

116TH CONGRESS
2D SESSION

H. R. 9064

To amend and improve Federal law in the areas of immigration, health care, the Constitution, education, trade, veterans affairs, welfare, tax, and other matters.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 31, 2020

Mr. KING of Iowa introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Energy and Commerce, Ways and Means, Education and Labor, Natural Resources, House Administration, Rules, Appropriations, Agriculture, Oversight and Reform, Veterans' Affairs, and Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend and improve Federal law in the areas of immigration, health care, the Constitution, education, trade, veterans affairs, welfare, tax, and other matters.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Refurbishing the Pillars of American Exceptionalism Act
6 of 2020”.

- 1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

Sec. 1. Short title; table of contents.

DIVISION A—

TITLE I—BIRTHRIGHT CITIZENSHIP

Sec. 101. Short title.

Sec. 102. Citizenship at birth for certain persons born in the United States.

TITLE II—OBAMACARE REPEAL

Sec. 201. Short title.

Sec. 202. Repeal of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

TITLE III—BARRING PPACA SUPREME COURT CASES FROM CITATION

Sec. 301. Barring PPACA Supreme Court cases from citation.

TITLE IV—PROTECT INTERSTATE COMMERCE

Sec. 401. Short title.

Sec. 402. Prohibition against interference by State and local governments with production or manufacture of items in other States.

Sec. 403. Federal cause of action to challenge State regulation of interstate commerce.

Sec. 404. Agricultural product defined.

TITLE V—ESTABLISHING MANDATORY MINIMUMS FOR ILLEGAL REENTRY

Sec. 501. Short title.

Sec. 502. Increased penalties for reentry of removed aliens.

TITLE VI—SARAH'S LAW

Sec. 601. Short title.

Sec. 602. Mandatory detention of certain aliens charged with a crime resulting in death or serious bodily injury.

Sec. 603. Savings provision.

TITLE VII—HEARTBEAT PROTECTION

Sec. 701. Short title.

Sec. 702. Abortions prohibited without a check for fetal heartbeat, or if a fetal heartbeat is detectable.

TITLE VIII—SANCTITY OF LIFE

Sec. 801. Short title.

Sec. 802. Findings and declaration.

Sec. 803. Limitation on jurisdiction.

Sec. 804. Limitation on jurisdiction.

Sec. 805. Effective date.

Sec. 806. Severability.

TITLE IX—TAX FREE HEALTH INSURANCE

Sec. 901. Short title.

Sec. 902. Deduction for premiums for health insurance.

TITLE X—AMERICAN FUTURE HEALTHCARE

Sec. 1001. Short title.

Sec. 1002. Reform of Health Savings Accounts.

Sec. 1003. HSA Rollover to Medicare Advantage MSA.

Sec. 1004. Treatment of direct primary care service arrangement fees as medical expense.

Sec. 1005. Allowing certain individuals with alternative health coverage to choose to opt out of the Medicare part A benefit.

TITLE XI

Subtitle A—Choices in Education Act

Sec. 1101. Short title.

Sec. 1102. Repeal of Elementary and Secondary Education Act and limitation on secretarial authority.

Sec. 1103. Block grants to states.

Sec. 1104. Application.

Sec. 1105. Education voucher program requirements.

Sec. 1106. Definitions.

Subtitle B—No Hungry Kids Act

Sec. 1121. Short title.

Sec. 1122. Repeal of rule.

Sec. 1123. Limits on certain nutritional requirements.

TITLE XII—RELIGIOUS WORKER VISA RECIPROCITY

Sec. 1201. Short title.

Sec. 1202. Requiring reciprocal immigration treatment.

TITLE XIII—TERMINATION OF EB-5 PROGRAM

Sec. 1301. Termination of EB-5 program.

TITLE XIV—EXPATRIATE TERRORIST

Sec. 1401. Short title.

Sec. 1402. Loss of nationality due to support of terrorism.

Sec. 1403. Revocation or denial of passports and passport cards to individuals who are members of foreign terrorist organizations.

TITLE XV—SILENCERS HELP US SAVE HEARING

Sec. 1501. Short title.

Sec. 1502. Equal treatment of silencers and firearms.

Sec. 1503. Treatment of certain silencers.

Sec. 1504. Preemption of certain State laws in relation to firearm silencers.

Sec. 1505. Silencers and mufflers not to be federally regulated.

TITLE XVI—PROTECT AMERICAN IPR

- Sec. 1601. Short title.
- Sec. 1602. Study and report on violations of United States intellectual property rights in China or by Chinese persons.
- Sec. 1603. Imposition of duties on merchandise from China and distribution of proceeds of such duties to holders of certain United States intellectual property rights.
- Sec. 1604. Compensation for losses borne by holders of United States intellectual property rights.

TITLE XVII—SUNSET ACT

- Sec. 1701. Short title.
- Sec. 1702. Congressional review of agency rulemaking.

TITLE XVIII—ILLEGAL DEDUCTION ELIMINATION

- Sec. 1801. Short title.
- Sec. 1802. Clarification that wages paid to unauthorized aliens may not be deducted from gross income.
- Sec. 1803. Modification of E-Verify Program.

TITLE XIX—ENGLISH LANGUAGE UNITY

- Sec. 1901. Short title.
- Sec. 1902. Findings.
- Sec. 1903. English as official language of the United States.
- Sec. 1904. General rules of construction for English language texts of the laws of the United States.
- Sec. 1905. Implementing regulations.
- Sec. 1906. Effective date.

TITLE XX—DAVIS-BACON REPEAL

- Sec. 2001. Short title.
- Sec. 2002. Repeal of Davis-Bacon wage requirements.
- Sec. 2003. Effective date and limitation.

TITLE XXI—CENSUS ACCURACY

- Sec. 2101. Short title.
- Sec. 2102. Citizenship or lawful presence status on census questionnaires.

TITLE XXII—TRUTH IN EMPLOYMENT

- Sec. 2201. Short title.
- Sec. 2202. Findings and purpose.
- Sec. 2203. Protection of employer rights.

TITLE XXIII—E-BONDING FOR IMMIGRATION INTEGRITY

- Sec. 2301. Short title.
- Sec. 2302. Requirement of bond.
- Sec. 2303. Visa overstay rate categories.
- Sec. 2304. E-bond Enforcement Fund.
- Sec. 2305. Report.
- Sec. 2306. Definitions.

TITLE XXIV—RESTORING MAXIMUM MOBILITY TO OUR NATION’S
VETERANS

- Sec. 2401. Short title.
- Sec. 2402. Wheelchairs for veterans with service-connected disabilities.

TITLE XXV—END SANCTUARIES AND HELP OUR AMERICAN
HOMELESS AND VETERANS

- Sec. 2501. Short title.
- Sec. 2502. Findings.
- Sec. 2503. Treatment of sanctuary jurisdictions.
- Sec. 2504. Private right of action.

TITLE XXVI—SOCIAL SECURITY INTEGRITY ACT OF 2020

- Sec. 2601. Short title.
- Sec. 2602. Findings.
- Sec. 2603. Implementation of OIG recommendations.

TITLE XXVII—HJ RES 47

TITLE XXVIII—HJ RES 49

TITLE XXIX—PROTECTING ACCESS TO CARE

- Sec. 2901. Short title.
- Sec. 2902. Encouraging speedy resolution of claims.
- Sec. 2903. Compensating patient injury.
- Sec. 2904. Maximizing patient recovery.
- Sec. 2905. Authorization of payment of future damages to claimants in health
care lawsuits.
- Sec. 2906. Product liability for health care providers.
- Sec. 2907. Definitions.
- Sec. 2908. Effect on other laws.
- Sec. 2909. Rules of construction.
- Sec. 2910. Effective date.
- Sec. 2911. Limitation on expert witness testimony.
- Sec. 2912. Communications following unanticipated outcome.
- Sec. 2913. Expert witness qualifications.
- Sec. 2914. Affidavit of merit.
- Sec. 2915. Notice of intent to commence lawsuit.

TITLE XXX—CONSOLIDATION OF FEDERAL WELFARE PROGRAMS

- Sec. 3001. Sense of congress.

DIVISION B—FAIR TAX ACT

- Sec. 1. Short title; table of contents.
- Sec. 2. Congressional findings.

TITLE I—REPEAL OF THE INCOME TAX, PAYROLL TAXES, AND
ESTATE AND GIFT TAXES

- Sec. 101. Income taxes repealed.
- Sec. 102. Payroll taxes repealed.
- Sec. 103. Estate and gift taxes repealed.
- Sec. 104. Conforming amendments; effective date.

TITLE II—SALES TAX ENACTED

Sec. 201. Sales tax.

Sec. 202. Conforming and technical amendments.

TITLE III—OTHER MATTERS

Sec. 301. Phase-out of administration of repealed Federal taxes.

Sec. 302. Administration of other Federal taxes.

Sec. 303. Sales tax inclusive Social Security benefits indexation.

TITLE IV—SUNSET OF SALES TAX IF SIXTEENTH AMENDMENT
NOT REPEALED

Sec. 401. Elimination of sales tax if Sixteenth Amendment not repealed.

DIVISION C—CONSTITUTIONAL AMENDMENTS

TITLE I—REPEAL OF 16TH AMENDMENT

Sec. I Repeal of 16th Amendment.

TITLE II—APPORTIONMENT OF REPRESENTATIVES

Sec. II Apportionment of Representatives.

1 **DIVISION A—**_____

2 **TITLE I—BIRTHRIGHT**

3 **CITIZENSHIP**

4 **SEC. 101. SHORT TITLE.**

5 This title may be cited as the “Birthright Citizenship

6 Act of 2020”.

7 **SEC. 102. CITIZENSHIP AT BIRTH FOR CERTAIN PERSONS**

8 **BORN IN THE UNITED STATES.**

9 (a) IN GENERAL.—Section 301 of the Immigration

10 and Nationality Act (8 U.S.C. 1401) is amended—

11 (1) by inserting “(a) IN GENERAL.—” before

12 “The following”;

13 (2) by redesignating subsections (a) through (h)

14 as paragraphs (1) through (8), respectively; and

15 (3) by adding at the end the following:

1 “(b) DEFINITION.—Acknowledging the right of birth-
2 right citizenship established by section 1 of the 14th
3 amendment to the Constitution, a person born in the
4 United States shall be considered ‘subject to the jurisdic-
5 tion’ of the United States for purposes of subsection (a)(1)
6 if the person is born in the United States of parents, one
7 of whom is—

8 “(1) a citizen or national of the United States;

9 “(2) an alien lawfully admitted for permanent
10 residence in the United States whose residence is in
11 the United States; or

12 “(3) an alien performing active service in the
13 armed forces (as defined in section 101 of title 10,
14 United States Code).”.

15 (b) APPLICABILITY.—The amendment made by sub-
16 section (a)(3) shall not be construed to affect the citizen-
17 ship or nationality status of any person born before the
18 date of the enactment of this Act.

19 **TITLE II—OBAMACARE REPEAL**

20 **SEC. 201. SHORT TITLE.**

21 This title may be cited as the “ObamaCare Repeal
22 Act”.

1 **SEC. 202. REPEAL OF THE PATIENT PROTECTION AND AF-**
2 **FORDABLE CARE ACT AND THE HEALTH**
3 **CARE AND EDUCATION RECONCILIATION ACT**
4 **OF 2010.**

5 (a) PATIENT PROTECTION AND AFFORDABLE CARE
6 ACT.—Effective as of the enactment of the Patient Pro-
7 tection and Affordable Care Act (Public Law 111–148),
8 such Act is repealed, and the provisions of law amended
9 or repealed by such Act are restored or revived as if such
10 Act had not been enacted.

11 (b) HEALTH CARE AND EDUCATION RECONCILI-
12 ATION ACT OF 2010.—Effective as of the enactment of
13 the Health Care and Education Reconciliation Act of 2010
14 (Public Law 111–152), such Act is repealed, and the pro-
15 visions of law amended or repealed by such Act are re-
16 stored or revived as if such Act had not been enacted.

17 **TITLE III—BARRING PPACA SU-**
18 **PREME COURT CASES FROM**
19 **CITATION**

20 **SEC. 301. BARRING PPACA SUPREME COURT CASES FROM**
21 **CITATION.**

22 Under Article 3, Section 2, which allows Congress to
23 provide exceptions and regulations for Supreme Court con-
24 sideration of cases and controversies, the following cases
25 are barred from citation for the purpose of precedence in
26 all future cases after enactment: Nat'l Fed'n of Indep.

1 Bus. v. Sebelius, 132 S. Ct. 2566, 2573, 183 L. Ed. 2d
 2 450 (2012) and King v. Burwell, 135 S. Ct. 2480, 2485,
 3 192 L. Ed. 2d 483 (2015) and Burwell v. Hobby Lobby
 4 Stores Inc., 134 S. Ct. 2751, 2782, 189 L. Ed. 2d 675
 5 (2014).

6 **TITLE IV—PROTECT** 7 **INTERSTATE COMMERCE**

8 **SEC. 401. SHORT TITLE.**

9 This title may be cited as the “Protect Interstate
 10 Commerce Act of 2020”.

11 **SEC. 402. PROHIBITION AGAINST INTERFERENCE BY STATE** 12 **AND LOCAL GOVERNMENTS WITH PRODUC-** 13 **TION OR MANUFACTURE OF ITEMS IN OTHER** 14 **STATES.**

15 Consistent with article I, section 8, clause 3 of the
 16 Constitution of the United States, the government of a
 17 State or locality therein shall not impose a standard or
 18 condition on the production or manufacture of any agricul-
 19 tural product sold or offered for sale in interstate com-
 20 merce if—

21 (1) such production or manufacture occurs in
 22 another State; and

23 (2) the standard or condition is in addition to
 24 the standards and conditions applicable to such pro-
 25 duction or manufacture pursuant to—

1 (A) Federal law; and

2 (B) the laws of the State and locality in
3 which such production or manufacture occurs.

4 **SEC. 403. FEDERAL CAUSE OF ACTION TO CHALLENGE**
5 **STATE REGULATION OF INTERSTATE COM-**
6 **MERCE.**

7 (a) PRIVATE RIGHT OF ACTION.—A person, includ-
8 ing, but not limited to, a producer, transporter,
9 distributor, consumer, laborer, trade association, the Fed-
10 eral Government, a State government, or a unit of local
11 government, which is affected by a regulation of a State
12 or unit of local government which regulates any aspect of
13 an agricultural product, including any aspect of the meth-
14 od of production, which is sold in interstate commerce, or
15 any means or instrumentality through which such an agri-
16 cultural product is sold in interstate commerce, may bring
17 an action in the appropriate court to invalidate such a reg-
18 ulation and seek damages for economic loss resulting from
19 such regulation.

20 (b) PRELIMINARY INJUNCTION.—Upon a motion of
21 the plaintiff described in subsection (a), the court shall
22 issue a preliminary injunction to preclude the State or unit
23 of local government from enforcing the regulation at issue
24 until such time as the court enters a final judgment in

1 the case, unless the State or unit of local government
 2 proves by clear and convincing evidence that—

3 (1) the State or unit of local government is like-
 4 ly to prevail on the merits at trial; and

5 (2) the injunction would cause irreparable harm
 6 to the State or unit of local government.

7 (c) STATUTE OF LIMITATIONS.—No action shall be
 8 maintained under this section unless it is commenced
 9 within 10 years after the cause of action arose.

10 **SEC. 404. AGRICULTURAL PRODUCT DEFINED.**

11 In this title, the term “agricultural product” has the
 12 meaning given such term in section 207 of the Agricul-
 13 tural Marketing Act of 1946 (7 U.S.C. 1626).

14 **TITLE V—ESTABLISHING MAN-**
 15 **DATORY MINIMUMS FOR IL-**
 16 **LEGAL REENTRY**

17 **SEC. 501. SHORT TITLE.**

18 This title may be cited as “Sarah’s Law” or as the
 19 “Establishing Mandatory Minimums for Illegal Reentry
 20 Act of 2020”.

21 **SEC. 502. INCREASED PENALTIES FOR REENTRY OF RE-**
 22 **MOVED ALIENS.**

23 Section 276 of the Immigration and Nationality Act
 24 (8 U.S.C. 1326) is amended—

1 (1) in subsection (a), in the matter following
2 paragraph (2) by striking “fined under title 18,
3 United States Code, or imprisoned not more than 2
4 years, or both” and inserting “imprisoned not less
5 than 5 years and not more than 6 years”; and

6 (2) in subsection (b)—

7 (A) in paragraph (1), by striking “fined
8 under title 18, United States Code, imprisoned
9 not more than 10 years, or both” and inserting
10 “imprisoned not less than 5 and not more than
11 10 years, and may, in addition, be fined under
12 title 18, United States Code”;

13 (B) in paragraph (2), by striking “fined
14 under such title, imprisoned not more than 20
15 years, or both” and inserting “imprisoned not
16 less than 5 and not more than 20 years and
17 may, in addition, be fined under such title”;
18 and

19 (C) in paragraph (4), by striking “fined
20 under title 18, United States Code, imprisoned
21 for not more than 10 years, or both” and in-
22 serting “imprisoned for not less than 5 and not
23 more than 10 years and may, in addition, be
24 fined under such title”.

1 **TITLE VI—SARAH’S LAW**

2 **SEC. 601. SHORT TITLE.**

3 This title may be cited as “Sarah’s Law”.

4 **SEC. 602. MANDATORY DETENTION OF CERTAIN ALIENS** 5 **CHARGED WITH A CRIME RESULTING IN** 6 **DEATH OR SERIOUS BODILY INJURY.**

7 Section 236(c) of the Immigration and Nationality
8 Act (8 U.S.C. 1226(c)) is amended—

9 (1) in paragraph (1)—

10 (A) in subparagraphs (A) and (B), by
11 striking the comma at the end of each subpara-
12 graph and inserting a semicolon;

13 (B) in subparagraph (C)—

14 (i) by striking “sentence” and insert-
15 ing “sentenced”; and

16 (ii) by striking “, or” and inserting a
17 semicolon;

18 (C) in subparagraph (D), by striking the
19 comma at the end and inserting “; or”; and

20 (D) by inserting after subparagraph (D)
21 the following:

22 “(E)(i)(I) was not inspected and admitted
23 into the United States;

24 “(II) held a nonimmigrant visa (or other
25 documentation authorizing admission into the

1 United States as a nonimmigrant) that has
2 been revoked under section 221(i); or

3 “(III) is described in section
4 237(a)(1)(C)(i); and

5 “(ii) has been charged by a prosecuting au-
6 thority in the United States with any crime
7 that resulted in the death or serious bodily in-
8 jury (as defined in section 1365(h)(3) of title
9 18, United States Code) of another person,”;
10 and

11 (2) by adding at the end the following:

12 “(3) NOTIFICATION REQUIREMENT.—Upon en-
13 counteracting or gaining knowledge of an alien de-
14 scribed in paragraph (1), the Assistant Secretary of
15 Homeland Security for Immigration and Customs
16 Enforcement shall make reasonable efforts—

17 “(A) to obtain information from law en-
18 forcement agencies and from other available
19 sources regarding the identity of any victims of
20 the crimes for which such alien was charged or
21 convicted; and

22 “(B) to provide the victim or, if the victim
23 is deceased, a parent, guardian, spouse, or clos-
24 est living relative of such victim, with informa-
25 tion, on a timely and ongoing basis, including—

1 “(i) the alien’s full name, aliases, date
2 of birth, and country of nationality;

3 “(ii) the alien’s immigration status
4 and criminal history;

5 “(iii) the alien’s custody status and
6 any changes related to the alien’s custody;
7 and

8 “(iv) a description of any efforts by
9 the United States Government to remove
10 the alien from the United States.”.

11 **SEC. 603. SAVINGS PROVISION.**

12 Nothing in this title, or the amendments made by this
13 title, may be construed to limit the rights of crime victims
14 under any other provision of law, including section 3771
15 of title 18, United States Code.

16 **TITLE VII—HEARTBEAT**
17 **PROTECTION**

18 **SEC. 701. SHORT TITLE.**

19 This title may be cited as the “Heartbeat Protection
20 Act of 2020”.

21 **SEC. 702. ABORTIONS PROHIBITED WITHOUT A CHECK FOR**
22 **FETAL HEARTBEAT, OR IF A FETAL HEART-**
23 **BEAT IS DETECTABLE.**

24 (a) ABORTIONS PROHIBITED WITHOUT A CHECK
25 FOR FETAL HEARTBEAT, OR IF A FETAL HEARTBEAT IS

1 DETECTABLE.—Chapter 74 of title 18, United States
2 Code, is amended—

3 (1) in the chapter heading, by striking “**PAR-**
4 **TIAL-BIRTH**”;

5 (2) by inserting after section 1531 the fol-
6 lowing:

7 “§ 1532. **Abortions prohibited without a check for**
8 **fetal heartbeat, or if a fetal heartbeat is**
9 **detectable**

10 “(a) OFFENSE.—Any physician who knowingly per-
11 forms an abortion and thereby kills a human fetus—

12 “(1) without determining, according to stand-
13 ard medical practice, whether the fetus has a detect-
14 able heartbeat;

15 “(2) without informing the mother of the re-
16 sults of that determination; or

17 “(3) after determining, according to standard
18 medical practice, that the fetus has a detectable
19 heartbeat,

20 shall be fined under this title or imprisoned not more than
21 5 years, or both. This subsection does not apply to an
22 abortion that is necessary to save the life of a mother
23 whose life is endangered by a physical disorder, physical
24 illness, or physical injury, including a life-endangering
25 physical condition caused by or arising from the pregnancy

1 itself, but not including psychological or emotional condi-
2 tions.

3 “(b) DEFENDANT MAY SEEK HEARING.—A defend-
4 ant indicted for an offense under this section may seek
5 a hearing before the State Medical Board on whether the
6 physician’s conduct was necessary to save the life of the
7 mother whose life was endangered by a physical disorder,
8 physical illness, or physical injury, including a life-endan-
9 gering physical condition caused by or arising from the
10 pregnancy itself, but not including psychological or emo-
11 tional conditions. The findings on that issue are admissible
12 on that issue at the trial of the defendant. Upon a motion
13 of the defendant, the court shall delay the beginning of
14 the trial for not more than 30 days to permit such a hear-
15 ing to take place.

16 “(c) NO LIABILITY FOR THE MOTHER ON WHOM
17 ABORTION IS PERFORMED.—A mother upon whom an
18 abortion is performed may not be prosecuted under this
19 section, for a conspiracy to violate this section, or for an
20 offense under section 2, 3, or 4 of this title based on a
21 violation of this section.

22 “(d) REQUIREMENT FOR DATA RETENTION.—The
23 physician shall include in the medical file of the mother
24 documentation of the determination, according to stand-
25 ard medical practice, of whether the fetus has a detectable

1 heartbeat, the results of that determination, notification
 2 of the mother of those results, and any information en-
 3 tered into evidence in any proceedings under subsection
 4 (b). Paragraph (j)(2) of section 164.530 of title 45, Code
 5 of Federal Regulations, shall apply to such documentation.

6 “(e) SEVERABILITY.—If any provision of this section
 7 or the application of such provision to any person or cir-
 8 cumstance is held to be invalid, the remainder of this sec-
 9 tion and the application of the provisions of the remainder
 10 to any person or circumstance shall not be affected there-
 11 by.”; and

12 (3) in the table of sections, by inserting after
 13 the item pertaining to section 1841 the following:

“1532. Abortions prohibited without a check for fetal heartbeat, or if a fetal
 heartbeat is detectable.”.

14 (b) CLERICAL AMENDMENT.—The table of chapters
 15 for part I of title 18, United States Code, is amended,
 16 in the item relating to chapter 74, to read as follows:

“74. Abortions 1531”.

17 **TITLE VIII—SANCTITY OF LIFE**

18 **SEC. 801. SHORT TITLE.**

19 This title may be cited as the “Sanctity of Life Act
 20 of 2020”.

1 **SEC. 802. FINDINGS AND DECLARATION.**

2 (a) FINDINGS.—Congress finds that uncontroverted
3 scientific evidence has always shown that actual human
4 life exists from the moment of conception.

5 (b) DECLARATION.—Upon the basis of these find-
6 ings, and in the exercise of the powers of the Congress,
7 the Congress hereby declares that human life shall be
8 deemed to exist from fertilization, without regard to race,
9 sex, age, health, defect, or condition of dependency and
10 “person” shall include all human life as defined herein.
11 Congress further recognizes that each State has a compel-
12 ling interest in protecting the lives of those within the
13 State’s jurisdiction whom the State rationally regards as
14 human beings.

15 **SEC. 803. LIMITATION ON JURISDICTION.**

16 (a) Chapter 81 of title 28, United States Code, is
17 amended by adding the following new section and renum-
18 bering any appropriate section accordingly:

19 **“§ 1261. Appellate jurisdiction; limitations**

20 “Notwithstanding the provisions of sections 1253,
21 1254, and 1257 of this chapter, the Supreme Court shall
22 not have jurisdiction to review, by appeal, writ of certio-
23 rari, or otherwise, any case arising out of any statute, or-
24 dinance, rule, regulation, practice, or any part thereof, or
25 arising out of any act interpreting, applying, enforcing,
26 or effecting any statute, ordinance, rule, regulation, or

1 practice, on the grounds that such statute, ordinance, rule,
 2 regulation, practice, act, or part thereof (1) protects the
 3 rights of human persons between conception and birth, or
 4 (2) prohibits, limits, or regulates (a) the performance of
 5 abortions or (b) the provision of public expense of funds,
 6 facilities, personnel, or other assistance for the perform-
 7 ance of abortions.”.

8 (b) The section analysis of chapter 81 of title 28 is
 9 amended by adding the following new item:

“1261. Appellate jurisdiction; limitations.”.

10 **SEC. 804. LIMITATION ON JURISDICTION.**

11 (a) Chapter 85 of title 28, United States Code, is
 12 amended by adding at the end thereof the following new
 13 section and renumbering any appropriate section accord-
 14 ingly:

15 **“§ 1370. Limitations on jurisdiction**

16 “Notwithstanding any other provision of law, the dis-
 17 trict courts shall not have jurisdiction of any case or ques-
 18 tion which the Supreme Court does not have jurisdiction
 19 to review under section 1261 of this title.”.

20 (b) The section analysis at the beginning of chapter
 21 85 of title 28 is amended by adding at the end thereof
 22 the following new item:

“1370. Limitations on jurisdiction.”.

1 **SEC. 805. EFFECTIVE DATE.**

2 The provisions of this title shall take effect imme-
3 diately upon enactment.

4 **SEC. 806. SEVERABILITY.**

5 If any provision of this title or the application thereof
6 to any person or circumstance is judicially determined to
7 be invalid, the validity of the remainder of the Act and
8 the application of such provision to other persons and cir-
9 cumstances shall not be affected by such determination.

10 **TITLE IX—TAX FREE HEALTH**
11 **INSURANCE**

12 **SEC. 901. SHORT TITLE.**

13 This title may be cited as the “Tax Free Health In-
14 surance Act of 2020”.

15 **SEC. 902. DEDUCTION FOR PREMIUMS FOR HEALTH INSUR-**
16 **ANCE.**

17 (a) IN GENERAL.—Part VII of subchapter B of chap-
18 ter 1 of the Internal Revenue Code of 1986 is amended
19 by redesignating section 224 as section 225 and by insert-
20 ing after section 223 the following new section:

21 **“SEC. 224. DEDUCTION FOR PREMIUMS FOR HEALTH IN-**
22 **SURANCE.**

23 “In the case of an individual, there shall be allowed
24 as a deduction to the taxpayer for the taxable year
25 amounts paid by the taxpayer for insurance which con-
26 stitutes medical care (as defined in section 213(d)) for the

1 taxpayer and the taxpayer’s spouse and dependents. No
 2 amount shall be taken into account under the preceding
 3 sentence if a deduction or credit is allowed for such
 4 amount under this chapter or to any other taxpayer.”.

5 (b) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL
 6 ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
 7 of section 62 of such Code is amended by inserting before
 8 the last sentence at the end the following new paragraph:

9 “(22) DEDUCTION FOR PREMIUMS FOR HEALTH
 10 INSURANCE.—The deduction allowed by section
 11 224.”.

12 (c) CLERICAL AMENDMENT.—The table of sections
 13 for part VII of subchapter B of chapter 1 of such Code
 14 is amended by striking the item relating to section 224
 15 and adding at the end the following new items:

“Sec. 224. Deduction for premiums for health insurance.

“Sec. 225. Cross reference.”.

16 (d) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2018.

19 **TITLE X—AMERICAN FUTURE** 20 **HEALTHCARE**

21 **SEC. 1001. SHORT TITLE.**

22 This title may be cited as the “American Future
 23 Healthcare Act of 2020”.

1 **SEC. 1002. REFORM OF HEALTH SAVINGS ACCOUNTS.**

2 (a) REPEAL OF HIGH DEDUCTIBLE HEALTH PLAN
3 REQUIREMENT.—Section 223(a) of the Internal Revenue
4 Code of 1986 is amended to read as follows:

5 “(a) DEDUCTION ALLOWED.—In the case of an indi-
6 vidual, there shall be allowed as a deduction for a taxable
7 year an amount equal to the aggregate amount paid in
8 cash during such taxable year by or on behalf of such indi-
9 vidual to a health savings account of such individual.”.

10 (b) INCREASE IN DEDUCTIBLE HSA CONTRIBUTION
11 LIMITATIONS.—Section 223(b)(1) of such Code is amend-
12 ed by striking “the sum of the monthly” and all that fol-
13 lows through “eligible individual” and inserting “\$10,000
14 (\$20,000 in the case of a joint return)”.

15 (c) MEDICARE ELIGIBLE INDIVIDUALS ELIGIBLE TO
16 CONTRIBUTE TO HSA.—Section 223(b) of such Code is
17 amended by striking paragraph (7).

18 (d) PURCHASE OF HEALTH INSURANCE.—Section
19 223(d)(2) of such Code is amended—

20 (1) by striking subparagraphs (B) and (C), and

21 (2) by striking “QUALIFIED MEDICAL EX-
22 PENSES.—” and all that follows through “The term”
23 and inserting “QUALIFIED MEDICAL EXPENSES.—
24 The term”.

25 (e) COST-OF-LIVING ADJUSTMENT FOR CATCHUP
26 CONTRIBUTIONS.—Section 223(f)(1) of such Code (as re-

1 designated by subsection (g)(3)) is amended by striking
 2 “Each dollar amount in subsections (b)(2) and (c)(2)(A)”
 3 and inserting “In the case of a taxable year beginning
 4 after December 31, 2019, each dollar amount in para-
 5 graphs (1) and (2) of subsection (b)”.

6 (f) COST-OF-LIVING ADJUSTMENT INDEXED TO CPI
 7 MEDICAL CARE COMPONENT.—Section 223(f) (as so re-
 8 designated) is amended by adding at the end the following
 9 new paragraph:

10 “(3) CPI MEDICAL CARE COMPONENT.—

11 “(A) IN GENERAL.—For purposes of para-
 12 graph (1), the cost-of-living adjustment deter-
 13 mined under section 1(f)(3) for the calendar
 14 year shall be determined by substituting ‘CPI
 15 medical care component’ for ‘CPI’.

16 “(B) CPI MEDICAL CARE COMPONENT.—
 17 For purposes of subparagraph (A), the term
 18 ‘CPI medical care component’ means the med-
 19 ical care component for the Consumer Price
 20 Index for All Urban Consumers published by
 21 the Department of Labor.”.

22 (g) CONFORMING AMENDMENTS.—

23 (1) Section 223(b) of such Code is amended by
 24 striking paragraphs (2), (5), and (8) and by redesign-

1 nating paragraphs (3), (4), and (6) as paragraphs
2 (2), (3), and (4), respectively.

3 (2) Section 223(b)(3) of such Code (as redesign-
4 nated by paragraph (1)) is amended by striking the
5 last sentence.

6 (3) Section 223 of such Code is amended by
7 striking subsection (c) and redesignating subsections
8 (d) through (h) as subsections (c) through (g), re-
9 spectively.

10 (4) Section 223(c)(1)(A) of such Code (as re-
11 designated by paragraph (3)) is amended—

12 (A) by striking “subsection (f)(5)” and in-
13 serting “subsection (e)(5)”; and

14 (B) in clause (ii) by striking “the sum of—
15 ” and all that follows and inserting “the dollar
16 amount in effect under subsection (b)(1).”.

17 (5) Section 223(f)(1) (as redesignated by para-
18 graph (3)) is amended by striking “calendar year
19 2003” and inserting “calendar year 2014”.

20 (6) Section 26(b)(2)(U) of such Code is amend-
21 ed by striking “section 223(f)(4)” and inserting
22 “section 223(e)(4)”.

23 (7) Sections 35(g)(3), 220(f)(5)(A),
24 848(e)(1)(v), 4973(a)(5), and 6051(a)(12) of such

1 Code are each amended by striking “section 223(d)”
2 each place it appears and inserting “section 223(c)”.

3 (8) Section 106(d)(1) of such Code is amend-
4 ed—

5 (A) by striking “who is an eligible indi-
6 vidual (as defined in section 223(c)(1))”; and

7 (B) by striking “section 223(d)” and in-
8 serting “section 223(c)”.

9 (9) Section 408(d)(9) of such Code is amend-
10 ed—

11 (A) in subparagraph (A) by striking “who
12 is an eligible individual (as defined in section
13 223(c)) and”; and

14 (B) in subparagraph (C) by striking “com-
15 puted on the basis of the type of coverage under
16 the high deductible health plan covering the in-
17 dividual at the time of the qualified HSA fund-
18 ing distribution”.

19 (10) Section 877A(g)(6) of such Code is
20 amended by striking “223(f)(4)” and inserting
21 “223(e)(4)”.

22 (11) Section 4973(g) of such Code is amend-
23 ed—

24 (A) by striking “section 223(d)” and in-
25 serting “section 223(c)”;

1 (B) in paragraph (2), by striking “section
2 223(f)(2)” and inserting “section 223(e)(2)”;
3 and

4 (C) by striking “section 223(f)(3)” and in-
5 serting “section 223(e)(3)”.

6 (12) Section 4975 of such Code is amended—

7 (A) in subsection (c)(6)—

8 (i) by striking “section 223(d)” and
9 inserting “section 223(c)”; and

10 (ii) by striking “section 223(e)(2)”
11 and inserting “section 223(d)(2)”; and

12 (B) in subsection (e)(1)(E), by striking
13 “section 223(d)” and inserting “section
14 223(c)”.

15 (13) Section 6693(a)(2)(C) of such Code is
16 amended by striking “section 223(h)” and inserting
17 “section 223(g)”.

18 (h) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2018.

21 **SEC. 1003. HSA ROLLOVER TO MEDICARE ADVANTAGE MSA.**

22 (a) IN GENERAL.—Section 138(b)(2) of the Internal
23 Revenue Code of 1986 is amended by striking “or” at the
24 end of subparagraph (A), by adding “or” at the end of

1 subparagraph (C), and by adding at the end the following
2 new subparagraph:

3 “(C) an HSA rollover contribution de-
4 scribed in subsection (d)(5),”.

5 (b) HSA ROLLOVER CONTRIBUTION.—Section
6 138(c) of such Code is amended by adding at the end the
7 following new paragraph:

8 “(5) ROLLOVER CONTRIBUTION.—An amount is
9 described in this paragraph as a rollover contribu-
10 tion if it meets the requirement of subparagraphs
11 (A) and (B).

12 “(A) IN GENERAL.—The requirements of
13 this subparagraph are met in the case of an
14 amount paid or distributed from a health sav-
15 ings to the account beneficiary to the extent the
16 amount is received is paid into a Medicare Ad-
17 vantage MSA of such beneficiary not later than
18 the 60th day after the day on which the bene-
19 ficiary receives the payment or distribution.

20 “(B) LIMITATION.—This paragraph shall
21 not apply to any amount described in subpara-
22 graph (A) received by an individual from a
23 health savings account if, at any time during
24 the 1-year period ending on the day of such re-
25 ceipt, such individual received any other amount

1 described in subparagraph (A) from a health
 2 savings account which was not includible in the
 3 individual's gross income because of the appli-
 4 cation of section 223(e)(5)(A).”.

5 (c) CONFORMING AMENDMENT.—Section
 6 223(e)(5)(A) of such Code, as amended by section 1002,
 7 is amended by inserting “or Medicare Advantage MSA”
 8 after “into a health savings account”.

9 (d) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2018.

12 **SEC. 1004. TREATMENT OF DIRECT PRIMARY CARE SERV-**
 13 **ICE ARRANGEMENT FEES AS MEDICAL EX-**
 14 **PENSE.**

15 (a) IN GENERAL.—Section 223(c)(2)(C) of the Inter-
 16 nal Revenue Code of 1986, as amended by the preceding
 17 provisions of this title, is amended by striking “or” at the
 18 end of clause (iii), by striking the period at the end of
 19 clause (iv) and inserting “, or”, and by adding at the end
 20 the following new clause:

21 “(v) any direct primary care service arrangement.”.

22 (b) DIRECT PRIMARY CARE SERVICE ARRANGE-
 23 MENT.—Section 223(c) of such Code, as amended by the
 24 preceding provisions of this title, is amended by redesign-

1 nating paragraph (4) as paragraph (5) and by inserting
2 after paragraph (3) the following new paragraph:

3 “(4) DIRECT PRIMARY CARE SERVICE AR-
4 RANGEMENT.—For purposes of this paragraph—

5 “(A) IN GENERAL.—The term ‘direct pri-
6 mary care service arrangement’ means, with re-
7 spect to any individual, an arrangement under
8 which such individual is provided medical care
9 (as defined in section 213(d)) consisting solely
10 of primary care services (as defined in section
11 1833(x)(2)(B) of the Social Security Act) pro-
12 vided by primary care practitioners (as defined
13 in section 1833(x)(2)(A) of the Social Security
14 Act, determined without regard to clause (ii)
15 thereof), if the sole compensation for such care
16 is a fixed periodic fee.

17 “(B) LIMITATION.—With respect to any
18 individual for any month, such term shall not
19 include any arrangement if the aggregate fees
20 for all direct primary care service arrangements
21 (determined without regard to this subclause)
22 with respect to such individual for such month
23 exceed \$150 (twice such dollar amount in the
24 case of an individual with any direct primary

1 care service arrangement (as so determined)
 2 that covers more than one individual).

3 “(C) CERTAIN SERVICES SPECIFICALLY
 4 EXCLUDED FROM TREATMENT AS PRIMARY
 5 CARE SERVICES.—For purposes of this para-
 6 graph, the term ‘primary care services’ shall not
 7 include—

8 “(i) procedures that require the use of
 9 general anesthesia,

10 “(ii) prescription drugs (other than
 11 vaccines), and

12 “(iii) laboratory services not typically
 13 administered in an ambulatory primary
 14 care setting.

15 The Secretary, after consultation with the Sec-
 16 retary of Health and Human Services, shall
 17 issue regulations or other guidance regarding
 18 the application of this subparagraph.”.

19 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) of
 20 such Code is amended—

21 (1) by striking “and (c)(2)(A)” and inserting “,
 22 (c)(2)(A), and (c)(4)(B)”, and

23 (2) in subparagraph (B), by striking “clause
 24 (ii)” and inserting “clauses (ii) and (iii)” in clause
 25 (i), by striking “and” at the end of clause (i), by

1 striking the period at the end of clause (ii) and in-
2 serting “, and”, and by inserting after clause (ii) the
3 following new clause:

4 “(iii) in the case of the dollar amount
5 in subsection (c)(4)(B) for taxable years
6 beginning in calendar years after 2019,
7 ‘calendar year 2018’.”.

8 (d) REPORTING OF DIRECT PRIMARY CARE SERVICE
9 ARRANGEMENT FEES ON W-2.—Section 6051(a) of such
10 Code is amended by striking “and” at the end of para-
11 graph (16), by striking the period at the end of paragraph
12 (17) and inserting “, and”, and by inserting after para-
13 graph (17) the following new paragraph:

14 “(18) in the case of a direct primary care serv-
15 ice arrangement (as defined in section 223(c)(4))
16 which is provided in connection with employment,
17 the aggregate fees for such arrangement for such
18 employee.”.

19 (e) EFFECTIVE DATE.—The amendments made by
20 this subsection shall apply to months beginning after De-
21 cember 31, 2018, in taxable years ending after such date.

1 **SEC. 1005. ALLOWING CERTAIN INDIVIDUALS WITH ALTER-**
2 **NATIVE HEALTH COVERAGE TO CHOOSE TO**
3 **OPT OUT OF THE MEDICARE PART A BEN-**
4 **EFIT.**

5 (a) IN GENERAL.—Any individual described in sub-
6 section (c) who is otherwise entitled to benefits under part
7 A of title XVIII of the Social Security Act may elect (in
8 such form and manner as may be specified by the Commis-
9 sioner of Social Security, in consultation with the Sec-
10 retary of Health and Human Services) to opt out of such
11 entitlement. Notwithstanding any other provision of law,
12 in the case of an individual who makes such an election,
13 such individual—

14 (1) may (in such form and manner as may be
15 specified by the Commissioner, in consultation with
16 the Secretary) subsequently choose to end such elec-
17 tion and opt back into such entitlement (in accord-
18 ance with a process determined by the Commis-
19 sioner, in consultation with the Secretary) without,
20 subject to subsection (b), being subject to any pen-
21 alty;

22 (2) shall not be required to opt out of benefits
23 under title II of such Act as a condition for making
24 such election; and

1 (3) shall not be required to repay any amount
2 paid under such part A for items and services fur-
3 nished prior to making such election.

4 (b) NOTIFICATION OF TERMINATION OF QUALIFYING
5 ALTERNATIVE HEALTH COVERAGE REQUIRED.—

6 (1) NOTIFICATION.—In the case of an indi-
7 vidual who makes an election under subsection (a)
8 and whose enrollment in qualifying alternative
9 health coverage is subsequently terminated, such in-
10 dividual shall notify the Secretary of Health and
11 Human Services of such termination not later than
12 60 days after the date of such termination.

13 (2) LATE ENROLLMENT PENALTY.—If an indi-
14 vidual required to notify the Secretary under para-
15 graph (1) fails to provide such notification within
16 the period specified under such paragraph and sub-
17 sequently chooses to end the election made by such
18 individual under subsection (a) and opt back into
19 benefits under part A of title XVIII of the Social Se-
20 curity Act, such individual shall be subject to a late
21 enrollment penalty (as determined by the Secretary)
22 in a manner and amount similar to an individual en-
23 rolled under such part A pursuant to section 1818
24 of such Act (42 U.S.C. 1395i-2).

25 (c) INDIVIDUAL DESCRIBED.—

1 (1) IN GENERAL.—For purposes of this section,
 2 an individual described in this subsection is an indi-
 3 vidual who demonstrates (in accordance with a proc-
 4 ess determined by the Commissioner, in consultation
 5 with the Secretary) that the individual is enrolled
 6 under qualifying alternative health coverage.

7 (2) QUALIFYING ALTERNATIVE HEALTH COV-
 8 ERAGE.—For purposes of this section, the term
 9 “qualifying alternative health coverage” includes a
 10 group health plan or health insurance coverage of-
 11 fered in the group or individual market (as such
 12 terms are defined in section 2791 of the Public
 13 Health Service Act (42 U.S.C. 300gg–91), or other
 14 health coverage specified by the Commissioner, in
 15 consultation with the Secretary, that provides at
 16 least benefits comparable to benefits provided under
 17 part A of title XVIII of the Social Security Act.

18 **TITLE XI**

19 **Subtitle A—Choices in Education** 20 **Act**

21 **SEC. 1101. SHORT TITLE.**

22 This subtitle may be cited as the “Choices in Edu-
 23 cation Act of 2019”.

1 **SEC. 1102. REPEAL OF ELEMENTARY AND SECONDARY EDU-**
2 **CATION ACT AND LIMITATION ON SECRE-**
3 **TARIAL AUTHORITY.**

4 (a) REPEAL.—The Elementary and Secondary Edu-
5 cation Act of 1965 (20 U.S.C. 6301 et seq.) is repealed.

6 (b) LIMITATION ON SECRETARIAL AUTHORITY.—The
7 authority of the Secretary under this title is limited to
8 evaluating State applications under section 1104 and
9 making payments to States under section 1103. The Sec-
10 retary shall not impose any further requirements on States
11 with respect to elementary and secondary education be-
12 yond the requirements of this title.

13 **SEC. 1103. BLOCK GRANTS TO STATES.**

14 (a) GRANTS TO STATES.—From amounts appro-
15 priated to carry out this title for a fiscal year, the Sec-
16 retary shall award grants (from allotments made under
17 subsection (b)) to qualified States to enable such States
18 to carry out an education voucher program under section
19 1105.

20 (b) ALLOTMENT.—From amounts described in sub-
21 section (a) for a fiscal year, the Secretary shall allot to
22 each qualified State for that fiscal year an amount that
23 bears the same ratio to those amounts as the number of
24 eligible children in the qualified State (as determined by
25 the Secretary on the basis of the most recent satisfactory

1 data) bears to the number of all eligible children in all
2 States in such school year.

3 (c) REALLOTMENT.—If a State does not receive
4 funds under subsection (b) for a fiscal year, the Secretary
5 shall allot the remainder of such funds to each qualified
6 State in an amount that bears the same ratio to such re-
7 mainder for such year as the amount received under sub-
8 section (b) by such qualified State bears to the amount
9 received under such subsection for such year by all quali-
10 fied States.

11 (d) DEFICIT REDUCTION.—Any amounts remaining
12 after allotments are made under subsection (c) for a fiscal
13 year shall not be available for any purpose other than def-
14 icit reduction.

15 **SEC. 1104. APPLICATION.**

16 (a) APPLICATION.—To be eligible to receive a grant
17 under this title, a State shall submit an application to the
18 Secretary that includes assurances that the State will—

19 (1) comply with the requirements of section
20 1105; and

21 (2) make it lawful for parents of an eligible
22 child to elect—

23 (A) to enroll their child in any public or
24 private elementary or secondary school in the
25 State; or

1 (B) to home-school their child.

2 (b) APPROVAL.—Not later than 30 days after receiv-
3 ing an application from a State that meets the require-
4 ments of subsection (a), the Secretary shall approve such
5 application.

6 **SEC. 1105. EDUCATION VOUCHER PROGRAM REQUIRE-**
7 **MENTS.**

8 (a) EDUCATION VOUCHER PROGRAM.—

9 (1) IN GENERAL.—The State shall distribute
10 funds received under this title among the local edu-
11 cational agencies in the State based on the number
12 of eligible children enrolled in the public schools op-
13 erated by each local educational agency and the
14 number of eligible children within each local edu-
15 cational agency's geographical area whose parents
16 elect to send their child to a private school or to
17 home-school their child.

18 (2) SENSE OF CONGRESS.—It is the sense of
19 Congress that States should distribute non-Federal
20 funds for elementary and secondary education in a
21 manner that promotes competition and choices in
22 education.

23 (b) IDENTIFICATION OF ELIGIBLE CHILDREN; ALLO-
24 CATION AND DISTRIBUTION OF FUNDS.—

25 (1) IDENTIFICATION OF ELIGIBLE CHILDREN.—

1 (A) LEA IDENTIFICATION.—On an annual
2 basis, on a date to be determined by the Sec-
3 retary, each local educational agency shall in-
4 form the State educational agency of—

5 (i) the number of eligible children en-
6 rolled in public schools served by the local
7 educational agency; and

8 (ii) the number of eligible children
9 within each local educational agency's geo-
10 graphical area whose parents elect—

11 (I) to send their child to a pri-
12 vate school; or

13 (II) to home-school their child.

14 (B) STATE IDENTIFICATION.—On an an-
15 nual basis, on a date to be determined by the
16 Secretary, each State educational agency shall
17 inform the Secretary of the total number of
18 children identified by all local educational agen-
19 cies in the State under subparagraph (A).

20 (2) AMOUNT OF PAYMENT.—

21 (A) IN GENERAL.—Subject to subpara-
22 graph (B), the amount of payment for each eli-
23 gible child in a State shall be equal to—

24 (i) the total amount allotted to the
25 State under this title; divided by

1 (ii) the total number of eligible chil-
2 dren in the State identified under para-
3 graph (1).

4 (B) LIMITATIONS.—

5 (i) In the case of a payment made to
6 the parent of an eligible child who elects to
7 attend a private school, the amount of the
8 payment described in subparagraph (A) for
9 each eligible child shall not exceed the cost
10 for tuition, fees, and transportation for the
11 eligible child to attend the private school.

12 (ii) In the case of a payment made to
13 a parent of an eligible child who elects to
14 home-school such child, the amount of the
15 payment described in subparagraph (A) for
16 each eligible child shall not exceed the cost
17 of home-schooling the child.

18 (3) ALLOCATION TO LOCAL EDUCATIONAL
19 AGENCIES.—Based on the identification of eligible
20 children in paragraph (1), the State educational
21 agency shall provide to a local educational agency an
22 amount equal to the product of—

23 (A) the amount available for each eligible
24 child in the State, as determined in paragraph
25 (2); multiplied by

1 (B) the number of eligible children identi-
2 fied by the local educational agency under para-
3 graph (1)(A).

4 (4) DISTRIBUTION TO SCHOOLS.—From
5 amounts allocated under paragraph (3), each local
6 educational agency that receives funds under such
7 paragraph shall distribute a portion of such funds to
8 the public schools served by the local educational
9 agency, which amount shall—

10 (A) be based on the number of eligible chil-
11 dren enrolled in such schools and included in
12 the count submitted under paragraph (1)(A);
13 and

14 (B) be distributed in a manner that would,
15 in the absence of such Federal funds, supple-
16 ment the funds made available from non-Fed-
17 eral resources for the education of eligible chil-
18 dren, and not to supplant such funds.

19 (5) DISTRIBUTION TO PARENTS.—

20 (A) IN GENERAL.—From the amounts allo-
21 cated under paragraph (3), each local edu-
22 cational agency that receives funds under such
23 paragraph shall distribute a portion of such
24 funds, in an amount equal to the amount de-
25 scribed in paragraph (2), to the parents of each

1 eligible child within the local educational agen-
2 cy's geographical area who elect to send their
3 child to a private school or to home-school their
4 child (as the case may be) and whose child is
5 included in the count of such eligible children
6 under paragraph (1)(A), which amount shall be
7 distributed in a manner so as to ensure that
8 such payments will be used for appropriate edu-
9 cational expenses.

10 (B) RESERVATION.—A local educational
11 agency described in this paragraph may reserve
12 not more than 1 percent of the funds available
13 for distribution under subparagraph (A) to pay
14 administrative costs associated with carrying
15 out the activities described in such subpara-
16 graph.

17 (c) RULE OF CONSTRUCTION.—Payments to parents
18 under subsection (b)(5) shall be considered assistance to
19 the eligible child and shall not be considered assistance
20 to the school that enrolls the eligible child. The amount
21 of any payment under this section shall not be treated as
22 income of the child or his or her parents for purposes of
23 Federal tax laws or for determining eligibility for any
24 other Federal program.

1 **SEC. 1106. DEFINITIONS.**

2 In this title:

3 (1) ELIGIBLE CHILD.—The term “eligible
4 child” means a child aged 5 to 17, inclusive.

5 (2) PARENT.—The term “parent” includes a
6 legal guardian or other person standing in loco
7 parentis (such as a grandparent or stepparent with
8 whom the child lives, or a person who is legally re-
9 sponsible for the child’s welfare).

10 (3) SECRETARY.—The term “Secretary” means
11 the Secretary of Education.

12 (4) STATE.—The term “State” means each of
13 the 50 States and the District of Columbia.

14 (5) QUALIFIED STATE.—The term “qualified
15 State” means a State that has an application ap-
16 proved by the Secretary under section 1104.

17 **Subtitle B—No Hungry Kids Act**

18 **SEC. 1121. SHORT TITLE.**

19 This subtitle may be cited as the “No Hungry Kids
20 Act”.

21 **SEC. 1122. REPEAL OF RULE.**

22 The rule prescribed by the Food and Nutrition Serv-
23 ice of the Department of Agriculture relating to nutrition
24 standards in the national school lunch and school break-
25 fast programs published on January 26, 2012 (77 Fed.
26 Reg. 4088 et seq.), and revising parts 210 and 220 of

1 title 7, Code of Federal Regulations, shall have no force
2 or effect.

3 **SEC. 1123. LIMITS ON CERTAIN NUTRITIONAL REQUIRE-**
4 **MENTS.**

5 Section 9(a)(1)(A)(i) of the Richard B. Russell Na-
6 tional School Lunch Act (42 U.S.C. 1758(a)(1)(A)(i)) is
7 amended by inserting before the semicolon the following:
8 “, to establish a calorie maximum for individual school
9 lunches, or to prohibit a child from eating a lunch provided
10 by the child’s parent or legal guardian”.

11 **TITLE XII—RELIGIOUS WORKER**
12 **VISA RECIPROCITY**

13 **SEC. 1201. SHORT TITLE.**

14 This title may be cited as the “Religious Worker Visa
15 Reciprocity Act of 2020”.

16 **SEC. 1202. REQUIRING RECIPROCAL IMMIGRATION TREAT-**
17 **MENT.**

18 Section 204(a)(1)(G) of the Immigration and Nation-
19 ality Act (8 U.S.C. 1154(a)(1)(G)) is amended by adding
20 at the end the following:

21 “(iii) Beginning on October 1, 2017, no petition may
22 be approved for classification of an alien as a special immi-
23 grant under section 101(a)(27)(C) if the Secretary of
24 Homeland Security has determined that the country of the
25 alien’s nationality—

1 “(I) is identified as a ‘Country of Particular
2 Concern’ or a country where religious freedom is of
3 significant interest in the 2018 International Reli-
4 gious Freedom Report; or

5 “(II) does not extend reciprocal immigration
6 treatment to nationals of the United States who are
7 seeking resident status in order to work in a reli-
8 gious vocation or occupation.”.

9 **TITLE XIII—TERMINATION OF**
10 **EB-5 PROGRAM**

11 **SEC. 1301. TERMINATION OF EB-5 PROGRAM.**

12 (a) REPEAL OF PROVISIONS.—Effective on the date
13 of the enactment of this Act, the following provisions are
14 repealed:

15 (1) Section 203(b)(5) of the Immigration and
16 Nationality Act (8 U.S.C. 1153(b)(5)).

17 (2) Section 204(a)(1)(H) of the Immigration
18 and Nationality Act (8 U.S.C. 1154(a)(1)(H)).

19 (3) Section 216A of the Immigration and Na-
20 tionality Act (8 U.S.C. 1186b).

21 (4) Section 610 of the Departments of Com-
22 merce, Justice, and State, the Judiciary, and Re-
23 lated Agencies Appropriations Act, 1993 (8 U.S.C.
24 1153 note).

1 (b) APPLICABILITY.—Beginning on the date of the
 2 enactment of this Act, the Secretary of Homeland Secu-
 3 rity—

4 (1) shall cease to accept petitions and applica-
 5 tions under any authority repealed under subsection
 6 (a); and

7 (2) shall dismiss all pending petitions and appli-
 8 cations described in paragraph (1).

9 **TITLE XIV—EXPATRIATE** 10 **TERRORIST**

11 **SEC. 1401. SHORT TITLE.**

12 This title may be cited as the “Expatriate Terrorist
 13 Act”.

14 **SEC. 1402. LOSS OF NATIONALITY DUE TO SUPPORT OF** 15 **TERRORISM.**

16 Section 349(a) of the Immigration and Nationality
 17 Act (8 U.S.C. 1481(a)) is amended to read as follows:

18 “(a) IN GENERAL.—A person who is a national of
 19 the United States whether by birth or naturalization, shall
 20 lose his or her nationality by voluntarily performing any
 21 of the following acts with the intention of relinquishing
 22 United States nationality:

23 “(1) Obtaining naturalization in a foreign state
 24 upon his or her own application or upon an applica-

1 tion filed by a duly authorized agent, after having
2 attained 18 years of age.

3 “(2) Taking an oath or making an affirmation
4 or other formal declaration of allegiance to a foreign
5 state, a political subdivision thereof, or a foreign ter-
6 rorist organization designated under section 219,
7 after having attained 18 years of age.

8 “(3) Entering, or serving in, the armed forces
9 of a foreign state or a foreign terrorist organization
10 designated under section 219 if—

11 “(A) such armed forces are engaged in
12 hostilities against the United States; or

13 “(B) such persons serve as a commissioned
14 or noncommissioned officer.

15 “(4) Becoming a member of, or providing train-
16 ing or material assistance to, any foreign terrorist
17 organization designated under section 219.

18 “(5) Accepting, serving in, or performing the
19 duties of any office, post, or employment under the
20 government of a foreign state, a political subdivision
21 thereof, or a foreign terrorist organization des-
22 ignated under section 219 if—

23 “(A) the person knowingly has or acquires
24 the nationality of such foreign state; or

1 “(B) an oath, affirmation, or declaration
2 of allegiance to the foreign state, political sub-
3 division, or designated foreign terrorist organi-
4 zation is required for such office, post, or em-
5 ployment.

6 “(6) Making a formal renunciation of United
7 States nationality before a diplomatic or consular of-
8 ficer of the United States in a foreign state, in such
9 form as may be prescribed by the Secretary of State.

10 “(7) Making in the United States a formal
11 written renunciation of nationality in such form as
12 may be prescribed by, and before such officer as
13 may be designated by, the Attorney General, when-
14 ever the United States shall be in a state of war and
15 the Attorney General shall approve such renunci-
16 ation as not contrary to the interests of national de-
17 fense.

18 “(8)(A) Committing any act of treason against,
19 or attempting by force to overthrow, or bearing arms
20 against, the United States;

21 “(B) violating or conspiring to violate any of
22 the provisions of section 2383 of title 18, United
23 States Code;

24 “(C) willfully performing any act in violation of
25 section 2385 of title 18, United States Code; or

1 “(D) violating section 2384 of such title by en-
2 gaging in a conspiracy to overthrow, put down, or to
3 destroy by force the Government of the United
4 States, or to levy war against them,
5 if and when such person is convicted thereof by a
6 court martial or by a court of competent jurisdic-
7 tion.”.

8 **SEC. 1403. REVOCATION OR DENIAL OF PASSPORTS AND**
9 **PASSPORT CARDS TO INDIVIDUALS WHO ARE**
10 **MEMBERS OF FOREIGN TERRORIST ORGANI-**
11 **ZATIONS.**

12 The Act entitled “An Act to regulate the issue and
13 validity of passports, and for other purposes”, approved
14 July 3, 1926 (22 U.S.C. 211a et seq.), which is commonly
15 known as the “Passport Act of 1926”, is amended by add-
16 ing at the end the following:

17 **“SEC. 4. AUTHORITY TO DENY OR REVOKE PASSPORT AND**
18 **PASSPORT CARD.**

19 “(a) INELIGIBILITY.—

20 “(1) ISSUANCE.—The Secretary of State shall
21 not issue a passport or passport card to any indi-
22 vidual whom the Secretary has determined is a
23 member, or is attempting to become a member, of
24 an organization the Secretary has designated as a
25 foreign terrorist organization pursuant to section

1 219 of the Immigration and Nationality Act (8
2 U.S.C. 1189).

3 “(2) REVOCATION.—The Secretary of State
4 shall revoke a passport or passport card previously
5 issued to any individual described in paragraph (1).

6 “(b) RIGHT OF REVIEW.—Any person who, in ac-
7 cordance with this section, is denied issuance of a passport
8 or passport card by the Secretary of State, or whose pass-
9 port or passport card is revoked or otherwise restricted
10 by the Secretary of State, may request a due process hear-
11 ing not later than 60 days after receiving such notice of
12 the nonissuance, revocation, or restriction.”.

13 **TITLE XV—SILENCERS HELP US** 14 **SAVE HEARING**

15 **SEC. 1501. SHORT TITLE.**

16 This title may be cited as the “Silencers Help Us
17 Save Hearing Act” or the “SHUSH Act”.

18 **SEC. 1502. EQUAL TREATMENT OF SILENCERS AND FIRE-** 19 **ARMS.**

20 (a) IN GENERAL.—Section 5845(a) of the Internal
21 Revenue Code of 1986 is amended by striking “(7) any
22 silencer” and all that follows through “; and (8)” and in-
23 serting “; and (7)”.

24 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as otherwise pro-
2 vided in this subsection, the amendment made by
3 this section shall take effect on the date of the en-
4 actment of this Act.

5 (2) TRANSFERS.—In the case of the tax im-
6 posed by section 5811 of such Code, the amendment
7 made by this section shall apply with respect to
8 transfers after October 22, 2015.

9 **SEC. 1503. TREATMENT OF CERTAIN SILENCERS.**

10 Section 5841 of the Internal Revenue Code of 1986
11 is amended by adding at the end the following:

12 “(f) FIREARM SILENCERS.—A person acquiring or
13 possessing a firearm silencer in accordance with Chapter
14 44 of title 18, United States Code, shall be treated as
15 meeting any registration and licensing requirements of the
16 National Firearms Act (as in effect on the day before the
17 date of the enactment of this subsection) with respect to
18 such silencer.”.

19 **SEC. 1504. PREEMPTION OF CERTAIN STATE LAWS IN RELA-**
20 **TION TO FIREARM SILENCERS.**

21 Section 927 of title 18, United States Code, is
22 amended by adding at the end the following: “Notwith-
23 standing the preceding sentence, a law of a State or a
24 political subdivision of a State that, as a condition of law-
25 fully making, transferring, using, possessing, or trans-

1 porting a firearm silencer in or affecting interstate or for-
 2 eign commerce, imposes a tax on any such conduct, or a
 3 marking, recordkeeping or registration requirement with
 4 respect to the firearm silencer, shall have no force or ef-
 5 fect.”.

6 **SEC. 1505. SILENCERS AND MUFFLERS NOT TO BE FEDER-**
 7 **ALLY REGULATED.**

8 (a) DEFINITIONS.—Section 921(a) of title 18, United
 9 States Code, is amended—

10 (1) in paragraph (3), by striking “(C) any fire-
 11 arm muffler or firearm silencer; or (D)” and insert-
 12 ing “or (C)”; and

13 (2) by striking paragraph (24).

14 (b) PENALTIES.—Section 924 of such title is amend-
 15 ed—

16 (1) in subsection (c)(1)—

17 (A) in paragraph (1)(B)(ii) by striking “,
 18 or is equipped with a firearm silencer or fire-
 19 arm muffler”; and

20 (B) in paragraph (1)(C), by striking “or is
 21 equipped with a firearm silencer or firearm
 22 muffler,”; and

23 (2) in subsection (o), by striking “or is
 24 equipped with a firearm silencer or muffler,”.

1 (c) CARRYING OF CONCEALED FIREARMS BY QUALI-
 2 FIED LAW ENFORCEMENT OFFICERS.—Section
 3 926B(e)(3) of such title is amended—

4 (1) in subparagraph (A), by adding “and” at
 5 the end;

6 (2) by striking subparagraph (B); and

7 (3) by redesignating subparagraph (C) as sub-
 8 paragraph (B).

9 (d) CARRYING OF CONCEALED FIREARMS BY QUALI-
 10 FIED RETIRED LAW ENFORCEMENT OFFICERS.—Section
 11 926C(e)(1)(C) of such title is amended—

12 (1) in clause (i), by adding “and” at the end;
 13 and

14 (2) by striking clause (ii).

15 **TITLE XVI—PROTECT AMERICAN** 16 **IPR**

17 **SEC. 1601. SHORT TITLE.**

18 This title may be cited as the “Protect American IPR
 19 Act”.

20 **SEC. 1602. STUDY AND REPORT ON VIOLATIONS OF UNITED** 21 **STATES INTELLECTUAL PROPERTY RIGHTS** 22 **IN CHINA OR BY CHINESE PERSONS.**

23 (a) STUDY.—The United States Trade Representa-
 24 tive, in consultation with the United States International
 25 Trade Commission, shall conduct an annual study to de-

1 termine the estimated annual loss of revenue to holders
2 of United States intellectual property rights as a result
3 of direct or indirect violations of such intellectual property
4 rights in the People's Republic of China or by any Chinese
5 person, including governmental entities of China, in the
6 preceding calendar year.

7 (b) REPORT.—Not later than 120 days after the date
8 of the enactment of this Act, and annually thereafter, the
9 United States Trade Representative shall submit to Con-
10 gress a report that contains the results of the study con-
11 ducted pursuant to subsection (a).

12 **SEC. 1603. IMPOSITION OF DUTIES ON MERCHANDISE**
13 **FROM CHINA AND DISTRIBUTION OF PRO-**
14 **CEEDS OF SUCH DUTIES TO HOLDERS OF**
15 **CERTAIN UNITED STATES INTELLECTUAL**
16 **PROPERTY RIGHTS.**

17 Notwithstanding any other provision of law, the
18 President, acting through the United States Trade Rep-
19 resentative, shall impose duties on merchandise origi-
20 nating from China in an amount equivalent to—

21 (1) the estimated total loss of revenue to hold-
22 ers of United States intellectual property rights as
23 a result of violations of such intellectual property
24 rights in China during the previous calendar year, as

1 determined by the study conducted pursuant to sec-
2 tion 1602(a), reduced by

3 (2) the total amount of any tariffs collected,
4 pursuant to section 301 of the Trade Act of 1974
5 (19 U.S.C. 2411) or any other provision of law au-
6 thorizing the President to act to safeguard intellec-
7 tual property rights, with respect to such violations
8 in such previous calendar year.

9 **SEC. 1604. COMPENSATION FOR LOSSES BORNE BY HOLD-**
10 **ERS OF UNITED STATES INTELLECTUAL**
11 **PROPERTY RIGHTS.**

12 (a) ESTABLISHMENT OF TRUST FUND.—There is es-
13 tablished in the Treasury of the United States a trust
14 fund, to be known as the “American IPR Trust Fund”
15 (in this section referred to as the “Trust Fund”), con-
16 sisting of such amounts as may be deposited to the Trust
17 Fund pursuant to subsection (b) to be used, in accordance
18 with subsection (c), for the purpose of compensating the
19 injury to holders of United States intellectual property
20 rights resulting from violations of such intellectual prop-
21 erty rights in China or by any Chinese person, including
22 governmental entities of China.

23 (b) FUNDING.—The Commissioner of U.S. Customs
24 and Border Patrol shall deposit into the Trust Fund any
25 amounts collected from duties imposed pursuant to section

1 1603, which shall remain available until expended for the
2 purpose described in subsection (a).

3 (c) DISTRIBUTION OF FUNDS.—

4 (1) IN GENERAL.—From amounts in the Trust
5 Fund, the Commissioner of U.S. Customs and Bor-
6 der Patrol shall make payments annually to each
7 person the Commissioner determines, with respect to
8 the preceding calendar year—

9 (A) was—

10 (i) if an individual, a citizen or legal
11 permanent resident of the United States;
12 or

13 (ii) if an entity, organized under the
14 laws of the United States or any subdivi-
15 sion of the United States;

16 (B) held the rights to intellectual property
17 under the laws of the United States; and

18 (C) can establish quantifiable losses result-
19 ing from the violation, directly or indirectly, of
20 such rights in China or by any Chinese person,
21 including governmental entities of China, dur-
22 ing such year.

23 (2) MAXIMUM PAYMENT.—The Commissioner
24 may not make a payment under this subsection to
25 any person for any year in an amount that is great-

1 er than the amount of the loss described in para-
 2 graph (1)(C) established with respect to such person
 3 in such year.

4 (d) CONSULTATION.—The Commissioner shall con-
 5 sult with the United States Trade Representative and the
 6 Secretary of Commerce in issuing such regulations as may
 7 be necessary to carry out this title.

8 **TITLE XVII—SUNSET ACT**

9 **SEC. 1701. SHORT TITLE.**

10 This title may be cited as the “Sunset Act of 2020”.

11 **SEC. 1702. CONGRESSIONAL REVIEW OF AGENCY RULE-** 12 **MAKING.**

13 Chapter 8 of title 5, United States Code, is amended
 14 to read as follows:

15 **“CHAPTER 8—CONGRESSIONAL REVIEW** 16 **OF AGENCY RULEMAKING**

“801. Congressional review.

“802. Congressional approval procedure for rules.

“803. Definitions.

“804. Judicial review.

“805. Exemption for monetary policy.

“806. Review of rules currently in effect.

“807. Sunset for rules.

17 **“§ 801. Congressional review**

18 “(a)(1)(A) Beginning on the date that is 3 months
 19 after the date of enactment of this section and every 3
 20 months thereafter, each agency shall submit to each
 21 House of the Congress and to the Comptroller General a

1 report including each rule made by that agency during
2 that 3-month period, containing—

3 “(i) a copy of each such rule;

4 “(ii) a concise general statement relating to the
5 rule;

6 “(iii) a list of any other related regulatory ac-
7 tions intended to implement the same statutory pro-
8 vision or regulatory objective as well as the indi-
9 vidual and aggregate economic effects of those ac-
10 tions; and

11 “(iv) the proposed effective date of the rule.

12 “(B) No rule may take effect before the submission
13 of a report under subparagraph (A) that includes that
14 rule.

15 “(C) On the date of the submission of the report
16 under subparagraph (A), the Federal agency promulgating
17 each rule included in the report shall submit to the Comp-
18 troller General and make available to each House of Con-
19 gress—

20 “(i) a complete copy of the cost-benefit analysis
21 of the rule, if any;

22 “(ii) the agency’s actions pursuant to title 5 of
23 the United States Code, sections 603, 604, 605,
24 607, and 609;

1 “(iii) the agency’s actions pursuant to title 2 of
2 the United States Code, sections 1532, 1533, 1534,
3 and 1535; and

4 “(iv) any other relevant information or require-
5 ments under any other Act and any relevant Execu-
6 tive orders.

7 “(D) Upon receipt of a report submitted under sub-
8 paragraph (A), each House shall provide copies of the re-
9 port to the chairman and ranking member of each stand-
10 ing committee with jurisdiction under the rules of the
11 House of Representatives or the Senate to report a bill
12 to amend the provision of law under which each rule in-
13 cluded in the report is issued.

14 “(2)(A) The Comptroller General shall provide a re-
15 port on each rule to the committees of jurisdiction by the
16 end of 15 calendar days after the submission or publica-
17 tion date as provided in section 802(b)(2). The report of
18 the Comptroller General shall include an assessment of the
19 agency’s compliance with procedural steps required by
20 paragraph (1)(C).

21 “(B) Federal agencies shall cooperate with the Comp-
22 troller General by providing information relevant to the
23 Comptroller General’s report under subparagraph (A).

24 “(3) A rule included in a report submitted under
25 paragraph (1) shall take effect upon enactment of a joint

1 resolution of approval described in section 802 or as pro-
2 vided for in the rule following enactment of a joint resolu-
3 tion of approval described in section 802, whichever is
4 later.

5 “(4) If a joint resolution of approval relating to a
6 rule is not enacted within the period provided in sub-
7 section (b)(2), then a joint resolution of approval relating
8 to the same rule may not be considered under this chapter
9 in the same Congress by either the House of Representa-
10 tives or the Senate.

11 “(b)(1) A rule shall not take effect unless the Con-
12 gress enacts a joint resolution of approval described under
13 section 802.

14 “(2) If a joint resolution described in subsection (a)
15 is not enacted into law by the end of 70 session days or
16 legislative days, as applicable, beginning on the date on
17 which the report referred to in section 801(a)(1)(A) is re-
18 ceived by Congress (excluding days either House of Con-
19 gress is adjourned for more than 3 days during a session
20 of Congress), then each rule described in that resolution
21 shall be deemed not to be approved and such rule shall
22 not take effect.

23 “(3) Such a rule may not be reissued in substantially
24 the same form, and a new rule that is substantially the
25 same as such a rule may not be issued, unless the reissued

1 or new rule is specifically authorized by a law enacted
2 after the date described in this subsection.

3 “(c)(1) Notwithstanding any other provision of this
4 section (except subject to paragraph (3)), a rule may take
5 effect for one 90-calendar-day period if the President
6 makes a determination under paragraph (2) and submits
7 written notice of such determination to the Congress.

8 “(2) Paragraph (1) applies to a determination made
9 by the President by Executive order that the rule should
10 take effect because such rule is—

11 “(A) necessary because of an imminent threat
12 to health or safety or other emergency;

13 “(B) necessary for the enforcement of criminal
14 laws;

15 “(C) necessary for national security; or

16 “(D) issued pursuant to any statute imple-
17 menting an international trade agreement.

18 “(3) An exercise by the President of the authority
19 under this subsection shall have no effect on the proce-
20 dures under section 802.

21 “(d)(1) In addition to the opportunity for review oth-
22 erwise provided under this chapter, in the case of any rule
23 included in a report submitted in accordance with sub-
24 section (a)(1)(A) during the period beginning on the date
25 occurring—

1 “(A) in the case of the Senate, 60 session days,
2 or

3 “(B) in the case of the House of Representa-
4 tives, 60 legislative days,
5 before the date the Congress is scheduled to adjourn a
6 session of Congress through the date on which the same
7 or succeeding Congress first convenes its next session, sec-
8 tion 802 shall apply to such rule in the succeeding session
9 of Congress.

10 “(2)(A) In applying section 802 for purposes of such
11 additional review, a rule described under paragraph (1)
12 shall be treated as though—

13 “(i) such rule were published in the Federal
14 Register on—

15 “(I) in the case of the Senate, the 15th
16 session day, or

17 “(II) in the case of the House of Rep-
18 resentatives, the 15th legislative day,

19 after the succeeding session of Congress first con-
20 venes; and

21 “(ii) a report on such rule were submitted to
22 Congress under subsection (a)(1) on such date.

23 “(B) Nothing in this paragraph shall be construed
24 to affect the requirement under subsection (a)(1) that a

1 report shall be submitted to Congress before a rule can
2 take effect.

3 “(3) A rule described under paragraph (1) shall take
4 effect as otherwise provided by law (including other sub-
5 sections of this section).

6 **“§ 802. Congressional approval procedure for rules**

7 “(a) For purposes of this section, the term ‘joint res-
8 olution’ means only a joint resolution introduced on or
9 after the date on which the report referred to in section
10 801(a)(1)(A) is received by Congress (excluding days ei-
11 ther House of Congress is adjourned for more than 3 days
12 during a session of Congress), the matter after the resolv-
13 ing clause of which is as follows: ‘That Congress approves
14 the rules submitted by the ____ relating to ____.’ (The
15 blank spaces being appropriately filled in).

16 “(1) In the House, the majority leader of the
17 House of Representatives (or his designee) and the
18 minority leader of the House of Representatives (or
19 his designee) shall introduce such joint resolution
20 described in subsection (a) (by request), within 3
21 legislative days after Congress receives the report re-
22 ferred to in section 801(a)(1)(A).

23 “(2) In the Senate, the majority leader of the
24 Senate (or his designee) and the minority leader of
25 the Senate (or his designee) shall introduce such

1 joint resolution described in subsection (a) (by re-
2 quest), within 3 session days after Congress receives
3 the report referred to in section 801(a)(1)(A).

4 “(b)(1) A joint resolution described in subsection (a)
5 shall be referred to the committees in each House of Con-
6 gress with jurisdiction under the rules of the House of
7 Representatives or the Senate to report a bill to amend
8 the provision of law under which the rule is issued.

9 “(2) For purposes of this section, the term ‘submis-
10 sion date’ means the date on which the Congress receives
11 the report submitted under section 801(a)(1).

12 “(c) In the Senate, if the committee or committees
13 to which a joint resolution described in subsection (a) has
14 been referred have not reported it at the end of 15 session
15 days after its introduction, such committee or committees
16 shall be automatically discharged from further consider-
17 ation of the resolution and it shall be placed on the cal-
18 endar. A vote on final passage of the resolution shall be
19 taken on or before the close of the 15th session day after
20 the resolution is reported by the committee or committees
21 to which it was referred, or after such committee or com-
22 mittees have been discharged from further consideration
23 of the resolution.

24 “(d)(1) In the Senate, when the committee or com-
25 mittees to which a joint resolution is referred have re-

1 ported, or when a committee or committees are discharged
2 (under subsection (c)) from further consideration of a
3 joint resolution described in subsection (a), it is at any
4 time thereafter in order (even though a previous motion
5 to the same effect has been disagreed to) for a motion
6 to proceed to the consideration of the joint resolution, and
7 all points of order against the joint resolution (and against
8 consideration of the joint resolution) are waived. The mo-
9 tion is not subject to amendment, or to a motion to post-
10 pone, or to a motion to proceed to the consideration of
11 other business. A motion to reconsider the vote by which
12 the motion is agreed to or disagreed to shall not be in
13 order. If a motion to proceed to the consideration of the
14 joint resolution is agreed to, the joint resolution shall re-
15 main the unfinished business of the Senate until disposed
16 of.

17 “(2) In the Senate, debate on the joint resolution,
18 and on all debatable motions and appeals in connection
19 therewith, shall be limited to not more than 2 hours, which
20 shall be divided equally between those favoring and those
21 opposing the joint resolution. A motion to further limit
22 debate is in order and not debatable. It shall be in order
23 to consider any amendment that provides for specific con-
24 ditions on which the approval of a particular rule included
25 in the joint resolution is contingent.

1 “(3) In the Senate, immediately following the conclu-
2 sion of the debate on a joint resolution described in sub-
3 section (a), and a single quorum call at the conclusion of
4 the debate if requested in accordance with the rules of the
5 Senate, the vote on final passage of the joint resolution
6 shall occur.

7 “(4) Appeals from the decisions of the Chair relating
8 to the application of the rules of the Senate to the proce-
9 dure relating to a joint resolution described in subsection
10 (a) shall be decided without debate.

11 “(e)(1) In the House of Representatives, if the com-
12 mittee or committees to which a joint resolution described
13 in subsection (a) has been referred have not reported it
14 at the end of 15 legislative days after its introduction,
15 such committee or committees shall be automatically dis-
16 charged from further consideration of the resolution and
17 it shall be placed on the appropriate calendar. A vote on
18 final passage of the resolution shall be taken on or before
19 the close of the 15th legislative day after the resolution
20 is reported by the committee or committees to which it
21 was referred, or after such committee or committees have
22 been discharged from further consideration of the resolu-
23 tion.

24 “(2)(A) A motion in the House of Representatives to
25 proceed to the consideration of a resolution shall be privi-

1 leged and not debatable. An amendment to the motion
2 shall not be in order, nor shall it be in order to move to
3 reconsider the vote by which the motion is agreed to or
4 disagreed to.

5 “(B) Debate in the House of Representatives on a
6 resolution shall be limited to not more than two hours,
7 which shall be divided equally between those favoring and
8 those opposing the resolution. A motion to further limit
9 debate shall not be debatable. Amendments to the resolu-
10 tion shall be in order. No motion to recommit the resolu-
11 tion shall be in order. It shall be in order to consider any
12 amendment that provides for specific conditions on which
13 the approval of a particular rule included in the joint reso-
14 lution is contingent.

15 “(C) Motions to postpone, made in the House of Rep-
16 resentatives with respect to the consideration of a resolu-
17 tion, and motions to proceed to the consideration of other
18 business, shall be decided without debate.

19 “(D) All appeals from the decisions of the Chair re-
20 lating to the application of the Rules of the House of Rep-
21 resentatives to the procedure relating to a resolution shall
22 be decided without debate.

23 “(f) If, before the passage by one House of a joint
24 resolution of that House described in subsection (a), that
25 House receives from the other House a joint resolution

1 described in subsection (a), then the following procedures
2 shall apply with respect to a joint resolution described in
3 subsection (a) of the House receiving the joint resolu-
4 tion—

5 “(1) the procedure in that House shall be the
6 same as if no joint resolution had been received from
7 the other House; but

8 “(2) the vote on final passage shall be on the
9 joint resolution of the other House.

10 “(g) This section is enacted by Congress—

11 “(1) as an exercise of the rulemaking power of
12 the Senate and House of Representatives, respec-
13 tively, and as such it is deemed a part of the rules
14 of each House, respectively, but applicable only with
15 respect to the procedure to be followed in that
16 House in the case of a joint resolution described in
17 subsection (a), and it supersedes other rules only to
18 the extent that it is inconsistent with such rules; and

19 “(2) with full recognition of the constitutional
20 right of either House to change the rules (so far as
21 relating to the procedure of that House) at any time,
22 in the same manner, and to the same extent as in
23 the case of any other rule of that House.

24 **“§ 803. Definitions**

25 “For purposes of this chapter—

1 “(1) The term ‘Federal agency’ means any
2 agency as that term is defined in section 551(1).

3 “(2) The term ‘rule’ has the meaning given
4 such term in section 551, except that such term does
5 not include—

6 “(A) any rule of particular applicability,
7 including a rule that approves or prescribes for
8 the future rates, wages, prices, services, or al-
9 lowances therefore, corporate or financial struc-
10 tures, reorganizations, mergers, or acquisitions
11 thereof, or accounting practices or disclosures
12 bearing on any of the foregoing;

13 “(B) any rule relating to agency manage-
14 ment or personnel; or

15 “(C) any rule of agency organization, pro-
16 cedure, or practice that does not substantially
17 affect the rights or obligations of non-agency
18 parties.

19 **“§ 804. Judicial review**

20 “(a) No determination, finding, action, or omission
21 under this chapter shall be subject to judicial review.

22 “(b) Notwithstanding subsection (a), a court may de-
23 termine whether a Federal agency has completed the nec-
24 essary requirements under this chapter for a rule to take
25 effect.

1 **“§ 805. Exemption for monetary policy**

2 “Nothing in this chapter shall apply to rules that con-
3 cern monetary policy proposed or implemented by the
4 Board of Governors of the Federal Reserve System or the
5 Federal Open Market Committee.

6 **“§ 806. Review of rules currently in effect**

7 “(a) ANNUAL REVIEW.—Beginning on the date that
8 is 6 months after the date of enactment of this section
9 and annually thereafter for the 9 years following, each
10 agency shall designate not less than 10 percent of eligible
11 rules made by that agency for review, and shall submit
12 a report including each such eligible rule in the same man-
13 ner as a report under section 801(a)(1). Section 801 and
14 section 802 shall apply to each such rule, subject to sub-
15 section (c) of this section. No eligible rule previously des-
16 ignated may be designated again.

17 “(b) SUNSET FOR ELIGIBLE RULES NOT EX-
18 TENDED.—Beginning after the date that is 10 years after
19 the date of enactment of this section, if Congress has not
20 enacted a joint resolution of approval for that eligible rule,
21 that eligible rule shall not continue in effect.

22 “(c) CONSOLIDATION; SEVERABILITY.—In applying
23 sections 801 and 802 to eligible rules under this section,
24 the following shall apply:

25 “(1) The words ‘take effect’ shall be read as
26 ‘continue in effect’.

1 “(2) Except as provided in paragraph (3), a
2 single joint resolution of approval shall apply to all
3 eligible rules in a report designated for a year, and
4 the matter after the resolving clause of that joint
5 resolution is as follows: ‘That Congress approves the
6 rules submitted by the ____ for the year ____.’ (The
7 blank spaces being appropriately filled in).

8 “(3) It shall be in order to consider any amend-
9 ment that provides for specific conditions on which
10 the approval of a particular eligible rule included in
11 the joint resolution is contingent.

12 “(4) A member of either House may move that
13 a separate joint resolution be required for a specified
14 rule.

15 “(d) DEFINITION.—In this section, the term ‘eligible
16 rule’ means a rule that is in effect as of the date of enact-
17 ment of this section.

18 **“§ 807. Sunset for rules**

19 “(a) EXPIRATION OF RULE.—

20 “(1) IN GENERAL.—Except as provided in this
21 section, each rule made by an agency shall cease to
22 have effect—

23 “(A) beginning on the date that is 10
24 years after the date of enactment of a joint res-
25 olution of approval with regard to the rule; or

1 “(B) if a joint resolution of extension de-
2 scribed in subsection (d) has been enacted with
3 regard to the rule, beginning on the date that
4 is 10 years after the date of enactment of the
5 most recently enacted such joint resolution.

6 “(2) REISSUANCE OF THE RULE PROHIB-
7 ITED.—The rule may not be reissued in substan-
8 tially the same form, and a new rule that is substan-
9 tially the same as such a rule may not be issued, un-
10 less the reissued or new rule is specifically author-
11 ized by a law enacted after the date described in this
12 subsection (a).

13 “(b) REPORT BY AGENCY.—Not later than 180 days
14 before the date described in subsection (a), the agency
15 shall submit a report similar to the report described in
16 section 801(a)(1)(A) to each House of Congress and to
17 the Comptroller General, except that instead of the pro-
18 posed effective date, such report shall contain the date de-
19 scribed in subsection (a).

20 “(c) EXEMPTION BY PRESIDENT.—The President
21 may by Executive order exempt a rule from the application
22 of subsection (a) for a period of not more than 10 years
23 if the President determines, and submits to Congress writ-
24 ten notice of such determination, that such rule is—

1 “(1) necessary because of an imminent threat
2 to health or safety or other emergency;

3 “(2) necessary for the enforcement of criminal
4 laws;

5 “(3) necessary for national security; or

6 “(4) issued pursuant to any statute imple-
7 menting an international trade agreement.

8 “(d) JOINT RESOLUTION OF EXTENSION.—

9 “(1) JOINT RESOLUTION DESCRIBED.—For
10 purposes of this section, the term ‘joint resolution’
11 means only a joint resolution introduced on or after
12 the date on which the report referred to subsection
13 (b) is received by Congress (excluding days either
14 House of Congress is adjourned for more than 3
15 days during a session of Congress), the matter after
16 the resolving clause of which is as follows: ‘That
17 Congress extends the rule submitted by the __ __
18 relating to __ __.’ (The blank spaces being appro-
19 priately filled in). The following shall apply to such
20 a joint resolution:

21 “(A) In the House, the majority leader of
22 the House of Representatives (or his designee)
23 and the minority leader of the House of Rep-
24 resentatives (or his designee) shall introduce
25 such joint resolution (by request), within 3 leg-

1 islative days after Congress receives the report
2 submitted under subsection (b).

3 “(B) In the Senate, the majority leader of
4 the Senate (or his designee) and the minority
5 leader of the Senate (or his designee) shall in-
6 troduce such joint resolution described in sub-
7 section (a) (by request), within 3 session days
8 after Congress receives the report submitted
9 under subsection (b).

10 “(2) CONSIDERATION OF JOINT RESOLUTION.—
11 Subsections (b) through (g) of section 802 shall
12 apply to a joint resolution described in paragraph
13 (1) of this subsection in the same manner as a joint
14 resolution described in subsection (a) of section 802,
15 except that for purposes of that subsection, the term
16 ‘submission date’ means the date on which the Con-
17 gress receives the report submitted under subsection
18 (b).”.

19 **TITLE XVIII—ILLEGAL**
20 **DEDUCTION ELIMINATION**

21 **SEC. 1801. SHORT TITLE.**

22 This title may be cited as—

23 (1) the “IDEA Act”; or

24 (2) the “Illegal Deduction Elimination Act”.

1 **SEC. 1802. CLARIFICATION THAT WAGES PAID TO UNAU-**
2 **THORIZED ALIENS MAY NOT BE DEDUCTED**
3 **FROM GROSS INCOME.**

4 (a) IN GENERAL.—Subsection (c) of section 162 of
5 the Internal Revenue Code of 1986 (relating to illegal
6 bribes, kickbacks, and other payments) is amended by
7 adding at the end the following new paragraph:

8 “(4) WAGES PAID TO OR ON BEHALF OF UNAU-
9 THORIZED ALIENS.—

10 “(A) IN GENERAL.—No deduction shall be
11 allowed under subsection (a) for any wage paid
12 to or on behalf of an unauthorized alien, as de-
13 fined under section 274A(h)(3) of the Immigra-
14 tion and Nationality Act (8 U.S.C.
15 1324a(h)(3)).

16 “(B) WAGES.—For the purposes of this
17 paragraph, the term ‘wages’ means all remu-
18 nation for employment, including the cash
19 value of all remuneration (including benefits)
20 paid in any medium other than cash.

21 “(C) SAFE HARBOR.—If a person or other
22 entity is participating in the E-Verify Program
23 described in section 403(a) of the Illegal Immi-
24 gration Reform and Immigrant Responsibility
25 Act of 1996 (8 U.S.C. 1324a note) and obtains
26 confirmation of identity and employment eligi-

bility in compliance with the terms and conditions of the program with respect to the hiring (or recruitment or referral) of an employee, subparagraph (A) shall not apply with respect to wages paid to such employee.

“(D) BURDEN OF PROOF.—In the case of any examination of a return in connection with a deduction under this section by reason of this paragraph, the Secretary shall bear the burden of proving that wages were paid to or on behalf of an unauthorized alien.

“(E) LIMITATION ON TAXPAYER AUDIT.—The Secretary may not commence an audit or other investigation of a taxpayer solely on the basis of a deduction taken under this section by reason of this paragraph.”.

(b) SIX-YEAR LIMITATION ON ASSESSMENT AND COLLECTION.—Subsection (c) of section 6501 of the Internal Revenue Code of 1986 (relating to exceptions) is amended by adding at the end the following new paragraph:

“(12) DEDUCTION CLAIMED FOR WAGES PAID TO UNAUTHORIZED ALIENS.—In the case of a return of tax on which a deduction is shown in violation of section 162(c)(4), any tax under chapter 1 may be

1 assessed, or a proceeding in court for the collection
2 of such tax may be begun without assessment, at
3 any time within 6 years after the return was filed.”.

4 (c) USE OF DOCUMENTATION FOR ENFORCEMENT
5 PURPOSES.—Section 274A of the Immigration and Na-
6 tionality Act (8 U.S.C. 1324a) is amended—

7 (1) in subparagraph (b)(5), by inserting “, sec-
8 tion 162(c)(4) of the Internal Revenue Code of
9 1986,” after “enforcement of this Act”;

10 (2) in subparagraph (d)(2)(F), by inserting “,
11 section 162(c)(4) of the Internal Revenue Code of
12 1986,” after “enforcement of this Act”; and

13 (3) in subparagraph (d)(2)(G), by inserting
14 “section 162(c)(4) of the Internal Revenue Code of
15 1986 or” after “or enforcement of”.

16 (d) AVAILABILITY OF INFORMATION.—

17 (1) IN GENERAL.—The Commissioner of Social
18 Security, the Secretary of the Department of Home-
19 land Security, and the Secretary of the Treasury,
20 shall jointly establish a program to share informa-
21 tion among such agencies that may or could lead to
22 the identification of unauthorized aliens (as defined
23 under section 274A(h)(3) of the Immigration and
24 Nationality Act), including any no-match letter, any
25 information in the earnings suspense file, and any

1 information in the investigation and enforcement of
2 section 162(c)(4) of the Internal Revenue Code of
3 1986.

4 (2) DISCLOSURE BY SECRETARY OF THE
5 TREASURY.—

6 (A) IN GENERAL.—Subsection (i) of sec-
7 tion 6103 of the Internal Revenue Code of 1986
8 is amended by adding at the end the following
9 new paragraph:

10 “(9) PAYMENT OF WAGES TO UNAUTHORIZED
11 ALIENS.—Upon request from the Commissioner of
12 the Social Security Administration or the Secretary
13 of the Department of Homeland Security, the Sec-
14 retary shall disclose to officers and employees of
15 such Administration or Department—

16 “(A) taxpayer identity information of em-
17 ployers who paid wages with respect to which a
18 deduction was not allowed by reason of section
19 162(c)(4), and

20 “(B) taxpayer identity information of indi-
21 viduals to whom such wages were paid,
22 for purposes of carrying out any enforcement activi-
23 ties of such Administration or Department with re-
24 spect to such employers or individuals.”.

1 (B) RECORDKEEPING.—Paragraph (4) of
2 section 6103(p) of such Code is amended—

3 (i) by striking “(5), or (7)” in the
4 matter preceding subparagraph (A) and in-
5 serting “(5), (7), or (9)”, and

6 (ii) by striking “(5) or (7)” in sub-
7 paragraph (F)(ii) and inserting “(5), (7),
8 or (9)”.

9 (e) EFFECTIVE DATE.—

10 (1) Except as provided in paragraph (2), this
11 title and the amendments made by this title shall
12 take effect on the date of the enactment of this Act.

13 (2) The amendments made by subsections (a)
14 and (b) shall apply to taxable years beginning after
15 December 31, 2018.

16 **SEC. 1803. MODIFICATION OF E-VERIFY PROGRAM.**

17 (a) MAKING PERMANENT.—Subsection (b) of section
18 401 of the Illegal Immigration Reform and Immigrant Re-
19 sponsibility Act of 1996 (8 U.S.C. 1324a note) is amended
20 by striking the last sentence.

21 (b) APPLICATION TO CURRENT EMPLOYEES.—

22 (1) VOLUNTARY ELECTION.—The first sentence
23 of section 402(a) of such Act is amended to read as
24 follows: “Any person or other entity that conducts
25 any hiring (or recruitment or referral) in a State or

1 employs any individuals in a State may elect to par-
2 ticipate in the E-Verify Program.”.

3 (2) BENEFIT OF REBUTTABLE PRESUMP-
4 TION.—Paragraph (1) of section 402(b) of such Act
5 is amended by adding at the end the following: “If
6 a person or other entity is participating in the E-
7 Verify Program and obtains confirmation of identity
8 and employment eligibility in compliance with the
9 terms and conditions of the program with respect to
10 individuals employed by the person or entity, the
11 person or entity has established a rebuttable pre-
12 sumption that the person or entity has not violated
13 section 274A(a)(2) with respect to such individ-
14 uals.”.

15 (3) SCOPE OF ELECTION.—Subparagraph (A)
16 of section 402(c)(2) of such Act is amended to read
17 as follows:

18 “(A) IN GENERAL.—Any electing person or
19 other entity may provide that the election under
20 subsection (a) shall apply (during the period in
21 which the election is in effect)—

22 “(i) to all its hiring (and all recruit-
23 ment or referral);

1 “(ii) to all its hiring (and all recruit-
 2 ment or referral and all individuals em-
 3 ployed by the person or entity);

4 “(iii) to all its hiring (and all recruit-
 5 ment or referral) in one or more States or
 6 one or more places of hiring (or recruit-
 7 ment or referral, as the case may be); or

8 “(iv) to all its hiring (and all recruit-
 9 ment or referral and all individuals em-
 10 ployed by the person or entity) in one or
 11 more States or one or more place of hiring
 12 (or recruitment or referral or employment,
 13 as the case may be).”.

14 (4) PROCEDURES FOR PARTICIPANTS IN E-
 15 VERIFY PROGRAM.—Subsection (a) of section 403 of
 16 such Act is amended—

17 (A) in the matter preceding paragraph (1),
 18 by inserting “or continued employment in the
 19 United States” after “United States”; and

20 (B) in paragraph (3)—

21 (i) in subparagraph (A), by striking
 22 all that follows “(as specified by the Sec-
 23 retary of Homeland Security)” and insert-
 24 ing “after the date of the hiring, or re-
 25 cruitment or referral, in the case of inquir-

ies made pursuant to a hiring, recruitment or referral (and not of previously hired individuals).”; and

(ii) in subparagraph (B), by striking “such 3 working days” and inserting “the specified period”.

(c) APPLICATION TO JOB APPLICANTS.—Section 402(c)(2) of such Act is amended by adding at the end the following:

“(C) JOB OFFER MAY BE MADE CONDITIONAL ON FINAL CONFIRMATION BY E-VERIFY.—A person or other entity that elects to participate in the E-Verify Program may offer a prospective employee an employment position conditioned on final verification of the identity and employment eligibility of the employee using the employment eligibility confirmation system established under section 404.”.

TITLE XIX—ENGLISH LANGUAGE UNITY

SEC. 1901. SHORT TITLE.

This title may be cited as the “English Language Unity Act of 2020”.

SEC. 1902. FINDINGS.

The Congress finds and declares the following:

1 (1) The United States is composed of individ-
2 uals from diverse ethnic, cultural, and linguistic
3 backgrounds, and continues to benefit from this rich
4 diversity.

5 (2) Throughout the history of the United
6 States, the common thread binding individuals of
7 differing backgrounds has been the English lan-
8 guage.

9 (3) Among the powers reserved to the States
10 respectively is the power to establish the English
11 language as the official language of the respective
12 States, and otherwise to promote the English lan-
13 guage within the respective States, subject to the
14 prohibitions enumerated in the Constitution of the
15 United States and in laws of the respective States.

16 **SEC. 1903. ENGLISH AS OFFICIAL LANGUAGE OF THE**
17 **UNITED STATES.**

18 (a) IN GENERAL.—Title 4, United States Code, is
19 amended by adding at the end the following new chapter:

20 **“CHAPTER 6—OFFICIAL LANGUAGE**

21 **“§ 161. Official language of the United States**

22 “The official language of the United States is
23 English.

1 **“§ 162. Preserving and enhancing the role of the offi-**
2 **cial language**

3 “Representatives of the Federal Government shall
4 have an affirmative obligation to preserve and enhance the
5 role of English as the official language of the Federal Gov-
6 ernment. Such obligation shall include encouraging great-
7 er opportunities for individuals to learn the English lan-
8 guage.

9 **“§ 163. Official functions of Government to be con-**
10 **ducted in English**

11 “(a) OFFICIAL FUNCTIONS.—The official functions
12 of the Government of the United States shall be conducted
13 in English.

14 “(b) SCOPE.—For the purposes of this section, the
15 term ‘United States’ means the several States and the
16 District of Columbia, and the term ‘official’ refers to any
17 function that (i) binds the Government, (ii) is required
18 by law, or (iii) is otherwise subject to scrutiny by either
19 the press or the public.

20 “(c) PRACTICAL EFFECT.—This section shall apply
21 to all laws, public proceedings, regulations, publications,
22 orders, actions, programs, and policies, but does not apply
23 to—

24 “(1) teaching of languages;

25 “(2) requirements under the Individuals with
26 Disabilities Education Act;

1 “(3) actions, documents, or policies necessary
 2 for national security, international relations, trade,
 3 tourism, or commerce;

4 “(4) actions or documents that protect the pub-
 5 lic health and safety;

6 “(5) actions or documents that facilitate the ac-
 7 tivities of the Bureau of the Census in compiling any
 8 census of population;

9 “(6) actions that protect the rights of victims of
 10 crimes or criminal defendants; or

11 “(7) using terms of art or phrases from lan-
 12 guages other than English.

13 **“§ 164. Uniform English language rule for naturaliza-**
 14 **tion**

15 “(a) UNIFORM LANGUAGE TESTING STANDARD.—All
 16 citizens should be able to read and understand generally
 17 the English language text of the Declaration of Independ-
 18 ence, the Constitution, and the laws of the United States
 19 made in pursuance of the Constitution.

20 “(b) CEREMONIES.—All naturalization ceremonies
 21 shall be conducted in English.

22 **“§ 165. Rules of construction**

23 “Nothing in this chapter shall be construed—

24 “(1) to prohibit a Member of Congress or any
 25 officer or agent of the Federal Government, while

1 performing official functions, from communicating
 2 unofficially through any medium with another per-
 3 son in a language other than English (as long as of-
 4 ficial functions are performed in English);

5 “(2) to limit the preservation or use of Native
 6 Alaskan or Native American languages (as defined
 7 in the Native American Languages Act);

8 “(3) to disparage any language or to discourage
 9 any person from learning or using a language; or

10 “(4) to be inconsistent with the Constitution of
 11 the United States.

12 **“§ 166. Standing**

13 “A person injured by a violation of this chapter may
 14 in a civil action (including an action under chapter 151
 15 of title 28) obtain appropriate relief.”.

16 (b) CLERICAL AMENDMENT.—The table of chapters
 17 at the beginning of title 4, United States Code, is amended
 18 by inserting after the item relating to chapter 5 the fol-
 19 lowing new item:

“CHAPTER 6. OFFICIAL LANGUAGE”.

20 **SEC. 1904. GENERAL RULES OF CONSTRUCTION FOR**
 21 **ENGLISH LANGUAGE TEXTS OF THE LAWS OF**
 22 **THE UNITED STATES.**

23 (a) IN GENERAL.—Chapter 1 of title 1, United
 24 States Code, is amended by adding at the end the fol-
 25 lowing new section:

1 **“§ 9. General rules of construction for laws of the**
 2 **United States**

3 “(a) English language requirements and workplace
 4 policies, whether in the public or private sector, shall be
 5 presumptively consistent with the laws of the United
 6 States.

7 “(b) Any ambiguity in the English language text of
 8 the laws of the United States shall be resolved, in accord-
 9 ance with the last two articles of the Bill of Rights, not
 10 to deny or disparage rights retained by the people, and
 11 to reserve powers to the States respectively, or to the peo-
 12 ple.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
 14 at the beginning of chapter 1 of title 1 is amended by
 15 inserting after the item relating to section 8 the following
 16 new item:

“9. General rules of construction for laws of the United States.”.

17 **SEC. 1905. IMPLEMENTING REGULATIONS.**

18 The Secretary of Homeland Security shall, within
 19 180 days after the date of enactment of this Act, issue
 20 for public notice and comment a proposed rule for uniform
 21 testing of English language ability of candidates for natu-
 22 ralization, based upon the principles that—

23 (1) all citizens should be able to read and un-
 24 derstand generally the English language text of the
 25 Declaration of Independence, the Constitution, and

1 the laws of the United States which are made in
 2 pursuance thereof; and

3 (2) any exceptions to this standard should be
 4 limited to extraordinary circumstances, such as asy-
 5 lum.

6 **SEC. 1906. EFFECTIVE DATE.**

7 The amendments made by sections 1903 and 1904
 8 shall take effect on the date that is 180 days after the
 9 date of the enactment of this Act.

10 **TITLE XX—DAVIS-BACON**
 11 **REPEAL**

12 **SEC. 2001. SHORT TITLE.**

13 This title may be cited as the “Davis-Bacon Repeal
 14 Act”.

15 **SEC. 2002. REPEAL OF DAVIS-BACON WAGE REQUIRE-**
 16 **MENTS.**

17 (a) IN GENERAL.—Subchapter IV of chapter 31 of
 18 title 40, United States Code, is repealed.

19 (b) REFERENCE.—Any reference in any law to a
 20 wage requirement of subchapter IV of chapter 31 of title
 21 40, United States Code, shall after the date of the enact-
 22 ment of this Act be null and void.

23 **SEC. 2003. EFFECTIVE DATE AND LIMITATION.**

24 The amendment made by section 2002 shall take ef-
 25 fect 30 days after the date of the enactment of this Act

1 but shall not affect any contract in existence on such date
2 of enactment or made pursuant to invitation for bids out-
3 standing on such date of enactment.

4 **TITLE XXI—CENSUS ACCURACY**

5 **SEC. 2101. SHORT TITLE.**

6 This title may be cited as the “Census Accuracy Act
7 of 2020”.

8 **SEC. 2102. CITIZENSHIP OR LAWFUL PRESENCE STATUS ON** 9 **CENSUS QUESTIONNAIRES.**

10 Section 141 of title 13, United States Code, is
11 amended—

12 (1) by redesignating subsection (g) as sub-
13 section (h); and

14 (2) by inserting after subsection (f) the fol-
15 lowing:

16 “(g) In conducting the 2020 decennial census and
17 each decennial census thereafter, the Secretary shall in-
18 clude in any questionnaire distributed or otherwise used
19 for the purpose of determining the total population by
20 States—

21 “(1) a checkbox or other similar option for re-
22 spondents to indicate whether the respondent is a
23 citizen or national of the United States, is lawfully
24 admitted for permanent residence in the United

1 State, is an alien who otherwise has lawful status
2 under the immigration laws, or none of these; and
3 “(2) in connection with the option relating to
4 status under the immigration laws, a question re-
5 garding which Federal program or provision of law
6 accorded the respondent such status.”.

7 **TITLE XXII—TRUTH IN** 8 **EMPLOYMENT**

9 **SEC. 2201. SHORT TITLE.**

10 This title may be cited as the “Truth in Employment
11 Act of 2020”.

12 **SEC. 2202. FINDINGS AND PURPOSE.**

13 (a) FINDINGS.—Congress finds the following:

14 (1) An atmosphere of trust and civility in labor-
15 management relationships is essential to a produc-
16 tive workplace and a healthy economy.

17 (2) The tactic of using professional union orga-
18 nizers and agents to infiltrate a targeted employer’s
19 workplace, a practice commonly referred to as “salt-
20 ing” has evolved into an aggressive form of harass-
21 ment not contemplated when the National Labor Re-
22 lations Act was enacted and threatens the balance of
23 rights which is fundamental to collective bargaining.

24 (3) Increasingly, union organizers are seeking
25 employment with nonunion employers not because of

1 a desire to work for such employers but primarily to
2 organize the employees of such employers or to in-
3 flict economic harm specifically designed to put non-
4 union competitors out of business, or to do both.

5 (4) While no employer may discriminate against
6 employees based upon the views of employees con-
7 cerning collective bargaining, an employer should
8 have the right to expect job applicants to be pri-
9 marily interested in utilizing the skills of the appli-
10 cants to further the goals of the business of the em-
11 ployer.

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

13 (1) to preserve the balance of rights between
14 employers, employees, and labor organizations which
15 is fundamental to collective bargaining;

16 (2) to preserve the rights of workers to orga-
17 nize, or otherwise engage in concerted activities pro-
18 tected under the National Labor Relations Act; and

19 (3) to alleviate pressure on employers to hire
20 individuals who seek or gain employment in order to
21 disrupt the workplace of the employer or otherwise
22 inflict economic harm designed to put the employer
23 out of business.

1 **SEC. 2203. PROTECTION OF EMPLOYER RIGHTS.**

2 Section 8(a) of the National Labor Relations Act (29
3 U.S.C. 158(a)) is amended by adding after and below
4 paragraph (5) the following:

5 “Nothing in this subsection shall be construed as requir-
6 ing an employer to employ any person who seeks or has
7 sought employment with the employer in furtherance of
8 other employment or agency status.”.

9 **TITLE XXIII—E-BONDING FOR**
10 **IMMIGRATION INTEGRITY**

11 **SEC. 2301. SHORT TITLE.**

12 This title may be cited as the “E-bonding for Immi-
13 gration Integrity Act of 2020”.

14 **SEC. 2302. REQUIREMENT OF BOND.**

15 (a) BOND REQUIRED.—Prior to arriving at a port of
16 entry of the United States, an alien seeking admission to
17 the United States shall post a bond, in accordance with
18 subsection (d), in an amount determined by the Secretary
19 if such alien seeks admission to the United States as a
20 nonimmigrant in a category—

21 (1) described under subparagraph (B), (F),
22 (H)(i)(b), (H)(ii)(b), or (K) of section 101(a)(15) of
23 the Immigration and Nationality Act (8 U.S.C.
24 1101(a)(15)); or

1 (2) identified by the Secretary, in accordance
2 with section 2303, to have a visa overstay rate that
3 is more than 1.5 percent.

4 (b) AMOUNT OF BOND.—Not later than 1 year after
5 the date of the enactment of this section, the Secretary
6 shall, by rule, establish the amount of the bond required
7 by subsection (a) for each visa category under subsection
8 (a)(1) and each visa category identified by the Secretary
9 under section 2303, which amount shall—

10 (1) be not less than \$2,500 and not more than
11 \$10,000; and

12 (2) be determined based on the Secretary's as-
13 sessment of the level of risk of visa overstays for
14 that category.

15 (c) ADJUSTMENT OF AMOUNT OF BOND.—On an an-
16 nual basis, the Secretary shall review, and, as appropriate,
17 adjust the amounts of the bonds described in subsection
18 (b).

19 (d) PAYMENT OF BOND.—An alien required to post
20 the bond under subsection (a) shall post such bond—

21 (1) in electronic form; and

22 (2) with a bonding agent designated by the Sec-
23 retary as qualified to hold such bond.

24 (e) RELEASE OF BOND.—The Secretary shall author-
25 ize a bonding agent to release a bond—

1 (1) to an alien required to post such bond—

2 (A) after receiving a notification from the
3 United States embassy or consulate in the
4 alien's country of origin that such alien de-
5 parted the United States and returned to such
6 country of origin; or

7 (B) if such alien changed or adjusted their
8 status to an immigration status not required to
9 post a bond under this section; and

10 (2) to the E-bond Enforcement Fund under
11 section 2304 upon a determination by the Secretary
12 that an alien—

13 (A) overstayed their visa; or

14 (B) did not return to their country of ori-
15 gin following the termination of their visa.

16 (f) CHANGE OF STATUS.—An alien who has been ad-
17 mitted to the United States and who is required to post
18 a bond under subsection (a) may be required to post an
19 additional bond if such alien changes their status to that
20 of a nonimmigrant in a category required to pay a higher
21 bond under this section.

22 (g) COLLECTION OF RECORDS RELATING TO
23 BONDS.—The United States Embassy or United States
24 consular office in the alien's country of origin shall collect
25 any records necessary to carry out this section.

1 (h) EFFECTIVE DATE.—This section shall take effect
2 on the date that is 120 calendar days after the date of
3 the enactment of this Act.

4 **SEC. 2303. VISA OVERSTAY RATE CATEGORIES.**

5 The Secretary shall identify—

6 (1) the visa overstay rate for each category of
7 nonimmigrant aliens described under section
8 101(a)(15) of the Immigration and Nationality Act
9 (8 U.S.C. 1101(a)(15)) in the previous year; and

10 (2) each category of nonimmigrant aliens de-
11 scribed under such section that had a visa overstay
12 rate in the previous year that was more than 1.5
13 percent.

14 **SEC. 2304. E-BOND ENFORCEMENT FUND.**

15 (a) IN GENERAL.—There is established in the general
16 fund of the Treasury a separate account, which shall be
17 known as the “E-bond Enforcement Fund” (in this sub-
18 section referred to as the “Fund”).

19 (b) DEPOSITS.—There shall be deposited as offset-
20 ting receipts into the Fund all amounts released under
21 section 2302(e)(2) of this title.

22 (c) USE OF AMOUNTS.—Amounts deposited into the
23 Fund shall remain available until expended and shall be
24 refunded out of the Fund by the Secretary of the Treas-
25 ury, to the Secretary of Homeland Security to—

- 1 (1) ensure compliance with this title; and
- 2 (2) administer enforcement programs.

3 **SEC. 2305. REPORT.**

4 Not later than 120 days after the date of the enact-
5 ment of this Act, and each year thereafter, the Secretary
6 shall submit to the committees of appropriate jurisdiction
7 a report that includes—

8 (1) the visa overstay rate for each category of
9 nonimmigrant alien described under section
10 101(a)(15) of the Immigration and Nationality Act
11 (8 U.S.C. 1101(a)(15)) in the previous year;

12 (2) the categories that had a visa overstay rate
13 in the previous year that was more than 1.5 percent,
14 as determined by the Secretary in accordance with
15 section 2303;

16 (3) the amounts of the bonds, as determined by
17 the Secretary in accordance with section 2302;

18 (4) information relating to the Fund under sec-
19 tion 2304; and

20 (5) any other information determined appro-
21 priate by the Secretary.

22 **SEC. 2306. DEFINITIONS.**

23 In this title:

1 (1) COMMITTEES OF APPROPRIATE JURISDIC-
2 TION.—The term “committees of appropriate juris-
3 diction” means—

4 (A) the Committee on the Judiciary of the
5 House of Representatives;

6 (B) the Committee on the Judiciary of the
7 Senate;

8 (C) the Committee on Homeland Security
9 of the House of Representatives; and

10 (D) the Committee on Homeland Security
11 and Governmental Affairs of the Senate.

12 (2) SECRETARY.—The term “Secretary” means
13 the Secretary of Homeland Security, unless other-
14 wise provided.

15 (3) VISA OVERSTAY RATE.—The term “visa
16 overstay rate” means the ratio of, for each category
17 of nonimmigrant aliens described in section
18 101(a)(15) of the Immigration and Nationality Act
19 (8 U.S.C. 1101 (a)(15))—

20 (A) the number of aliens admitted to the
21 United States for each such category whose pe-
22 riod of authorized stays ended during a fiscal
23 year but who remained unlawfully in the United
24 States beyond such period; to

1 (B) the total number of aliens admitted to
 2 the United States for each such category during
 3 that fiscal year.

4 **TITLE XXIV—RESTORING MAX-**
 5 **IMUM MOBILITY TO OUR NA-**
 6 **TION’S VETERANS**

7 **SEC. 2401. SHORT TITLE.**

8 This title may be cited as the “Restoring Maximum
 9 Mobility to Our Nation’s Veterans Act of 2020”.

10 **SEC. 2402. WHEELCHAIRS FOR VETERANS WITH SERVICE-**
 11 **CONNECTED DISABILITIES.**

12 (a) DEFINITION.—Section 1701 of title 38, United
 13 States Code, is amended by adding at the end the fol-
 14 lowing new paragraph:

15 “(11) The term ‘wheelchair’ includes enhanced power
 16 wheelchairs, multi-environmental wheelchairs, track wheel-
 17 chairs, stair-climbing wheelchairs, and other power-driven
 18 mobility devices.”.

19 (b) ENHANCED WHEELCHAIRS.—Section 1712(c) of
 20 title 38, United States Code, is amended—

21 (1) by striking “Dental” and inserting “(1)
 22 Dental”;

23 (2) by striking “section” and inserting “title”;
 24 and

1 (3) by adding at the end the following new
2 paragraph:

3 “(2) The Secretary shall ensure that each wheelchair,
4 furnished under this title to a veteran because of a service-
5 connected disability, restores the maximum achievable mo-
6 bility and function in the activities of daily life, employ-
7 ment, and recreation. The Secretary may furnish a wheel-
8 chair to a veteran because the wheelchair restores an abil-
9 ity that relates exclusively to participation in a rec-
10 reational activity.”.

11 **TITLE XXV—END SANCTUARIES**
12 **AND HELP OUR AMERICAN**
13 **HOMELESS AND VETERANS**

14 **SEC. 2501. SHORT TITLE.**

15 This title may be cited as—

16 (1) the “End Sanctuaries and Help Our Amer-
17 ican Homeless and Veterans Act”; or

18 (2) the “Diamond and Silk Act”.

19 **SEC. 2502. FINDINGS.**

20 The Congress finds as follows:

21 (1) According to United States law, found at
22 section 274 of the Immigration and Nationality Act
23 (8 U.S.C. 1324), it is illegal to bring or harbor ille-
24 gal immigrants in our Nation.

1 (2) In contravention of this law, cities, counties,
2 parishes, other political subdivisions, and States in
3 our Nation have adopted policies specifically oriented
4 to bring in, harbor, and even attract illegal aliens
5 into their jurisdictions.

6 (3) Although the Federal Government, and spe-
7 cifically the Congress of the United States, is con-
8 stitutionally charged with establishing “an uniform
9 Rule of Naturalization”, in certain cases States and
10 political subdivisions, including cities, have been as-
11 suming the role of immigration authorities, clearly in
12 violation of both the Constitution and Federal stat-
13 ute.

14 (4) Historically, the Federal Government has
15 proven lackadaisical about enforcing its sole jurisdic-
16 tion in the serious matter of illegal immigration and
17 taking action against those jurisdictions that know-
18 ingly or recklessly disregard the Rule of Law to con-
19 ceal, harbor, attempt to, or actually shield from de-
20 tection, such illegal aliens, or that prohibit their offi-
21 cers from gathering information for, or cooperating
22 with, Federal officials.

23 (5) In these wanton acts, such jurisdictions
24 break the law that its citizens are held to, violate the
25 trust of the taxpayers who are already charged with

1 a \$22 trillion dollar Government debt that grows
2 daily, and—perhaps worst—subject those they
3 should protect and serve to death by deliberate mur-
4 derous acts and traffic accidents by those who
5 should not be in the country at all.

6 (6) In this way, such jurisdictions aid and abet
7 American deaths that are 100 percent preventable.

8 (7) Such tragic, preventable American deaths
9 have been suffered by “Angel Families” who have
10 lost spouses, sons, daughters, grandchildren, par-
11 ents, and grandparents at the hands of illegal aliens.

12 (8) These families are left to suffer deaths that
13 should not have been, according to the law of the
14 land, while too often complicit public officials, cities,
15 States, and the Federal Government are not held ac-
16 countable.

17 (9) Meanwhile, our Nation’s American homeless
18 and veterans are too often left out in the cold, with-
19 out the basic necessities and care that they need and
20 deserve as citizens of this country.

21 (10) Our American homeless and veterans must
22 be prioritized and cared for by law and in fact.

23 (11) Jurisdictions’ responsibilities must be
24 taken seriously, and never aid and abet, violations of
25 immigration law.

1 (12) These are dual injustices that the law, as
2 is, dictates must end.

3 **SEC. 2503. TREATMENT OF SANCTUARY JURISDICTIONS.**

4 (a) DEFINITION.—In this section, the term “sanc-
5 tuary jurisdiction” means a State or any political subdivi-
6 sion of a State that the Attorney General determines has
7 in effect a statute, ordinance, policy, or practice that pro-
8 hibits or in any way restricts, a Federal, State, or local
9 government entity, official, or other personnel from—

10 (1) complying with the immigration laws (as de-
11 fined in section 101(a)(17) of the Immigration and
12 Nationality Act (8 U.S.C. 1101(a)(17))), or from as-
13 sisting or cooperating with Federal law enforcement
14 entities, officials, or other personnel regarding the
15 enforcement of these laws; or

16 (2) undertaking any of the following law en-
17 forcement activities as they relate to information re-
18 garding the citizenship or immigration status, lawful
19 or unlawful, the inadmissibility or deportability, or
20 the custody status, of any individual:

21 (A) Making inquiries to any individual in
22 order to obtain such information regarding such
23 individual or any other individuals.

24 (B) Notifying the Federal Government re-
25 garding the presence of individuals who are en-

1 countered by law enforcement officials or other
2 personnel of a State or political subdivision of
3 a State.

4 (C) Complying with requests for such in-
5 formation from Federal law enforcement enti-
6 ties, officials, or other personnel.

7 (D) Complying with detainers.

8 (b) INELIGIBILITY OF SANCTUARY JURISDICTIONS
9 FOR FEDERAL FUNDS.—

10 (1) STATES.—No sanctuary jurisdiction that is
11 a State may be allocated or receive any Federal fi-
12 nancial assistance (as such term is defined in section
13 7501(a)(5) of title 31, United States Code).

14 (2) POLITICAL SUBDIVISIONS.—No sanctuary
15 jurisdiction that is a political subdivision of a State
16 may be allocated or receive any funds made available
17 to the Attorney General, including those made avail-
18 able from the account “Department of Justice—Of-
19 fice of Justice Programs—State and Local Law En-
20 forcement Assistance”.

21 (3) SOVEREIGN IMMUNITY.—Each State and
22 political subdivision of a State shall, as a condition
23 on receipt of any Federal financial assistance (as
24 such term is defined in section 7501(a)(5) of title
25 31, United States Code), waive the sovereign immu-

1 nity of the State or political subdivision with respect
2 to actions authorized under section 2504.

3 (4) REALLOCATION OF FUNDS.—Notwith-
4 standing any other provision of law, any funds not
5 allocated to a sanctuary jurisdiction from the ac-
6 count “Department of Justice—Office of Justice
7 Programs—State and Local Law Enforcement As-
8 sistance” pursuant to this subsection shall be made
9 available for activities carried out under the Justice
10 and Mental Health Collaboration Program of the Of-
11 fice of Justice Programs of the Department of Jus-
12 tice, to reduce homelessness in order to improve out-
13 comes for individuals with mental illnesses or co-oc-
14 ccurring mental health and substance abuse disorders
15 who encounter the justice system, thereby reducing
16 mental health disorders and homelessness among
17 our citizens.

18 **SEC. 2504. PRIVATE RIGHT OF ACTION.**

19 (a) CAUSE OF ACTION.—Any individual, or a spouse,
20 parent, or child of that individual (if the individual is de-
21 ceased), who is the victim of a murder, rape, or any felony,
22 as defined by the State, for which an alien (as defined
23 in section 101(a)(3) of the Immigration and Nationality
24 Act (8 U.S.C. 1101(a)(3))) has been convicted and sen-
25 tenced to a term of imprisonment of at least 1 year, may

1 bring an action against a State or political subdivision of
2 a State in the appropriate Federal or State court—

3 (1) if the State or political subdivision released
4 the alien from custody prior to the commission of
5 such crime, and had knowledge that the alien was
6 unlawfully present in the United States; or

7 (2) the crime was a consequence of the State or
8 political subdivision declining to honor a detainer or
9 warrant issued pursuant to section 287(d)(1) of the
10 Immigration and Nationality Act (8 U.S.C.
11 1357(d)(1)).

12 (b) APPLICATION.—Subject to subsection (c), sub-
13 section (a) shall apply without regard to whether the crime
14 was committed before, on, or after the date of the enact-
15 ment of this Act.

16 (c) LIMITATION ON BRINGING ACTION.—

17 (1) IN GENERAL.—An action brought under
18 this section may not be brought later than 10 years
19 following the occurrence of the crime, or death of a
20 person as a result of such crime, whichever occurs
21 later.

22 (2) EXCEPTION.—Paragraph (1) shall not
23 apply to an action brought under this section based
24 on a crime committed before the date of the enact-
25 ment of this Act.

1 (d) ATTORNEY’S FEES AND OTHER COSTS.—In any
2 action or proceeding under this section the court shall
3 allow a prevailing plaintiff a reasonable attorneys’ fee as
4 part of the costs, and include expert fees as part of the
5 attorneys’ fee.

6 **TITLE XXVI—SOCIAL SECURITY**
7 **INTEGRITY ACT OF 2020**

8 **SEC. 2601. SHORT TITLE.**

9 This title may be cited as the “Social Security Integ-
10 rity Act of 2020”.

11 **SEC. 2602. FINDINGS.**

12 Congress finds the following:

13 (1) Individuals can commit various types of
14 fraud against the Government by reporting earnings
15 under deceased individuals’ Social Security Numbers
16 (SSNs).

17 (2) Various Federal entities rely on the Social
18 Security Administration’s (SSA) death information
19 to detect unreported deaths and verify the accuracy
20 of reported deaths.

21 (3) The Numident is the SSA’s computer data-
22 base file on all who have applied for a Social Secu-
23 rity number. The Office of the Inspector General
24 (OIG) of the SSA conducted an audit and deter-
25 mined that the SSA did not have controls in place

1 to annotate death information on the Numident
2 records of numberholders who exceeded maximum
3 reasonable life expectancies and were likely deceased.

4 (4) The OIG identified 34 cases in which it ap-
5 peared that the deceased numberholder's name and
6 Social Security Number (SSN) had been misused. In
7 one instance an employer reported paying wages to
8 someone from 2008 through 2012 using a
9 numberholder's name and SSN that had been born
10 in 1886. SSA payment records indicated that the
11 numberholder died in January 1965, but the SSA
12 did not record the numberholder's death on the
13 Numident. SSA continued paying benefits to the
14 numberholder's widow until her death in February
15 1973. SSA's Master Earning File (MEF) contained
16 no reported earnings information for this
17 numberholder from 1956 through 2007.

18 (5) The OIG determined that thousands of the
19 SSNs could have been used to commit identity
20 fraud. For tax years 2006 through 2011, SSA re-
21 ceived reports that individuals using 66,920 SSNs
22 had approximately \$3.1 billion in wages, tips, and
23 self-employment income. SSA transferred the earn-
24 ings to the Earnings Suspense File because the em-
25 ployees' or self-employed individuals' names on the

1 earnings reports did not match the numberholders'
2 names.

3 (6) During calendar years 2008 through 2011,
4 employers made 4,024 E-Verify inquiries using
5 3,873 SSNs belonging to numberholders born before
6 June 16, 1901. According to the OIG, these inquir-
7 ies indicate individuals' attempts to use the SSNs to
8 apply for work.

9 (7) The OIG determined that resolving these
10 discrepancies will improve the accuracy and com-
11 pleteness of the Death Master File and help prevent
12 future misuse of these SSNs.

13 (8) The American taxpayer deserves to have the
14 surety of knowing that every agency and department
15 within the Federal Government takes the prudent
16 actions necessary to prevent future fraud and waste
17 of hard-earned dollars.

18 (9) In 2015, the OIG identified approximately
19 6.5 million numberholders age 112 or older who did
20 not have death information on the Numident.

21 (10) Of the 6.5 million cases OIG identified,
22 based on initial review, SSA believed approximately
23 1.5 million of these individuals were deceased. After
24 further in-depth analysis, SSA posted death infor-
25 mation to records for only those cases that passed

1 complex identity matching protocols, and where the
2 most current information indicated the individuals
3 are in fact deceased.

4 (11) For the remaining 5 million cases, the
5 SSA reports that it does not have sufficient or reli-
6 able evidence that these individuals are deceased.
7 However, the SSA also notes that the individuals
8 have never received payments from the SSA; the
9 records are decades old, and are the result of error-
10 prone paper reporting processes; it is possible that,
11 decades ago, SSA incorrectly recorded some dates of
12 birth and that some individuals are much younger
13 than current records indicate; and it would be im-
14 prudent to presume death in order to add these
15 cases to the DMF because doing so could result in
16 the inappropriate release of living individuals' per-
17 sonally identifiable information—an action that has
18 far-reaching and adverse consequences for these in-
19 dividuals.

20 (12) In line with the OIG's recommendations,
21 the SSA should take proactive action to fully protect
22 the American taxpayer by ensuring that there are
23 comprehensive controls in place to annotate death
24 information on the Numident records of

1 numberholders who exceeded maximum reasonable
2 life expectancies.

3 **SEC. 2603. IMPLEMENTATION OF OIG RECOMMENDATIONS.**

4 (a) IN GENERAL.—Not later than 3 years after the
5 date of the enactment of this Act, the Commissioner of
6 Social Security shall implement all of the recommenda-
7 tions described in the memorandum from the Office of the
8 Inspector General of the Social Security Administration
9 entitled “Numberholders Age 112 or Older Who Did Not
10 Have a Death Entry on the Numident (A–06–14–34030)”
11 and dated March 4, 2015.

12 (b) ADDITIONAL PAYMENT TO INDIVIDUALS ATTAIN-
13 ING 100 YEARS OF AGE.—The Commissioner of Social Se-
14 curity shall make a one-time payment in the amount of
15 \$100 to each individual who, according to the records of
16 the Commissioner of Social Security, attains 100 years of
17 age after the date of enactment of this Act and applies
18 for such payment.

19 (c) REPORT.—Not later than December 31 of each
20 calendar year that begins after the date of the enactment
21 of this Act and ends before the date that is 3 years after
22 such date of enactment, the Commissioner shall submit
23 to the Congress a report on the progress made toward im-
24 plementation of each of the recommendations described in
25 the memorandum specified in subsection (a), the methods

1 used to implement such recommendations, the amount of
2 funds expended and any other resources utilized to imple-
3 ment such recommendations, and the projected date of full
4 implementation.

5 **TITLE XXVII—HJ RES 47**

6 **TITLE XXVIII—HJ RES 49**

7 **TITLE XXIX—PROTECTING**

8 **ACCESS TO CARE**

9 **SEC. 2901. SHORT TITLE.**

10 This title may be cited as the “Protecting Access to
11 Care Act of 2020”.

12 **SEC. 2902. ENCOURAGING SPEEDY RESOLUTION OF**
13 **CLAIMS.**

14 (a) STATUTE OF LIMITATIONS.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the time for the commencement of a
17 health care lawsuit shall be, whichever occurs first of
18 the following:

19 (A) 3 years after the date of the occur-
20 rence of the breach or tort;

21 (B) 3 years after the date the medical or
22 health care treatment that is the subject of the
23 claim is completed; or

1 (C) 1 year after the claimant discovers, or
2 through the use of reasonable diligence should
3 have discovered, the injury.

4 (2) TOLLING.—In no event shall the time for
5 commencement of a health care lawsuit exceed 3
6 years after the date of the occurrence of the breach
7 or tort or 3 years after the date the medical or
8 health care treatment that is the subject of the claim
9 is completed (whichever occurs first) unless tolled
10 for any of the following—

11 (A) upon proof of fraud;

12 (B) intentional concealment; or

13 (C) the presence of a foreign body, which
14 has no therapeutic or diagnostic purpose or ef-
15 fect, in the person of the injured person.

16 (3) ACTIONS BY A MINOR.—Actions by a minor
17 shall be commenced within 3 years after the date of
18 the occurrence of the breach or tort or 3 years after
19 the date of the medical or health care treatment that
20 is the subject of the claim is completed (whichever
21 occurs first) except that actions by a minor under
22 the full age of 6 years shall be commenced within 3
23 years after the date of the occurrence of the breach
24 or tort, 3 years after the date of the medical or
25 health care treatment that is the subject of the claim

1 is completed, or 1 year after the injury is discovered,
2 or through the use of reasonable diligence should
3 have been discovered, or prior to the minor's 8th
4 birthday, whichever provides a longer period. Such
5 time limitation shall be tolled for minors for any pe-
6 riod during which a parent or guardian and a health
7 care provider have committed fraud or collusion in
8 the failure to bring an action on behalf of the in-
9 jured minor.

10 (b) STATE FLEXIBILITY.—No provision of subsection
11 (a) shall be construed to preempt any state law (whether
12 effective before, on, or after the date of the enactment of
13 this Act) that—

14 (1) specifies a time period of less than 3 years
15 after the date of injury or less than 1 year after the
16 claimant discovers, or through the use of reasonable
17 diligence should have discovered, the injury, for the
18 filing of a health care lawsuit;

19 (2) that specifies a different time period for the
20 filing of lawsuits by a minor;

21 (3) that triggers the time period based on the
22 date of the alleged negligence; or

23 (4) establishes a statute of repose for the filing
24 of health care lawsuit.

1 **SEC. 2903. COMPENSATING PATIENT INJURY.**

2 (a) UNLIMITED AMOUNT OF DAMAGES FOR ACTUAL
3 ECONOMIC LOSSES IN HEALTH CARE LAWSUITS.—In any
4 health care lawsuit, nothing in this title shall limit a claim-
5 ant’s recovery of the full amount of the available economic
6 damages, notwithstanding the limitation in subsection (b).

7 (b) ADDITIONAL NONECONOMIC DAMAGES.—In any
8 health care lawsuit, the amount of noneconomic damages,
9 if available, shall not exceed \$250,000, regardless of the
10 number of parties against whom the action is brought or
11 the number of separate claims or actions brought with re-
12 spect to the same injury.

13 (c) NO DISCOUNT OF AWARD FOR NONECONOMIC
14 DAMAGES.—For purposes of applying the limitation in
15 subsection (b), future noneconomic damages shall not be
16 discounted to present value. The jury shall not be in-
17 formed about the maximum award for noneconomic dam-
18 ages. An award for noneconomic damages in excess of
19 \$250,000 shall be reduced either before the entry of judg-
20 ment, or by amendment of the judgment after entry of
21 judgment, and such reduction shall be made before ac-
22 counting for any other reduction in damages required by
23 law. If separate awards are rendered for past and future
24 noneconomic damages and the combined awards exceed
25 \$250,000, the future noneconomic damages shall be re-
26 duced first.

1 (d) FAIR SHARE RULE.—In any health care lawsuit,
2 each party shall be liable for that party's several share
3 of any damages only and not for the share of any other
4 person. Each party shall be liable only for the amount of
5 damages allocated to such party in direct proportion to
6 such party's percentage of responsibility. Whenever a
7 judgment of liability is rendered as to any party, a sepa-
8 rate judgment shall be rendered against each such party
9 for the amount allocated to such party. For purposes of
10 this section, the trier of fact shall determine the propor-
11 tion of responsibility of each party for the claimant's
12 harm.

13 (e) STATE FLEXIBILITY.—No provision of this sec-
14 tion shall be construed to preempt any State law (whether
15 effective before, on, or after the date of the enactment of
16 this Act) that specifies a particular monetary amount of
17 economic or noneconomic damages (or the total amount
18 of damages) that may be awarded in a health care lawsuit,
19 regardless of whether such monetary amount is greater
20 or lesser than is provided for under this section.

21 **SEC. 2904. MAXIMIZING PATIENT RECOVERY.**

22 (a) COURT SUPERVISION OF SHARE OF DAMAGES
23 ACTUALLY PAID TO CLAIMANTS.—In any health care law-
24 suit, the court shall supervise the arrangements for pay-
25 ment of damages to protect against conflicts of interest

1 that may have the effect of reducing the amount of dam-
2 ages awarded that are actually paid to claimants. In par-
3 ticular, in any health care lawsuit in which the attorney
4 for a party claims a financial stake in the outcome by vir-
5 tue of a contingent fee, the court shall have the power
6 to restrict the payment of a claimant's damage recovery
7 to such attorney, and to redirect such damages to the
8 claimant based upon the interests of justice and principles
9 of equity. In no event shall the total of all contingent fees
10 for representing all claimants in a health care lawsuit ex-
11 ceed the following limits:

12 (1) Forty percent of the first \$50,000 recovered
13 by the claimant(s).

14 (2) Thirty-three and one-third percent of the
15 next \$50,000 recovered by the claimant(s).

16 (3) Twenty-five percent of the next \$500,000
17 recovered by the claimant(s).

18 (4) Fifteen percent of any amount by which the
19 recovery by the claimant(s) is in excess of \$600,000.

20 (b) APPLICABILITY.—The limitations in this section
21 shall apply whether the recovery is by judgment, settle-
22 ment, mediation, arbitration, or any other form of alter-
23 native dispute resolution. In a health care lawsuit involv-
24 ing a minor or incompetent person, a court retains the
25 authority to authorize or approve a fee that is less than

1 the maximum permitted under this section. The require-
2 ment for court supervision in the first two sentences of
3 subsection (a) applies only in civil actions.

4 (c) STATE FLEXIBILITY.—No provision of this sec-
5 tion shall be construed to preempt any State law (whether
6 effective before, on, or after the date of the enactment of
7 this Act) that specifies a lesser percentage or lesser total
8 value of damages which may be claimed by an attorney
9 representing a claimant in a health care lawsuit.

10 **SEC. 2905. AUTHORIZATION OF PAYMENT OF FUTURE DAM-**
11 **AGES TO CLAIMANTS IN HEALTH CARE LAW-**
12 **SUITS.**

13 (a) IN GENERAL.—In any health care lawsuit, if an
14 award of future damages, without reduction to present
15 value, equaling or exceeding \$50,000 is made against a
16 party with sufficient insurance or other assets to fund a
17 periodic payment of such a judgment, the court shall, at
18 the request of any party, enter a judgment ordering that
19 the future damages be paid by periodic payments, in ac-
20 cordance with the Uniform Periodic Payment of Judg-
21 ments Act promulgated by the National Conference of
22 Commissioners on Uniform State Laws.

23 (b) APPLICABILITY.—This section applies to all ac-
24 tions which have not been first set for trial or retrial be-
25 fore the effective date of this Act.

1 (c) STATE FLEXIBILITY.—No provision of this sec-
2 tion shall be construed to preempt any State law (whether
3 effective before, on, or after the date of the enactment of
4 this Act) that specifies periodic payments for future dam-
5 ages at any amount other than \$50,000 or that mandates
6 such payments absent the request of either party.

7 **SEC. 2906. PRODUCT LIABILITY FOR HEALTH CARE PRO-**
8 **VIDERS.**

9 A health care provider who prescribes, or who dis-
10 penses pursuant to a prescription, a medical product ap-
11 proved, licensed, or cleared by the Food and Drug Admin-
12 istration shall not be named as a party to a product liabil-
13 ity lawsuit involving such product and shall not be liable
14 to a claimant in a class action lawsuit against the manu-
15 facturer, distributor, or seller of such product.

16 **SEC. 2907. DEFINITIONS.**

17 In this title:

18 (1) ALTERNATIVE DISPUTE RESOLUTION SYS-
19 TEM; ADR.—The term “alternative dispute resolution
20 system” or “ADR” means a system that provides
21 for the resolution of health care lawsuits in a man-
22 ner other than through a civil action brought in a
23 State or Federal court.

24 (2) CLAIMANT.—The term “claimant” means
25 any person who brings a health care lawsuit, includ-

1 ing a person who asserts or claims a right to legal
2 or equitable contribution, indemnity, or subrogation,
3 arising out of a health care liability claim or action,
4 and any person on whose behalf such a claim is as-
5 serted or such an action is brought, whether de-
6 ceased, incompetent, or a minor.

7 (3) COLLATERAL SOURCE BENEFITS.—The
8 term “collateral source benefits” means any amount
9 paid or reasonably likely to be paid in the future to
10 or on behalf of the claimant, or any service, product,
11 or other benefit provided or reasonably likely to be
12 provided in the future to or on behalf of the claim-
13 ant, as a result of the injury or wrongful death, pur-
14 suant to—

15 (A) any State or Federal health, sickness,
16 income-disability, accident, or workers’ com-
17 pensation law;

18 (B) any health, sickness, income-disability,
19 or accident insurance that provides health bene-
20 fits or income-disability coverage;

21 (C) any contract or agreement of any
22 group, organization, partnership, or corporation
23 to provide, pay for, or reimburse the cost of
24 medical, hospital, dental, or income-disability
25 benefits; and

1 (D) any other publicly or privately funded
2 program.

3 (4) CONTINGENT FEE.—The term “contingent
4 fee” includes all compensation to any person or per-
5 sons which is payable only if a recovery is effected
6 on behalf of one or more claimants.

7 (5) ECONOMIC DAMAGES.—The term “economic
8 damages” means objectively verifiable monetary
9 losses incurred as a result of the provision or use of
10 (or failure to provide or use) health care services or
11 medical products, such as past and future medical
12 expenses, loss of past and future earnings, cost of
13 obtaining domestic services, loss of employment, and
14 loss of business or employment opportunities, unless
15 otherwise defined under applicable state law. In no
16 circumstances shall damages for health care services
17 or medical products exceed the amount actually paid
18 or incurred by or on behalf of the claimant.

19 (6) FUTURE DAMAGES.—The term “future
20 damages” means any damages that are incurred
21 after the date of judgment, settlement, or other reso-
22 lution (including mediation, or any other form of al-
23 ternative dispute resolution).

24 (7) HEALTH CARE LAWSUIT.—The term
25 “health care lawsuit” means any health care liability

1 claim concerning the provision of goods or services
2 for which coverage was provided in whole or in part
3 via a Federal program, subsidy or tax benefit, or
4 any health care liability action concerning the provi-
5 sion of goods or services for which coverage was pro-
6 vided in whole or in part via a Federal program,
7 subsidy or tax benefit, brought in a State or Federal
8 court or pursuant to an alternative dispute resolu-
9 tion system, against a health care provider regard-
10 less of the theory of liability on which the claim is
11 based, or the number of claimants, plaintiffs, de-
12 fendants, or other parties, or the number of claims
13 or causes of action, in which the claimant alleges a
14 health care liability claim. Such term does not in-
15 clude a claim or action which is based on criminal
16 liability; which seeks civil fines or penalties paid to
17 Federal, State, or local government; or which is
18 grounded in antitrust.

19 (8) HEALTH CARE LIABILITY ACTION.—The
20 term “health care liability action” means a civil ac-
21 tion brought in a State or Federal court or pursuant
22 to an alternative dispute resolution system, against
23 a health care provider regardless of the theory of li-
24 ability on which the claim is based, or the number
25 of plaintiffs, defendants, or other parties, or the

1 number of causes of action, in which the claimant al-
2 leges a health care liability claim.

3 (9) HEALTH CARE LIABILITY CLAIM.—The
4 term “health care liability claim” means a demand
5 by any person, whether or not pursuant to ADR,
6 against a health care provider, including, but not
7 limited to, third-party claims, cross-claims, counter-
8 claims, or contribution claims, which are based upon
9 the provision or use of (or the failure to provide or
10 use) health care services or medical products, re-
11 gardless of the theory of liability on which the claim
12 is based, or the number of plaintiffs, defendants, or
13 other parties, or the number of causes of action.

14 (10) HEALTH CARE PROVIDER.—The term
15 “health care provider” means any person or entity
16 required by State or Federal laws or regulations to
17 be licensed, registered, or certified to provide health
18 care services, and being either so licensed, reg-
19 istered, or certified, or exempted from such require-
20 ment by other statute or regulation, as well as any
21 other individual or entity defined as a health care
22 provider, health care professional, or health care in-
23 stitution under state law.

24 (11) HEALTH CARE SERVICES.—The term
25 “health care services” means the provision of any

1 goods or services (including safety, professional, or
2 administrative services directly related to health
3 care) by a health care provider, or by any individual
4 working under the supervision of a health care pro-
5 vider, that relates to the diagnosis, prevention, or
6 treatment of any human disease or impairment, or
7 the assessment or care of the health of human
8 beings.

9 (12) MEDICAL PRODUCT.—The term “medical
10 product” means a drug, device, or biological product
11 intended for humans, and the terms “drug”, “de-
12 vice”, and “biological product” have the meanings
13 given such terms in sections 201(g)(1) and 201(h)
14 of the Federal Food, Drug and Cosmetic Act (21
15 U.S.C. 321(g)(1) and (h)) and section 351(a) of the
16 Public Health Service Act (42 U.S.C. 262(a)), re-
17 spectively, including any component or raw material
18 used therein, but excluding health care services.

19 (13) NONECONOMIC DAMAGES.—The term
20 “noneconomic damages” means damages for phys-
21 ical and emotional pain, suffering, inconvenience,
22 physical impairment, mental anguish, disfigurement,
23 loss of enjoyment of life, loss of society and compan-
24 ionship, loss of consortium (other than loss of do-
25 mestic service), hedonic damages, injury to reputa-

1 tion, and all other nonpecuniary losses of any kind
2 or nature incurred as a result of the provision or use
3 of (or failure to provide or use) health care services
4 or medical products, unless otherwise defined under
5 applicable state law.

6 (14) RECOVERY.—The term “recovery” means
7 the net sum recovered after deducting any disburse-
8 ments or costs incurred in connection with prosecu-
9 tion or settlement of the claim, including all costs
10 paid or advanced by any person. Costs of health care
11 incurred by the plaintiff and the attorneys’ office
12 overhead costs or charges for legal services are not
13 deductible disbursements or costs for such purpose.

14 (15) REPRESENTATIVE.—The term “represent-
15 ative” means a legal guardian, attorney, person des-
16 ignated to make decisions on behalf of a patient
17 under a medical power of attorney, or any person
18 recognized in law or custom as a patient’s agent.

19 (16) STATE.—The term “State” means each of
20 the several States, the District of Columbia, the
21 Commonwealth of Puerto Rico, the Virgin Islands,
22 Guam, American Samoa, the Northern Mariana Is-
23 lands, the Trust Territory of the Pacific Islands, and
24 any other territory or possession of the United
25 States, or any political subdivision thereof.

1 **SEC. 2908. EFFECT ON OTHER LAWS.**

2 (a) VACCINE INJURY.—

3 (1) To the extent that title XXI of the Public
4 Health Service Act establishes a Federal rule of law
5 applicable to a civil action brought for a vaccine-re-
6 lated injury or death—

7 (A) this title does not affect the application
8 of the rule of law to such an action; and

9 (B) any rule of law prescribed by this title
10 in conflict with a rule of law of such title XXI
11 shall not apply to such action.

12 (2) If there is an aspect of a civil action
13 brought for a vaccine-related injury or death to
14 which a Federal rule of law under title XXI of the
15 Public Health Service Act does not apply, then this
16 title or otherwise applicable law (as determined
17 under this title) will apply to such aspect of such ac-
18 tion.

19 (b) OTHER FEDERAL LAW.—Except as provided in
20 this section, nothing in this title shall be deemed to affect
21 any defense available to a defendant in a health care law-
22 suit or action under any other provision of Federal law.

23 **SEC. 2909. RULES OF CONSTRUCTION.**

24 (a) HEALTH CARE LAWSUITS.—Unless otherwise
25 specified in this title, the provisions governing health care
26 lawsuits set forth in this title preempt, subject to sub-

1 sections (b) and (c), State law to the extent that State
2 law prevents the application of any provisions of law estab-
3 lished by or under this title. The provisions governing
4 health care lawsuits set forth in this title supersede chap-
5 ter 171 of title 28, United States Code, to the extent that
6 such chapter—

7 (1) provides for a greater amount of damages
8 or contingent fees, a longer period in which a health
9 care lawsuit may be commenced, or a reduced appli-
10 cability or scope of periodic payment of future dam-
11 ages, than provided in this title; or

12 (2) prohibits the introduction of evidence re-
13 garding collateral source benefits, or mandates or
14 permits subrogation or a lien on collateral source
15 benefits.

16 (b) PROTECTION OF STATES' RIGHTS AND OTHER
17 LAWS.—Any issue that is not governed by any provision
18 of law established by or under this title (including State
19 standards of negligence) shall be governed by otherwise
20 applicable State or Federal law.

21 (c) STATE FLEXIBILITY.—No provision of this title
22 shall be construed to preempt any defense available to a
23 party in a health care lawsuit under any other provision
24 of State or Federal law.

1 **SEC. 2910. EFFECTIVE DATE.**

2 This title shall apply to any health care lawsuit
3 brought in a Federal or State court, or subject to an alter-
4 native dispute resolution system, that is initiated on or
5 after the date of the enactment of this Act, except that
6 any health care lawsuit arising from an injury occurring
7 prior to the date of the enactment of this Act shall be
8 governed by the applicable statute of limitations provisions
9 in effect at the time the cause of action accrued.

10 **SEC. 2911. LIMITATION ON EXPERT WITNESS TESTIMONY.**

11 (a) IN GENERAL.—No person in a health care profes-
12 sion requiring licensure under the laws of a State shall
13 be competent to testify in any court of law to establish
14 the following facts—

15 (1) the recognized standard of acceptable pro-
16 fessional practice and the specialty thereof, if any,
17 that the defendant practices, which shall be the type
18 of acceptable professional practice recognized in the
19 defendant's community or in a community similar to
20 the defendant's community that was in place at the
21 time the alleged injury or wrongful action occurred;

22 (2) that the defendant acted with less than or
23 failed to act with ordinary and reasonable care in ac-
24 cordance with the recognized standard; and

25 (3) that as a proximate result of the defend-
26 ant's negligent act or omission, the claimant suf-

1 fered injuries which would not otherwise have oc-
2 curred,
3 unless the person was licensed to practice, in the State
4 or a contiguous bordering State, a profession or specialty
5 which would make the person's expert testimony relevant
6 to the issues in the case and had practiced this profession
7 or specialty in one of these States during the year pre-
8 ceding the date that the alleged injury or wrongful act
9 occurred.

10 (b) APPLICABILITY.—The requirements set forth in
11 subsection (a) shall also apply to expert witnesses testi-
12 fying for the defendant as rebuttal witnesses.

13 (c) WAIVER AUTHORITY.—The court may waive the
14 requirements in this subsection if it determines that the
15 appropriate witnesses otherwise would not be available.

16 **SEC. 2912. COMMUNICATIONS FOLLOWING UNANTICIPATED**
17 **OUTCOME.**

18 (a) PROVIDER COMMUNICATIONS.—In any health
19 care liability action, any and all statements, affirmations,
20 gestures, or conduct expressing apology, fault, sympathy,
21 commiseration, condolence, compassion, or a general sense
22 of benevolence which are made by a health care provider
23 or an employee of a health care provider to the patient,
24 a relative of the patient, or a representative of the patient
25 and which relate to the discomfort, pain, suffering, injury,

1 or death of the patient as the result of the unanticipated
2 outcome of medical care shall be inadmissible for any pur-
3 pose as evidence of an admission of liability or as evidence
4 of an admission against interest.

5 (b) STATE FLEXIBILITY.—No provision of this sec-
6 tion shall be construed to preempt any State law (whether
7 effective before, on, or after the date of the enactment of
8 this Act) that makes additional communications inadmis-
9 sible as evidence of an admission of liability or as evidence
10 of an admission against interest.

11 **SEC. 2913. EXPERT WITNESS QUALIFICATIONS.**

12 (a) IN GENERAL.—In any health care lawsuit, an in-
13 dividual shall not give expert testimony on the appropriate
14 standard of practice or care involved unless the individual
15 is licensed as a health professional in one or more States
16 and the individual meets the following criteria:

17 (1) If the party against whom or on whose be-
18 half the testimony is to be offered is or claims to be
19 a specialist, the expert witness shall specialize at the
20 time of the occurrence that is the basis for the law-
21 suit in the same specialty or claimed specialty as the
22 party against whom or on whose behalf the testi-
23 mony is to be offered. If the party against whom or
24 on whose behalf the testimony is to be offered is or
25 claims to be a specialist who is board certified, the

1 expert witness shall be a specialist who is board cer-
2 tified in that specialty or claimed specialty.

3 (2) During the 1-year period immediately pre-
4 ceding the occurrence of the action that gave rise to
5 the lawsuit, the expert witness shall have devoted a
6 majority of the individual's professional time to one
7 or more of the following:

8 (A) The active clinical practice of the same
9 health profession as the defendant and, if the
10 defendant is or claims to be a specialist, in the
11 same specialty or claimed specialty.

12 (B) The instruction of students in an ac-
13 credited health professional school or accredited
14 residency or clinical research program in the
15 same health profession as the defendant and, if
16 the defendant is or claims to be a specialist, in
17 an accredited health professional school or ac-
18 credited residency or clinical research program
19 in the same specialty or claimed specialty.

20 (3) If the defendant is a general practitioner,
21 the expert witness shall have devoted a majority of
22 the witness's professional time in the 1-year period
23 preceding the occurrence of the action giving rise to
24 the lawsuit to one or more of the following:

1 (A) Active clinical practice as a general
2 practitioner.

3 (B) Instruction of students in an accred-
4 ited health professional school or accredited
5 residency or clinical research program in the
6 same health profession as the defendant.

7 (b) LAWSUITS AGAINST ENTITIES.—If the defendant
8 in a health care lawsuit is an entity that employs a person
9 against whom or on whose behalf the testimony is offered,
10 the provisions of subsection (a) apply as if the person were
11 the party or defendant against whom or on whose behalf
12 the testimony is offered.

13 (c) POWER OF COURT.—Nothing in this subsection
14 shall limit the power of the trial court in a health care
15 lawsuit to disqualify an expert witness on grounds other
16 than the qualifications set forth under this subsection.

17 (d) LIMITATION.—An expert witness in a health care
18 lawsuit shall not be permitted to testify if the fee of the
19 witness is in any way contingent on the outcome of the
20 lawsuit.

21 (e) STATE FLEXIBILITY.—No provision of this sec-
22 tion shall be construed to preempt any State law (whether
23 effective before, on, or after the date of the enactment of
24 this Act) that places additional qualification requirements
25 upon any individual testifying as an expert witness.

1 **SEC. 2914. AFFIDAVIT OF MERIT.**

2 (a) REQUIRED FILING.—Subject to subsection (b),
3 the plaintiff in a health care lawsuit alleging negligence
4 or, if the plaintiff is represented by an attorney, the plain-
5 tiff's attorney shall file simultaneously with the health
6 care lawsuit an affidavit of merit signed by a health pro-
7 fessional who meets the requirements for an expert wit-
8 ness under section 2913 of this title. The affidavit of merit
9 shall certify that the health professional has reviewed the
10 notice and all medical records supplied to him or her by
11 the plaintiff's attorney concerning the allegations con-
12 tained in the notice and shall contain a statement of each
13 of the following:

14 (1) The applicable standard of practice or care.

15 (2) The health professional's opinion that the
16 applicable standard of practice or care was breached
17 by the health professional or health facility receiving
18 the notice.

19 (3) The actions that should have been taken or
20 omitted by the health professional or health facility
21 in order to have complied with the applicable stand-
22 ard of practice or care.

23 (4) The manner in which the breach of the
24 standard of practice or care was the proximate cause
25 of the injury alleged in the notice.

26 (5) A listing of the medical records reviewed.

1 (b) FILING EXTENSION.—Upon motion of a party for
2 good cause shown, the court in which the complaint is filed
3 may grant the plaintiff or, if the plaintiff is represented
4 by an attorney, the plaintiff’s attorney an additional 28
5 days in which to file the affidavit required under sub-
6 section (a).

7 (c) STATE FLEXIBILITY.—No provision of this sec-
8 tion shall be construed to preempt any State law (whether
9 effective before, on, or after the date of the enactment of
10 this Act) that establishes additional requirements for the
11 filing of an affidavit of merit or similar pre-litigation docu-
12 mentation.

13 **SEC. 2915. NOTICE OF INTENT TO COMMENCE LAWSUIT.**

14 (a) ADVANCE NOTICE.—A person shall not com-
15 mence a health care lawsuit against a health care provider
16 unless the person has given the health care provider 90
17 days written notice before the action is commenced.

18 (b) EXCEPTIONS.—A health care lawsuit against a
19 health care provider filed within 6 months of the statute
20 of limitations expiring as to any claimant, or within 1 year
21 of the statute of repose expiring as to any claimant, shall
22 be exempt from compliance with this section.

23 (c) STATE FLEXIBILITY.—No provision of this sec-
24 tion shall be construed to preempt any State law (whether
25 effective before, on, or after the date of the enactment of

1 this Act) that establishes a different time period for the
 2 filing of written notice.

3 **TITLE XXX—CONSOLIDATION OF** 4 **FEDERAL WELFARE PROGRAMS**

5 **SEC. 3001. SENSE OF CONGRESS.**

6 It is the sense of Congress that all welfare programs
 7 should be under the jurisdiction of a single House com-
 8 mittee and a single Senate committee. Furthermore, wel-
 9 fare programs should be prioritized, based on their effi-
 10 cacy, with the objective of eliminating programs that
 11 aren't working and retaining those that are.

12 **DIVISION B—FAIR TAX ACT**

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

14 (a) **SHORT TITLE.**—This Act may be cited as the
 15 “FairTax Act of 2019”.

16 (b) **TABLE OF CONTENTS.**—The table of contents for
 17 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Congressional findings.

TITLE I—REPEAL OF THE INCOME TAX, PAYROLL TAXES, AND ESTATE AND GIFT TAXES

Sec. 101. Income taxes repealed.

Sec. 102. Payroll taxes repealed.

Sec. 103. Estate and gift taxes repealed.

Sec. 104. Conforming amendments; effective date.

TITLE II—SALES TAX ENACTED

Sec. 201. Sales tax.

Sec. 202. Conforming and technical amendments.

TITLE III—OTHER MATTERS

Sec. 301. Phase-out of administration of repealed Federal taxes.

Sec. 302. Administration of other Federal taxes.

Sec. 303. Sales tax inclusive Social Security benefits indexation.

TITLE IV—SUNSET OF SALES TAX IF SIXTEENTH AMENDMENT
NOT REPEALED

Sec. 401. Elimination of sales tax if Sixteenth Amendment not repealed.

1 SEC. 2. CONGRESSIONAL FINDINGS.

2 (a) FINDINGS RELATING TO FEDERAL INCOME
3 TAX.—Congress finds the Federal income tax—

4 (1) retards economic growth and has reduced
5 the standard of living of the American public;

6 (2) impedes the international competitiveness of
7 United States industry;

8 (3) reduces savings and investment in the
9 United States by taxing income multiple times;

10 (4) slows the capital formation necessary for
11 real wages to steadily increase;

12 (5) lowers productivity;

13 (6) imposes unacceptable and unnecessary ad-
14 ministrative and compliance costs on individual and
15 business taxpayers;

16 (7) is unfair and inequitable;

17 (8) unnecessarily intrudes upon the privacy and
18 civil rights of United States citizens;

19 (9) hides the true cost of government by embed-
20 ding taxes in the costs of everything Americans buy;

21 (10) is not being complied with at satisfactory
22 levels and therefore raises the tax burden on law
23 abiding citizens; and

1 (11) impedes upward social mobility.

2 (b) FINDINGS RELATING TO FEDERAL PAYROLL

3 TAXES.—Congress finds further that the Social Security

4 and Medicare payroll taxes and self-employment taxes—

5 (1) raise the cost of employment;

6 (2) destroy jobs and cause unemployment; and

7 (3) have a disproportionately adverse impact on

8 lower income Americans.

9 (c) FINDINGS RELATING TO FEDERAL ESTATE AND

10 GIFT TAXES.—Congress finds further that the Federal es-

11 tate and gift taxes—

12 (1) force family businesses and farms to be sold

13 by the family to pay such taxes;

14 (2) discourage capital formation and entrepre-

15 neurship;

16 (3) foster the continued dominance of large en-

17 terprises over small family-owned companies and

18 farms; and

19 (4) impose unacceptably high tax planning costs

20 on small businesses and farms.

21 (d) FINDINGS RELATING TO NATIONAL SALES

22 TAX.—Congress finds further that a broad-based national

23 sales tax on goods and services purchased for final con-

24 sumption—

- 1 (1) is similar in many respects to the sales and
2 use taxes in place in 45 of the 50 States;
- 3 (2) will promote savings and investment;
- 4 (3) will promote fairness;
- 5 (4) will promote economic growth;
- 6 (5) will raise the standard of living;
- 7 (6) will increase investment;
- 8 (7) will enhance productivity and international
9 competitiveness;
- 10 (8) will reduce administrative burdens on the
11 American taxpayer;
- 12 (9) will improve upward social mobility; and
- 13 (10) will respect the privacy interests and civil
14 rights of taxpayers.

15 (e) FINDINGS RELATING TO ADMINISTRATION OF
16 NATIONAL SALES TAX.—Congress further finds that—

- 17 (1) most of the practical experience admin-
18 istering sales taxes is found at the State govern-
19 mental level;
- 20 (2) it is desirable to harmonize Federal and
21 State collection and enforcement efforts to the max-
22 imum extent possible;
- 23 (3) it is sound tax administration policy to fos-
24 ter administration and collection of the Federal sales

1 tax at the State level in return for a reasonable ad-
2 ministration fee to the States; and

3 (4) businesses that must collect and remit taxes
4 should receive reasonable compensation for the cost
5 of doing so.

6 (f) FINDINGS RELATING TO REPEAL OF PRESENT
7 FEDERAL TAX SYSTEM.—Congress further finds that the
8 16th Amendment to the United States Constitution should
9 be repealed.

10 **TITLE I—REPEAL OF THE IN-**
11 **COME TAX, PAYROLL TAXES,**
12 **AND ESTATE AND GIFT TAXES**

13 **SEC. 101. INCOME TAXES REPEALED.**

14 Subtitle A of the Internal Revenue Code of 1986 (re-
15 lating to income taxes and self-employment taxes) is re-
16 pealed.

17 **SEC. 102. PAYROLL TAXES REPEALED.**

18 (a) IN GENERAL.—Subtitle C of the Internal Rev-
19 enue Code of 1986 (relating to payroll taxes and with-
20 holding of income taxes) is repealed.

21 (b) FUNDING OF SOCIAL SECURITY.—For funding of
22 the Social Security Trust Funds from general revenue, see
23 section 201 of the Social Security Act (42 U.S.C. 401).

1 **SEC. 103. ESTATE AND GIFT TAXES REPEALED.**

2 Subtitle B of the Internal Revenue Code of 1986 (re-
3 lating to estate and gift taxes) is repealed.

4 **SEC. 104. CONFORMING AMENDMENTS; EFFECTIVE DATE.**

5 (a) CONFORMING AMENDMENTS.—The Internal Rev-
6 enue Code of 1986 is amended—

7 (1) by striking subtitle H (relating to financing
8 of Presidential election campaigns); and

9 (2) by redesignating—

10 (A) subtitle D (relating to miscellaneous
11 excise taxes) as subtitle B;

12 (B) subtitle E (relating to alcohol, tobacco,
13 and certain other excise taxes) as subtitle C;

14 (C) subtitle F (relating to procedure and
15 administration) as subtitle D;

16 (D) subtitle G (relating to the Joint Com-
17 mittee on Taxation) as subtitle E;

18 (E) subtitle I (relating to the Trust Fund
19 Code) as subtitle F;

20 (F) subtitle J (relating to coal industry
21 health benefits) as subtitle G; and

22 (G) subtitle K (relating to group health
23 plan portability, access, and renewability re-
24 quirements) as subtitle H.

25 (b) REDESIGNATION OF 1986 CODE.—

1 (1) IN GENERAL.—The Internal Revenue Code
2 of 1986 enacted on October 22, 1986, as heretofore,
3 hereby, or hereafter amended, may be cited as the
4 Internal Revenue Code of 2019.

5 (2) REFERENCES IN LAWS, ETC.—Except when
6 inappropriate, any reference in any law, Executive
7 order, or other document—

8 (A) to the Internal Revenue Code of 1986
9 shall include a reference to the Internal Rev-
10 enue Code of 2019; and

11 (B) to the Internal Revenue Code of 2019
12 shall include a reference to the provisions of law
13 formerly known as the Internal Revenue Code
14 of 1986.

15 (c) ADDITIONAL AMENDMENTS.—For additional con-
16 forming amendments, see section 202 of this Act.

17 (d) EFFECTIVE DATE.—Except as otherwise pro-
18 vided in this Act, the amendments made by this Act shall
19 take effect on January 1, 2021.

20 **TITLE II—SALES TAX ENACTED**

21 **SEC. 201. SALES TAX.**

22 (a) IN GENERAL.—The Internal Revenue Code of
23 2019 is amended by inserting before subtitle B (as reded-
24 icated by section 104(a)(2)(A)) the following new sub-
25 title:

1 **“Subtitle A—Sales Tax**

“Sec. 1. Principles of interpretation.

“Sec. 2. Definitions.

“CHAPTER 1. INTERPRETATION; DEFINITIONS; IMPOSITION OF TAX; ETC.

“CHAPTER 2. CREDITS; REFUNDS

“CHAPTER 3. FAMILY CONSUMPTION ALLOWANCE

“CHAPTER 4. FEDERAL AND STATE COOPERATIVE TAX ADMINISTRATION

“CHAPTER 5. OTHER ADMINISTRATIVE PROVISIONS

“CHAPTER 6. COLLECTIONS; APPEALS; TAXPAYER RIGHTS

“CHAPTER 7. SPECIAL RULES

“CHAPTER 8. FINANCIAL INTERMEDIATION SERVICES

“CHAPTER 9. ADDITIONAL MATTERS

2 **“SEC. 1. PRINCIPLES OF INTERPRETATION.**

3 “(a) IN GENERAL.—Any court, the Secretary, and
4 any sales tax administering authority shall consider the
5 purposes of this subtitle (as set forth in subsection (b))
6 as the primary aid in statutory construction.

7 “(b) PURPOSES.—The purposes of this subtitle are
8 as follows:

9 “(1) To raise revenue needed by the Federal
10 Government in a manner consistent with the other
11 purposes of this subtitle.

12 “(2) To tax all consumption of goods and serv-
13 ices in the United States once, without exception,
14 but only once.

15 “(3) To prevent double, multiple, or cascading
16 taxation.

1 “(4) To simplify the tax law and reduce the ad-
2 ministration costs of, and the costs of compliance
3 with, the tax law.

4 “(5) To provide for the administration of the
5 tax law in a manner that respects privacy, due proc-
6 ess, individual rights when interacting with the gov-
7 ernment, the presumption of innocence in criminal
8 proceedings, and the presumption of lawful behavior
9 in civil proceedings.

10 “(6) To increase the role of State governments
11 in Federal tax administration because of State gov-
12 ernment expertise in sales tax administration.

13 “(7) To enhance generally cooperation and co-
14 ordination among State tax administrators; and to
15 enhance cooperation and coordination among Fed-
16 eral and State tax administrators, consistent with
17 the principle of intergovernmental tax immunity.

18 “(c) SECONDARY AIDS TO STATUTORY CONSTRUC-
19 TION.—As a secondary aid in statutory construction, any
20 court, the Secretary, and any sales tax administering au-
21 thority shall consider—

22 “(1) the common law canons of statutory con-
23 struction,

24 “(2) the meaning and construction of concepts
25 and terms used in the Internal Revenue Code of

1 1986 as in effect before the effective date of this
2 subtitle, and

3 “(3) construe any ambiguities in this Act in
4 favor of reserving powers to the States respectively,
5 or to the people.

6 **“SEC. 2. DEFINITIONS.**

7 “(a) IN GENERAL.—For purposes of this subtitle—

8 “(1) AFFILIATED FIRMS.—A firm is affiliated
9 with another if 1 firm owns 50 percent or more of—

10 “(A) the voting shares in a corporation, or

11 “(B) the capital interests of a business
12 firm that is not a corporation.

13 “(2) CONFORMING STATE SALES TAX.—The
14 term ‘conforming State sales tax’ means a sales tax
15 imposed by a State that adopts the same definition
16 of taxable property and services as adopted by this
17 subtitle.

18 “(3) DESIGNATED COMMERCIAL PRIVATE COU-
19 RIER SERVICE.—The term ‘designated commercial
20 private courier service’ means a firm designated as
21 such by the Secretary or any sales tax administering
22 authority, upon application of the firm, if the firm—

23 “(A) provides its services to the general
24 public,

1 “(B) records electronically to its data base
2 kept in the regular course of its business the
3 date on which an item was given to such firm
4 for delivery, and

5 “(C) has been operating for at least 1
6 year.

7 “(4) EDUCATION AND TRAINING.—The term
8 ‘education and training’ means tuition for primary,
9 secondary, or postsecondary level education, and job-
10 related training courses. Such term does not include
11 room, board, sports activities, recreational activities,
12 hobbies, games, arts or crafts or cultural activities.

13 “(5) GROSS PAYMENTS.—The term ‘gross pay-
14 ments’ means payments for taxable property or serv-
15 ices, including Federal taxes imposed by this title.

16 “(6) INTANGIBLE PROPERTY.—

17 “(A) IN GENERAL.—The term ‘intangible
18 property’ includes copyrights, trademarks, pat-
19 ents, goodwill, financial instruments, securities,
20 commercial paper, debts, notes and bonds, and
21 other property deemed intangible at common
22 law. The Secretary shall, by regulation resolve
23 differences among the provisions of common
24 law of the several States.

1 “(B) CERTAIN TYPES OF PROPERTY.—

2 Such term does not include tangible personal
3 property (or rents or leaseholds of any term
4 thereon), real property (or rents or leaseholds
5 of any term thereon) and computer software.

6 “(7) PERSON.—The term ‘person’ means any
7 natural person, and unless the context clearly does
8 not allow it, any corporation, partnership, limited li-
9 ability company, trust, estate, government, agency,
10 administration, organization, association, or other
11 legal entity (foreign or domestic).

12 “(8) PRODUCE, PROVIDE, RENDER, OR SELL
13 TAXABLE PROPERTY OR SERVICES.—

14 “(A) IN GENERAL.—A taxable property or
15 service is used to produce, provide, render, or
16 sell a taxable property or service if such prop-
17 erty or service is purchased by a person en-
18 gaged in a trade or business for the purpose of
19 employing or using such taxable property or
20 service in the production, provision, rendering,
21 or sale of other taxable property or services in
22 the ordinary course of that trade or business.

23 “(B) RESEARCH, EXPERIMENTATION,
24 TESTING, AND DEVELOPMENT.—Taxable prop-
25 erty or services used in a trade or business for

1 the purpose of research, experimentation, test-
2 ing, and development shall be treated as used to
3 produce, provide, render, or sell taxable prop-
4 erty or services.

5 “(C) INSURANCE PAYMENTS.—Taxable
6 property or services purchased by an insurer on
7 behalf of an insured shall be treated as used to
8 produce, provide, render, or sell taxable prop-
9 erty or services if the premium for the insur-
10 ance contract giving rise to the insurer’s obliga-
11 tion was subject to tax pursuant to section 801
12 (relating to financial intermediation services).

13 “(D) EDUCATION AND TRAINING.—Edu-
14 cation and training shall be treated as services
15 used to produce, provide, render, or sell taxable
16 property or services.

17 “(9) REGISTERED SELLER.—The term ‘reg-
18 istered seller’ means a person registered pursuant to
19 section 502.

20 “(10) SALES TAX ADMINISTERING AUTHOR-
21 ITY.—The term ‘sales tax administering authority’
22 means—

23 “(A) the State agency designated to collect
24 and administer the sales tax imposed by this
25 subtitle, in an administering State, or

1 “(B) the Secretary, in a State that is nei-
2 ther—

3 “(i) an administering State, nor

4 “(ii) a State that has elected to have
5 its sales tax administered by an admin-
6 istering State.

7 “(11) SECRETARY.—The term ‘Secretary’
8 means the Secretary of the Treasury.

9 “(12) TAXABLE EMPLOYER.—

10 “(A) IN GENERAL.—The term ‘taxable em-
11 ployer’ includes—

12 “(i) any household employing domes-
13 tic servants, and

14 “(ii) any government except for gov-
15 ernment enterprises (as defined in section
16 704).

17 “(B) EXCEPTIONS.—The term ‘taxable
18 employer’ does not include any employer which
19 is—

20 “(i) engaged in a trade or business,

21 “(ii) a not-for-profit organization (as
22 defined in section 706), or

23 “(iii) a government enterprise (as de-
24 fined in section 704).

1 “(C) CROSS REFERENCE.—For rules relat-
2 ing to collection and remittance of tax on wages
3 by taxable employers, see section 103(b)(2).

4 “(13) TAX INCLUSIVE FAIR MARKET VALUE.—
5 The term ‘tax inclusive fair market value’ means the
6 fair market value of taxable property or services plus
7 the tax imposed by this subtitle.

8 “(14) TAXABLE PROPERTY OR SERVICE.—

9 “(A) GENERAL RULE.—The term ‘taxable
10 property or service’ means—

11 “(i) any property (including leaseholds
12 of any term or rents with respect to such
13 property) but excluding—

14 “(I) intangible property, and

15 “(II) used property, and

16 “(ii) any service (including any finan-
17 cial intermediation services as determined
18 by section 801).

19 “(B) SERVICE.—For purposes of subpara-
20 graph (A), the term ‘service’—

21 “(i) shall include any service per-
22 formed by an employee for which the em-
23 ployee is paid wages or a salary by a tax-
24 able employer, and

1 “(ii) shall not include any service per-
2 formed by an employee for which the em-
3 ployee is paid wages or a salary—

4 “(I) by an employer in the reg-
5 ular course of the employer’s trade or
6 business,

7 “(II) by an employer that is a
8 not-for-profit organization (as defined
9 in section 706),

10 “(III) by an employer that is a
11 government enterprise (as defined in
12 section 704), and

13 “(IV) by taxable employers to
14 employees directly providing education
15 and training.

16 “(15) UNITED STATES.—The term ‘United
17 States’, when used in the geographical sense, means
18 each of the 50 States, the District of Columbia, and
19 any commonwealth, territory, or possession of the
20 United States.

21 “(16) USED PROPERTY.—The term ‘used prop-
22 erty’ means—

23 “(A) property on which the tax imposed by
24 section 101 has been collected and for which no

1 credit has been allowed under section 202, 203,
2 or 205, or

3 “(B) property that was held other than for
4 a business purpose (as defined in section
5 102(b)) on December 31, 2020.

6 “(17) WAGES AND SALARY.—The terms ‘wage’
7 and ‘salary’ mean all compensation paid for employ-
8 ment service including cash compensation, employee
9 benefits, disability insurance, or wage replacement
10 insurance payments, unemployment compensation
11 insurance, workers’ compensation insurance, and the
12 fair market value of any other consideration paid by
13 an employer to an employee in consideration for em-
14 ployment services rendered.

15 “(b) CROSS REFERENCES.—

16 “(1) For the definition of business purposes,
17 see section 102(b).

18 “(2) For the definition of insurance contract,
19 see section 206(e).

20 “(3) For the definition of qualified family, see
21 section 302.

22 “(4) For the definition of monthly poverty level,
23 see section 303.

24 “(5) For the definition of large seller, see sec-
25 tion 501(e)(3).

1 “(6) For the definition of hobby activities, see
2 section 701.

3 “(7) For the definition of gaming sponsor, see
4 section 701(a).

5 “(8) For the definition of a chance, see section
6 701(b).

7 “(9) For the definition of government enter-
8 prise, see section 704(b).

9 “(10) For the definition of mixed use property,
10 see section 705.

11 “(11) For the definition of qualified not-for-
12 profit organization, see section 706.

13 “(12) For the definition of financial intermedi-
14 ation services, see section 801.

15 **“CHAPTER 1—INTERPRETATION;**
16 **DEFINITIONS; IMPOSITION OF TAX; ETC.**

“Sec. 101. Imposition of sales tax.

“Sec. 102. Intermediate and export sales.

“Sec. 103. Rules relating to collection and remittance of tax.

17 **“SEC. 101. IMPOSITION OF SALES TAX.**

18 “(a) IN GENERAL.—There is hereby imposed a tax
19 on the use or consumption in the United States of taxable
20 property or services.

21 “(b) RATE.—

22 “(1) FOR 2021.—In the calendar year 2021, the
23 rate of tax is 23 percent of the gross payments for
24 the taxable property or service.

1 “(2) FOR YEARS AFTER 2021.—For years after
2 the calendar year 2021, the rate of tax is the com-
3 bined Federal tax rate percentage (as defined in
4 paragraph (3)) of the gross payments for the taxable
5 property or service.

6 “(3) COMBINED FEDERAL TAX RATE PERCENT-
7 AGE.—The combined Federal tax rate percentage is
8 the sum of—

9 “(A) the general revenue rate (as defined
10 in paragraph (4)),

11 “(B) the old-age, survivors and disability
12 insurance rate, and

13 “(C) the hospital insurance rate.

14 “(4) GENERAL REVENUE RATE.—The general
15 revenue rate shall be 14.91 percent.

16 “(c) COORDINATION WITH IMPORT DUTIES.—The
17 tax imposed by this section is in addition to any import
18 duties imposed by chapter 4 of title 19, United States
19 Code. The Secretary shall provide by regulation that, to
20 the maximum extent practicable, the tax imposed by this
21 section on imported taxable property and services is col-
22 lected and administered in conjunction with any applicable
23 import duties imposed by the United States.

24 “(d) LIABILITY FOR TAX.—

1 “(1) IN GENERAL.—The person using or con-
2 suming taxable property or services in the United
3 States is liable for the tax imposed by this section,
4 except as provided in paragraph (2) of this sub-
5 section.

6 “(2) EXCEPTION WHERE TAX PAID TO SELL-
7 ER.—A person using or consuming a taxable prop-
8 erty or service in the United States is not liable for
9 the tax imposed by this section if the person pays
10 the tax to a person selling the taxable property or
11 service and receives from such person a purchaser’s
12 receipt within the meaning of section 509.

13 **“SEC. 102. INTERMEDIATE AND EXPORT SALES.**

14 “(a) IN GENERAL.—For purposes of this subtitle—

15 “(1) BUSINESS AND EXPORT PURPOSES.—No
16 tax shall be imposed under section 101 on any tax-
17 able property or service purchased for a business
18 purpose in a trade or business.

19 “(2) INVESTMENT PURPOSE.—No tax shall be
20 imposed under section 101 on any taxable property
21 or service purchased for an investment purpose and
22 held exclusively for an investment purpose.

23 “(3) STATE GOVERNMENT FUNCTIONS.—No tax
24 shall be imposed under section 101 on State govern-

1 ment functions that do not constitute the final con-
2 sumption of property or services.

3 “(b) BUSINESS PURPOSES.—For purposes of this
4 section, the term ‘purchased for a business purpose in a
5 trade or business’ means purchased by a person engaged
6 in a trade or business and used in that trade or business—

7 “(1) for resale,

8 “(2) to produce, provide, render, or sell taxable
9 property or services, or

10 “(3) in furtherance of other bona fide business
11 purposes.

12 “(c) INVESTMENT PURPOSES.—For purposes of this
13 section, the term ‘purchased for an investment purpose’
14 means property purchased exclusively for purposes of ap-
15 preciation or the production of income but not entailing
16 more than minor personal efforts.

17 **“SEC. 103. RULES RELATING TO COLLECTION AND REMIT-**
18 **TANCE OF TAX.**

19 “(a) LIABILITY FOR COLLECTION AND REMITTANCE
20 OF THE TAX.—Except as provided otherwise by this sec-
21 tion, any tax imposed by this subtitle shall be collected
22 and remitted by the seller of taxable property or services
23 (including financial intermediation services).

24 “(b) TAX TO BE REMITTED BY PURCHASER IN CER-
25 TAIN CIRCUMSTANCES.—

1 “(1) IN GENERAL.—In the case of taxable prop-
2 erty or services purchased outside of the United
3 States and imported into the United States for use
4 or consumption in the United States, the purchaser
5 shall remit the tax imposed by section 101.

6 “(2) CERTAIN WAGES OR SALARY.—In the case
7 of wages or salary paid by a taxable employer which
8 are taxable services, the employer shall remit the tax
9 imposed by section 101.

10 “(c) CONVERSION OF BUSINESS OR EXPORT PROP-
11 erty OR SERVICES.—Property or services purchased for
12 a business purpose in a trade or business or for export
13 (sold untaxed pursuant to section 102(a)) that is subse-
14 quently converted to personal use shall be deemed pur-
15 chased at the time of conversion and shall be subject to
16 the tax imposed by section 101 at the fair market value
17 of the converted property as of the date of conversion. The
18 tax shall be due as if the property had been sold at the
19 fair market value during the month of conversion. The
20 person using or consuming the converted property is liable
21 for and shall remit the tax.

22 “(d) BARTER TRANSACTIONS.—If gross payment for
23 taxable property or services is made in other than money,
24 then the person responsible for collecting and remitting
25 the tax shall remit the tax to the sales tax administering

1 authority in money as if gross payment had been made
 2 in money at the tax inclusive fair market value of the tax-
 3 able property or services purchased.

4 **“CHAPTER 2—CREDITS; REFUNDS**

“Sec. 201. Credits and refunds.

“Sec. 202. Business use conversion credit.

“Sec. 203. Intermediate and export sales credit.

“Sec. 204. Administration credit.

“Sec. 205. Bad debt credit.

“Sec. 206. Insurance proceeds credit.

“Sec. 207. Refunds.

5 **“SEC. 201. CREDITS AND REFUNDS.**

6 “(a) IN GENERAL.—Each person shall be allowed a
 7 credit with respect to the taxes imposed by section 101
 8 for each month in an amount equal to the sum of—

9 “(1) such person’s business use conversion
 10 credit pursuant to section 202 for such month,

11 “(2) such person’s intermediate and export
 12 sales credit pursuant to section 203 for such month,

13 “(3) the administration credit pursuant to sec-
 14 tion 204 for such month,

15 “(4) the bad debt credit pursuant to section
 16 205 for such month,

17 “(5) the insurance proceeds credit pursuant to
 18 section 206 for such month,

19 “(6) the transitional inventory credit pursuant
 20 to section 902, and

21 “(7) any amount paid in excess of the amount
 22 due.

1 “(b) CREDITS NOT ADDITIVE.—Only one credit al-
 2 lowed by chapter 2 may be taken with respect to any par-
 3 ticular gross payment.

4 **“SEC. 202. BUSINESS USE CONVERSION CREDIT.**

5 “(a) IN GENERAL.—For purposes of section 201, a
 6 person’s business use conversion credit for any month is
 7 the aggregate of the amounts determined under subsection
 8 (b) with respect to taxable property and services—

9 “(1) on which tax was imposed by section 101
 10 (and actually paid), and

11 “(2) which commenced to be 95 percent or
 12 more used during such month for business purposes
 13 (within the meaning of section 102(b)).

14 “(b) AMOUNT OF CREDIT.—The amount determined
 15 under this paragraph with respect to any taxable property
 16 or service is the lesser of—

17 “(1) the product of—

18 “(A) the rate imposed by section 101, and

19 “(B) the quotient that is—

20 “(i) the fair market value of the prop-
 21 erty or service when its use is converted,
 22 divided by

23 “(ii) the quantity that is one minus
 24 the tax rate imposed by section 101, or

1 “(2) the amount of tax paid with respect to
2 such taxable property or service, including the
3 amount, if any, determined in accordance with sec-
4 tion 705 (relating to mixed use property).

5 **“SEC. 203. INTERMEDIATE AND EXPORT SALES CREDIT.**

6 “For purposes of section 201, a person’s intermediate
7 and export sales credit is the amount of sales tax paid
8 on the purchase of any taxable property or service pur-
9 chased for—

10 “(1) a business purpose in a trade or business
11 (as defined in section 102(b)), or

12 “(2) export from the United States for use or
13 consumption outside the United States.

14 **“SEC. 204. ADMINISTRATION CREDIT.**

15 “(a) IN GENERAL.—Every person filing a timely
16 monthly report (with regard to extensions) in compliance
17 with section 501 shall be entitled to a taxpayer adminis-
18 trative credit equal to the greater of—

19 “(1) \$200, or

20 “(2) one-quarter of 1 percent of the tax remit-
21 ted.

22 “(b) LIMITATION.—The credit allowed under this sec-
23 tion shall not exceed 20 percent of the tax due to be remit-
24 ted prior to the application of any credit or credits per-
25 mitted by section 201.

1 **“SEC. 205. BAD DEBT CREDIT.**

2 “(a) FINANCIAL INTERMEDIATION SERVICES.—Any
3 person who has experienced a bad debt (other than unpaid
4 invoices within the meaning of subsection (b)) shall be en-
5 titled to a credit equal to the product of—

6 “(1) the rate imposed by section 101, and

7 “(2) the quotient that is—

8 “(A) the amount of the bad debt (as de-
9 fined in section 802), divided by

10 “(B) the quantity that is one minus the
11 rate imposed by section 101.

12 “(b) UNPAID INVOICES.—Any person electing the ac-
13 crual method pursuant to section 503 that has with re-
14 spect to a transaction—

15 “(1) invoiced the tax imposed by section 101,

16 “(2) remitted the invoiced tax,

17 “(3) actually delivered the taxable property or
18 performed the taxable services invoiced, and

19 “(4) not been paid 180 days after date the in-
20 voice was due to be paid,

21 shall be entitled to a credit equal to the amount of tax
22 remitted and unpaid by the purchaser.

23 “(c) SUBSEQUENT PAYMENT.—Any payment made
24 with respect to a transaction subsequent to a section 205
25 credit being taken with respect to that transaction shall
26 be subject to tax in the month the payment was received

1 as if a tax inclusive sale of taxable property and services
2 in the amount of the payment had been made.

3 “(d) PARTIAL PAYMENTS.—Partial payments shall
4 be treated as pro rata payments of the underlying obliga-
5 tion and shall be allocated proportionately—

6 “(1) for fully taxable payments, between pay-
7 ment for the taxable property and service and tax,
8 and

9 “(2) for partially taxable payments, among pay-
10 ment for the taxable property and service, tax and
11 other payment.

12 “(e) RELATED PARTIES.—The credit provided by this
13 section shall not be available with respect to sales made
14 to related parties. For purposes of this section, related
15 party means affiliated firms and family members (as de-
16 fined in section 302(b)).

17 **“SEC. 206. INSURANCE PROCEEDS CREDIT.**

18 “(a) IN GENERAL.—A person receiving a payment
19 from an insurer by virtue of an insurance contract shall
20 be entitled to a credit in an amount determined by sub-
21 section (b), less any amount paid to the insured by the
22 insurer pursuant to subsection (c), if the entire premium
23 (except that portion allocable to the investment account
24 of the underlying policy) for the insurance contract giving
25 rise to the insurer’s obligation to make a payment to the

1 insured was subject to the tax imposed by section 101 and
2 said tax was paid.

3 “(b) CREDIT AMOUNT.—The amount of the credit
4 shall be the product of—

5 “(1) the rate imposed by section 101, and

6 “(2) the quotient that is—

7 “(A) the amount of the payment made by
8 the insurer to the insured, divided by

9 “(B) the quantity that is one minus the
10 rate imposed by section 101.

11 “(c) ADMINISTRATIVE OPTION.—The credit deter-
12 mined in accordance with subsection (b) shall be paid by
13 the insurer to the insured and the insurer shall be entitled
14 to the credit in lieu of the insured, except that the insurer
15 may elect, in a form prescribed by the Secretary, to not
16 pay the credit and require the insured to make application
17 for the credit. In the event of such election, the insurer
18 shall provide to the Secretary and the insured the name
19 and tax identification number of the insurer and of the
20 insured and indicate the proper amount of the credit.

21 “(d) COORDINATION WITH RESPECT TO EXEMP-
22 TION.—If taxable property or services purchased by an in-
23 surer on behalf of an insured are purchased free of tax
24 by virtue of section 2(a)(8)(C), then the credit provided

1 by this section shall not be available with respect to that
2 purchase.

3 “(e) INSURANCE CONTRACT.—For purposes of sub-
4 section (a), the term ‘insurance contract’ shall include a
5 life insurance contract, a health insurance contract, a
6 property and casualty loss insurance contract, a general
7 liability insurance contract, a marine insurance contract,
8 a fire insurance contract, an accident insurance contract,
9 a disability insurance contract, a long-term care insurance
10 contract, and an insurance contract that provides a com-
11 bination of these types of insurance.

12 **“SEC. 207. REFUNDS.**

13 “(a) REGISTERED SELLERS.—If a registered seller
14 files a monthly tax report with an overpayment, then,
15 upon application by the registered seller in a form pre-
16 scribed by the sales tax administering authority, the over-
17 payment shown on the report shall be refunded to the reg-
18 istered seller within 60 days of receipt of said application.
19 In the absence of such application, the overpayment may
20 be carried forward, without interest, by the person entitled
21 to the credit.

22 “(b) OTHER PERSONS.—If a person other than a reg-
23 istered seller has an overpayment for any month, then,
24 upon application by the person in a form prescribed by
25 the sales tax administering authority, the credit balance

1 due shall be refunded to the person within 60 days of re-
 2 ceipt of said application.

3 “(c) INTEREST.—No interest shall be paid on any
 4 balance due from the sales tax administering authority
 5 under this subsection for any month if such balance due
 6 is paid within 60 days after the application for refund is
 7 received. Balances due not paid within 60 days after the
 8 application for refund is received shall bear interest from
 9 the date of application. Interest shall be paid at the Fed-
 10 eral short-term rate (as defined in section 511).

11 “(d) SUSPENSION OF PERIOD TO PAY REFUND
 12 ONLY IF FEDERAL OR STATE COURT RULING.—The 60-
 13 day periods under subsections (a) and (b) shall be sus-
 14 pended with respect to a purported overpayment (or por-
 15 tion thereof) only during any period that there is in effect
 16 a preliminary, temporary, or final ruling from a Federal
 17 or State court that there is reasonable cause to believe
 18 that such overpayment may not actually be due.

19 **“CHAPTER 3—FAMILY CONSUMPTION**
 20 **ALLOWANCE**

“Sec. 301. Family consumption allowance.
 “Sec. 302. Qualified family.
 “Sec. 303. Monthly poverty level.
 “Sec. 304. Rebate mechanism.
 “Sec. 305. Change in family circumstances.

1 **“SEC. 301. FAMILY CONSUMPTION ALLOWANCE.**

2 “Each qualified family shall be eligible to receive a
3 sales tax rebate each month. The sales tax rebate shall
4 be in an amount equal to the product of—

5 “(1) the rate of tax imposed by section 101,
6 and

7 “(2) the monthly poverty level.

8 **“SEC. 302. QUALIFIED FAMILY.**

9 “(a) GENERAL RULE.—For purposes of this chapter,
10 the term ‘qualified family’ shall mean one or more family
11 members sharing a common residence. All family members
12 sharing a common residence shall be considered as part
13 of one qualified family.

14 “(b) FAMILY SIZE DETERMINATION.—

15 “(1) IN GENERAL.—To determine the size of a
16 qualified family for purposes of this chapter, family
17 members shall mean—

18 “(A) an individual,

19 “(B) the individual’s spouse,

20 “(C) all lineal ancestors and descendants
21 of said individual (and such individual’s
22 spouse),

23 “(D) all legally adopted children of such
24 individual (and such individual’s spouse), and

25 “(E) all children under legal guardianship
26 of such individual (or such individual’s spouse).

1 “(2) IDENTIFICATION REQUIREMENTS.—In
2 order for a person to be counted as a member of the
3 family for purposes of determining the size of the
4 qualified family, such person must—

5 “(A) have a bona fide Social Security num-
6 ber, and

7 “(B) be a lawful resident of the United
8 States.

9 “(c) CHILDREN LIVING AWAY FROM HOME.—

10 “(1) STUDENTS LIVING AWAY FROM HOME.—
11 Any person who was a registered student during not
12 fewer than 5 months in a calendar year while living
13 away from the common residence of a qualified fam-
14 ily but who receives over 50 percent of such person’s
15 support during a calendar year from members of the
16 qualified family shall be included as part of the fam-
17 ily unit whose members provided said support for
18 purposes of this chapter.

19 “(2) CHILDREN OF DIVORCED OR SEPARATED
20 PARENTS.—If a child’s parents are divorced or le-
21 gally separated, a child for purposes of this chapter
22 shall be treated as part of the qualified family of the
23 custodial parent. In cases of joint custody, the custo-
24 dial parent for purposes of this chapter shall be the
25 parent that has custody of the child for more than

1 one-half of the time during a given calendar year. A
2 parent entitled to be treated as the custodial parent
3 pursuant to this paragraph may release this claim to
4 the other parent if said release is in writing.

5 “(d) ANNUAL REGISTRATION.—In order to receive
6 the family consumption allowance provided by section 301,
7 a qualified family must register with the sales tax admin-
8 istering authority in a form prescribed by the Secretary.
9 The annual registration form shall provide—

10 “(1) the name of each family member who
11 shared the qualified family’s residence on the family
12 determination date,

13 “(2) the Social Security number of each family
14 member on the family determination date who
15 shared the qualified family’s residence on the family
16 determination date,

17 “(3) the family member or family members to
18 whom the family consumption allowance should be
19 paid,

20 “(4) a certification that all listed family mem-
21 bers are lawful residents of the United States,

22 “(5) a certification that all family members
23 sharing the common residence are listed,

1 “(6) a certification that no family members
2 were incarcerated on the family determination date
3 (within the meaning of subsection (l)), and

4 “(7) the address of the qualified family.

5 Said registration shall be signed by all members of the
6 qualified family that have attained the age of 21 years
7 as of the date of filing.

8 “(e) REGISTRATION NOT MANDATORY.—Registra-
9 tion is not mandatory for any qualified family.

10 “(f) EFFECT OF FAILURE TO PROVIDE ANNUAL
11 REGISTRATION.—Any qualified family that fails to reg-
12 ister in accordance with this section within 30 days of the
13 family determination date, shall cease receiving the
14 monthly family consumption allowance in the month be-
15 ginning 90 days after the family determination date.

16 “(g) EFFECT OF CURING FAILURE TO PROVIDE AN-
17 NUAL REGISTRATION.—Any qualified family that failed to
18 timely make its annual registration in accordance with this
19 section but subsequently cures its failure to register, shall
20 be entitled to up to 6 months of lapsed sales tax rebate
21 payments. No interest on lapsed payment amount shall be
22 paid.

23 “(h) EFFECTIVE DATE OF ANNUAL REGISTRA-
24 TIONS.—Annual registrations shall take effect for the

1 month beginning 90 days after the family registration
2 date.

3 “(i) EFFECTIVE DATE OF REVISED REGISTRA-
4 TIONS.—A revised registration made pursuant to section
5 305 shall take effect for the first month beginning 60 days
6 after the revised registration was filed. The existing reg-
7 istration shall remain in effect until the effective date of
8 the revised registration.

9 “(j) DETERMINATION OF REGISTRATION FILING
10 DATE.—An annual or revised registration shall be deemed
11 filed when—

12 “(1) deposited in the United States mail, post-
13 age prepaid, to the address of the sales tax admin-
14 istering authority,

15 “(2) delivered and accepted at the offices of the
16 sales tax administering authority, or

17 “(3) provided to a designated commercial pri-
18 vate courier service for delivery within 2 days to the
19 sales tax administering authority at the address of
20 the sales tax administering authority.

21 “(k) PROPOSED REGISTRATION TO BE PROVIDED.—
22 Thirty or more days before the family registration date,
23 the sales tax administering authority shall mail to the ad-
24 dress shown on the most recent rebate registration or
25 change of address notice filed pursuant to section 305(d)

1 a proposed registration that may be simply signed by the
2 appropriate family members if family circumstances have
3 not changed.

4 “(l) INCARCERATED INDIVIDUALS.—An individual
5 shall not be eligible under this chapter to be included as
6 a member of any qualified family if that individual—

7 “(1) is incarcerated in a local, State, or Federal
8 jail, prison, mental hospital, or other institution on
9 the family determination date, and

10 “(2) is scheduled to be incarcerated for 6
11 months or more in the 12-month period following
12 the effective date of the annual registration or the
13 revised registration of said qualified family.

14 “(m) FAMILY DETERMINATION DATE.—The family
15 determination date is a date assigned to each family by
16 the Secretary for purposes of determining qualified family
17 size and other information necessary for the administra-
18 tion of this chapter. The Secretary shall promulgate regu-
19 lations regarding the issuance of family determination
20 dates. In the absence of any regulations, the family deter-
21 mination date for all families shall be October 1. The Sec-
22 retary may assign family determination dates for adminis-
23 trative convenience. Permissible means of assigning family
24 determination dates include a method based on the birth
25 dates of family members.

1 “(n) CROSS REFERENCE.—For penalty for filing
2 false rebate claim, see section 504(i).

3 **“SEC. 303. MONTHLY POVERTY LEVEL.**

4 “(a) IN GENERAL.—The monthly poverty level for
5 any particular month shall be one-twelfth of the ‘annual
6 poverty level’. For purposes of this section the ‘annual
7 poverty level’ shall be the sum of—

8 “(1) the annual level determined by the Depart-
9 ment of Health and Human Services poverty guide-
10 lines required by sections 652 and 673(2) of the
11 Omnibus Reconciliation Act of 1981 for a particular
12 family size, and

13 “(2) in case of families that include a married
14 couple, the ‘annual marriage penalty elimination
15 amount’.

16 “(b) ANNUAL MARRIAGE PENALTY ELIMINATION
17 AMOUNT.—The annual marriage penalty elimination
18 amount shall be the amount that is—

19 “(1) the amount that is two times the annual
20 level determined by the Department of Health and
21 Human Services poverty guidelines required by sec-
22 tions 652 and 673(2) of the Omnibus Reconciliation
23 Act of 1981 for a family of one, less

24 “(2) the annual level determined by the Depart-
25 ment of Health and Human Services poverty guide-

1 lines required by sections 652 and 673(2) of the
2 Omnibus Reconciliation Act of 1981 for a family of
3 two.

4 **“SEC. 304. REBATE MECHANISM.**

5 “(a) GENERAL RULE.—The Social Security Adminis-
6 tration shall provide a monthly sales tax rebate to duly
7 registered qualified families in an amount determined in
8 accordance with section 301.

9 “(b) PERSONS RECEIVING REBATE.—The payments
10 shall be made to the persons designated by the qualifying
11 family in the annual or revised registration for each quali-
12 fied family in effect with respect to the month for which
13 payment is being made. Payments may only be made to
14 persons 18 years or older. If more than 1 person is des-
15 ignated in a registration to receive the rebate, then the
16 rebate payment shall be divided evenly between or among
17 those persons designated.

18 “(c) WHEN REBATES MAILED.—Rebates shall be
19 mailed on or before the first business day of the month
20 for which the rebate is being provided.

21 “(d) SMART CARDS AND DIRECT ELECTRONIC DE-
22 POSIT PERMISSIBLE.—The Social Security Administration
23 may provide rebates in the form of smart cards that carry
24 cash balances in their memory for use in making pur-

1 chases at retail establishments or by direct electronic de-
2 posit.

3 **“SEC. 305. CHANGE IN FAMILY CIRCUMSTANCES.**

4 “(a) GENERAL RULE.—In the absence of the filing
5 of a revised registration in accordance with this chapter,
6 the common residence of the qualified family, marital sta-
7 tus and number of persons in a qualified family on the
8 family registration date shall govern determinations re-
9 quired to be made under this chapter for purposes of the
10 following calendar year.

11 “(b) NO DOUBLE COUNTING.—In no event shall any
12 person be considered part of more than one qualified fam-
13 ily.

14 “(c) REVISED REGISTRATION PERMISSIBLE.—A
15 qualified family may file a revised registration for pur-
16 poses of section 302(d) to reflect a change in family cir-
17 cumstances. A revised registration form shall provide—

18 “(1) the name of each family member who
19 shared the qualified family’s residence on the filing
20 date of the revised registration,

21 “(2) the Social Security number of each family
22 member who shared the qualified family’s residence
23 on the filing date of the revised registration,

1 “(3) the family member or family members to
2 whom the family consumption allowance should be
3 paid,

4 “(4) a certification that all listed family mem-
5 bers are lawful residents of the United States,

6 “(5) a certification that all family members
7 sharing the commoner residence are listed,

8 “(6) a certification that no family members
9 were incarcerated on the family determination date
10 (within the meaning of section 302(1)), and

11 “(7) the address of the qualified family.

12 Said revised registration shall be signed by all members
13 of the qualified family that have attained the age of 21
14 years as of the filing date of the revised registration.

15 “(d) CHANGE OF ADDRESS.—A change of address for
16 a qualified family may be filed with the sales tax admin-
17 istering authority at any time and shall not constitute a
18 revised registration.

19 “(e) REVISED REGISTRATION NOT MANDATORY.—
20 Revised registrations reflecting changes in family status
21 are not mandatory.

22 **“CHAPTER 4—FEDERAL AND STATE**
23 **COOPERATIVE TAX ADMINISTRATION**

“Sec. 401. Authority for States to collect tax.

“Sec. 402. Federal administrative support for States.

“Sec. 403. Federal-State tax conferences.

“Sec. 404. Federal administration in certain States.

“Sec. 405. Interstate allocation and destination determination.

“Sec. 406. General administrative matters.

“Sec. 407. Jurisdiction.

1 **“SEC. 401. AUTHORITY FOR STATES TO COLLECT TAX.**

2 “(a) IN GENERAL.—The tax imposed by section 101
3 on gross payments for the use or consumption of taxable
4 property or services within a State shall be administered,
5 collected, and remitted to the United States Treasury by
6 such State if the State is an administering State.

7 “(b) ADMINISTERING STATE.—For purposes of this
8 section, the term ‘administering State’ means any State—

9 “(1) which maintains a sales tax, and

10 “(2) which enters into a cooperative agreement
11 with the Secretary containing reasonable provisions
12 governing the administration by such State of the
13 taxes imposed by the subtitle and the remittance to
14 the United States in a timely manner of taxes col-
15 lected under this chapter.

16 “(c) COOPERATIVE AGREEMENTS.—The agreement
17 under subsection (b)(2) shall include provisions for the ex-
18 peditious transfer of funds, contact officers, dispute reso-
19 lution, information exchange, confidentiality, taxpayer
20 rights, and other matters of importance. The agreement
21 shall not contain extraneous matters.

22 “(d) TIMELY REMITTANCE OF TAX.—

23 “(1) IN GENERAL.—Administering States shall
24 remit and pay over taxes collected under this subtitle

1 on behalf of the United States (less the administra-
2 tion fee allowable under paragraph (2)) not later
3 than 5 days after receipt. Interest at 150 percent of
4 the Federal short-term rate shall be paid with re-
5 spect to amounts remitted after the due date.

6 “(2) ADMINISTRATION FEE.—An administering
7 State may retain an administration fee equal to one-
8 quarter of 1 percent of the amounts otherwise re-
9 quired to be remitted to the United States under
10 this chapter by the administering State.

11 “(e) LIMITATION ON ADMINISTRATION OF TAX BY
12 UNITED STATES.—The Secretary may administer the tax
13 imposed by this subtitle in an administering State only
14 if—

15 “(1)(A) such State has failed on a regular basis
16 to timely remit to the United States taxes collected
17 under this chapter on behalf of the United States,
18 or

19 “(B) such State has on a regular basis other-
20 wise materially breached the agreement referred to
21 in subsection (b)(2),

22 “(2) the State has failed to cure such alleged
23 failures and breaches within a reasonable time,

1 “(3) the Secretary provides such State with
2 written notice of such alleged failures and breaches,
3 and

4 “(4) a District Court of the United States with-
5 in such State, upon application of the Secretary, has
6 rendered a decision—

7 “(A) making findings of fact that—

8 “(i) such State has failed on a regular
9 basis to timely remit to the United States
10 taxes collected under this chapter on behalf
11 of the United States, or such State has on
12 a regular basis otherwise materially
13 breached the agreement referred to in sub-
14 section (b)(2),

15 “(ii) the Secretary has provided such
16 State with written notice of such alleged
17 failures and breaches, and

18 “(iii) the State has failed to cure such
19 alleged failures and breaches within a rea-
20 sonable time, and

21 “(B) making a determination that it is in
22 the best interest of the citizens of the United
23 States that the administering State’s authority
24 to administer the tax imposed by this subtitle

1 be revoked and said tax be administered di-
2 rectly by the Secretary.

3 The order of the District Court revoking the author-
4 ity of an Administering State shall contain provi-
5 sions governing the orderly transfer of authority to
6 the Secretary.

7 “(f) REINSTITUTION.—A State that has had its au-
8 thority revoked pursuant to subsection (e) shall not be an
9 administering State for a period of not less than 5 years
10 after the date of the order of revocation. For the first cal-
11 endar year commencing 8 years after the date of the order
12 of revocation, the State shall be regarded without preju-
13 dice as eligible to become an administering State.

14 “(g) THIRD STATE ADMINISTRATION PERMISS-
15 IBLE.—It shall be permissible for a State to contract with
16 an administering State to administer the State’s sales tax
17 for an agreed fee. In this case, the agreement con-
18 templated by subsection (c) shall have both the State and
19 the Federal Government as parties.

20 “(h) INVESTIGATIONS AND AUDITS.—Administering
21 States shall not conduct investigations or audits at facili-
22 ties in other administering States in connection with the
23 tax imposed by section 101 or conforming State sales tax
24 but shall instead cooperate with other administering

1 States using the mechanisms established by section 402,
2 by compact or by other agreement.

3 **“SEC. 402. FEDERAL ADMINISTRATIVE SUPPORT FOR**
4 **STATES.**

5 “(a) IN GENERAL.—The Secretary shall administer
6 a program to facilitate information sharing among States.

7 “(b) STATE COMPACTS.—The Secretary shall facili-
8 tate, and may be a party to a compact among States for
9 purposes of facilitating the taxation of interstate pur-
10 chases and for other purposes that may facilitate imple-
11 mentation of this subtitle.

12 “(c) AGREEMENT WITH CONFORMING STATES.—The
13 Secretary is authorized to enter into and shall enter into
14 an agreement among conforming States enabling con-
15 forming States to collect conforming State sales tax on
16 sales made by sellers without a particular conforming
17 State to a destination within that particular conforming
18 State.

19 “(d) SECRETARY’S AUTHORITY.—The Secretary shall
20 have the authority to promulgate regulations, to provide
21 guidelines, to assist States in administering the national
22 sales tax, to provide for uniformity in the administration
23 of the tax and to provide guidance to the public.

1 **“SEC. 403. FEDERAL-STATE TAX CONFERENCES.**

2 “Not less than once annually, the Secretary shall host
3 a conference with the sales tax administrators from the
4 various administering States to evaluate the state of the
5 national sales tax system, to address issues of mutual con-
6 cern and to develop and consider legislative, regulatory,
7 and administrative proposals to improve the tax system.

8 **“SEC. 404. FEDERAL ADMINISTRATION IN CERTAIN STATES.**

9 “The Secretary shall administer the tax imposed by
10 this subtitle in any State or other United States jurisdic-
11 tion that—

12 “(1) is not an administering State, or

13 “(2) elected to have another State administer
14 its tax in accordance with section 401(g).

15 **“SEC. 405. INTERSTATE ALLOCATION AND DESTINATION**
16 **DETERMINATION.**

17 “(a) DESTINATION GENERALLY.—The tax imposed
18 by this subtitle is a destination principle tax. This section
19 shall govern for purposes of determining—

20 “(1) whether the destination of taxable property
21 and services is within or without the United States,
22 and

23 “(2) which State or territory within the United
24 States is the destination of taxable property and
25 services.

1 “(b) TANGIBLE PERSONAL PROPERTY.—Except as
2 provided in subsection (g) (relating to certain leases), the
3 destination of tangible personal property shall be the State
4 or territory in which the property was first delivered to
5 the purchaser (including agents and authorized represent-
6 atives).

7 “(c) REAL PROPERTY.—The destination of real prop-
8 erty, or rents or leaseholds on real property, shall be the
9 State or territory in which the real property is located.

10 “(d) OTHER PROPERTY.—The destination of any
11 other taxable property shall be the residence of the pur-
12 chaser.

13 “(e) SERVICES.—

14 “(1) GENERAL RULE.—The destination of serv-
15 ices shall be the State or territory in which the use
16 or consumption of the services occurred. Allocation
17 of service invoices relating to more than 1 jurisdic-
18 tion shall be on the basis of time or another method
19 determined by regulation.

20 “(2) TELECOMMUNICATIONS SERVICES.—The
21 destination of telecommunications services shall be
22 the residence of the purchaser. Telecommunications
23 services include telephone, telegraph, beeper, radio,
24 cable television, satellite, and computer on-line or
25 network services.

1 “(3) DOMESTIC TRANSPORTATION SERVICES.—

2 For transportation services where all of the final
3 destinations are within the United States, the des-
4 tination of transportation services shall be the final
5 destination of the trip (in the case of round or mul-
6 tiple trip fares, the services amount shall be equally
7 allocated among each final destination).

8 “(4) INTERNATIONAL TRANSPORTATION SERV-

9 ICES.—For transportation services where the final
10 destination or origin of the trip is without the
11 United States, the service amount shall be deemed
12 50 percent attributable to the United States destina-
13 tion or origin.

14 “(5) ELECTRICAL SERVICE.—The destination of

15 electrical services shall be the residence of the pur-
16 chaser.

17 “(f) FINANCIAL INTERMEDIATION SERVICES.—The

18 destination of financial intermediation services shall be the
19 residence of the purchaser.

20 “(g) RENTS PAID FOR THE LEASE OF TANGIBLE
21 PROPERTY.—

22 “(1) GENERAL RULE.—Except as provided in

23 paragraph (2), the destination of rents paid for the
24 lease of tangible property and leaseholds on such

1 property shall be where the property is located while
 2 in use.

3 “(2) LAND VEHICLES; AIRCRAFT, WATER
 4 CRAFT.—The destination of rental and lease pay-
 5 ments on land vehicles, aircraft and water craft shall
 6 be—

7 “(A) in the case of rentals and leases of a
 8 term of 1 month or less, the location where the
 9 land vehicle, aircraft, or water craft was origi-
 10 nally delivered to the renter or lessee, and

11 “(B) in the case of rentals and leases of a
 12 term greater than 1 month, the residence of the
 13 renter or lessee.

14 “(h) ALLOCATION RULES.—For purposes of allo-
 15 cating revenue—

16 “(1) between or among administering States
 17 from taxes imposed by this subtitle or from State
 18 sales taxes administered by third-party admin-
 19 istering States, or

20 “(2) between or among States imposing con-
 21 forming State sales taxes,
 22 the revenue shall be allocated to those States that are the
 23 destination of the taxable property or service.

24 “(i) FEDERAL OFFICE OF REVENUE ALLOCATION.—
 25 The Secretary shall establish an Office of Revenue Alloca-

1 tion to arbitrate any claims or disputes among admin-
2 istering States as to the destination of taxable property
3 and services for purposes of allocating revenue between or
4 among the States from taxes imposed by this subtitle. The
5 determination of the Administrator of the Office of Rev-
6 enue Allocation shall be subject to judicial review in any
7 Federal court with competent jurisdiction. The standard
8 of review shall be abuse of discretion.

9 **“SEC. 406. GENERAL ADMINISTRATIVE MATTERS.**

10 “(a) IN GENERAL.—The Secretary and each sales tax
11 administering authority may employ such persons as may
12 be necessary for the administration of this subtitle and
13 may delegate to employees the authority to conduct inter-
14 views, hearings, prescribe rules, promulgate regulations,
15 and perform such other duties as are required by this sub-
16 title.

17 “(b) RESOLUTION OF ANY INCONSISTENT RULES
18 AND REGULATIONS.—In the event that the Secretary and
19 any sales tax administering authority have issued incon-
20 sistent rules or regulations, any lawful rule or regulation
21 issued by the Secretary shall govern.

22 “(c) ADEQUATE NOTICE TO BE PROVIDED.—Except
23 in the case of an emergency declared by the Secretary (and
24 not his designee), no rule or regulation issued by the Sec-
25 retary with respect to any internal revenue law shall take

1 effect before 90 days have elapsed after its publication in
2 the Federal Register. Upon issuance, the Secretary shall
3 provide copies of all rules or regulations issued under this
4 title to each sales tax administering authority.

5 “(d) NO RULES, RULINGS, OR REGULATIONS WITH
6 RETROACTIVE EFFECT.—No rule, ruling, or regulation
7 issued or promulgated by the Secretary relating to any in-
8 ternal revenue law or by a sales tax administering author-
9 ity shall apply to a period prior to its publication in the
10 Federal Register (or State equivalent) except that a regu-
11 lation may take retroactive effect to prevent abuse.

12 “(e) REVIEW OF IMPACT OF REGULATIONS, RULES,
13 AND RULINGS ON SMALL BUSINESS.—

14 “(1) SUBMISSION TO SMALL BUSINESS ADMIN-
15 ISTRATION.—After publication of any proposed or
16 temporary regulation by the Secretary relating to in-
17 ternal revenue laws, the Secretary shall submit such
18 regulation to the Chief Counsel for Advocacy of the
19 Small Business Administration for comment on the
20 impact of such regulation on small businesses. Not
21 later than the date 30 days after the date of such
22 submission, the Chief Counsel for Advocacy of the
23 Small Business Administration shall submit com-
24 ments on such regulation to the Secretary.

1 “(2) CONSIDERATION OF COMMENTS.—In pre-
2 scribing any final regulation which supersedes a pro-
3 posed or temporary regulation which had been sub-
4 mitted under this subsection to the Chief Counsel
5 for Advocacy of the Small Business Administration,
6 the Secretary shall—

7 “(A) consider the comments of the Chief
8 Counsel for Advocacy of the Small Business
9 Administration on such proposed or temporary
10 regulation, and

11 “(B) in promulgating such final regulation,
12 include a narrative that describes the response
13 to such comments.

14 “(3) SUBMISSION OF CERTAIN FINAL REGULA-
15 TION.—In the case of promulgation by the Secretary
16 of any final regulations (other than a temporary reg-
17 ulation) which do not supersede a proposed regula-
18 tion, the requirements of paragraphs (1) and (2)
19 shall apply, except that the submission under para-
20 graph (1) shall be made at least 30 days before the
21 date of such promulgation, and the consideration
22 and discussion required under paragraph (2) shall
23 be made in connection with the promulgation of such
24 final regulation.

1 “(f) SMALL BUSINESS REGULATORY SAFEGUARDS.—
 2 The Small Business Regulatory Enforcement Fairness Act
 3 (Public Law 104–121; 110 Stat. 857 (‘SBREFA’)) and
 4 the Regulatory Flexibility Act (5 U.S.C. 601–612
 5 (‘RFA’)) shall apply to regulations promulgated under this
 6 subtitle.

7 **“SEC. 407. JURISDICTION.**

8 “(a) STATE JURISDICTION.—A sales tax admin-
 9 istering authority shall have jurisdiction over any gross
 10 payments made which have a destination (as determined
 11 in accordance with section 405) within the State of said
 12 sales tax administering authority. This grant of jurisdic-
 13 tion is not exclusive of any other jurisdiction that such
 14 sales tax administering authority may have.

15 “(b) FEDERAL JURISDICTION.—The grant of juris-
 16 diction in subsection (a) shall not be in derogation of Fed-
 17 eral jurisdiction over the same matter. The Federal Gov-
 18 ernment shall have the right to exercise preemptive juris-
 19 diction over matters relating to the taxes imposed by this
 20 subtitle.

21 **“CHAPTER 5—OTHER ADMINISTRATIVE**
 22 **PROVISIONS**

“Sec. 501. Monthly reports and payments.

“Sec. 502. Registration.

“Sec. 503. Accounting.

“Sec. 504. Penalties.

“Sec. 505. Burden of persuasion and burden of production.

“Sec. 506. Attorneys’ and accountancy fees.

“Sec. 507. Summons, examinations, audits, etc.

“Sec. 508. Records.

“Sec. 509. Tax to be separately stated and charged.

“Sec. 510. Coordination with title 11.

“Sec. 511. Applicable interest rate.

1 **“SEC. 501. MONTHLY REPORTS AND PAYMENTS.**

2 “(a) TAX REPORTS AND FILING DATES.—

3 “(1) IN GENERAL.—On or before the 15th day
4 of each month, each person who is—

5 “(A) liable to collect and remit the tax im-
6 posed by this subtitle by reason of section
7 103(a), or

8 “(B) liable to pay tax imposed by this sub-
9 title which is not collected pursuant to section
10 103(a),

11 shall submit to the appropriate sales tax admin-
12 istering authority (in a form prescribed by the Sec-
13 retary) a report relating to the previous calendar
14 month.

15 “(2) CONTENTS OF REPORT.—The report re-
16 quired under paragraph (1) shall set forth—

17 “(A) the gross payments referred to in sec-
18 tion 101,

19 “(B) the tax collected under chapter 4 in
20 connection with such payments,

21 “(C) the amount and type of any credit
22 claimed, and

1 “(D) other information reasonably required
2 by the Secretary or the sales tax administering
3 authority for the administration, collection, and
4 remittance of the tax imposed by this subtitle.

5 “(b) TAX PAYMENTS DATE.—

6 “(1) GENERAL RULE.—The tax imposed by this
7 subtitle during any calendar month is due and shall
8 be paid to the appropriate sales tax administering
9 authority on or before the 15th day of the suc-
10 ceeding month. Both Federal tax imposed by this
11 subtitle and conforming State sales tax (if any) shall
12 be paid in 1 aggregate payment.

13 “(2) CROSS REFERENCE.—See subsection (e)
14 relating to remitting of separate segregated funds
15 for sellers that are not small sellers.

16 “(c) EXTENSIONS FOR FILING REPORTS.—

17 “(1) AUTOMATIC EXTENSIONS FOR NOT MORE
18 THAN 30 DAYS.—On application, an extension of not
19 more than 30 days to file reports under subsection
20 (a) shall be automatically granted.

21 “(2) OTHER EXTENSIONS.—On application, ex-
22 tensions of 30 to 60 days to file such reports shall
23 be liberally granted by the sales tax administering
24 authority for reasonable cause. Extensions greater

1 than 60 days may be granted by the sales tax ad-
2 ministering authority to avoid hardship.

3 “(3) NO EXTENSION FOR PAYMENT OF
4 TAXES.—Notwithstanding paragraphs (1) and (2),
5 no extension shall be granted with respect to the
6 time for paying or remitting the taxes under this
7 subtitle.

8 “(d) TELEPHONE REPORTING OF VIOLATIONS.—The
9 Secretary shall establish a system under which a violation
10 of this subtitle can be brought to the attention of the sales
11 tax administering authority for investigation through the
12 use of a toll-free telephone number and otherwise.

13 “(e) SEPARATE SEGREGATED ACCOUNTS.—

14 “(1) IN GENERAL.—Any registered seller that
15 is not a small seller shall deposit all sales taxes col-
16 lected pursuant to section 103 in a particular week
17 in a separate segregated account maintained at a
18 bank or other financial institution within 3 business
19 days of the end of such week. Said registered seller
20 shall also maintain in that account sufficient funds
21 to meet the bank or financial institution minimum
22 balance requirements, if any, and to pay account
23 fees and costs.

24 “(2) SMALL SELLER.—For purposes of this
25 subsection, a small seller is any person that has not

1 collected \$20,000 or more of the taxes imposed by
2 this subtitle in any of the previous 12 months.

3 “(3) LARGE SELLERS.—Any seller that has col-
4 lected \$100,000 or more of the taxes imposed by
5 this subtitle in any of the previous 12 months is a
6 large seller. A large seller shall remit to the sales tax
7 administering authority the entire balance of depos-
8 ited taxes in its separate segregated account on the
9 first business day following the end of the calendar
10 week. The Secretary may by regulation require the
11 electronic transfer of funds due from large sellers.

12 “(4) WEEK.—For purposes of this subsection,
13 the term ‘week’ shall mean the 7-day period ending
14 on a Friday.

15 “(f) DETERMINATION OF REPORT FILING DATE.—
16 A report filed pursuant to subsection (a) shall be deemed
17 filed when—

18 “(1) deposited in the United States mail, post-
19 age prepaid, addressed to the sales tax administering
20 authority,

21 “(2) delivered and accepted at the offices of the
22 sales tax administering authority,

23 “(3) provided to a designated commercial pri-
24 vate courier service for delivery within 2 days to the

1 sales tax administering authority at the address of
2 the sales tax administering authority, or

3 “(4) by other means permitted by the Sec-
4 retary.

5 “(g) SECURITY REQUIREMENTS.—A large seller
6 (within the meaning of subsection (e)(3)) shall be required
7 to provide security in an amount equal to the greater of
8 \$100,000 or one and one-half times the seller’s average
9 monthly tax liability during the previous 6 calendar
10 months. Security may be a cash bond, a bond from a sur-
11 ety company approved by the Secretary, a certificate of
12 deposit, or a State or United States Treasury bond. A
13 bond qualifying under this subsection must be a con-
14 tinuing instrument for each calendar year (or portion
15 thereof) that the bond is in effect. The bond must remain
16 in effect until the surety or sureties are released and dis-
17 charged. Failure to provide security in accordance with
18 this section shall result in revocation of the seller’s section
19 502 registration. If a person who has provided security
20 pursuant to this subsection—

21 “(1) fails to pay an amount indicated in a final
22 notice of amount due under this subtitle (within the
23 meaning of section 605(d)),

24 “(2) no Taxpayer Assistance Order is in effect
25 relating to the amount due,

1 “(3) either the time for filing an appeal pursu-
2 ant to section 604 has passed or the appeal was de-
3 nied, and

4 “(4) the amount due is not being litigated in
5 any judicial forum,

6 then the security or part of the security, as the case may
7 be, may be forfeited in favor of the Secretary to the extent
8 of such tax due (plus interest if any).

9 “(h) REWARDS PROGRAM.—The Secretary is author-
10 ized to maintain a program of awards wherein individuals
11 that assist the Secretary or sales tax administering au-
12 thorities in discovering or prosecuting tax fraud may be
13 remunerated.

14 “(i) CROSS REFERENCE.—For interest due on taxes
15 remitted late, see section 6601.

16 **“SEC. 502. REGISTRATION.**

17 “(a) IN GENERAL.—Any person liable to collect and
18 remit taxes pursuant to section 103(a) who is engaged in
19 a trade or business shall register as a seller with the sales
20 tax administering authority administering the taxes im-
21 posed by this subtitle.

22 “(b) AFFILIATED FIRMS.—Affiliated firms shall be
23 treated as 1 person for purposes of this section. Affiliated
24 firms may elect, upon giving notice to the Secretary in

1 a form prescribed by the Secretary, to treat separate firms
2 as separate persons for purposes of this subtitle.

3 “(c) DESIGNATION OF TAX MATTERS PERSON.—

4 Every person registered pursuant to subsection (a) shall
5 designate a tax matters person who shall be an individual
6 whom the sales tax administering authority may contact
7 regarding tax matters. Each person registered must pro-
8 vide notice of a change in the identity of the tax matters
9 person within 30 days of said change.

10 “(d) EFFECT OF FAILURE TO REGISTER.—Any per-

11 son that is required to register and who fails to do so is
12 prohibited from selling taxable property or services. The
13 Secretary or a sales tax administering authority may bring
14 an action seeking a temporary restraining order, an in-
15 junction, or such other order as may be appropriate to
16 enforce this section.

17 **“SEC. 503. ACCOUNTING.**

18 “(a) CASH METHOD TO BE USED GENERALLY.—

19 Registered sellers and other persons shall report trans-
20 actions using the cash method of accounting unless an
21 election to use the accrual method of accounting is made
22 pursuant to subsection (b).

23 “(b) ELECTION TO USE ACCRUAL METHOD.—A per-

24 son may elect with respect to a calender year to remit

1 taxes and report transactions with respect to the month
2 where a sale was invoiced and accrued.

3 “(c) CROSS REFERENCE.—See section 205 for rules
4 relating to bad debts for sellers electing the accrual meth-
5 od.

6 **“SEC. 504. PENALTIES.**

7 “(a) FAILURE TO REGISTER.—Each person who is
8 required to register pursuant to section 502 but fails to
9 do so prior to notification by the sales tax administering
10 authority shall be liable for a penalty of \$500.

11 “(b) RECKLESS OR WILLFUL FAILURE TO COLLECT
12 TAX.—

13 “(1) CIVIL PENALTY; FRAUD.—Each person
14 who is required to and recklessly or willfully fails to
15 collect taxes imposed by this subtitle shall be liable
16 for a penalty equal to the greater of \$500 or 20 per-
17 cent of tax not collected.

18 “(2) CRIMINAL PENALTY.—Each person who is
19 required to and willfully fails as part of a trade or
20 business to collect taxes imposed by this subtitle
21 may be fined an amount up to the amount deter-
22 mined in accordance with paragraph (1) or impris-
23 oned for a period of not more than 1 year or both.

24 “(c) RECKLESS OR WILLFUL ASSERTION OF INVALID
25 EXEMPTION.—

1 “(1) CIVIL PENALTY; FRAUD.—Each person
2 who recklessly or willfully asserts an invalid inter-
3 mediate or export sales exemption from the taxes
4 imposed by this subtitle shall be liable for a penalty
5 equal to the greater of \$500 or 20 percent of the tax
6 not collected or remitted.

7 “(2) CRIMINAL PENALTY.—Each person who
8 willfully asserts an invalid intermediate or export
9 sales exemption from the taxes imposed by this sub-
10 title may be fined an amount up to the amount de-
11 termined in accordance with paragraph (1) or im-
12 prisoned for a period of not more than 1 year or
13 both.

14 “(d) RECKLESS OR WILLFUL FAILURE TO REMIT
15 TAX COLLECTED.—

16 “(1) CIVIL PENALTY; FRAUD.—Each person
17 who is required to and recklessly or willfully fails to
18 remit taxes imposed by this subtitle and collected
19 from purchasers shall be liable for a penalty equal
20 to the greater of \$1,000 or 50 percent of the tax not
21 remitted.

22 “(2) CRIMINAL PENALTY.—Each person who
23 willfully fails to remit taxes imposed by this subtitle
24 and collected from purchasers may be fined an
25 amount up to the amount determined in accordance

1 with paragraph (1) or imprisoned for a period of not
2 more than 2 years or both.

3 “(e) RECKLESS OR WILLFUL FAILURE TO PAY
4 TAX.—Each person who is required to and recklessly or
5 willfully fails to pay taxes imposed by this subtitle shall
6 be liable for a penalty equal to the greater of \$500 or
7 20 percent of the tax not paid.

8 “(f) PENALTY FOR LATE FILING.—

9 “(1) IN GENERAL.—In the case of a failure by
10 any person who is required to and fails to file a re-
11 port required by section 501 on or before the due
12 date (determined with regard to any extension) for
13 such report, such person shall pay a penalty for each
14 month or fraction thereof that said report is late
15 equal to the greater of—

16 “(A) \$50, or

17 “(B) 0.5 percent of the gross payments re-
18 quired to be shown on the report.

19 “(2) INCREASED PENALTY ON RETURNS FILED
20 AFTER WRITTEN INQUIRY.—The amount of the pen-
21 alty under paragraph (1) shall be doubled with re-
22 spect to any report filed after a written inquiry with
23 respect to such report is received by the taxpayer
24 from the sales tax administering authority.

1 “(3) LIMITATION.—The penalty imposed under
2 this subsection shall not exceed 12 percent.

3 “(4) EXCEPTIONS.—

4 “(A) REASONABLE CAUSE.—No penalty
5 shall be imposed under this subsection with re-
6 spect to any failure if it is shown that such fail-
7 ure is due to reasonable cause.

8 “(B) OTHER WAIVER AUTHORITY.—In ad-
9 dition to penalties not imposed by reason of
10 subparagraph (A), the sales tax administering
11 authority, on application, shall waive the pen-
12 alty imposed by paragraph (1) once per reg-
13 istered person per 24-month period. The pre-
14 ceding sentence shall not apply to a penalty de-
15 termined under paragraph (2).

16 “(g) PENALTY FOR WILLFULLY OR RECKLESSLY AC-
17 CEPTING A FALSE INTERMEDIATE OR EXPORT SALES
18 CERTIFICATE.—A person who willingly or recklessly ac-
19 cepts a false intermediate or export sales certificate shall
20 pay a penalty equal to 20 percent of the tax not collected
21 by reason of said acceptance.

22 “(h) PENALTY FOR LATE REMITTANCE OF TAXES.—

23 “(1) IN GENERAL.—A person who is required
24 to timely remit taxes imposed by this subtitle and
25 remits taxes more than 1 month after such taxes are

1 due shall pay a penalty equal to 1 percent per month
2 (or fraction thereof) from the due date.

3 “(2) LIMITATION.—The penalty imposed under
4 this subsection shall not exceed 24 percent.

5 “(3) EXCEPTIONS FOR REASONABLE CAUSE.—
6 No penalty shall be imposed under paragraph (1)
7 with respect to any late remittance if it is shown
8 that such late remittance is due to reasonable cause.

9 “(i) PENALTY FOR FILING FALSE REBATE CLAIM.—
10 “(1) CIVIL PENALTY; FRAUD.—A person who
11 willingly or recklessly files a false claim for a family
12 consumption allowance rebate (within the meaning
13 of chapter 3) shall—

14 “(A) pay a penalty equal to the greater of
15 \$500 or 50 percent of the claimed annual re-
16 bate amount not actually due, and

17 “(B) repay any rebates received as a result
18 of the false rebate claim (together with inter-
19 est).

20 “(2) CRIMINAL PENALTY.—A person who will-
21 ingly files a false claim for a family consumption al-
22 lowance rebate (within the meaning of chapter 3)
23 may be fined an amount up to the amount deter-
24 mined in accordance with paragraph (1) or impris-
25 oned for a period not more than 1 year or both.

1 “(j) PENALTY FOR BAD CHECK.—If any check or
2 money order in payment of any amount receivable under
3 this subtitle is not duly paid, in addition to other penalties
4 provided by law, the person who tendered such check shall
5 pay a penalty equal to the greater of—

6 “(1) \$25, or

7 “(2) two percent of the amount of such check.

8 “(k) PENALTY FOR FAILURE TO MAINTAIN A SEPA-
9 RATE SEGREGATED ACCOUNT.—Any person required to
10 maintain a separate segregated account pursuant to sec-
11 tion 501(e) that fails to maintain such a separate seg-
12 regated account shall pay a penalty of \$1,000.

13 “(l) PENALTY FOR FAILURE TO DEPOSIT COL-
14 LECTED TAXES IN A SEPARATE SEGREGATED AC-
15 COUNT.—Any person required to deposit collected taxes
16 into a separate segregated account maintained pursuant
17 to section 501(e) that fails to timely deposit said taxes
18 into the separate segregated account shall pay a penalty
19 equal to 1 percent of the amount required to be deposited.
20 The penalty imposed by the previous sentence shall be tri-
21 pled unless said taxes have been deposited in the separate
22 segregated account or remitted to the sales tax admin-
23 istering authority within 16 days of the date said deposit
24 was due.

1 “(m) JOINT AND SEVERAL LIABILITY FOR TAX MAT-
2 TERS PERSON AND RESPONSIBLE OFFICERS.—The tax
3 matters person (designated pursuant to section 502(c))
4 and responsible officers or partners of a firm shall be
5 jointly and severally liable for the tax imposed by this sub-
6 title and penalties imposed by this subtitle.

7 “(n) RIGHT OF CONTRIBUTION.—If more than 1 per-
8 son is liable with respect to any tax or penalty imposed
9 by this subtitle, each person who paid such tax or penalty
10 shall be entitled to recover from other persons who are
11 liable for such tax or penalty an amount equal to the ex-
12 cess of the amount paid by such person over such person’s
13 proportionate share of the tax or penalty.

14 “(o) CIVIL PENALTIES AND CRIMINAL FINES NOT
15 EXCLUSIVE.—

16 “(1) CIVIL PENALTY.—The fact that a civil
17 penalty has been imposed shall not prevent the im-
18 position of a criminal fine.

19 “(2) CRIMINAL FINE.—The fact that a criminal
20 fine has been imposed shall not prevent the imposi-
21 tion of a civil penalty.

22 “(p) CONFIDENTIALITY.—Any person who violates
23 the requirements relating to confidentiality of tax informa-
24 tion (as provided in section 605(e)) may be fined up to

1 \$10,000 or imprisoned for a period of not more than 1
2 year, or both.

3 “(q) CROSS REFERENCE.—For interest due on late
4 payments, see section 6601.

5 **“SEC. 505. BURDEN OF PERSUASION AND BURDEN OF PRO-**
6 **DUCTION.**

7 “In all disputes concerning taxes imposed by this sub-
8 title, the person engaged in a dispute with the sales tax
9 administering authority or the Secretary, as the case may
10 be, shall have the burden of production of documents and
11 records but the sales tax administering authority or the
12 Secretary shall have the burden of persuasion. In all dis-
13 putes concerning an exemption claimed by a purchaser,
14 if the seller has on file an intermediate sale or export sale
15 certificate from the purchaser and did not have reasonable
16 cause to believe that the certificate was improperly pro-
17 vided by the purchaser with respect to such purchase
18 (within the meaning of section 103), then the burden of
19 production of documents and records relating to that ex-
20 emption shall rest with the purchaser and not with the
21 seller.

22 **“SEC. 506. ATTORNEYS’ AND ACCOUNTANCY FEES.**

23 “In all disputes concerning taxes imposed by this sub-
24 title, the person engaged in a dispute with the sales tax
25 administering authority or the Secretary, as the case may

1 be, shall be entitled to reasonable attorneys' fees, account-
2 any fees, and other reasonable professional fees incurred
3 in direct relation to the dispute unless the sales tax admin-
4 istering authority or the Secretary establishes that its po-
5 sition was substantially justified.

6 **“SEC. 507. SUMMONS, EXAMINATIONS, AUDITS, ETC.**

7 “(a) SUMMONS.—Persons are subject to administra-
8 tive summons by the sales tax administering authority for
9 records, documents, and testimony required by the sales
10 tax administering authority to accurately determine liabil-
11 ity for tax under this subtitle. A summons shall be served
12 by the sales tax administering authority by an attested
13 copy delivered in hand to the person to whom it is directed
14 or left at his last known address. The summons shall de-
15 scribe with reasonable certainty what is sought.

16 “(b) EXAMINATIONS AND AUDITS.—The sales tax ad-
17 ministering authority has the authority to conduct at a
18 reasonable time and place examinations and audits of per-
19 sons who are or may be liable to collect and remit tax
20 imposed by this subtitle and to examine the books, papers,
21 records, or other data of such persons which may be rel-
22 evant or material to the determination of tax due.

23 “(c) LIMITATION ON AUTHORITY IN CASE OF REFER-
24 RAL.—No administrative summons may be issued by the
25 sales tax administering authority and no action be com-

1 menced to enforce an administrative summons with re-
2 spect to any person if a Justice Department referral or
3 referral to a State Attorney General's Office is in effect
4 with respect to such person relating to a tax imposed by
5 this subtitle. Such referral is in effect with respect to any
6 person if the sales tax administering authority or the Sec-
7 retary has recommended to the Justice Department or a
8 State Attorney General's Office a grand jury investigation
9 of such person or a criminal prosecution of such person
10 that contemplates criminal sanctions under this title. A
11 referral shall be terminated when—

12 “(1) the Justice Department or a State Attor-
13 ney General's Office notifies the sales tax admin-
14 istering authority or the Secretary that he will not—

15 “(A) prosecute such person for any offense
16 connected with the internal revenue laws,

17 “(B) authorize a grand jury investigation
18 of such person with respect to such offense, or

19 “(C) continue such a grand jury investiga-
20 tion, or

21 “(2) a final disposition has been made of any
22 criminal proceeding connected with the internal rev-
23 enue laws, or conforming State sales tax, against
24 such person.

1 **“SEC. 508. RECORDS.**

2 “Any person liable to remit taxes pursuant to this
3 subtitle shall keep records (including a record of all section
4 509 receipts provided, complete records of intermediate
5 and export sales, including purchaser’s intermediate and
6 export sales certificates and tax number and the net of
7 tax amount of purchase) sufficient to determine the
8 amounts reported, collected, and remitted for a period of
9 6 years after the latter of the filing of the report for which
10 the records formed the basis or when the report was due
11 to be filed. Any purchaser who purchased taxable property
12 or services but did not pay tax by reason of asserting an
13 intermediate and export sales exemption shall keep records
14 sufficient to determine whether said exemption was valid
15 for a period of 7 years after the purchase of taxable prop-
16 erty or services.

17 **“SEC. 509. TAX TO BE SEPARATELY STATED AND CHARGED.**

18 “(a) IN GENERAL.—For each purchase of taxable
19 property or services for which a tax is imposed by section
20 101, the seller shall charge the tax imposed by section 101
21 separately from the purchase. For purchase of taxable
22 property or services for which a tax is imposed by section
23 101, the seller shall provide to the purchaser a receipt for
24 each transaction that includes—

25 “(1) the property or services price exclusive of
26 tax,

1 “(2) the amount of tax paid,

2 “(3) the property or service price inclusive of
3 tax,

4 “(4) the tax rate (the amount of tax paid (per
5 paragraph (2)) divided by the property or service
6 price inclusive of tax (per paragraph (3))),

7 “(5) the date that the good or service was sold,

8 “(6) the name of the vendor, and

9 “(7) the vendor registration number.

10 “(b) VENDING MACHINE EXCEPTION.—The require-
11 ments of subsection (a) shall be inapplicable in the case
12 of sales by vending machines. Vending machines for pur-
13 poses of this subsection are machines—

14 “(1) that dispense taxable property in exchange
15 for coins or currency, and

16 “(2) that sell no single item exceeding \$10 per
17 unit in price.

18 “(c) FINANCIAL INTERMEDIATION SERVICES EXCEP-
19 TION.—The requirements of subsection (a) shall be inap-
20 plicable in the case of sales financial intermediation serv-
21 ice. Receipts shall be issued when the tax is imposed (in
22 accordance with section 803 (relating to timing of tax on
23 financial intermediation services)).

1 **“SEC. 510. COORDINATION WITH TITLE 11.**

2 “No addition to tax shall be made under section 504
3 with respect to a period during which a case is pending
4 under title 11, United States Code—

5 “(1) if such tax was incurred by the estate and
6 the failure occurred pursuant to an order of the
7 court finding probable insufficiency of funds of the
8 estate to pay administrative expenses, or

9 “(2) if—

10 “(A) such tax was incurred by the debtor
11 before the earlier of the order for relief or (in
12 the involuntary case) the appointment of a
13 trustee, and

14 “(B) the petition was filed before the due
15 date prescribed by law (including extensions)
16 for filing a return of such tax, or the date for
17 making the addition to tax occurs on or after
18 the date the petition was filed.

19 **“SEC. 511. APPLICABLE INTEREST RATE.**

20 “(a) IN GENERAL.—

21 “(1) FEDERAL SHORT-TERM RATE.—In the
22 case of a debt instrument, investment, financing
23 lease, or account with a term of not over 3 years,
24 the applicable interest rate is the Federal short-term
25 rate.

1 “(2) FEDERAL MID-TERM RATE.—In the case
2 of a debt instrument, investment, financing lease, or
3 account with a term of over 3 years but not over 9
4 years, the applicable interest rate is the Federal
5 mid-term rate.

6 “(3) FEDERAL LONG-TERM RATE.—In the case
7 of a debt instrument, investment, financing lease, or
8 account with a term of over 9 years, the applicable
9 interest rate is the Federal long-term rate.

10 “(b) FEDERAL SHORT-TERM RATE.—The Federal
11 short-term rate shall be the rate determined by the Sec-
12 retary based on the average market yield (selected by the
13 Secretary and ending in the calendar month in which the
14 determination is made during any one month) on out-
15 standing marketable obligations of the United States with
16 remaining periods to maturity of 3 years or fewer.

17 “(c) FEDERAL MID-TERM RATE.—The Federal mid-
18 term rate shall be the rate determined by the Secretary
19 based on the average market yield (selected by the Sec-
20 retary and ending in the calendar month in which the de-
21 termination is made during any 1 month) on outstanding
22 marketable obligations of the United States with remain-
23 ing periods to maturity of more than 3 years and not over
24 9 years.

1 “(d) FEDERAL LONG-TERM RATE.—The Federal
 2 long-term rate shall be the rate determined by the Sec-
 3 retary based on the average market yield (selected by the
 4 Secretary and ending in the calendar month in which the
 5 determination is made during any 1 month) on out-
 6 standing marketable obligations of the United States with
 7 remaining periods to maturity of over 9 years.

8 “(e) DETERMINATION OF RATES.—During each cal-
 9 endar month, the Secretary shall determine the Federal
 10 short-term rate, the Federal mid-term rate and the Fed-
 11 eral long-term rate which shall apply during the following
 12 calendar month.

13 **“CHAPTER 6—COLLECTIONS; APPEALS;**
 14 **TAXPAYER RIGHTS**

“Sec. 601. Collections.

“Sec. 602. Power to levy, etc.

“Sec. 603. Problem resolution offices.

“Sec. 604. Appeals.

“Sec. 605. Taxpayer rights.

“Sec. 606. Installment agreements; compromises.

15 **“SEC. 601. COLLECTIONS.**

16 “The sales tax administering authority shall collect
 17 the taxes imposed by this subtitle, except as provided in
 18 section 404 (relating to Federal administration in certain
 19 States).

20 **“SEC. 602. POWER TO LEVY, ETC.**

21 “(a) IN GENERAL.—The sales tax administering au-
 22 thority may levy and seize property, garnish wages or sal-

1 ary and file liens to collect amounts due under this sub-
2 title, pursuant to enforcement of—

3 “(1) a judgment duly rendered by a court of
4 law,

5 “(2) an amount due if the taxpayer has failed
6 to exercise his appeals rights under section 604, or

7 “(3) an amount due if the appeals process de-
8 termined that an amount remained due and the tax-
9 payer has failed to timely petition the Tax Court for
10 relief.

11 “(b) EXEMPTION FROM LEVY, SEIZURE, AND GAR-
12 NISHMENTS.—There shall be exempt from levy, seizure,
13 and garnishment or penalty in connection with any tax
14 imposed by this subtitle—

15 “(1) wearing apparel, school books, fuel, provi-
16 sions, furniture, personal effects, tools of a trade or
17 profession, livestock in a household up to an aggre-
18 gate value of \$15,000, and

19 “(2) monthly money income equal to 150 per-
20 cent of the monthly poverty level (as defined in sec-
21 tion 303).

22 “(c) LIENS TO BE TIMELY RELEASED.—Subject to
23 such reasonable regulations as the Secretary may provide,
24 any lien imposed with respect to a tax imposed by this
25 title shall be released not later than 30 days after—

1 “(1) the liability was satisfied or became unen-
2 forceable, or

3 “(2) a bond was accepted as security.

4 **“SEC. 603. PROBLEM RESOLUTION OFFICES.**

5 “(a) PROBLEM RESOLUTION OFFICE TO BE ESTAB-
6 LISHED.—Each sales tax administering authority shall es-
7 tablish an independent Problem Resolution Office and ap-
8 point an adequate number of problem resolution officers.
9 The head of the problem resolution office must be ap-
10 pointed by, and serve at the pleasure of either the State
11 Governor (in the case of an administering State) or the
12 President of the United States.

13 “(b) AUTHORITY OF PROBLEM RESOLUTION OFFI-
14 CERS.—Problem resolution officers shall have the author-
15 ity to investigate complaints and issue a Taxpayer Assist-
16 ance Order to administratively enjoin any collection activ-
17 ity if, in the opinion of the problem resolution officer, said
18 collection activity is reasonably likely to not be in compli-
19 ance with law or to prevent hardship (other than by reason
20 of having to pay taxes lawfully due). Problem resolution
21 officers shall also have the authority to issue Taxpayer As-
22 sistance Orders releasing or returning property that has
23 been levied upon or seized, ordering that a lien be released
24 and that garnished wages be returned. A Taxpayer Assist-
25 ance Order may only be rescinded or modified by the prob-

1 lem resolution officer that issued it, by the highest official
2 in the relevant sales tax administering authority or by its
3 general counsel upon a finding that the collection activity
4 is justified by clear and convincing evidence. The authority
5 to reverse this Taxpayer Assistance Order may not be del-
6 egated.

7 “(c) FORM OF REQUEST FOR TAXPAYER ASSISTANCE
8 ORDER.—The Secretary shall establish a form and proce-
9 dure to aid persons requesting the assistance of the Prob-
10 lem Resolution Office and to aid the Problem Resolution
11 Office in understanding the needs of the person seeking
12 assistance. The use of this form, however, shall not be a
13 prerequisite to a problem resolution officer taking action,
14 including issuing a Taxpayer Assistance Order.

15 “(d) CONTENT OF TAXPAYER ASSISTANCE ORDER.—
16 A Taxpayer Assistance Order shall contain the name of
17 the problem resolution officer, any provision relating to
18 the running of any applicable period of limitation, the
19 name of the person that the Taxpayer Assistance Order
20 assists, the government office (or employee or officer of
21 said government office) to whom it is directed and the ac-
22 tion or cessation of action that the Taxpayer Assistance
23 Order requires of said government officer (or employee or
24 officer of said government office). The Taxpayer Assist-
25 ance Order need not contain findings of fact or its legal

1 basis; however, the problem resolution officer must provide
2 findings of fact and the legal basis for the issuance of the
3 Taxpayer Assistance Order to the sales tax administering
4 authority upon the request of an officer of said authority
5 within 2 weeks of the receipt of such request.

6 “(e) INDEPENDENCE PROTECTED.—Problem resolu-
7 tion officers shall not be disciplined or adversely affected
8 for the issuance of administrative injunctions unless a pat-
9 tern of issuing injunctions that are manifestly unreason-
10 able is proven in an administrative hearing by a prepon-
11 derance of the evidence.

12 “(f) OTHER RIGHTS NOT LIMITED.—Nothing in this
13 section shall limit the authority of the sales tax admin-
14 istering authority, the registered person or other person
15 from pursuing any legal remedy in any court with jurisdic-
16 tion over the dispute at issue.

17 “(g) LIMITATIONS.—The running of any applicable
18 period of limitation shall be suspended for a period of 8
19 weeks following the issuance of a Taxpayer Assistance
20 Order or, if specified, for a longer period set forth in the
21 Taxpayer Assistance Order provided the suspension does
22 not exceed 6 months.

23 **“SEC. 604. APPEALS.**

24 “(a) ADMINISTRATIVE APPEALS.—The sales tax ad-
25 ministering authority shall establish an administrative ap-

1 peals process wherein the registered person or other per-
 2 son in disagreement with a decision of the sales tax admin-
 3 istering authority asserting liability for tax is provided a
 4 full and fair hearing in connection with any disputes said
 5 person has with the sales tax administering authority.

6 “(b) TIMING OF ADMINISTRATIVE APPEALS.—Said
 7 administrative appeal must be made within 60 days of re-
 8 ceiving a final notice of amount due pursuant to section
 9 605(d) unless leave for an extension is granted by the ap-
 10 peals officer in a form prescribed by the Secretary. Leave
 11 shall be granted to avoid hardship.

12 **“SEC. 605. TAXPAYER RIGHTS.**

13 “(a) RIGHTS TO BE DISCLOSED.—The sales tax ad-
 14 ministering authority shall provide to any person against
 15 whom it has—

- 16 “(1) commenced an audit or investigation,
- 17 “(2) issued a final notice of amount due,
- 18 “(3) filed an administrative lien, levy, or gar-
 19 nishment,
- 20 “(4) commenced other collection action,
- 21 “(5) commenced an action for civil penalties, or
- 22 “(6) any other legal action,

23 a document setting forth in plain English the rights of
 24 the person. The document shall explain the administrative
 25 appeals process, the authority of the Problem Resolution

1 Office (established pursuant to section 603) and how to
2 contact that Office, the burden of production and persua-
3 sion that the person and the sales tax administering au-
4 thority bear (pursuant to section 505), the right of the
5 person to professional fees (pursuant to section 506), the
6 right to record interviews and such other rights as the per-
7 son may possess under this subtitle. Said document will
8 also set forth the procedures for entering into an install-
9 ment agreement.

10 “(b) RIGHT TO PROFESSIONAL ASSISTANCE.—In all
11 dealings with the sales tax administering authority, a per-
12 son shall have the right to assistance, at their own ex-
13 pense, of one or more professional advisors.

14 “(c) RIGHT TO RECORD INTERVIEWS.—Any person
15 who is interviewed by an agent of the sales tax admin-
16 istering authority shall have the right to video or audio
17 tape the interview at the person’s own expense.

18 “(d) RIGHT TO FINAL NOTICE OF AMOUNT DUE.—
19 No collection or enforcement action will be commenced
20 against a person until 30 days after they have been pro-
21 vided with a final notice of amount due under this subtitle
22 by the sales tax administering authority. The final notice
23 of amount due shall set forth the amount of tax due (along
24 with any interest and penalties due) and the factual and
25 legal basis for such amounts being due with sufficient

1 specificity that such basis can be understood by a reason-
2 able person who is not a tax professional reading the no-
3 tice. The final notice shall be sent by certified mail, return
4 receipt requested, to—

5 “(1) the address last provided by a registered
6 seller, or

7 “(2) the best available address to a person who
8 is not a registered seller.

9 “(e) CONFIDENTIALITY OF TAX INFORMATION.—

10 “(1) IN GENERAL.—All reports and report in-
11 formation (related to any internal revenue law) shall
12 be confidential and except as authorized by this
13 title—

14 “(A) no officer or employee (including
15 former officers and employees) of the United
16 States,

17 “(B) no officer or employee (including
18 former officers and employees) of any State or
19 local agency who has had access to returns or
20 return information, and

21 “(C) no other person who has had access
22 to returns or return information,
23 shall disclose any report or report information ob-
24 tained by him in any manner in connection with his
25 service as such officer or employee or otherwise.

1 “(2) DESIGNEES.—The sales tax administering
2 authority may, subject to such requirements as the
3 Secretary may impose, disclose the report and report
4 information of a person to that person or persons as
5 that person may designate to receive said informa-
6 tion or return.

7 “(3) OTHER SALES TAX ADMINISTERING AU-
8 THORITIES.—A sales tax administering authority
9 may impose, disclose the report and report informa-
10 tion to another sales tax administering authority.

11 “(4) INCOMPETENCY.—A sales tax admin-
12 istering authority may, subject to such requirements
13 as the Secretary may impose, disclose the report and
14 report information to the committee, trustee, or
15 guardian of a person who is incompetent.

16 “(5) DECEASED PERSONS.—A sales tax admin-
17 istering authority may, subject to such requirements
18 as the Secretary may impose, disclose the report and
19 report information to the decedent’s—

20 “(A) administrator, executor, estate trust-
21 ee, or

22 “(B) heir at law, next of kin, or beneficiary
23 under a will who has a material interest that
24 will be affected by the information.

1 “(6) BANKRUPTCY.—A sales tax administering
2 authority may, subject to such requirements as the
3 Secretary may impose, disclose the report and report
4 information to a person’s trustee in bankruptcy.

5 “(7) CONGRESS.—Upon written request from
6 the Chairman of the Committee on Ways and
7 Means, the Chairman of the Committee on Finance
8 of the Senate, or the Chairman or Chief of Staff of
9 the Joint Committee on Taxation, a sales tax admin-
10 istering authority shall disclose the report and report
11 information, except that any report or report infor-
12 mation that can be associated with or otherwise
13 identify a particular person shall be furnished to
14 such committee only when sitting in closed executive
15 session unless such person otherwise consents in
16 writing to such disclosure.

17 “(8) WAIVER OF PRIVACY RIGHTS.—A person
18 may waive confidentiality rights provided by this sec-
19 tion. Such waiver must be in writing.

20 “(9) INTERNAL USE.—Disclosure of the report
21 or report information by officers or employees of a
22 sales tax administering authority to other officers or
23 employees of a sales tax administering authority in
24 the ordinary course of tax administration activities

1 shall not constitute unlawful disclosure of the report
2 or report information.

3 “(10) STATISTICAL USE.—Upon request in
4 writing by the Secretary of Commerce, the Secretary
5 shall furnish such reports and report information to
6 officers and employees of the Department of Com-
7 merce as the Secretary may prescribe by regulation
8 for the purposes of, and only to the extent necessary
9 in, the structuring of censuses and national eco-
10 nomic accounts and conducting related statistical ac-
11 tivities authorized by law.

12 “(11) DEPARTMENT OF THE TREASURY.—Re-
13 turns and return information shall be open for in-
14 spection by officers and employees of the Depart-
15 ment of the Treasury whose official duties require
16 such inspection or disclosure for the purpose of, and
17 only to the extent necessary for, preparing economic
18 or financial forecasts, projections, analyses, or esti-
19 mates. Such inspection or disclosure shall be per-
20 mitted only upon written request that sets forth the
21 reasons why such inspection or disclosure is nec-
22 essary and is signed by the head of the bureau or
23 office of the Department of the Treasury requesting
24 the inspection or disclosure.

1 **“SEC. 606. INSTALLMENT AGREEMENTS; COMPROMISES.**

2 “The sales tax administering authority is authorized
 3 to enter into written agreements with any person under
 4 which the person is allowed to satisfy liability for payment
 5 of any tax under this subtitle (and penalties and interest
 6 relating thereto) in installment payments if the sales tax
 7 administering authority determines that such agreement
 8 will facilitate the collection of such liability. The agree-
 9 ment shall remain in effect for the term of the agreement
 10 unless the information that the person provided to the
 11 sales tax administering authority was materially inac-
 12 curate or incomplete. The sales tax administering author-
 13 ity may compromise any amounts alleged to be due.

14 **“CHAPTER 7—SPECIAL RULES**

“Sec. 701. Hobby activities.

“Sec. 702. Gaming activities.

“Sec. 703. Government purchases.

“Sec. 704. Government enterprises.

“Sec. 705. Mixed use property.

“Sec. 706. Not-for-profit organizations.

15 **“SEC. 701. HOBBY ACTIVITIES.**

16 “(a) HOBBY ACTIVITIES.—Neither the exemption af-
 17 forced by section 102 for intermediate sales nor the cred-
 18 its available pursuant to section 202 or 203 shall be avail-
 19 able for any taxable property or service purchased for use
 20 in an activity if that activity is not engaged in for-profit.

1 “(b) STATUS DEEMED.—If the activity has received
2 gross payments for the sale of taxable property or services
3 that exceed the sum of—

4 “(1) taxable property and services purchased,

5 “(2) wages and salary paid, and

6 “(3) taxes (of any type) paid,

7 in two or more of the most recent 3 calendar years during
8 which it operated then the business activity shall be con-
9 clusively deemed to be engaged in for profit.

10 **“SEC. 702. GAMING ACTIVITIES.**

11 “(a) REGISTRATION.—Any person selling one or
12 more chances is a gaming sponsor and shall register, in
13 a form prescribed by the Secretary, with the sales tax ad-
14 ministering authority as a gaming sponsor.

15 “(b) CHANCE DEFINED.—For purposes of this sec-
16 tion, the term ‘chance’ means a lottery ticket, a raffle tick-
17 et, chips, other tokens, a bet or bets placed, a wager or
18 wagers placed, or any similar device where the purchase
19 of the right gives rise to an obligation by the gaming spon-
20 sor to pay upon the occurrence of—

21 “(1) a random or unpredictable event, or

22 “(2) an event over which neither the gaming
23 sponsor nor the person purchasing the chance has
24 control over the outcome.

1 “(c) CHANCES NOT TAXABLE PROPERTY OR SERV-
 2 ICE.—Notwithstanding any other provision in this sub-
 3 title, a chance is not taxable property or services for pur-
 4 poses of section 101.

5 “(d) TAX ON GAMING SERVICES IMPOSED.—A 23-
 6 percent tax is hereby imposed on the taxable gaming serv-
 7 ices of a gaming sponsor. This tax shall be paid and remit-
 8 ted by the gaming sponsor. The tax shall be remitted by
 9 the 15th day of each month with respect to taxable gaming
 10 services during the previous calendar month.

11 “(e) TAXABLE GAMING SERVICES DEFINED.—For
 12 purposes of this section, the term ‘taxable gaming services’
 13 means—

14 “(1) gross receipts of the gaming sponsor from
 15 the sale of chances, minus

16 “(2) the sum of—

17 “(A) total gaming payoffs to chance pur-
 18 chasers (or their designees), and

19 “(B) gaming specific taxes (other than the
 20 tax imposed by this section) imposed by the
 21 Federal, State, or local government.

22 **“SEC. 703. GOVERNMENT PURCHASES.**

23 “(a) GOVERNMENT PURCHASES.—

24 “(1) PURCHASES BY THE FEDERAL GOVERN-
 25 MENT.—Purchases by the Federal Government of

1 taxable property and services shall be subject to the
2 tax imposed by section 101.

3 “(2) PURCHASE BY STATE GOVERNMENTS AND
4 THEIR POLITICAL SUBDIVISIONS.—Purchases by
5 State governments and their political subdivisions of
6 taxable property and services shall be subject to the
7 tax imposed by section 101.

8 “(b) CROSS REFERENCES.—For purchases by gov-
9 ernment enterprises see section 704.

10 **“SEC. 704. GOVERNMENT ENTERPRISES.**

11 “(a) GOVERNMENT ENTERPRISES TO COLLECT AND
12 REMIT TAXES ON SALES.—Nothing in this subtitle shall
13 be construed to exempt any Federal, State, or local gov-
14 ernmental unit or political subdivision (whether or not the
15 State is an administering State) operating a government
16 enterprise from collecting and remitting tax imposed by
17 this subtitle on any sale of taxable property or services.
18 Government enterprises shall comply with all duties im-
19 posed by this subtitle and shall be liable for penalties and
20 subject to enforcement action in the same manner as pri-
21 vate persons that are not government enterprises.

22 “(b) GOVERNMENT ENTERPRISE.—Any entity owned
23 or operated by a Federal, State, or local governmental unit
24 or political subdivision that receives gross payments from
25 private persons is a government enterprise, except that a

1 government-owned entity shall not become a government
2 enterprise for purposes of this section unless in any quar-
3 ter it has revenues from selling taxable property or serv-
4 ices that exceed \$2,500.

5 “(c) GOVERNMENT ENTERPRISES INTERMEDIATE
6 SALES.—

7 “(1) IN GENERAL.—Government enterprises
8 shall not be subject to tax on purchases that would
9 not be subject to tax pursuant to section 102(b) if
10 the government enterprise were a private enterprise.

11 “(2) EXCEPTION.—Government enterprises
12 may not use the exemption afforded by section
13 102(b) to serve as a conduit for tax-free purchases
14 by government units that would otherwise be subject
15 to taxation on purchases pursuant to section 703.
16 Transfers of taxable property or services purchased
17 exempt from tax from a government enterprise to
18 such government unit shall be taxable.

19 “(d) SEPARATE BOOKS OF ACCOUNT.—Any govern-
20 ment enterprise must maintain books of account, separate
21 from the nonenterprise government accounts, maintained
22 in accordance with generally accepted accounting prin-
23 ciples.

1 “(e) TRADE OR BUSINESS.—A government enterprise
2 shall be treated as a trade or business for purposes of this
3 subtitle.

4 “(f) ENTERPRISE SUBSIDIES CONSTITUTE TAXABLE
5 PURCHASE.—A transfer of funds to a government enter-
6 prise by a government entity without full consideration
7 shall constitute a taxable government purchase with the
8 meaning of section 703 to the extent that the transfer of
9 funds exceeds the fair market value of the consideration.

10 **“SEC. 705. MIXED USE PROPERTY.**

11 “(a) MIXED USE PROPERTY OR SERVICE.—

12 “(1) MIXED USE PROPERTY OR SERVICE DE-
13 FINED.—For purposes of this section, the term
14 ‘mixed use property or service’ is a taxable property
15 or taxable service used for both taxable use or con-
16 sumption and for a purpose that would not be sub-
17 ject to tax pursuant to section 102(a)(1).

18 “(2) TAXABLE THRESHOLD.—Mixed use prop-
19 erty or service shall be subject to tax notwith-
20 standing section 102(a)(1) unless such property or
21 service is used more than 95 percent for purposes
22 that would give rise to an exemption pursuant to
23 section 102(a)(1) during each calendar year (or por-
24 tions thereof) it is owned.

1 “(3) MIXED USE PROPERTY OR SERVICES
2 CREDIT.—A person registered pursuant to section
3 502 is entitled to a business use conversion credit
4 (pursuant to section 202) equal to the product of—

5 “(A) the mixed use property amount,

6 “(B) the business use ratio, and

7 “(C) the rate of tax imposed by section
8 101.

9 “(4) MIXED USE PROPERTY AMOUNT.—The
10 mixed use property amount for each month (or frac-
11 tion thereof) in which the property was owned shall
12 be—

13 “(A) one-three-hundred-sixtieth of the
14 gross payments for real property for 360
15 months or until the property is sold,

16 “(B) one-eighty-fourth of the gross pay-
17 ments for tangible personal property for 84
18 months or until the property is sold,

19 “(C) one-sixtieth of the gross payments for
20 vehicles for 60 months or until the property is
21 sold, or

22 “(D) for other types of taxable property or
23 services, a reasonable amount or in accordance
24 with regulations prescribed by the Secretary.

1 “(5) BUSINESS USE RATIO.—For purposes of
2 this section, the term ‘business use ratio’ means the
3 ratio of business use to total use for a particular cal-
4 endar month (or portion thereof if the property was
5 owned for only part of said calendar month). For ve-
6 hicles, the business use ratio will be the ratio of
7 business purpose miles to total miles in a particular
8 calendar month. For real property, the business use
9 ratio is the ratio of floor space used primarily for
10 business purposes to total floor space in a particular
11 calendar month. For tangible personal property (ex-
12 cept for vehicles), the business use ratio is the ratio
13 of total time used for business purposes to total time
14 used in a particular calendar year. For other prop-
15 erty or services, the business ratio shall be cal-
16 culated using a reasonable method. Reasonable
17 records must be maintained to support a person’s
18 business use of the mixed use property or service.

19 “(b) TIMING OF BUSINESS USE CONVERSION CRED-
20 IT ARISING OUT OF OWNERSHIP OF MIXED USE PROP-
21 ERTY.—A person entitled to a credit pursuant to sub-
22 section (a)(3) arising out of the ownership of mixed use
23 property must account for the mixed use on a calendar
24 year basis, and may file for the credit with respect to

1 mixed use property in any month following the calendar
2 year giving rise to the credit.

3 “(c) CROSS REFERENCE.—For business use conver-
4 sion credit, see section 202.

5 **“SEC. 706. NOT-FOR-PROFIT ORGANIZATIONS.**

6 “(a) NOT-FOR-PROFIT ORGANIZATIONS.—Dues, con-
7 tributions, and similar payments to qualified not-for-profit
8 organizations shall not be considered gross payments for
9 taxable property or services for purposes of this subtitle.

10 “(b) DEFINITION.—For purposes of this section, the
11 term ‘qualified not-for-profit organization’ means a not-
12 for-profit organization organized and operated exclu-
13 sively—

14 “(1) for religious, charitable, scientific, testing
15 for public safety, literary, or educational purposes,

16 “(2) as civic leagues or social welfare organiza-
17 tions,

18 “(3) as labor, agricultural, or horticultural or-
19 ganizations,

20 “(4) as chambers of commerce, business
21 leagues, or trade associations, or

22 “(5) as fraternal beneficiary societies, orders, or
23 associations,

24 no part of the net earnings of which inures to the benefit
25 of any private shareholder or individual.

1 “(c) QUALIFICATION CERTIFICATES.—Upon applica-
 2 tion in a form prescribed by the Secretary, the sales tax
 3 administering authority shall provide qualification certifi-
 4 cates to qualified not-for-profit organizations.

5 “(d) TAXABLE TRANSACTIONS.—If a qualified not-
 6 for-profit organization provides taxable property or serv-
 7 ices in connection with contributions, dues, or similar pay-
 8 ments to the organization, then it shall be required to
 9 treat the provision of said taxable property or services as
 10 a purchase taxable pursuant to this subtitle at the fair
 11 market value of said taxable property or services.

12 “(e) EXEMPTIONS.—Taxable property and services
 13 purchased by a qualified not-for-profit organization shall
 14 be eligible for the exemptions provided in section 102.

15 **“CHAPTER 8—FINANCIAL**
 16 **INTERMEDIATION SERVICES**

“Sec. 801. Determination of financial intermediation services amount.

“Sec. 802. Bad debts.

“Sec. 803. Timing of tax on financial intermediation services.

“Sec. 804. Financing leases.

“Sec. 805. Basic interest rate.

“Sec. 806. Foreign financial intermediation services.

17 **“SEC. 801. DETERMINATION OF FINANCIAL INTERMEDI-**
 18 **ATION SERVICES AMOUNT.**

19 “(a) FINANCIAL INTERMEDIATION SERVICES.—For
 20 purposes of this subtitle—

21 “(1) IN GENERAL.—The term ‘financial inter-
 22 mediation services’ means the sum of—

1 “(A) explicitly charged fees for financial
2 intermediation services, and

3 “(B) implicitly charged fees for financial
4 intermediation services.

5 “(2) EXPLICITLY CHARGED FEES FOR FINAN-
6 CIAL INTERMEDIATION SERVICES.—The term ‘explic-
7 itly charged fees for financial intermediation serv-
8 ices’ includes—

9 “(A) brokerage fees,

10 “(B) explicitly stated banking, loan origi-
11 nation, processing, documentation, credit check
12 fees, or other similar fees,

13 “(C) safe-deposit box fees,

14 “(D) insurance premiums, to the extent
15 such premiums are not allocable to the invest-
16 ment account of the underlying insurance pol-
17 icy,

18 “(E) trustees’ fees, and

19 “(F) other financial services fees (includ-
20 ing mutual fund management, sales, and exit
21 fees).

22 “(3) IMPLICITLY CHARGED FEES FOR FINAN-
23 CIAL INTERMEDIATION SERVICES.—

24 “(A) IN GENERAL.—The term ‘implicitly
25 charged fees for financial intermediation serv-

1 ices’ includes the gross imputed amount in rela-
2 tion to any underlying interest-bearing invest-
3 ment, account, or debt.

4 “(B) GROSS IMPUTED AMOUNT.—For pur-
5 poses of subparagraph (A), the term ‘gross im-
6 puted amount’ means—

7 “(i) with respect to any underlying in-
8 terest-bearing investment or account, the
9 product of—

10 “(I) the excess (if any) of the
11 basic interest rate (as defined in sec-
12 tion 805) over the rate paid on such
13 investment, and

14 “(II) the amount of the invest-
15 ment or account, and

16 “(ii) with respect to any underlying
17 interest-bearing debt, the product of—

18 “(I) the excess (if any) of the
19 rate paid on such debt over the basic
20 interest rate (as defined in section
21 805), and

22 “(II) the amount of the debt.

23 “(b) SELLER OF FINANCIAL INTERMEDIATION SERV-
24 ICES.—For purposes of section 103(a), the seller of finan-
25 cial intermediation services shall be—

1 “(1) in the case of explicitly charged fees for fi-
2 nancial intermediation services, the seller shall be
3 the person who receives the gross payments for the
4 charged financial intermediation services,

5 “(2) in the case of implicitly charged fees for fi-
6 nancial intermediation services with respect to any
7 underlying interest-bearing investment or account,
8 the person making the interest payments on the in-
9 terest-bearing investment or account, and

10 “(3) in the case of implicitly charged fees for fi-
11 nancial intermediation services with respect to any
12 interest-bearing debt, the person receiving the inter-
13 est payments on the interest-bearing debt.

14 **“SEC. 802. BAD DEBTS.**

15 “(a) IN GENERAL.—For purposes of section 205(a),
16 a bad debt shall be a business debt that becomes wholly
17 or partially worthless to the payee.

18 “(b) BUSINESS LOAN.—For purposes of subsection
19 (a), a business loan or debt is a bona fide loan or debt
20 made for a business purpose that both parties intended
21 be repaid.

22 “(c) DETERMINATION OF WORTHLESSNESS.—

23 “(1) IN GENERAL.—No loan or debt shall be
24 considered wholly or partially worthless unless it has
25 been in arrears for 180 days or more, except that if

1 a debt is discharged wholly or partially in bank-
2 ruptcy before 180 days has elapsed, then it shall be
3 deemed wholly or partially worthless on the date of
4 discharge.

5 “(2) DETERMINATION BY HOLDER.—A loan or
6 debt that has been in arrears for 180 days or more
7 may be deemed wholly or partially worthless by the
8 holder unless a payment schedule has been entered
9 into between the debtor and the lender.

10 “(d) CROSS REFERENCE.—See section 205(c) for tax
11 on subsequent payments.

12 **“SEC. 803. TIMING OF TAX ON FINANCIAL INTERMEDIATION**
13 **SERVICES.**

14 “The tax on financial intermediation services pro-
15 vided by section 801 with respect to an underlying invest-
16 ment account or debt shall be imposed and collected with
17 the same frequency that statements are rendered by the
18 financial institution in connection with the investment ac-
19 count or debt but not less frequently than quarterly.

20 **“SEC. 804. FINANCING LEASES.**

21 “(a) DEFINITION.—For purposes of this section, the
22 term ‘financing lease’ means any lease under which the
23 lessee has the right to acquire the property for 50 percent
24 or less of its fair market value at the end of the lease
25 term.

1 “(b) GENERAL RULE.—Financing leases shall be
2 taxed in the method set forth in this section.

3 “(c) DETERMINATION OF PRINCIPAL AND INTEREST
4 COMPONENTS OF FINANCING LEASE.—The Secretary
5 shall promulgate rules for disaggregating the principal
6 and interest components of a financing lease. The prin-
7 cipal amount shall be determined to the extent possible
8 by examination of the contemporaneous sales price or
9 prices of property the same or similar as the leased prop-
10 erty.

11 “(d) ALTERNATIVE METHOD.—In the event that con-
12 temporaneous sales prices or property the same or similar
13 as the leased property are not available, the principal and
14 interest components of a financing lease shall be
15 disaggregated using the applicable interest rate (as de-
16 fined in section 511) plus 4 percent.

17 “(e) PRINCIPAL COMPONENT.—The principal compo-
18 nent of the financing lease shall be subject to tax as if
19 a purchase in the amount of the principal component had
20 been made on the day on which said lease was executed.

21 “(f) INTEREST COMPONENT.—The financial inter-
22 mediation services amount with respect to the interest
23 component of the financing lease shall be subject to tax
24 under this subtitle.

1 “(g) COORDINATION.—If the principal component
2 and financial intermediation services amount with respect
3 to the interest component of a lease have been taxed pur-
4 suant to this section, then the gross lease or rental pay-
5 ments shall not be subject to additional tax.

6 **“SEC. 805. BASIC INTEREST RATE.**

7 “For purposes of this chapter, the basic interest rate
8 with respect to a debt instrument, investment, financing
9 lease, or account shall be the applicable interest rate (as
10 determined in section 511). For debt instruments, invest-
11 ments, or accounts of contractually fixed interest, the ap-
12 plicable interest rate of the month of issuance shall apply.
13 For debt instruments, investments, or accounts of variable
14 interest rates and which have no reference interest rate,
15 the applicable interest shall be the Federal short-term in-
16 terest rate for each month. For debt instruments, invest-
17 ments, or accounts of variable interest rates and which
18 have a reference interest rate, the applicable interest shall
19 be the applicable interest rate for the reference interest
20 rate for each month.

21 **“SEC. 806. FOREIGN FINANCIAL INTERMEDIATION SERV-**
22 **ICES.**

23 “(a) SPECIAL RULES RELATING TO INTERNATIONAL
24 FINANCIAL INTERMEDIATION SERVICES.—Financial
25 intermediation services shall be deemed as used or con-

1 sumed within the United States if the person (or any re-
 2 lated party as defined in section 205(e)) purchasing the
 3 services is a resident of the United States.

4 “(b) DESIGNATION OF TAX REPRESENTATIVE.—Any
 5 person that provides financial intermediation services to
 6 United States residents must, as a condition of lawfully
 7 providing such services, designate, in a form prescribed
 8 by the Secretary, a tax representative for purposes of this
 9 subtitle. The tax representative shall be responsible for en-
 10 suring that the taxes imposed by this subtitle are collected
 11 and remitted and shall be jointly and severally liable for
 12 collecting and remitting these taxes. The Secretary may
 13 require reasonable bond of the tax representative. The
 14 Secretary or a sales tax administering authority may bring
 15 an action seeking a temporary restraining order, an in-
 16 junction, or such other order as may be appropriate to
 17 enforce this section.

18 “(c) CROSS REFERENCES.—For definition of person,
 19 see section 901.

20 **“CHAPTER 9—ADDITIONAL MATTERS**

“Sec. 901. Additional matters.

“Sec. 902. Transition matters.

“Sec. 903. Wages to be reported to Social Security Administration.

“Sec. 904. Trust Fund revenue.

“Sec. 905. Withholding of tax on nonresident aliens and foreign corporations.

21 **“SEC. 901. ADDITIONAL MATTERS.**

22 “(a) INTANGIBLE PROPERTY ANTI-AVOIDANCE
 23 RULE.—Notwithstanding section 2(a)(14)(a)(i), the sale

1 of a copyright or trademark shall be treated as the sale
2 of taxable services (within the meaning of section 101(a))
3 if the substance of the sales of copyright or trademark
4 constituted the sale of the services that produced the copy-
5 righted material or the trademark.

6 “(b) DE MINIMIS PAYMENTS.—Up to \$400 of gross
7 payments per calendar year shall be exempt from the tax
8 imposed by section 101 if—

9 “(1) made by a person not in connection with
10 a trade or business at any time during such calendar
11 year prior to making said gross payments, and

12 “(2) made to purchase any taxable property or
13 service which is imported into the United States by
14 such person for use or consumption by such person
15 in the United States.

16 “(c) DE MINIMIS SALES.—Up to \$1,200 per calendar
17 year of gross payments shall be exempt from the tax im-
18 posed by section 101 if received—

19 “(1) by a person not in connection with a trade
20 or business during such calendar year prior to the
21 receipt of said gross payments, and

22 “(2) in connection with a casual or isolated
23 sale.

24 “(d) DE MINIMIS SALE OF FINANCIAL INTERMEDI-
25 ATION SERVICES.—Up to \$10,000 per calendar year of

1 gross payments received by a person from the sale of fi-
2 nancial intermediation services (as determined in accord-
3 ance with section 801) shall be exempt from the tax im-
4 posed by section 101. The exemption provided by this sub-
5 section is in addition to other exemptions afforded by this
6 chapter. The exemption provided by this subsection shall
7 not be available to large sellers (as defined in section
8 501(e)(3)).

9 “(e) PROXY BUYING TAXABLE.—If a registered per-
10 son provides taxable property or services to a person either
11 as a gift, prize, reward, or as remuneration for employ-
12 ment, and such taxable property or services were not pre-
13 viously subject to tax pursuant to section 101, then the
14 provision of such taxable property or services by the reg-
15 istered person shall be deemed the conversion of such tax-
16 able property or services to personal use subject to tax
17 pursuant to section 103(c) at the tax inclusive fair market
18 value of such taxable property or services.

19 “(f) SUBSTANCE OVER FORM.—The substance of a
20 transaction will prevail over its form if the transaction has
21 no bona fide economic purpose and is designed to evade
22 tax imposed by this subtitle.

23 “(g) CERTAIN EMPLOYEE DISCOUNTS TAXABLE.—

24 “(1) EMPLOYEE DISCOUNT.—For purposes of
25 this subsection, the term ‘employee discount’ means

1 an employer's offer of taxable property or services
2 for sale to its employees or their families (within the
3 meaning of section 302(b)) for less than the offer of
4 such taxable property or services to the general pub-
5 lic.

6 “(2) EMPLOYEE DISCOUNT AMOUNT.—For pur-
7 poses of this subsection, the employee discount
8 amount is the amount by which taxable property or
9 services are sold pursuant to an employee discount
10 below the amount for which such taxable property or
11 services would have been sold to the general public.

12 “(3) TAXABLE AMOUNT.—If the employee dis-
13 count amount exceeds 20 percent of the price that
14 the taxable property or services would have been sold
15 to the general public, then the sale of such taxable
16 property or services by the employer shall be deemed
17 the conversion of such taxable property or services
18 to personal use and tax shall be imposed on the tax-
19 able employee discount amount. The taxable em-
20 ployee discount amount shall be—

21 “(A) the employee discount amount, minus

22 “(B) 20 percent of the amount for which
23 said taxable property or services would have
24 been sold to the general public.

1 “(h) SATURDAY, SUNDAY, OR LEGAL HOLIDAY.—
2 When the last day prescribed for performing any act re-
3 quired by this subtitle falls on a Saturday, Sunday, or
4 legal holiday (in the jurisdiction where the return is to
5 be filed), the performance of such act shall be considered
6 timely if it is performed on the next day which is not a
7 Saturday, Sunday, or legal holiday (in the jurisdiction
8 where the return is to be filed).

9 **“SEC. 902. TRANSITION MATTERS.**

10 “(a) INVENTORY.—

11 “(1) QUALIFIED INVENTORY.—Inventory held
12 by a trade or business on the close of business on
13 December 31, 2020, shall be qualified inventory if it
14 is sold—

15 “(A) before December 31, 2021,

16 “(B) by a registered person, and

17 “(C) subject to the tax imposed by section
18 101.

19 “(2) COSTS.—For purposes of this section,
20 qualified inventory shall have the cost that it had for
21 Federal income tax purposes for the trade or busi-
22 ness as of December 31, 2020 (including any
23 amounts capitalized by reason of section 263A of the
24 Internal Revenue Code of 1986 as in effect on De-
25 cember 31, 2020).

1 “(3) TRANSITIONAL INVENTORY CREDIT.—The
2 trade or business which held the qualified inventory
3 on the close of business on December 31, 2020, shall
4 be entitled to a transitional inventory credit equal to
5 the cost of the qualified inventory (determined in ac-
6 cordance with paragraph (2)) times the rate of tax
7 imposed by section 101.

8 “(4) TIMING OF CREDIT.—The credit provided
9 under paragraph (3) shall be allowed with respect to
10 the month when the inventory is sold subject to the
11 tax imposed by this subtitle. Said credit shall be re-
12 ported as an intermediate and export sales credit
13 and the person claiming said credit shall attach sup-
14 porting schedules in the form that the Secretary
15 may prescribe.

16 “(b) WORK-IN-PROCESS.—For purposes of this sec-
17 tion, inventory shall include work-in-process.

18 “(c) QUALIFIED INVENTORY HELD BY BUSINESSES
19 NOT SELLING SAID QUALIFIED INVENTORY AT RE-
20 TAIL.—

21 “(1) IN GENERAL.—Qualified inventory held by
22 businesses that sells said qualified inventory not sub-
23 ject to tax pursuant to section 102(a) shall be eligi-
24 ble for the transitional inventory credit only if that
25 business (or a business that has successor rights

1 pursuant to paragraph (2)) receives certification in
2 a form satisfactory to the Secretary that the quali-
3 fied inventory was subsequently sold subject to the
4 tax imposed by this subtitle.

5 “(2) TRANSITIONAL INVENTORY CREDIT RIGHT
6 MAY BE SOLD.—The business entitled to the transi-
7 tional inventory credit may sell the right to receive
8 said transitional inventory credit to the purchaser of
9 the qualified inventory that gave rise to the credit
10 entitlement. Any purchaser of such qualified inven-
11 tory (or property or services into which the qualified
12 inventory has been incorporated) may sell the right
13 to said transitional inventory credit to a subsequent
14 purchaser of said qualified inventory (or property or
15 services into which the qualified inventory has been
16 incorporated).

17 **“SEC. 903. WAGES TO BE REPORTED TO SOCIAL SECURITY**
18 **ADMINISTRATION.**

19 “(a) IN GENERAL.—Employers shall submit such in-
20 formation to the Social Security Administration as is re-
21 quired by the Social Security Administration to calculate
22 Social Security benefits under title II of the Social Secu-
23 rity Act, including wages paid, in a form prescribed by
24 the Secretary. A copy of the employer submission to the

1 Social Security Administration relating to each employee
2 shall be provided to each employee by the employer.

3 “(b) WAGES.—For purposes of this section, the term
4 ‘wages’ means all cash remuneration for employment (in-
5 cluding tips to an employee by third parties provided that
6 the employer or employee maintains records documenting
7 such tips) including self-employment income; except that
8 such term shall not include—

9 “(1) any insurance benefits received (including
10 death benefits),

11 “(2) pension or annuity benefits received,

12 “(3) tips received by an employee over \$5,000
13 per year, and

14 “(4) benefits received under a government enti-
15 tlement program (including Social Security benefits
16 and unemployment compensation benefits).

17 “(c) SELF-EMPLOYMENT INCOME.—For purposes of
18 subsection (b), the term ‘self-employment income’ means
19 gross payments received for taxable property or services
20 minus the sum of—

21 “(1) gross payments made for taxable property
22 or services (without regard to whether tax was paid
23 pursuant to section 101 on such taxable property or
24 services), and

1 “(2) wages paid by the self-employed person to
2 employees of the self-employed person.

3 **“SEC. 904. TRUST FUND REVENUE.**

4 “(a) SECRETARY TO MAKE ALLOCATION OF SALES
5 TAX REVENUE.—The Secretary shall allocate the revenue
6 received by virtue of the tax imposed by section 101 in
7 accordance with this section. The revenue shall be allo-
8 cated among—

9 “(1) the general revenue,

10 “(2) the old-age and survivors insurance trust
11 fund,

12 “(3) the disability insurance trust fund,

13 “(4) the hospital insurance trust fund, and

14 “(5) the Federal supplementary medical insur-
15 ance trust fund.

16 “(b) GENERAL RULE.—

17 “(1) GENERAL REVENUE.—The proportion of
18 total revenue allocated to the general revenue shall
19 be the same proportion as the rate in section
20 101(b)(4) bears to the combined Federal tax rate
21 percentage (as defined in section 101(b)(3)).

22 “(2) The amount of revenue allocated to the
23 old-age and survivors insurance and disability insur-
24 ance trust funds shall be the same proportion as the
25 old-age, survivors and disability insurance rate (as

1 defined in subsection (d)) bears to the combined
2 Federal tax rate percentage (as defined in section
3 101(b)(3)).

4 “(3) The amount of revenue allocated to the
5 hospital insurance and Federal supplementary med-
6 ical insurance trust funds shall be the same propor-
7 tion as the hospital insurance rate (as defined in
8 subsection (e)) bears to the combined Federal tax
9 rate percentage (as defined in section 101(b)(3)).

10 “(c) CALENDAR YEAR 2021.—Notwithstanding sub-
11 section (b), the revenue allocation pursuant to subsection
12 (a) for calendar year 2021 shall be as follows:

13 “(1) 64.83 percent of total revenue to general
14 revenue,

15 “(2) 27.43 percent of total revenue to the old-
16 age and survivors insurance and disability insurance
17 trust funds, and

18 “(3) 7.74 percent of total revenue to the hos-
19 pital insurance and Federal supplementary medical
20 insurance trust funds.

21 “(d) OLD-AGE, SURVIVORS AND DISABILITY INSUR-
22 ANCE RATE.—The old-age, survivors and disability insur-
23 ance rate shall be determined by the Social Security Ad-
24 ministration. The old-age, survivors and disability insur-
25 ance rate shall be that sales tax rate which is necessary

1 to raise the same amount of revenue that would have been
2 raised by imposing a 12.4 percent tax on the Social Secu-
3 rity wage base (including self-employment income) as de-
4 termined in accordance with chapter 21 of the Internal
5 Revenue Code most recently in effect prior to the enact-
6 ment of this Act. The rate shall be determined using actu-
7 arially sound methodology and announced at least 6
8 months prior to the beginning of the calendar year for
9 which it applies.

10 “(e) HOSPITAL INSURANCE RATE.—The hospital in-
11 surance rate shall be determined by the Social Security
12 Administration. The hospital insurance rate shall be that
13 sales tax rate which is necessary to raise the same amount
14 of revenue that would have been raised by imposing a 2.9
15 percent tax on the Medicare wage base (including self-em-
16 ployment income) as determined in accordance with chap-
17 ter 21 of the Internal Revenue Code most recently in effect
18 prior to the enactment of this Act. The rate shall be deter-
19 mined using actuarially sound methodology and an-
20 nounced at least 6 months prior to the beginning of the
21 calendar year for which it applies.

22 “(f) ASSISTANCE.—The Secretary shall provide such
23 technical assistance as the Social Security Administration
24 shall require to determine the old-age, survivors and dis-
25 ability insurance rate and the hospital insurance rate.

1 “(g) FURTHER ALLOCATIONS.—

2 “(1) OLD-AGE, SURVIVORS AND DISABILITY IN-
3 SURANCE.—The Secretary shall allocate revenue re-
4 ceived because of the old-age, survivors and dis-
5 ability insurance rate to the old-age and survivors
6 insurance trust fund and the disability insurance
7 trust fund in accordance with law or, in the absence
8 of other statutory provision, in the same proportion
9 that the old-age and survivors insurance trust fund
10 receipts bore to the sum of the old-age and survivors
11 insurance trust fund receipts and the disability in-
12 surance trust fund receipts in calendar year 2020
13 (taking into account only receipts pursuant to chap-
14 ter 21 of the Internal Revenue Code).

15 “(2) HOSPITAL INSURANCE.—The Secretary
16 shall allocate revenue received because of the hos-
17 pital insurance rate to the hospital insurance trust
18 fund and the Federal supplementary medical insur-
19 ance trust fund in accordance with law or, in the ab-
20 sence of other statutory provision, in the same pro-
21 portion that hospital insurance trust fund receipts
22 bore to the sum of the hospital insurance trust fund
23 receipts and Federal supplementary medical insur-
24 ance trust fund receipts in calendar year 2020 (tak-

1 ing into account only receipts pursuant to chapter
2 21 of the Internal Revenue Code).

3 **“SEC. 905. WITHHOLDING OF TAX ON NONRESIDENT ALIENS**
4 **AND FOREIGN CORPORATIONS.**

5 “(a) IN GENERAL.—All persons, in whatever capacity
6 acting (including lessees or mortgagors or real or personal
7 property, fiduciaries, employers, and all officers and em-
8 ployees of the United States) having control, receipt, cus-
9 tody, disposal, or payment of any income to the extent
10 such income constitutes gross income from sources within
11 the United States of any nonresident alien individual, for-
12 eign partnership, or foreign corporation shall deduct and
13 withhold from that income a tax equal to 23 percent there-
14 of.

15 “(b) EXCEPTION.—No tax shall be required to be de-
16 ducted from interest on portfolio debt investments.

17 “(c) TREATY COUNTRIES.—In the case of payments
18 to nonresident alien individuals, foreign partnerships, or
19 foreign corporations that have a residence in (or the na-
20 tionality of a country) that has entered into a tax treaty
21 with the United States, then the rate of withholding tax
22 prescribed by the treaty shall govern.”.

23 **SEC. 202. CONFORMING AND TECHNICAL AMENDMENTS.**

24 (a) REPEALS.—The following provisions of the Inter-
25 nal Revenue Code of 1986 are repealed:

1 (1) Subchapter A of chapter 61 of subtitle D
2 (as redesignated by section 104) (relating to infor-
3 mation and returns).

4 (2) Sections 6103 through 6116 of subchapter
5 B of chapter 61 of subtitle D (as so redesignated).

6 (3) Section 6157 (relating to unemployment
7 taxes).

8 (4) Section 6163 (relating to estate taxes).

9 (5) Section 6164 (relating to corporate taxes).

10 (6) Section 6166 (relating to estate taxes).

11 (7) Section 6167 (relating to foreign expropria-
12 tion losses).

13 (8) Sections 6201, 6205, and 6207 (relating to
14 assessments).

15 (9) Subchapter C of chapter 63 of subtitle D
16 (as so redesignated) (relating to tax treatment of
17 partnership items).

18 (10) Section 6305 (relating to collections of cer-
19 tain liabilities).

20 (11) Sections 6314, 6315, 6316, and 6317 (re-
21 lating to payments of repealed taxes).

22 (12) Sections 6324, 6324A, and 6324B (relat-
23 ing to liens for estate and gift taxes).

24 (13) Section 6344 (relating to cross references).

25 (14) Section 6411 (relating to carrybacks).

1 (15) Section 6413 (relating to employment
2 taxes).

3 (16) Section 6414 (relating to withheld income
4 taxes).

5 (17) Section 6422 (relating to cross references).

6 (18) Section 6425 (relating to overpayment of
7 corporate estimated taxes).

8 (19) Section 6504 (relating to cross references).

9 (20) Section 6652 (relating to failure to file
10 certain information returns).

11 (21) Sections 6654 and 6655 (relating to fail-
12 ure to payment estimated income tax).

13 (22) Section 6662 (relating to penalties).

14 (23) Sections 6677 through 6711 (relating to
15 income tax related penalties).

16 (24) Part II of subchapter B of chapter 68 (re-
17 lating to certain information returns).

18 (25) Part I of subchapter A of chapter 70 (re-
19 lating to termination of taxable year).

20 (26) Section 6864 (relating to certain
21 carrybacks).

22 (27) Section 7103 (relating to cross references).

23 (28) Section 7204 (relating to withholding
24 statements).

25 (29) Section 7211 (relating certain statements).

1 (30) Section 7231 (relating to failure to obtain
2 certain licenses).

3 (31) Section 7270 (relating to insurance poli-
4 cies).

5 (32) Section 7404 (relating to estate taxes).

6 (33) Section 7407 (relating to income tax pre-
7 parers).

8 (34) Section 7408 (relating to income tax shel-
9 ters).

10 (35) Section 7409 (relating to 501(c)(3) organi-
11 zations).

12 (36) Section 7427 (relating to income tax pre-
13 parers).

14 (37) Section 7428 (relating to 501(c)(3) organi-
15 zations).

16 (38) Section 7476 (relating to declaratory judg-
17 ments relating to retirement plans).

18 (39) Section 7478 (relating to declaratory judg-
19 ments relating to certain tax-exempt obligations).

20 (40) Section 7508 (relating to postponing time
21 for certain actions required by the income, estate,
22 and gift tax).

23 (41) Section 7509 (relating to Postal Service
24 payroll taxes).

25 (42) Section 7512 (relating to payroll taxes).

1 (43) Section 7517 (relating to estate and gift
2 tax evaluation).

3 (44) Section 7518 (relating to Merchant Marine
4 tax incentives).

5 (45) Section 7519 (relating to taxable years).

6 (46) Section 7520 (relating to insurance and
7 annuity valuation tables).

8 (47) Section 7523 (relating to reporting Fed-
9 eral income and outlays on Form 1040s).

10 (48) Section 7611 (relating to church income
11 tax exemptions and church unrelated business in-
12 come tax inquiries).

13 (49) Section 7654 (relating to possessions' in-
14 come taxes).

15 (50) Section 7655 (relating to cross references).

16 (51) Section 7701(a)(16).

17 (52) Section 7701(a)(19).

18 (53) Section 7701(a)(20).

19 (54) Paragraphs (32) through (38) of section
20 7701(a).

21 (55) Paragraphs (41) through (46) of section
22 7701(a).

23 (56) Section 7701(b).

24 (57) Subsections (e) through (m) of section
25 7701.

1 (58) Section 7702 (relating to life insurance
2 contracts).

3 (59) Section 7702A (relating to modified en-
4 dowment contracts).

5 (60) Section 7702B (relating to long-term care
6 insurance).

7 (61) Section 7703 (relating to the determina-
8 tion of marital status).

9 (62) Section 7704 (relating to publicly traded
10 partnerships).

11 (63) Section 7805.

12 (64) Section 7851.

13 (65) Section 7872.

14 (66) Section 7873.

15 (b) OTHER CONFORMING AND TECHNICAL AMEND-
16 MENTS.—

17 (1) Section 6151 of such Code is amended by
18 striking subsection (b) and by redesignating sub-
19 section (c) as subsection (b).

20 (2) Section 6161 of such Code is amended to
21 read as follows:

22 **“SEC. 6161. EXTENSION OF TIME FOR PAYING TAX.**

23 “The Secretary, except as otherwise provided in this
24 title, may extend the time for payment of the amount of
25 the tax shown or required to be shown on any return, re-

1 port, or declaration required under authority of this title
2 for a reasonable period not to exceed 6 months (12 months
3 in the case of a taxpayer who is abroad).”.

4 (3) Section 6211(a) of such Code is amended—

5 (A) by striking “income, estate, and gift
6 taxes imposed by subtitles A and B and”,

7 (B) by striking “subtitle A or B, or”, and

8 (C) by striking “, as defined in subsection
9 (b)(2),” in paragraph (2).

10 (4) Section 6211(b) of such Code is amended to
11 read as follows:

12 “(b) REBATE DEFINED.—For purposes of subsection
13 (a)(2), the term ‘rebate’ means so much of an abatement,
14 credit, refund, or other payment, as was made on the
15 ground that the tax imposed by chapter 41, 42, 43, or
16 44 was less than the excess of the amount specified in
17 subsection (a)(1) over the rebates previously made.”.

18 (5) Section 6212(b) of such Code is amended to
19 read as follows:

20 “(b) ADDRESS FOR NOTICE OF DEFICIENCY.—In the
21 absence of notice to the Secretary under section 6903 of
22 the existence of a fiduciary relationship, notice of a defi-
23 ciency in respect of a tax imposed by chapter 42, 43, or
24 44 if mailed to the taxpayer at his last known address,
25 shall be sufficient for purposes of such chapter and this

1 chapter even if such taxpayer is deceased, or is under a
2 legal disability, or, in the case of a corporation has termi-
3 nated its existence.”.

4 (6) Section 6302(b) of such Code is amended
5 by striking “21,”.

6 (7) Section 6302 of such Code is amended by
7 striking subsections (g) and (i) and by redesignating
8 subsection (h) as subsection (g).

9 (8) Section 6325 of such Code is amended by
10 striking subsection (c) and by redesignating sub-
11 sections (d) through (h) as subsections (c) through
12 (g), respectively.

13 (9) Section 6402(d) of such Code is amended
14 by striking paragraph (3).

15 (10) Section 6402 of such Code is amended by
16 striking subsection (j) and by redesignating sub-
17 section (k) as subsection (j).

18 (11) Section 6501(b) of such Code is amend-
19 ed—

20 (A) by striking “except tax imposed by
21 chapter 3, 4, 21, or 24,” in paragraph (1), and

22 (B) by striking paragraph (2) and by re-
23 designating paragraphs (3) and (4) as para-
24 graphs (2) and (3), respectively.

1 (12) Section 6501(c) of such Code is amended
2 by striking paragraphs (5) through (9).

3 (13) Section 6501(e) of such Code is amended
4 by striking “subsection (c)—” and all that follows
5 through “subtitle D” in paragraph (3) and inserting
6 “subsection (c), in the case of a return of a tax im-
7 posed under a provision of subtitle B”.

8 (14) Section 6501 of such Code is amended by
9 striking subsections (f) through (k) and subsections
10 (m) and (n) and by redesignating subsection (1) as
11 subsection (f).

12 (15) Section 6503(a) of such Code is amend-
13 ed—

14 (A) by striking paragraph (2),

15 (B) by striking “DEFICIENCY.—” and all
16 that follows through “The running” and insert-
17 ing “DEFICIENCY.—The running”, and

18 (C) by striking “income, estate, gift and”.

19 (16) Section 6503 of such Code is amended by
20 striking subsections (e), (f), (i), and (k) and by re-
21 designating subsections (g), (h), and (j) as sub-
22 sections (e), (f), and (g), respectively.

23 (17) Section 6511 of such Code is amended by
24 striking subsections (d) and (g) and by redesign-

1 nating subsections (f) and (h) as subsections (d) and
 2 (e), respectively.

3 (18) Section 6512(b)(1) of such Code is amend-
 4 ed by striking “of income tax for the same taxable
 5 year, of gift tax for the same calendar year or cal-
 6 endar quarter, of estate tax in respect of the taxable
 7 estate of the same decedent, or”.

8 (19) Section 6513 of such Code is amended—

9 (A) by striking “(a) EARLY RETURN OR
 10 ADVANCE PAYMENT OF TAX.—”, and

11 (B) by striking subsections (b) and (e).

12 (20) Chapter 67 of such Code is amended by
 13 striking subchapters A through D and inserting the
 14 following:

15 **“SEC. 6601. INTEREST ON OVERPAYMENTS AND UNDER-**
 16 **PAYMENT.**

17 “(a) UNDERPAYMENTS.—If any amount of tax im-
 18 posed by this title is not paid on or before the last date
 19 prescribed for payment, interest on such amount at the
 20 Federal short-term rate (as defined in section 511(b))
 21 shall be paid from such last date to the date paid.

22 “(b) OVERPAYMENTS.—Interest shall be allowed and
 23 paid upon any overpayment in respect of any internal rev-
 24 enue tax at the Federal short-term rate (as defined in sec-

1 tion 511(b)) from 60 days after the date of the overpay-
2 ment until the date the overpayment is refunded.”.

3 (21) Section 6651(a)(1) of such Code is amend-
4 ed by striking “subchapter A of chapter 61 (other
5 than part III thereof),”.

6 (22) Section 6656 of such Code is amended by
7 striking subsection (c) and by redesignating sub-
8 section (d) as subsection (c).

9 (23) Section 6663 of such Code is amended by
10 striking subsection (c).

11 (24) Section 6664(c) of such Code is amend-
12 ed—

13 (A) by striking “Exception.—” and all
14 that follows through “No penalty” and insert-
15 ing “Exception.—No penalty”, and

16 (B) by striking paragraphs (2) and (3).

17 (25) Chapter 72 of such Code is amended by
18 striking all matter preceding section 7011.

19 (26) Section 7422 of such Code is amended by
20 striking subsections (h) and (i) and by redesignating
21 subsections (j) and (k) as subsections (h) and (i), re-
22 spectively.

23 (27) Section 7451 of such Code is amended to
24 read as follows:

1 **“SEC. 7451. FEE FOR FILING PETITION.**

2 “The Tax Court is authorized to impose a fee in an
3 amount not in excess of \$60 to be fixed by the Tax Court
4 for the filing of any petition for the redetermination of
5 a deficiency.”.

6 (28) Section 7454 of such Code is amended by
7 striking subsection (b) and by redesignating sub-
8 section (c) as subsection (b).

9 (29) Section 7463(a) of such Code is amend-
10 ed—

11 (A) by striking paragraphs (2) and (3),

12 (B) by redesignating paragraph (4) as
13 paragraph (2), and

14 (C) by striking “D” in paragraph (2) (as
15 so redesignated) and inserting “B”.

16 (30) Section 7463(c) of such Code is amended
17 by striking “sections 6214(a) and” and inserting
18 “section”.

19 (31) Section 7463(e) of such Code is amended
20 by striking “, to the extent that the procedures de-
21 scribed in subchapter B of chapter 63 apply”.

22 (32) Section 7481 of such Code is amended by
23 striking subsection (d).

24 (33) Section 7608 of such Code is amended by
25 striking “subtitle E” each place it appears and in-
26 serting “subtitle C”.

1 (34) Section 7701(a)(29) of such Code is
2 amended by striking “1986” and inserting “2019”.

3 (35) Section 7809(c) of such Code is amended
4 by striking paragraphs (1) and (4) and by redesignig-
5 nating paragraphs (2) and (3) as paragraphs (1)
6 and (2), respectively.

7 (36) Section 7871(a) of such Code is amended
8 by striking paragraphs (1) and (3) through (6) and
9 by redesignating paragraphs (2) and (7) as para-
10 graphs (1) and (2), respectively.

11 (37) Section 7871 of such Code is amended by
12 striking subsection (c) and by redesignating sub-
13 sections (d) and (e) as subsections (c) and (d), re-
14 spectively.

15 (38) Section 8021 of such Code is amended by
16 striking subsection (a) and by redesignating sub-
17 sections (b) through (f) as subsections (a) through
18 (e), respectively.

19 (39) Section 8022(2)(A) of such Code is
20 amended by striking “, particularly the income tax”.

21 (40) Section 8023 of such Code is amended by
22 striking “Internal Revenue Service” each place it ap-
23 pears and inserting “Department of the Treasury”.

24 (41) Section 9501(b)(2) of such Code is amend-
25 ed by striking subparagraph (C).

1 (42) Section 9702(a) of such Code is amended
2 by striking paragraph (4).

3 (43) Section 9705(a) of such Code is amended
4 by striking paragraph (4) and by redesignating
5 paragraph (5) as paragraph (4).

6 (44) Section 9706(d)(2)(A) of such Code is
7 amended by striking “6103” and inserting “605(e)”.

8 (45) Section 9707 of such Code is amended by
9 striking subsection (f).

10 (46) Section 9712(d) of such Code is amended
11 by striking paragraph (5) and by redesignating
12 paragraph (6) as paragraph (5).

13 (47) Section 9803(a) of such Code is amended
14 by striking “(as defined in section 414(f))”.

15 **TITLE III—OTHER MATTERS**

16 **SEC. 301. PHASE-OUT OF ADMINISTRATION OF REPEALED** 17 **FEDERAL TAXES.**

18 (a) APPROPRIATIONS.—Appropriations for any ex-
19 penses of the Internal Revenue Service including proc-
20 essing tax returns for years prior to the repeal of the taxes
21 repealed by title I of this Act, revenue accounting, man-
22 agement, transfer of payroll and wage data to the Social
23 Security Administration for years after fiscal year 2023
24 shall not be authorized.

1 (b) RECORDS.—Federal records related to the admin-
2 istration of taxes repealed by title I of this Act shall be
3 destroyed by the end of fiscal year 2023, except that any
4 records necessary to calculate Social Security benefits
5 shall be retained by the Social Security Administration
6 and any records necessary to support ongoing litigation
7 with respect to taxes owed or refunds due shall be retained
8 until final disposition of such litigation.

9 (c) CONFORMING AMENDMENTS.—Section 7802 of
10 the Internal Revenue Code of 1986 is amended—

11 (1) by striking subsections (a) and (b) and by
12 redesignating subsections (c) and (d) as subsections
13 (a) and (b),

14 (2) by striking “Internal Revenue Service” each
15 place it appears and inserting “Department of the
16 Treasury”, and

17 (3) by striking “Commissioner” or “Commis-
18 sioner of Internal Revenue” each place they appear
19 and inserting “Secretary”.

20 (d) EFFECTIVE DATE.—The amendments made by
21 subsection (c) shall take effect on January 1, 2023.

22 **SEC. 302. ADMINISTRATION OF OTHER FEDERAL TAXES.**

23 (a) IN GENERAL.—Section 7801 of the Internal Rev-
24 enue Code of 1986 (relating to the authority of the De-

1 partment of the Treasury) is amended by adding at the
2 end the following:

3 “(d) EXCISE TAX BUREAU.—There shall be in the
4 Department of the Treasury an Excise Tax Bureau to ad-
5 minister those excise taxes not administered by the Bu-
6 reau of Alcohol, Tobacco and Firearms.

7 “(e) SALES TAX BUREAU.—There shall be in the De-
8 partment of the Treasury a Sales Tax Bureau to admin-
9 ister the national sales tax in those States where it is re-
10 quired pursuant to section 404, and to discharge other
11 Federal duties and powers relating to the national sales
12 tax (including those required by sections 402, 403, and
13 405). The Office of Revenue Allocation shall be within the
14 Sales Tax Bureau.”.

15 (b) ASSISTANT GENERAL COUNSELS.—Section
16 7801(a)(2) of such Code is amended to read as follows:

17 “(2) ASSISTANT GENERAL COUNSELS.—The
18 Secretary of the Treasury may appoint, without re-
19 gard to the provisions of the civil service laws, and
20 fix the duties of not more than 5 assistant general
21 counsels.”.

22 **SEC. 303. SALES TAX INCLUSIVE SOCIAL SECURITY BENE-**
23 **FITS INDEXATION.**

24 Subparagraph (D) of section 215(i)(1) of the Social
25 Security Act (42 U.S.C. 415(i)(1)) (relating to cost-of-liv-

1 ing increases in Social Security benefits) is amended to
2 read as follows:

3 “(D)(i) the term ‘CPI increase percentage’,
4 with respect to a base quarter or cost-of-living quar-
5 ter in any calendar year, means the percentage
6 (rounded to the nearest one-tenth of 1 percent) by
7 which the Consumer Price Index for that quarter (as
8 prepared by the Department of Labor) exceeds such
9 index for the most recent prior calendar quarter
10 which was a base quarter under subparagraph
11 (A)(ii) or, if later, the most recent cost-of-living
12 computation quarter under subparagraph (B),

13 “(ii) if the Consumer Price Index (as so pre-
14 pared) does not include the national sales tax paid,
15 then the term ‘CPI increase percentage’, with re-
16 spect to a base quarter or cost-of-living quarter in
17 any calendar year, means the percentage (rounded
18 to the nearest one-tenth of 1 percent) by which the
19 product of—

20 “(I) the Consumer Price Index for that
21 quarter (as so prepared), and

22 “(II) the national sales tax factor,
23 exceeds such index for the most recent prior cal-
24 endar quarter which was a base quarter under sub-
25 paragraph (A)(ii) or, if later, the most recent cost

1 of living computation quarter under subparagraph
2 (B), and

3 “(iii) the national sales tax factor is equal to
4 one plus the quotient that is—

5 “(I) the sales tax rate imposed by section
6 101 of the Internal Revenue Code of 2019, di-
7 vided by

8 “(II) the quantity that is one minus such
9 sales tax rate.”.

10 **TITLE IV—SUNSET OF SALES**
11 **TAX IF SIXTEENTH AMEND-**
12 **MENT NOT REPEALED**

13 **SEC. 401. ELIMINATION OF SALES TAX IF SIXTEENTH**
14 **AMENDMENT NOT REPEALED.**

15 If the Sixteenth Amendment to the Constitution of
16 the United States is not repealed before the end of the
17 7-year period beginning on the date of the enactment of
18 this Act, then all provisions of, and amendments made by,
19 this Act shall not apply to any use or consumption in any
20 year beginning after December 31 of the calendar year
21 in which or with which such period ends, except that the
22 Sales Tax Bureau of the Department of the Treasury shall
23 not be terminated until 6 months after such December 31.

1 **DIVISION C—CONSTITUTIONAL**
2 **AMENDMENTS**
3 **TITLE I—REPEAL OF 16TH**
4 **AMENDMENT**

5 **SEC. That the following article is proposed as an amendment to**
6 **the Constitution of the United States, which shall**
7 **be valid to all intents and purposes as part of the**
8 **Constitution when ratified by the legislatures of**
9 **three-fourths of the several States within seven**
10 **years after the date of its submission for ratifica-**
11 **tion:**

12 **“ARTICLE—**
13 **“The sixteenth article of amendment to the Constitu-**
14 **tion of the United States is hereby repealed.”.**

1 **TITLE II—APPORTIONMENT OF**
2 **REPRESENTATIVES**

3 **SEC. That the following article is proposed as an amendment to**
4 **the Constitution of the United States, which shall**
5 **be valid to all intents and purposes as part of the**
6 **Constitution when ratified by the legislatures of**
7 **three-fourths of the several States within seven**
8 **years after the date of its submission for ratifica-**
9 **tion:**

10 “ARTICLE—

11 “Representatives shall be apportioned among the sev-
12 eral States according to their respective numbers, which
13 shall be determined by counting the number of persons
14 in each State who are citizens of the United States.”.

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