, or

12 “(II) the median family income  
13 for such tract does not exceed 80 per-  
14 cent of statewide median family in-  
15 come (or, in the case of a tract lo-  
16 cated within a metropolitan area, met-  
17 ropolitan area median family income  
18 if greater).

19 Subclause (II) shall be applied using  
20 possessionwide median family income in  
21 the case of census tracts located within a  
22 possession of the United States.

23 “(ii) TARGETED POPULATIONS.—The  
24 Secretary shall prescribe regulations under  
25 which 1 or more targeted populations

1 (within the meaning of section 103(20) of  
2 the Riegle Community Development and  
3 Regulatory Improvement Act of 1994) may  
4 be treated as qualified low-income commu-  
5 nities.

6 “(iii) AREAS NOT WITHIN CENSUS  
7 TRACTS.—In the case of an area which is  
8 not tracted for population census tracts,  
9 the equivalent county divisions (as defined  
10 by the Bureau of the Census for purposes  
11 of defining poverty areas) shall be used for  
12 purposes of determining poverty rates and  
13 median family income.

14 “(iv) MODIFICATION OF INCOME RE-  
15 QUIREMENT FOR CENSUS TRACTS WITHIN  
16 HIGH MIGRATION RURAL COUNTIES.—

17 “(I) IN GENERAL.—In the case  
18 of a population census tract located  
19 within a high migration rural county,  
20 clause (i)(II) shall be applied to areas  
21 not located within a metropolitan area  
22 by substituting ‘85 percent’ for ‘80  
23 percent’.

24 “(II) HIGH MIGRATION RURAL  
25 COUNTY.—For purposes of this

1 clause, the term ‘high migration rural  
 2 county’ means any county which, dur-  
 3 ing the 20-year period ending with the  
 4 year in which the most recent census  
 5 was conducted, has a net out-migra-  
 6 tion of inhabitants from the county of  
 7 at least 10 percent of the population  
 8 of the county at the beginning of such  
 9 period.”.

10 (2) APPLICABLE NOMINATING JURISDICTION.—

11 Subparagraph (D) of section 1394(b)(3), as redesign-  
 12 ated by paragraph (1), is amended by adding at  
 13 the end the following new clause:

14 “(iii) APPLICABLE NOMINATING JU-  
 15 RISDICTION.—The term ‘applicable nomi-  
 16 nating jurisdiction’ means, with respect to  
 17 any empowerment zone or enterprise com-  
 18 munity, any local government that nomi-  
 19 nated such community for designation  
 20 under section 1391.”.

21 (d) CONFORMING AMENDMENTS.—

22 (1) Clause (iii) of section 1394(b)(3)(B) is  
 23 amended by striking “or an enterprise community”  
 24 and inserting “, an enterprise community, or a

1 qualified low-income community within an applicable  
2 nominating jurisdiction”.

3 (2) Subparagraph (D) of section 1394(b)(3), as  
4 redesignated by subsection (c)(1), is amended by  
5 striking “DEFINITIONS” and inserting “OTHER  
6 DEFINITIONS”.

7 (e) EFFECTIVE DATE.—The amendments made by  
8 subsections (b), (c), and (d) shall apply to bonds issued  
9 before, on, or after the date of the enactment of this Act  
10 and not redeemed before the date of the enactment of this  
11 Act.

12 **SEC. 140. EXTENSION OF TEMPORARY INCREASE IN LIMIT**  
13 **ON COVER OVER OF RUM EXCISE TAXES TO**  
14 **PUERTO RICO AND THE VIRGIN ISLANDS.**

15 (a) IN GENERAL.—Paragraph (1) of section 7652(f)  
16 is amended by striking “January 1, 2015” and inserting  
17 “January 1, 2017”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall apply to distilled spirits brought into the  
20 United States after December 31, 2014.

21 **SEC. 141. EXTENSION OF AMERICAN SAMOA ECONOMIC DE-**  
22 **VELOPMENT CREDIT.**

23 (a) IN GENERAL.—Subsection (d) of section 119 of  
24 division A of the Tax Relief and Health Care Act of 2006  
25 is amended—



1           (1) by striking “January 1, 2015” each place  
2 it appears and inserting “January 1, 2017”,

3           (2) by striking “first 9 taxable years” in para-  
4 graph (1) and inserting “first 11 taxable years”,  
5 and

6           (3) by striking “first 3 taxable years” in para-  
7 graph (2) and inserting “first 5 taxable years”.

8           (b) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2014.

## 11   **Subtitle C—Energy Tax Extenders**

### 12   **SEC. 151. EXTENSION AND MODIFICATION OF CREDIT FOR** 13                           **NONBUSINESS ENERGY PROPERTY.**

14           (a) IN GENERAL.—Paragraph (2) of section 25C(g)  
15 is amended by striking “December 31, 2014” and insert-  
16 ing “December 31, 2016”.

17           (b) UPDATED ENERGY STAR REQUIREMENTS FOR  
18 WINDOWS, DOORS, SKYLIGHTS, AND ROOFING.—

19           (1) IN GENERAL.—Paragraph (1) of section  
20 25C(e) is amended by striking “which meets” and  
21 all that follows through “requirements”).

22           (2) ENERGY EFFICIENT BUILDING ENVELOPE  
23 COMPONENT.—Subsection (c) of section 25C is  
24 amended by redesignating paragraphs (2) and (3) as  
25 paragraphs (3) and (4), respectively, and by insert-

1 ing after paragraph (1) the following new para-  
2 graph:

3 “(2) ENERGY EFFICIENT BUILDING ENVELOPE  
4 COMPONENT.—The term ‘energy efficient building  
5 envelope component’ means a building envelope com-  
6 ponent which meets—

7 “(A) applicable Energy Star program re-  
8 quirements, in the case of a roof or roof prod-  
9 ucts,

10 “(B) version 6.0 Energy Star program re-  
11 quirements, in the case of an exterior window,  
12 a skylight, or an exterior door, and

13 “(C) the prescriptive criteria for such com-  
14 ponent established by the 2009 International  
15 Energy Conservation Code, as such Code (in-  
16 cluding supplements) is in effect on the date of  
17 the enactment of the American Recovery and  
18 Reinvestment Tax Act of 2009, in the case of  
19 any other component.”.

20 (3) CONFORMING AMENDMENT.—Subparagraph  
21 (D) of section 25C(c)(3), as so redesignated, is  
22 amended to read as follows:

23 “(D) any roof or roof products which are  
24 installed on a dwelling unit and are specifically

1 and primarily designed to reduce the heat gain  
2 of such dwelling unit.”.

3 (c) SEPARATE STANDARDS FOR TANKLESS AND  
4 STORAGE WATER HEATERS.—

5 (1) IN GENERAL.—Subparagraph (D) of section  
6 25C(d)(3) is amended by striking “which has either”  
7 and all that follows and inserting “which has ei-  
8 ther—

9 “(i) in the case of a storage water  
10 heater, an energy factor of at least 0.80 or  
11 a thermal efficiency of at least 90 percent,  
12 and

13 “(ii) in the case of any other water  
14 heater, an energy factor of at least 0.90 or  
15 a thermal efficiency of at least 90 percent,  
16 and”.

17 (2) STORAGE WATER HEATERS.—Paragraph (3)  
18 of section 25C(d) is amended by adding at the end  
19 the following flush sentence:

20 “For purposes of subparagraph (D)(i), the term  
21 ‘storage water heater’ means a water heater that has  
22 a water storage capacity of more than 20 gallons but  
23 not more than 55 gallons.”.

24 (d) MODIFICATION OF TESTING STANDARDS FOR  
25 BIOMASS STOVES.—Subparagraph (E) of section

1 25C(d)(3) is amended by inserting before the period the  
2 following: “, when tested using the higher heating value  
3 of the fuel and in accordance with the Canadian Standards  
4 Administration B415.1 test protocol”.

5 (e) SEPARATE STANDARD FOR OIL HOT WATER  
6 BOILERS.—Paragraph (4) of section 25C(d) is amended  
7 by striking “95” and inserting “95 (90 in the case of an  
8 oil hot water boiler)”.

9 (f) INSTALLATION COSTS FOR QUALIFIED ENERGY  
10 EFFICIENCY IMPROVEMENTS.—Paragraph (1) of sub-  
11 section (c) of section 25C is amended by adding at the  
12 end the following flush sentence:

13 “Such term includes expenditures for labor costs  
14 properly allocable to the onsite preparation, assem-  
15 bly, or original installation of the component.”.

16 (g) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to property placed in service after  
18 December 31, 2014.

19 **SEC. 152. EXTENSION OF CREDIT FOR NEW QUALIFIED**  
20 **FUEL CELL MOTOR VEHICLES.**

21 (a) IN GENERAL.—Paragraph (1) of section 30B(k)  
22 is amended by striking “December 31, 2014” and insert-  
23 ing “December 31, 2016”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall apply to property purchased after De-  
 3 cember 31, 2014.

4 **SEC. 153. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL**  
 5 **VEHICLE REFUELING PROPERTY.**

6 (a) IN GENERAL.—Subsection (g) of section 30C is  
 7 amended by striking “December 31, 2014” and inserting  
 8 “December 31, 2016”.

9 (b) EFFECTIVE DATE.—The amendment made by  
 10 this section shall apply to property placed in service after  
 11 December 31, 2014.

12 **SEC. 154. EXTENSION OF SECOND GENERATION BIOFUEL**  
 13 **PRODUCER CREDIT.**

14 (a) IN GENERAL.—Clause (i) of section 40(b)(6)(J)  
 15 is amended by striking “January 1, 2015” and inserting  
 16 “January 1, 2017”.

17 (b) EFFECTIVE DATE.—The amendment made by  
 18 this subsection shall apply to qualified second generation  
 19 biofuel production after December 31, 2014.

20 **SEC. 155. EXTENSION AND REFORM OF BIODIESEL TAX IN-**  
 21 **CENTIVES.**

22 (a) INCOME TAX CREDIT.—

23 (1) EXTENSION.—

24 (A) CREDITS FOR BIODIESEL AND RENEW-  
 25 ABLE DIESEL USED AS FUEL.—Subsection (g)

1 of section 40A is amended by striking “Decem-  
2 ber 31, 2014” and inserting “December 31,  
3 2016”.

4 (B) EFFECTIVE DATE.—The amendment  
5 made by this paragraph shall apply to fuel sold  
6 or used after December 31, 2014.

7 (2) REFORM OF INCOME TAX CREDIT.—

8 (A) IN GENERAL.—So much of section  
9 40A as precedes subsection (c) is amended to  
10 read as follows:

11 **“SEC. 40A. BIODIESEL FUELS CREDIT.**

12 “(a) IN GENERAL.—For purposes of section 38, in  
13 the case of an eligible taxpayer, the biodiesel fuels credit  
14 determined under this section for the taxable year is \$1.00  
15 for each gallon of biodiesel produced by the taxpayer which  
16 during the taxable year—

17 “(1) is sold by the producer of such biodiesel to  
18 another person—

19 “(A) for use by such other person’s trade  
20 or business as a fuel or in the production of a  
21 biodiesel mixture (other than casual off-farm  
22 production), or

23 “(B) who sells such biodiesel at retail to  
24 another person and places such biodiesel in the  
25 fuel tank of such other person, or

1           “(2) is used by such producer for any purpose  
2 described in paragraph (1).

3           “(b) INCREASED CREDIT FOR SMALL PRODUCERS.—

4           “(1) IN GENERAL.—In the case of any eligible  
5 small biodiesel producer, subsection (a) shall be ap-  
6 plied by increasing the dollar amount contained  
7 therein by 10 cents.

8           “(2) LIMITATION.—Paragraph (1) shall only  
9 apply with respect to the first 15,000,000 gallons of  
10 biodiesel produced by any eligible small biodiesel  
11 producer during any taxable year.”.

12           (B) DEFINITIONS AND SPECIAL RULES.—

13           Section 40A(d) is amended by striking all that  
14 follows paragraph (1) and inserting the fol-  
15 lowing

16           “(2) ELIGIBLE TAXPAYER.—

17           “(A) IN GENERAL.—The term ‘eligible tax-  
18 payer’ means, with respect to any gallon of bio-  
19 diesel, the producer of such gallon if such pro-  
20 ducer has paid the tax imposed by section 4081  
21 on such biodiesel.

22           “(B) SPECIAL RULE FOR ELIGIBLE DIS-  
23 CRETIONARY BLENDERS.—For purposes of this  
24 section (other than subsection (b)), an eligible  
25 discretionary blender shall be treated as the

1 producer of any gallon of biodiesel which is  
2 used to make a qualified biodiesel mixture if—

3 “(i) the producer of such biodiesel  
4 (determined without regard to this sub-  
5 paragraph)—

6 “(I) did not pay the tax imposed  
7 under section 4081 with respect to  
8 such gallon, and

9 “(II) assigns the credit allowed  
10 under this section to the eligible dis-  
11 cretionary blender in such form and  
12 manner as provided by the Secretary,  
13 and

14 “(ii) such eligible discretionary blend-  
15 er pays the tax imposed under section  
16 4081 with respect to such gallon.

17 For purposes of the preceding sentence, an eli-  
18 gible discretionary blender shall be treated as  
19 producing a gallon of biodiesel in the taxable  
20 year in which the sale or use of the qualified  
21 biodiesel mixture occurs.

22 “(C) ELIGIBLE DISCRETIONARY BLEND-  
23 ER.—For purposes of subparagraph (B), the  
24 term ‘eligible discretionary blender’ means any  
25 person who—



1                   “(i) is registered under section 4101  
2                   as a blender of qualified biodiesel mixtures,  
3                   and

4                   “(ii) has used 10,000,000 or more  
5                   gallons of biodiesel in the production of  
6                   qualified biodiesel mixtures in the pre-  
7                   ceding taxable year.

8                   “(3) BIODIESEL MIXTURE; QUALIFIED BIO-  
9                   DIESEL MIXTURE.—

10                   “(A) BIODIESEL MIXTURE.—The term  
11                   ‘biodiesel mixture’ means a mixture consists of  
12                   biodiesel and diesel fuel (as defined in section  
13                   4083(a)(3)), determined without regard to any  
14                   use of kerosene.

15                   “(B) QUALIFIED BIODIESEL MIXTURE.—

16                   “(i) IN GENERAL.—The term ‘quali-  
17                   fied biodiesel mixture’ means a biodiesel  
18                   mixture which is produced by an eligible  
19                   discretionary blender and—

20                   “(I) sold by such eligible discre-  
21                   tionary blender to any person for use  
22                   as a fuel, or

23                   “(II) used by such eligible discre-  
24                   tionary blender as a fuel.

1                   “(ii) SALE OR USE MUST BE IN  
2                   TRADE OR BUSINESS, ETC.—A biodiesel  
3                   mixture shall not be treated as a qualified  
4                   biodiesel mixture unless the sale or use de-  
5                   scribed in clause (i) is in a trade or busi-  
6                   ness of the eligible discretionary blender.

7                   “(4) BIODIESEL NOT USED FOR A QUALIFIED  
8                   PURPOSE.—If—

9                   “(A) any credit was determined with re-  
10                  spect to any biodiesel under this section, and

11                  “(B) any person uses such biodiesel for a  
12                  purpose not described in subsection (a),

13                  then there is hereby imposed on such person a tax  
14                  equal to the product of the rate applicable under  
15                  subsection (a) and the number of gallons of such  
16                  biodiesel.

17                  “(5) PASS-THRU IN THE CASE OF ESTATES AND  
18                  TRUSTS.—Under regulations prescribed by the Sec-  
19                  retary, rules similar to the rules of subsection (d) of  
20                  section 52 shall apply.

21                  “(6) LIMITATION TO BIODIESEL WITH CONNEC-  
22                  TION TO THE UNITED STATES.—No credit shall be  
23                  determined under subsection (a) with respect to bio-  
24                  diesel unless such biodiesel is produced in the United  
25                  States. For purposes of this paragraph, the term

1 ‘United States’ includes any possession of the  
2 United States.”.

3 (C) RULES FOR SMALL BIODIESEL PRO-  
4 DUCERS.—

5 (i) IN GENERAL.—Section 40A(e) is  
6 amended—

7 (I) by striking “agri-biodiesel”  
8 each place it appears in paragraphs  
9 (1) and (5)(A) and inserting “bio-  
10 diesel”,

11 (II) by striking “subsection  
12 (b)(4)(C)” each place it appears in  
13 paragraphs (2) and (3) and inserting  
14 “subsection (b)(2)”, and

15 (III) by striking “subsection  
16 (a)(3)” each place it appears in para-  
17 graphs (5)(A), (6)(A)(i), and (6)(B)(i)  
18 and inserting “subsection (b)”.

19 (ii) The heading for subsection (e) of  
20 section 40A is amended by striking “AGRI-  
21 BIODIESEL” and inserting “BIODIESEL”.

22 (iii) The headings for paragraphs (1)  
23 and (6) of section 40A(e) are each amend-  
24 ed by striking “AGRI-BIODIESEL” and in-  
25 serting “BIODIESEL”.

1 (D) CONFORMING AMENDMENTS RELATED  
2 TO RENEWABLE DIESEL.—Section 40A(f) is  
3 amended—

4 (i) by striking “Subsection (b)(4)”  
5 and inserting “Subsection (b)”, and

6 (ii) by striking paragraph (4) and in-  
7 serting the following:

8 “(4) CERTAIN AVIATION FUEL.—Except as pro-  
9 vided in the last 3 sentences of paragraph (2), the  
10 term ‘renewable diesel’ shall include fuel derived  
11 from biomass which meets the requirements of a De-  
12 partment of Defense specification for military jet  
13 fuel or an American Society of Testing and Mate-  
14 rials specification for aviation turbine fuel.”.

15 (E) REGISTRATION OF ELIGIBLE DISCRE-  
16 TIONARY BLENDERS.—Section 4101(a)(1) is  
17 amended—

18 (i) by striking “and” before “every  
19 person producing second generation  
20 biofuel”, and

21 (ii) by inserting “, and every person  
22 producing qualified biodiesel mixtures (as  
23 defined in section 40A(d)(3))” after “sec-  
24 tion 40(b)(6)(E)) in excess of 10,000,000  
25 gallons per year”.

1 (F) CLERICAL AMENDMENT.—The table of  
2 sections for subpart D of part IV of subchapter  
3 A of chapter 1 is amended by striking the item  
4 relating to section 40A and inserting the fol-  
5 lowing new item:

“Sec. 40A. Biodiesel fuels credit.”.

6 (G) EFFECTIVE DATE.—The amendments  
7 made by this paragraph shall apply to fuel sold  
8 or used after December 31, 2015.

9 (b) EXCISE TAX INCENTIVES.—

10 (1) EXTENSION.—

11 (A) IN GENERAL.—Paragraph (6) of sec-  
12 tion 6426(c) is amended by striking “December  
13 31, 2014” and inserting “December 31, 2016”.

14 (B) PAYMENTS.—Subparagraph (B) of  
15 section 6427(e)(6) is amended by striking “De-  
16 cember 31, 2014” and inserting “December 31,  
17 2016”.

18 (C) EFFECTIVE DATE.—The amendments  
19 made by this paragraph shall apply to fuel sold  
20 or used after December 31, 2014.

21 (D) SPECIAL RULE FOR CERTAIN PERIODS  
22 DURING 2015.—Notwithstanding any other pro-  
23 vision of law, in the case of any biodiesel mix-  
24 ture credit properly determined under section  
25 6426(c) of the Internal Revenue Code of 1986

1 for periods after December 31, 2014, and on or  
2 before the last day of the first calendar quarter  
3 ending after the date of the enactment of this  
4 Act, such credit shall be allowed, and any re-  
5 fund or payment attributable to such credit (in-  
6 cluding any payment under section 6427(e) of  
7 such Code) shall be made, only in such manner  
8 as the Secretary of the Treasury (or the Sec-  
9 retary's delegate) shall provide. Such Secretary  
10 shall issue guidance within 30 days after the  
11 date of the enactment of this Act providing for  
12 a one-time submission of claims covering peri-  
13 ods described in the preceding sentence. Such  
14 guidance shall provide for a 180-day period for  
15 the submission of such claims (in such manner  
16 as prescribed by such Secretary) to begin not  
17 later than 30 days after such guidance is  
18 issued. Such claims shall be paid by such Sec-  
19 retary not later than 60 days after receipt. If  
20 such Secretary has not paid pursuant to a claim  
21 filed under this subsection within 60 days after  
22 the date of the filing of such claim, the claim  
23 shall be paid with interest from such date de-  
24 termined by using the overpayment rate and  
25 method under section 6621 of such Code.

1 (2) REFORM OF EXCISE TAX CREDIT.—

2 (A) IN GENERAL.—Subsection (c) of sec-  
3 tion 6426 is amended—

4 (i) by striking all that precedes para-  
5 graph (6) and inserting the following:

6 “(c) BIODIESEL PRODUCTION CREDIT.—

7 “(1) IN GENERAL.—For purposes of this sec-  
8 tion, in the case of an eligible taxpayer, the biodiesel  
9 production credit is \$1.00 for each gallon of bio-  
10 diesel produced by the taxpayer and which—

11 “(A) is sold by such producer to another  
12 person—

13 “(i) for use by such other person’s  
14 trade or business as a fuel or in the pro-  
15 duction of a biodiesel mixture (other than  
16 casual off-farm production), or

17 “(ii) who sells such biodiesel at retail  
18 to another person and places such biodiesel  
19 in the fuel tank of such other person, or

20 “(B) is used by such producer for any pur-  
21 pose described in subparagraph (A).

22 “(2) SPECIAL RULE FOR ELIGIBLE DISCRE-  
23 TIONARY BLENDERS.—For purposes of this sub-  
24 section and section 6427(e)(3), an eligible discre-  
25 tionary blender shall be treated as the producer of

1 any gallon of biodiesel which is used to make a  
2 qualified biodiesel mixture if—

3 “(A) the producer of such biodiesel (deter-  
4 mined without regard to this subparagraph)—

5 “(i) did not pay the tax imposed  
6 under section 4081 with respect to such  
7 gallon, and

8 “(ii) assigns the credit allowed under  
9 this section to the eligible discretionary  
10 blender in such form and manner as pro-  
11 vided by the Secretary, and

12 “(B) such eligible discretionary blender  
13 pays the tax imposed under section 4081 with  
14 respect to such gallon.

15 For purposes of the preceding sentence, an eligible  
16 discretionary blender shall not be treated as pro-  
17 ducing a gallon of biodiesel before the date on which  
18 the sale or use of the qualified biodiesel mixture oc-  
19 curs.

20 “(3) DEFINITIONS.—Any term used in this sub-  
21 section which is also used in section 40A shall have  
22 the meaning given such term by section 40A.”, and

23 (ii) by redesignating paragraph (6), as  
24 amended by paragraph (1)(A), as para-  
25 graph (4).



1 (B) PRODUCER REGISTRATION REQUIRE-  
2 MENT.—Subsection (a) of section 6426 is  
3 amended by striking “subsections (d) and (e)”  
4 in the flush sentence at the end and inserting  
5 “subsections (c), (d), and (e)”.

6 (C) RECAPTURE.—

7 (i) IN GENERAL.—Subsection (f) of  
8 section 6426 is amended—

9 (I) by striking “or biodiesel”  
10 each place it appears in subpara-  
11 graphs (A) and (B)(i) of paragraph  
12 (1),

13 (II) by striking “or biodiesel mix-  
14 ture” in paragraph (1)(A), and

15 (III) by redesignating paragraph  
16 (2) as paragraph (3) and by inserting  
17 after paragraph (1) the following new  
18 paragraph:

19 “(2) BIODIESEL.—If any credit was determined  
20 under this section or paid pursuant to section  
21 6427(e) with respect to the production of any bio-  
22 diesel and any person uses such biodiesel for a pur-  
23 pose not described in subsection (c)(1), then there is  
24 hereby imposed on such person a tax equal to \$1 for  
25 each gallon of such biodiesel.”.

1 (ii) CONFORMING AMENDMENTS.—

2 (I) Paragraph (3) of section  
3 6426(f), as redesignated by clause  
4 (i)(III), is amended by inserting “or  
5 (2)” after “paragraph (1)”.

6 (II) The heading for paragraph  
7 (1) of section 6426(f) is amended by  
8 striking “IMPOSITION OF TAX” and  
9 inserting “IN GENERAL”.

10 (D) LIMITATION.—Section 6426(i) is  
11 amended—

12 (i) in paragraph (2)—

13 (I) by striking “biodiesel or”, and

14 (II) by striking “BIODIESEL  
15 AND” in the heading, and

16 (ii) by inserting after paragraph (2)

17 the following new paragraph:

18 “(3) BIODIESEL.—No credit shall be deter-  
19 mined under this section with respect to biodiesel  
20 unless such biodiesel is produced in the United  
21 States.”.

22 (E) CLERICAL AMENDMENTS.—

23 (i) The heading of section 6426 is  
24 amended by striking “**ALCOHOL FUEL,**  
25 **BIODIESEL, AND ALTERNATIVE FUEL**

1           **MIXTURES**” and inserting “**ALCOHOL**  
 2           **FUEL MIXTURES, BIODIESEL PRODUC-**  
 3           **TION, AND ALTERNATIVE FUEL MIX-**  
 4           **TURES**”.

5           (ii) The item relating to section 6426  
 6           in the table of sections for subchapter B of  
 7           chapter 65 is amended by striking “alcohol  
 8           fuel, biodiesel, and alternative fuel mix-  
 9           tures” and inserting “alcohol fuel mix-  
 10          tures, biodiesel production, and alternative  
 11          fuel mixtures”.

12          (F) EFFECTIVE DATE.—The amendments  
 13          made by this paragraph shall apply to fuel sold  
 14          or used after December 31, 2015.

15          (3) REFORM OF EXCISE PAYMENTS OF CRED-  
 16          IT.—

17           (A) IN GENERAL.—Subsection (e) of sec-  
 18           tion 6427, as amended by paragraph (1)(B), is  
 19           amended—

20           (i) by striking “or the biodiesel mix-  
 21           ture credit” in paragraph (1),

22           (ii) by redesignating paragraphs (3)  
 23           through (6) as paragraphs (4) through (7),  
 24           respectively, and by inserting after para-  
 25           graph (2) the following new paragraph:

1           “(3) BIODIESEL PRODUCTION CREDIT.—If any  
2 person produces biodiesel and sells or uses such bio-  
3 diesel as provided in section 6426(c)(1), the Sec-  
4 retary shall pay (without interest) to such person an  
5 amount equal to the biodiesel production credit with  
6 respect to such biodiesel.”,

7                   (iii) by striking “paragraph (1) or  
8 (2)” each place it appears in paragraphs  
9 (4) and (6), as redesignated by paragraph  
10 (2), and inserting “paragraph (1), (2), or  
11 (3)”,

12                   (iv) by striking “alternative fuel” each  
13 place it appears in paragraphs (4) and (6),  
14 as redesignated by paragraph (2), and in-  
15 serting “fuel”, and

16                   (v) by striking “biodiesel mixture (as  
17 defined in section 6426(c)(3))” in para-  
18 graph (7)(B), as so redesignated, and in-  
19 serting “biodiesel (within the meaning of  
20 section 40A)”.

21           (B) EFFECTIVE DATE.—The amendments  
22 made by this paragraph shall apply to fuel sold  
23 or used after December 31, 2015.

24           (c) TREATMENT OF BIODIESEL AS A TAXABLE  
25 FUEL.—

1 (1) IN GENERAL.—

2 (A) TAXABLE FUEL INCLUDES BIO-  
3 DIESEL.—Paragraph (1) of section 4083(a) is  
4 amended by striking “and” at the end of sub-  
5 paragraph (B), by striking the period at the  
6 end of subparagraph (C) and inserting “, and”,  
7 and by adding at the end the following new sub-  
8 paragraph:

9 “(D) biodiesel.”.

10 (B) BIODIESEL DEFINED.—Subsection (a)  
11 of section 4083 is amended by adding at the  
12 end the following new paragraph:

13 “(4) BIODIESEL.—The term ‘biodiesel’ has the  
14 meaning given such term under section 40A(d)(1),  
15 determined without regard to the last sentence  
16 thereof.”.

17 (2) BIODIESEL PRODUCTION FACILITIES  
18 TREATED AS REFINERIES.—

19 (A) IN GENERAL.—Subsection (a) of sec-  
20 tion 4081 is amended by adding at the end the  
21 following new paragraph:

22 “(5) BIODIESEL PRODUCTION FACILITIES AND  
23 BLENDING FACILITIES TREATED AS REFINERIES.—  
24 For purposes of this part—

1           “(A) any facility which is used to produce  
2           biodiesel, and

3           “(B) any biodiesel blending facility,  
4           shall be treated as a refinery with respect to bio-  
5           diesel.”.

6           (B) BIODIESEL BLENDING FACILITY DE-  
7           FINED.—Section 4083 is amended by adding at  
8           the end the following new subsection:

9           “(e) BIODIESEL BLENDING FACILITY.—For pur-  
10          poses of this subpart, the term ‘biodiesel blending facility’  
11          means any facility that is operated by an eligible discre-  
12          tionary blender (as defined in section 40A(d)(2)(C)).”.

13          (C) BULK TRANSFERS.—Subparagraph  
14          (B) of section 4081(a)(1) is amended by adding  
15          at the end the following new clause:

16                 “(iii) SPECIAL RULES FOR BIO-  
17                 DIESEL.—The tax imposed by this para-  
18                 graph shall not apply to the removal or  
19                 entry of biodiesel to any refinery or ter-  
20                 minal if the person removing or entering  
21                 the biodiesel and the operator of the refin-  
22                 ery or terminal are registered under sec-  
23                 tion 4101.”.

24          (3) RATE OF TAX.—Subparagraph (A)(iii) of  
25          section 4081(a)(2) is amended by striking “diesel

1 fuel or kerosene” and inserting “diesel fuel, ker-  
2 osene, or biodiesel”.

3 (4) EXEMPTIONS.—

4 (A) IN GENERAL.—Section 4082 is amend-  
5 ed by striking “diesel fuel and kerosene” each  
6 place it appears in subsections (a), (c), and (g)  
7 and inserting “diesel fuel, kerosene, and bio-  
8 diesel”.

9 (B) CONFORMING AMENDMENT.—Subpara-  
10 graph (A) of section 4082(d)(1) is amended by  
11 inserting “biodiesel,” after “diesel fuel,”.

12 (5) OTHER CONFORMING AMENDMENTS.—

13 (A) The heading for paragraph (1) of sec-  
14 tion 4041(a) is amended by striking “DIESEL  
15 FUEL AND KEROSENE” and inserting “DIESEL  
16 FUEL, KEROSENE, AND BIODIESEL”.

17 (B) Paragraph (2) of section 6416(b) is  
18 amended by striking “diesel fuel or kerosene”  
19 and inserting “diesel fuel, kerosene, or bio-  
20 diesel”.

21 (C) Section 6427(l) is amended—

22 (i) by striking “diesel fuel or ker-  
23 osene” each place it appears in paragraph  
24 (1) and (5)(A) and inserting “diesel fuel,  
25 kerosene, or biodiesel”,

1 (ii) by striking “DIESEL FUEL AND  
2 KEROSENE” in the heading and inserting  
3 “DIESEL FUEL, KEROSENE, AND BIO-  
4 DIESEL”, and

5 (iii) by striking “DIESEL FUEL OR  
6 KEROSENE” in the heading of paragraph  
7 (5) and inserting “DIESEL FUEL, KER-  
8 OSENE, OR BIODIESEL”.

9 (D) Section 6715(c)(1) is amended by  
10 striking “diesel fuel or kerosene” and inserting  
11 “diesel fuel, kerosene, or biodiesel”.

12 (6) EFFECTIVE DATE.—The amendments made  
13 by this subsection shall apply to biodiesel sold or  
14 used after December 31, 2015.

15 **SEC. 156. EXTENSION OF PRODUCTION CREDIT FOR INDIAN**  
16 **COAL FACILITIES PLACED IN SERVICE BE-**  
17 **FORE 2009.**

18 (a) IN GENERAL.—Subparagraph (A) of section  
19 45(e)(10) is amended by striking “9-year period” each  
20 place it appears and inserting “11-year period”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to coal produced after December  
23 31, 2014.



1 **SEC. 157. EXTENSION OF CREDITS WITH RESPECT TO FA-**  
2 **CILITIES PRODUCING ENERGY FROM CER-**  
3 **TAIN RENEWABLE RESOURCES.**

4 (a) IN GENERAL.—The following provisions of sec-  
5 tion 45(d) are each amended by striking “January 1,  
6 2015” each place it appears and inserting “January 1,  
7 2017”:

8 (1) Paragraph (1).

9 (2) Paragraph (2)(A).

10 (3) Paragraph (3)(A).

11 (4) Paragraph (4)(B).

12 (5) Paragraph (6).

13 (6) Paragraph (7).

14 (7) Paragraph (9).

15 (8) Paragraph (11)(B).

16 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED  
17 FACILITIES AS ENERGY PROPERTY.—Clause (ii) of sec-  
18 tion 48(a)(5)(C) is amended by striking “January 1,  
19 2015” and inserting “January 1, 2017”.

20 (c) EFFECTIVE DATES.—The amendments made by  
21 this section shall take effect on January 1, 2015.

22 **SEC. 158. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT**  
23 **NEW HOMES.**

24 (a) IN GENERAL.—Subsection (g) of section 45L is  
25 amended by striking “December 31, 2014” and inserting  
26 “December 31, 2016”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to homes acquired after December  
3 31, 2014.

4 **SEC. 159. EXTENSION OF SPECIAL ALLOWANCE FOR SEC-**  
5 **OND GENERATION BIOFUEL PLANT PROP-**  
6 **ERTY.**

7 (a) IN GENERAL.—Subparagraph (D) of section  
8 168(l)(2) is amended by striking “January 1, 2015” and  
9 inserting “January 1, 2017”.

10 (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to property placed in service after  
12 December 31, 2014.

13 **SEC. 160. EXTENSION AND MODIFICATION OF ENERGY EF-**  
14 **FICIENT COMMERCIAL BUILDINGS DEDUC-**  
15 **TION.**

16 (a) IN GENERAL.—Subsection (h) of section 179D is  
17 amended by striking “December 31, 2014” and inserting  
18 “December 31, 2016”.

19 (b) ALLOCATIONS TO INDIAN TRIBAL GOVERN-  
20 MENTS.—Paragraph (4) of section 179D(d) is amended  
21 by striking “or local” and inserting “local, or Indian trib-  
22 al”.

23 (c) ALLOCATIONS TO CERTAIN NONPROFIT ORGANI-  
24 ZATIONS.—

1           (1) IN GENERAL.—Paragraph (4) of section  
2           179D(d), as amended by subsection (b), is amended  
3           by inserting “, or by an organization that is de-  
4           scribed in section 501(c)(3) and exempt from tax  
5           under section 501(a)” after “political subdivision  
6           thereof”.

7           (2) CLERICAL AMENDMENT.—The heading of  
8           paragraph (4) of section 179D(d) is amended by in-  
9           serting “AND PROPERTY HELD BY CERTAIN NON-  
10          PROFITS” after “PUBLIC PROPERTY”.

11          (d) UPDATED ASHRAE STANDARDS FOR 2016.—

12           (1) IN GENERAL.—Paragraph (1) of section  
13           179D(c) is amended by striking “Standard 90.1-  
14           2001” each place it appears and inserting “Stand-  
15           ard 90.1-2007”.

16           (2) CONFORMING AMENDMENTS.—

17           (A) Paragraph (2) of section 179D(e) is  
18           amended to read as follows:

19           “(2) STANDARD 90.1-2007.—The term ‘Standard  
20           90.1-2007’ means Standard 90.1-2007 of the Amer-  
21           ican Society of Heating, Refrigerating, and Air Con-  
22           ditioning Engineers and the Illuminating Engineer-  
23           ing Society of North America (as in effect on the  
24           day before the date of the adoption of Standard  
25           90.1-2010 of such Societies).”.

1           (B) Subsection (f) of section 179D is  
2           amended by striking “Standard 90.1-2001”  
3           each place it appears in paragraphs (1) and  
4           (2)(C)(i) and inserting “Standard 90.1-2007”.

5           (C) Paragraph (1) of section 179D(f) is  
6           amended—

7                   (i) by striking “Table 9.3.1.1” and in-  
8                   serting “Table 9.5.1”, and

9                   (ii) by striking “Table 9.3.1.2” and  
10                  inserting “Table 9.6.1”.

11           (3) EFFECTIVE DATE.—The amendments made  
12           by this subsection shall apply to property placed in  
13           service after December 31, 2015.

14           (e) EFFECTIVE DATE.—Except as provided in sub-  
15           section (d)(3), the amendments made by this section shall  
16           apply to property placed in service after December 31,  
17           2014.

18   **SEC. 161. EXTENSION OF SPECIAL RULE FOR SALES OR DIS-**  
19                   **POSITIONS TO IMPLEMENT FERC OR STATE**  
20                   **ELECTRIC RESTRUCTURING POLICY FOR**  
21                   **QUALIFIED ELECTRIC UTILITIES.**

22           (a) IN GENERAL.—Paragraph (3) of section 451(i)  
23           is amended by striking “January 1, 2015” and inserting  
24           “January 1, 2017”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to dispositions after December 31,  
3 2014.

4 **SEC. 162. EXTENSION OF EXCISE TAX CREDITS RELATING**  
5 **TO ALTERNATIVE FUELS.**

6 (a) EXTENSION OF ALTERNATIVE FUELS EXCISE  
7 TAX CREDITS.—

8 (1) IN GENERAL.—Sections 6426(d)(5) and  
9 6426(e)(3) are each amended by striking “December  
10 31, 2014” and inserting “December 31, 2016”.

11 (2) OUTLAY PAYMENTS FOR ALTERNATIVE  
12 FUELS.—Subparagraph (C) of section 6427(e)(7), as  
13 redesignated by section 155(b)(3)(A)(ii), is amended  
14 by striking “December 31, 2014” and inserting  
15 “December 31, 2016”.

16 (b) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to fuel sold or used after December  
18 31, 2014.

19 (c) SPECIAL RULE FOR CERTAIN PERIODS DURING  
20 2015.—Notwithstanding any other provision of law, in the  
21 case of any alternative fuel credit properly determined  
22 under section 6426(d) of such Code for such periods, such  
23 credit shall be allowed, and any refund or payment attrib-  
24 utable to such credit (including any payment under section  
25 6427(e) of such Code) shall be made, only in such manner

1 as the Secretary of the Treasury (or the Secretary’s dele-  
2 gate) shall provide. Such Secretary shall issue guidance  
3 within 30 days after the date of the enactment of this Act  
4 providing for a one-time submission of claims covering pe-  
5 riods described in the preceding sentence. Such guidance  
6 shall provide for a 180-day period for the submission of  
7 such claims (in such manner as prescribed by such Sec-  
8 retary) to begin not later than 30 days after such guidance  
9 is issued. Such claims shall be paid by such Secretary not  
10 later than 60 days after receipt. If such Secretary has not  
11 paid pursuant to a claim filed under this subsection within  
12 60 days after the date of the filing of such claim, the claim  
13 shall be paid with interest from such date determined by  
14 using the overpayment rate and method under section  
15 6621 of such Code.

16 **TITLE II—PROVISION THAT**  
17 **EXPIRED IN 2013**

18 **SEC. 201. EXTENSION OF CREDIT FOR 2-WHEELED PLUG-IN**  
19 **ELECTRIC VEHICLES.**

20 (a) IN GENERAL.—Subparagraph (E) of section  
21 30D(g)(3) is amended by striking “acquired” and all that  
22 follows and inserting “acquired—

23 “(i) after December 31, 2011, and be-  
24 fore January 1, 2014, and

1 “(ii) in the case of a vehicle that has  
2 wheels—

3 “(I) during the period described  
4 in clause (i), or

5 “(II) after December 31, 2014,  
6 and before January 1, 2017.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall apply to vehicles acquired after Decem-  
9 ber 31, 2014.

## 10 **TITLE III—REVENUE** 11 **PROVISIONS**

### 12 **SEC. 301. EXCLUSION FROM GROSS INCOME OF CERTAIN** 13 **CLEAN COAL POWER GRANTS TO NON-COR-** 14 **PORATE TAXPAYERS.**

15 (a) GENERAL RULE.—In the case of an eligible tax-  
16 payer other than a corporation, gross income for purposes  
17 of the Internal Revenue Code of 1986 shall not include  
18 any amount received under section 402 of the Energy Pol-  
19 icy Act of 2005.

20 (b) REDUCTION IN BASIS.—The basis of any prop-  
21 erty subject to the allowance for depreciation under the  
22 Internal Revenue Code of 1986 which is acquired with any  
23 amount to which subsection (a) applies during the 12-  
24 month period beginning on the day such amount is re-  
25 ceived shall be reduced by an amount equal to such

1 amount. The excess (if any) of such amount over the  
2 amount of the reduction under the preceding sentence  
3 shall be applied to the reduction (as of the last day of  
4 the period specified in the preceding sentence) of the basis  
5 of any other property held by the taxpayer. The particular  
6 properties to which the reductions required by this sub-  
7 section are allocated shall be determined by the Secretary  
8 of the Treasury (or the Secretary's delegate) under regula-  
9 tions similar to the regulations under section 362(c)(2) of  
10 such Code.

11 (c) LIMITATION TO AMOUNTS WHICH WOULD BE  
12 CONTRIBUTIONS TO CAPITAL.—Subsection (a) shall not  
13 apply to any amount unless such amount, if received by  
14 a corporation, would be excluded from gross income under  
15 section 118 of the Internal Revenue Code of 1986.

16 (d) ELIGIBLE TAXPAYER.—For purposes of this sec-  
17 tion, with respect to any amount received under section  
18 402 of the Energy Policy Act of 2005, the term “eligible  
19 taxpayer” means a taxpayer that makes a payment to the  
20 Secretary of the Treasury (or the Secretary's delegate)  
21 equal to 1.18 percent of the amount so received. Such pay-  
22 ment shall be made at such time and in such manner as  
23 such Secretary (or the Secretary's delegate) shall pre-  
24 scribe. In the case of a partnership, such Secretary (or  
25 the Secretary's delegate) shall prescribe regulations to de-



1 termine the allocation of such payment amount among the  
2 partners.

3 (e) EFFECTIVE DATE.—This section shall apply to  
4 amounts received under section 402 of the Energy Policy  
5 Act of 2005 in taxable years beginning after December  
6 31, 2011.

7 **SEC. 302. TREATMENT OF CERTAIN PERSONS AS EMPLOY-**  
8 **ERS WITH RESPECT TO MOTION PICTURE**  
9 **PROJECTS.**

10 (a) IN GENERAL.—Chapter 25 (relating to general  
11 provisions relating to employment taxes) is amended by  
12 adding at the end the following new section:

13 **“SEC. 3512. TREATMENT OF CERTAIN PERSONS AS EMPLOY-**  
14 **ERS WITH RESPECT TO MOTION PICTURE**  
15 **PROJECTS.**

16 “(a) IN GENERAL.—For purposes of sections  
17 3121(a)(1) and 3306(b)(1), remuneration paid to a mo-  
18 tion picture project worker by a motion picture project em-  
19 ployer during a calendar year shall be treated as remu-  
20 neration paid with respect to employment of such worker  
21 by such employer during the calendar year. The identity  
22 of such employer for such purposes shall be determined  
23 as set forth in this section and without regard to the usual  
24 common law rules applicable in determining the employer-  
25 employee relationship.

1 “(b) DEFINITIONS.—For purposes of this section—

2 “(1) MOTION PICTURE PROJECT EMPLOYER.—

3 The term ‘motion picture project employer’ means

4 any person if—

5 “(A) such person (directly or through af-  
6 filiates)—

7 “(i) is a party to a written contract  
8 covering the services of motion picture  
9 project workers with respect to motion pic-  
10 ture projects in the course of a client’s  
11 trade or business,

12 “(ii) is contractually obligated to pay  
13 remuneration to the motion picture project  
14 workers without regard to payment or re-  
15 imbursement by any other person,

16 “(iii) controls the payment (within the  
17 meaning of section 3401(d)(1)) of remu-  
18 neration to the motion picture project  
19 workers and pays such remuneration from  
20 its own account or accounts,

21 “(iv) is a signatory to one or more  
22 collective bargaining agreements with a  
23 labor organization (as defined in 29 U.S.C.  
24 152(5)) that represents motion picture  
25 project workers, and

1           “(v) has treated substantially all mo-  
2           tion picture project workers that such per-  
3           son pays as employees and not as inde-  
4           pendent contractors during such calendar  
5           year for purposes of determining employ-  
6           ment taxes under this subtitle, and

7           “(B) at least 80 percent of all remunera-  
8           tion (to which section 3121 applies) paid by  
9           such person in such calendar year is paid to  
10          motion picture project workers.

11          “(2) MOTION PICTURE PROJECT WORKER.—  
12          The term ‘motion picture project worker’ means any  
13          individual who provides services on motion picture  
14          projects for clients who are not affiliated with the  
15          motion picture project employer.

16          “(3) MOTION PICTURE PROJECT.—The term  
17          ‘motion picture project’ means the production of any  
18          property described in section 168(f)(3). Such term  
19          does not include property with respect to which  
20          records are required to be maintained under section  
21          2257 of title 18, United States Code.

22          “(4) AFFILIATE; AFFILIATED.—A person shall  
23          be treated as an affiliate of, or affiliated with, an-  
24          other person if such persons are treated as a single

1 employer under subsection (b) or (c) of section  
2 414.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 for such chapter 25 is amended by adding at the end the  
5 following new item:

“Sec. 3512. Treatment of certain persons as employers with respect to motion  
picture projects.”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to remuneration paid after Decem-  
8 ber 31, 2015.

9 (d) NO INFERENCE.—Nothing in the amendments  
10 made by this section shall be construed to create any infer-  
11 ence on the law before the date of the enactment of this  
12 Act.

13 **SEC. 303. EQUALIZATION OF EXCISE TAX AND CREDITS**  
14 **WITH RESPECT TO LIQUEFIED PETROLEUM**  
15 **GAS AND LIQUEFIED NATURAL GAS.**

16 (a) LIQUEFIED PETROLEUM GAS.—

17 (1) IN GENERAL.—Subparagraph (B) of section  
18 4041(a)(2) is amended by striking “and” at the end  
19 of clause (i), by redesignating clause (ii) as clause  
20 (iii), and by inserting after clause (i) the following  
21 new clause:

22 “(ii) in the case of liquefied petroleum  
23 gas, 18.3 cents per energy equivalent of a  
24 gallon of gasoline, and”.

1           (2) ENERGY EQUIVALENT OF A GALLON OF  
2 GASOLINE.—Paragraph (2) of section 4041(a) is  
3 amended by adding at the end the following:

4           “(C) ENERGY EQUIVALENT OF A GALLON  
5 OF GASOLINE.—For purposes of this para-  
6 graph, the term energy equivalent of a gallon of  
7 gasoline means, with respect to a liquefied pe-  
8 troleum gas fuel, the amount of such fuel hav-  
9 ing a Btu content of 115,400 (lower heating  
10 value).”.

11 (b) LIQUEFIED NATURAL GAS.—

12           (1) IN GENERAL.—Subparagraph (B) of section  
13 4041(a)(2), as amended by subsection (a)(1), is  
14 amended by striking “and” at the end of clause (ii),  
15 by striking the period at the end of clause (iii) and  
16 inserting “, and” and by inserting after clause (iii)  
17 the following new clause:

18           “(iv) in the case of liquefied natural  
19 gas, 24.3 cents per energy equivalent of a  
20 gallon of diesel.”.

21           (2) ENERGY EQUIVALENT OF A GALLON OF  
22 DIESEL.—Paragraph (2) of section 4041(a), as  
23 amended by subsection (a)(2), is amended by adding  
24 at the end the following:

1           “(D) ENERGY EQUIVALENT OF A GALLON  
2           OF DIESEL.—For purposes of this paragraph,  
3           the term energy equivalent of a gallon of diesel  
4           means, with respect to a liquefied natural gas  
5           fuel, the amount of such fuel having a Btu con-  
6           tent of 128,700 (lower heating value).”.

7           (3) CONFORMING AMENDMENTS.—Section  
8           4041(a)(2)(B)(iii), as redesignated by subsection  
9           (a)(1), is amended—

10           (A) by striking “liquefied natural gas,”  
11           and

12           (B) by striking “peat), and” and inserting  
13           “peat) and”.

14           (c) CREDITS.—Section 6426 is amended by adding  
15           at the end the following new subsection:

16           “(j) ENERGY EQUIVALENCY DETERMINATIONS FOR  
17           LIQUEFIED PETROLEUM GAS AND LIQUEFIED NATURAL  
18           GAS.—For purposes of determining any credit under this  
19           section, any reference to the number of gallons of an alter-  
20           native fuel or the gasoline gallon equivalent of such a fuel  
21           shall be treated as a reference to—

22           “(1) in the case of liquefied petroleum gas, the  
23           energy equivalent of a gallon of gasoline, as defined  
24           in section 4041(a)(2)(C), and

1           “(2) in the case of liquefied natural gas, the en-  
2           ergy equivalent of a gallon of diesel, as defined in  
3           section 4041(a)(2)(D).”.

4           (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to fuel sold or used after December  
6 31, 2014.

7 **SEC. 304. ADDITIONAL INFORMATION ON RETURNS RELAT-**  
8 **ING TO MORTGAGE INTEREST.**

9           (a) IN GENERAL.—Paragraph (2) of section  
10 6050H(b) is amended by striking “and” at the end of sub-  
11 paragraph (C), by redesignating subparagraph (D) as sub-  
12 paragraph (G), and by inserting after subparagraph (C)  
13 the following new subparagraphs:

14                   “(D) the amount of outstanding principal  
15                   on the mortgage at the beginning of the cal-  
16                   endar year,

17                   “(E) the address of the property securing  
18                   such mortgage,

19                   “(F) the date of the origination of such  
20                   mortgage, and”.

21           (b) PAYEE STATEMENTS.—Subsection (d) of section  
22 6050H is amended by striking “and” at the end of para-  
23 graph (1), by striking the period at the end of paragraph  
24 (2) and inserting “, and”, and by inserting after para-  
25 graph (2) the following new paragraph:

1           “(3) the information required to be included on  
2           the return under subparagraphs (D), (E), and (F)  
3           of subsection (b)(2).”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5           this section shall apply to returns and statements the due  
6           date for which (determined without regard to extensions)  
7           is after December 31, 2016.

## 8   **TITLE IV—BUDGETARY EFFECTS**

### 9   **SEC. 401. BUDGETARY EFFECTS.**

10          (a) PAYGO SCORECARD.—The budgetary effects of  
11          this Act shall not be entered on either PAYGO scorecard  
12          maintained pursuant to section 4(d) of the Statutory Pay-  
13          As-You-Go Act of 2010.

14          (b) SENATE PAYGO SCORECARD.—The budgetary ef-  
15          fects of this Act shall not be entered on any PAYGO score-  
16          card maintained for purposes of section 201 of S. Con.  
17          Res. 21 (110th Congress).





Calendar No. 198

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 1946**

[Report No. 114-118]

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**A BILL**

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

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August 5, 2015

Read twice and placed on the calendar