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# *House of Representatives*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BOST).

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*November 15, 2017.*

I hereby appoint the Honorable MIKE BOST to act as Speaker pro tempore on this day.

PAUL D. RYAN,
*Speaker of the House of Representatives.*

## MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2017, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties. All time shall be equally allocated between the parties, and in no event shall debate continue beyond 11:50 a.m. Each Member, other than the majority and minority leaders and the minority whip, shall be limited to 5 minutes.

## INTERNATIONAL TRADE AGREEMENTS MUST BE HONEST, FAIR, AND RECIPROCAL

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. ROHRABACHER) for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, on his recent trip to Asia, President Trump reminded us and our international trading partners that our commercial agreements must be honest, fair, and reciprocal. With this admonition, he called on our Asian friends to build automobile plants that would employ American workers. Three cheers for him for doing that.

The United States already has experienced the benefits and the liabilities of foreign-controlled multinational automobile companies manufacturing in our country. These companies have provided good jobs for America's working people, but having these foreign companies here hasn't always worked.

A few years ago, we discovered that one of the world's preeminent car manufacturers, Volkswagen Group of America, had engaged in an illegal and clandestine strategy to circumvent U.S. emissions laws.

Volkswagen has a longstanding relationship with the American people. Like so many young people in my generation, my first car was a Volkswagen Beetle, so Volkswagen enjoyed an enormous goodwill in our country. Despite that, Volkswagen Group of America intentionally did us wrong. Volkswagen intentionally violated our emissions regulations and, by many accounts, they even engineered their systems to falsely indicate that they were complying with the emissions standards.

This was nothing more than pure arrogance and a hostile intent and an egregious violation of our best legislative efforts to regulate our way to clean air. Unfortunately, this issue with Volkswagen has not been totally dealt with and put behind us.

The deal with the German Government that got them off the hook remains cloaked in mystery and left many questions unanswered. We do not know yet, for example, whether Volkswagen will compensate Americans in a full and just manner. Those uncompensated Americans may include the owners of the bogusly engineered cars, as well as auto importers, as well as, perhaps, service stations who officially were authorized to repair Volkswagens.

Mr. Speaker, the VW deal between the Obama administration and the Merkel government needs to be revisited with a full airing of the details. We need to know if Volkswagen has complied fully and if the settlement was demonstrably fair to Americans who relied on their good faith.

Wolfgang Porsche, the family who owns 52 percent of Volkswagen, he was the chairman during this time of the emissions scandal; as well as Matthias Mueller, the CEO of Volkswagen Group, they need to be put on the record about what the details of this subterfuge of American law was all about.

We need to send a message also. By putting them on the record, we need to send a message to all the multinational corporation executives who, when they do business in the United States of America, have to play by our rules.

I applaud the President for trying to encourage people to invest in building factories here, but that means all of us must make sure that that works out for the best for the American people.

## SCORE ONE FOR DONALD TRUMP

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, after spending a bizarre week in the Ways and Means Committee with a moving target of the Republican tax plan, we find out, amazingly, that it is actually getting worse and worse.

We have just discovered that the Senate is going to repeal the individual healthcare mandate to to provide funding for more tax cuts for America's wealthy.

The cost of that?

There will be 13 million additional uninsured Americans, and everybody in the individual market will see their premiums increase another 10 percent next year and every year therefafter.

Well, tomorrow, Trump is going to come to Capitol Hill to hold a rally

with Republican Members to try to make some of these nervous people feel a little more comfortable. No wonder Donald Trump is eager to see this bill pass. It is designed for Donald Trump.

First, he is the self-proclaimed king of debt. Well, you got it in spades with this bill because the Republicans have raised the debt ceiling $1.5 trillion to finance these tax cuts for people who, frankly, don't need them. Because you have to pay interest on that, it is a $2.3 trillion additional burden on our children and grandchildren.

It eliminates the alternative minimum tax. Even though Trump refused to honor his commitment to release his tax returns, one was leaked to David Cay Johnston, and it showed the only reason he paid substantial taxes in 2005 was because of the alternative minimum tax. Getting rid of that would save him $31 million in one year.

There is a special break for passthrough entities. It is, theoretically, for small businesses, but many of the passthrough entities are not small businesses. They include hedge funds. Donald Trump's disclosure form lists hundreds of passthrough entities. That is how he does business.

Of course, the biggest and most outrageous loophole is to completely eliminate the inheritance tax over the next 10 years. This will save a couple thousand people, extraordinarily wealthy people, $172 billion that would otherwise come to the government to be able to fund programs for our veterans, deal with the opioid crisis.

Donald Trump will be able to pass off hundreds of millions, maybe a billion or two, tax free. Remember, most of that money had never been taxed in the first place. You don't become a billionaire on W–2 income. It is all appreciated, untaxed capital.

Well, it also shatters a bipartisan agreement for alternative energy. Donald Trump is doubling down on energy of the past, trying to breathe life into a failing coal industry. Their bill would break a bipartisan agreement for wind energy, which we carefully negotiated on a bipartisan basis, and the industry has gone ahead and pledged billions of dollars.

Eliminating that agreement, the only retroactive provision in the bill, puts at jeopardy billions of dollars of investment and tens of thousands of jobs. Score one for Donald Trump.

But the worst element of this bill, I think—and there is a lot to choose from—is its Alzheimer's tax. It would deny the medical exemption to over 9 million middle class families to be able to deduct extraordinary medical expenses.

Think of a family that is trying to cope with the challenges of a loved one with Alzheimer's. This costs them tens of thousands of dollars, sometimes hundreds of thousands of dollars in a year. It takes away the tax deduction from them.

This is an outrage. It is made for Donald Trump and large corporations, but, sadly, it increases taxes on many middle-income Americans, especially with the Alzheimer's tax, denying some of the middle class families in the most difficult circumstances a little tax relief. It is inexcusable.

They couldn't defend it in committee. Let's see how the Republicans defend it on the floor of the House. But more important, let's see how they defend that to 9 million American families.

## FLOOD INSURANCE REFORM

The SPEAKER pro tempore (Mr. THOMPSON of Pennsylvania). The Chair recognizes the gentleman from Illinois (Mr. BOST) for 5 minutes.

Mr. BOST. Mr. Speaker, I rise today to lend my support to the flood insurance reform legislation that we considered on this floor yesterday and passed.

Let me tell you the reasons and the importance of that particular legislation. One is, the problems that it deals with is FEMA's flood plain maps can be inaccurate and are based on old technology. Property owners in the insurance flood plain plans are required to pay flood insurance premiums, even though they may not be at risk under the old maps whenever you look at it.

For example, today I brought a map from my district—one of the places in my district where these maps are wrong. This is actually Carterville, Illinois. If you will notice, as the flood plain comes down here from the north, actually, that is really unique because, if you will notice right beside it, out of the flood plain is the creek that actually flows and the ditch that is the creek, and the flood plain is not in that. Yet it is over in the other area here, where it affects homes that are actually charged larger amounts of money on their flood insurance when they are not even in the flood plain. Yet it never even continues to flow on down to Crab Orchard Lake, where the natural water flow goes. So those areas are out of the flood plain, according to this mapping.

The flood zone maps—here is the problem: property owners can challenge the map under existing law, before we sent this over, and you can challenge it, but it would cost you $2,000 to challenge that. Or if you wanted to participate with your city, the city taxes would then be charged $17,000 to challenge the map.

Flood insurance is vitally important and necessary to the people around this Nation and the security that it gives to others that are not in flood plains for not having a cost dropped on them. But the accuracy of these maps are vitally important.

Two things the legislation did that were vitally important, it is easier and more affordable to appeal FEMA about their maps and whether or not something is in a flood plain. It also uses its higher technology to truly draft the flood plain maps in a way that they are fair, and that the costs are not unbearable to many homeowners.

## THE GOP TAX BILL IS A FRONTAL ASSAULT ON THE MIDDLE CLASS

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from California (Ms. ESHOO) for 5 minutes.

Ms. ESHOO. Mr. Speaker, the tax bill being considered, H.R. 1, is a frontal assault on the middle class and it will do lasting damage to our country.

The bill is a dishonest bait-and-switch for the 36 million middle and lower class families who will see their taxes increase under this plan to pay for tax cuts for the wealthiest 1 percent of Americans and large multinational corporations. It is paid for by eliminating the few remaining benefits in our Tax Code for the middle class and charging $1.7 trillion to the national credit card, leaving our children and our grandchildren to pay for it.

This bill lets the middle class down at every turn, and it should be defeated. It eliminates the deduction for medical expenses, which over 9 million middle class Americans claimed in 2015, including over 1 million taxpayers in my home State of California. This is especially harmful to older Americans struggling with high medical costs and serious illnesses, like cancer and Alzheimer's, and Americans with disabilities.

It takes direct aim at college students across the country, raising the future costs of higher education by $65 billion over 10 years by eliminating the deductibility of interest on student loans.

It taxes employer tuition assistance benefits for students and tuition waivers for graduate students by treating this as income, making it more expensive for future scientists, medical professionals, educators, and other leaders to get an education.

□ 1015

It eliminates the lifetime learning credit and the deductibility of interest of student loans at a time when student loan debt in the United States just reached $1.5 trillion. This is a bitter pill to ask our Nation's student borrowers to swallow.

Very importantly for my constituents, this bill bulldozes the State and local tax deduction. Almost 200,000 of my constituents claimed an average State and local tax deduction of $31,193 in 2015. Under this plan, businesses can still claim this deduction. For example, the National Education Association estimates are that 250,000 education jobs will be put at risk because of this lack of deductibility. Just yesterday, the Fraternal Order of Police spoke out in opposition to this bill's dismantling of this deduction, noting that their salaries and the equipment that they use are paid for by State and local taxes on property sales and income. The Institute on Taxation and Economic Policy found that California stands to be the biggest overall loser in this plan and faces a $12.1 billion tax increase in 2017 alone.

The bill also takes aim at the most valuable asset of the middle class:

their home. It limits the mortgage interest deduction used by homeowners, and this is eminently unfair. Californians just experienced the worst wildfires in our State's history, with over 14,000 homes lost. What does this bill do? It removes the deductibility for property losses due to natural disasters. I find this to be especially cruel.

What the bill does do is take special care of the wealthiest 5,500 estates in this country by doubling the estate tax exemption to $22 million and then repealing it, removing the whole thing, by 2024.

Finally, the bill has terrible implications for the future of Medicare and the guarantee it has provided for Americans for over 50 years. Without budget changes to offset the $1.5 trillion increase to deficits over 10 years, the bill will trigger automatic spending cuts under the statutory pay-as-you-go.

The Republican majority and the administration claim that this tax plan will ''pay for itself.'' It is bad math, because we were promised in the early 2000s that jobs would be created, that the economy would grow, and the outcome was $1.8 trillion of debt.

The investments that pay off the most are the investments we make in the American people, in education, in job creation, in infrastructure. These are critical areas that always expand our economy.

This House should reject this unfair, unbalanced, fiscally irresponsible plan that dims the future of our country by attacking the middle class.

## APPRENTICESHIPS PROVIDE AN ALTERNATIVE PATH TO HIGH-PAYING JOBS

The SPEAKER pro tempore (Mr. BOST). The Chair recognizes the gentleman from Pennsylvania (Mr. THOMPSON) for 5 minutes.

Mr. THOMPSON of Pennsylvania. Mr. Speaker, this is a pretty incredible week here in Washington, D.C., an incredible week for the American people. When you look at the things that we accomplished this week, we have had historic tax reform—long overdue. This is a break for hardworking middle class American families. I encourage folks to check out the facts for themselves on exactly what happens.

But it is not the only thing we have done. Already this week we have passed a conference report on the national defense authorization, the largest raise for our military in over 10 years, providing them the resources they need to be safe, to be effective, yes, to be lethal, and to be able to return home at the end of the day and to have their needs met.

We did something that was very important for a State like Pennsylvania, where we have almost 90,000 miles of streams. We did historic flood insurance reform, where we really separated and looked inland, the needs there, versus mixing things together, allowing local municipalities, as long as they comply with the FEMA processes, to be able to really determine where the actual flood risk is. We haven't had that. In the past, it has all been done from Washington. It has been done rather poorly.

But there is more than that. This week is also National Apprenticeship Week, Mr. Speaker. I rise today to highlight apprenticeships.

Apprenticeships are a part of career and technological education as a pathway to family-sustaining careers and wages. Apprenticeships provide an alternative path to a high-paying job by providing opportunities to gain real-world skills while earning a paycheck.

Mr. Speaker, as co-chair of the Career and Technical Education Caucus, I know that a huge skills gap exists in communities nationwide. There are good-paying jobs out there, but the unemployed are either ill prepared or lack the appropriate education to fill these vacancies.

That is why I am proud the House did pass my legislation, the Strengthening Career and Technical Education for the 21st Century Act, earlier this year. It passed unanimously out of this body. The bill aims to close the skills gap by modernizing Federal investments in career and technical education programs by connecting educators with industry stakeholders. Career and technical education apprenticeship programs open the door for so many Americans.

Proudly, President Trump signed an executive order earlier this year to expand apprenticeships and skills-based education programs that put more Americans back to work in the trades.

We have seen too many students pushed down the college-for-all pathway that just doesn't work for some people. Obtaining an apprenticeship or career and technical education is a viable path that many high-achieving students can choose in pursuit of industry certifications and hands-on skills that they use right out of high school, in skills-based education programs, or should they choose, in college.

Mr. Speaker, we have all met young people who haven't been inspired in a traditional classroom setting. We all know people who have lost jobs who are underemployed, working multiple part-time jobs, and they are looking desperately for good-paying, family-sustaining jobs. We all know people who are aspiring for a promotion but keep falling short year after year.

Mr. Speaker, I think we all know families that have been trapped in poverty for generations. An apprenticeship can change that. A career and technical education can change that. Mr. Speaker, by the year 2020, it is estimated that more than 6 million jobs will go unfilled because of that skills gap of not having individuals who are qualified and trained to fill those positions.

Mr. Speaker, the legislation that will be passed off this floor tomorrow—and I speak of that optimistically, with confidence—is estimated to lead to creating a confidence that will result, it has been estimated, in a million jobs being created.

Through measures with career and technical education and measures such as apprenticeships, we can help Americans to be able to enter the workforce, to find that on-ramp to opportunity, to give everyone the opportunity to earn a good family-sustaining wage and have that security.

Mr. Speaker, Americans deserve no less.

## A TRUE STORY FROM SCRANTON, PENNSYLVANIA

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. CARTWRIGHT) for 5 minutes.

Mr. CARTWRIGHT. Mr. Speaker, I rise to tell you a true story from Scranton, Pennsylvania.

When Matty Loftus got out of the Army in 1970, he went to work for the TV tube plant in Dunmore, Pennsylvania, just north of Scranton. At the time, it was owned by RCA and later became Thompson Consumer Electronics.

Matty Loftus was 19 years old, and this was a great job, manufacturing picture tubes where a lot of great people worked, as many as 1,600 men and women. The pay was good; the benefits were excellent. They were union jobs, and the picture tubes they put together were so good, this company was able to sell them to Sony in Japan.

The people working at this plant were a community. They had wonderful company picnics. They had a softball league. They organized holiday parties for the kids and fishing derbies. Matty Loftus worked there for 30 years. He was able to raise four children on his salary alone.

Chuck Lampman is the same age as Matty Loftus, and they are friends. Chuck went to work for the RCA plant in 1972 when he was 21. He started in production, and he loved that job, too. He says: We were making the Cadillac of American televisions. By the year 2000, we were already starting to make the first generation of flat screen TV panels.

Around that time, Thompson won a worldwide award for making the best 27-inch TVs in the world, and everybody at the plant was so proud. Chuck says: That wasn't just a job; that was a way of life.

John O'Hearn got out of high school in 1975. He got a job at the TV plant right away. He worked production at first, but then he got bumped up into the machine shop. He made lifelong friends at that factory.

In 1994, NAFTA went into effect. Matty, Chuck, and John, they knew about it, but they didn't think too much about it. John remembers people in the machine shop who were interested in politics arguing over the effects of NAFTA.

Through the nineties, these men and women were working the factory 24/7 in three shifts, putting out over 2 million picture tubes a year. They used to say: They will never close us down. We make this company too much money.

And then it came, May of 2001. Management called everybody into the plant and gave them the news. The plant was closing in August, 3 months from then, because they were moving to Mexico.

People were shocked. Nobody saw this coming. They tried to negotiate with the company, and Matty and Chuck remember the answer. It was: Are you willing to take a $13-an-hour pay cut and work for $3.25 an hour?

Matty remembers the pride that these people had at the plant working the last few months, the pride that they did their jobs with. There was no vandalism. There were no work stoppages, no slowdowns. They finished out their jobs showing the pride in the work that they had had for a generation. He remembers the tears on that last day and how people passed out lists of names and phone numbers so they could all stay in touch.

Chuck remembers on the last day how that trophy for the best 27-inch TV tube was still in the company lobby.

All three of them remember the aftermath. They remember the divorces. They remember the suicides.

Matty still had two daughters in public school. He went through his family savings, and he had to cash in some of his retirement money, take the penalty. Now he works as a security guard making $10 an hour. He is 66, and he can't afford to retire.

Chuck was out of work for years, and eventually he found a job making half the money. He is also 66, and he can't retire.

John can't forget having to tell his daughter, Lindsey, in May 2001 he was losing his job. She was in tears. She was graduating high school the next month. She wanted to go to college.

When Chuck found out the current Republican tax plan is to drop corporate tax to 20 percent for companies doing business in America but to 10 percent for American companies doing business overseas, this is what he said: Haven't we lost enough already under NAFTA? Now you are going to reward companies for shipping more jobs overseas?

Mr. Speaker, this tax bill will ship more jobs overseas. This bill stinks, and I won't vote for it.

## LIVING THE AMERICAN DREAM

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. FITZPATRICK) for 5 minutes.

Mr. FITZPATRICK. Mr. Speaker, today we recognize an individual who embodies the American Dream and the grit and determination that defines the people of Bucks County, Pennsylvania.

Pasquale Palino was born in Naples, Italy, in 1963. A resilient worker and a passionate chef, he worked in the restaurant industry in Italy before marrying his wife, Anna Scotto.

Having two children, Carmela and Gennaro, Pasquale decided to leave Italy with his young family and come to the United States. He settled in Bensalem, Pennsylvania, and opened a restaurant, Pasta al Dente.

Soon after, he welcomed his third child, Nunzia. After spending a short while back in Italy, Pasquale returned to the United States. A family man, Pasquale had two more sons, Giovanni and Aniello. Pasquale opened Vecchia Osteria in 2009, where his incredible talent led to great success and allowed him to open Acqua e Farina, an authentic Napoletano pizzeria, in 2017.

Mr. Speaker, Pasquale crossed oceans to pursue his dreams. He works tirelessly to put a smile on people's faces through the food that he makes.

Mr. Speaker, our communities and our Nation are better because of people like Pasquale Palino.

□ 1030

### HONORING BUCKS COUNTY FIRST RESPONDERS

Mr. FITZPATRICK. Mr. Speaker, I rise today to recognize the first responders of Bucks County. Recently I was privileged to speak to nearly 300 first responders at the 45th Central Bucks Chamber of Commerce's Emergency Services Award Dinner and to offer them our heartfelt thanks.

As an EMT myself, I understand the love that these individuals have for their neighbors and for their community. Mr. Speaker, I was honored to recognize these 20 individuals pictured here.

Mr. Speaker, I include in the CONGRESSIONAL RECORD each of their names.

Robert Dondo
William Fluck IV
Eoghan Lowry
Karen Gibbons
Lisa Aron
Steven Vance
Michael Nyari
Keller Taylor
Zuri Kalix
Darren Carroll
Christopher A Horner
John Thomas
Jim Snock
Mark Potent
Scott Martin
Jessica Leal
Kevin Murphy
Michael Ray
Nancy Mayers
Pat Mattes

Mr. FITZPATRICK. Mr. Speaker, we honor and we thank each of these brave heroes in our community for putting themselves in harm's way to protect us in Bucks County. They are living their lives serving a cause bigger than themselves. What a noble way to spend their life.

## TAX BILL IS HARMFUL TO VETERANS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Minnesota (Mr. WALZ) for 5 minutes.

Mr. WALZ. Mr. Speaker, I rise today as the ranking member of the House Veterans' Affairs Committee, as the co-chair of the National Guard and Reserve Components Caucus, as the co-chair of the Congressional Veterans Jobs Caucus, and probably more importantly, as a retired enlisted soldier to bring to your attention a number of provisions in the GOP tax bill that will negatively impact the men and women currently serving and transitioning from the United States military.

Mr. Speaker, I want to be clear. Tax reform is a laudable goal. It would have been nice had we actually done it, had we actually had debates, had we actually had witnesses. Zero, zero, zero. What we have is a closed-door bill brought forward and forced upon the House. In my opinion, trying to think that the American people would not watch what happens here is pretty risky.

These are folks in the military who risked everything to give us the right to debate things here. We should at least probably debate their future in an open manner. I hope we will strongly consider, Mr. Speaker, each of these following provisions in this bill that will put the prosperity of America's heroes at risk.

As the legislation is written, this tax plan includes provisions that will specifically harm members and veterans to help pay for tax cuts for corporations and the ultrawealthy.

How can you justify giving a tax cut for carrying interest, but not for carrying a rucksack?

That is what that vote will be today. Be very clear about this. When you cast your ''yes'' vote, you are being very clear.

The first thing it does is it repeals tax credits proven to help veterans find employment when they come home, such as the repeal of the Work Opportunity Tax Credit, which includes the Help Hire Our Heroes Act. This credit is available to employers who hire veterans who have a service-connected disability, or are unemployed, or receive SNAP benefits.

Between 2013 and 2015, the Work Opportunity Tax Credit helped nearly 300,000 veterans find employment. But, again, don't take my word for it. The people who are telling you not to do this are the Air Force Sergeants Association, the United States Air Force Association, AMVETS, Army Aviation Association of America, Association of the United States Army, Enlisted Association of the National Guard of the United States, Gold Star Wives of America, Jewish War Veterans of the United States of America, Marine Corps League, Iraq and Afghanistan Veterans of America, Vietnam Veterans of America, and the Veterans of Foreign Wars. They are telling you, if you vote ''yes,'' you are hurting the opportunities of America's veterans.

The GOP tax bill also repeals the disabled access tax credit. This simply allows small businesses to claim a tax

expenditure when they make their buildings more accessible for people with disabilities. Its elimination will discourage small businesses from making their workplaces accessible and friendly to those disabled veterans.

Mr. Speaker, by eliminating the deduction for interest payments or student loans, the GOP tax bill will make education even more expensive or out of reach for our veterans. While the GI Bill pays a portion of it, it does not pay it all. A large percentage of veterans also rely on student loans. This will hurt many veterans who rely on that to make school work.

This bill will make it more expensive for military families to sell their homes. How wrong is that?

The bill requires a homeowner to have owned and lived in a home for at least 5 years of the last 8 years to get a tax exemption on the money made from the sale of their home. No one serves in one location that long. No exemption was written in it. Had it been brought to the floor, we would have offered an amendment, and I bet you money, my Republican colleagues would have accepted it.

They didn't get that chance because somebody wrote it for them and passed it down here and is going to tell them to vote ''yes'' on it. That is simply wrong. I don't question their commitment to veterans. I question the way they wrote this bill. That is real life. These things will really happen, and it is verified by all kinds of outside sources.

By repealing the medical expense deduction, the GOP tax bill will hurt veterans struggling with costly medical bills. Most veterans aren't in the VA. Most veterans don't qualify for the VA because they make more money than the threshold, or they are not disabled to the point where they get there. So most of them receive their health benefits through their employer. But when those expenses get too great, one of the things we have in current tax law is they are allowed to deduct those expenses. They are taking that away.

When you vote ''yes'' today, you are taking that away and giving billionaires a tax break. Once again, it is going to be a choice. It is very simple, yes or no; green light, red light. You will be able to decide on that. This hurts veterans.

By prioritizing corporations and the ultrawealthy over the middle class, they are directly harming veterans. Be very clear: a veteran's median income is $37,466. They are not going to see savings from this bill. If they are a disabled veteran or have a child going to college, they will pay more so that a very few of us can get a tax break.

Corporations, by the way, can deduct State and local taxes. Veterans can't. A corporation can deduct property tax. There is a lot more in here that is bad. Bring this back to the floor. Work with us. Protect America's heroes. Do what is right.

## BUILD A BETTER TOMORROW

The SPEAKER pro tempore. The Chair recognizes the gentleman from Georgia (Mr. WOODALL) for 5 minutes.

Mr. WOODALL. Mr. Speaker, I tell folks back home that they should watch this time at 10 in the morning, where any Member can come down and talk about anything they want to talk about, because you can learn a lot about one another.

There are folks who come to this floor every single morning to celebrate somebody in their district back home, to build up the country with optimism, and with the belief that if only we unite, if only we work harder, we can make tomorrow better than yesterday was.

There are those Members who come to the floor on a regular basis to tear things down. I tell you, Mr. Speaker, I have been in this world for 47 years. I know it is easier to tear things down than it is to build things up. Something has happened in this institution where the currency is how quickly can you tear the other side down instead of how quickly can you partner with them to build things up.

Tax reform is hard. I have a bill for folks who are uncomfortable with the elimination of special carve-outs, deductions, exemptions, and lobbyist loopholes. For folks who are uncomfortable with those things, I have a bill that repeals absolutely every one. It is called the FairTax Act. It is H.R. 25.

We are not going to vote on that bill today because this institution is not comfortable eliminating absolutely everything all at once. But there is a difference of opinion, Mr. Speaker, in what the Tax Code is designed for. Is it designed to punish people that you dislike and reward people that you do like? Or is it designed simply to raise the revenue so that the government can do the things it needs to do?

I believe the latter.

My friends have come to the floor today and they have said: Oh, we are eliminating this exemption and that deduction, and that carve-out and that loophole, and those things help with the cost of education.

Well, I say to my friends: If we want to help with the cost of education, let's deal with education.

The Tax Code is not the solution to every problem. Oftentimes it is the source of those problems.

For folks who believe that the cost of medical care is too expensive, I agree. Another carve-out, another loophole, another exemption, the Tax Code will not solve that problem. It may mask that problem, but it will not solve it. We have to come together to solve the healthcare inflation problem.

I say to my friends who are worried about the medical cost deduction: I worry about that, too. I worried about it when the Affordable Care Act made it 33 percent harder for Americans to claim that; when it raised that base level from 7.5 percent to 10 percent, meaning so many more Americans couldn't claim it.

This bill doubles the standard deduction so that families don't have to worry about the magnitude of their burden. Simply, the fact that they have a burden means that they will be able to exempt it.

My friend from Pennsylvania came and told the story of two families from Pennsylvania working in a picture tube factory. It was a powerful story of American manufacturing disappearing. If I looked around this institution to find a millennial here, they wouldn't even know what a picture tube is. That factory was going to go out of business because technology surpassed it.

We are losing American manufacturing overseas every single day, not because we are not the hardest working people on the planet, but because we have the most punitive Tax Code on the planet. Everyone here knows it.

In 1986, everyone knew it. America had the least competitive Tax Code on the planet, but Democrats and Republicans came together—Ronald Reagan and Tip O'Neill—and they took America from worst to first. Decades of economic prosperity ensued. We are doing that very same thing today: worst to first.

Would be that it were Democrats and Republicans together that were doing that, but I tell you, Mr. Speaker, the time is not too late to come together to do that. It was a worthy goal in 1986. It is a worthy goal today. The Tax Code should not be picking winners and losers. It should be creating an economic environment where the American worker can succeed; where the American worker and its commitment is not at a disadvantage to the rest of the world, but it is at least on a level playing field, if not advantaged to the rest of the world.

We can do that together today, and I hope that we will. It will always be easier to tear things down and than to build things up, Mr. Speaker. But I know the men and women in this Chamber on a personal level, and I know they didn't come to tear things down. They came to build a better day tomorrow for their children, their grandchildren, and the constituents that they represent.

Mr. Speaker, I hope that we will fulfill that promise together.

## TAX PLAN IS HARMFUL FOR GUAM

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Guam (Ms. BORDALLO) for 5 minutes.

Ms. BORDALLO. Mr. Speaker, I rise today to express my opposition to H.R. 1, the Republican tax plan, and the negative impacts it would have on my constituents in Guam.

This bill is an attack on the middle class and would do very little to help those who most need tax relief. I am especially concerned that H.R. 1 does not take into account the unique application of the Federal Tax Code to Guam and the other U.S. territories.

Unlike the 50 States who have control of their tax system, Guam is required to mirror the income tax portion of the Federal Internal Revenue Code, and any changes to the IRC would have a direct impact not only on taxes paid by my constituents, but also on the general fund revenues collected by the government of Guam.

Under the current framework, it is the United States Congress, not the Guam Legislature or any other elected body on Guam, that sets the income tax provisions for our territory. Any changes to the Internal Revenue Code are automatically mirrored and adopted as changes to Guam's local tax structure.

This does not give Guam the ability to decide for itself the best tax structure for the people of Guam. It applies decisions made for the Nation as a whole, with more than 320 million citizens, to significantly different demographics on our island of just 170,000 Americans.

Even more outrageous, Mr. Speaker, is that Republicans will have brought this bill to the floor without any opportunity for the Delegates from the territories to affect it or express our support or opposition through a recorded vote.

As the Speaker knows, as a Delegate from a territory, along with the other four territories and D.C., we are not able to vote on amendments on the floor of this House, nor are we able to cast a vote on the final passage of a bill.

Some on the other side will argue, especially since H.R. 1 is a tax bill, that the Delegates—therefore, the more than 4 million American citizens who live in the territories—should not be able to vote on the bills considered by this House because our constituents do not pay taxes to the Federal Treasury.

□ 1045

But this ignores the sacrifices that the sons and daughters of Guam and the other territories make to defend our country through military service, as well as the fact that my constituents pay other Federal taxes that support Federal programs like Social Security and Medicare.

Importantly, Mr. Speaker, H.R. 1 will have a direct impact on my constituents because of the Federal Government's requirement for the government of Guam to mirror the Internal Revenue Code. This will directly impact the rates, deductions, and credits paid by Guam tax filers and, unlike the States, will also directly correspond to the revenues collected by our territorial government.

This, Mr. Speaker, is the very definition of taxation without representation.

So I cannot support the Republican tax plan because it ignores the impacts it would have on my constituents in Guam and the other territories, and it prevents the people of Guam from having a say, through their own representative in both the House and the Senate, in its development.

I oppose, Mr. Speaker, H.R. 1, and I urge my colleagues to defeat it. Vote ''no.''

## WEALTHCARE ABOVE HEALTHCARE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. AL GREEN) for 5 minutes.

Mr. AL GREEN of Texas. Mr. Speaker, I always acknowledge the preeminent privilege to stand in the well of the Congress of the United States of America. It is a unique opportunity accorded few in a country of millions. So I am honored to stand here, Mr. Speaker.

I love my country, but I must say, Mr. Speaker, I stand here with profound disbelief—profound disbelief—because I cannot believe, Mr. Speaker, that the Senate of the United States of America is considering removing 13 million people from insurance in a tax bill.

The Senate is proposing in a tax bill—that can't solve all of our problems, by the way—that 13 million people lose healthcare—13 million people without a primary care physician.

Perhaps not all, but it is fair to assume that millions will not have a primary care physician. Millions will no longer get the preventive care that can save dollars as well as lives. Millions will find themselves in emergency rooms receiving primary care.

I cannot believe that the Senate of the United States of America, in a tax bill, would remove 13 million people from the insurance rolls and, in so doing, acquire $338 billion. The $338 billion is not going to deficit reduction. The $338 billion will go to line the pockets of people who can afford the best healthcare that the world can provide.

It is hard to believe that, in the richest country in the world, Mr. Speaker, we are about to move from healthcare to sickness care. Healthcare provides preventive care. Sickness care, Mr. Speaker, means that you show up at an emergency room.

By the way, that $338 billion that is claimed as a savings—we will spend more than that on emergency room services for the 13 million—or the millions, whatever that number may happen to be—who are going to emergency rooms. We will spend it. People are going to get care. They won't get the best care.

We have, in the richest country in the world, concluded that we can take healthcare from those who dearly need it and provide wealthcare for those who already have it. Why would we put wealthcare above healthcare in the richest country in the world? I cannot believe that this is happening in the United States of America.

By the way, Mr. Speaker, you and I know that if the Senate can do this, then the House will follow suit. The House will pick up that language, some variation of it, if not the exact language. We will find that, in the House, we will be voting to eliminate insurance for 13 million people.

Mr. Speaker, our country is better than this. Our country is a country that cares for every person where, yes, we will care for the well-off, the well-heeled, and the well-to-do. Yes. But we also care for the least, the last, and the lost. In this country, we care about people, and we want every person to have the best healthcare.

So I suffer from disbelief. I am thunderstruck. I cannot imagine the Senate removing 13 million people from healthcare to provide wealthcare for a few.

## HONORING MS. JEWEL BARKER ON HER 90TH BIRTHDAY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. RUSH) for 5 minutes.

Mr. RUSH. Mr. Speaker, in this season of trying and tough times made even tougher by the skullduggery of the Republican Members of this body, I rise today to pay tribute to my personal hero and longtime friend, Ms. Jewel Barker, who recently celebrated her 90th birthday.

Mama Jewel, as she is affectionately known to so many, was born November 3, 1927, in Solgohachia, Arkansas. She grew up in Wardell, Missouri, and attended Central High School in Hayti, Missouri, and later she attended the Lincoln University in Pennsylvania.

Mr. Speaker, Mama Jewel always felt a strong drive to improve her life which led to her residing and working in Kansas City and St. Louis, Missouri, before settling in our hometown of Chicago, Illinois, in 1956.

Though she worked several jobs, her aspiration was to return to school to earn her teaching credentials. She attained this goal by receiving a master's degree in education from the Chicago Teachers College and, in later years, a master's degree from DePaul University in Chicago.

Her love of justice for all people did not stop there. Her support for civil rights and equality culminated in her serving as ''Mama'' to the Illinois Chapter of the Black Panther Party.

During Mama Jewel's 38 years as an educator, she served as a teacher, mentor, counselor, role model, and as a mother figure to many. She worked tirelessly, Mr. Speaker, with students and family members in programs that met before school, after school, and even on weekends. She provided housing and financial support for several young people so they could further their education.

Mama Jewel's passion has always been focused on helping others and encouraging people to realize their full potential. This led her to playing an active part in the civil rights movement, a role that she first accepted when she organized a boycott in

Wardell, Missouri, in the 1950s, after its board of education failed to use money allocated there for indoor toilets in the African-American school.

Mr. Speaker, her passion for this cause was so great that Mama Jewel went door to door asking parents not to send their children to school, a decision that ultimately led to an installation of those very same toilets. Even after retiring in 1994, she volunteered her time and her talents at her former school and at other schools where her former students taught.

In addition to her love for family and her love for service, Mama Jewel has always been a well-rounded enthusiast, displaying many of her talents and interests, which include sports, theatrical performances, cooking, and baking. To this day, Mr. Speaker, she remains very active in her church and in her community.

I know I am so blessed to know Mama Jewel. I am so blessed that Mama Jewel poured her all into my late son Huey's life. I am so blessed that she still is the matriarch of the family and of the movement.

So on behalf of the citizens of the First Congressional District of Illinois, I would like to congratulate my friend, Mama Jewel Barker, on this milestone and wish her many, many, many more birthdays.

May the Lord continue to bless Mama Jewel. May the Lord continue to shine His Shekinah glory upon Mama Jewel's countenance and upon her family.

## TAX CUTS FOR MULTINATIONAL CORPORATIONS PAID BY WORKING FAMILIES

The SPEAKER pro tempore. The Chair recognizes the gentleman from Minnesota (Mr. ELLISON) for 5 minutes.

Mr. ELLISON. Mr. Speaker, I really do believe that the American people deserve a tax system that invests in our people and our community.

We need to have enough income and enough resources to make sure we are fixing our roads, our bridges, and our transit. We need resources to invest in scientific research for families who are wondering about what the answers just might be for their loved ones who have Alzheimer's or Parkinson's or whatever. We need to be able to defend our country. We need to be able to help people get a good education, healthcare, and housing.

These are things that I believe are well worth investment in as a nation.

Yet when we look at the Republican tax bill, we don't see a bill that reflects the needs of the country to take care of our people. What we see is a mass distribution from working people—middle class people—to the wealthiest Americans in the country.

We need a tax reform—a real tax reform—that protects retirement security for today's seniors and future generations; that provides quality education, job training; that researches new medical cures and renewable forms of energy; and that supports our Nation's children.

Mr. Speaker, we need a tax bill that supports America's families and that can help us do better and live higher quality lives.

But, instead, the Tax Cuts and Jobs Act—a bizarrely named piece of legislation because it doesn't do anything for jobs—is in front of us. It is what Republicans offer as tax reform.

But here is what it does, Mr. Speaker: it moves more jobs overseas. This bill gives tax breaks to corporations offshoring jobs, driving down American wages.

How many workers lay in the bed at night looking at the ceiling hoping and praying that the plant doesn't close? How do we explain to them that we are going to cut taxes for these big corporations that would incentivize them to offshore? How do we tell them that?

Is that making America great again? I don't think so. It increases taxes for millions of Americans. Thirty-eight million middle class households will see an immediate tax increase—averaging $2,000 by 2026.

Is that what we had in mind when we started talking about tax reform? Absolutely not.

□ 1100

This Republican tax bill doubles taxes on American families by making folks pay Federal taxes on taxes you already pay to your State and local government.

It is a good thing when local communities say: We are going to raise taxes on ourselves to meet local needs. When States and cities do that, they have been expecting for literally over 100 years that that would be deductible.

Yet the Federal Government, under the Republican tax plan, wants to take that deduction away, which will have the effect of putting downward pressure on what local and State governments can raise to make their citizens' lives better, beginning a downward spiral. As the Federal Government pays less, the States and cities will get less, and you will see services for people go down the toilet.

At the same time, you will see money not trickle down but geyser up to the richest Americans. Double taxation will drive down home values and limit local governments' ability to fund law enforcement—which is police, folks—schools, health services, and infrastructure.

Medical expenses, Mr. Speaker. The GOP tax bill raises taxes on families who have children with expensive disabilities or adults who need expensive lifesaving treatment for longstanding disabilities because it eliminates the medical expense deduction.

I had a lady named Carol, who is a senior, say: Look, I don't know how I am going to make it without this. I need this.

She met with me in my office just Monday, and she pleaded with me to fight this Republican tax bill, specifically on the elimination of medical expenses.

But what about student loans? We live in a country where there is massive student debt, Mr. Speaker. If you are one of the 40 million people with student loan debt, you will no longer be able to deduct the interest you pay on these student loans, plus it eliminates the learning credits that make your tuition affordable.

As we all know, if you are rich already, you don't worry about student loan interest because you don't borrow the money, you just pay it. But what about the middle class of America? What about the working class people of America? What about folks who really need it?

Mr. Speaker, as I wrap up, I urge my colleagues to vote ''no'' on this Republican tax bill. It would have been nice to have real reform, but we are not getting it. Our only option is to eliminate this particularly sad piece of legislation.

## GOP TAX CUTS

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from New York (Miss RICE) for 5 minutes.

Miss RICE of New York. Mr. Speaker, I rise today in opposition to H.R. 1, a deficit-exploding tax cut for the wealthy that will hurt middle class families in my district.

I am all for real, bipartisan tax reform that puts the middle class first, but that is not what this bill is. This is a giveaway to the wealthy and big corporations. It adds trillions to the debt and pays for it on the backs of the middle class.

Half of my constituents on Long Island deduct their State and local taxes, an average of more than $23,000. Under this bill, that disappears. Corporations can still deduct their State and local taxes, but individuals and couples cannot. That means many middle class families will see their taxes go up, while the vast majority of relief goes to the people who don't need it: the wealthiest individuals and the biggest corporations.

The National Education Association also found that eliminating SALT could lead to a $250 billion cut in education funding just in the State of New York over the next decade.

Make no mistake: this bill won't help the middle class. It will explode the deficit, and Republicans will try to pay for it with big cuts to healthcare, education, Social Security, and other important lifesaving programs.

I urge my Republican colleagues to give up this trickle-down fantasy and work with Democrats on real bipartisan tax reform that truly puts the middle class first.

## REJECT THE TAX CUT LEGISLATION

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. DOGGETT) for 5 minutes.

Mr. DOGGETT. Mr. Speaker, Republicans are bound and determined to rush through this Congress an immense tax bill before Americans even begin to know what hit them. We need to speak up and inform families about this bill and its many bad parts.

I came here to the House a few weeks ago and said: All you need to know about this tax bill is that it is good for Donald Trump and his billionaire buddies. It rewards those multinational companies that have been shipping jobs and profits offshore for so many years and who think they have no responsibility to pay for our national security and other vital public services.

Well, I am here today to admit that I was in error. All of those things are true. It is about Donald Trump and his billionaire buddies and all the additional money they will pocket. It is about shipping the jobs offshore by multinationals who get a new incentive, a giant, new loophole in this bill, but I was wrong to say that was all that it is about. It also now begins to impact one family after another across America in their healthcare.

It is the same fanaticism that drove Republicans to try to take away healthcare 60-plus different times in the last Congress and the same fanaticism that has caused them to push forward with repeal effort after repeal effort. It is the kind of fanaticism that American citizens stood up to.

It was not only the courageous votes of JOHN MCCAIN, SUSAN COLLINS, and other Members in the Senate who stopped this wretched healthcare bill that passed through the House, but it was the fact that Americans kept saying: No, don't take the right that my family has to get access to a family physician. Don't take away my neighbors' or my church members' right to get access to protect their family with healthcare.

Today, we learn that this new tax bill is being changed to do just that. It is another assault on the Affordable Care Act.

In the beginning of the rush to force it through the House long before Thanksgiving, before Americans even get to give it attention, the first step that Republicans took here in the committee that I serve on that considered the tax bill last week was on what we call the Alzheimer's tax.

Currently, American citizens have a right that has long existed in our tax law that if you have really serious medical expenses of over 10 percent of your income, such as a family who earns $50,000—which is now, today, a modest income—and they have over $5,000 in medical expenses, they can deduct those from their taxes.

It is called the Alzheimer's tax because so many of the families that rely on disability to deduct medical expenses are older people who have a family member with Alzheimer's. They need long-term, special care, or they need someone with home health care to come and help them with this very serious problem.

Under the bill that is before us today, they will be denied any right to continue to do that. Under this bill, they will get an opportunity to pay a tax on the dollars they are having to expend for Alzheimer's care.

Of course, it is not just Alzheimer's care. It might be a young family that has a child with a serious disability who requires home health aides or physical therapy, or it might be a woman with breast cancer whose medical coverage does not provide all of the treatment that she needs.

Under this Republican bill, you will no longer be able to deduct one cent for all those serious, burdensome medical bills. No, they want to tax you on what you paid in excess of medical bills.

We have moved today to chapter two. The bill that the House will consider will be merged with a Senate bill. The Senate has declared they will end forever the individual responsibility portions of the Affordable Care Act. Those are the provisions that ensure all Americans will participate so that we will have the largest possible risk pool and that people don't sign up for the Affordable Care Act just after they are sick, after they have a problem. Everyone is there. It is just like you don't sign up for fire insurance after your house is on fire.

It is essential for everyone. We must reject this bill as the wrong way for America to go to deny healthcare coverage and impose more taxes on too many Americans.

## RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 11 o'clock and 9 minutes a.m.), the House stood in recess.

□ 1200

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker at noon.

## PRAYER

Dr. Glynn Stone, Mobberly Baptist Church, Longview, Texas, offered the following prayer:

Thank You, Lord, for these times when our Nation has recognized her need for You. God, You are our help in ages past and our hope for years to come. You can see our trust in You is engraved throughout this very building. So before any speeches are heard or votes are cast or decisions are made, we recognize that our greatness comes only from Your grace.

So I humbly ask You to remind each of these, Your servants, of their special responsibility, to lead in Your way, to lean on Your word, and to listen to Your voice. As they represent constituents, may they defend the defenseless, protect those in danger, and promote good, so that all Americans can reflect Your image and bring glory to You and accomplish Your will.

Your providential hand has promoted us to these lofty positions and will assuredly judge our stewardship of these responsibilities. So we submit this day and ourselves to You, Jesus, my Lord.

Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Georgia (Mr. JODY B. HICE) come forward and lead the House in the Pledge of Allegiance.

Mr. JODY B. HICE of Georgia led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## WELCOMING DR. GLYNN STONE

The SPEAKER. Without objection, the gentleman from Texas (Mr. GOHMERT) is recognized for 1 minute.

There was no objection.

Mr. GOHMERT. Mr. Speaker, it is with great joy that I welcome Dr. Glynn Stone to the House of Representatives today to serve as our guest chaplain.

Dr. Stone serves at Mobberly Baptist Church in Longview as senior pastor, where he takes part in influencing others for Christ. He is husband to wife, Angie, and together, they have the joy of raising three awesome sons.

Dr. Stone's call to ministry began when he was 16 years old, serving in churches throughout the Tennessee Valley. Under Dr. Stone's influence at Mobberly Baptist, several churches have been planted across the country as well as numerous mission trips across the world.

Apart from his pastoral services, Dr. Stone has had the privilege of teaching at several colleges and universities, including Southwestern Seminary, Dallas Baptist University, and Shorter College.

Knowing Dr. Stone as a friend and as a confidant is an honor and a privilege. His dedication to the church of Jesus Christ is something to be greatly admired, just as the vast number of our Founders did. He is a blessing to the multitude of people whom God has touched through him and his years of service to our Lord.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISSA). The Chair will entertain up to 15

further requests for 1-minute speeches on each side of the aisle.

## HONORING THE SERVICE OF DR. EUGENE E. WILLIAMS

(Mr. ABRAHAM asked and was given permission to address the House for 1 minute.)

Mr. ABRAHAM. Mr. Speaker, I rise today to honor a true servant to the people, Dr. Eugene E. Williams. He is a dedicated husband to his wife, Daisy, a wonderful father, grandfather, veteran, and pastor.

Sunday will be Dr. Williams' 59th anniversary as pastor of Mount Beulah Missionary Baptist Church in Ferriday, Louisiana. Over the course of his 59-year career, he has ministered to four other churches across Louisiana, which include Mount Sinai Baptist Church and Mount Olive Baptist Church in Ferriday, St. Mark Missionary Baptist Church in Jonesville, and New Hope Baptist Church in Ruston.

In addition to his service as a pastor, he was a teacher, community organizer, and the director of the LaSalle Head Start program for 28 years.

Mr. Speaker, Dr. Williams is a model citizen for the people of the Fifth District of Louisiana, and I would like to thank him for his selfless service to the community and for making my State a better place.

## ENOUGH IS ENOUGH

(Mrs. DEMINGS asked and was given permission to address the House for 1 minute.)

Mrs. DEMINGS. Mr. Speaker, I rise today to express my strong opposition to the Republican tax bill.

Mr. Speaker, how much can the American people take? How many alternative facts will we ask them to believe? How many broken promises will we ask them to overlook?

The proposed tax bill is camouflaged as a tax break for the middle class, but you and I both know the only permanent tax breaks are for the richest people and corporations in America. As a matter of fact, over 36 million families will see a tax increase.

Now, there is a new flimflam on the table. Mr. Speaker, you are well aware that Republicans have voted over 50 times to repeal the Affordable Care Act. All attempts failed. But now a repeal of the mandate that all Americans have healthcare has mysteriously been added to the tax bill. Is it possible that tax reform is just a ruse to repeal the Affordable Care Act?

Enough is enough. Mr. Speaker, I believe the American people are paying attention, and I believe the American people will hold those accountable who vote against them.

## HONORING ERNEST WALLS ON HIS INDUCTION INTO THE GEORGIA MILITARY VETERANS' HALL OF FAME

(Mr. JODY B. HICE of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JODY B. HICE of Georgia. Mr. Speaker, I rise today to recognize a remarkable individual from my home district, Mr. Ernest Walls of Monroe, a 93-year-old World War II veteran who was recently inducted into the Georgia Military Veterans Hall of Fame.

Private First Class Walls joined the U.S. Army in the midst of World War II at the age of 18. In a display of incredible valor, under the 22nd Infantry Unit, he was part of the wave of troops to storm Utah Beach, the westernmost beach of the five landing areas of the Normandy invasion, where they fought their way across a killing zone without hesitation. He was later wounded and captured by the Germans. He spent a year as a prisoner of war.

When asked about his heroic action, he said: ''Only the grace of God helped us win the war, and America came back as the most blessed and most powerful Nation on Earth.''

Due to an unfortunate clerical error, it took Mr. Wells nearly 55 years to receive his POW status and full benefits. Thankfully, since then, he has been rightfully awarded the Bronze Star Medal, Purple Heart, French Legion of Honor, and Prisoner of War Medal.

Mr. Speaker, I ask my colleagues to join me in congratulating Private Wells and to extend our personal and sincere appreciation to him, as well as all our men and women in uniform. We, as a nation, are forever grateful.

## WHY THE HURRY?

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute.)

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in opposition to the tax bill.

Again, we find ourselves faced with a bill that will impact every American, but my Republican colleagues are rushing through. They won't even wait for the Congressional Budget Office to show us what the cost will be, to assess what this bill will do to our economy, to our children and our grandchildren.

Why the hurry, Mr. Speaker?

Is it in hopes that Americans won't notice the repeal of the estate tax, a tax that only applies to people so wealthy that entire States don't have someone affected by it in some years.

Is it so that Americans won't notice that this bill repeals the State and local tax deduction for families, but not for businesses?

Or is it so that Americans won't notice that it won't tax businesses earning income abroad, but it does tax individuals working abroad?

Eighty percent of the tax cuts in this bill go to the top 1 percent of Americans. Republicans may pretend to hope that the money will trickle down to the average American, but we know it won't work. Trickle-down does not work.

## MEDIA WANTS TRUMP TO FAIL

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the Pew Research Center recently studied how the media covered the first 60 days of each recent administration. Not surprisingly, 62 percent of the media coverage of President Trump was negative, compared to 20 percent for President Obama and 28 percent for Presidents Bush and Clinton.

As Investor's Business Daily put it: ''The media from the get-go had decided Trump was a bad President—before any of his policies had a chance to take hold.''

Now that his policies have taken hold and improved the economy, the media still does not want President Trump to succeed. You have seldom heard or read a word about our strong economic growth, the record-breaking stock market, high consumer confidence, and the record-high household income.

The liberal media seldom highlight this news because they would have to credit President Trump's successful policies. When the liberal media give the American people the facts and present the news objectively, they will have earned our trust. Until then, they just serve as another biased source of information.

## CORPORATE TAX CUT SHOULD BE REJECTED

(Mr. HIGGINS of New York asked and was given permission to address the House for 1 minute.)

Mr. HIGGINS of New York. Mr. Speaker, New York State contributes $41 billion, annually, to the Federal Government in taxation. The House Republican corporate tax bill cut is being funded by tax increases on middle America and on western New York.

The elimination of the State and local tax deduction would be a major hit on local taxpayers. In fact, in Erie County, 89 percent of middle-income households claimed the State and local tax deduction in 2015, deducting $1.6 billion in already-paid local taxes. The average State and local tax deduction in Erie County was $12,866.

This corporate tax cut is being funded by tax hikes on middle America and on western New Yorkers and should be rejected.

## TAX CUTS

(Mr. DUNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNN. Mr. Speaker, this is a historic week, one that has been 31 years in the making. In a once-in-a-generation vote, we will vote to cut taxes for the middle class and unleash the power of the American economy.

Our Tax Code is more than 70,000 pages of opaque rules and regulations

that cost Americans money and jobs. In critical ways, our Tax Code gives explicit economic advantage to our foreign competitors. That changes with this bill.

The Tax Cuts and Jobs Act puts the American taxpayer and the American economy first. The bill cuts taxes for individuals and families in every tax bracket.

By lowering rates, doubling the standard deduction, and increasing the child tax credit, hardworking American families can keep more money in their paychecks. The average family of four earning $55,000 will see a tax cut of over $1,000.

This bill will supercharge our economy by making everyone play by the same rules. It substantially reduces taxes on small businesses and manufacturers. This means more jobs, more money, and more opportunity for American workers.

Tax reform is the single best thing we can do for our economy. I urge all my colleagues to support this bill.

## REPUBLICAN TAX SCAM

(Mr. KILDEE asked and was given permission to address the House for 1 minute.)

Mr. KILDEE. Mr. Speaker, just calling this tax bill a middle class tax bill does not make it so. You actually have to read the bill. And if you do, you will find that the vast majority of the benefit goes to the people at the very top: the wealthiest Americans, multinational corporations. They are the beneficiaries of this Republican tax scam.

Saying it benefits the middle class does not make it so, and, in fact, many in the middle class, tens of millions of people in the middle class, will pay more taxes so that we can do what? Give huge tax breaks to the people at the very top.

And how do they pay for that? They borrow money.

All these deficit hawks, all these people over here who have said over and over again that it is immoral to pass debt on to our children and grandchildren will walk to the floor of this House and they will vote to send $1.5 trillion in debt to their kids and grandkids to give corporations and the wealthiest Americans a tax break.

It is immoral. It is immoral.

## RECOGNIZING THE FREEDOM 5K FOR PTSD

(Mr. THOMPSON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON of Pennsylvania. Mr. Speaker, I rise today to highlight an exciting event at Penn State that raises awareness about veterans who suffer from post-traumatic stress disorder.

The Freedom 5K for PTSD is the brainchild of some of Penn State's cadets. Nicholas Pisciotta organized the 2016 run, and Joshua Stein organized this year's event.

Mr. Speaker, these dedicated cadets said they felt it was important to take care of the men and women who have fought for our country and are still fighting for the freedoms that we enjoy today.

The proceeds from the event support the Lone Survivor Foundation, which provides support for wounded servicemembers, their spouses and children, by empowering them with helpful information on how to address post-traumatic stress, mild traumatic brain injury, chronic pain, military sexual trauma, and care partner stress.

The Freedom 5K also honors the spirit of Navy SEAL Lieutenant Michael Murphy, a Penn State alumnus, who made the ultimate sacrifice as part of Operation Red Wings.

Mr. Speaker, I commend these current and future servicemembers for not only organizing this impactful event, but for caring about their fellow military men and women.

□ 1215

## HOUSE DEMOCRATS CONTINUE TO FOCUS ON BETTER JOBS, BETTER WAGES, AND A BETTER FUTURE

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute.)

Mr. JEFFRIES. Mr. Speaker, while House Democrats continue to focus on better jobs, better wages, and a better future for the American people, House Republicans have put forward a phony, fraudulent, and fake tax reform plan.

The Republican tax scam will raise taxes on 36 million middle class families, undermine Medicare, and explode the deficit. It will saddle our children and grandchildren with more than $1 trillion in additional debt simply to pay for massive tax cuts for millionaires, for billionaires, for special interest corporations, and for the privileged few.

It is all being done simply to subsidize the lifestyles of the rich and shameless. It is a Ponzi scheme. It is a heat-seeking missile aimed directly at middle class families. It is a flimflam, and it must be defeated.

## CONSTRUCTION TO LOWER YELLOWSTONE INTAKE PROJECT MUST BE COMPLETED

(Mr. GIANFORTE asked and was given permission to address the House for 1 minute.)

Mr. GIANFORTE. Mr. Speaker, for 110 years, the Lower Yellowstone Intake Project has provided a dependable supply of water to over 58,000 acres of family farms in Montana and North Dakota. It has created over 10,000 acres of wildlife habitat.

To protect the endangered pallid sturgeon, Congress funded a bypass channel and weir improvement so that the fish could circumvent the diversion that had been there for 110 years. The proposed construction would also protect regional groundwater, the environment, and agricultural communities.

Unfortunately, a U.S. district judge blocked the project this summer because, as he claims, it does nothing for the sturgeon. His ruling to halt construction does nothing to help the sturgeon. His ruling does nothing to help the communities that rely on the project's irrigation water.

I urge the Army Corps of Engineers to move forward with the work on the Lower Yellowstone Intake Project. The completion of this project is urgent to protect species' habitats and agricultural activities in Montana.

## THE STORY OF HUGO FROM SALEM, OREGON

(Mr. SCHRADER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHRADER. Mr. Speaker, I rise today to share the story of Hugo from Salem, Oregon, and I continue to urge Speaker RYAN to put forth a clean Dream Act.

Hugo is an undocumented Oregonian originally from Veracruz, Mexico. His only memory of Mexico is saying goodbye to his parents as a child before leaving for Salem.

In high school, Hugo played football, he was a JROTC commander, a youth police cadet, and a firefighter explorer. He quickly moved from ESL into honors classes, and graduated at the top of his class. Hugo earned the privilege of delivering the commencement speech at his graduation.

All of this, along with his dedication to community service, led to the city of Salem recognizing Hugo as Youth of the Year.

Because of Hugo's immigration status, however, after leaving high school, his only job was a field hand. That is until DACA.

Hugo was able to enroll at the University of Oregon, working multiple jobs to pay for his tuition, and earned his bachelor's degree in economics. He now works as a banker, and volunteers as a teacher in financial literacy for families. But in 10 months, his work permit will expire.

Mr. Speaker, let's protect 800,000 DACA recipients across this country, like Hugo.

## THE 21ST CENTURY FLOOD REFORM ACT IS NEEDED REFORM

(Mr. OLSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLSON. Mr. Speaker, a wise man said that insanity is doing the same thing over and over and expecting a different result.

The definition of public bankruptcy is not having enough public taxes to pay public debts.

This means that the current National Flood Insurance Program is both insane and bankrupt. It is insane because taxpayers pay when others' homes are flooded. They pay again when the same homes are flooded a second time and a third time and a fourth time.

The GAO confirmed that the National Flood Insurance Program has created a flood of taxpayer debt; $23 billion in March of 2016. Three recent major hurricanes on the Gulf Coast doesn't help.

Because Texas 22 had record floods when Hurricane Harvey hit in May, I was proud to be one of 237 Members to vote for needed reform, the 21st Century Flood Reform Act.

Mr. Speaker, I urge my Senate colleagues to do the same. Give America a Christmas present before Santa Claus comes to town.

## LET'S WORK TOGETHER TO CRAFT A TAX REFORM BILL

(Ms. TSONGAS asked and was given permission to address the House for 1 minute.)

Ms. TSONGAS. Mr. Speaker, tomorrow the House will vote on H.R. 1, the so-called Tax Cuts and Jobs Act, which Republicans say will support America's middle class. Unfortunately, that is not the case.

Middle-income Americans will receive, at best, one-fifth of the promised benefit of these tax cuts.

According to the nonpartisan Tax Policy Center, H.R. 1 will raise taxes on 36 million hardworking middle class American households.

It scraps benefits our families depend on, like the student loan interest and medical expense deductions. Imagine, in a time when access to higher education is critical to a family's economic well-being, making it even more expensive.

This legislation was written behind closed doors, in secret, without Democratic input and without any hearings.

Mr. Speaker, a bill to overhaul the Tax Code, the results of which will affect every American for decades to come, deserves open and transparent consideration. I urge my colleagues to work together to instead craft a tax reform bill that truly lifts up the middle class and invests in our future.

## THANKFUL FOR CHANGE

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, as we approach Thanksgiving 2017, I am thankful for the change since election 2016 and the positive success of President Donald Trump and Vice President MIKE PENCE to cut taxes to create jobs.

In the House, led by Speaker PAUL RYAN, there have been records set on productivity. As of this week, there have been 458 bills passed out of committee, more than the last five administrations; 407 bills passed out of the House, more than the last five administrations; and 82 bills signed by the President. There is progress for limited government and expanded freedom.

President Trump has also restored trust in America as a beacon for freedom with his strong friendship with Prime Minister Benjamin Netanyahu of Israel, Prime Minister Shinzo Abe of Japan, and President Emmanuel Macron of France. He has championed liberty with 50 Muslim nations in Saudi Arabia, with stunning tributes in Warsaw and with the National Assembly in Seoul this week.

President Trump's success in creating jobs is clear with the Dow Jones, achieving 50 new highs and soaring. Consumer confidence is at a record high, establishing 261,000 new jobs in October alone.

Mr. Speaker, in conclusion, God bless our troops, and we will never forget September the 11th in the global war on terrorism.

## THE GOP TAX PLAN

(Mr. CICILLINE asked and was given permission to address the House for 1 minute.)

Mr. CICILLINE. Mr. Speaker, my Republican colleagues have gone too far. Their tax scheme gives $1.5 trillion in tax cuts to millionaires and billionaires as well as wealthy corporations. It raises taxes on 36 million middle class families; makes deep cuts to Medicaid and Medicare, education, and infrastructure investments; and creates more incentives to ship American jobs overseas.

Now they are planning to sneak in a provision that targets the heart of the Affordable Care Act and strips more than 13 million Americans of their access to healthcare. This is not a tax reform plan. It is a tax scam.

Democrats and Republicans should be working together to fix an economy and a Tax Code that is rigged against working people. The American people need real tax reform that invests in middle class families, stops corporations from shipping jobs overseas, and protects Medicare and Medicaid and other vital investments in healthcare, education, and infrastructure.

Mr. Speaker, this bill does just the opposite. It deserves to be defeated, and the American people deserve a better deal.

## RECOGNIZING THREE NATIONAL BLUE RIBBON SCHOOLS IN MICHIGAN

(Mr. BISHOP of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BISHOP of Michigan. Mr. Speaker, I am honored to be here today to recognize three National Blue Ribbon schools in my district.

Each year, the Department of Education recognizes some of the top schools from across the United States. The Blue Ribbon award is a remarkable achievement that recognizes the outstanding work done by exceptional educators and the hard work of dedicated students.

I would like to congratulate Hamlin Elementary School; Brewster Elementary School; and my own alma mater, Rochester Adams High School, for being recognized as being some of the best educational institutions there are.

I know this personally, as two of my children attend Rochester Adams High School. From my experience with these schools, what sets them apart is the teachers don't wait to generate enthusiasm for learning. Each and every student is empowered to do things for themselves, to take on challenges, to push their minds, and to think of things in different ways.

All of these schools are exceptional and are filled with the love of learning and are devoted to preparing students for all stages of life. All three schools serve the Rochester community and my hometown of Rochester.

Mr. Speaker, congratulations again to all these outstanding schools. Their selfless devotion to their students is something for which we all can take to heart. Our children are our future, and these Blue Ribbon schools are committed to making it a bright one.

## ROLLINS DEMOCRACY PROJECT IS A SUCCESS

(Mrs. MURPHY of Florida asked and was given permission to address the House for 1 minute.)

Mrs. MURPHY of Florida. Mr. Speaker, in a nationwide competition, Rollins College achieved one of the highest student voter turnout rates in the 2016 Presidential election.

I want to recognize the hardworking students and faculty at the Rollins Democracy Project for this accomplishment, which reflects the school's commitment to preparing the next generation of engaged citizens and global leaders.

As Justice Brandeis once observed, the only title in our democracy superior to that of President is the title of citizen.

Our democracy withers when our citizens are disengaged from and cynical about the political process. However, it is strongest when our citizens are engaged and informed. Our democracy works best when our citizens use their voice and their vote to hold elected leaders accountable. It thrives when our citizens understand that, while the right to vote is sacred, it is only powerful if it is exercised.

Mr. Speaker, that is why what this school accomplished is so important and why I am so proud to represent Rollins College in Congress.

## IT IS TIME FOR CONGRESS TO REPEAL OBAMACARE'S INDIVIDUAL FORCED MANDATE

(Mr. HARRIS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. HARRIS. Mr. Speaker, I rise today to praise President Trump and my Republican colleagues in the House and Senate for coming together to develop the first major tax reform plan that our Nation has seen since 1986.

The Tax Cuts and Jobs Act we are considering is going to deliver real tax relief to middle class families and small businesses.

However, there is more work to be done. Here in the U.S., we don't settle for good enough. Congress can make the Tax Cuts and Jobs Act even better for the American people by including a repeal of ObamaCare's individual mandate.

No American should ever be forced to purchase something that they don't want. That is not freedom. That is not the American way. For 3 years now, Federal Government bureaucrats have forced Americans to purchase insurance they can't afford and don't want.

Mr. Speaker, it is time for Congress to repeal ObamaCare's individual forced mandate.

□ 1230

## DEPORTATION OF VETERANS

(Mr. TAKANO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAKANO. Mr. Speaker, most Americans would be outraged to learn that hundreds, if not thousands, of veterans have been deported after serving honorably in the United States military, but this is the shocking truth about our broken immigration system.

These unjust deportations of veterans are still occurring. Let me cite the case of Chong Hwan Kim, a South Korean immigrant who has lived in this country since he was 5 years old. In 2009, he was deployed to Iraq and was honorably discharged a year later. Legal permanent residents qualify for citizenship if they serve just one day on Active Duty during a time of war.

Suffering from PTSD and facing the same challenges that many veterans face reintegrating into society, Kim broke the law, and because he never completed the process of becoming a citizen, he currently awaits deportation.

Veterans like Chong Hwan Kim deserve better. They deserve the dignity and respect that we afford to all who serve, and they deserve to enjoy the rights they risked their lives to protect.

## HONORING MAGGIE McNEILL OF ASHE COUNTY

(Ms. FOXX asked and was given permission to address the House for 1 minute.)

Ms. FOXX. Mr. Speaker, today I rise to salute a brave, dedicated nurse of Ashe County, North Carolina, Mrs. Maggie McNeill.

Recently, the Fifth Congressional District of North Carolina experienced torrential downpours and flooding, causing severe damage to many residents and their property.

Mrs. McNeill, scheduled for her shift at Ashe Memorial Hospital, found her car's path blocked by flood waters and a downed tree. Undeterred by this danger, Mrs. McNeill hiked on foot up a steep hill to her helpful father who gave her a ride to the hospital in time to help deliver two babies.

What a fantastic role model Mrs. McNeill is. She understood she was needed, and she risked herself to get to her patients. She exemplifies the best characteristics of Americans.

Mr. Speaker, I know I speak for many when I say that future generations of the Ashe County community are blessed by Mrs. McNeill's dedication to her calling.

## OPPOSING THE TAX BILL

(Ms. TITUS asked and was given permission to address the House for 1 minute.)

Ms. TITUS. Mr. Speaker, I rise today in opposition to the Republican's tax scam that has been jammed through this Chamber without normal order, without public debate, and without consideration for our Nation's future.

I represent the heart of Las Vegas, a city that was one of the hardest hit during the financial crisis. Many of my constituents are just beginning to recover from the worst financial crisis since the Great Depression, and this tax bill will greatly hinder their progress.

Some 20 percent of my constituents itemize their deductions, the vast majority of whom earn under $75,000 per year. These families will all see a tax hike if this bill becomes law because the deductions for student loans, medical expenses, sales tax, and some mortgages will all disappear.

The sad reality is, they won't just feel the hit on April 15, tax day. They will feel it every single day. The deficit that this bill will create will lead to State and local governments missing out on needed Federal funding, and they will either have to slash vital programs or raise taxes at that level. If the Senate has its way, they will cut Medicare by $25 billion and repeal the ACA. This is not a tax reform. It is a system that will be rigged.

## NATIONAL ALZHEIMER'S DISEASE AWARENESS MONTH AND FINDING A CURE

(Mr. YODER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YODER. Mr. Speaker, I rise today to recognize the month of November as National Alzheimer's Disease Awareness Month and to highlight the need for continued funding to find a cure.

In 1983, when President Reagan designated this month to help raise awareness for Alzheimer's, there were less than 2 million Americans who suffered from this disease. Today, there are nearly 5.4 million Americans with Alzheimer's.

Finding a cure to this disease is a smart health policy decision we can make, and it might also be the most critical economic proposal. The cost of caring for Alzheimer's patients in the U.S. was estimated to be $236 billion in 2016, which is more than $200 billion greater than the total funding for research provided by the NIH for all diseases.

Investments in research have led to some great news in Kansas. The University of Kansas announced that it will participate in the trial of a new drug intended to prevent or delay Alzheimer's. Further, KU researchers are continuing to work on other preventative studies.

Mr. Speaker, as we must continue to provide resources that we need to find a cure for this disease, I am proud of the work being done at KU and across the Nation. We will continue to be relentless in our fight to cure Alzheimer's.

## DEPORTED VETERANS

(Mr. VARGAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VARGAS. Mr. Speaker, I rise today on behalf of veterans of the United States Armed Forces who have been unceremoniously deported.

In the 1990s, the immigration law changes eliminated judicial discretion and reclassified many low-level, nonviolent offenses as aggravated felonies mandating deportation. As a result, the United States has banished an unknown number of veterans. In many cases, these were minor offenses committed by veterans who succumbed to the difficulties of readjusting to civilian life.

Many are combat veterans who sustained physical wounds and emotional trauma in conflicts going back to the war in Vietnam. This banishment effectively denies these men access to often critically needed medical care.

Regardless of immigration status, all U.S. military veterans are entitled to treatment at the Department of Veterans Affairs medical facilities, yet very few of these deported veterans are granted the necessary waivers to access the care either in the States or abroad.

In fact, most of these veterans, the only way they are going to return is in a box, dead, because they do have the right to be buried in a veterans' cemetery. Let's do the right thing and bring these veterans home so they can get the care they need.

## INDIVIDUAL TAXES WILL NOT GO UP

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, I want to share with you a letter that was received in the Rules Committee last night.

It is a letter actually addressed to Chairman KEVIN BRADY of the Ways and Means Committee. It is from the Joint Committee on Taxation. It is a long letter. I will not read all of it. Some of it is difficult to understand, but let me pick out the important points.

In each case, the taxpayers' total income tax liability is lower. Here is their concluding paragraph:

In its totality, the combined effect of the tax rate and the income threshold and amendments made by the bill, along with the increase in the standard deduction, would not, in and of themselves, result in an increase in the amount of tax imposed on virtually any filer as a result of these changes.

Translation: no one's taxes go up; not 36 million; not 3,600; not 36. According to the Joint Committee on Taxation, that number is zero, Mr. Speaker.

## SAVE HEALTHCARE, REJECT REPUBLICAN TAX BILL

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, this wretched Republican tax bill threatens the health of millions. That is why Republicans are rushing this sham through in record pace. They want to pass it before most Americans know what has hit them.

It is amazing that, on this Alzheimer's Awareness Month, they celebrate it by imposing a new Alzheimer's tax. Families paying thousands of dollars to care for a loved one would lose the right that they have today to deduct those huge expenses. It is not just a tax on Alzheimer's, but on any substantial healthcare expense.

As if that were not bad enough, they pursue with their fanatical zeal the destruction of ObamaCare. Again, they would remove one of the key pillars that will lead to denying coverage for those with preexisting conditions because their insurance premiums will soar.

It will mean that millions of Americans will lose their healthcare coverage. Protect your health. Reject this sorry Republican tax bill.

## BRING DEPORTED VETERANS HOME

(Mr. CASTRO of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CASTRO of Texas. Mr. Speaker, I rise today to thank all those who have served our great Nation in the Armed Forces. On Veterans Day, we reflected on the sacrifices these brave men and women have made to keep us safe. Yet few Americans realize that U.S. citizenship is not required for military service, and even fewer know that our Nation has gone as far as deporting veterans.

My colleagues and I in the Congressional Hispanic Caucus visited the Deported Veterans Support House in Tijuana, Mexico, to learn more about this issue. We heard stories about their service, deportation, and separation from family members.

Ivan Ocon was born in Mexico and came to the United States when he was 7 years old. He enlisted in the Army after high school, ''to serve the only country he knew to be his home.'' Ivan deployed to Iraq, Jordan, and Korea and received an honorable discharge. Ultimately, he was deported to Mexico and had to leave his family behind, including his U.S.-born daughter.

Congress can and should pass legislation that brings these deported veterans home.

## HONORING THE LIFE OF STEVEN BERGER

(Mr. KIHUEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIHUEN. Mr. Speaker, today I rise to remember the life of Steven Berger, a loving son, brother, and father of three. Growing up in Wisconsin, Steven was active in many sports. At 6′6″, Steven was a standout basketball player in high school and later played in college.

Steven lived in Minnesota where he worked as a financial adviser and was a loving father to his three children. His friends and family describe him as charismatic, full of energy, and larger than life—the type of man who breathed life into every room.

He was also an avid fisherman and loved talking about stocks and competitive sports.

Steven traveled to the Route 91 Harvest music festival in Las Vegas with friends to celebrate his 44th birthday.

Mr. Speaker, I would like to extend my condolences to Steven Berger's family and friends. Please know that the city of Las Vegas, the State of Nevada, and the whole country grieve with you.

## COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
*Washington, DC, November 15, 2017.*

Hon. PAUL D. RYAN,
*The Speaker, House of Representatives, Washington, DC.*

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on November 15, 2017, at 11:34 a.m.:

That the Senate passed S. 534.

With best wishes, I am,

Sincerely,

KAREN L. HAAS.

## PROVIDING FOR CONSIDERATION OF H.R. 1, TAX CUTS AND JOBS ACT, AND PROVIDING FOR PROCEEDINGS DURING THE PERIOD FROM NOVEMBER 17, 2017, THROUGH NOVEMBER 24, 2017

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 619 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 619

*Resolved,* That upon adoption of this resolution it shall be in order to consider in the House the bill (H.R. 1) to provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018. All points of order against consideration of the bill are waived. In lieu of the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115-39 shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto, to final passage without intervening motion except: (1) four hours of debate equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions. Clause 5(b) of rule XXI shall not apply to the bill or amendments thereto.

SEC. 2. Upon passage of H.R. 1, the amendment to the title of such bill recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

SEC. 3. On any legislative day during the period from November 17, 2017, through November 27, 2017—

(a) the Journal of the proceedings of the previous day shall be considered as approved; and

(b) the Chair may at any time declare the House adjourned to meet at a date and time, within the limits of clause 4, section 5, article I of the Constitution, to be announced by the Chair in declaring the adjournment.

SEC. 4. The Speaker may appoint Members to perform the duties of the Chair for the duration of the period addressed by section 3 of this resolution as though under clause 8(a) of rule I.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), my dear friend, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

□ 1245

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, I want to start by saying that I would offer my thanks and collegial admiration and respect to the members of the Rules Committee who, last night, once again, on an expedited basis, spent time devoted to the duty that they have not only to their party, but also to the House of Representatives acting on behalf of the American people.

The gentlewoman, Ms. SLAUGHTER; the gentleman, Mr. HASTINGS; the gentleman, Mr. POLIS; and certainly our friend from Worcester, Massachusetts, the gentleman, Mr. MCGOVERN, conducted themselves not only in the highest of spirit, but they also produced what I believe was a fair argument, a product that they could be proud of. Each of the witnesses that came before us, including Democratic Members of Congress and Republican Members of Congress, provided, I believe, top-notch testimony and information on behalf of their ideas.

I personally want to thank Judge HASTINGS for his time last night, which was late into the night, and today. My admiration and respect for his collegial activity is to be respected and appreciated.

Mr. Speaker, I rise today in support of this rule and the underlying legislation. The rule provides for consideration of H.R. 1, the Tax Cuts and Jobs Act.

Last November, the November which was 1 year ago, the American people spoke, and they spoke clearly. I believe they stood up and demanded change and action on our economy. They demanded an increase in understanding about America's lack in GDP growth, and they saw all across the country companies that continue to move overseas. They saw movement in our economy where people moved from one State to another seeking better opportunities.

I believe that the American people have spoken. We not only heard that, but we are trying to make decisions now that would not only help every single area of the country by picking those businesses that might be in the city, in the town and location that they want to be, but by infusing them with the opportunity to stay, to stay because they can not only make a go of it, but they can be competitive in the world market.

Lowering tax rates in this country will help the middle class of this country. It will help jobs and job creation. That is why we are here today. We are here today as a Republican Party where we are trying to work with the President of the United States, the United States Senate, and the House of Representatives to speak clearly about not only what we stand for, but our hopes and dreams for a better opportunity for all Americans tomorrow and in the future.

Mr. Speaker, the Tax Cuts and Jobs Act delivers on those promises that I just spoke of. This is a bold, progrowth bill that will overhaul our Tax Code and unleash the free enterprise system not just in my home State of Texas or in my city of Dallas, but, really, everywhere where business wants to be, it can flourish in an unfettered way because we are now going to be competitive. It lowers tax rates on all businesses of all sizes so job creators can focus on not only their product and sales, but they can hire more people, increasing paychecks and growth.

Growth actually is the key to what we are talking about today. Economic growth brings abundant opportunity: opportunity for people not only to have a job, but to have a career, control their own lives and make sure they can live where they want to live and so they can make their community stronger. That is this Republican viewpoint of what we are trying to get at, Mr. Speaker.

With the highest corporate tax rate in the industrialized world, today's broken Tax Code here in America forces many businesses to move their jobs, research, and headquarters overseas seeking opportunities in a world environment of competition where they can survive and they can become more competitive. A corporate tax rate of 20 percent encourages American companies to bring their jobs back to the United States, opening up opportunity. This decrease is fundamental to making the United States more competitive once again.

The number one reason why America is not competitive in the world is no longer because of energy costs; it is no longer because we have the highest priced employees, no, sir. It is because Uncle Sam, State, and local taxes make it noncompetitive, which creates a higher cost as we compete around the globe.

This legislation will modernize the international Tax Code, also bringing back opportunities for American companies that want to bring their profits back home and encourage U.S. businesses to bring foreign earnings home, unleashing what will be, over some period of time, trillions of dollars that can come back home.

It reduces the tax burden on all pass-through businesses regardless of their structure or their sector. This legislation provides tax relief for job creators and creates capital investments, investments that will drive growth, once again, of paychecks and opportunities for growth. The Tax Cuts and Jobs Act is a direct and immediate boost for middle-income Americans who have been struggling to get by, let alone get ahead.

Mr. Speaker, you will hear today how we are going to have a new tax bracket. All Americans until they, as individuals, earn $12,000 and two working people at home earning $24,000 worth of income will not pay tax on that. It is intended entirely to help the middle class of this country.

H.R. 1 is about the entrepreneur, the family of four, the small-business owner, and the American people. The United States is already the greatest place in the world to live. We are proud to be Americans. But we have to be competitive in the world marketplace.

Mr. Speaker, 70 percent of the tax benefits in this legislation go directly to the middle class. The American people want and need, I believe, to learn not only more about this bill, but how it will incentivize them to Make America Great Again.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very pleased that the gentleman from Texas, my good friend, yielded me the customary 30 minutes for debate.

Once again, my Republican colleagues have decided that the best way to govern is through obfuscation, mathematical gimmicks, and a rushed and closed process, and all in an obvious attempt to hide from the American people the devastating consequences the Republican-led tax scam bill will have on working class and middle class Americans.

Just so we are all crystal clear on this point: Who, under this tax bill, benefits on the backs of working and middle class Americans? Yes, folks, it is the wealthy corporations and the richest among us.

The Republican majority has made lofty claims about their bill, saying that because of this legislation, everyone gets a tax cut, jobs will be plentiful, and that the economy will grow exponentially and astronomically. The White House has even said that the tax cuts would result in each household receiving an additional $5,000 to $9,000 in annual income.

Mr. Speaker, it seems there isn't anything that Republican leadership won't say to get their own Members to vote for this bill.

Mr. Speaker, they can make all the claims they want, but the actual tax experts who have analyzed this bill paint a much darker picture about the consequences of this legislation. According to one nonpartisan tax analysis, today's Republican plan will result in a tax increase for 38 million middle class Americans.

Not to worry, though. While these hardworking middle class families have to deal with the tax increase, the richest 0.2 percent of Americans will get a windfall. In fact, the estate provision in this bill alone would allow the heirs of just 11 ultrawealthy individuals to pocket up to $67.5 billion. An estimated 80 percent of the tax cuts in this legislation will go to wealthy corporations and the richest 1 percent.

Mr. Speaker, even more astonishing, a recent analysis by the nonpartisan Congressional Budget Office indicates that this Republican tax bill could trigger automatic cuts to mandatory spending to the tune of $136 billion, including $25 billion in the Medicare cut.

Let that sink in, because actually what is getting ready to happen here is we are going to have a $1.5 trillion deficit, and these deficit hawks on the other side are then going to turn right back around and say that we need to pay for these things. Then watch out Medicare, Social Security, and Medicaid, because that is the objective, in my view, in the first place.

In order to cut taxes for the ultrawealthy and corporations, my Republican colleagues are not only raising taxes on the middle class, but are now potentially triggering a $25 billion cut to Medicare.

If this inequity were not staggering enough, Americans also have to keep in mind that today's Republican tax giveaway to corporate America and the ultrawealthy is not only on the backs of the middle class, but also future generations, as this bill will explode our national debt by an estimated $1.5 trillion over the next 10 years.

Not surprisingly, Republicans are making the tired excuse that these cuts will pay for themselves. If they did, then we would have the easiest jobs in the world. Just cut taxes, and magically we will have even more revenue to pay for the important needs of our country. That sounds a lot like the old trickle-down-which-never-worked economics. It sounds that way to me, and we all know that as far as economic theories go, that one was and is a complete and total dud.

Mr. Speaker, to summarize the majority's attempt to overhaul our Tax Code for the first time in 30 years: they raise taxes on middle class Americans, cut taxes for the wealthiest Americans and corporations, and manage to explode the debt all at the same time—all this while also leading the most closed Congress in history and shutting out Members of Congress who represent nearly half of the American people.

Hear that, America: a lot of your Representatives had no opportunity to say or do anything regarding the measure that we are discussing.

Mr. Speaker, let us step back and really get a full view of how callous this bill is for our Nation by looking at how the bill treats middle class Americans versus its treatment of the ultrawealthy and corporate America.

Under this Republican tax scam bill, a working class schoolteacher who buys supplies for his or her students would not be able to deduct that expense, but a corporation that buys supplies for itself would be able to use such a deduction.

Under this Republican tax bill, a middle class homeowner would see their property tax deduction capped at $10,000, but a corporation would not face the same cap.

Under this Republican tax bill, if a worker was forced to relocate for his or her job—footnote there, including the military—because the company moved or, in the case of the military, they were relocated, he or she would not be able to deduct that moving expense; but if a corporation decided to relocate, even to relocate overseas, it will be able to deduct its moving expense.

Mr. Speaker, the list goes on. But we shouldn't be surprised. As the old adage goes, bad process makes for bad policy.

Not since the Republicans' failed attempt to strip healthcare away from millions of Americans have we seen a process that is this bad.

Take, for example, the last time Congress passed major tax reform legislation in 1986 and what that process looked like. During that effort, the Ways and Means Committee held a month of public hearings and took testimony from over 450 witnesses.

□ 1300

The legislation before us now has had no—zero—public hearings and testimony from no—zero—expert witnesses.

During the last tax reform overhaul, the Ways and Means Committee spent 26 days marking up the framework of the legislation. This time around, Republicans spent only 4 days marking up the legislation.

The 1986 legislation framework was released a year before it was passed in the House. In contrast, the framework for this bill was released less than a month before they started today's process of jamming their final bill through the House. There were no hearings and no amendments made in order. From start to finish, there was less than a month of actual consideration.

Much like the majority's rushed healthcare processes that produced an abysmal, destructive bill that would hurt working class Americans, this rushed process has produced a tax bill that benefits corporations and the wealthiest Americans, all while managing to raise taxes on the middle class and adding $1.5 trillion to the deficit.

Mr. Speaker, the Republican majority is lurching from one bad bill to the next with speed—not thoughtful policy—seemingly being the only goal. It begs the question: What is the rush?

As a matter of fact, I don't even think we need a tax bill of this consequence. According to them, the economy is roaring, unemployment is low, interest rates are low. So what is wrong with certainly leaving the wealthy in the category that they are in?

Why are my Republican colleagues setting an arbitrary deadline of passing a tax bill by Thanksgiving, instead of focusing on thoughtful policy and getting the substance right in a bipartisan fashion?

Everyone agrees that we need to do something about the Tax Code. Democrats have been ready to work with Republicans on this effort, but have been shut out of the process at every turn. Why?

The only logical conclusion is that this has nothing to do with policy and everything to do with politics. It has nothing to do with helping the middle class, but instead is a callous political maneuver aimed at salvaging a stalled and ever-failing Republican agenda.

We are about to end the year with nothing having been done of consequence. Mr. Speaker, don't take my word for it. This conclusion is not based on my own opinion. Some of my Republican colleagues have admitted as much.

When asked about the need to move on to tax reform quickly, one of my esteemed colleagues on the other side of the aisle was heard to say: ''My donors are basically saying, 'Get it done or don't ever call me again.' ''

Likewise, on the other side of the Capitol, one Republican has stated that, if the Republicans fail on tax reform, just as they did on healthcare, financial contributions will stop.

Mr. Speaker, I don't think politics should dictate our efforts to reform something as significant as the Tax Code. Our guiding light should be to help working folks get a leg up. The only way to do that is to work in a bipartisan, deliberate manner, hearing from experts and the American people, as they did in 1986, and not as my Republican friends have done this time around, spending a mere 3 weeks, with no hearings, no bipartisan efforts, simply to give us something done before Thanksgiving.

That approach only gets you what we have here before us today: a bill that, in my opinion, does more harm than good to middle class Americans and puts our country further into debt.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the gentleman's observations. We don't have 4½ years to work through the process that he talked about. The American people want and need something done right now.

I say to the gentleman that he is right, the economy is roaring—and it has been roaring since the day Donald Trump won the election—with an expectation of performance.

Why are we doing this now? Why at Thanksgiving? Why at the end of the year?

We are going to see that American business, as it makes plans for the future, is going to look up and say: We have got a better shot at keeping jobs here. We have got a better shot at being competitive here.

I think what is going to happen is you are going to see this boom, this big opportunity that is already well underway, to continue. But it is up to us to deliver that. It will be one party. It will be those pesky Republicans that will get it done. We are going to get it done, Mr. Speaker.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BURGESS), a member of the Rules Committee.

Mr. BURGESS. Mr. Speaker, I thank the chairman of the Rules Committee for yielding.

Today, the House of Representatives is considering tax reform for the first time since 1986.

In the last 31 years, the world has changed a lot and it is time that we bring the Tax Code into the 21st century. This needed tax reform will put our country on a path to long-term economic stability and help hardworking families around the country get ahead.

The Tax Cuts and Jobs Act will help American families in important ways. First, it focuses on Americans in the middle of the earning scale by doubling the standard deduction and creating a new family flexibility credit for nondependents. Taxpayers will be able to deduct even more from their taxable income, reducing the need for tedious itemization.

In addition, the bill repeals the alternative minimum tax. This tax was never intended to be as broad as it has become, but because it was not indexed for inflation when it was introduced, many of us find ourselves having to calculate our taxes twice to see if we are ensnared by the alternative minimum tax. It is time for this one to go away.

With decreased taxation, American families have more money in their pockets, resulting in greater contributions to the economy.

The bill also alleviates some of the cost of raising children by expanding the child tax credit. It preserves the adoption tax credit so parents can continue to receive additional tax relief as they open their hearts and their homes to an adopted child.

This bill reduces the number of tax brackets from seven to four, with rates of zero, 12, 25 and 35 percent for most taxpayers. It does preserve the 39.6 percent rate of the previous administration for the highest earners. These reforms will help simplify the Tax Code and make it more competitive for hardworking American families.

I am grateful the Ways and Means Committee kept the step-up in basis, despite repealing the estate tax by 2024. The step-up in basis is an important component of estate planning when people are planning for future generations. This will allow people who may experience a tragedy to continue ownership of family property without bearing excessive penalties.

Mr. Speaker, I am a supporter of the flat tax. I have introduced H.R. 1040 in every term that I have been in office, but I recognize this bill makes a lot of needed reforms and repeals some credits while maintaining those important to American taxpayers.

Donors will still be able to make tax-exempt charitable contributions, employers will still be able to contribute to 401(k) retirement savings accounts, new homeowners will be able to deduct the interest expense on up to $500,000 of a mortgage, and no changes are made as to Social Security.

I was actually hoping we could lower Social Security taxes. We couldn't. But we certainly do not increase Social Security taxes, despite what some of the fake news says.

Students will continue receiving a credit through the consolidated American opportunity tax credit.

Simply put, this bill will promote growth at middle-income levels, create a more favorable business environment, and continue important tax credits.

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. WELCH), a member of the Rules Committee.

Mr. WELCH. Mr. Speaker, I have a question for my colleagues: What do you have against students?

This tax bill means that if an employer provides tuition assistance, the student is going to have to pay income tax on that. Students who borrow money for school have to pay interest on the loan. Students who want to get low interest rates are going to have to pay high interest rates because of the elimination of the private activity bond.

The second question I have is this: What do you have against democracy?

This bill was written in secret. There were no public hearings on this bill. Nobody had a chance to have any input. That is why, if you ask 435 Members of Congress, if they want to raise taxes on students, the answer from 435 would be ''no.'' But you have rigged this bill so that we have literally no opportunity to offer a single amendment. That is wrong.

This bill was written by and for the donor class. Let's defeat this bill and stand up for the middle class.

The SPEAKER pro tempore (Mr. YODER). Members are reminded to direct their remarks to the Chair and not to other Members.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. NEWHOUSE), a member of the Rules Committee.

Mr. NEWHOUSE. Mr. Speaker, I thank the chairman of the Rules Committee, my friend, for yielding.

Mr. Speaker, I rise today in strong support of this rule as well as the underlying legislation, H.R. 1, the Tax Cuts and Jobs Act.

This legislation demonstrates a commitment to my constituents and all of the American people to provide relief.

Our current Tax Code contains over 70,000 pages of rules and provisions. Within these pages are hundreds of loopholes and carve-outs that only special interests can fully understand and access.

At the very core of this legislation is a matter of fairness. By passing this rule and supporting the Tax Cuts and Jobs Act, we will be making a profound reform of our Tax Code toward a system that is simpler, flatter, and fairer to American families across the country.

According to analysis by the Tax Foundation, which is an independent, nonpartisan tax policy nonprofit, this legislation would stimulate GDP growth up to 4 percent and provide more than 3 percent of a wage increase.

In my home State of Washington, it is projected that almost 22,000 new jobs will be created and a middle class family in my State is projected to gain over $3,000 in after-tax income, should this bill be signed into law.

This means real and significant economic growth, with tens of thousands of new jobs in my State alone, and more money staying in the pocket of central Washingtonians.

Mr. Speaker, I have been disappointed in the dialogue surrounding this legislation from my colleagues on the other side of the aisle. The accusations that this will be a massive tax hike on the middle class are patently false.

Unfortunately, these claims are being made by Federal officials right here in Washington, D.C., all the way to my State capital in Washington State.

In my congressional district, over 80 percent of the people file their taxes using the standard deduction. This bill actually doubles the standard deduction for middle class families and for all Americans. This allows families I represent in Moses Lake, Omak, and Tri-Cities to save more money on their tax bill without having to jump through complicated loopholes and pore over their tax preparations for hours. However, my colleagues on the other side of the aisle refuse to acknowledge that fact.

This bill lowers individual tax rates for low- and middle-income Americans and continues to maintain the highest rate of 39.6 percent for the wealthiest of Americans. It eliminates special interest deductions, expands the child tax credit, establishes a new family credit for families taking care of a loved one, and it preserves the adoption tax credit.

It allows a small business in Othello or a farmer in Yakima to immediately write off the full cost of new equipment. It repeals the unfair estate tax, which hurts family farms and small businesses.

Mr. Speaker, the American people need relief, the people of central Washington need relief, and this bill provides it. I proudly rise in support of the bill.

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. DOGGETT), a member of the Ways and Means Committee. He happens to be a Democrat, so he didn't have much input here. He is the distinguished ranking member of the Ways and Means Subcommittee on Tax Policy.

Mr. DOGGETT. Mr. Speaker, only 1 minute?

Well, one minute is longer than all of the hearings that have been held by

Republicans on this sham of a tax bill that is so very broad in impact and so shallow in analysis.

Only one minute?

That is more than all of the Trump Administration officials who did not have the courage to come and face our committee and be questioned about this lousy proposal.

□ 1315

Mr. Speaker, one minute? That is more time than all of the businesses in America and economists were given to explain the nature of these corporate giveaways.

Why should a tax bill that is so broad get less time than it takes to microwave popcorn? Haste does make waste. This tax plan, born in the shadows and rammed through here 90-to-nothing will lay waste to family budgets, lay waste to affordable healthcare, and undermine our national debt.

This tax scam must be rejected. They want it through here before the American people know what hit them, but if we speak out and remain firm in our resolve, we will defeat this sham of a bill.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. BYRNE), a gentleman who participated for hours in the Rules Committee debate last night and is one of our most valuable young Members.

Mr. BYRNE. Mr. Speaker, those of us in Washington are really good at talking in big general statements that don't mean much to the average American. I want to tell you what the Tax Cuts and Jobs Act will actually do for the families I represent back in southwest Alabama.

According to data from the IRS, almost three-fourths of the tax filers in my district claimed the standard deduction instead of itemizing. Well, under our plan, the standard deduction will be doubled.

Just consider the medium family of four in southwest Alabama. That family earns a little over $77,000 a year. If that family takes the standard deduction, as most do, they will see a tax cut of $1,739 a year. That comes out to almost an extra $150 a month.

Now, that may not sound like real money in Washington, but for families in Bay Minette or Citronelle or Monroeville, that is important. That is extra money for a car payment. That is additional savings for a child's college. That is money to help pay for home repairs. That is real money.

When you add in the fact that we are fixing our corporate and business Tax Code to make it fairer and simpler, then we can truly make America boom again. President Trump has called it the ''middle class miracle.''

By making our Tax Code more competitive, we can unleash our full economic potential, bring jobs back to America, raise wages, and ultimately get more money in the pockets of working Americans. Mr. Speaker, this is exactly what President Trump promised and what the American people sent him and us to Washington to do.

Now, my colleagues on the other side like to say this bill helps the 1 percent, and they vehemently defend the current Tax Code.

You know who benefits from the current Tax Code? The 1 percent—people who can hire lawyers and lobbyists to help them get a special tax break, people who can spend thousands of dollars a year on specialty accountants. If you want to help the 1 percent, then keep the current complicated and confusing Tax Code that only helps the elite and well connected. We can do better than that.

We can pass the Tax Cuts and Jobs Act, we can put more money in people's pockets, and we can unlock America's full economic potential.

Mr. HASTINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, last night, I pointed out to my colleague from Alabama, whom I greatly admire, that he has a number of people claiming medical expense deductions who won't be able to do so under this tax measure. The number of them, in fact, is 22,052, and the total amount claimed under medical expense deduction by them previously was $186 million.

Mr. Speaker, I yield 2½ minutes to the gentleman from Colorado (Mr. POLIS), a distinguished colleague who I sit next to on the Rules Committee.

Mr. POLIS. Mr. Speaker, I rise in opposition to the rule and the underlying bill. When I was growing up, I am sure, like most of us here in this body, I was fortunate to be surrounded by hard-working, dedicated teachers who cared about me, challenged me, and helped me succeed.

Throughout our public schools in any State and across the country, there are teachers who are giving everything they have to help students thrive.

Carolyn, a teacher from Louisville, is a great example. Carolyn shared with me how she spends her own personal money on school supplies for students who can't afford to buy their own. To help mitigate this cost, there is a Federal tax deduction that allows teachers to get back up to $250 of their personal money they put towards supplies in their classroom, but the bill before us denies Carolyn and all of the other teachers that deduction and eliminates the tax benefits in the name of cutting taxes for wealthy international corporations.

This bill also rolls back a critical education tax benefit that allows employers to provide up to $5,250 of tuition assistance, pretax.

In practice, it encourages workforce training and apprenticeship programs. In fact, this very week is National Apprenticeship Week, and yet the Republican tax bill pulls the rug out from under businesses and workers, actually discouraging apprenticeships by stopping this tax benefit.

Mr. Speaker, I was privileged to serve, before I came here, as the chairman of our State Board of Education and school superintendent. I wanted to be the ranking member of the Early Childhood, Elementary and Secondary Education Subcommittee. I have really seen how important these tax benefits are to teachers and students.

I offered amendments last night in Rules to simply restore these important tax credits for children. Unfortunately, in a party-line vote, my amendments were denied.

These damaging provisions are just a small part of the overall harmful, misguided attempt at tax reform. Let us reset and let us begin a bipartisan discussion about tax reform that values education, educators, and kids. For this reason and so many others, I oppose the rule and the underlying bill, and I suggest a ''no'' vote.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what a delight it is for me to stand up and say that, the work we are going to do today, the President of the United States will sign. He is encouraging what we are doing today.

Mr. Speaker, I include in the RECORD a letter of support from the National Federation of Independent Business—that is ''The Voice of Small Business'' in America—and also what is called a Statement of Administration Policy from the Executive Office of the President of the United States.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
*Washington, DC, November 14, 2017.*

DEAR REPRESENTATIVE: On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I am writing in support of H.R. 1, the Tax Cuts and Jobs Act. This legislation will provide much needed tax relief to America's job-creating small businesses. H.R. 1 will be considered an NFIB Key Vote for the 115th Congress.

Small business is the engine of the economy, and tax reform should provide substantial relief to all small businesses so they can reinvest their money, grow, and create jobs. Ninety-nine percent of all American businesses are small businesses; the average NFIB member has just 10 employees. Taken in sum, however, small businesses create half of all private-sector jobs in the U.S. and contribute half the nation's gross domestic product.

Three-quarters of small employers are structured as pass-through entities, meaning their owners are taxed at the individual rate as opposed to the corporate rate. Crucially, H.R. 1 reduces the tax rate on the smallest pass-through businesses to 9 percent over five years, without industry exclusions or restrictions.

NFIB supports passage of H.R. 1 and will consider it an NFIB Key Vote for the 115th Congress.

Thank you for your consideration. We look forward to working with you to protect small business.

Sincerely,

JUANITA D. DUGGAN,
*President & CEO, NFIB.*

STATEMENT OF ADMINISTRATION POLICY

H.R. 1—TAX CUTS AND JOBS ACT—REP. BRADY, R–TX, AND 24 COSPONSORS

The Administration strongly supports House passage of H.R. 1, the Tax Cuts and

Jobs Act. Passing the bill is an important first step in achieving comprehensive tax reform that cuts taxes for hard-working families and puts the Nation's economy on a path of higher economic growth. The President's priorities for tax reform have been consistent from day one: (1) cut taxes for middle-income families; (2) simplify the Nation's complicated tax system; and (3) reduce business taxes so that American employers can create jobs, raise wages for their workers, and better compete with foreign businesses.

H.R. 1 would deliver meaningful tax cuts for middle-income families by nearly doubling the standard deduction, lowering tax rates, increasing the child tax credit, and creating a new Family Flexibility credit. It would simplify tax filing so that the large majority of Americans could file their taxes on a single page. The bill would also cut the corporate tax rate to 20 percent—below the average tax rate in the Organisation for Economic Co-operation and Development. Finally, H.R. 1 would lower taxes for millions of S corporations, sole proprietors, and partnerships that pay taxes at individual rates.

Based on a review of more than 100 academic papers, the White House Council of Economic Advisors (CEA) estimates that the corporate provisions in H.R. 1 would grow the economy by between 3 and 5 percent over the next 10 years, which if applied to 2027 Gross Domestic Product projections, would result in an additional $700 billion to $1.2 trillion in economic output per year. CEA also found that the same provisions would increase average household income by at least $4,000 annually.

If H.R. 1 were presented to the President, his advisors would recommend that he sign the bill into law.

Mr. SESSIONS. Mr. Speaker, the President's priorities and tax reforms are consistent and have been from day one.

Tax cuts for middle class families, simplifying the Nation's complicated tax system, and reducing the burden of taxes so that American employers can create jobs, raise wages, and better compete with foreign businesses, that is what we are going to do.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS. Mr. Speaker, it is like old home week from the Rules Committee people.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. MATSUI), a good friend who used to serve on the Rules Committee.

Ms. MATSUI. Mr. Speaker, I rise in opposition to H.R. 1. When I was home last weekend, my constituents shared how devastating this bill would be for them.

A fifth grade teacher, Sarah, talked about how harmful the elimination of the deduction to purchase classroom supplies will be for teachers. She said:

How out of touch do you have to be to cut a tax credit for public school teachers?

A senior citizen, Mark, spoke about how devastating the repeal of the medical expense deduction would be for him and his wife with Alzheimer's.

How can House Republicans justify helping corporations over families in need?

A father, Devin, who works two jobs to support his family, spoke about how he counts on the student loan interest deduction to plan for his future. He said:

All I ask is that Congress keep the promise they made to us. We planned based on the promises they made. I hope they don't break that promise. I hope they don't make life a little bit harder on our families.

How can Republicans defend making the lives of middle class families like his more difficult?

To make matters worse, this bill will explode the deficit and lead to devastating cuts to Medicare. I ask my Republican colleagues to think about the families that will be hurt by this bill instead of prioritizing handouts to billionaires and corporations.

Mr. SESSIONS. Mr. Speaker, I am waiting for a speaker, and I reserve the balance of my time.

Mr. HASTINGS. Mr. Speaker, may I ask how much time I have remaining.

The SPEAKER pro tempore. The gentleman from Florida has 11 minutes remaining. The gentleman from Texas has 12½ minutes remaining.

Mr. HASTINGS. Mr. Speaker, like I said, it is old home week here with the Rules Committee.

Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. CASTOR), another former member of the Rules Committee.

Ms. CASTOR of Florida. Mr. Speaker, I thank my friend for yielding and thank him for being a champion for working families across the country.

Mr. Speaker, I rise today in opposition to the rule and the GOP tax bill because it is so fundamentally unfair. It is unfair that it raises taxes on tens of millions of middle class families while giving huge tax breaks to big corporations and the superrich. It does this, also, by adding over $1.5 trillion to the national debt.

The Center for a Responsible Federal Budget said this is a step backwards for fiscal responsibility, largely because it passes the tab on to our kids and our grandkids. They estimate that that will cost about $12,000 per household, just the debt portion of it—not even a mention.

Here is why middle class families get hurt:

Republicans eliminate the deduction for medical expenses. That is over 630,000 Floridians in my home State.

They eliminate the tax deduction that helps make college more affordable by being able to deduct the interest on your student loan.

They eliminate all these deductions for the middle class and give all the breaks to the superrich and big corporations. It is fundamentally unfair, and I urge a ''no'' vote on the bill.

Mr. SESSIONS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. BONAMICI).

Ms. BONAMICI. Mr. Speaker, I rise today in opposition to this disastrous partisan tax plan that cuts rates for wealthy corporations and millionaires while leading to higher taxes for about 38 million working families.

There is a lot to not like about this bill. It actually eliminates the student loan interest deduction. That will increase the financial burden for about 12 million Americans who are juggling their student loan debt with housing, groceries, and childcare. The cost of higher education is already out of reach for too many. We should be making it easier, not harder for Americans to access higher education.

On top of that, removing the State and local tax deduction threatens funding sources for public education and will most certainly lead to cuts to America's public school budgets.

Mr. Speaker, across the country, families are working hard to get ahead. Let's not take away their opportunity. We need a Tax Code that leads to better jobs, better wages, and a better future for America, for our children and our grandchildren. This bill fails the test, and we should reject it and get back to working together.

Mr. SESSIONS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. EVANS), who served in the Pennsylvania Legislature and was chair of appropriations. He really understands this stuff.

Mr. EVANS. Mr. Speaker, I appreciate this opportunity.

I am not on the Rules Committee or the Ways and Means Committee, but I am on the Agriculture Committee. I think it is extremely important to recognize what Feeding America has expressed about this package.

Feeding America has concluded that H.R. 1 will undermine efforts to assist those who struggle with adequate access to food. I strongly oppose that in a day and age where there is so much poverty and so much hunger across this country.

We need to face up to the fact that we should oppose this because it goes in the wrong direction.

But let's be clear. The people who this bill will affect, too often, do not have a voice. I am here to be their voice. Enough is enough. This horrible bill needs to be stopped, and it needs to be stopped now.

Mr. SESSIONS. Mr. Speaker, I continue to reserve the balance of my time

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the gentlewoman from the District of Columbia (Ms. NORTON), a real champion and a mentor of mine.

□ 1330

Ms. NORTON. Mr. Speaker, a picture is worth a thousand words, so is a graph. Following the blue line, the tax scam works this way:

For average taxpayers, the blue line—the blue line is for blue and red States—shows taxes for individual taxpayers go down for one full year. Then look what begins to happen at 2019. They begin to go up. By 2020, they continue. Follow the blue line for average

taxpayers. Their taxes are continuing to go up, they reach a real high, and steeply go up for the entire 10-year period. For business tax credits, they go down, too. That means business taxes go down. And then they, too, go up.

So the scam shows both look like they are doing the same thing, but 2024 is a dividing line. Then business income taxes plummet, but income taxes for average Americans go up.

Who is paying for these business tax cuts? Individual taxpayers.

Defeat this Republican tax scam.

Mr. SESSIONS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Rhode Island (Mr. LANGEVIN), my good friend.

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise, today, in strong opposition to this House Republican tax bill, which was developed in secret without a single public hearing.

Despite repeated calls for Republicans to engage in a bipartisan process with Democrats, this bill was written without Democratic input and with enormous giveaways to wealthy interests.

It makes you wonder, doesn't it, Mr. Speaker?

To pay for them, Republicans have eliminated critical tax provisions that are important to the middle class—such as deductions to medical expenses, for State and local taxes, for student loan interest, and other expenses—on which middle class families rely. What Republicans can't pay for, they add to the Nation's credit card to the tune of $1.7 trillion.

Mr. Speaker, we are out to support this plan, but most Americans are only given the crumbs of this tax reform pie.

Mr. Speaker, I cannot, in good conscience, vote for this bill. We need a fair and balanced tax reform package that helps everyday Rhode Islanders and that helps everyday Americans get ahead, not just the well-off and well-connected.

Mr. Speaker, I urge my colleagues to oppose this bill.

Mr. SESSIONS. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), a gentleman who serves on the Financial Services Committee and a distinguished young Member of our majority.

Mr. ROTHFUS. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise in support of this rule and the underlying legislation.

The Tax Cuts and Jobs Act we are considering today is the culmination of years of work, years of listening to the concerns of hardworking taxpayers at home, and several elections where the people spoke out for relief from a broken, special-interest laden Tax Code.

Here are the questions we need to be asking today:

Are you tired of the status quo?

Do you think we can do better than the slowest economic recovery since the Great Depression?

Do you want a healthier economy that creates the opportunities that offer you a real chance to get ahead, puts more money in your pocket, and helps you fulfill your American Dream?

If you answered yes to any of these questions, then the Tax Cuts and Jobs Act is for you.

As I travel across my district, I hear story after story from families with nothing left over at the end of the month, who are struggling to save for retirement, pay off loans, or simply make ends meet.

It doesn't have to be this way. There is a better way.

We have a once-in-a-generation opportunity to fix this. We can act now to put more money back into the hard-working taxpayers' pockets, make American business more competitive, and create a much healthier economy.

Americans have toiled under a broken Tax Code filled with loopholes and special interest carve-outs for far too long. This legislation—the Tax Cuts and Jobs Act—is a giant step for everyday Americans looking to get ahead.

This is for the family of four, making $59,000 a year, who can save $1,182 a year in taxes. This is for the single mom, making $30,000 working night and day to support her two children, who will also save more than $1,000 a year in taxes.

Our legislation doubles the standard deduction, so people won't have to itemize their tax returns. It expands the child tax credit from $1,000 to $1,600 and provides a $300 credit for adult dependents living at home. It will create more jobs in Pennsylvania and raise Pennsylvania's families' incomes.

It will bring dollars back to America to be invested in American companies with American workers. It will empower the people of America who want to get ahead, and it will lessen the power of Washington, D.C.

Vote for freedom, vote for prosperity, vote for this rule and this bill.

Mr. HASTINGS. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut (Ms. DELAURO), my good friend.

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to the rule and to the Republican tax scam.

The biggest economic challenge of our time is that too many people who play by the rules are in jobs that do not pay them enough to live on. Wages are not keeping up with rising costs. Too many families today struggle to make ends meet. They have the rising cost of healthcare, of child care, and of housing.

Meanwhile, big corporations, millionaires, and billionaires write the rules to make government work for them—and Republicans are their comrades in arms in rigging the game against the middle class. Enough is enough.

It cuts taxes for the wealthiest Americans, raises taxes on the middle class, and it increases the deficit. And worse, it encourages companies who outsource American jobs. Congress must put middle class families and jobs before corporations that have not been loyal to their employees and to our country. When you outsource jobs, you drive wages down here at home.

Let me mention the child tax credit to you. The Republican proposal leaves behind vulnerable families—military families, rural families, large families, minimum wage workers, and those with the youngest children.

Do not let them get away with this scam. This is not reform. It is tax cuts for the wealthiest, and I oppose it.

Mr. HASTINGS. Mr. Speaker, how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Florida has 5 minutes remaining. The gentleman from Texas has 10 minutes remaining.

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. KELLY), from the Ways and Means Committee. At this time, we are putting the A-team up.

Mr. KELLY of Pennsylvania. Mr. Speaker, I stand in strong support of the rule and the underlying legislation.

Sometimes, in order to understand what is going on in the present and then what could happen in the future, you need to go to the past.

Let me read something from a true Irish-American President who said:

''Our true choice is not between tax reduction, on the one hand, and the avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenues to balance our budget—just as it will never produce enough jobs or enough profits. . . . ''

'' . . . only full employment can balance the budget, and tax reduction can pave the way to that employment. The purpose of cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous, expanding economy which can bring a budget surplus.''

I understand that there are differences of opinion on what we are trying to do, but, please, let's talk about the facts. Let's talk about a piece of legislation that is a rising tide that will lift all boats.

We are going to cut taxes for every American at every income level. We are going to reduce taxes by almost $1,200 for every average-sized, middle-income American family. This puts more money in the pockets of our families. I don't care how they vote or how they registered. They are Americans.

It reduces by almost $2,000 for every average-sized, middle-income family in Pennsylvania's Third District. That is a $2,000 reduction for them.

It will grow our national GDP by 3.6 percent.

It will increase average American wages by 3.1 percent.

In the long run, it will increase after-tax incomes for American taxpayers by 4.4 percent.

I also want you to think about what we talk about back home where I am from. We talk about take-home pay. ''This is my take-home pay.'' In Pennsylvania, Pennsylvanians—Republican Pennsylvanians, Democrat Pennsylvanians, Independents, Libertarians—are going to have about $2,700 more in their pockets after this legislation goes through.

Let's talk about jobs. Nobody spoke better about jobs than President Reagan when he said: It is about jobs, jobs, jobs, and more jobs. What is good for the American worker is good for America.

This will create 1 million new American jobs.

I want you to think about this: In the United States of America, we are now currently rated as the 23rd best country to do business in. The Tax Cuts and Jobs Act will change that. I want you to think about that.

I am a hometown guy; I am a home team guy. It is hard for me to sit back and say that we have allowed ourselves to fall that far in the world when people think: Where should I start that business? Twenty-third, are you kidding me? With all of the assets that we have been given by the Lord? And to sit here today and have an argument over something else other than that doesn't make any sense at all.

What we are trying to do with our tax plan is make sure that the United States just doesn't participate in a global economy, it dominates a global economy, it leads the way in a global economy, it makes American workers stronger, it makes American families stronger, and it allows us to rebuild our military and our infrastructure. It allows everything good to happen.

We cannot stay with the status quo. There is so much good in this bill for every single American. I did not say every single Republican, I said every single American. You can bat that one back and forth and try to make it a political story, but it is not. It is truly an American story. America has never dodged that responsibility.

Now, let me read you one other quote, again, from an Irish-American President, who I hold in such great esteem, and one of the greatest people I have ever listened to. Let me read this to you. It says:

''I do not underestimate the obstacles which the Congress will face in enacting such legislation. No one will be satisfied. Everyone will have his own approach, his own bill, his own reductions. A high order of restraint and determination will be required if the 'possible' is not to wait on the 'perfect.' But a nation capable of marshaling these qualities in any dramatic threat to our security is surely capable, as a great free society, of meeting a slower and more complex threat to our economic vitality. This Nation can afford to reduce taxes, we can afford a temporary deficit, but we cannot afford to do nothing. For on the strength of our free economy rests the hope of all free nations. We shall not fail that hope, for free men and free nations must prosper and they must prevail.''

Think of who it is that we are. This is America's house. Yes, this is a GOP tax plan, but it helps every single American. It is not a blue plan or a red plan; it is a red, white, and blue plan.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SESSIONS. Mr. Speaker, I yield an additional 1 minute to the gentleman.

Mr. KELLY of Pennsylvania. I will challenge you to go home next week for Thanksgiving and tell people all of the positives about this, and say: I am so sorry. I could have voted for that.

It is time now for America to rise to the challenge. As I said earlier, we exist in a global economy. I am tired of being somebody who happened to participate, when we have the opportunity to dominate. Never before, in our history, have we had the chance to change the future for every single American.

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair, not to other Members.

Mr. HASTINGS. Mr. Speaker, I will go home this week and tell people I voted against this horrible bill. And I will wonder if the last speaker would go home and tell the 11,249 people who utilize $131 million in medical deductions who will not have that under this bill, understanding that it could be different if they chose.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. KRISHNAMOORTHI), a newfound friend and a rising star.

Mr. KRISHNAMOORTHI. Mr. Speaker, I oppose the rule and the underlying bill.

This is a tax increase on the middle class, and it drops a ticking tax bomb on the American people. While it falsely claims to provide tax relief for working families and the middle class, in reality, it will raise taxes on 38 million Americans, and it will explode the deficit by over $1.5 trillion.

□ 1345

A typical family in my district in Illinois would see their taxes increase by over $1,100.

According to the CBO, H.R. 1 is so irresponsible, that it will result in an immediate $25 billion cut to Medicare.

Americans recognize that incomes are not keeping pace with the cost of living, and parents question whether their children will have the same opportunities they had.

Our constituents need responsible tax reform that strengthens the middle class and raises wages for working families. They do not need a tax increase, and this bill does just that. It increases taxes on the middle class.

Mr. Speaker, I urge my colleagues to reject this ticking tax bomb.

Mr. SESSIONS. Mr. Speaker, I reserve the balance of my time until the gentleman has closed.

Mr. HASTINGS. Mr. Speaker, I yield myself the balance of my time. I am prepared to close and would advise the chairman of that regard.

Mr. Speaker, a new Quinnipiac poll out yesterday shows the American people aren't falling for the Republican tax scam. Only 25 percent approve of this plan, just 16 percent think it will reduce their taxes, and only 24 percent said the Republican plan will help the middle class the most.

Mr. Speaker, we should listen to the American people, throw this dangerous plan in the trash can, where it belongs, and let's work together on a bipartisan plan to help all Americans.

Mr. Speaker, if we defeat the previous question, I am going to offer an amendment that will prohibit any legislation from limiting or repealing the State and local tax deduction, which prevents millions of families from being taxed twice on the same income.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS. First, my Republican colleagues attempted to jam an abhorrent healthcare bill through Congress. They failed. After that failure, they moved on to today's attempt to jam an abhorrent tax bill through Congress. For the sake of middle and working class Americans, I hope my Republican friends ultimately meet defeat once again.

Mr. Speaker, we set the record with this particular measure of 51 closed rules in this session, the most closed rules in the history of Congress. What that means is a lot of the Representatives who had good ideas, more than 100 of them that offered amendments last night, were unable to be heard because of closed rules.

After this closed, disgraceful process, this Republican majority has presented, in this instance, a piece of legislation that skews tax cuts in favor of the ultrawealthy and rich corporations.

Now, let's make it very clear. Wealthy people shouldn't be disrespected for their wealth, but I don't know any wealthy people who are knocking down my doors, saying that they need a few more thousand dollars. But I know a lot of poor people who need a few hundred dollars, and this particular measure is not doing many of the things that would allow for them to be able to get on that last rung of that ladder and lift themselves up.

I heard the gentleman say a rising tide lifts all boats. They had the Fort Lauderdale International Boat Show,

the largest one in the world, the week before last. All those yachts were lifted, but those little dinghies with the people fishing out in Lake Okeechobee were not lifted one doggone bit by this particular measure.

This bill does so on the backs of middle and working class people and future generations.

With this bill, the former deficit hawk Republican majority would add $1.5 trillion to the debt while potentially triggering $25 billion in cuts to Medicare. I might add that is where they are headed. Look out Medicare, look out Social Security, look out Medicaid.

Mr. Speaker, I urge a ''no'' vote on the underlying bill, and I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to thank my colleague, the gentleman from Florida, Judge HASTINGS, for his exemplary work and the work of his colleagues on the Rules Committee and my colleagues also on the Republican side.

Mr. Speaker, our previous speaker, the gentleman from Butler, Pennsylvania, MIKE KELLY, had it best when he said: '' . . . an economy hampered by restrictive tax rates will never produce enough revenue to balance our budget, just as it will never produce enough jobs or enough profits. Only full employment can balance the budget, and tax reduction can pave the way to that employment.''

What he did not say is—that will be in the record—is that John F. Kennedy said this on December 14, 1962, 55 years ago, in an address to the Economic Club of New York.

Mr. Speaker, in fact, there have been a lot of people here who have given testimony, I think testimony that they intended to sway the voters and those listening in this country that the Tax Code that we have works just fine, but then they spoke about the frailties of that and they talked about jobs going offshore, they talked about jobs and economic activity going somewhere else.

I, being from Dallas, Texas, hear stories every day about people who are coming to Texas, coming to north Texas, coming because of the economic climate that will allow them and their companies to have a better shot at not only being competitive, but, as MIKE KELLY said, to be winners in this economy, at the very top of the heap rather than at the bottom of the heap.

What this common denominator is, is that my State of Texas does do the things that this bill does also. It keeps taxes low, it creates opportunity.

By the way, how many poor people create jobs?

I don't know.

How many of those who really have incentive and entrepreneurship create jobs?

A ton of them.

We are going to grow entrepreneurs out of today. We are going to grow young people getting out of college, veterans leaving the military coming back and seeing where they can make a go of it. Instead of it being a 95 percent failure rate of new business—which is what it is, it is a heavy bar because of rules, regulations, and taxes—we are going to make it easier.

The White House Council of Economic Advisers based their review, as they provided the economic outlook to us, on more than 100 academic papers, estimates that corporate provisions in this tax bill alone will grow our economy, not leave us in 23rd place, as MIKE KELLY said.

Who wants to be in 23rd place?

If you want to be in the top 25 and you are comfortable, sorry.

We want to be at the top. We want to Make America Great Again. We want to be able to say that businesses all over the United States stand a chance, and that is what this does.

The Council of Economic Advisers says that this will grow the economy between 3 and 5 percent.

Whoops. They got comfortable with 1.2 over 8 years. I am not comfortable and the American people aren't comfortable either.

We are going to add some $700 billion to the economy this next 10 years. That is the guess, that is what Republicans want to do, but it is based on a lot of factors, it is based on hard work.

America has the best, most innovative workers in the world. We want to put this together with an opportunity, because we have a great place to be: the United States of America, any of our States. We have the best energy policies in the world and we have the best price. We have the best workers. We have tool kits with our universities. Our industry will grow back and reinvest in themselves.

We are going to take our Tax Code and take what is $5.6 trillion worth of tax areas and move that where it will boost our economy. We will become pro growth again. Yes, we heard that it was John F. Kennedy, it was Ronald Reagan, and it is going to be making America great again.

Mr. Speaker, for that reason, I urge my colleagues to support this rule and the underlying legislation in order to boost middle class Americans.

Ms. JACKSON LEE. Mr. Speaker, I rise to speak in opposition to the Rule for Rules Committee Print 115–39, to H.R. 1, "Tax Cuts and Jobs Act."

The underlying bill will cut funding for programs that the American people need by $5.4 trillion over 10 years.

It will raise the deficit by $2.2 trillion 10 years.

This is bad for America.

The chief motivation for House Republicans brings this bill before the House is to say they had a win before we break for the Thanksgiving Holiday.

This rule if adopted will allow the House to take up consideration of a bill that will cost taxpayers because it:

Eliminates the $4,050 personal exemption allowed to each taxpayer for their self, spouse, and each dependent child;

Raises the lowest individual income tax rate from 10 percent to 12 percent

Reduces the tax rate corporations pay on existing offshore profits from 35 percent to 10 percent; and

Cuts the corporate tax rate paid by large companies.

The Jackson Lee Amendments to Rules Committee Print 115–39 were offered as means of improving the bill:

(1) The first Jackson Lee Amendment would delay the effective date of all revenue-reducing provisions in H.R. 1 until the Secretary of Homeland Security submits to Congress a report certifying that the areas covered by Presidential Natural Disaster Declarations for Hurricanes Harvey, Irma, and Maria have fully recovered economically, as measured by a gross domestic product that exceeds by 10 percent the gross domestic product for such areas in the fiscal year preceding the Presidential Disaster Declaration; and the deficit is zero.

(2) The second Jackson Lee Amendment would delay the effective date of all revenue-reducing provisions in H.R. 1 until the Secretary of Health and Human Services submits to Congress a report certifying that the number of U.S. adults without health insurance has not exceeded five percent for three consecutive quarters; and the deficit is zero.

(3) The third Jackson Lee Amendment preserves current law for deductions of student loan interest and other educational incentive.

(4) The fourth Jackson Lee Amendment preserves current law for taxpayer deduction of mortgage interest.

Our work should be focused on lifting people up and not taking opportunities away.

The $4,700 standard deduction for families will be eliminated by the bill governed by this rule to give a tax cut to corporations.

The recovery from Hurricanes Harvey, Maria and Irma which impacted the Texas, Florida, U.S. Virgin Islands and Puerto Rico have long gone, but the efforts of people to reclaim their lives continues.

These families will need that $4,700.

In the State of Texas Hurricane Harvey is on record as the worst disaster to hit homeowners in the United States with over 148,000 homes and 163,000 apartments just in Houston impacted.

There are still 9,100 families in hotels and are in need of assurance that they will be able to return to their own homes.

We know that the costs of recovery will far exceed any natural disaster in memory.

We should set a national goal for extending health insurance coverage not looking for ways to destabilize the health insurance marketplace.

Because of the Affordable Care Act in the state of Texas:

3.8 million Texas residents receive preventative care services.

7 million Texans no longer have lifetime limits on their healthcare insurance.

300,731 young adults can remain on their parents' health insurance until age 26.

5 million Texas residents can receive a rebate check from their insurance company if it does not spend 80 percent of premium dollars on healthcare.

4,029 people with pre-existing conditions now have health insurance.

Today, insurance companies are banned from:

discriminating against anyone with a pre-existing condition

charging higher rates based on gender or health status

enforcing lifetime dollar limits

enforcing annual dollar limits on health benefits

Savings for Texas Seniors on Their Prescription Drugs, Thanks to ACA:

Total Savings: $551,694,997

Total Gap Discount Amount: $201,876,665

Total Number of Beneficiaries: 233,114

Average Discount per Beneficiary: $866

Congress should support expansion of access to healthcare because it will save lives and relieve suffering of those who would otherwise not have care when they need it most.

Our nation is in the midst of an affordable housing crisis. Growing demand for rental housing has resulted in higher rents. More families than ever before struggle to pay their rent each month, and every Congressional district and state across the nation is impacted.

The federal should continue its investments in homeownership that reduce homelessness and housing poverty are sorely underfunded:

Just one in four low income families eligible for federal housing assistance receives the help they need.

Comprehensive tax reform provides one of the best opportunities to end homelessness and housing poverty once and for all. As Congress considers comprehensive tax reform legislation, we urge you to seize this opportunity by reinvesting any savings derived from changes to the mortgage interest deduction into rental housing solutions for people with the greatest needs—not to offset the cost of tax breaks for the wealthy and corporations.

In doing so, we can make the critical investments that our nation needs to help America's families, our local communities, and our national economy thrives.

We know the key to reducing poverty and increasing economic mobility is access to safe and affordable homes. Increasing access to affordable homes bolsters child and family success, economic growth, wages, and productivity. And each dollar invested in developing and preserving affordable homes boosts local economies by leveraging public and private resources to generate income—including resident earnings and additional local tax revenue—and supports job creation and retention.

Congress as in the past should continue to champion homeownership because the benefits that comes to families and communities.

Our nation should be reinvesting these housing dollars into deeply targeted programs that serve people with the most acute housing needs.

Mr. BURGESS. Mr. Speaker, I include in the RECORD the following letter from Thomas Barthold to Chairman KEVIN BRODY:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
*Washington, DC, November 14 2017.*

Hon. KEVIN BRADY,
*House of Representatives,*
*Washington, DC.*

DEAR CHAIRMAN BRADY: You asked me to comment on the changes made by H.R. 1 as ordered reported by the House Committee on Ways and Means in the context of Clause 5(b) of Rule XXI of the House of Representatives.

Clause 5(b) of Rule XXI sets special passage requirements for measures that amend subsections (a), (b), (c), (d), or (e) of section 1 or section 11(b) or 55(b) of the Internal Revenue Code in a manner that imposes a new percentage rate of tax and thereby increases the amount of tax imposed by such section. H.R. 1 amends the relevant sections by eliminating the 10-percent bracket, which is obviated as a marginal rate as a result of the increase in the standard deduction provided in section 63(c) and makes general changes to the income thresholds at which the varying tax rate brackets apply and eliminating several other tax rates of present law. These changes combined with the increased value of the child tax credit (in section 24) result in virtually every taxpayer who formerly would have been in the 10-percent tax bracket having a lower tax liability under the changes that would be effectuated by H.R. 1 than they would under present law.

Similarly, H.R. 1 eliminates the present-law 33-percent marginal tax bracket. As a result there are some taxpayers who would claim the standard deduction and had his or her last dollar of income taxed in the 33-percent tax bracket under present law but under H.R. 1 after claiming the increased the standard deduction would have their last dollar of income taxed in the 35-percent tax bracket. However, in each such case the taxpayer's total income tax liability is lower under H.R. 1 than under present law. For taxpayers who eschew the standard deduction under present law there is substantially greater variability in resulting tax liabilities. With the elimination of some deductions that taxpayers may elect to itemize under present law, it is not possible to say in all cases that these taxpayers have lower total income tax liability under H.R. 1 than under present law. However, by comparison to the case of a taxpayer claiming the standard deduction, the variability of these results is clearly a consequence of the changes to the tax base effectuated by H.R. 1 rather than a consequence solely of the elimination of the present-law 33-percent bracket.

Because the House rule does not contemplate changes to the Internal Revenue Code as a whole and the interactions such changes have on tax liability, H.R. 1 requires a waiver of the rule's provisions. In its totality, the combined effect of the tax rate and income threshold amendments made by the bill, along with the increase in the standard deduction, would not, in and of themselves, result in an increase in the amount of tax imposed on virtually any filer as a result of these changes.

I hope this discussion is helpful. Please contact me with any questions.

Sincerely,

THOMAS A. BARTHOLD.

The material previously referred to by Mr. HASTINGS is as follows:

AN AMENDMENT TO H. RES. 619 OFFERED BY MR. HASTINGS

At the end of the resolution, add the following new section:

**"SEC. 5. POINT OF ORDER AGAINST ANY TAX BILL THAT RAISES TAXES ON MIDDLE-CLASS FAMILIES BY ELIMINATING OR LIMITING THE STATE AND LOCAL TAX DEDUCTION.**

(a) POINT OF ORDER.—It shall not be in order in the House of Representatives to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that repeals or limits the State and Local Tax Deduction (26 U.S.C. §164).

(b) WAIVER IN THE HOUSE.—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (a). As disposition of a point of order under this subsection, the Chair shall put the question of consideration with respect to the rule or order, as applicable. The question of consideration shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent, but shall otherwise be decided without intervening motion except one that the House adjourn."

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308–311), describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

The Republican majority may say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: "Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment."

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: "Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools

for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on ordering the previous question will be followed by 5-minute votes on:

Adopting the resolution, if ordered; and

Suspending the rules and passing H.R. 2331.

The vote was taken by electronic device, and there were—yeas 234, nays 193, not voting 6, as follows:

[Roll No. 632]

YEAS—234

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NAYS—193

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Correa
Costa
Courtney
Crist
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—6

Bridenstine
Brooks (AL)
Johnson, Sam
McGovern
Pocan
Renacci

□ 1420

Mses. TITUS and BARRAGAN changed their vote from ''yea'' to ''nay.''

Ms. FOXX, Messrs. WALDEN, and JOYCE of Ohio changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. POE of Texas). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HASTINGS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 235, noes 191, not voting 7, as follows:

[Roll No. 633]

AYES—235

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Jones
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers

Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOES—191

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Correa
Costa
Courtney
Crist
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Perlmutter
Peters
Peterson
Pingree
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—7

Bridenstine
Brooks (AL)
Johnson, Sam
McGovern
Pelosi
Pocan
Renacci

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1429

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## CONNECTED GOVERNMENT ACT

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 2331) to require a new or updated Federal website that is intended for use by the public to be mobile friendly, and for other purposes, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. JODY B. HICE) that the House suspend the rules and pass the bill, as amended.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 423, nays 0, not voting 10, as follows:

[Roll No. 634]

YEAS—423

Abraham
Adams
Aderholt
Aguilar
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barragán
Barton
Bass
Beatty
Bera
Bergman
Beyer
Biggs
Bilirakis
Bishop (GA)
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Blumenauer
Blunt Rochester
Bonamici
Bost
Boyle, Brendan F.
Brady (PA)
Brady (TX)
Brat
Brooks (IN)
Brown (MD)
Brownley (CA)
Buchanan
Buck
Bucshon
Budd
Burgess
Bustos
Butterfield
Byrne
Calvert
Capuano
Carbajal
Cárdenas
Carson (IN)
Carter (GA)
Carter (TX)
Cartwright
Castor (FL)
Castro (TX)
Chabot
Cheney
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Coffman
Cohen
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Connolly
Conyers
Cook
Cooper
Correa
Costa
Costello (PA)
Courtney
Cramer
Crawford
Crist
Crowley
Cuellar
Culberson
Cummings
Curbelo (FL)
Curtis
Davidson
Davis (CA)
Davis, Danny
Davis, Rodney
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
Denham
Dent
DeSantis
DeSaulnier
DesJarlais
Deutch
Diaz-Balart
Dingell
Doggett
Donovan
Doyle, Michael F.
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Ellison
Emmer
Engel
Eshoo
Espaillat
Estes (KS)
Esty (CT)
Evans
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foster
Foxx
Frankel (FL)
Franks (AZ)
Frelinghuysen
Fudge
Gabbard
Gaetz
Gallagher
Gallego
Garamendi
Garrett
Gianforte
Gibbs
Gohmert
Gomez
Gonzalez (TX)
Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Green, Al
Green, Gene
Griffith
Grijalva
Grothman
Guthrie
Gutiérrez
Hanabusa
Handel
Harper
Harris
Hartzler
Hastings
Heck
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Higgins (NY)
Hill
Himes
Holding
Hollingsworth
Hoyer
Hudson
Huffman
Huizenga
Hultgren
Hunter
Hurd
Issa
Jackson Lee
Jayapal
Jeffries
Jenkins (KS)
Jenkins (WV)
Johnson (GA)
Johnson (LA)
Johnson (OH)
Johnson, E. B.
Jones
Jordan
Joyce (OH)
Kaptur
Katko
Keating
Kelly (IL)
Kelly (MS)
Kelly (PA)
Kennedy
Khanna
Kildee
Kilmer
Kind
King (IA)
King (NY)
Kinzinger
Knight
Kuster (NH)
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latta
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lewis (MN)
Lieu, Ted
Lipinski
LoBiondo
Loebsack
Lofgren
Long
Loudermilk
Love
Lowenthal
Lowey
Lucas
Luetkemeyer
Lujan Grisham, M.
Luján, Ben Ray
Lynch
MacArthur
Maloney, Carolyn B.
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
Matsui
McCarthy
McCaul
McClintock
McCollum
McEachin
McHenry
McKinley
McMorris Rodgers
McNerney
McSally
Meadows
Meehan
Meeks
Meng
Messer
Mitchell
Moolenaar
Mooney (WV)
Moore
Moulton
Mullin
Murphy (FL)
Nadler
Napolitano
Neal
Newhouse
Noem
Nolan
Norcross
Norman
Nunes
O'Halleran
O'Rourke
Olson
Palazzo
Pallone
Palmer
Panetta
Pascrell
Paulsen
Payne
Pearce
Perlmutter
Perry
Peters
Peterson
Pingree
Pittenger
Poe (TX)
Poliquin
Polis
Posey
Price (NC)
Quigley
Raskin
Ratcliffe
Reed
Reichert
Rice (NY)
Rice (SC)
Richmond
Roby
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Rosen
Roskam
Ross
Rothfus
Rouzer
Roybal-Allard
Royce (CA)
Ruiz
Ruppersberger
Rush
Russell
Rutherford
Ryan (OH)
Sánchez
Sanford
Sarbanes
Scalise
Schakowsky
Schiff
Schneider
Schrader
Schweikert
Scott (VA)
Scott, Austin
Scott, David
Sensenbrenner
Serrano
Sessions
Sewell (AL)
Shea-Porter
Sherman
Shimkus
Shuster
Simpson
Sinema
Sires
Slaughter
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Smucker
Soto
Speier
Stefanik
Stewart
Stivers
Suozzi
Swalwell (CA)
Takano
Taylor
Tenney
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiberi
Tipton
Titus
Tonko
Torres
Trott
Tsongas
Turner
Upton
Valadao
Vargas
Veasey
Vela
Velázquez
Visclosky
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Weber (TX)
Webster (FL)
Welch
Wenstrup
Westerman
Williams
Wilson (FL)
Wilson (SC)
Wittman
Womack
Woodall
Yarmuth
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—10

Bridenstine
Brooks (AL)
Johnson, Sam
Kihuen
Krishnamoorthi
McGovern
Pelosi
Pocan
Renacci
Roe (TN)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1435

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## HOUR OF MEETING ON TOMORROW

Mr. FARENTHOLD. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

## FOUNDATIONS FOR EVIDENCE-BASED POLICYMAKING ACT OF 2017

Mr. FARENTHOLD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4174) to amend titles 5 and 44, United States Code, to require Federal evaluation activities, improve Federal data management, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4174

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

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

(a) SHORT TITLE.—This Act may be cited as the ''Foundations for Evidence-Based Policymaking Act of 2017''.

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



### TITLE I—FEDERAL EVIDENCE-BUILDING ACTIVITIES

**SEC. 101. FEDERAL EVIDENCE-BUILDING ACTIVITIES.**

(a) IN GENERAL.—Chapter 3 of part I of title 5, United States Code, is amended—

(1) before section 301, by inserting the following:

''SUBCHAPTER I—GENERAL PROVISIONS''; AND

(2) by adding at the end the following:

''SUBCHAPTER II—FEDERAL EVIDENCE-BUILDING ACTIVITIES

**''§ 311. Definitions**

''In this subchapter:

''(1) AGENCY.—The term 'agency' means an agency referred to under section 901(b) of title 31.

''(2) DIRECTOR.—The term 'Director' means the Director of the Office of Management and Budget.

''(3) EVALUATION.—The term 'evaluation' means an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency.

''(4) EVIDENCE.—The term 'evidence' has the meaning given that term in section 3561 of title 44.

''(5) STATE.—The term 'State' means each of the several States, the District of Columbia, each territory or possession of the United States, and each federally recognized Indian Tribe.

''(6) STATISTICAL ACTIVITIES; STATISTICAL AGENCY OR UNIT; STATISTICAL PURPOSE.—The terms 'statistical activities', 'statistical agency or unit', and 'statistical purpose' have the meanings given those terms in section 3561 of title 44.

**''§ 312. Agency evidence-building plan**

''(a) REQUIREMENT.—Not later than the first Monday in February of each year, the head of each agency shall submit to the Director and Congress a systematic plan for identifying and addressing policy questions relevant to the programs, policies, and regulations of the agency. Such plan shall be made available on the public website of the agency and shall cover at least a four-year period beginning with the first fiscal year following the fiscal year in which the plan is submitted and published and contain the following:

''(1) A list of policy-relevant questions for which the agency intends to develop evidence to support policymaking.

''(2) A list of data the agency intends to collect, use, or acquire to facilitate the use of evidence in policymaking.

''(3) A list of methods and analytical approaches that may be used to develop evidence to support policymaking.

''(4) A list of any challenges to developing evidence to support policymaking, including any statutory or other restrictions to accessing relevant data.

''(5) A description of the steps the agency will take to accomplish paragraphs (1) and (2).

''(6) Any other information as required by guidance issued by the Director.

''(b) CONSULTATION.—In developing the plan required under subsection (a), the head of an agency shall consult with the following:

''(1) The public.

''(2) Any evaluation or analysis unit and personnel of the agency.

''(3) Agency officials responsible for implementing privacy policy.

''(4) The Chief Data Officer of the agency.

''(5) The officials of the agency designated under section 315.

''(6) The Performance Improvement Officer of the agency.

''(7) Program administrators of the agency.

''(8) The committees of the House of Representatives and Senate with oversight jurisdiction over the agency.

''(9) Any other individual or entity as determined by the Director.

**''§ 313. Governmentwide evidence-building coordination**

''(a) IN GENERAL.—The Director shall consolidate the plans submitted under section 312 in a unified evidence-building plan. The Director shall notify agency heads of potentially overlapping or unnecessarily duplicative data acquisition plans and facilitate interagency evidence gathering and sharing. The head of an agency may incorporate the results of any interagency coordination by updating the plan required under section 312. The Director shall incorporate any such agency update in the unified evidence-building plan.

''(b) CONSULTATION.—In developing the unified evidence-building plan required under subsection (a), the Director shall consult with the following:

''(1) The public.

''(2) The Interagency Council on Statistical Policy established under section 3504(e)(8) of title 44.

''(3) Any other relevant interagency council.

''(4) The head of each agency.

''(5) Any other individual or entity as determined by the Director.

**''§ 314. Chief Evaluation Officers**

''(a) ESTABLISHMENT.—The head of each agency shall appoint or designate an employee of the agency as the Chief Evaluation Officer of the agency.

''(b) QUALIFICATIONS.—The Chief Evaluation Officer of an agency shall be appointed or designated without regard to political affiliation and based on demonstrated expertise in evaluation methodology and practices and appropriate expertise to the disciplines of the agency.

''(c) LIMITATIONS.—The Chief Evaluation Officer of an agency may not simultaneously serve as any of the following:

''(1) The Chief Financial Officer of any agency.

''(2) The Chief Information Officer of any agency.

''(3) The Chief Human Capital Officer of any agency.

''(4) The Chief Acquisition Officer of any agency.

''(5) The Inspector General of any agency.

''(d) COORDINATION.—The Chief Evaluation Officer of an agency shall, to the extent practicable, coordinate activities with agency officials, including the following:

''(1) Agency officials responsible for implementing privacy policy regarding privacy and confidentiality issues.

''(2) The Chief Data Officer of the agency.

''(3) Agency officials designated under section 315.

''(4) Any evaluation or analysis unit and personnel of the agency on the needs for evaluation and analysis.

''(5) The Performance Improvement Officer of the agency.

''(6) Program administrators of the agency.

''(7) The Chief Evaluation Officers of other agencies.

''(e) FUNCTIONS.—The Chief Evaluation Officer of each agency shall—

''(1) continually assess the coverage, quality, methods, consistency, effectiveness, independence, and balance of the portfolio of evaluations, policy research, and ongoing evaluation activities of the agency;

''(2) assess agency capacity to support the development and use of evaluation;

''(3) establish and implement an agency evaluation policy; and

''(4) coordinate, develop, and implement the plan required under section 312.

**''§ 315. Statistical expertise**

''(a) IN GENERAL.—The head of each agency shall designate the head of any statistical agency or unit within the agency, or in the case of an agency that does not have a statistical agency or unit, any senior agency official with appropriate expertise, as a statistical official to advise on statistical policy, techniques, and procedures. Agency officials engaged in statistical activities may consult with any such statistical official as necessary.

''(b) MEMBERSHIP ON INTERAGENCY COUNCIL FOR STATISTICAL POLICY.—Each statistical official designated under subsection (a) shall

serve as a member of the Interagency Council for Statistical Policy established under section 3504(e)(8) of title 44.

**''§ 316. Advisory Committee on Data for Evidence Building**

''(a) ESTABLISHMENT.—The Director, or the head of an agency designated by the Director, shall establish an Advisory Committee on Data for Evidence Building (in this section referred to as the 'Advisory Committee') to review, analyze, and make recommendations on how to expand access to and use of Federal data for evidence building.

''(b) MEMBERSHIP.—The members of the Advisory Committee shall consist of the Chief Statistician of the United States, who shall serve as the Chair of the Advisory Committee, and other members appointed by the Director as follows:

''(1) One member who is an agency Chief Information Officer.

''(2) One member who is an agency Chief Privacy Officer.

''(3) One member who is an agency Chief Performance Officer.

''(4) Three members who are agency Chief Data Officers.

''(5) Three members who are agency Chief Evaluation Officers.

''(6) Three members who are members of the Interagency Council for Statistical Policy established under section 3504(e)(8) of title 44.

''(7) At least 10 members who are representatives of State and local governments and nongovernmental stakeholders with expertise in government data policy, privacy, technology, transparency policy, evaluation and research methodologies, and other relevant subjects, of whom—

''(A) at least one shall have expertise in transparency policy;

''(B) at least one shall have expertise in privacy policy;

''(C) at least one shall have expertise in statistical data use;

''(D) at least one shall have expertise in information management;

''(E) at least one shall have expertise in information technology; and

''(F) at least one shall be from the research and evaluation community.

''(c) TERM OF SERVICE.—

''(1) IN GENERAL.—Each member of the Advisory Committee (other than the Chair) shall serve for a term of two years.

''(2) VACANCY.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

''(d) COMPENSATION.—Members of the Advisory Committee shall serve without compensation.

''(e) DUTIES.—

''(1) FIRST YEAR.—During the first year of the Advisory Committee, the Advisory Committee shall—

''(A) assist the Director in carrying out the duties of the Director under part D of subchapter III of chapter 35 of title 44; and

''(B) evaluate and provide recommendations to the Director on the establishment of a shared service to facilitate data sharing, enable data linkage, and develop privacy enhancing techniques, including—

''(i) the specific capabilities, needs, and necessary assets of such service, and the extent to which assets should be transferred from existing agencies;

''(ii) any prospective location for such service;

''(iii) best practices for transparency and interagency coordination;

''(iv) best practices for monitoring and auditing of privacy, data linkage, and confidentiality of data accessed through such service; and

''(v) necessary administrative and financial authorities to support the activities of such service.

''(2) SECOND YEAR.—During the second and any subsequent year of the Advisory Committee, the Advisory Committee shall—

''(A) if determined necessary by the Director, carry out the duties described in paragraph (1); and

''(B) review the coordination of data sharing or availability for evidence building across all agencies.

''(f) REPORTS.—For each year of the existence of the Advisory Committee, the Advisory Committee shall submit to the Director and make publicly available an annual report on the activities and findings of the Advisory Committee.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 3 of part I of title 5, United States Code, is amended—

(1) by inserting before the item relating to section 301 the following:

''SUBCHAPTER I—GENERAL PROVISIONS'';

and

(2) by adding at the end the following:

''SUBCHAPTER II—FEDERAL EVIDENCE-BUILDING ACTIVITIES

''311. Definitions.
''312. Agency evidence-building plan.
''313. Governmentwide evidence-building coordination.
''314. Chief Evaluation Officers.
''315. Statistical expertise.
''316. Advisory Committee on Data for Evidence Building.''.

(c) AGENCY STRATEGIC PLANS.—Section 306 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (7), by striking ''; and'' at the end and inserting a semicolon;

(B) in paragraph (8), by—

(i) striking the period at the end; and

(ii) inserting after ''to be conducted'' the following: '', and citations to relevant provisions of the plan required under section 312; and''; and

(C) by adding at the end the following:

''(9) an assessment of the coverage, quality, methods, effectiveness, and independence of the statistics, evaluation, research, and analysis efforts of the agency, including—

''(A) a list of the activities and operations of the agency that are currently being evaluated and analyzed;

''(B) the extent to which the evaluations, research, and analysis efforts and related activities of the agency support the needs of various divisions within the agency;

''(C) the extent to which the evaluation research and analysis efforts and related activities of the agency address an appropriate balance between needs related to organizational learning, ongoing program management, performance management, strategic management, interagency and private sector coordination, internal and external oversight, and accountability;

''(D) the extent to which the agency uses methods and combinations of methods that are appropriate to agency divisions and the corresponding research questions being addressed, including an appropriate combination of formative and summative evaluation research and analysis approaches;

''(E) the extent to which evaluation and research capacity is present within the agency to include personnel and agency processes for planning and implementing evaluation activities, disseminating best practices and findings, and incorporating employee views and feedback; and

''(F) the extent to which the agency has the capacity to assist agency staff and program offices to develop the capacity to use evaluation research and analysis approaches and data in the day-to-day operations.'';

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following new subsection:

''(f) Not later than two years after the date on which each strategic plan required under subsection (a) is published, the Comptroller General of the United States shall submit to Congress a report that—

''(1) summarizes agency findings and highlights trends in the assessment conducted pursuant to subsection (a)(9); and

''(2) if appropriate, recommends actions to further improve agency capacity to use evaluation techniques and data to support evaluation efforts.''.

## TITLE II—OPEN GOVERNMENT DATA ACT

**SEC. 201. SHORT TITLE.**

This title may be cited as the '' 'Open, Public, Electronic, and Necessary Government Data Act' '' or the ''OPEN Government Data Act''.

**SEC. 202. OPEN GOVERNMENT DATA.**

(a) DEFINITIONS.—Section 3502 of title 44, United States Code, is amended—

(1) in paragraph (13), by striking ''; and'' at the end and inserting a semicolon;

(2) in paragraph (14), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

''(15) the term 'data' means recorded information, regardless of form or the media on which the data is recorded;

''(16) the term 'data asset' means a collection of data elements or data sets that may be grouped together;

''(17) the term 'machine-readable', when used with respect to data, means data in a format that can be easily processed by a computer without human intervention while ensuring no semantic meaning is lost;

''(18) the term 'metadata' means structural or descriptive information about data such as content, format, source, rights, accuracy, provenance, frequency, periodicity, granularity, publisher or responsible party, contact information, method of collection, and other descriptions;

''(19) the term 'open Government data asset' means a public data asset that is—

''(A) machine-readable;

''(B) available (or could be made available) in an open format;

''(C) not encumbered by restrictions that would impede the use or reuse of such asset; and

''(D) based on an underlying open standard that is maintained by a standards organization;

''(20) the term 'open license' means a legal guarantee that a data asset is made available—

''(A) at no cost to the public; and

''(B) with no restrictions on copying, publishing, distributing, transmitting, citing, or adapting such asset;

''(21) the term 'public data asset' means a data asset maintained by the Federal Government that has been, or may be, released to the public, including any data asset subject to disclosure under section 552 of title 5; and

''(22) the term 'statistical laws' means subchapter III of this chapter and other laws pertaining to the protection of information collected for statistical purposes as designated by the Director.''.

(b) GUIDANCE TO MAKE DATA OPEN BY DEFAULT.—Section 3504(b) of title 44, United States Code, is amended—

(1) in paragraph (4), by striking ''; and'' and inserting a semicolon;

(2) in paragraph (5), by striking the period at the end and inserting ''; and''; and

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

''(6) issue guidance for agencies to implement section 3506(b)(6) in a manner that takes into account—

''(A) risks and restrictions related to the disclosure of personally identifiable information, including the risk that an individual data asset in isolation does not pose a privacy or confidentiality risk but when combined with other available information may pose such a risk;

''(B) security considerations, including the risk that information in an individual data asset in isolation does not pose a security risk but when combined with other available information may pose such a risk;

''(C) the cost and benefits to the public of converting a data asset into a machine-readable format that is accessible and useful to the public;

''(D) whether the application of the requirements described in such section to a data asset could result in legal liability;

''(E) whether a data asset—

''(i) is protected by intellectual property rights, including rights under titles 17 and 35;

''(ii) contains confidential business information, that could be withheld under section 552(b)(4) of title 5; or

''(iii) is otherwise restricted by contract or other binding, written agreement;

''(F) the requirement that a data asset be disclosed, if it would otherwise be made available under section 552 of title 5 (commonly known as the 'Freedom of Information Act'); and

''(G) any other considerations that the Director determines to be relevant.''.

(c) FEDERAL AGENCY RESPONSIBILITIES TO MAKE DATA OPEN BY DEFAULT.—

(1) AMENDMENTS.—Section 3506 of title 44, United States Code, is amended—

(A) in subsection (b)—

(i) by amending paragraph (2) to read as follows:

''(2) in accordance with guidance by the Director, develop and maintain a strategic information resources management plan that, to the extent practicable—

''(A) describes how information resources management activities help accomplish agency missions;

''(B) includes an open data plan that—

''(i) requires the agency to develop processes and procedures that—

''(I) require data collection mechanisms created on or after the date of the enactment of the OPEN Government Data Act to be available in an open format; and

''(II) facilitate collaboration with non-Government entities (including businesses), researchers, and the public for the purpose of understanding how data users value and use government data;

''(ii) identifies and implements methods for collecting and analyzing digital information on data asset usage by users within and outside of the agency, including designating a point of contact within the agency to assist the public and to respond to quality issues, usability issues, recommendations for improvements, and complaints about adherence to open data requirements within a reasonable period of time;

''(iii) develops and implements a process to evaluate and improve the timeliness, completeness, consistency, accuracy, usefulness, and availability of open Government data assets;

''(iv) includes requirements for meeting the goals of the agency open data plan, including the acquisition of technology, provision of training for employees, and the implementation of procurement standards, in accordance with existing law, regulation, and policy, that allow for the acquisition of innovative solutions from public and private sectors; and

''(v) requires the agency to comply with requirements under section 3511, including any standards established by the Director under such section, when disclosing a data asset pursuant to such section; and

''(C) is updated annually and made publicly available on the website of the agency not later than five days after each such update;'';

(ii) in paragraph (4), by striking ''; and'' and inserting a semicolon;

(iii) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following new paragraph:

''(6) in accordance with guidance by the Director—

''(A) make each data asset of the agency available in an open format; and

''(B) make each public data asset of the agency available—

''(i) as an open Government data asset; and

''(ii) under an open license.''; and

(B) in subsection (d)—

(i) in paragraph (3), by striking ''and'' at the end;

(ii) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following new paragraphs:

''(5) ensure that any public data asset of the agency is machine-readable; and

''(6) engage the public in using public data assets of the agency and encourage collaboration by—

''(A) publishing on the website of the agency, on a regular basis (not less than annually), information on the usage of such assets by non-Government users;

''(B) providing the public with the opportunity to request specific data assets to be prioritized for disclosure and to provide suggestions for the development of agency criteria with respect to prioritizing data assets for disclosure;

''(C) assisting the public in expanding the use of public data assets; and

''(D) hosting challenges, competitions, events, or other initiatives designed to create additional value from public data assets of the agency.''.

(2) USE OF OPEN DATA ASSETS.—Not later than one year after the date of the enactment of this Act, the head of each agency shall ensure that any activity by the agency meets the requirements of section 3506 of title 44, United States Code, as amended by this subsection.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date that is one year after the date of the enactment of this Act.

(d) DATA INVENTORY AND FEDERAL DATA CATALOGUE.—

(1) AMENDMENT.—Section 3511 of title 44, United States Code, is amended to read as follows:

**''§ 3511. Data inventory and Federal data catalogue**

''(a) COMPREHENSIVE DATA INVENTORY.—

''(1) IN GENERAL.—In consultation with the Director and in accordance with the guidance established under paragraph (2), the head of each agency shall, to the maximum extent practicable, develop and maintain a comprehensive data inventory that accounts for all data assets created by, collected by, under the control or direction of, or maintained by the agency. The head of each agency shall ensure that such inventory provides a clear and comprehensive understanding of the data assets in the possession of the agency.

''(2) GUIDANCE.—The Director shall establish guidance for agencies to develop and maintain comprehensive data inventories under paragraph (1). Such guidance shall include the following:

''(A) A requirement for the head of an agency to include in the comprehensive data inventory metadata on each data asset of the agency, including the following:

''(i) A description of the data asset, including all variable names and definitions.

''(ii) The name or title of the data asset.

''(iii) An indication of whether the agency—

''(I) has determined if the data asset is—

''(aa) an open Government data asset;

''(bb) subject to disclosure under section 552 of title 5;

''(cc) a public data asset eligible for disclosure under subsection (b); or

''(dd) a data asset not subject to open format or open license requirements due to existing limitations or restrictions on government distribution of the asset; or

''(II) as of the date of such indication, has not made such determination.

''(iv) Any determination made under section 3582, if available.

''(v) A description of the method by which the public may access or request access to the data asset.

''(vi) The date on which the data asset was most recently updated.

''(vii) Each agency responsible for maintaining the data asset.

''(viii) The owner of the data asset.

''(ix) To the extent practicable, any restriction on the use of the data asset.

''(x) The location of the data asset.

''(xi) Any other metadata necessary to make the comprehensive data inventory useful to the agency and the public, or otherwise determined useful by the Director.

''(B) A requirement for the head of an agency to exclude from the comprehensive data inventory any data asset contained on a national security system, as defined in section 11103 of title 40.

''(C) Criteria for the head of an agency to use in determining which information, if any, in the comprehensive data inventory may not be made publicly available, which shall include, at a minimum, a requirement to ensure all information in the inventory that would be subject to disclosure under section 552 of title 5 is made publicly available.

''(D) A requirement for the head of each agency, in accordance with a procedure established by the Director, to submit for inclusion in the Federal data catalogue maintained under subsection (c) the data inventory developed pursuant to subparagraph (C), including any real-time updates to such inventory, and data assets made available in accordance with subparagraph (E) or any electronic hyperlink providing access to such data assets.

''(E) Criteria for the head of an agency to use in determining whether a particular data asset should not be made publicly available in a manner that takes into account—

''(i) risks and restrictions related to the disclosure of personally identifiable information, including the risk that an individual data asset in isolation does not pose a privacy or confidentiality risk but when combined with other available information may pose such a risk;

''(ii) security considerations, including the risk that information in an individual data asset in isolation does not pose a security risk but when combined with other available information may pose such a risk;

''(iii) the cost and benefits to the public of converting the data into a manner that could be understood and used by the public;

''(iv) whether the public dissemination of the data asset could result in legal liability;

''(v) whether the data asset—

''(I) is protected by intellectual property rights, including rights under titles 17 and 35;

''(II) contains confidential business information, that could be withheld under section 552(b)(4) of title 5; or

''(III) is restricted by contract or other binding, written agreement;

''(vi) whether the holder of a right to such data asset has been consulted;

''(vii) the expectation that all data assets that would otherwise be made available under section 552 of title 5 be disclosed; and

''(viii) any other considerations that the Director determines to be relevant.

''(3) REGULAR UPDATES REQUIRED.—With respect to each data asset created or identified by an agency, the head of the agency shall update the comprehensive data inventory of the agency not later than 90 days after the date of such creation or identification.

''(b) PUBLIC DATA ASSETS.—The head of each agency shall submit public data assets, or links to public data assets available online, as open Government data assets for inclusion in the Federal data catalogue maintained under subsection (c), in accordance with the guidance established under subsection (a)(2).

''(c) FEDERAL DATA CATALOGUE.—

''(1) IN GENERAL.—The Administrator of General Services shall maintain a single public interface online as a point of entry dedicated to sharing agency data assets with the public, which shall be known as the 'Federal data catalogue'. The Administrator and the Director shall ensure that agencies can submit public data assets, or links to public data assets, for publication and public availability on the interface.

''(2) REPOSITORY.—The Director shall collaborate with the Office of Government Information Services and the Administrator of General Services to develop and maintain an online repository of tools, best practices, and schema standards to facilitate the adoption of open data practices across the Federal Government, which shall—

''(A) include any definitions, regulations, policies, checklists, and case studies related to open data policy;

''(B) facilitate collaboration and the adoption of best practices across the Federal Government relating to the adoption of open data practices; and

''(C) be made available on the Federal data catalogue maintained under paragraph (1).

''(3) ACCESS TO OTHER DATA ASSETS.—The Director shall ensure the Federal data catalogue maintained under paragraph (1) provides information on how the public can access a data asset included in a comprehensive data inventory under subsection (a) that is not yet available on the Federal data catalogue, including information regarding the application process established under section 3583 of title 44.

''(d) DELEGATION.—The Director shall delegate to the Administrator of the Office of Information and Regulatory Affairs and the Administrator of the Office of Electronic Government the authority to jointly issue guidance required under this section.

''(e) USE OF EXISTING RESOURCES.—To the extent practicable, the head of each agency shall use existing procedures and systems to carry out agency requirements under this section.''.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) TABLE OF SECTIONS.—The item relating to section 3511 of the table of sections at the beginning of chapter 35 of title 44, United States Code, is amended to read as follows:

''3511. Data inventory and Federal data catalogue.''.

(B) CROSS-REFERENCE.—Section 3504(b)(2)(A) of title 44, United States Code, is amended by striking ''the use of the Government Information Locator Service'' and inserting ''the use of comprehensive data inventories and the Federal data catalogue under section 3511''.

(e) CHIEF DATA OFFICERS.—

(1) AMENDMENT.—Section 3520 of title 44, United States Code, is amended to read as follows:

**''§ 3520. Chief Data Officers**

''(a) ESTABLISHMENT.—The head of each agency shall designate a career appointee (as defined in section 3132 of title 5) in the agency as the Chief Data Officer of the agency.

''(b) QUALIFICATIONS.—The Chief Data Officer of an agency shall be designated on the basis of demonstrated training and experience in data management, collection, analysis, protection, use, and dissemination, including with respect to any statistical and related techniques to protect and de-identify confidential data.

''(c) FUNCTIONS.—The Chief Data Officer of an agency shall—

''(1) be responsible for lifecycle data management;

''(2) coordinate with any official in the agency responsible for using, protecting, disseminating, and generating data to ensure that the data needs of the agency are met;

''(3) manage data assets of the agency, including the standardization of data format, sharing of data assets, and publication of data assets in accordance with applicable law;

''(4) in carrying out the requirement under paragraphs (3) and (5), consult with any statistical official of the agency (as designated under section 315 of title 5);

''(5) carry out the requirements of the agency under subsections (b) through (d), (f), and (i) of section 3506, section 3507, and section 3511;

''(6) ensure that agency data conforms with data management best practices;

''(7) engage agency employees, the public, and contractors in using public data assets and encourage collaborative approaches on improving data use;

''(8) support the Performance Improvement Officer of the agency in identifying and using data to carry out the functions described in section 1124(a)(2) of title 31;

''(9) support the Chief Evaluation Officer of the agency in obtaining data to carry out the functions described in section 314 of title 5;

''(10) review the impact of the infrastructure of the agency on data asset accessibility and coordinate with the Chief Information Officer of the agency to improve such infrastructure to reduce barriers that inhibit data asset accessibility;

''(11) ensure that, to the extent practicable, the agency maximizes the use of data in the agency, including for the production of evidence (as defined in section 3561), cybersecurity, and the improvement of agency operations;

''(12) identify points of contact for roles and responsibilities related to open data use and implementation (as required by the Director);

''(13) serve as the agency liaison to other agencies and the Office of Management and Budget on the best way to use existing agency data for statistical purposes (as defined in section 3561); and

''(14) comply with any regulation and guidance issued under subchapter III, including the acquisition and maintenance of any required certification and training.

''(d) DELEGATION OF RESPONSIBILITIES.—

''(1) IN GENERAL.—To the extent necessary to comply with statistical laws, the Chief Data Officer of an agency shall delegate any responsibility under subsection (d) to the head of a statistical agency or unit (as defined in section 3561) within the agency.

''(2) CONSULTATION.—To the extent permissible under law, the individual to whom a responsibility has been delegated under paragraph (1) shall consult with the Chief Data Officer of the agency in carrying out such responsibility.

''(3) DEFERENCE.—The Chief Data Officer of the agency shall defer to the individual to whom a responsibility has been delegated under paragraph (1) regarding the necessary delegation of such responsibility with respect to any data acquired, maintained, or disseminated by the agency under applicable statistical law.

''(e) REPORTS.—The Chief Data Officer of an agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives an annual report on the compliance of the agency with the requirements of this subchapter, including information on each requirement that the agency could not carry out and, if applicable, what the agency needs to carry out such requirement.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The item relating to section 3520 of the table of sections at the beginning of chapter 35 of title 44, United States Code, is amended to read as follows:

''3520. Chief Data Officers.''.

(f) CHIEF DATA OFFICER COUNCIL.—

(1) AMENDMENT.—Subchapter I of chapter 35 of title 44, United States Code, is amended by inserting before section 3521 the following new section:

**''§ 3520A. Chief Data Officer Council**

''(a) ESTABLISHMENT.—There is established in the Office of Management and Budget a Chief Data Officer Council (in this section referred to as the 'Council').

''(b) PURPOSE AND FUNCTIONS.—The Council shall—

''(1) establish Governmentwide best practices for the use, protection, dissemination, and generation of data;

''(2) promote and encourage data sharing agreements between agencies;

''(3) identify ways in which agencies can improve upon the production of evidence for use in policymaking;

''(4) consult with the public and engage with private users of Government data and other stakeholders on how to improve access to data assets of the Federal Government; and

''(5) identify and evaluate new technology solutions for improving the collection and use of data.

''(c) MEMBERSHIP.—

''(1) IN GENERAL.—The Chief Data Officer of each agency shall serve as a member of the Council.

''(2) CHAIR.—The Director shall select the Chair of the Council from among the members of the Council.

''(3) ADDITIONAL MEMBERS.—The Administrator of the Office of Electronic Government shall serve as a member of the Council.

''(4) EX OFFICIO MEMBER.—The Director shall appoint a representative for all Chief Information Officers and Chief Evaluation Officers, and such representative shall serve as an ex officio member of the Council.

''(d) REPORTS.—The Council shall submit to the Director, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives a biennial report on the work of the Council.

''(e) EVALUATION AND TERMINATION.—

''(1) GAO EVALUATION OF COUNCIL.—Not later than four years after date of the enactment of this section, the Comptroller General shall submit to Congress a report on whether the additional duties of the Council improved the use of evidence and program evaluation in the Federal Government.

''(2) TERMINATION OF COUNCIL.—The Council shall terminate and this section shall be repealed upon the expiration of the two-year period that begins on the date the Comptroller General submits the report under paragraph (1) to Congress.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 35 of title 44, United States Code, is amended by inserting before the item relating to section 3521 the following new item:

''3520A. Chief Data Officer Council.''.

(g) REPORTS.—

(1) GAO REPORT.—Not later than three years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report that identifies, to the extent practicable—

(A) the value of information made available to the public as a result of this Act and the amendments made by this Act;

(B) whether the public availability of any information that has not yet been made so available would be valuable to the public; and

(C) the completeness of each comprehensive data inventory developed under section 3511 of title 44, United States Code.

(2) BIENNIAL OMB REPORT.—Not later than one year after date of the enactment of this Act, and biennially thereafter, the Director of the Office of Management and Budget shall electronically publish a report on agency performance and compliance with this Act and the amendments made by this Act.

## TITLE III—CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY

### SEC. 301. SHORT TITLE.

This title may be cited as the ''Confidential Information Protection and Statistical Efficiency Act of 2017''.

### SEC. 302. CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY.

(a) IN GENERAL.—Chapter 35 of title 44, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER III—CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY

**''PART A—GENERAL**

**''§ 3561. Definitions**

''In this subchapter:

''(1) AGENCY.—The term 'agency' means any entity that falls within the definition of the term 'executive agency', as defined in section 102 of title 31, or 'agency', as defined in section 3502.

''(2) AGENT.—The term 'agent' means an individual—

''(A)(i) who is an employee of a private organization or a researcher affiliated with an institution of higher learning (including a person granted special sworn status by the Bureau of the Census under section 23(c) of title 13), and with whom a contract or other agreement is executed, on a temporary basis, by an executive agency to perform exclusively statistical activities under the control and supervision of an officer or employee of that agency;

''(ii) who is working under the authority of a government entity with which a contract or other agreement is executed by an executive agency to perform exclusively statistical activities under the control of an officer or employee of that agency;

''(iii) who is a self-employed researcher, a consultant, a contractor, or an employee of a contractor, and with whom a contract or other agreement is executed by an executive agency to perform a statistical activity under the control of an officer or employee of that agency; or

''(iv) who is a contractor or an employee of a contractor, and who is engaged by the agency to design or maintain the systems for handling or storage of data received under this subchapter; and

''(B) who agrees in writing to comply with all provisions of law that affect information acquired by that agency.

''(3) BUSINESS DATA.—The term 'business data' means operating and financial data and information about businesses, tax-exempt organizations, and government entities.

''(4) DATA ASSET.—The term 'data asset' has the meaning given that term in section 3502.

''(5) DIRECTOR.—The term 'Director' means the Director of the Office of Management and Budget.

''(6) EVIDENCE.—The term 'evidence' means information produced as a result of statistical activities conducted for a statistical purpose.

''(7) IDENTIFIABLE FORM.—The term 'identifiable form' means any representation of information that permits the identity of the respondent to whom the information applies to be reasonably inferred by either direct or indirect means.

''(8) NONSTATISTICAL PURPOSE.—The term 'nonstatistical purpose'—

''(A) means the use of data in identifiable form for any purpose that is not a statistical purpose, including any administrative, regulatory, law enforcement, adjudicatory, or other purpose that affects the rights, privileges, or benefits of a particular identifiable respondent; and

''(B) includes the disclosure under section 552 of title 5 of data that are acquired for exclusively statistical purposes under a pledge of confidentiality.

''(9) RESPONDENT.—The term 'respondent' means a person who, or organization that, is requested or required to supply information to an agency, is the subject of information requested or required to be supplied to an agency, or provides that information to an agency.

''(10) STATISTICAL ACTIVITIES.—The term 'statistical activities'—

''(A) means the collection, compilation, processing, or analysis of data for the purpose of describing or making estimates concerning the whole, or relevant groups or components within, the economy, society, or the natural environment; and

''(B) includes the development of methods or resources that support those activities, such as measurement methods, models, statistical classifications, or sampling frames.

''(11) STATISTICAL AGENCY OR UNIT.—The term 'statistical agency or unit' means an agency or organizational unit of the executive branch whose activities are predominantly the collection, compilation, processing, or analysis of information for statistical purposes, as designated by the Director under section 3562.

''(12) STATISTICAL PURPOSE.—The term 'statistical purpose'—

''(A) means the description, estimation, or analysis of the characteristics of groups, without identifying the individuals or organizations that comprise such groups; and

''(B) includes the development, implementation, or maintenance of methods, technical or administrative procedures, or information resources that support the purposes described in subparagraph (A).

**''§ 3562. Coordination and oversight of policies**

''(a) IN GENERAL.—The Director shall coordinate and oversee the confidentiality and disclosure policies established by this subchapter. The Director may promulgate rules or provide other guidance to ensure consistent interpretation of this subchapter by the affected agencies. The Director shall develop a process by which the Director designates agencies or organizational units as statistical agencies and units. The Director shall promulgate guidance to implement such process, which shall include specific criteria for such designation and methods by which the Director will ensure transparency in the process.

''(b) AGENCY RULES.—Subject to subsection (c), agencies may promulgate rules to implement this subchapter. Rules governing disclosures of information that are authorized by this subchapter shall be promulgated by the agency that originally collected the information.

''(c) REVIEW AND APPROVAL OF RULES.—The Director shall review any rules proposed by an agency pursuant to this subchapter for consistency with the provisions of this chapter and such rules shall be subject to the approval of the Director.

''(d) REPORTS.—

''(1) The head of each agency shall provide to the Director such reports and other information as the Director requests.

''(2) Each Designated Statistical Agency (as defined in section 3576(e)) shall report annually to the Director, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate on the actions it has taken to implement section 3576. The report shall include copies of each written agreement entered into pursuant to section 3576(c)(1) for the applicable year.

''(3) The Director shall include a summary of reports submitted to the Director under this subsection and actions taken by the Director to advance the purposes of this subchapter in the annual report to Congress on statistical programs prepared under section 3504(e)(2).

**''§ 3563. Federal statistical agencies**

''(a) RESPONSIBILITIES.—

''(1) IN GENERAL.—Each statistical agency or unit shall—

''(A) produce and disseminate relevant and timely statistical information;

''(B) conduct credible and accurate statistical activities;

''(C) conduct objective statistical activities; and

''(D) protect the trust of information providers by ensuring the confidentiality and exclusive statistical use of their responses

''(2) POLICIES, BEST PRACTICES, AND PROCEDURES.—Each statistical agency or unit shall adopt policies, best practices, and appropriate procedures to implement the responsibilities described in paragraph (1).

''(b) SUPPORT FROM OTHER AGENCIES.—The head of each agency shall enable, support, and facilitate statistical agencies or units in carrying out the responsibilities described in subsection (a)(1).

''(c) REGULATIONS.—The Director shall prescribe regulations to carry out this section.

''(d) DEFINITIONS.—In this section:

''(1) ACCURATE.—The term 'accurate', when used with respect to statistical activities, means statistics that consistently match the events and trends being measured.

''(2) CONFIDENTIALITY.—The term 'confidentiality' means a quality or condition accorded to information as an obligation not to

disclose that information to an unauthorized party.

''(3) OBJECTIVE.—The term 'objective', when used with respect to statistical activities, means accurate, clear, complete, and unbiased.

''(4) RELEVANT.—The term 'relevant', when used with respect to statistical information, means processes, activities, and other such matters likely to be useful to policymakers and public and private sector data users.

**''§ 3564. Effect on other laws**

''(a) TITLE 44, UNITED STATES CODE.—This subchapter does not diminish the authority under section 3510 of the Director to direct, and of an agency to make, disclosures that are not inconsistent with any applicable law.

''(b) TITLE 13 AND TITLE 44, UNITED STATES CODE.—This subchapter does not diminish the authority of the Bureau of the Census to provide information in accordance with sections 8, 16, 301, and 401 of title 13 and section 2108 of this title.

''(c) TITLE 13, UNITED STATES CODE.—This subchapter shall not be construed as authorizing the disclosure for nonstatistical purposes of demographic data or information collected by the Bureau of the Census pursuant to section 9 of title 13.

''(d) VARIOUS ENERGY STATUTES.—Data or information acquired by the Energy Information Administration under a pledge of confidentiality and designated by the Energy Information Administration to be used for exclusively statistical purposes shall not be disclosed in identifiable form for nonstatistical purposes under—

''(1) section 12, 20, or 59 of the Federal Energy Administration Act of 1974 (15 U.S.C. 771, 779, 790h);

''(2) section 11 of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 796); or

''(3) section 205 or 407 of the Department of Energy Organization Act (42 U.S.C. 7135, 7177).

''(e) SECTION 201 OF CONGRESSIONAL BUDGET ACT OF 1974.—This subchapter shall not be construed to limit any authorities of the Congressional Budget Office to work (consistent with laws governing the confidentiality of information the disclosure of which would be a violation of law) with databases of Designated Statistical Agencies (as defined in section 3576(e)), either separately or, for data that may be shared pursuant to section 3576(c) or other authority, jointly in order to improve the general utility of these databases for the statistical purpose of analyzing pension and health care financing issues.

''(f) PREEMPTION OF STATE LAW.—Nothing in this subchapter shall preempt applicable State law regarding the confidentiality of data collected by the States.

''(g) STATUTES REGARDING FALSE STATEMENTS.—Notwithstanding section 3572, information collected by an agency for exclusively statistical purposes under a pledge of confidentiality may be provided by the collecting agency to a law enforcement agency for the prosecution of submissions to the collecting agency of false statistical information under statutes that authorize criminal penalties (such as section 221 of title 13) or civil penalties for the provision of false statistical information, unless such disclosure or use would otherwise be prohibited under Federal law.

''(h) CONSTRUCTION.—Nothing in this subchapter shall be construed as restricting or diminishing any confidentiality protections or penalties for unauthorized disclosure that otherwise apply to data or information collected for statistical purposes or nonstatistical purposes, including, but not limited to, section 6103 of the Internal Revenue Code of 1986.

''(i) AUTHORITY OF CONGRESS.—Nothing in this subchapter shall be construed to affect the authority of the Congress, including its committees, members, or agents, to obtain data or information for a statistical purpose, including for oversight of an agency's statistical activities.

**''PART B—CONFIDENTIAL INFORMATION PROTECTION**

**''§ 3571. Findings**

''The Congress finds the following:

''(1) Individuals, businesses, and other organizations have varying degrees of legal protection when providing information to the agencies for strictly statistical purposes.

''(2) Pledges of confidentiality by agencies provide assurances to the public that information about individuals or organizations or provided by individuals or organizations for exclusively statistical purposes will be held in confidence and will not be used against such individuals or organizations in any agency action.

''(3) Protecting the confidentiality interests of individuals or organizations who provide information under a pledge of confidentiality for Federal statistical programs serves both the interests of the public and the needs of society.

''(4) Declining trust of the public in the protection of information provided under a pledge of confidentiality to the agencies adversely affects both the accuracy and completeness of statistical analyses.

''(5) Ensuring that information provided under a pledge of confidentiality for statistical purposes receives protection is essential in continuing public cooperation in statistical programs.

**''§ 3572. Confidential information protection**

''(a) PURPOSES.—The purposes of this section are the following:

''(1) To ensure that information supplied by individuals or organizations to an agency for statistical purposes under a pledge of confidentiality is used exclusively for statistical purposes.

''(2) To ensure that individuals or organizations who supply information under a pledge of confidentiality to agencies for statistical purposes will neither have that information disclosed in identifiable form to anyone not authorized by this subchapter nor have that information used for any purpose other than a statistical purpose.

''(3) To safeguard the confidentiality of individually identifiable information acquired under a pledge of confidentiality for statistical purposes by controlling access to, and uses made of, such information.

''(b) USE OF STATISTICAL DATA OR INFORMATION.—Data or information acquired by an agency under a pledge of confidentiality and for exclusively statistical purposes shall be used by officers, employees, or agents of the agency exclusively for statistical purposes and protected in accordance with such pledge.

''(c) DISCLOSURE OF STATISTICAL DATA OR INFORMATION.—

''(1) Data or information acquired by an agency under a pledge of confidentiality for exclusively statistical purposes shall not be disclosed by an agency in identifiable form, for any use other than an exclusively statistical purpose, except with the informed consent of the respondent.

''(2) A disclosure pursuant to paragraph (1) is authorized only when the head of the agency approves such disclosure and the disclosure is not prohibited by any other law.

''(3) This section does not restrict or diminish any confidentiality protections in law that otherwise apply to data or information acquired by an agency under a pledge of confidentiality for exclusively statistical purposes.

''(d) RULE FOR USE OF DATA OR INFORMATION FOR NONSTATISTICAL PURPOSES.—A statistical agency or unit shall clearly distinguish any data or information it collects for nonstatistical purposes (as authorized by law) and provide notice to the public, before the data or information is collected, that the data or information could be used for nonstatistical purposes.

''(e) DESIGNATION OF AGENTS.—A statistical agency or unit may designate agents, by contract or by entering into a special agreement containing the provisions required under section 3561(2) for treatment as an agent under that section, who may perform exclusively statistical activities, subject to the limitations and penalties described in this subchapter.

''(f) FINES AND PENALTIES.—Whoever, being an officer, employee, or agent of an agency acquiring information for exclusively statistical purposes, having taken and subscribed the oath of office, or having sworn to observe the limitations imposed by this section, comes into possession of such information by reason of his or her being an officer, employee, or agent and, knowing that the disclosure of the specific information is prohibited under the provisions of this subchapter, willfully discloses the information in any manner to a person or agency not entitled to receive it, shall be guilty of a class E felony and imprisoned for not more than five years, or fined not more than $250,000, or both.

**''PART C—STATISTICAL EFFICIENCY**

**''§ 3575. Findings**

''The Congress finds the following:

''(1) Federal statistics are an important source of information for public and private decision-makers such as policymakers, consumers, businesses, investors, and workers.

''(2) Federal statistical agencies should continuously seek to improve their efficiency. Statutory constraints limit the ability of these agencies to share data and thus to achieve higher efficiency for Federal statistical programs.

''(3) The quality of Federal statistics depends on the willingness of businesses to respond to statistical surveys. Reducing reporting burdens will increase response rates, and therefore lead to more accurate characterizations of the economy.

''(4) Enhanced sharing of business data among the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics for exclusively statistical purposes will improve their ability to track more accurately the large and rapidly changing nature of United States business. In particular, the statistical agencies will be able to better ensure that businesses are consistently classified in appropriate industries, resolve data anomalies, produce statistical samples that are consistently adjusted for the entry and exit of new businesses in a timely manner, and correct faulty reporting errors quickly and efficiently.

''(5) Congress enacted the International Investment and Trade in Services Survey Act (Public Law 94–472), which allowed the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics to share data on foreign-owned companies. The Act not only expanded detailed industry coverage from 135 industries to over 800 industries with no increase in the data collected from respondents but also demonstrated how data sharing can result in the creation of valuable data products.

''(6) With part B of this subchapter, the sharing of business data among the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics continues to ensure the highest level of confidentiality for respondents to statistical surveys.

**"§ 3576. Designated Statistical Agencies**

''(a) PURPOSES.—The purposes of this section are the following:

''(1) To authorize the sharing of business data among the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics for exclusively statistical purposes.

''(2) To reduce the paperwork burdens imposed on businesses that provide requested information to the Federal Government.

''(3) To improve the comparability and accuracy of Federal economic statistics by allowing the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics to update sample frames, develop consistent classifications of establishments and companies into industries, improve coverage, and reconcile significant differences in data produced by the three agencies.

''(4) To increase understanding of the United States economy, especially for key industry and regional statistics, to develop more accurate measures of the impact of technology on productivity growth, and to enhance the reliability of the Nation's most important economic indicators, such as the National Income and Product Accounts.

''(b) RESPONSIBILITIES OF DESIGNATED STATISTICAL AGENCIES.—The head of each of the Designated Statistical Agencies shall—

''(1) identify opportunities to eliminate duplication and otherwise reduce reporting burden and cost imposed on the public in providing information for statistical purposes;

''(2) enter into joint statistical projects to improve the quality and reduce the cost of statistical programs; and

''(3) protect the confidentiality of individually identifiable information acquired for statistical purposes by adhering to safeguard principles, including—

''(A) emphasizing to their officers, employees, and agents the importance of protecting the confidentiality of information in cases where the identity of individual respondents can reasonably be inferred by either direct or indirect means;

''(B) training their officers, employees, and agents in their legal obligations to protect the confidentiality of individually identifiable information and in the procedures that must be followed to provide access to such information;

''(C) implementing appropriate measures to assure the physical and electronic security of confidential data;

''(D) establishing a system of records that identifies individuals accessing confidential data and the project for which the data were required; and

''(E) being prepared to document their compliance with safeguard principles to other agencies authorized by law to monitor such compliance.

''(c) SHARING OF BUSINESS DATA AMONG DESIGNATED STATISTICAL AGENCIES.—

''(1) IN GENERAL.—A Designated Statistical Agency may provide business data in an identifiable form to another Designated Statistical Agency under the terms of a written agreement among the agencies sharing the business data that specifies—

''(A) the business data to be shared;

''(B) the statistical purposes for which the business data are to be used;

''(C) the officers, employees, and agents authorized to examine the business data to be shared; and

''(D) appropriate security procedures to safeguard the confidentiality of the business data.

''(2) RESPONSIBILITIES OF AGENCIES UNDER OTHER LAWS.—The provision of business data by an agency to a Designated Statistical Agency under this section shall in no way alter the responsibility of the agency providing the data under other statutes (including sections 552 and 552b of title 5) with respect to the provision or withholding of such information by the agency providing the data.

''(3) RESPONSIBILITIES OF OFFICERS, EMPLOYEES, AND AGENTS.—Examination of business data in identifiable form shall be limited to the officers, employees, and agents authorized to examine the individual reports in accordance with written agreements pursuant to this section. Officers, employees, and agents of a Designated Statistical Agency who receive data pursuant to this section shall be subject to all provisions of law, including penalties, that relate—

''(A) to the unlawful provision of the business data that would apply to the officers, employees, and agents of the agency that originally obtained the information; and

''(B) to the unlawful disclosure of the business data that would apply to officers, employees, and agents of the agency that originally obtained the information.

''(4) NOTICE.—Whenever a written agreement concerns data that respondents were required by law to report and the respondents were not informed that the data could be shared among the Designated Statistical Agencies, for exclusively statistical purposes, the terms of such agreement shall be described in a public notice issued by the agency that intends to provide the data. Such notice shall allow a minimum of 60 days for public comment.

''(d) LIMITATIONS ON USE OF BUSINESS DATA PROVIDED BY DESIGNATED STATISTICAL AGENCIES.—

''(1) GENERAL USE.—Business data provided by a Designated Statistical Agency pursuant to this section shall be used exclusively for statistical purposes.

''(2) PUBLICATION.—Publication of business data acquired by a Designated Statistical Agency shall occur in a manner whereby the data furnished by any particular respondent are not in identifiable form.

''(e) DESIGNATED STATISTICAL AGENCY DEFINED.—In this section, the term 'Designated Statistical Agency' means each of the following:

''(1) The Census Bureau of the Department of Commerce.

''(2) The Bureau of Economic Analysis of the Department of Commerce.

''(3) The Bureau of Labor Statistics of the Department of Labor.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 35 of title 44, United States Code, as amended by proceeding provisions of this Act, is further amended by adding at the end the following:

''SUBCHAPTER III—CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY

''PART A—GENERAL

''3561. Definitions.
''3562. Coordination and oversight of policies.
''3563. Federal statistical agencies.
''3564. Effect on other laws.

''PART B—CONFIDENTIAL INFORMATION PROTECTION

''3571. Findings.
''3572. Confidential information protection.

''PART C—STATISTICAL EFFICIENCY

''3575. Findings.
''3576. Designated Statistical Agencies.''.

(c) CONFORMING AMENDMENTS.—

(1) REPEAL OF CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY ACT OF 2002.—Title V of the E–Government Act of 2002 (Public Law 107–347; 44 U.S.C. 3501 note) is repealed (and the table of contents of such Act shall be conformed accordingly).

(2) TITLE 13, UNITED STATES CODE.—Section 402 of title 13, United States Code, is amended by striking ''the Confidential Information Protection and Statistical Efficiency Act of 2002'' and inserting ''section 3576(e) of title 44''.

(3) TITLE 49, UNITED STATES CODE.—Title 49, United States Code, is amended—

(A) in section 6302(d)(4), by striking ''the Confidential Information'' and all that follows through the period and inserting ''section 3572 of title 44.''; and

(B) in section 6314(d)(2), by striking ''the Confidential Information'' and all that follows through the period and inserting ''section 3572 of title 44.''.

(4) ACT OF JANUARY 27, 1938.—The first section of the Act of January 27, 1938, entitled ''An Act to make confidential certain information furnished to the Bureau of Foreign and Domestic Commerce, and for other purposes'' (52 Stat. 8, chapter 11; 15 U.S.C. 176a), is amended by striking ''the Confidential Information Protection and Statistical Efficiency Act of 2002'' and inserting ''subchapter III of chapter 35 of title 44, United States Code''.

(5) FIXING AMERICA'S SURFACE TRANSPORTATION ACT.—Section 7308(e)(2) of the Fixing America's Surface Transportation Act (Public Law 114–94; 49 U.S.C. 20155 note) is amended by striking ''the Confidential Information Protection and Statistical Efficiency Act of 2002 (44 U.S.C. 3501 note)'' and inserting ''section 3572 of title 44, United States Code''.

(d) TRANSITIONAL AND SAVINGS PROVISIONS.—

(1) CUTOFF DATE.—This title replaces certain provisions of law enacted on December 17, 2002. If a law enacted after that date amends or repeals a provision replaced by this title, that law is deemed to amend or repeal, as the case may be, the corresponding provision enacted by this title. If a law enacted after that date is otherwise inconsistent with this title, it supersedes this title to the extent of the inconsistency.

(2) ORIGINAL DATE OF ENACTMENT UNCHANGED.—For purposes of determining whether one provision of law supersedes another based on enactment later in time, the date of the enactment of a provision enacted by this title is deemed to be the date of the enactment of the provision it replaced.

(3) REFERENCES TO PROVISIONS REPLACED.—A reference to a provision of law replaced by this title, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding provision enacted by this title.

(4) REGULATIONS, ORDERS, AND OTHER ADMINISTRATIVE ACTIONS.—A regulation, order, or other administrative action in effect under a provision of law replaced by this title continues in effect under the corresponding provision enacted by this title.

(5) ACTIONS TAKEN AND OFFENSES COMMITTED.—An action taken or an offense committed under a provision of law replaced by this title is deemed to have been taken or committed under the corresponding provision enacted by this title.

**SEC. 303. INCREASING ACCESS TO DATA FOR EVIDENCE.**

(a) IN GENERAL.—Subchapter III of chapter 35 of title 44, United States Code, as added by section 302, is amended by adding at the end the following new part:

**"PART D—ACCESS TO DATA FOR EVIDENCE**

**"§ 3581. Presumption of accessibility for statistical agencies and units**

''(a) ACCESSIBILITY OF DATA ASSETS.—The head of an agency shall, to the extent practicable, make any data asset maintained by the agency available, upon request, to any statistical agency or unit for purposes of developing evidence.

''(b) LIMITATIONS.—Subsection (a) does not apply to any data asset that is subject to a statute that—

''(1) prohibits the sharing or intended use of such asset in a manner as to leave no discretion on the issue; or

''(2) if enacted after the date of the enactment of this section, specifically cites to this paragraph.

''(c) REGULATIONS.—The Director shall prescribe regulations for agencies to carry out this section. Such regulations shall—

''(1) require the timely provision of data assets under subsection (a);

''(2) provide a list of statutes that exempt agencies from the requirement under subsection (a) pursuant to subsection (b)(1); and

''(3) require a transparent process for statistical agencies and units to request data assets from agencies and for agencies to respond to such requests.

''(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed as altering existing intellectual property rights or the terms of any contract or other binding, written agreement.

**''§ 3582. Expanding secure access to CIPSEA data assets**

''(a) STATISTICAL AGENCY RESPONSIBILITIES.—To the extent practicable, each statistical agency or unit shall expand access to data assets of such agency or unit acquired or accessed under this subchapter to develop evidence while protecting such assets from inappropriate access and use, in accordance with the regulations promulgated under subsection (b).

''(b) REGULATIONS FOR ACCESSIBILITY OF NONPUBLIC DATA ASSETS.—The Director shall promulgate regulations, in accordance with applicable law, for statistical agencies and units to carry out the requirement under subsection (a). Such regulations shall include the following:

''(1) Standards for each statistical agency or unit to assess each data asset owned or accessed by the statistical agency or unit for purposes of categorizing the sensitivity level of each such asset and identifying the corresponding level of accessibility to each such asset. Such standards shall include—

''(A) common sensitivity levels and corresponding levels of accessibility that may be assigned to a data asset, including a requisite minimum and maximum number of sensitivity levels for each statistical agency or unit to use;

''(B) criteria for determining the sensitivity level and corresponding level of accessibility of each data asset; and

''(C) criteria for determining whether a less sensitive and more accessible version of a data asset can be produced.

''(2) Standards for each statistical agency or unit to improve access to a data asset pursuant to paragraph (1) or (3) by removing or obscuring information in such a manner that the identity of the data subject is less likely to be reasonably inferred by either direct or indirect means.

''(3) A requirement for each statistical agency or unit to conduct a comprehensive risk assessment of any data asset acquired or accessed under this subchapter prior to any public release of such asset, including standards for such comprehensive risk assessment and criteria for making a determination of whether to release the data.

''(4) Requirements for each statistical agency or unit to make any process or assessment established, produced, or conducted pursuant to this section transparent and easy to understand, including the following:

''(A) A requirement to make information on the assessment of the sensitivity level of each data asset conducted pursuant to paragraph (1) available on the Federal data catalogue established under section 3511(c)(1).

''(B) A requirement to make any comprehensive risk assessment, and associated determinations, conducted under paragraph (3) available on the Federal data catalogue established under section 3511(c)(1).

''(C) A requirement to make any standard or policy established by the statistical agency or unit to carry out this section and any assessment conducted under this section easily accessible on the public website of such agency or unit.

''(c) RESPONSIBILITIES OF THE DIRECTOR.—The Director shall—

''(1) make public all standards and policies established under this section; and

''(2) ensure that statistical agencies and units have the ability to make information public on the Federal data catalogue established under section 3511(c)(1), in accordance with requirements established pursuant to subsection (b).

**''§ 3583. Application to access data assets for developing evidence**

''(a) STANDARD APPLICATION PROCESS.—The Director shall establish a process through which agencies, the Congressional Budget Office, State, local, and Tribal governments, researchers, and other individuals, as appropriate, may apply to access the data assets accessed or acquired under this subchapter by a statistical agency or unit for purposes of developing evidence. The process shall include the following:

''(1) Sufficient detail to ensure that each statistical agency or unit establishes an identical process.

''(2) A common application form.

''(3) Criteria for statistical agencies and units to determine whether to grant an applicant access to a data asset.

''(4) Timeframes for prompt determinations by each statistical agency or unit.

''(5) An appeals process for adverse decisions and noncompliance with the process established under this subsection.

''(6) Standards for transparency, including requirements to make the following information publicly available:

''(A) Each application received.

''(B) The status of each application.

''(C) The determination made for each application.

''(D) Any other information, as appropriate, to ensure full transparency of the process established under this subsection.

''(b) CONSULTATION.—In establishing the process required under subsection (a), the Director shall consult with stakeholders, including the public, agencies, State and local governments, and representatives of nongovernmental researchers.

''(c) IMPLEMENTATION.—The head of each statistical agency or unit shall implement the process established under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 35 of title 44, United States Code, as amended by preceding provisions of this Act, is further amended by adding at the end the following:

''PART D—ACCESS TO DATA FOR EVIDENCE

''3581. Presumption of accessibility for statistical agencies and units.
''3582. Expanding secure access to CIPSEA data assets.
''3583. Application to access data assets for developing evidence.''.

(c) DEADLINE FOR GUIDANCE AND IMPLEMENTATION.—Not later than one year after the date of the enactment of this Act, the Director of the Office of Management and Budget shall promulgate or issue any regulation or guidance required by subchapter III of title 44, United States Code, as amended by this section, with a requirement for such regulation or guidance to be implemented not later than one year after the date on which such regulation or guidance has been promulgated or issued.

**TITLE IV—GENERAL PROVISIONS**

**SEC. 401. RULE OF CONSTRUCTION.**

Nothing in this Act, or the amendments made by this Act, may be construed—

(1) to require the disclosure of information or records that are exempt from disclosure under section 552 of title 5, United States Code (commonly known as the ''Freedom of Information Act'');

(2) to create or expand an exemption from disclosure under such section; or

(3) to affect the authority of a Federal agency regarding—

(A) intellectual property rights, including rights under titles 17 and 35, United States Code;

(B) confidential business information that could be withheld under section 552(b)(4) of title 5; or

(C) data assets restricted from disclosure under a contract or other binding, written agreement.

**SEC. 402. EFFECTIVE DATE.**

Except as otherwise provided, this Act, and the amendments made by this Act, shall take effect on the date that is 180 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. FARENTHOLD) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. FARENTHOLD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include in the RECORD extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FARENTHOLD. Mr. Speaker, it is my distinct pleasure to yield 1 minute to the gentleman from Wisconsin (Mr. RYAN), the sponsor of the bill and my friend, the Speaker of the House.

Mr. RYAN of Wisconsin. Mr. Speaker, first of all, I want to thank the gentleman for yielding.

Mr. Speaker, I rise today in strong support of the Foundations for Evidence-Based Policymaking Act.

First, I want to thank the sponsors of the bill. I want to thank Mr. FARENTHOLD. I want to thank Mr. KILMER. I want to thank Chairman GOWDY.

BLAKE FARENTHOLD and DEREK KILMER were the key drivers of this measure, and they made it stronger by incorporating their OPEN Government Data Act.

TREY GOWDY and his staff—I don't know where he is. He is probably working on his hair. TREY GOWDY and his staff—especially Katy Rother—spent countless hours working with our team—especially Ted McCann—and others to turn the Commission on Evidence-Based Policymaking's vision into legislation. All the members of this Commission did incredible work.

I want to especially thank Senator PATTY MURRAY for her willingness to

work together on this issue. We may be on different sides of the aisle, but there is one thing that we passionately agree on, and that is what the government does, it should do it well. The taxpayer's money should always be protected, and that is exactly why we came together to write this bipartisan legislation.

So what does this bill actually do? It protects privacy. It improves transparency. It ensures that Federal agencies are protecting the data collected by the government.

The American people deserve to know and they deserve to understand exactly what data the government is actually collecting. They deserve to know that the strictest safeguards are placed on that data.

The driving purpose of this legislation is very simple: we are requiring Federal agencies to prioritize evidence when they are measuring a program's success.

Go figure.

Here is what we are talking about. Let's just take poverty, for example. Instead of measuring success based on inputs, instead of measuring success based on how many programs we have created, how much money we are spending, how many people are on those programs, let's measure success based on results: Is it working? Are people getting out of poverty? Are the goals and objectives of these bills and these laws actually being achieved or not?

By directing agencies to do this, no longer will ''we don't know'' be an acceptable answer when asked if a program is actually working.

It is really just kind of crazy, but so much of what government does, government doesn't actually see whether or not it is actually succeeding at doing it. So we have got to get off of this input effort-based system, this 20th century relic, and on to clearly identifiable, evidence-based terms, conditions, data, results, outcomes.

With this bill, we are asking the Federal bureaucracy to step up its game. We are asking ourselves: How can we improve the lives of our fellow citizens by better understanding the programs that we put in place? How can we make sure that the money that is being spent on behalf of the hardworking taxpayers, who send the money here in the first place, is being spent wisely, efficiently, effectively?

We need results, not just effort. This is just good, commonsense policy, and it is going to mean a real sea change in how we solve problems and how government actually works.

Mr. Speaker, I urge passage of this bill, and I thank the sponsors for all of their hard work.

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Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Foundations for Evidence-Based Policymaking Act, as amended, would establish a framework to support greater access and use of government data.

I want to thank Representatives DEREK KILMER and BLAKE FARENTHOLD for their work on the OPEN Government Data Act, which is the basis for title II of this bill. I also want to thank Speaker RYAN, Senator MURRAY, and Chairman GOWDY for their bipartisan work on this issue.

This bill would require that agencies make data ''open by default'' and develop a plan for building evidence in their agencies.

The bill would require that the Office of Management and Budget develop a Federal catalog and inventory of agency data assets and that each agency designate chief evaluation officers and chief data officers who would work to ensure that agencies utilize data effectively.

The goal of this bill is to ensure that Congress and the executive branch are able to make important policy decisions based on evidence. This is not always the case. For example, take the Teen Pregnancy Prevention Program. Funding for that program was recently cut even though there is significant evidence that it works well.

If we are going to demand more and higher quality evidence from these Federal agencies, it is imperative that Congress and the executive branch advance policies supported by that evidence.

Mr. Speaker, I reserve the balance of my time.

Mr. FARENTHOLD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am here today to support H.R. 4174, introduced by Speaker RYAN and of which I am an original cosponsor.

The American people deserve an efficient and effective Federal Government. I think we can all agree on that. Taxpayers have the right to know their money is being spent wisely. All too often, decisionmakers throughout the Federal Government make choices without sufficient evidence and data to inform them and guide them in making those decisions.

In the previous Congress, Speaker RYAN and Senator PATTY MURRAY introduced the bicameral and bipartisan Evidence-Based Policymaking Commission Act of 2016. The Commission was charged with studying and making recommendations related to access and use of evidence to support effective policymaking. Believe it or not, they finished in about a year.

The Commission on Evidence-Based Policymaking released their report September 7 of this year. The Commission made 22 recommendations on how to improve how evidence is accessed, produced, secured, and maintained by the Federal Government.

On September 26, 2017, the House Committee on Oversight and Government Reform held a hearing entitled ''Recommendations of the Commission on Evidence-Based Policymaking.'' At that hearing, four members of the Commission explained the intent of the recommendations and the need for more evidence to improve policymaking.

According to Dr. Ron Haskins, the co-chair of the Commission, evidence showed that many of the Nation's social programs produced modest to no impacts.

H.R. 4174, the Foundations for Evidence-Based Policymaking Act of 2017, addresses several recommendations from the final report issued by the Commission.

The bill lays the groundwork for critical examination of what is working and what is not working in the Federal Government. Policy decisions should be based on facts. Those folks of my generation will remember Sergeant Joe Friday in ''Dragnet:'' ''Just the facts, ma'am.''

That is what we are trying to get ahold of here.

According to the Commission on Evidence-Based Policymaking, too little evidence is produced in the Federal Government to meet this need. The Commission also found cumbersome and idiosyncratic data access procedures create confusion, impose unnecessary costs, and are a barrier to evidence building.

Additionally, according to the Government Accountability Office, agencies' continued lack of evaluations may be the greatest barrier to their informing managers and policymakers and constitutes a lost opportunity to improve the efficiency and effectiveness of limited government resources.

These barriers are standing between the taxpayers and the effective government that they had paid for and that they deserve.

H.R. 4174 removes some of the barriers the Commission identified and encourages agencies to expand the use of evidence in decisionmaking.

First, each agency will need to designate a chief evaluation officer and submit annual evidence-building plans to Congress and the Office of Management and Budget. This bill also establishes an advisory committee to review, analyze, and make recommendations on how to expand access to and use of data for evidence building.

It also includes the OPEN Government Data Act that Representative KILMER and I introduced. The OPEN Government Data Act addresses the Commission's recommendation to expand access to information about data. The OPEN Government Data Act requires Federal agencies to develop a comprehensive inventory of Federal data and increases access to specific data assets that are appropriate for public release. This isn't personally identifiable, confidential, private, or classified information.

It also establishes an open-by-default standard for Federal data, meaning data will be available under an open format and open license, and it will be

in a machine-readable format. We are going to crowdsource some of this evidence building. We are going to let the private sector or nonprofits or whomever access this data, find ways to use it, build data, and, again, get more bang for the taxpayer's dollar.

The bill further improves data management and collection by codifying the position of chief data officer and clarifying the CDO roles and responsibilities.

Finally, H.R. 4174 establishes a process by which statistical agencies can access data, ensure effective and consistent privacy protections, and develop methods to reduce the sensitivity of data. This will expand opportunities for use of the data by the evidence-building community.

The Foundations for Evidence-Based Policymaking Act of 2017 was reported favorably out of the House Committee on Oversight and Government Reform.

I come back to the bottom line on this: Americans expect policymakers to make decisions based on facts. And decisions based on facts are better decisions that will save taxpayer money and be good for America. H.R. 4174 will help make these expectations a reality.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. KILMER).

Mr. KILMER. Mr. Speaker, I thank the gentlewoman for yielding.

Imagine you are a coder and you have a great idea for an app that predicts the weather or identifies traffic flows or helps people navigate the social service system. You know how to code the app, but you can't afford to set up your own system to collect the data—the weather data or the traffic data or what have you.

Now, imagine you build the app and you can pull data that the government is already collecting so you can build the app and use the data. It turns out that you have got something that is either good at predicting the weather or helping commuters or helping folks navigate the social services system or whatever and it grows into a business. You can actually employ people. You can put people to work. A project that may have started as a hobby could become your life's work.

The Foundations for Evidence-Based Policymaking Act, and specifically title II of this bill called the OPEN Government Data Act, will actually help make stories like that become a common thing. This bill gives entrepreneurs and innovators huge amounts of publicly funded data so that they can innovate and come up with applications that we haven't even thought of yet.

It also means that government agencies can share data more easily and ultimately provide services more effectively. Most importantly, it allows citizens to participate in their government by making government more transparent and accountable.

Mr. Speaker, data is the spark that drives innovative ideas, and I drafted the OPEN Government Data Act with Representatives FARENTHOLD and Senators SCHATZ and SASSE to support new startups by providing innovators with the legal elbow room to use public information and public data and to create jobs. It reduces the burden to entry by lowering the cost to access and format data. It will open new business opportunities.

Making more government data public will pump up the data analytics boom currently driving new innovation, and I expect that access to this data will lead to things that we haven't even thought up yet.

I am proud to work with Speaker RYAN, Chairman GOWDY, and Senator MURRAY to incorporate that bill into this broader legislation. It will help us measure how government programs are actually working or not.

Establishing a data inventory will help government officials understand what data they have so that they can use it, and they don't duplicate work that is already getting done.

Making the government's data searchable and accessible will help public servants make better decisions, and it will help the public and the press hold government more accountable.

Let me give you an example. Mr. Speaker, I represent more military veterans than just about any Member of this body. Like many of us, I was horrified to learn several years ago that the Department of Veterans Affairs was struggling to provide the services and treatments that were earned by military veterans. Now imagine if the House Veterans' Affairs Committee or the Government Accountability Office or even the VA had access to some of the data around wait times earlier. The pain caused to veterans and their families could have been avoided.

Imagine if the leaders of the Veterans Administration knew that newspapers were going to have access to that data, whether it be the Kitsap Sun in my district or The New York Times or whoever. Imagine that they were looking at that data, too.

It is time for government to move into the 21st century and start using the data it is collecting to improve the services it is providing.

Let me just speak briefly about what this bill does. This gets a little wonky, but I actually think it is pretty important. This legislation sets up a way for everyone to use the government's data. We spent a long time working to make sure that the terms used in the bill didn't trap government policy in this year or this decade. We hope that this legislation will act as a building block for future technologies and applications of Federal data.

We included some important pieces to ensure that data is not only available, but that it is easily used. Data has to be machine-readable. Many of us, I think, have gone on the internet and gotten a data set in PDF form that you can't really do anything with. It is so annoying. It is pretty obvious that in 2017 you should be able to use your computer to find what you are looking for.

Data has to be open format, and data should be malleable. Professionals inside and outside of government should be able to use that data in various ways. Government data should be provided under an open license. If the government owns the data, that means the people paid for it, and they should be able to use it for free.

Let me quickly talk about what this bill doesn't do.

The bill does not take away safeguards that protect personal privacy, national security, and intellectual property. The legislation would not affect existing contracts, so the government is not going to go to a contractor and say: Oh, by the way, your data is now free and available to the public.

Importantly, the bill does not alter the government's need to pay for private data rights in the future when it identifies private data that it may want to access and have ownership of. This bill only applies to data that is owned and controlled by the Federal Government. It does not provide an advantage to one sector or technology over another.

Mr. Speaker, let me just say in closing, for the past 2 years, several of us have worked on this issue and with experts throughout the private and public sector to get this bill past the finish line. I am proud to stand here today in support of a bipartisan bill that can move our economy forward, that can improve efficiency in our government, and can help citizens get more involved in our democratic republic.

Mr. Speaker, I urge my colleagues' support of this bill.

Mr. FARENTHOLD. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. MITCHELL), who is on the Oversight and Government Reform Committee.

Mr. MITCHELL. Mr. Speaker, I rise today in support of H.R. 4174, the Foundations for Evidence-Based Policymaking Act of 2017.

I am pleased to see the bill's sponsors and the Speaker move forward with the reforms proposed by the Commission on Evidence-Based Policymaking.

H.R. 4174 aims to create and use technology to assess and solve problems; in other words, to make sure tools exist to gauge whether programs work to best serve the American people. It is about utilizing the data we already have to find out what works, what doesn't work, and what could work for some changes.

The bill requires agencies to develop evidence-building plans, key outcomes and return investment for the money the taxpayers pay, and creates the position of a chief evaluation officer. Imagine that, we have to actually create a position to evaluate because we

aren't doing it effectively now. It establishes an advisory committee to study the Commission's recommendation that Congress create a National Secure Data Service. It includes the OPEN Government Data Act, which ensures that government aggregate data is available to consumers in a usable format.

As my colleague said on the other side of the aisle, to make the data malleable, to make the data open format so that, in fact, people can assess not just in government agencies, but out in the public what the data is saying about the programs that they pay for that we fund.

Finally, the bill also creates procedures to share that data across Federal agencies and to require protection of individual data that makes up all that aggregate data.

All of these provisions are critical to setting our government on a path toward better serving the people in this country. Washington can no longer assess quality based on how much money we dump into programs, how many people we enroll—outcomes that don't tell us whether or not they are succeeding. This can only be done with quality, accessible data.

By allowing key data to be connected and reported, we can build evidence to determine what does and doesn't work. More importantly, the American people can see the evidence of what does and doesn't work rather than just bureaucrats in Washington.

I would also like to point out how the reforms are working here to lay the foundation for government and Congress to create new policies that apply this information in novel ways.

This act, in its call for transparent, efficient, and well-designed data systems, dovetails with other efforts in Congress for transparency and sharing data.

A bill I am working on, the College Transparency Act, would do just that for student data and outcomes data from colleges and universities to better enable students and families to make more informed decisions on one of the most important part of their lives: what postsecondary education they pursue and what the outcome will be.

□ 1500

This bill, and my bill, streamlines and updates higher education information. It is time to utilize and make meaning out of all the data we currently have and provide that to the taxpayers.

The Foundations for Evidence-Based Policymaking Act and the College Transparency Act both share a few critical goals of the Commission on Evidence-Based Policymaking:

First is the protection of the privacy of individuals that may be reflected in the data. That is the first priority.

Second is the recommendation that information be more readily shared across agencies. Agencies actually will share what they already know about programs.

Third is that agencies develop a strategy to share this data with the public who pays for those programs.

These provisions are fundamental to responsibly and effectively utilizing the data that the taxpayers pay for. The Foundations for Evidence-Based Policymaking Act sets in motion these commonsense policies that will increase the return on investment for the taxpayers and the outcomes of our programs.

The compartmentalization of data the government already collects and barriers that prevent the reasonable sharing of it represent a significant missed opportunity for the government to provide value to taxpayers.

It amazes me that we had to create a commission to tell us to share this data. Taxpayers have already paid for it. Why aren't we already using it?

Long term, these plans are essential. I urge my colleagues to support the bill.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield back the balance of my time.

Mr. FARENTHOLD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will be brief.

This is a good government bill with bipartisan, bicameral support that will give Americans access to the data that they have paid for, will give lawmakers access to the data they need to make decisions, and will give policymakers and leadership in the executive branch the data they need to make better decisions to save taxpayers money and to do a better job at the things that we are trying to do in government.

Mr. Speaker, I urge my colleagues to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. FARENTHOLD) that the House suspend the rules and pass the bill, H.R. 4174, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

## HOWARD B. PATE, JR. POST OFFICE

Mr. FARENTHOLD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3369) to designate the facility of the United States Postal Service located at 225 North Main Street in Spring Lake, North Carolina, as the ''Howard B. Pate, Jr. Post Office''.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3369

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. HOWARD B. PATE, JR. POST OFFICE.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 225 North Main Street in Spring Lake, North Carolina, shall be known and designated as the ''Howard B. Pate, Jr. Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Howard B. Pate, Jr. Post Office''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. FARENTHOLD) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. FARENTHOLD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FARENTHOLD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3369, introduced by the gentleman from North Carolina (Mr. HUDSON).

The bill names the United States Post Office at 225 North Main Street in Spring Lake, North Carolina, after Howard B. Pate, Jr., a World War II veteran and former postmaster of Spring Lake.

Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. HUDSON) to discuss the bill.

Mr. HUDSON. Mr. Speaker, I rise today to urge my colleagues to support H.R. 3369, a bill recognizing the life and legacy of Howard B. Pate, Jr., by naming the Spring Lake, North Carolina, Post Office in his honor.

Born in Bladen County, North Carolina, in 1925, Mr. Pate first moved to Spring Lake, a town in the Eighth Congressional District I am proud to represent, where his father was stationed at Fort Bragg.

Being from a military family, when the United States entered World War II, Mr. Pate answered the call to serve his country and continued his service as a member of the North Carolina National Guard until 1952.

After finishing his military service, Mr. Pate assumed the position of Spring Lake's postmaster. He served in this position for 30 years, until his retirement in 1982.

After retiring, Mr. Pate remained active in the community as a member of many civic organizations, including being named town historian in 1994, a post he held for more than two decades. For all his efforts, the local Chamber of Commerce named their Volunteer of the Year award after Mr. Pate.

The town of Spring Lake unanimously adopted a resolution to dedicate their post office in honor of Mr.

Howard Pate, Jr., because there was never a person who embodied the spirit of the community more than he.

Sadly, Mr. Pate passed away 1 year ago yesterday, on November 14, 2016. On the first anniversary of his passing, I can think of no better way to honor his respected life than to name the post office after him in a town he loved and where he lived and served most of his life.

As any Spring Lake resident will tell you, Mr. Pate was not only a pillar of our community, but also a cherished friend. He worked tirelessly to ensure we kept a strong grip on our past while making Spring Lake a better place for future generations.

It is my honor to make sure he will always be a part of our legacy in the future by naming the Spring Lake Post Office in his honor.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 3369, a bill to designate the facility of the United States Post Office located at 225 North Main Street in Spring Lake, North Carolina, as the Howard B. Pate, Jr. Post Office.

Born in 1925, Howard Pate joined the Army in 1944, 2 years after his high school graduation. In early 1945, Howard deployed to Europe as part of the famed 101st Airborne Division.

Later serving in the 82nd Airborne Division, Howard was discharged from Active Duty in 1946, but he continued his service as a member of the North Carolina Guard and the U.S. Army Reserve. He retired in 1965, as a sergeant major in the 13th Special Forces Group.

Following his military service, Howard was appointed postmaster of Spring Lake, North Carolina, and served as both a State vice president and president of the National Association of Postmasters.

He was also an active member of his community, serving as a deacon at the First Presbyterian Church of Spring Lake, charter president of the Spring Lake Jaycees, and a member of the Greater Spring Lake Chamber of Commerce for over 50 years, where the Volunteer of the Year award is named in his honor.

Howard Pate passed away a year ago this week, as we heard, on November 14, 2016.

Mr. Speaker, we should pass this bill to honor Howard Pate's life of service to his community and to his country.

Mr. Speaker, I urge passage of H.R. 3369, and I yield back the balance of my time.

Mr. FARENTHOLD. Mr. Speaker, I join Mrs. WATSON COLEMAN and Mr. HUDSON in urging passage of this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. FARENTHOLD) that the House suspend the rules and pass the bill, H.R. 3369.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## TILDEN VETERANS POST OFFICE

Mr. FARENTHOLD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1207) to designate the facility of the United States Postal Service located at 306 River Street in Tilden, Texas, as the ''Tilden Veterans Post Office''.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1207

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SPECIALIST TILDEN VETERANS POST OFFICE.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 306 River Street in Tilden, Texas, shall be known and designated as the ''Tilden Veterans Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Tilden Veterans Post Office''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. FARENTHOLD) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. FARENTHOLD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FARENTHOLD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am here today to support H.R. 1207, introduced by the gentleman from south Texas (Mr. CUELLAR).

H.R. 1207 honors the veterans of Tilden, Texas, for their service to this great Nation by naming the United States Post Office at 306 River Street in Tilden, Texas, as the Tilden Veterans Post Office.

This bill is particularly timely, as we just celebrated Veterans Day this past Saturday. I look forward to hearing more about this bill from my friend and colleague from Laredo, Mr. CUELLAR.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 1207, a bill to designate the facility of the United States Post Office located at 306 River Street in Tilden, Texas, as the Tilden Veterans Post Office.

Military men and women sacrifice their time, energy, and lives for our country every day. Whether serving in the Army, Navy, Marine Corps, Air Force, or Coast Guard, these brave individuals risk their lives to protect others and demonstrate an unmatched level of selflessness, courage, and dedication.

While this bill will name the post office in Tilden, Texas, in honor of all veterans who have served, I would like to specifically recognize the service of Mr. Anselmo Villarreal.

Drafted into the Army in March of 1968, he served in Vietnam until 1970, and he continues to serve his fellow veterans through volunteer work at his local veterans service organization.

His story is not unlike other servicemembers who give their time at home and abroad to protect and improve their communities in so many ways. In recognizing his contributions, we recognize the contributions of veterans throughout Texas and the United States, and we thank them for their work.

Mr. Speaker, we should pass this bill to celebrate the lives of American veterans and commemorate the sacrifices that each have made for the good of our Nation.

Mr. Speaker, I urge the passage of H.R. 1207, and I reserve the balance of my time.

Mr. FARENTHOLD. Mr. Speaker, I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. CUELLAR).

Mr. CUELLAR. Mr. Speaker, I thank the gentlewoman from New Jersey for yielding and for her kind words about the Tilden Veterans Post Office. I also want to thank my friend from Corpus Christi, Texas, for his kind words on the naming of this post office.

Mr. Speaker, today I rise to support and present H.R. 1207, which will name the post office facility in my district as the Tilden Veterans Post Office.

Across my district, there are many examples of fine men and women who have honorably served our country. It is imperative that we honor their service and dedication to our Nation.

Dedicating this post office to our veterans will serve as a constant reminder of the sacrifices that our friends, neighbors, and families made while serving their country. These are individuals who put country ahead of self and for whom I am proud to recognize with the dedicating of the post office facility.

For example, as the gentlewoman from New Jersey said, Anselmo Villarreal of Tilden, Texas, was drafted in the Army in 1968. He served in Vietnam. After his service, Mr. Villarreal

returned to Tilden and worked in a local plant for 28 years before retiring.

This veteran also continues to serve his community by volunteering for local veterans service organizations. We owe our freedom to veterans like Mr. Villarreal and others, which is why I am recognizing him and the other veterans with the dedication of this post office. He is one example of many veterans who have made countless sacrifices for our country in the face of danger.

The courage and dedication of our veterans toward our Nation demonstrates what it really means to be an American—the essence of being an American.

I also thank the veterans from Tilden and McMullen County for their service and sacrifice for our country. I also thank the veterans organizations throughout my district for their tireless work in providing the care our veterans need. There are many local organizations like the veterans service offices in McMullen County that provide essential care to those who have returned home from service.

Let us remember and express gratitude to these brave people: the veterans, their families, as well as the care providers.

In the words of President John F. Kennedy: ''As we express our gratitude, we must never forget that the highest appreciation is not to utter words, but to live by them.''

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Mrs. WATSON COLEMAN. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. FARENTHOLD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank Mr. CUELLAR for introducing this bill.

For those of you not from Texas who don't know where Tilden, Texas, is, if you know about where San Antonio is, you go down south about a quarter of the way to the Rio Grande Valley and you are going to pass through Tilden. It is kind of northwest of my hometown of Corpus Christi.

I can tell you, having represented a lot of the area in south Texas, as does Mr. CUELLAR, that this region is a region of the State that really does thank and appreciate the veterans who have sacrificed so much to serve for this country and for their families. I think it is entirely proper and absolutely a great idea to be naming this post office after our veterans, and I urge my colleagues to support it.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. FARENTHOLD) that the House suspend the rules and pass the bill, H.R. 1207.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## STAFF SERGEANT PETER TAUB POST OFFICE BUILDING

Mr. COMER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2873) to designate the facility of the United States Postal Service located at 207 Glenside Avenue in Wyncote, Pennsylvania, as the ''Staff Sergeant Peter Taub Post Office Building''.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2873

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. STAFF SERGEANT PETER TAUB POST OFFICE BUILDING.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 207 Glenside Avenue in Wyncote, Pennsylvania, shall be known and designated as the ''Staff Sergeant Peter Taub Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Staff Sergeant Peter Taub Post Office Building''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. COMER) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. COMER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2873, introduced by the gentleman from Pennsylvania (Mr. BRENDAN F. BOYLE).

The bill names the United States Post Office at 207 Glenside Avenue in Wyncote, Pennsylvania, after U.S. Air Force Staff Sergeant Peter Taub.

During his service, Staff Sergeant Taub participated in more than 12 combat missions in hostile areas.

Staff Sergeant Taub was killed in action on December 21, 2015, in an ambush suicide attack in Afghanistan. He gave his life in service to this Nation.

I thank the gentleman from Pennsylvania (Mr. BRENDAN F. BOYLE) for introducing this bill to honor the bravery and sacrifice of Staff Sergeant Taub.

I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 2873, a bill to designate the facility of the United States Post Office located at 207 Glenside Avenue in Wyncote, Pennsylvania, as the Staff Sergeant Peter Taub Post Office Building.

A native of Philadelphia, Pennsylvania, Mr. Taub was inspired by his grandfather's World War II military service to join the Air Force in 2007. He loaded missiles for F–15 fighter jets in Japan before transferring to Ellsworth Air Force Base in South Dakota, where he specialized in arming B–1 bombers.

In 2013, after earning his bachelor's degree in cybersecurity, Peter became a special agent in the Air Force Office of Special Investigations and participated in over a dozen combat missions through hostile areas.

On December 21, 2015, while in Afghanistan, Staff Sergeant Taub gave his life, along with four of his fellow airmen, when his unit was ambushed in a suicide attack. He was posthumously awarded the Bronze Star, Purple Heart, Air Force Commendation Medal, and Air Force Combat Action Medal, and he leaves behind a beloved wife and two children.

Mr. Speaker, we should pass this bill to honor Staff Sergeant Peter Taub's bravery and remember the ultimate sacrifice he made to protect our Nation.

I urge the passage of H.R. 2873.

Mr. Speaker, I reserve the balance of my time.

Mr. COMER. Mr. Speaker, I have no further speakers, and I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. BRENDAN F. BOYLE).

Mr. BRENDAN F. BOYLE of Pennsylvania. Mr. Speaker, I thank my colleague from not too far away in Trenton, New Jersey, as well as my colleague from the Commonwealth of Kentucky.

Today, I rise in support of H.R. 2873, a bill to designate the facility of the United States Postal Service located at 207 Glenside Avenue in Wyncote, Pennsylvania, as the Staff Sergeant Peter Taub Post Office Building.

Staff Sergeant Taub, a constituent of my 13th Congressional District of Pennsylvania, was a shining example of the best our country has to offer. He exemplified unwavering patriotism and heroic bravery.

Peter made the ultimate sacrifice for his country when a suicide bomber took his life in Afghanistan in December 2015. Renaming the Wyncote Post Office in his hometown is really the least we can do to honor him. It is a small but important symbol of our eternal thanks. I am here today urging the House to pass my legislation to do just that.

Peter was born on November 2, 1985, in my hometown of Philadelphia, to his parents, Joel Taub and Arlene Wagner. Peter was then raised in Wyncote,

Pennsylvania, and graduated from Cheltenham High School in 2004.

His mother, Arlene, and brother, Jonathan, run the very popular Washington, D.C., sandwich shop called Bub and Pop's.

Peter was inspired by his grandfather's service in World War II, so he enlisted in the Air Force in December of 2007 after attending community college for some time.

During his career in the military, Peter was assigned to a base in Japan, where he loaded missiles onto F–15 fighter jets. Three years later, he was transferred to Ellsworth Air Force Base in South Dakota, where he specialized in arming B–1 bombers.

Peter went on to obtain a bachelor's degree in cybersecurity and was hired as a special agent in the Air Force Office of Special Investigations in December 2013. During his service, Peter participated in more than 12 combat missions in hostile areas.

Peter was killed, along with four other airmen, in a suicide ambush attack in Afghanistan on December 21, 2015.

Peter is survived by his wife, Christina; their 3-year-old daughter, Penelope; and another daughter, Petra, who was born after Peter's death in the summer of 2016.

President Obama paid tribute to Peter, as well as the other troops who were killed in the attack, calling their service ''outstanding'' and ''brave.'' I second those descriptions.

Posthumously, Peter was awarded the Bronze Star, the Purple Heart, the Air Force Commendation Medal, and the Air Force Combat Action Medal.

It is my hope that, with this legislation, the 13th District of the Commonwealth of Pennsylvania will pay daily tribute to the memory of one of our heroes, Staff Sergeant Peter Taub.

Mrs. WATSON COLEMAN. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. COMER. Mr. Speaker, I urge adoption of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill, H.R. 2873.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## SR. CHIEF RYAN OWENS POST OFFICE BUILDING

Mr. COMER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3109) to designate the facility of the United States Postal Service located at 1114 North 2nd Street in Chillicothe, Illinois, as the ''Sr. Chief Ryan Owens Post Office Building''.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3109

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SR. CHIEF RYAN OWENS POST OFFICE BUILDING.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 1114 North 2nd Street in Chillicothe, Illinois, shall be known and designated as the ''Sr. Chief Ryan Owens Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Sr. Chief Ryan Owens Post Office Building''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. COMER) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. COMER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3109, introduced by the gentleman from Illinois (Mr. LAHOOD). The bill names the United States Post Office at 1114 North 2nd Street in Chillicothe, Illinois, after U.S. Navy SEAL Senior Chief Ryan Owens, who was killed in action in Yemen earlier this year.

Mr. Speaker, I yield as much time as he may consume to the gentleman from Illinois (Mr. LAHOOD) to further describe the bill and Senior Chief Owens' service to his country.

Mr. LAHOOD. Mr. Speaker, I thank the gentleman from Kentucky for yielding the time for this important legislation.

On January 29, 2017, U.S. Navy Chief Special Warfare Operator William ''Ryan'' Owens was killed during a raid in Yemen. At the age of 36, he gave the ultimate sacrifice in order to protect our great Nation. Today, he is survived by his wife, Carryn, and their three young children.

Ryan Owens grew up in Edelstein, Illinois, in my congressional district, a town that is in a very rural area with barely one stop sign. Friends and family say that, even at a very early age, Ryan knew he wanted to serve his country as a Navy SEAL.

After graduating from Illinois Valley Central High School in Chillicothe, Illinois, in 1998, he took the first steps towards his goal by enlisting in the Navy.

Ryan served his first tour of duty at the Office of Naval Intelligence in Suitland, Maryland, eventually completing his SEAL training in California in 2002. Over the next 15 years, he completed four tours as a U.S. Navy SEAL, working all over the globe to fight against terrorism and protect the interests of the United States.

Ryan was 2 years into his fifth tour as a Navy SEAL when he was tragically killed during an intelligence-gathering operation against an al-Qaida cell in Yemen.

Throughout his 15 years as a Navy SEAL, Ryan Owens gave much to our country, protecting our freedoms, and helping rid the world of evil. It is for these reasons that I introduced H.R. 3109, which will rename the post office in Chillicothe, Illinois, as the Sr. Chief Ryan Owens Post Office Building.

My office and I worked closely with the U.S. Postal Service, the U.S. Navy Congressional Liaison's Office, the Central Illinois Gold Star Families, and, most importantly, Ryan's family. All of us were determined to make sure we got this right, choosing a location with strong ties to the community in which Ryan grew up. In the end, it was his wife, Carryn, who decided on Chillicothe, the town where Ryan attended and graduated high school, as the best place for this building to be renamed in his honor.

□ 1530

I was proud to introduce our bill with overwhelming bipartisan support here in the House with every member of the Illinois delegation signing on as a cosponsor in support. It is my hope that the House acts to pass this bill today and that the Senate will quickly follow suit.

While we can never repay Chief Owens or his family for the sacrifices he made, renaming the post office in his honor is a small way to thank him for his service and dedication to protecting our great Nation and the values that we hold so dear. We continue, today, to pray for Carryn and his children. We are indebted to his service and his sacrifice to our great country.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 3109, a bill to designate the facility of the United States Post Office located at 1114 North 2nd Street in Chillicothe, Illinois, as the Sr. Chief Ryan Owens Post Office Building.

A native of Edelstein, Illinois, Ryan Owens graduated from Illinois Valley Central High School and joined the Navy in 1998.

Ryan served at the Office of Naval Intelligence before completing SEAL training and was selected as a chief petty officer in 2009.

While on his fifth tour of duty with the elite SEAL Team Six, Ryan sustained wounds in a firefight and succumbed to his injuries on January 29, 2017.

Ryan's dedicated service has been recognized through a number of awards

and medals, including the Navy and Marine Corps Medal, a Bronze Star and Bronze Stars with Combat V, a Joint Service Achievement Medal, and three Presidential Unit Citations.

Mr. Speaker, we should pass this bill to honor the heroism of Sr. Chief Ryan Owens and recognize the ultimate sacrifice he made for our country.

Mr. Speaker, I urge the passage of H.R. 3109, and I reserve the balance of my time.

Mr. COMER. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. TAYLOR).

Mr. TAYLOR. Mr. Speaker, I rise in support of H.R. 3109.

Mr. Speaker, one of society's greatest challenges is honoring and recording with immortal honor the names, the deeds, and the history of our heroes.

But I believe it is an easy choice to honor Sr. Chief SEAL Ryan Owens, who was deployed to a country most Americans would struggle to find on a map. He spent countless times away from his family, protecting our Nation so that we didn't have to.

Most people will never understand the sacrifice required to keep evil outside of our gates. Ryan did it for our country, for his family, and for the soldier on his left or his right. He traded comfort for hardship time and time again, and ultimately his life. This to preserve our right to think, our right to believe, and our right to become whatever we want in this life.

His shining example and sacrifice will be a beacon for generations to come who will step up to fight, if needed, for a God-given inheritance of freedom, no matter the cost.

I urge my colleagues to support this United States Post Office designation to a great American man and warrior, Sr. Chief SEAL Ryan Owens.

Mrs. WATSON COLEMAN. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. COMER. Mr. Speaker, I urge adoption of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill, H.R. 3109.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. COMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

## ROBERT H. JENKINS POST OFFICE

Mr. COMER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3893) to designate the facility of the United States Postal Service located at 100 Mathe Avenue in Interlachen, Florida, as the ''Robert H. Jenkins Post Office'', as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3893

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. ROBERT H. JENKINS, JR. POST OFFICE.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 100 Mathe Avenue in Interlachen, Florida, shall be known and designated as the ''Robert H. Jenkins, Jr. Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Robert H. Jenkins, Jr. Post Office''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. COMER) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. COMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3893, introduced by the gentleman from Florida (Mr. YOHO).

The bill names the United States Post Office located at 100 Mathe Avenue in Interlachen, Florida, after U.S. Marine Private First Class Robert H. Jenkins, Jr., who was killed in action during the Vietnam war.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. YOHO) to further describe the bill and Private First Class Jenkins' service to our country.

Mr. YOHO. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I urge passage of my bill, H.R. 3893, which renames the post office in Interlachen, Florida, to honor a great American hero, Robert H. Jenkins, Jr.

Robert H. Jenkins, Jr., enlisted in the Marines in February of 1968. In July of that year, as a Private First Class, he was transferred to the Republic of Vietnam.

Serving as a machine gunner with Company C, south of the demilitarized zone, he was killed in action.

On March 5, 1969, his reconnaissance team was assaulted by a North Vietnamese Army platoon. During the firefight, a hand grenade was thrown at him and a comrade. Realizing the consequences of his actions, Private First Class Jenkins, Jr., pushed his comrade to the ground and leapt on the hand grenade to shield him from the explosion. Absorbing the full impact of the blast, he was seriously injured and succumbed to his wounds.

John 15:13 states:

Greater love has no one than this: to lay down one's life for one's friend.

On April 20, 1970, the Medal of Honor was presented to his family at the White House by Vice President Agnew.

Private First Class Jenkins, Jr., is buried at Sister Spring Baptist Cemetery in Interlachen, Florida.

The sacrifice Private First Class Jenkins, Jr., made cannot be understated. Naming his hometown post office after him is just one small way we as a nation can continue to honor this American hero.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 3893, a bill to designate the facility of the United States Post Office located at 100 Mathe Avenue in Interlachen, Florida, as the Robert H. Jenkins Post Office.

Robert Jenkins joined the United States Marine Corps in Jacksonville, Florida, in February of 1968.

After completing training at Camp Lejeune, Robert was assigned to the 3rd Marine Division in Vietnam. There he served as a scout, driver, machine gunner for Company C in an area south of the demilitarized zone.

In the early morning of March 5, 1969, Private First Class Jenkins' team was suddenly attacked by the North Vietnamese Army. While Private First Class Jenkins and a fellow marine returned machine gun fire, a hand grenade was thrown at their location.

In an act of pure selflessness, Private First Class Jenkins threw himself on top of his fellow marine, shielding him from the explosion, while absorbing the full force himself. Tragically, Private First Class was gravely wounded and died soon after.

Private First Class Jenkins was posthumously awarded the Medal of Honor for his valiant actions in April 1970.

Mr. Speaker, we should pass this bill to honor the valiant actions of Private First Class Jenkins and to remember his courage and selflessness devotion to his fellow marines.

Mr. Speaker, I urge passage of H.R. 3893. I have no further speakers, and I yield back the balance of my time.

Mr. COMER. Mr. Speaker, I urge adoption of H.R. 3893, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill, H.R. 3893, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: ''A bill to designate the facility of the United States Postal Service located at 100 Mathe Avenue in Interlachen, Florida, as the 'Robert H. Jenkins, Jr. Post Office'.''.

A motion to reconsider was laid on the table.

## SGT. DOUGLAS J. RINEY POST OFFICE

Mr. COMER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2672) to designate the facility of the United States Postal Service located at 520 Carter Street in Fairview, Illinois, as the ''Sgt. Douglas J. Riney Post Office''.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2672

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SGT. DOUGLAS J. RINEY POST OFFICE.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 520 Carter Street in Fairview, Illinois, shall be known and designated as the ''Sgt. Douglas J. Riney Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Sgt. Douglas J. Riney Post Office''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. COMER) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. COMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2672, introduced by the gentlewoman from Illinois (Mrs. BUSTOS).

The bill names the United States Post Office located at 520 Carter Street in Fairview, Illinois, after U.S. Army Sergeant Douglas J. Riney.

Sergeant Riney was deployed in support of Operation Enduring Freedom from July 2014 to February 2015 and Operation Freedom's Sentinel beginning June 2016.

In October 2016, Sergeant Riney died of wounds received after encountering hostile enemy forces in Kabul. We honor his service to our Nation.

I thank the gentlewoman from Illinois for introducing this bill to pay tribute to the life and sacrifice of Sergeant Riney.

Mr. Speaker, I urge my colleagues to support the bill, and I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 2672, a bill to designate the facility of the United States Post Office located at 520 Carter Street in Fairview, Illinois, as the Sgt. Douglas J. Riney Post Office.

Born in Georgia in 1990, Douglas Riney graduated from Spoon River Valley High School in Illinois, and married his wife, Kylie, in 2012. The two of them lived in Fairview with children Elea and James, where Douglas proudly volunteered as a firefighter, cheered for the Green Bay Packers, and loved spending time outdoors riding his motorcycle, hunting, and fishing.

Douglas served on Active Duty in the U.S. Army, deploying in support of Operation Enduring Freedom from July 2014 to February 2015, and again as a part of Operation Freedom's Sentinel beginning in June 2016.

He was assigned to the 3rd Cavalry Regiment, 1st Cavalry Division.

Tragically, on October 19, 2016, Sergeant Douglas Riney was killed in action at the hands of hostile enemy forces in Kabul, Afghanistan.

Sergeant Douglas Riney was awarded the Purple Heart, Bronze Star, and Army Commendation Medal, among other honors, for his valiant service.

Mr. Speaker, we should pass this bill to remember the courage and the sacrifice of Sergeant Douglas Riney and honor his memory for years to come.

Mr. Speaker, I urge the passage of H.R. 2672, and I reserve the balance of my time.

Mr. COMER. Mr. Speaker, I have no further speakers. I reserve the balance of my time.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Mrs. BUSTOS), my colleague.

□ 1545

Mrs. BUSTOS. Mr. Speaker, I rise today in support of my bill, which would designate the post office in Fairview, Illinois, as the Sgt. Douglas J. Riney Post Office.

Sergeant Riney, who died on October 19, 2016, of wounds received from hostile enemy forces in Kabul, Afghanistan, lived a life dedicated to service.

After he graduated from Spoon River Valley High School, Sergeant Riney became a volunteer firefighter with the Fairview Fire Protection District. He was known as a man who could always be counted on by his community, a man who felt a calling to public service. He joined the Army, entering Active Duty in July of 2012.

Sergeant Riney was deployed as part of Operation Enduring Freedom from July 2014 to February 2015. In June of 2016, he was again deployed to Operation Freedom's Sentinel.

As part of the Support Squadron, 3rd Cavalry Regiment, 1st Cavalry Division from Fort Hood, Texas, Sergeant Riney excelled at his work.

Throughout his time in the Army, Sergeant Riney was repeatedly recognized with commendations, including the Purple Heart, the Bronze Star, and the Army Commendation Medal.

At home, Sergeant Riney lived with his wife, Kylie, and their two children, Elea and James.

He is survived by his loving family: his father and his stepmother, Dave and Kristie Riney; his mother and stepfather, Pam and Don Boland; his brother, Jeff Budd; his sister, Stacey Budd; two stepbrothers, Bryce and Kole Vaughn; and one stepsister, Ashlie Herrin.

On the fateful day of October 19, 2016, our Nation lost one of its finest, and the community of Fairview lost one of its best.

The naming of the Fairview Post Office is just a small token of our appreciation for Sergeant Riney, who made the ultimate sacrifice for our Nation.

While we can never fill the hole left in the family, the Fairview community, or the Nation, I hope this post office will serve as a proud commemoration of a man who dedicated his life to serving others and as an inspiration for those who just hear his name.

On behalf of the hardworking men and women of the Illinois 17th Congressional District, I will never forget the service of Sergeant Douglas Riney, and we will always honor his sacrifice.

Mr. Speaker, I thank my colleagues for the consideration of this bill.

Mrs. WATSON COLEMAN. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. COMER. Mr. Speaker, I urge adoption of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill, H.R. 2672.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. COMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

## ZACHARY ADDINGTON POST OFFICE

Mr. COMER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3821) to designate the facility of the United States Postal Service located at 430 Main Street in Clermont, Georgia, as the ''Zachary Addington Post Office'', as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3821

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. ZACK T. ADDINGTON POST OFFICE.**

(a) DESIGNATION.—The facility of the United States Postal Service located at 430 Main Street in Clermont, Georgia, shall be known and designated as the ''Zack T. Addington Post Office''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the ''Zack T. Addington Post Office''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. COMER) and the gentlewoman from New Jersey (Mrs. WATSON COLEMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. COMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3821, introduced by the gentleman from Georgia (Mr. COLLINS).

The bill names the United States Post Office at 430 Main Street in Clermont, Georgia, after U.S. Marine Lance Corporal Zach T. Addington, who was killed in action in the Vietnam war.

Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. COLLINS) to further describe the bill and Lance Corporal Addington's service to our country.

Mr. COLLINS of Georgia. Mr. Speaker, I thank the gentleman from Kentucky and the gentlewoman from New Jersey for being a part of this today.

Mr. Speaker, I rise today in support of H.R. 3821, legislation to name the Clermont Post Office after Lance Corporal Zach T. Addington.

I introduced this legislation to honor Zach, a fellow northeast Georgian, for giving his life in service to our Nation during the Vietnam war.

Zach Addington was born to Addison S. and Lillie Addington on November 1, 1948, in Gainesville, Georgia. He and his family lived in Clermont, Georgia, where he attended Clermont Elementary School and my alma mater, which we share, North Hall High School. He graduated in 1967.

Zach enlisted in the United States Marine Corps as a private, in July of 1967, and became a rifleman in the 3rd Marine Division of the Fleet Marine Force. He was promoted to private first class on December 1, 1967, and he was deployed to Vietnam on December 19 of the same year.

On April 1, 1968, Zach was promoted to lance corporal. His company was participating in Operation Scotland II when they engaged hostile forces in the vicinity of Hill 689, four kilometers west-southwest of Khe Sanh Airfield. On May 16, 1968, Zach Addington was killed in action.

His captain, William McArdle, stated that he was ''one of the finest marines I have ever known. His exemplary conduct, leadership, and singular determination to do every job well were qualities that all of us respected.''

On June 6, 1968, Mr. Addington was posthumously awarded the Purple Heart, the National Defense Service Medal, the Vietnam Service Medal, and the Republic of Vietnam Campaign Ribbon in recognition of his service in Vietnam.

His family hopes to display these awards in the Clermont Post Office after the naming.

He is survived by his brother, Addison S. Addington; and sisters, Billie Quillin and Sandra Montgomery.

The memory of Zach's courage and his service lives on in our corner of Georgia, and the naming of the Clermont Post Office in his honor will be a reminder to all of us of his sacrifice and the sacrifices of the armed services to us all.

There is a time when we come to these post offices and we read accomplishments, Mr. Speaker. We read accomplishments of many folks, but each one has a story to tell. I think really, when you start to listen to the many whom we have talked about today, there is a certain theme of service that runs through each. There is a certain theme of something bigger than themselves, and especially those who gave their life.

Zach Addington was one who went willingly. He knew that he may not return, in fact, even told people he may not, and he did not, but that service and that sacrifice gives us the ability to stand here today and to do what we do. By standing here today, I intend to honor him for the naming of this post office and would encourage my colleagues to vote in favor.

Mrs. WATSON COLEMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join my colleagues in consideration of H.R. 3821, a bill to designate the facility of the United States Post Office located at 430 Main Street in Clermont, Georgia, as the Zachary Addington Post Office.

Born in Gainesville, Georgia, in 1948, Zachary Addington graduated from North Hall High School in 1967. He chose to enlist in the Marine Corps that year, becoming a private in the 3rd Marine Division of the Fleet Marine Force. He deployed to Vietnam that December as a private first class.

On May 16, 1968, then-Lance Corporal Addington was participating in Operation Scotland II with his company when he was tragically killed in action.

He was posthumously awarded the Purple Heart, National Defense Service Medal, and Vietnam Service Medal for his honorable service. His captain deemed Lance Corporal Addington one of the finest marines he had ever known.

Mr. Speaker, we should pass this bill to commemorate the ultimate sacrifice Lance Corporal Zachary Addington made for our Nation, and I urge the passage of H.R. 3821.

Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. COMER. Mr. Speaker, I urge adoption of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill, H.R. 3821, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. COMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

## AUTHORIZING ADDITIONAL EMERGENCY USES FOR MEDICAL PRODUCTS TO REDUCE DEATHS AND SEVERITY OF INJURIES CAUSED BY AGENTS OF WAR

Mr. WALDEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4374) to amend the Federal Food, Drug, and Cosmetic Act to authorize additional emergency uses for medical products to reduce deaths and severity of injuries caused by agents of war, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4374

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. ADDITIONAL EMERGENCY USES FOR MEDICAL PRODUCTS TO REDUCE DEATHS AND SEVERITY OF INJURIES CAUSED BY AGENTS OF WAR.**

(a) FDA AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.—Section 564 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bbb–3) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by amending subparagraph (B) to read as follows:

''(B) a determination by the Secretary of Defense that there is a military emergency, or a significant potential for a military emergency, involving a heightened risk to United States military forces, including personnel operating under the authority of title 10 or title 50, United States Code, of attack with—

''(i) a biological, chemical, radiological, or nuclear agent or agents; or

''(ii) an agent or agents that may cause, or are otherwise associated with, an imminently life-threatening and specific risk to United States military forces;''; and

(B) by adding at the end the following:

''(6) MILITARY EMERGENCIES.—In the case of a determination described in paragraph (1)(B), the Secretary shall determine, within 45 calendar days of such determination,

whether to make a declaration under paragraph (1), and, if appropriate, shall promptly make such a declaration.''; and

(2) in subsection (c)—

(A) in paragraph (3), by striking ''; and'' and inserting '';'';

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following:

''(4) in the case of a determination described in subsection (b)(1)(B)(ii), that the request for emergency use is made by the Secretary of Defense; and''.

(b) EMERGENCY USES FOR MEDICAL PRODUCTS.—

(1) IN GENERAL.—The Secretary of Defense may request that the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, take actions to expedite the development of a medical product, review of investigational new drug applications under section 505(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)), review of investigational device exemptions under section 520(g) of such Act (21 U.S.C. 360j(g)), and review of applications for approval and clearance of medical products under sections 505, 510(k), and 515 of such Act (21 U.S.C. 355, 360(k), 360(e)) and section 351 of the Public Health Service Act (42 U.S.C. 262), including applications for licensing of vaccines or blood as biological products under such section 351, or applications for review of regenerative medicine advanced therapy products under section 506(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 356(g)), if there is a military emergency, or significant potential for a military emergency, involving a specific and imminently life-threatening risk to United States military forces of attack with an agent or agents, and the medical product that is the subject of such application, submission, or notification would be reasonably likely to diagnose, prevent, treat, or mitigate such life-threatening risk.

(2) ACTIONS.—Upon a request by the Secretary of Defense under paragraph (1), the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall take action to expedite the development and review of an applicable application or notification with respect to a medical product described in paragraph (1), which may include, as appropriate—

(A) holding meetings with the sponsor and the review team throughout the development of the medical product;

(B) providing timely advice to, and interactive communication with, the sponsor regarding the development of the medical product to ensure that the development program to gather the nonclinical and clinical data necessary for approval or clearance is as efficient as practicable;

(C) involving senior managers and experienced review staff, as appropriate, in a collaborative, cross-disciplinary review;

(D) assigning a cross-disciplinary project lead for the review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor;

(E) taking steps to ensure that the design of the clinical trials is as efficient as practicable, when scientifically appropriate, such as by minimizing the number of patients exposed to a potentially less efficacious treatment;

(F) applying any applicable Food and Drug Administration program intended to expedite the development and review of a medical product; and

(G) in appropriate circumstances, permitting expanded access to the medical product during the investigational phase, in accordance with applicable requirements of the Food and Drug Administration.

(3) ENHANCED COLLABORATION AND COMMUNICATION.—In order to facilitate enhanced collaboration and communication with respect to the most current priorities of the Department of Defense—

(A) the Food and Drug Administration shall meet with the Department of Defense and any other appropriate development partners, such as the Biomedical Advanced Research and Development Authority, on a semi-annual basis for the purposes of conducting a full review of the relevant products in the Department of Defense portfolio; and

(B) the Director of the Center for Biologics Evaluation and Research shall meet quarterly with the Department of Defense to discuss the development status of regenerative medicine advanced therapy, blood, and vaccine medical products and projects that are the highest priorities to the Department of Defense (which may include freeze dried plasma products and platelet alternatives),

unless the Secretary of Defense determines that any such meetings are not necessary.

(4) MEDICAL PRODUCT.—In this subsection, the term ''medical product'' means a drug (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321)), a device (as defined in such section 201), or a biological product (as defined in section 351 of the Public Health Service Act (42 U.S.C. 262)).

(c) REPEAL.—Effective as of the enactment of the National Defense Authorization Act for Fiscal Year 2018, subsection (d) of section 1107a of title 10, United States Code, as added by section 716 of the National Defense Authorization Act for Fiscal Year 2018, is repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Oregon (Mr. WALDEN) and the gentleman from New Jersey (Mr. PALLONE) each will control 20 minutes.

The Chair recognizes the gentleman from Oregon.

GENERAL LEAVE

Mr. WALDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material in the RECORD on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. WALDEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I include in the RECORD a letter to the Senate Committee on Armed Services from the FDA Commissioner, Dr. Scott Gottlieb.

U.S. FOOD & DRUG ADMINISTRATION,
*Silver Spring, MD, November 14, 2017.*

Senator JOHN MCCAIN,
*Chairman, Senate Committee on Armed Services, Washington, DC.*

Senator JACK REED,
*Ranking Member, Senate Committee on Armed Services, Washington, DC.*

DEAR CHAIRMAN MCCAIN AND RANKING MEMBER REED: Thank you for your commitment to our Nation's service members and for your leadership in enhancing the Food and Drug Administration's (FDA) medical countermeasure authorities and collaborations with the Department of Defense (DoD). FDA shares your goal of protecting our Nation's military service men and women by advancing safe and effective medical products, strengthening our partnerships with the DoD on behalf of our Nation's warfighters, and ensuring that this critical work is prioritized by the Agency.

Our Nation's troops face unique risks on the battlefield, and my colleagues and I at the Agency are committed to implementing a lasting framework that not only considers these unique risks, but prioritizes the warfighters' needs by expediting the development and review of medical countermeasures needed in the face of emerging threats. The bipartisan bill that will be considered alongside the National Defense Authorization Act of 2018 would codify these commitments to ensure that the warfighters' needs for safe and effective medical countermeasures are met on a priority basis and in strong partnerships with DoD.

For instance, I believe this new authority and enhanced collaborations with DoD will help enable FDA to approve freeze dried plasma as soon as 2018, addressing a key medical priority. Further, it will put in place a permanent process for strong engagement between FDA and DoD on any future medical products DoD determines are necessary to address military emergencies. Additionally, under these provisions, FDA would be able to recognize military threats in advance and provide an emergency use authorization for a fuller range of medical products that could help save lives on the battlefield.

Thank you again for your dedication to our Nation's service members and for working with FDA on this meaningful framework to better serve and protect our warfighters. Please be assured that I am personally committed to this effort. I will make it one of my highest priorities as Commissioner to rapidly implement the framework that is called for under this legislation and work with my colleagues at FDA and DoD to create an enduring pathway for the efficient development and prioritization of products intended to help save the lives of military personnel on the battlefield. Please do not hesitate to reach out to me as we implement these new authorities.

Sincerely,

SCOTT GOTTLIEB, M.D.,
*Commissioner of Food and Drugs.*

Mr. WALDEN. Mr. Speaker, our men and women in uniform have put their lives on the line for this country, and they deserve to have the earliest possible access to medical products that could save their lives on the battlefield.

H.R. 4374 will establish important new authorities for the Food and Drug Administration, the FDA, and the Department of Defense, DOD, to ensure that our warfighters have the benefits of new treatments and new devices.

Mr. Speaker, currently the FDA has the authority to authorize the emergency use of an unapproved medical product for a specific set of military emergencies. They have that authority. This emergency use authority requires two things, though. First, the Secretary of Defense must make a determination that there is a risk of attack on military forces with a chemical, biological, radiological, or nuclear agent. Next, the Secretary of Health and Human Services must make a declaration that there is, in fact, an emergency or threat justifying the emergency use authorization of a product.

To ensure there are no unnecessary delays in this process, this legislation, H.R. 4374, establishes a deadline for the Secretary of Health and Human Services. Once the Secretary of Defense

makes a declaration of an imminent risk of attack, the Secretary of Health and Human Services has 45 days—that is the maximum—to make a declaration that such a risk exists.

Limiting the threat under which an emergency use can be authorized to chemical, biological, radiological, or nuclear agents, frankly, has been too narrow to incorporate all the serious threats of harm to our troops.

To address this problem, H.R. 4374 establishes a new category under which the emergency use authorization process can be triggered. H.R. 4374 expands this authority to include situations where the Secretary of Defense makes a determination that there is risk of attack with any agent that may cause an imminently life-threatening and specific risk to the United States military forces.

In addition to creating new pathways for emergency access to unapproved medical devices, H.R. 4374 also creates a new breakthrough designation to expedite actual FDA approval of medical products for military emergencies.

Currently, the breakthrough pathway exists only for products intended to treat serious, life-threatening conditions where the Secretary determines such a product may demonstrate significant improvement over existing therapies.

□ 1600

Mr. Speaker, this expedited approval is based on the successful breakthrough designation created by Congress back in 2012. This has worked. It has accelerated oncology drug reviews by more than 2 years.

Now, in short, H.R. 4374 addresses the critical issue of military access to the newest available products by expanding the circumstances under which emergency use authorizations can be issued and by establishing an expedited pathway to full approval of products that the Secretary of Defense requests.

Mr. Speaker, policies in this bill are bipartisan. They were developed with the input from the administration as well as the authorizing committees in the House and the Senate. Additionally, CBO has indicated that H.R. 4374 will have no impact on direct spending or revenue. So, Mr. Speaker, this is not only a good bill, it is an important bill for our men and women in uniform, and I urge my colleagues to support H.R. 4374.

I reserve the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering legislation that would authorize additional emergency uses for medical products in response to the needs of the Department of Defense in the instance of a military emergency.

Like all of my colleagues, I want to ensure that our military personnel who put their life in harm's way for our freedom have access to the medical products that they need, and I have supported and will continue to support policies that further the goal of protecting our troops from life-threatening risks.

However, these policies also have to be balanced to ensure that, in our effort to protect troops from harm, we are not inadvertently exposing them to additional risk from unproven products. That is why I was disappointed to learn that the National Defense Authorization Act conference report included a policy supported by the Senate that would have given the Secretary of Defense authority to authorize emergency access to unapproved medical products, an authority that solely rests within the Food and Drug Administration today.

This provision was not the subject of hearing and debate, did not receive the congressional oversight it should have, and I believe decisions of such consequence should go through regular order, providing Members and stakeholders with the opportunity to learn fully of the risks and benefits associated with transferring regulatory oversight of medical products to an agency that is not equipped with the expertise and medical product knowledge of the FDA.

While I am not pleased with the process and how it has unfolded, I do support H.R. 4374 because I believe it will maintain emergency use authority with the agency that has the resources and scientific expertise needed to make decisions about access to unproven medical products. It is solely the FDA that has been charged with weighing the risks and benefits of medical products and making determinations as to their safety and effectiveness, and this legislation maintains the FDA's important role in that process.

Mr. Speaker, H.R. 4374 not only addresses the Department of Defense's concerns about access to medical products in instances of military emergencies, but it also goes further by providing them with additional support, in this instance, to expedite the development and review of medical products that are of priority to the Department. It also commits FDA to regularly meeting with the Department of Defense to discuss their priorities and product pipelines.

So I just want to thank FDA Commissioner Gottlieb, Chairman WALDEN, Senate Health Committee Chairman ALEXANDER, and Ranking Member MURRAY for working to find a compromise that will maintain proper regulatory oversight over emergency uses of unproved medical products, while also ensuring that our Nation's military has access to the products that they need in a military emergency situation.

I do urge my colleagues to vote in support of this legislation, and I reserve the balance of my time.

Mr. WALDEN. Mr. Speaker, I appreciate the comments of the gentleman from New Jersey as we work on this together.

I yield 3 minutes to the gentleman from Illinois (Mr. SHIMKUS), chairman of our Subcommittee on Environment and a veteran himself.

(Mr. SHIMKUS asked and was given permission to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, it is great to be on the floor today.

It was an awesome opportunity to be a conferee on the National Defense Authorization bill. As a veteran, 5 years active Army Infantry, 23 in the Reserves, I don't get a chance to do that very often because I am on the best committee in Congress, which is Energy and Commerce. But to be able to be in that process, I am very appreciative to you and to the other conferees.

It was then that you learn what you learn, and the military had a problem. They had a long-delayed issue on freeze-dried plasma that is inexcusable, and they took action in the legislative language to rectify that delay, and we would, too. But the legislative process worked.

I also want to commend my colleagues on the minority side and Ranking Member PALLONE because what we want for our men and women in uniform, we want them to get an expedited pathway to lifesaving devices and drugs. But we also want to make sure that those things are safe, and the premier institution for safety and efficacy is the Food and Drug Administration.

Now, we have a new administration that probably wouldn't have had an 8-year delay on freeze-dried plasma, and we have a new administrator of the FDA who has committed to reform these processes.

But good intentions are not all that we need. We need legislative language. We need to enshrine these changes in the law, and this is a good example, when I used to teach government history in high school, of how government works: House bill, Senate bill, go to conference. Even after a conference, it wasn't just right, so the legislative leaders went to work to fix this.

The changes have been identified by both the ranking member and the chairman, but the bottom line is the FDA needs to have the opportunity to look and expedite the drug. And we actually give them a shot clock for those people in harm's way, to make sure that drugs and devices are available to our warfighters, that it is safe and secure and delivered in a timely manner. This is the least we can do for our men and women in uniform.

I thank my colleagues on both sides, and I thank Chairman THORNBERRY.

Mr. PALLONE. Mr. Speaker, I don't have any other speakers at this time, and I reserve the balance of my time.

Mr. WALDEN. Mr. Speaker, I want to again thank the gentleman from Illinois (Mr. SHIMKUS), who I believe is also a West Point graduate. We appreciate his counsel, and I concur.

I appreciate working with the House Armed Services Committee and its very able chairman, my friend, MAC THORNBERRY.

Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. ROE), the chairman of the Veterans' Affairs Committee, a doctor himself and a veteran.

Mr. ROE of Tennessee. Mr. Speaker, I rise today in support of H.R. 4374 because our Nation's servicemembers deserve the best and safest medical treatments available, especially when they are in harm's way.

This bill fixes a provision in the FY 2018 NDAA which passed the House overwhelmingly just yesterday, which would have allowed the Secretary of Defense to approve the emergency use of medications that have not yet received FDA approval.

Under today's legislation, we ensure the FDA will review any emergency DOD request for the use of unapproved medical products on an expedited basis while maintaining the FDA's critical role of evaluating the safety and effectiveness of treatments. This new authorization will include situations when the Secretary of Defense determines the risk of attack with an agent that may cause an imminently life-threatening and specific risk to the United States' military forces.

As a physician and a veteran myself and the chairman of the House Veterans' Affairs Committee, I have worked tirelessly to ensure our Nation's servicemembers have access to the best, safest, and most effective medical treatments available while they are in service and after.

While we all want these breakthrough treatments made available to our Nation's men and women in service as quickly as possible, we need to make sure that they are safe and effective before subjecting members of our Armed Forces to unproven treatments in the interest of expedience.

I have personally spoken to the FDA Commissioner, Dr. Scott Gottlieb on this issue, and he assures me that the FDA will work in a collaborative way with DOD to ensure the processes work more effectively for our troops.

Mr. PALLONE. Mr. Speaker, I reserve the balance of my time.

Mr. WALDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. COFFMAN), a great public servant who has served our Nation, I think, in two different uniforms and is a terrific member of the Armed Services Committee.

Mr. COFFMAN. Mr. Speaker, I rise today in support of H.R. 4374, having served in the first Gulf war when military analysts were saying or predicting that there could be 30,000 coalition casualties in a ground war with Iraq.

We knew that Saddam Hussein had both chemical and biological stockpiles, and, at that time, there was an experimental drug given for the pretreatment to increase the survival after the exposure to nerve gas. It was untested in terms of the FDA, did not go through their lengthy bureaucratic process, but it was, I think, correctly assumed by military leaders that the risk of giving this drug that didn't go through all the bureaucratic processes that I think are important, that the risk of nerve gas exposure outweighed those risks.

So I just want to commend the Energy and Commerce Committee as well as the leadership of the Armed Services Committee, the leadership of both committees, for working together with the Department of Defense and the FDA to find that middle ground where the military can have access to drugs and medical devices expeditiously in order to meet the rapidly changing threats on the battlefield.

I again thank Chairman THORNBERRY for his unyielding support on this issue. I also thank Chairman WALDEN for offering legislation that seeks to put this process on the right path.

Mr. PALLONE. Mr. Speaker, I continue to reserve the balance of my time.

Mr. WALDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WENSTRUP), a terrific member of our Conference and of the Armed Services Committee, again, a practitioner of medicine, a saver of wounded people, including our own whip of the House.

Mr. WENSTRUP. Mr. Speaker, I rise in support of H.R. 4374. This provision would amend the Federal Food, Drug, and Cosmetic Act to authorize additional emergency uses for medical products to reduce deaths and severity of injuries caused by agents of war.

Having served as a combat surgeon in Iraq, I understand the importance of being able to administer lifesaving treatments at a moment's notice. Our servicemembers going into harm's way must be confident that their corpsmen, medics, docs, and health professionals are equipped with the latest technology to save lives every time.

Freeze-dried plasma is used during the initial resuscitation of combat casualties. Since 2011, 24 severely injured U.S. troops have been treated with freeze-dried plasma provided by the French, who have used this successfully since 1994. Of those patients, 17 lives were saved due to rapid treatment with freeze-dried plasma.

H.R. 4374 is important because it puts a process in place to broaden the definition of military emergencies and provides the Department of Defense with access to expedited FDA processes for the investigational products like freeze-dried plasma.

I support Chairman THORNBERRY's unwavering leadership on this issue. With rapidly developing medical technology, the FDA must be part of the modernization and readiness of our Armed Forces. We are committed to ensuring that the FDA does the best it can for our deployed forces, and I hope that we can find a way to enable the FDA to consider approved research and clinical studies from our allies in an effort to aid their approval process.

The future will likely bring more medical devices and drugs that can save lives. Having a process to approve and implement emerging medical technologies is a matter of life and death, especially for our brave troops.

Mr. PALLONE. Mr. Speaker, I continue to reserve the balance of my time.

□ 1615

Mr. WALDEN. Mr. Speaker, you have heard from my colleagues the importance of this legislation. We found a good balance with our friends in the Armed Services Committee and in working with the FDA and with the leadership of the Pentagon to get this right. What matters most to Americans is that we take care of our warriors on the field when they are injured, and when they are in harm's way that we are doing the best possible thing we can for them.

Mr. Speaker, I think this is important legislation. I encourage my colleagues to vote for it, and I yield back the balance of my time.

Mr. PALLONE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would urge my colleagues to vote in support of this legislation. I do think it is a good compromise dealing with these military emergencies, but at the same time making sure that the FDA, which has responsibility for approving medical products, still retains its authority.

Mr. Speaker, I would urge a ''yes'' vote, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DONOVAN). The question is on the motion offered by the gentleman from Oregon (Mr. WALDEN) that the House suspend the rules and pass the bill, H.R. 4374.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

H.R. 3821, by the yeas and nays;

H.R. 2672, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. The second electronic vote will be conducted as a 5-minute vote.

## ZACHARY ADDINGTON POST OFFICE

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 3821) to designate the facility of the United States Postal Service located at 430 Main Street in Clermont, Georgia, as the ''Zachary Addington Post Office'', as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill, as amended.

The vote was taken by electronic device, and there were—yeas 420, nays 0, not voting 13, as follows:

[Roll No. 635]

YEAS—420

Abraham
Adams
Aderholt
Aguilar
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barragán
Bass
Beatty
Bera
Bergman
Beyer
Biggs
Bilirakis
Bishop (GA)
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Blumenauer
Blunt Rochester
Bonamici
Bost
Boyle, Brendan F.
Brady (PA)
Brady (TX)
Brat
Brooks (AL)
Brooks (IN)
Brown (MD)
Brownley (CA)
Buchanan
Buck
Bucshon
Budd
Burgess
Bustos
Butterfield
Byrne
Calvert
Capuano
Carbajal
Cárdenas
Carson (IN)
Carter (GA)
Carter (TX)
Cartwright
Castor (FL)
Castro (TX)
Chabot
Cheney
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Coffman
Cohen
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Connolly
Conyers
Cook
Cooper
Correa
Costa
Costello (PA)
Courtney
Cramer
Crawford
Crist
Crowley
Cuellar
Culberson
Cummings
Curbelo (FL)
Curtis
Davidson
Davis (CA)
Davis, Danny
Davis, Rodney
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
Denham
Dent
DeSaulnier
DesJarlais
Deutch
Diaz-Balart
Dingell
Doggett
Donovan
Doyle, Michael F.
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Ellison
Emmer
Engel
Eshoo
Espaillat
Estes (KS)
Esty (CT)
Evans
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foster
Foxx
Frankel (FL)
Franks (AZ)
Frelinghuysen
Fudge
Gabbard
Gaetz
Gallagher
Gallego
Garamendi
Garrett
Gianforte
Gibbs
Gohmert
Gomez
Gonzalez (TX)
Goodlatte
Gosar
Gottheimer
Gowdy
Graves (GA)
Graves (LA)
Graves (MO)
Green, Al
Green, Gene
Griffith
Grijalva
Grothman
Guthrie
Gutiérrez
Hanabusa
Handel
Harper
Harris
Hartzler
Hastings
Heck
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Higgins (NY)
Hill
Himes
Holding
Hollingsworth
Hoyer
Hudson
Huffman
Huizenga
Hultgren
Hunter
Hurd
Issa
Jackson Lee
Jayapal
Jeffries
Jenkins (KS)
Jenkins (WV)
Johnson (GA)
Johnson (LA)
Johnson (OH)
Johnson, E. B.
Jones
Joyce (OH)
Kaptur
Katko
Keating
Kelly (IL)
Kelly (MS)
Kelly (PA)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
King (IA)
King (NY)
Kinzinger
Knight
Krishnamoorthi
Kuster (NH)
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latta
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lewis (MN)
Lieu, Ted
Lipinski
LoBiondo
Loebsack
Lofgren
Long
Loudermilk
Love
Lowenthal
Lowey
Lucas
Luetkemeyer
Lujan Grisham, M.
Luján, Ben Ray
Lynch
MacArthur
Maloney, Carolyn B.
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
Matsui
McCarthy
McCaul
McClintock
McCollum
McEachin
McHenry
McKinley
McMorris Rodgers
McNerney
McSally
Meadows
Meehan
Meeks
Meng
Messer
Mitchell
Moolenaar
Mooney (WV)
Moore
Moulton
Mullin
Murphy (FL)
Nadler
Napolitano
Neal
Newhouse
Noem
Nolan
Norcross
Norman
Nunes
O'Halleran
O'Rourke
Olson
Palazzo
Pallone
Palmer
Panetta
Pascrell
Paulsen
Payne
Pearce
Perlmutter
Perry
Peters
Peterson
Pingree
Pittenger
Poe (TX)
Poliquin
Polis
Posey
Quigley
Raskin
Ratcliffe
Reed
Reichert
Rice (NY)
Rice (SC)
Richmond
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Rosen
Ross
Rothfus
Rouzer
Roybal-Allard
Royce (CA)
Ruiz
Ruppersberger
Rush
Rutherford
Ryan (OH)
Sánchez
Sanford
Sarbanes
Scalise
Schakowsky
Schiff
Schneider
Schrader
Schweikert
Scott (VA)
Scott, Austin
Scott, David
Sensenbrenner
Serrano
Sessions
Sewell (AL)
Shea-Porter
Sherman
Shimkus
Shuster
Simpson
Sinema
Sires
Slaughter
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Smucker
Soto
Speier
Stefanik
Stewart
Stivers
Suozzi
Swalwell (CA)
Takano
Taylor
Tenney
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiberi
Tipton
Titus
Tonko
Torres
Trott
Tsongas
Turner
Upton
Valadao
Vargas
Veasey
Vela
Velázquez
Visclosky
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Weber (TX)
Webster (FL)
Welch
Wenstrup
Westerman
Williams
Wilson (FL)
Wilson (SC)
Wittman
Womack
Woodall
Yarmuth
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—13

Barton
Bridenstine
DeSantis
Granger
Johnson, Sam
Jordan
McGovern
Pelosi
Pocan
Price (NC)
Renacci
Roskam
Russell

□ 1641

Mr. VELA changed his vote from ''nay'' to ''yea.''

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''A bill to designate the facility of the United States Postal Service located at 430 Main Street in Clermont, Georgia, as the 'Zack T. Addington Post Office'.''.

A motion to reconsider was laid on the table.

## SGT. DOUGLAS J. RINEY POST OFFICE

The SPEAKER pro tempore (Mr. DONOVAN). The unfinished business is the vote on the motion to suspend the rules and pass the bill (H.R. 2672) to designate the facility of the United States Postal Service located at 520 Carter Street in Fairview, Illinois, as the ''Sgt. Douglas J. Riney Post Office'', on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. COMER) that the House suspend the rules and pass the bill.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 423, nays 0, not voting 10, as follows:

[Roll No. 636]

YEAS—423

Abraham
Adams
Aderholt
Aguilar
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Blunt Rochester
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Bustos
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Byrne
Calvert
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Gallego
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Herrera Beutler
Hice, Jody B.
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Hultgren
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Jackson Lee
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Jeffries
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Kuster (NH)
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Labrador
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Lowenthal
Lowey
Lucas
Luetkemeyer
Lujan Grisham, M.
Luján, Ben Ray
Lynch
MacArthur
Maloney, Carolyn B.
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
Matsui
McCarthy
McCaul
McClintock
McCollum
McEachin
McHenry
McKinley
McMorris Rodgers
McNerney
McSally
Meadows
Meehan
Meeks
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Messer
Mitchell
Moolenaar
Mooney (WV)
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Palmer
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Pascrell
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Payne
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Pelosi
Perlmutter
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Peterson
Pingree
Pittenger
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Poliquin
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Posey
Price (NC)
Quigley
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Ratcliffe
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Reichert
Rice (NY)
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Rokita
Rooney, Francis
Rooney, Thomas J.
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Rosen
Roskam
Ross
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Schrader
Schweikert
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Scott, David
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Serrano
Sessions
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Shea-Porter
Sherman
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Shuster
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Smith (WA)
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Speier
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Stivers
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Swalwell (CA)
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Trott
Tsongas
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Womack
Woodall
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Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—10

Barton
Bridenstine
Buchanan
Granger
Hudson
Johnson, Sam
McGovern
Pocan
Renacci
Russell

□ 1648

So (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MCGOVERN. Mr. Speaker, I was unavoidably absent on Wednesday, November 15, 2017.

On rollcall Vote No. 632, the Motion on Ordering the Previous Question on the Rule providing for consideration of H.R. 1, if I had been present, I would have voted "no."

On rollcall Vote No. 633, on passage of H. Res. 619, the Rule providing for consideration of H.R. 1, if I had been present, I would have voted "no."

On rollcall Vote No. 634, on passage of H.R. 2331, the Connected Government Act, as amended, if I had been present, I would have voted "yes."

On rollcall Vote No. 635, on passage of H.R. 3821, to designate the "Zachary Addington Post Office," if I had been present, I would have voted "yes."

On rollcall Vote No. 636, on passage of H.R. 2672, to designate the "Sgt. Douglas J. Riney Post Office," if I had been present, I would have voted "yes."

PERSONAL EXPLANATION

Ms. GRANGER. Mr. Speaker, I was unable to make votes. Had I been present, I would have voted "yea" on rollcall No. 635 and "yea" on rollcall No. 636.

## RECOGNIZING THE DEEP AND ABIDING FRIENDSHIP BETWEEN THE UNITED STATES AND ISRAEL

Mr. ROYCE of California. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 92) recognizing the deep and abiding friendship between the United States and Israel, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the concurrent resolution is as follows:

H. CON. RES. 92

Whereas the Jewish people have had a homeland in modern-day Israel for more than 3,000 years;

Whereas, on November 2, 1917, United Kingdom Foreign Secretary Lord Arthur Balfour wrote to Lord Walter Rothschild, to be declared to the Zionist Federation, a letter declaring, on behalf of the Government of the United Kingdom, support for a home for the Jewish people in the former Ottoman district of Palestine;

Whereas this letter, known as the Balfour Declaration, was ratified by the League of Nations on July 24, 1922;

Whereas, on September 21, 1922, President Warren G. Harding signed House Joint Resolution 322, after unanimous support from the House of Representatives and the Senate, favoring the establishment, in the former Ottoman district of Palestine, of a national home for the Jewish people;

Whereas the Balfour Declaration clearly recognized and sought to uphold the ''civil and religious rights of the existing non-Jewish communities in Palestine,'' as well as the ''rights and political status enjoyed by Jews in any other country'';

Whereas the Balfour Declaration was a significant part of the chain of events that led to the establishment of the modern State of Israel on May 14, 1948;

Whereas since Israel's founding, it has been a strong and steadfast ally to the United States, and the relationship is built on a mutual commitment to shared values;

Whereas Israel serves as a beacon for democracy by holding free and transparent elections and promoting the free exchange of ideas;

Whereas in April 1998, the United States designated Israel as a Major Non-NATO ally and in 2014 was elevated to the status of a Major Strategic Partner; and

Whereas the 100th Anniversary of the Balfour Declaration offers an opportunity for recommitment to strengthening the relationship between the United States and Israel; Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring),* That Congress—

(1) affirms its commitment to maintaining the strongest of bilateral ties with the State of Israel;

(2) recognizes the importance of the establishment of the modern State of Israel as a secure and democratic homeland for the Jewish people, without prejudice to the rights of all people to live within or alongside Israel in peace; and

(3) supports efforts to continue to increase economic, security and cultural ties between the United States and Israel.

AMENDMENT OFFERED BY MR. ROYCE OF CALIFORNIA

Mr. ROYCE of California. Mr. Speaker, I have an amendment at the desk.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 3, strike '', without prejudice to the rights of all people to live within or alongside Israel in peace'' and insert ''that upholds full and equal rights for all of its citizens''.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

## TAX CUTS AND JOBS ACT

Mr. BRADY of Texas. Mr. Speaker, pursuant to House Resolution 619, I call up the bill (H.R. 1) to provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2018, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 619, in lieu of the amendment in the nature of a substitute recommended by the Committee on Ways and Means printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–39 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 1

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

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

*(a) SHORT TITLE.—This Act may be cited as the ''Tax Cuts and Jobs Act''.*

*(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.*

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

## *TITLE I—TAX REFORM FOR INDIVIDUALS*

### *Subtitle A—Simplification and Reform of Rates, Standard Deduction, and Exemptions*

#### *SEC. 1001. REDUCTION AND SIMPLIFICATION OF INDIVIDUAL INCOME TAX RATES.*

*(a) IN GENERAL.—Section 1 is amended by striking subsection (i) and by striking all that precedes subsection (h) and inserting the following:*

***''SEC. 1. TAX IMPOSED.***

*''(a) IN GENERAL.—There is hereby imposed on the income of every individual a tax equal to the sum of—*

*''(1) 12 PERCENT BRACKET.—12 percent of so much of the taxable income as does not exceed the 25-percent bracket threshold amount,*

*''(2) 25 PERCENT BRACKET.—25 percent of so much of the taxable income as exceeds the 25-percent bracket threshold amount but does not exceed the 35-percent bracket threshold amount, plus*

*''(3) 35 PERCENT BRACKET.—35 percent of so much of taxable income as exceeds the 35-percent bracket threshold amount but does not exceed the 39.6 percent bracket threshold amount.*

*''(4) 39.6 PERCENT BRACKET.—39.6 percent of so much of taxable income as exceeds the 39.6-percent bracket threshold amount.*

*''(b) BRACKET THRESHOLD AMOUNTS.—For purposes of this section—*

*''(1) 25-PERCENT BRACKET THRESHOLD AMOUNT.—The term '25-percent bracket threshold amount' means—*

*''(A) in the case of a joint return or surviving spouse, $90,000,*

*''(B) in the case of an individual who is the head of a household (as defined in section 2(b)), $67,500,*

*''(C) in the case of any other individual (other than an estate or trust), an amount equal to ½ of the amount in effect for the taxable year under subparagraph (A), and*

*''(D) in the case of an estate or trust, $2,550.*

*''(2) 35-PERCENT BRACKET THRESHOLD AMOUNT.—The term '35-percent bracket threshold amount' means—*

*''(A) in the case of a joint return or surviving spouse, $260,000,*

*''(B) in the case of a married individual filing a separate return, an amount equal to ½ of the amount in effect for the taxable year under subparagraph (A), and*

*''(C) in the case of any other individual (other than an estate or trust), $200,000, and*

*''(D) in the case of an estate or trust, $9,150.*

*''(3) 39.6-PERCENT BRACKET THRESHOLD AMOUNT.—The term '39.6-percent bracket threshold amount' means—*

*''(A) in the case of a joint return or surviving spouse, $1,000,000,*

*''(B) in the case of any other individual (other than an estate or trust), an amount equal to ½ of the amount in effect for the taxable year under subparagraph (A), and*

*''(C) in the case of an estate or trust, $12,500.*

*''(c) INFLATION ADJUSTMENT.—*

*''(1) IN GENERAL.—In the case of any taxable year beginning after 2018, each dollar amount in subsections (b) and (e)(3) (other than any amount determined by reference to such a dollar amount) shall be increased by an amount equal to—*

*''(A) such dollar amount, multiplied by*

*''(B) the cost-of-living adjustment determined under this subsection for the calendar year in which the taxable year begins by substituting '2017' for '2016' in paragraph (2)(A)(ii).*

*If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.*

*''(2) COST-OF-LIVING ADJUSTMENT.—For purposes of this subsection—*

*''(A) IN GENERAL.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—*

*''(i) the C-CPI-U for the preceding calendar year, exceeds*

*''(ii) the normalized CPI for calendar year 2016.*

*''(B) SPECIAL RULE FOR ADJUSTMENTS WITH A BASE YEAR AFTER 2016.—For purposes of any provision which provides for the substitution of a year after 2016 for '2016' in subparagraph (A)(ii), subparagraph (A) shall be applied by substituting 'C-CPI-U' for 'normalized CPI' in clause (ii).*

*''(3) NORMALIZED CPI.—For purposes of this subsection, the normalized CPI for any calendar year is the product of—*

*''(A) the CPI for such calendar year, multiplied by*

*''(B) the C-CPI-U transition multiple.*

*''(4) C-CPI-U TRANSITION MULTIPLE.—For purposes of this subsection, the term 'C-CPI-U transition multiple' means the amount obtained by dividing—*

*''(A) the C-CPI-U for calendar year 2016, by*

*''(B) the CPI for calendar year 2016.*

*''(5) C-CPI-U.—For purposes of this subsection—*

*''(A) IN GENERAL.—The term 'C-CPI-U' means the Chained Consumer Price Index for All Urban Consumers (as published by the Bureau of Labor Statistics of the Department of Labor). The values of the Chained Consumer Price Index for All Urban Consumers taken into account for purposes of determining the cost-of-living adjustment for any calendar year under this subsection shall be the latest values so published as of the date on which such Bureau publishes the initial value of the Chained Consumer Price Index for All Urban Consumers for the month of August for the preceding calendar year.*

*''(B) DETERMINATION FOR CALENDAR YEAR.—The C-CPI-U for any calendar year is the average of the C-CPI-U as of the close of the 12-month period ending on August 31 of such calendar year.*

*''(6) CPI.—For purposes of this subsection—*

*''(A) IN GENERAL.—The term 'Consumer Price Index' means the last Consumer Price Index for All Urban Consumers published by the Department of Labor. For purposes of the preceding sentence, the revision of the Consumer Price Index which is most consistent with the Consumer Price Index for calendar year 1986 shall be used.*

*''(B) DETERMINATION FOR CALENDAR YEAR.—The CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on August 31 of such calendar year.*

*''(d) SPECIAL RULES FOR CERTAIN CHILDREN WITH UNEARNED INCOME.—*

*''(1) IN GENERAL.—In the case of any child to whom this subsection applies for any taxable year—*

*''(A) the 25-percent bracket threshold amount shall not be more than the taxable income of such child for the taxable year reduced by the net unearned income of such child, and*

*''(B) the 35-percent bracket threshold amount shall not be more than the sum of—*

*''(i) the taxable income of such child for the taxable year reduced by the net unearned income of such child, plus*

*''(ii) the dollar amount in effect under subsection (b)(2)(D) for the taxable year.*

*''(C) the 39.6-percent bracket threshold amount shall not be more than the sum of—*

*''(i) the taxable income of such child for the taxable year reduced by the net unearned income of such child, plus*

*''(ii) the dollar amount in effect under subsection (b)(3)(C).*

*''(2) CHILD TO WHOM SUBSECTION APPLIES.—This subsection shall apply to any child for any taxable year if—*

*''(A) such child—*

*''(i) has not attained age 18 before the close of the taxable year, or*

*''(ii) has attained age 18 before the close of the taxable year and is described in paragraph (3),*

*''(B) either parent of such child is alive at the close of the taxable year, and*

*''(C) such child does not file a joint return for the taxable year.*

*''(3) CERTAIN CHILDREN WHOSE EARNED INCOME DOES NOT EXCEED ONE-HALF OF INDIVIDUAL'S SUPPORT.—A child is described in this paragraph if—*

*''(A) such child—*

*''(i) has not attained age 19 before the close of the taxable year, or*

*''(ii) is a student (within the meaning of section 7706(f)(2)) who has not attained age 24 before the close of the taxable year, and*

''(B) such child's earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 7706(c)(1)(D) after the application of section 7706(f)(5) (without regard to subparagraph (A) thereof)) for such taxable year.

''(4) NET UNEARNED INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'net unearned income' means the excess of—

''(i) the portion of the adjusted gross income for the taxable year which is not attributable to earned income (as defined in section 911(d)(2)), over

''(ii) the sum of—

''(I) the amount in effect for the taxable year under section 63(c)(2)(A) (relating to limitation on standard deduction in the case of certain dependents), plus

''(II) The greater of the amount described in subclause (I) or, if the child itemizes his deductions for the taxable year, the amount of the itemized deductions allowed by this chapter for the taxable year which are directly connected with the production of the portion of adjusted gross income referred to in clause (i).

''(B) LIMITATION BASED ON TAXABLE INCOME.—The amount of the net unearned income for any taxable year shall not exceed the individual's taxable income for such taxable year.

''(e) PHASEOUT OF 12-PERCENT RATE.—

''(1) IN GENERAL.—The amount of tax imposed by this section (determined without regard to this subsection) shall be increased by 6 percent of the excess (if any) of—

''(A) adjusted gross income, over

''(B) the applicable dollar amount.

''(2) LIMITATION.—The increase determined under paragraph (1) with respect to any taxpayer for any taxable year shall not exceed 27.6 percent of the lesser of—

''(A) the taxpayer's taxable income for such taxable year, or

''(B) the 25-percent bracket threshold amount in effect with respect to the taxpayer for such taxable year.

''(3) APPLICABLE DOLLAR AMOUNT.—For purposes of this subsection, the term 'applicable dollar amount' means—

''(A) in the case of a joint return or a surviving spouse, $1,200,000,

''(B) in the case of a married individual filing a separate return, an amount equal to ½ of the amount in effect for the taxable year under subparagraph (A), and

''(C) in the case of any other individual, $1,000,000.

''(4) ESTATES AND TRUSTS.—Paragraph (1) shall not apply in the case of an estate or trust.''.

(b) APPLICATION OF CURRENT INCOME TAX BRACKETS TO CAPITAL GAINS BRACKETS.—

(1) IN GENERAL.—

(A) 0-PERCENT CAPITAL GAINS BRACKET.—Section 1(h)(1) is amended by striking ''which would (without regard to this paragraph) be taxed at a rate below 25 percent'' in subparagraph (B)(i) and inserting ''below the 15-percent rate threshold''.

(B) 15-PERCENT CAPITAL GAINS BRACKET.—Section 1(h)(1)(C)(ii)(I) is amended by striking ''which would (without regard to this paragraph) be taxed at a rate below 39.6 percent'' and inserting ''below the 20-percent rate threshold''.

(2) RATE THRESHOLDS DEFINED.—Section 1(h) is amended by adding at the end the following new paragraph:

''(12) RATE THRESHOLDS DEFINED.—For purposes of this subsection—

''(A) 15-PERCENT RATE THRESHOLD.—The 15-percent rate threshold shall be—

''(i) in the case of a joint return or surviving spouse, $77,200 (½ such amount in the case of a married individual filing a separate return),

''(ii) in the case of an individual who is the head of a household (as defined in section 2(b)), $51,700,

''(iii) in the case of any other individual (other than an estate or trust), an amount equal to ½ of the amount in effect for the taxable year under clause (i), and

''(iv) in the case of an estate or trust, $2,600.

''(B) 20-PERCENT RATE THRESHOLD.—The 20-percent rate threshold shall be—

''(i) in the case of a joint return or surviving spouse, $479,000 (½ such amount in the case of a married individual filing a separate return),

''(ii) in the case of an individual who is the head of a household (as defined in section 2(b)), $452,400,

''(iii) in the case of any other individual (other than an estate or trust), $425,800, and

''(iv) in the case of an estate or trust, $12,700.

''(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, each of the dollar amounts in subparagraphs (A) and (B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under subsection (c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in clause (ii) thereof.''.

(c) APPLICATION OF SECTION 15.—

(1) IN GENERAL.—Subsection (a) of section 15 is amended by striking ''by this chapter'' and inserting ''by section 11 (or by reference to any such rates)''.

(2) CONFORMING AMENDMENTS.—

(A) Section 15 is amended by striking subsections (d) and (f) and by redesignating subsection (e) as subsection (d).

(B) Section 15(d), as redesignated by subparagraph (A), is amended by striking ''section 1 or 11(b)'' and inserting ''section 11(b)''.

(C) Section 6013(c) is amended by striking ''sections 15, 443, and 7851(a)(1)(A)'' and inserting ''sections 443 and 7851(a)(1)(A)''.

(3) APPLICATION TO THIS ACT.—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in a rate of tax imposed by chapter 1 of such Code which occurs by reason of any amendment made by this Act (other than the amendments made by section 3001).

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) SUBSECTION (c).—The amendments made by subsection (c) shall take effect on the date of the enactment of this Act.

**SEC. 1002. ENHANCEMENT OF STANDARD DEDUCTION.**

(a) INCREASE IN STANDARD DEDUCTION.—Section 63(c) is amended to read as follows:

''(c) STANDARD DEDUCTION.—For purposes of this subtitle—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'standard deduction' means—

''(A) $24,400, in the case of a joint return (or a surviving spouse (as defined in section 2(a)),

''(B) three-quarters of the amount in effect under subparagraph (A) for the taxable year, in the case of the head of a household (as defined in section 2(b)), and

''(C) one-half of the amount in effect under subparagraph (A) for the taxable year, in any other case.

''(2) LIMITATION ON STANDARD DEDUCTION IN THE CASE OF CERTAIN DEPENDENTS.—In the case of an individual who is a dependent of another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, the standard deduction applicable to such individual for such individual's taxable year shall not exceed the greater of—

''(A) $500, or

''(B) the sum of $250 and such individual's earned income (within the means of section 32).

''(3) CERTAIN INDIVIDUALS, ETC., NOT ELIGIBLE FOR STANDARD DEDUCTION.—In the case of—

''(A) a married individual filing a separate return where either spouse itemizes deductions,

''(B) a nonresident alien individual,

''(C) an individual making a return under section 443(a)(1) for a period of less than 12 months on account of a change in his annual accounting period, or

''(D) an estate or trust, common trust fund, or partnership,

the standard deduction shall be zero.

''(4) UNMARRIED INDIVIDUAL.—For purposes of this section, the term 'unmarried individual' means any individual who—

''(A) is not married as of the close of the taxable year (as determined by applying section 7703),

''(B) is not a surviving spouse (as defined in section 2(a)) for the taxable year, and

''(C) is not a dependent of another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins.

''(5) INFLATION ADJUSTMENTS.—

''(A) STANDARD DEDUCTION AMOUNT.—In the case of any taxable year beginning after 2019, the dollar amount in paragraph (1)(A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2018' for 'calendar year 2016' in clause (ii) thereof.

''(B) LIMITATION AMOUNT IN CASE OF CERTAIN DEPENDENTS.—In the case of any taxable year beginning after 2017, each of the dollar amounts in paragraph (2) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii)(I) in the case of the dollar amount in paragraph (2)(A), under section 1(c)(2)(A) for the calendar year in which the taxable year begins determined by substituting 'calendar year 1987' for 'calendar year 2016' in clause (ii) thereof, and

''(II) in the case of the dollar amount in paragraph (2)(B), under section 1(c)(2)(A) for the calendar year in which the taxable year begins determined by substituting 'calendar year 1997' for 'calendar year 2016' in clause (ii) thereof.

If any increase determined under this paragraph is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 63(b) is amended by striking '', minus—'' and all that follows and inserting ''minus the standard deduction''.

(2) Section 63 is amended by striking subsections (f) and (g).

(3) Section 1398(c) is amended—

(A) by striking ''BASIC'' in the heading thereof,

(B) by striking ''BASIC STANDARD'' in the heading of paragraph (3) and inserting ''STANDARD'', and

(C) by striking ''basic'' in paragraph (3).

(4) Section 3402(m)(3) is amended by striking ''(including the additional standard deduction under section 63(c)(3) for the aged and blind)''.

(5) Section 6014(b)(4) is amended by striking ''section 63(c)(5)'' and inserting ''section 63(c)(2)''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1003. REPEAL OF DEDUCTION FOR PERSONAL EXEMPTIONS.**

(a) IN GENERAL.—Part V of subchapter B of chapter 1 is hereby repealed.

(b) DEFINITION OF DEPENDENT RETAINED.—Section 152, prior to repeal by subsection (a), is hereby redesignated as section 7706 and moved to the end of chapter 79.

(c) APPLICATION TO ESTATES AND TRUSTS.—Subsection (b) of section 642 is amended—

(1) by striking paragraph (2)(C),

(2) by striking paragraph (3), and

(3) by striking ''DEDUCTION FOR PERSONAL EXEMPTION'' in the heading thereof and inserting ''BASIC DEDUCTION''.

*(d) APPLICATION TO NONRESIDENT ALIENS.—Section 873(b) is amended by striking paragraph (3).*

*(e) MODIFICATION OF WAGE WITHHOLDING RULES.—*

*(1) IN GENERAL.—Section 3402(a) is amended by striking paragraph (2).*

*(2) CONFORMING AMENDMENT.—Section 3402(a) is amended—*

*(A) by redesignating subparagraphs (A) and (B) of paragraph (1) as paragraphs (1) and (2) and moving such redesignated paragraphs 2 ems to the left, and*

*(B) by striking all that precedes ''otherwise provided in this section'' and inserting the following:*

*''(a) REQUIREMENT OF WITHHOLDING.—Except as''.*

*(3) NUMBER OF EXEMPTIONS.—Section 3402(f)(1) is amended—*

*(A) in subparagraph (A), by striking ''an individual described in section 151(d)(2)'' and inserting ''a dependent of any other taxpayer'', and*

*(B) in subparagraph (C), by striking ''with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(c)'' and inserting ''who, on the basis of facts existing at the beginning of such day, is reasonably expected to be a dependent of the employee''.*

*(f) MODIFICATION OF RETURN REQUIREMENT.—*

*(1) IN GENERAL.—Paragraph (1) of section 6012(a) is amended to read as follows:*

*''(1) Every individual who has gross income for the taxable year, except that a return shall not be required of—*

*''(A) an individual who is not married (determined by applying section 7703) and who has gross income for the taxable year which does not exceed the standard deduction applicable to such individual for such taxable year under section 63, or*

*''(B) an individual entitled to make a joint return if—*

*''(i) the gross income of such individual, when combined with the gross income of such individual's spouse, for the taxable year does not exceed the standard deduction which would be applicable to the taxpayer for such taxable year under section 63 if such individual and such individual's spouse made a joint return,*

*''(ii) such individual and such individual's spouse have the same household as their home at the close of the taxable year,*

*''(iii) such individual's spouse does not make a separate return, and*

*''(iv) neither such individual nor such individual's spouse is an individual described in section 63(c)(2) who has income (other than earned income) in excess of the amount in effect under section 63(c)(2)(A).''.*

*(2) BANKRUPTCY ESTATES.—Paragraph (8) of section 6012(a) is amended by striking ''the sum of the exemption amount plus the basic standard deduction under section 63(c)(2)(D)'' and inserting ''the standard deduction in effect under section 63(c)(1)(B)''.*

*(g) CONFORMING AMENDMENTS.—*

*(1) Section 2(a)(1)(B) is amended by striking ''a dependent'' and all that follows through ''section 151'' and inserting ''a dependent who (within the meaning of section 7706, determined without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof) is a son, stepson, daughter, or stepdaughter of the taxpayer''.*

*(2) Section 36B(b)(2)(A) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(3) Section 36B(b)(3)(B) is amended by striking ''unless a deduction is allowed under section 151 for the taxable year with respect to a dependent'' in the flush matter at the end and inserting ''unless the taxpayer has a dependent for the taxable year''.*

*(4) Section 36B(c)(1)(D) is amended by striking ''with respect to whom a deduction under section 151 is allowable to another taxpayer'' and inserting ''who is a dependent of another taxpayer''.*

*(5) Section 36B(d)(1) is amended by striking ''equal to the number of individuals for whom the taxpayer is allowed a deduction under section 151 (relating to allowance of deduction for personal exemptions) for the taxable year'' and inserting ''the sum of 1 (2 in the case of a joint return) plus the number of the taxpayer's dependents for the taxable year''.*

*(6) Section 36B(e)(1) is amended by striking ''1 or more individuals for whom a taxpayer is allowed a deduction under section 151 (relating to allowance of deduction for personal exemptions) for the taxable year (including the taxpayer or his spouse)'' and inserting ''1 or more of the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer''.*

*(7) Section 42(i)(3)(D)(ii)(I) is amended—*

*(A) by striking ''section 152'' and inserting ''section 7706'', and*

*(B) by striking the period at the end and inserting a comma.*

*(8) Section 72(t)(2)(D)(i)(III) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(9) Section 72(t)(7)(A)(iii) is amended by striking ''section 152(f)(1)'' and inserting ''section 7706(f)(1)''.*

*(10) Section 105(b) is amended—*

*(A) by striking ''as defined in section 152'' and inserting ''as defined in section 7706'',*

*(B) by striking ''section 152(f)(1)'' and inserting ''section 7706(f)(1)'' and*

*(C) by striking ''section 152(e)'' and inserting ''section 7706(e)''.*

*(11) Section 105(c)(1) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(12) Section 125(e)(1)(D) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(13) Section 132(h)(2)(B) is amended—*

*(A) by striking ''section 152(f)(1)'' and inserting ''section 7706(f)(1)'', and*

*(B) by striking ''section 152(e)'' and inserting ''section 7706(e)''.*

*(14) Section 139D(c)(5) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(15) Section 162(l)(1)(D) is amended by striking ''section 152(f)(1)'' and inserting ''section 7706(f)(1)''.*

*(16) Section 170(g)(1) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(17) Section 170(g)(3) is amended by striking ''section 152(d)(2)'' and inserting ''section 7706(d)(2)''.*

*(18) Section 172(d) is amended by striking paragraph (3).*

*(19) Section 220(b)(6) is amended by striking ''with respect to whom a deduction under section 151 is allowable to'' and inserting ''who is a dependent of''.*

*(20) Section 220(d)(2)(A) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(21) Section 223(b)(6) is amended by striking ''with respect to whom a deduction under section 151 is allowable to'' and inserting ''who is a dependent of''.*

*(22) Section 223(d)(2)(A) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(23) Section 401(h) is amended by striking ''section 152(f)(1)'' in the last sentence and inserting ''section 7706(f)(1)''.*

*(24) Section 402(l)(4)(D) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(25) Section 409A(a)(2)(B)(ii)(I) is amended by striking ''section 152(a)'' and inserting ''section 7706(a)''.*

*(26) Section 501(c)(9) is amended by striking ''section 152(f)(1)'' and inserting ''section 7706(f)(1)''.*

*(27) Section 529(e)(2)(B) is amended by striking ''section 152(d)(2)'' and inserting ''section 7706(d)(2)''.*

*(28) Section 703(a)(2) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.*

*(29) Section 874 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).*

*(30) Section 891 is amended by striking ''under section 151 and''.*

*(31) Section 904(b) is amended by striking paragraph (1).*

*(32) Section 931(b)(1) is amended by striking ''(other than the deduction under section 151, relating to personal exemptions)''.*

*(33) Section 933 is amended—*

*(A) by striking ''(other than the deduction under section 151, relating to personal exemptions)'' in paragraph (1), and*

*(B) by striking ''(other than the deduction for personal exemptions under section 151)'' in paragraph (2).*

*(34) Section 1212(b)(2)(B)(ii) is amended to read as follows:*

*''(ii) in the case of an estate or trust, the deduction allowed for such year under section 642(b).''.*

*(35) Section 1361(c)(1)(C) is amended by striking ''section 152(f)(1)(C)'' and inserting ''section 7706(f)(1)(C)''.*

*(36) Section 1402(a) is amended by striking paragraph (7).*

*(37) Section 2032A(c)(7)(D) is amended by striking ''section 152(f)(2)'' and inserting ''section 7706(f)(2)''.*

*(38) Section 3402(m)(1) is amended by striking ''other than the deductions referred to in section 151 and''.*

*(39) Section 3402(r)(2) is amended by striking ''the sum of—'' and all that follows and inserting ''the standard deduction in effect under section 63(c)(1)(B).''.*

*(40) Section 5000A(b)(3)(A) is amended by striking ''section 152'' and inserting ''section 7706''.*

*(41) Section 5000A(c)(4)(A) is amended by striking ''the number of individuals for whom the taxpayer is allowed a deduction under section 151 (relating to allowance of deduction for personal exemptions) for the taxable year'' and inserting ''the sum of 1 (2 in the case of a joint return) plus the number of the taxpayer's dependents for the taxable year''.*

*(42) Section 6013(b)(3)(A) is amended—*

*(A) by striking ''had less than the exemption amount of gross income'' in clause (ii) and inserting ''had no gross income'',*

*(B) by striking ''had gross income of the exemption amount or more'' in clause (iii) and inserting ''had any gross income'', and*

*(C) by striking the flush language following clause (iii).*

*(43) Section 6103(l)(21)(A)(iii) is amended to read as follows:*

*''(iii) the number of the taxpayer's dependents,''.*

*(44) Section 6213(g)(2) is amended by striking subparagraph (H).*

*(45) Section 6334(d)(2) is amended to read as follows:*

*''(2) EXEMPT AMOUNT.—*

*''(A) IN GENERAL.—For purposes of paragraph (1), the term 'exempt amount' means an amount equal to—*

*''(i) the standard deduction, divided by*

*''(ii) 52.*

*''(B) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with no dependents.''.*

*(46) Section 7702B(f)(2)(C)(iii) is amended by striking ''section 152(d)(2)'' and inserting ''section 7706(d)(2)''.*

*(47) Section 7703(a) is amended by striking ''part V of subchapter B of chapter 1 and''.*

*(48) Section 7703(b)(1) is amended by striking ''section 152(f)(1)'' and all that follows and inserting ''section 7706(f)(1),''.*

*(49) Section 7706(a), as redesignated by this section, is amended by striking ''this subtitle'' and inserting ''subtitle A''.*

*(50)(A) Section 7706(d)(1)(B), as redesignated by this section, is amended by striking ''the exemption amount (as defined in section 151(d))'' and inserting ''$4,150''.*

(B) Section 7706(d), as redesignated by this section, is amended by adding at the end the following new paragraph:

''(6) INFLATION ADJUSTMENT.—In the case of any calendar year beginning after 2018, the $4,150 amount in paragraph (1)(B) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 2017' for 'calendar year 2016' in clause (ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.''.

(51) The table of sections for chapter 79 is amended by adding at the end the following new item:

''Sec. 7706. Dependent defined.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1004. MAXIMUM RATE ON BUSINESS INCOME OF INDIVIDUALS.**

(a) IN GENERAL.—Part I of subchapter A of chapter 1 is amended by inserting after section 3 the following new section:

**''SEC. 4. 25 PERCENT MAXIMUM RATE ON BUSINESS INCOME OF INDIVIDUALS.**

''(a) REDUCTION IN TAX TO ACHIEVE 25 PERCENT MAXIMUM RATE.—The tax imposed by section 1 shall be reduced by the sum of—

''(1) 10 percent of the lesser of—

''(A) qualified business income, or

''(B) the excess (if any) of—

''(i) taxable income reduced by net capital gain (as defined in section 1(h)(11)(A)), over

''(ii) the maximum dollar amount for the 25-percent rate bracket which applies to the taxpayer under section 1 for the taxable year, and

''(2) 4.6 percent of the excess (if any) of—

''(A) the lesser of—

''(i) qualified business income, or

''(ii) the excess (if any) determined under paragraph (1)(B), over

''(B) the excess of—

''(i) the maximum dollar amount for the 35-percent rate bracket which applies to the taxpayer under section 1 for the taxable year, over

''(ii) the maximum dollar amount for the 25-percent rate bracket which applies to the taxpayer under section 1 for the taxable year.

''(b) QUALIFIED BUSINESS INCOME.—For purposes of this section, the term 'qualified business income' means the excess (if any) of—

''(1) the sum of—

''(A) 100 percent of any net business income derived from any passive business activity, plus

''(B) the capital percentage of any net business income derived from any active business activity, over

''(2) the sum of—

''(A) 100 percent of any net business loss derived from any passive business activity,

''(B) except as provided in subsection (e)(3)(A), 30 percent of any net business loss derived from any active business activity, plus

''(C) any carryover business loss determined for the preceding taxable year.

''(c) DETERMINATION OF NET BUSINESS INCOME OR LOSS.—For purposes of this section—

''(1) IN GENERAL.—Net business income or loss shall be determined with respect to any business activity by appropriately netting items of income, gain, deduction, and loss with respect to such business activity.

''(2) WAGES, ETC.—Any wages (as defined in section 3401), payments described in subsection (a) or (c) of section 707, or directors' fees received by the taxpayer which are properly attributable to any business activity shall be taken into account under paragraph (1) as an item of income with respect to such business activity.

''(3) EXCEPTION FOR CERTAIN INVESTMENT-RELATED ITEMS.—There shall not be taken into account under paragraph (1)—

''(A) any item of short-term capital gain, short-term capital loss, long-term capital gain, or long-term capital loss,

''(B) any dividend, income equivalent to a dividend, or payment in lieu of dividends described in section 954(c)(1)(G),

''(C) any interest income other than interest income which is properly allocable to a trade or business,

''(D) any item of gain or loss described in subparagraph (C) or (D) of section 954(c)(1) (applied by substituting 'business activity' for 'controlled foreign corporation'),

''(E) any item of income, gain, deduction, or loss taken into account under section 954(c)(1)(F) (determined without regard to clause (ii) thereof and other than items attributable to notional principal contracts entered into in transactions qualifying under section 1221(a)(7)),

''(F) any amount received from an annuity which is not received in connection with the trade or business of the business activity, and

''(G) any item of deduction or loss properly allocable to an amount described in any of the preceding subparagraphs.

''(4) APPLICATION OF RESTRICTIONS APPLICABLE TO DETERMINING TAXABLE INCOME.—Net business income or loss shall be appropriately adjusted so as only to take into account any amount of income, gain, deduction, or loss to the extent such amount affects the determination of taxable income for the taxable year.

''(5) CARRYOVER BUSINESS LOSS.—For purposes of subsection (b)(2)(C), the carryover business loss determined for any taxable year is the excess (if any) of the sum described in subsection (b)(2) over the sum described in subsection (b)(1) for such taxable year.

''(d) PASSIVE AND ACTIVE BUSINESS ACTIVITY.—For purposes of this section—

''(1) PASSIVE BUSINESS ACTIVITY.—The term 'passive business activity' means any passive activity as defined in section 469(c) determined without regard to paragraphs (3) and (6)(B) thereof.

''(2) ACTIVE BUSINESS ACTIVITY.—The term 'active business activity' means any business activity which is not a passive business activity.

''(3) BUSINESS ACTIVITY.—The term 'business activity' means any activity (within the meaning of section 469) which involves the conduct of any trade or business.

''(e) CAPITAL PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this section, the term 'capital percentage' means 30 percent.

''(2) INCREASED PERCENTAGE FOR CAPITAL-INTENSIVE BUSINESS ACTIVITIES.—In the case of a taxpayer who elects the application of this paragraph with respect to any active business activity (other than a specified service activity), the capital percentage shall be equal to the applicable percentage (as defined in subsection (f)) for each taxable year with respect to which such election applies. Any election made under this paragraph shall apply to the taxable year for which such election is made and each of the 4 subsequent taxable years. Such election shall be made not later than the due date (including extensions) for the return of tax for the taxable year for which such election is made, and, once made, may not be revoked.

''(3) TREATMENT OF SPECIFIED SERVICE ACTIVITIES.—

''(A) IN GENERAL.—In the case of any active business activity which is a specified service activity—

''(i) the capital percentage shall be 0 percent, and

''(ii) subsection (b)(2)(B) shall be applied by substituting '0 percent' for '30 percent'.

''(B) EXCEPTION FOR CAPITAL-INTENSIVE SPECIFIED SERVICE ACTIVITIES.—If—

''(i) the taxpayer elects the application of this subparagraph with respect to such activity for any taxable year, and

''(ii) the applicable percentage (as defined in subsection (f)) with respect to such activity for such taxable year is at least 10 percent,

then subparagraph (A) shall not apply and the capital percentage with respect to such activity shall be equal to such applicable percentage.

''(C) SPECIFIED SERVICE ACTIVITY.—The term 'specified service activity' means any activity involving the performance of services described in section 1202(e)(3)(A), including investing, trading, or dealing in securities (as defined in section 475(c)(2)), partnership interests, or commodities (as defined in section 475(e)(2)).

''(4) REDUCTION IN CAPITAL PERCENTAGE IN CERTAIN CASES.—The capital percentage (determined after the application of paragraphs (2) and (3)) with respect to any active business activity shall not exceed 1 minus the quotient (not greater than 1) of—

''(A) any amounts described in subsection (c)(2) which are taken into account in determining the net business income derived from such activity, divided by

''(B) such net business income.

''(f) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means, with respect to any active business activity for any taxable year, the quotient (not greater than 1) of—

''(A) the specified return on capital with respect to such activity for such taxable year, divided by

''(B) the taxpayer's net business income derived from such activity for such taxable year.

''(2) SPECIFIED RETURN ON CAPITAL.—The term 'specified return on capital' means, with respect to any active business activity referred to in paragraph (1), the excess of—

''(A) the product of—

''(i) the deemed rate of return for the taxable year, multiplied by

''(ii) the asset balance with respect to such activity for such taxable year, over

''(B) an amount equal to the interest which is paid or accrued, and for which a deduction is allowed under this chapter, with respect to such activity for such taxable year.

''(3) DEEMED RATE OF RETURN.—The term 'deemed rate of return' means, with respect to any taxable year, the Federal short-term rate (determined under section 1274(d) for the month in which or with which such taxable year ends) plus 7 percentage points.

''(4) ASSET BALANCE.—

''(A) IN GENERAL.—The asset balance with respect to any active business activity referred to in paragraph (1) for any taxable year equals the taxpayer's adjusted basis of any property described in section 1221(a)(2) which is used in connection with such activity as of the end of the taxable year (determined without regard to sections 168(k) and 179).

''(B) APPLICATION TO ACTIVITIES CARRIED ON THROUGH PARTNERSHIPS AND S CORPORATIONS.—In the case of any active business activity carried on through a partnership or S corporation, the taxpayer shall take into account such taxpayer's distributive or pro rata share (as the case may be) of the asset balance with respect to such activity as determined with respect to such partnership or S corporation under subparagraph (A) (applied by substituting 'the partnership's or S corporation's adjusted basis' for 'the taxpayer's adjusted basis').

''(g) REDUCED RATE FOR SMALL BUSINESSES WITH NET ACTIVE BUSINESS INCOME.—

''(1) IN GENERAL.—The tax imposed by section 1 shall be reduced by 3 percent of the excess (if any) of—

''(A) the least of—

''(i) qualified active business income,

''(ii) taxable income reduced by net capital gain (as defined in section 1(h)(11)(A)), or

''(iii) the 9-percent bracket threshold amount, over

''(B) the excess (if any) of taxable income over the applicable threshold amount.

''(2) PHASE-IN OF RATE REDUCTION.—In the case of any taxable year beginning before January 1, 2022, paragraph (1) shall be applied by substituting for '3 percent'—

''(A) in the case of any taxable year beginning after December 31, 2017, and before January 1, 2020, '1 percent', and

''(B) in the case of any taxable year beginning after December 31, 2019, and before January 1, 2022, '2 percent'.

''(3) QUALIFIED ACTIVE BUSINESS INCOME.—For purposes of this subsection, the term 'qualified active business income' means the excess (if any) of—

''(A) any net business income derived from any active business activity, over

''(B) any net business loss derived from any active business activity.

''(4) 9-PERCENT BRACKET THRESHOLD AMOUNT.—For purposes of this subsection, the term '9-percent bracket threshold amount' means—

''(A) in the case of a joint return or surviving spouse, $75,000,

''(B) in the case of an individual who is the head of a household (as defined in section 2(b)), ¾ of the amount in effect for the taxable year under subparagraph (A), and

''(C) in the case of any other individual, ½ of the amount in effect for the taxable year under subparagraph (A).

''(5) APPLICABLE THRESHOLD AMOUNT.—For purposes of this subsection, the term 'applicable threshold amount' means—

''(A) in the case of a joint return or surviving spouse, $150,000,

''(B) in the case of an individual who is the head of a household (as defined in section 2(b)), ¾ of the amount in effect for the taxable year under subparagraph (A), and

''(C) in the case of any other individual, ½ of the amount in effect for the taxable year under subparagraph (A).

''(6) ESTATES AND TRUSTS.—Paragraph (1) shall not apply to any estate or trust.

''(7) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, the dollar amounts in paragraphs (4)(A) and (5)(A) shall each be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under subsection (c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in clause (ii) thereof.

If any increase determined under the preceding sentence is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.

''(h) REGULATIONS.—The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance—

''(1) which ensures that no amount is taken into account under subsection (f)(4) with respect to more than one activity, and

''(2) which treats all specified service activities of the taxpayer as a single business activity for purposes of this section to the extent that such activities would be treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414.

''(i) REFERENCES.—Any reference in this title to section 1 shall be treated as including a reference to this section unless the context of such reference clearly indicates otherwise.''.

(b) 25 PERCENT RATE FOR CERTAIN DIVIDENDS OF REAL ESTATE INVESTMENT TRUSTS AND COOPERATIVES.—Section 1(h), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

''(13) 25 PERCENT RATE FOR CERTAIN DIVIDENDS OF REAL ESTATE INVESTMENT TRUSTS AND COOPERATIVES.—

''(A) IN GENERAL.—For purposes of this subsection, net capital gain (as defined in paragraph (11)) and unrecaptured section 1250 gain (as defined in paragraph (6)) shall each be increased by specified dividend income.

''(B) SPECIFIED DIVIDEND INCOME.—For purposes of this paragraph, the term 'specified dividend income' means—

''(i) in the case of any dividend received from a real estate investment trust, the portion of such dividend which is neither—

''(I) a capital gain dividend (as defined in section 852(b)(3)), nor

''(II) taken into account in determining qualified dividend income (as defined in paragraph (11)), and

''(ii) any dividend which is includible in gross income and which is received from an organization or corporation described in section 501(c)(12) or 1381(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 1 is amended by inserting after the item relating to section 3 the following new item:

''Sec. 4. 25 percent maximum rate on business income of individuals.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(e) TRANSITION RULE.—In the case of any taxable year which includes December 31, 2017, the amendment made by subsection (a) shall apply with respect to such taxable year adjusted—

(1) so as to apply with respect to the rates of tax in effect under section 1 of the Internal Revenue Code of 1986 with respect to such taxable year (and so as to achieve a 25 percent effective rate of tax on the business income (determined without regard to paragraph (2)) in the same manner as such amendment applies to taxable years beginning after such date with respect to the rates of tax in effect for such years), and

(2) by reducing the amount of the reduction in tax (as otherwise determined under paragraph (1)) by the amount which bears the same proportion to the amount of such reduction as the number of days in the taxable year which are before January 1, 2018, bears to the number of days in the entire taxable year.

***SEC. 1005. CONFORMING AMENDMENTS RELATED TO SIMPLIFICATION OF INDIVIDUAL INCOME TAX RATES.***

(a) AMENDMENTS RELATED TO MODIFICATION OF INFLATION ADJUSTMENT.—

(1) Section 32(b)(2)(B)(ii)(II) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins determined by substituting 'calendar year 2008' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins determined by substituting 'calendar year 2008' for 'calendar year 2016' in clause (ii) thereof''.

(2) Section 32(j)(1)(B) is amended—

(A) in the matter preceding clause (i), by striking ''section 1(f)(3)'' and inserting ''section 1(c)(2)(A)'',

(B) in clause (i), by striking ''for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''for 'calendar year 2016' in clause (ii) thereof'', and

(C) in clause (ii), by striking ''for 'calendar year 1992' in subparagraph (B) of such section 1'' and inserting ''for 'calendar year 2016' in clause (ii) thereof''.

(3) Section 36B(b)(3)(A)(ii)(II) is amended by striking ''consumer price index'' and inserting ''C-CPI-U (as defined in section 1(c))''.

(4) Section 41(e)(5)(C) is amended to read as follows:

''(C) COST-OF-LIVING ADJUSTMENT DEFINED.—

''(i) IN GENERAL.—The cost-of-living adjustment for any calendar year is the cost-of-living adjustment for such calendar year determined under section 1(c)(2)(A), by substituting 'calendar year 1987' for 'calendar year 2016' in clause (ii) thereof.

''(ii) SPECIAL RULE WHERE BASE PERIOD ENDS IN A CALENDAR YEAR OTHER THAN 1983 OR 1984.—If the base period of any taxpayer does not end in 1983 or 1984, clause (i) shall be applied by substituting the calendar year in which such base period ends for 1987.''.

(5) Section 42(e)(3)(D)(ii) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 2008' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year by substituting 'calendar year 2008' for 'calendar year 2016' in clause (ii) thereof''.

(6) Section 42(h)(3)(H)(i)(II) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year by substituting 'calendar year 2001' for 'calendar year 2016' in clause (ii) thereof''.

(7) Section 45R(d)(3)(B)(ii) is amended by striking ''section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2012' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting '''section 1(c)(2)(A) for such calendar year, determined by substituting ''calendar year 2012'' for ''calendar year 2016'' in clause (ii) thereof' ''.

(8) Section 125(i)(2) is amended—

(A) by striking ''section 1(f)(3) for the calendar year in which the taxable year begins by substituting 'calendar year 2012' for 'calendar year 1992' in subparagraph (B) thereof'' in subparagraph (B) and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins'', and

(B) by striking ''$50'' both places it appears in the last sentence and inserting ''$100''.

(9) Section 162(o)(3) is amended by inserting ''as in effect before enactment of the Tax Cuts and Jobs Act'' after ''section 1(f)(5)''.

(10) Section 220(g)(2) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1997' for 'calendar year 2016' in clause (ii) thereof''.

(11) Section 223(g)(1) is amended by striking all that follows subparagraph (A) and inserting the following:

''(B) the cost-of-living adjustment determined under section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined—

''(i) by substituting for 'calendar year 2016' in clause (ii) thereof—

''(I) except as provided in clause (ii), 'calendar year 1997', and

''(II) in the case of each dollar amount in subsection (c)(2)(A), 'calendar year 2003', and

''(ii) by substituting 'March 31' for 'August 31' in paragraphs (5)(B) and (6)(B) of section 1(c).

The Secretary shall publish the dollar amounts as adjusted under this subsection for taxable years beginning in any calendar year no later than June 1 of the preceding calendar year.''.

(12) Section 430(c)(7)(D)(vii)(II) is amended by striking ''section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year, determined by substituting 'calendar year 2009' for 'calendar year 2016' in clause (ii) thereof''.

(13) Section 512(d)(2)(B) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1994' for 'calendar year 1992' in subparagraph (B) thereof''and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1994' for 'calendar year 2016' in clause (ii) thereof''.

(14) Section 513(h)(2)(C)(ii) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins by substituting 'calendar year 1987' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which

*the taxable year begins, determined by substituting 'calendar year 1987' for 'calendar year 2016' in clause (ii) thereof''.*

*(15) Section 831(b)(2)(D)(ii) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 2013' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year by substituting 'calendar year 2013' for 'calendar year 2016' in clause (ii) thereof''.*

*(16) Section 877A(a)(3)(B)(i)(II) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2007' for 'calendar year 2016' in clause (ii) thereof''.*

*(17) Section 911(b)(2)(D)(ii)(II) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2004' for '1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2004' for 'calendar year 2016' in clause (ii) thereof''.*

*(18) Section 1274A(d)(2) is amended to read as follows:*

*''(2) INFLATION ADJUSTMENT.—*

*''(A) IN GENERAL.—In the case of any debt instrument arising out of a sale or exchange during any calendar year after 2018, each adjusted dollar amount shall be increased by an amount equal to—*

*''(i) such adjusted dollar amount, multiplied by*

*''(ii) the cost-of-living adjustment determined under section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 2017' for 'calendar year 2016' in clause (ii) thereof.*

*''(B) ADJUSTED DOLLAR AMOUNTS.—For purposes of this paragraph, the term 'adjusted dollar amount' means the dollar amounts in subsections (b) and (c), in each case as in effect for calendar year 2018.*

*''(C) ROUNDING.—Any increase under subparagraph (A) shall be rounded to the nearest multiple of $100.''.*

*(19) Section 2010(c)(3)(B)(ii) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 2010' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 2010' for 'calendar year 2016' in clause (ii) thereof''.*

*(20) Section 2032A(a)(3)(B) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 1997' for 'calendar year 2016' in clause (ii) thereof''.*

*(21) Section 2503(b)(2)(B) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year, determined by substituting 'calendar year 1997' for 'calendar year 2016' in clause (ii) thereof''.*

*(22) Section 4161(b)(2)(C)(i)(II) is amended by striking ''section 1(f)(3) for such calendar year, determined by substituting '2004' for '1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 2004' for 'calendar year 2016' in clause (ii) thereof''.*

*(23) Section 4261(e)(4)(A)(ii) is amended by striking ''section 1(f)(3) for such calendar year by substituting the year before the last nonindexed year for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year, determined by substituting the year before the last nonindexed year for 'calendar year 2016' in clause (ii) thereof''.*

*(24) Section 4980I(b)(3)(C)(v)(II) is amended—*

*(A) by striking ''section 1(f)(3)'' and inserting ''section 1(c)(2)(A)'',*

*(B) by striking ''subparagraph (B)'' and inserting ''clause (ii)'', and*

*(C) by striking ''1992'' and inserting ''2016''.*

*(25) Section 5000A(c)(3)(D)(ii) is amended—*

*(A) by striking ''section 1(f)(3)'' and inserting ''section 1(c)(2)(A)'',*

*(B) by striking ''subparagraph (B)'' and inserting ''clause (ii)'', and*

*(C) by striking ''1992'' and inserting ''2016''.*

*(26) Section 6039F(d) is amended by striking ''section 1(f)(3), except that subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A), except that clause (ii) thereof''.*

*(27) Section 6323(i)(4)(B) is amended by striking ''section 1(f)(3) for the calendar year, determined by substituting 'calendar year 1996' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year, determined by substituting 'calendar year 1996' for 'calendar year 2016' in clause (ii) thereof''.*

*(28) Section 6334(g)(1)(B) is amended by striking ''section 1(f)(3) for such calendar year, by substituting 'calendar year 1998' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 1999' for 'calendar year 2016' in clause (ii) thereof''.*

*(29) Section 6601(j)(3)(B) is amended by striking ''section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for such calendar year by substituting 'calendar year 1997' for 'calendar year 2016' in clause (ii) thereof''.*

*(30) Section 6651(i)(1) is amended by striking ''section 1(f)(3) determined by substituting 'calendar year 2013' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) determined by substituting 'calendar year 2013' for 'calendar year 2016' in clause (ii) thereof''.*

*(31) Section 6721(f)(1) is amended—*

*(A) by striking ''section 1(f)(3)'' and inserting ''section 1(c)(2)(A)'',*

*(B) by striking ''subparagraph (B)'' and inserting ''clause (ii)'', and*

*(C) by striking ''1992'' and inserting ''2016''.*

*(32) Section 6722(f)(1) is amended—*

*(A) by striking ''section 1(f)(3)'' and inserting ''section 1(c)(2)(A)'',*

*(B) by striking ''subparagraph (B)'' and inserting ''clause (ii)'', and*

*(C) by striking ''1992'' and inserting ''2016''.*

*(33) Section 6652(c)(7)(A) is amended by striking ''section 1(f)(3) determined by substituting 'calendar year 2013' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) determined by substituting 'calendar year 2013' for 'calendar year 2016' in clause (ii) thereof''.*

*(34) Section 6695(h)(1) is amended by striking ''section 1(f)(3) determined by substituting 'calendar year 2013' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) determined by substituting 'calendar year 2013' for 'calendar year 2016' in clause (ii) thereof''.*

*(35) Section 6698(e)(1) is amended by striking ''section 1(f)(3) determined by substituting 'calendar year 2013' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) determined by substituting 'calendar year 2013' for 'calendar year 2016' in clause (ii) thereof''.*

*(36) Section 6699(e)(1) is amended by striking ''section 1(f)(3) determined by substituting 'calendar year 2013' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) determined by substituting 'calendar year 2013' for 'calendar year 2016' in clause (ii) thereof''.*

*(37) Section 7345(f)(2) is amended by striking ''section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2015' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year, determined by substituting 'calendar year 2015' for 'calendar year 2016' in clause (ii) thereof''.*

*(38) Section 7430(c)(1) is amended by striking ''section 1(f)(3) for such calendar year, by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof'' in the flush text at the end and inserting ''section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 1995' for 'calendar year 2016' in clause (ii) thereof''.*

*(39) Section 7872(g)(5) is amended to read as follows:*

*''(5) INFLATION ADJUSTMENT.—*

*''(A) IN GENERAL.—In the case of any loan made during any calendar year after 2018 to which paragraph (1) applies, the adjusted dollar amount shall be increased by an amount equal to—*

*''(i) such adjusted dollar amount, multiplied by*

*''(ii) the cost-of-living adjustment determined under section 1(c)(2)(A) for such calendar year, determined by substituting 'calendar year 2017' for 'calendar year 2016' in clause (ii) thereof.*

*''(B) ADJUSTED DOLLAR AMOUNT.—For purposes of this paragraph, the term 'adjusted dollar amount' means the dollar amount in paragraph (2) as in effect for calendar year 2018.*

*''(C) ROUNDING.—Any increase under subparagraph (A) shall be rounded to the nearest multiple of $100.''.*

*(40) Section 219(b)(5)(C)(i)(II) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2007' for 'calendar year 2016' in clause (ii) thereof''.*

*(41) Section 219(g)(8)(B) is amended by striking ''section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2005' for 'calendar year 1992' in subparagraph (B) thereof'' and inserting ''section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2005' for 'calendar year 2016' in clause (ii) thereof''.*

*(b) OTHER CONFORMING AMENDMENTS.—*

*(1) Section 36B(b)(3)(B)(ii)(I)(aa) is amended to read as follows:*

*''(aa) who is described in section 1(b)(1)(B) and who does not have any dependents for the taxable year,''.*

*(2) Section 486B(b)(1) is amended—*

*(A) by striking ''maximum rate in effect'' and inserting ''highest rate specified'', and*

*(B) by striking ''section 1(e)'' and inserting ''section 1''.*

*(3) Section 511(b)(1) is amended by striking ''section 1(e)'' and inserting ''section 1''.*

*(4) Section 641(a) is amended by striking ''section 1(e) shall apply to the taxable income'' and inserting ''section 1 shall apply to the taxable income''.*

*(5) Section 641(c)(2)(A) is amended to read as follows:*

*''(A) Except to the extent provided in section 1(h), the rate of tax shall be treated as being the highest rate of tax set forth in section 1(a).''.*

*(6) Section 646(b) is amended to read as follows:*

*''(b) TAXATION OF INCOME OF TRUST.—Except as provided in subsection (f)(1)(B)(ii), there is hereby imposed on the taxable income of an electing Settlement Trust a tax at the rate specified in section 1(a)(1). Such tax shall be in lieu of the income tax otherwise imposed by this chapter on such income.''.*

*(7) Section 685(c) is amended by striking ''Section 1(e)'' and inserting ''Section 1''.*

*(8) Section 904(b)(3)(E)(ii)(I) is amended by striking ''set forth in subsection (a), (b), (c), (d),*

*or (e) of section 1 (whichever applies)'' and inserting ''the highest rate of tax specified in section 1''.*

*(9) Section 1398(c)(2) is amended by striking ''subsection (d) of''.*

*(10) Section 3402(p)(1)(B) is amended by striking ''any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),'' and inserting ''12 percent, 25 percent,''.*

*(11) Section 3402(q)(1) is amended by striking ''the product of third lowest rate of tax applicable under section 1(c) and'' and inserting ''25 percent of''.*

*(12) Section 3402(r)(3) is amended by striking ''the amount of tax which would be imposed by section 1(c) (determined without regard to any rate of tax in excess of the fourth lowest rate of tax applicable under section 1(c)) on an amount of taxable income equal to'' and inserting ''an amount equal to the product of 25 percent multiplied by''.*

*(13) Section 3406(a)(1) is amended by striking ''the product of the fourth lowest rate of tax applicable under section 1(c) and'' and inserting ''25 percent of''.*

*(14) Section 6103(e)(1)(A)(iii) is amended by inserting ''(as in effect on the day before the date of the enactment of the Tax Cuts and Jobs Act)'' after ''section 1(g)''.*

*(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

### *Subtitle B—Simplification and Reform of Family and Individual Tax Credits*

#### *SEC. 1101. ENHANCEMENT OF CHILD TAX CREDIT AND NEW FAMILY TAX CREDIT.*

*(a) INCREASE IN CREDIT AMOUNT AND ADDITION OF OTHER DEPENDENTS.—*

*(1) IN GENERAL.—Section 24(a) is amended to read as follows:*

*''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—*

*''(1) with respect to each qualifying child of the taxpayer, $1,600, and*

*''(2) for taxable years beginning before January 1, 2023, with respect to the taxpayer (each spouse in the case of a joint return) and each dependent of the taxpayer to whom paragraph (1) does not apply, $300.''.*

*(2) CONFORMING AMENDMENTS.—*

*(A) Section 24(c) is amended—*

*(i) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively,*

*(ii) by striking ''152(c)'' in paragraph (2) (as so redesignated) and inserting ''7706(c)'',*

*(iii) by inserting before paragraph (2) (as so redesignated) the following new paragraph:*

*''(1) DEPENDENT.—*

*''(A) IN GENERAL.—The term 'dependent' shall have the meaning given such term by section 7706.*

*''(B) CERTAIN INDIVIDUALS NOT TREATED AS DEPENDENTS.—In the case of an individual with respect to whom a credit under this section is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, the amount applicable to such individual under subsection (a) for such individual's taxable year shall be zero.'',*

*(iv) in paragraph (3) (as so redesignated)—*

*(I) by striking ''term 'qualifying child''' and inserting ''terms 'qualifying child' and 'dependent''', and*

*(II) by striking ''152(b)(3)'' and inserting ''7706(b)(3)'', and*

*(v) in the heading by striking ''QUALIFYING'' and inserting ''DEPENDENT; QUALIFYING''.*

*(B) The heading for section 24 is amended by inserting ''**AND FAMILY**'' after ''**CHILD**''.*

*(C) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 24 and inserting the following new item:*

*''Sec. 24. Child and family tax credit.''.*

*(b) ELIMINATION OF MARRIAGE PENALTY.—Section 24(b)(2) is amended—*

*(1) by striking ''$110,000'' in subparagraph (A) and inserting ''$230,000'',*

*(2) by inserting ''and'' at the end of subparagraph (A),*

*(3) by striking ''$75,000 in the case of an individual who is not married'' and all that follows through the period at the end and inserting ''one-half of the amount in effect under subparagraph (A) for the taxable year in the case of any other individual.''.*

*(c) CREDIT REFUNDABLE UP TO $1,000 PER CHILD.—*

*(1) IN GENERAL.—Section 24(d)(1)(A) is amended by striking all that follows ''under this section'' and inserting the following: ''determined—*

*''(i) without regard to this subsection and the limitation under section 26(a),*

*''(ii) without regard to subsection (a)(2), and*

*''(iii) by substituting '$1,000' for '$1,600' in subsection (a)(1), or''.*

*(2) INFLATION ADJUSTMENT.—Section 24(d) is amended by inserting after paragraph (2) the following new paragraph:*

*''(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2017, the $1,000 amount in paragraph (1)(A)(iii) shall be increased by an amount equal to—*

*''(A) such dollar amount, multiplied by*

*''(B) the cost-of-living adjustment under section 1(c)(2)(A) for such calendar year.*

*Any increase determined under the preceding sentence shall be rounded to the next highest multiple of $100 and shall not exceed the amount in effect under subsection (a)(2).''.*

*(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

#### *SEC. 1102. REPEAL OF NONREFUNDABLE CREDITS.*

*(a) REPEAL OF SECTION 22.—*

*(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by striking section 22 (and by striking the item relating to such section in the table of sections for such subpart).*

*(2) CONFORMING AMENDMENT.—*

*(A) Section 86(f) is amended by striking paragraph (1) and by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.*

*(B)(i) Subsections (c)(3)(B) and (d)(4)(A) of section 7706, as redesignated by this Act, are each amended by striking ''(as defined in section 22(e)(3)''.*

*(ii) Section 7706(f), as redesignated by this Act, is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:*

*''(7) PERMANENT AND TOTAL DISABILITY DEFINED.—An individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to be permanently and totally disabled unless he furnishes proof of the existence thereof in such form and manner, and at such times, as the Secretary may require.''.*

*(iii) Section 415(c)(3)(C)(i) is amended by striking ''22(e)(3)'' and inserting ''7706(f)(7)''.*

*(iv) Section 422(c)(6) is amended by striking ''22(e)(3)'' and inserting ''7706(f)(7)''.*

*(b) TERMINATION OF SECTION 25.—Section 25, as amended by section 3601, is amended by adding at the end the following new subsection:*

*''(k) TERMINATION.—No credit shall be allowed under this section with respect to any mortgage credit certificate issued after December 31, 2017.''.*

*(c) REPEAL OF SECTION 30D.—*

*(1) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by striking section 30D (and by striking the item relating to such section in the table of sections for such subpart).*

*(2) CONFORMING AMENDMENTS.—*

*(A) Section 38(b) is amended by striking paragraph (35).*

*(B) Section 1016(a) is amended by striking paragraph (37).*

*(C) Section 6501(m) is amended by striking ''30D(e)(4),''.*

*(d) EFFECTIVE DATE.—*

*(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

*(2) SUBSECTION (b).—The amendment made by subsection (c) shall apply to taxable years ending after December 31, 2017.*

*(3) SUBSECTION (c).—The amendments made by subsection (d) shall apply to vehicles placed in service in taxable years beginning after December 31, 2017.*

#### *SEC. 1103. REFUNDABLE CREDIT PROGRAM INTEGRITY.*

*(a) IDENTIFICATION REQUIREMENTS FOR CHILD AND FAMILY TAX CREDIT.—*

*(1) IN GENERAL.—Section 24(e) is amended to read as follows:*

*''(e) IDENTIFICATION REQUIREMENTS.—*

*''(1) REQUIREMENTS FOR QUALIFYING CHILD.—No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the name and social security number of such qualifying child on the return of tax for the taxable year. The preceding sentence shall not prevent a qualifying child from being treated as a dependent described in subsection (a)(2).*

*''(2) OTHER IDENTIFICATION REQUIREMENTS.—No credit shall be allowed under this section with respect to any individual unless the taxpayer identification number of such individual is included on the return of tax for the taxable year and such identifying number was issued before the due date for filing the return for the taxable year.*

*''(3) SOCIAL SECURITY NUMBER.—For purposes of this subsection, the term 'social security number' means a social security number issued by the Social Security Administration (but only if the social security number is issued to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act)).''.*

*(2) OMISSIONS TREATED AS MATHEMATICAL OR CLERICAL ERROR.—*

*(A) IN GENERAL.—Section 6213(g)(2)(I) is amended to read as follows:*

*''(I) an omission of a correct social security number, or a correct TIN, required under section 24(e) (relating to child tax credit), to be included on a return,''.*

*(b) SOCIAL SECURITY NUMBER MUST BE PROVIDED.—*

*(1) IN GENERAL.—Section 25A(f)(1)(A), as amended by section 1201 of this Act, is amended by striking ''taxpayer identification number'' each place it appears and inserting ''social security number''.*

*(2) OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2)(J) is amended by striking ''TIN'' and inserting ''social security number and employer identification number''.*

*(c) INDIVIDUALS PROHIBITED FROM ENGAGING IN EMPLOYMENT IN UNITED STATES NOT ELIGIBLE FOR EARNED INCOME TAX CREDIT.—Section 32(m) is amended—*

*(1) by striking ''(other than:'' and all that follows through ''of the Social Security Act)'', and*

*(2) by inserting before the period at the end the following: '', but only if, in the case of subsection (c)(1)(E), the social security number is issued to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act''.*

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1104. PROCEDURES TO REDUCE IMPROPER CLAIMS OF EARNED INCOME CREDIT.**

(a) CLARIFICATION REGARDING DETERMINATION OF SELF-EMPLOYMENT INCOME WHICH IS TREATED AS EARNED INCOME.—Section 32(c)(2)(B) is amended by striking ''and'' at the end of clause (v), by striking the period at the end of clause (vi) and inserting '', and'', and by adding at the end the following new clause:

''(vii) in determining the taxpayer's net earnings from self-employment under subparagraph (A)(ii) there shall not fail to be taken into account any deduction which is allowable to the taxpayer under this subtitle.''.

(b) REQUIRED QUARTERLY REPORTING OF WAGES OF EMPLOYEES.—Section 6011 is amended by adding at the end the following new subsection:

''(i) EMPLOYER REPORTING OF WAGES.—Every person required to deduct and withhold from an employee a tax under section 3101 or 3402 shall include on each return or statement submitted with respect to such tax, the name and address of such employee and the amount of wages for such employee on which such tax was withheld.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) REPORTING.—The Secretary of the Treasury, or his designee, may delay the application of the amendment made by subsection (b) for such period as such Secretary (or designee) determines to be reasonable to allow persons adequate time to modify electronic (or other) systems to permit such person to comply with the requirements of such amendment.

**SEC. 1105. CERTAIN INCOME DISALLOWED FOR PURPOSES OF THE EARNED INCOME TAX CREDIT.**

(a) SUBSTANTIATION REQUIREMENT.—Section 32 is amended by adding at the end the following new subsection:

''(n) INCONSISTENT INCOME REPORTING.—If the earned income of a taxpayer claimed on a return for purposes of this section is not substantiated by statements or returns under sections 6051, 6052, 6041(a), or 6050W with respect to such taxpayer, the Secretary may require such taxpayer to provide books and records to substantiate such income, including for the purpose of preventing fraud.''.

(b) EXCLUSION OF UNSUBSTANTIATED AMOUNT FROM EARNED INCOME.—Section 32(c)(2) is amended by adding at the end the following new subparagraph:

''(C) EXCLUSION.—In the case of a taxpayer with respect to which there is an inconsistency described in subsection (n) who fails to substantiate such inconsistency to the satisfaction of the Secretary, the term 'earned income' shall not include amounts to the extent of such inconsistency.''.

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

***Subtitle C—Simplification and Reform of Education Incentives***

**SEC. 1201. AMERICAN OPPORTUNITY TAX CREDIT.**

(a) IN GENERAL.—Section 25A is amended to read as follows:

**''SEC. 25A. AMERICAN OPPORTUNITY TAX CREDIT.**

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(1) 100 percent of so much of the qualified tuition and related expenses paid by the taxpayer during the taxable year (for education furnished to any eligible student for whom an election is in effect under this section for such taxable year during any academic period beginning in such taxable year) as does not exceed $2,000, plus

''(2) 25 percent of so much of such expenses so paid as exceeds the dollar amount in effect under paragraph (1) but does not exceed twice such dollar amount.

''(b) PORTION OF CREDIT REFUNDABLE.—40 percent of the credit allowable under subsection (a)(1) (determined without regard to this subsection and section 26(a) and after application of all other provisions of this section) shall be treated as a credit allowable under subpart C (and not under this part). The preceding sentence shall not apply to any taxpayer for any taxable year if such taxpayer is a child to whom section 1(d) applies for such taxable year.

''(c) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this subsection and subsection (b) but after application of all other provisions of this section) as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $80,000 (twice such amount in the case of a joint return), bears to

''(B) $10,000 (twice such amount in the case of a joint return).

''(2) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

''(d) OTHER LIMITATIONS.—

''(1) CREDIT ALLOWED ONLY FOR 5 TAXABLE YEARS.—An election to have this section apply may not be made for any taxable year if such an election (by the taxpayer or any other individual) is in effect with respect to such student for any 5 prior taxable years.

''(2) CREDIT ALLOWED ONLY FOR FIRST 5 YEARS OF POSTSECONDARY EDUCATION.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for a taxable year with respect to the qualified tuition and related expenses of an eligible student if the student has completed (before the beginning of such taxable year) the first 5 years of postsecondary education at an eligible educational institution.

''(B) FIFTH YEAR LIMITATIONS.—In the case of an eligible student with respect to whom an election has been in effect for 4 preceding taxable years for purposes of the fifth taxable year—

''(i) the amount of the credit allowed under this section for the taxable year shall not exceed an amount equal to 50 percent of the credit otherwise determined with respect to such student under this section (without regard to this subparagraph), and

''(ii) the amount of the credit determined under subsection (b) and allowable under subpart C shall not exceed an amount equal to 40 percent of the amount determined with respect to such student under clause (i).

''(e) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE STUDENT.— The term 'eligible student' means, with respect to any academic period, a student who—

''(A) meets the requirements of section 484(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)), as in effect on August 5, 1997, and

''(B) is carrying at least ½ the normal full-time work load for the course of study the student is pursuing.

''(2) QUALIFIED TUITION AND RELATED EXPENSES.—

''(A) IN GENERAL.—The term 'qualified tuition and related expenses' means tuition, fees, and course materials, required for enrollment or attendance of—

''(i) the taxpayer,

''(ii) the taxpayer's spouse, or

''(iii) any dependent of the taxpayer,

at an eligible educational institution for courses of instruction of such individual at such institution.

''(B) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—Such term does not include expenses with respect to any course or other education involving sports, games, or hobbies, unless such course or other education is part of the individual's degree program.

''(C) EXCEPTION FOR NONACADEMIC FEES.—Such term does not include student activity fees, athletic fees, insurance expenses, or other expenses unrelated to an individual's academic course of instruction.

''(3) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means an institution—

''(A) which is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on August 5, 1997, and

''(B) which is eligible to participate in a program under title IV of such Act.

''(f) SPECIAL RULES.—

''(1) IDENTIFICATION REQUIREMENTS.—

''(A) STUDENT.—No credit shall be allowed under subsection (a) to a taxpayer with respect to the qualified tuition and related expenses of an individual unless the taxpayer includes the name and taxpayer identification number of such individual on the return of tax for the taxable year, and such taxpayer identification number was issued on or before the due date for filing such return.

''(B) TAXPAYER.—No credit shall be allowed under this section if the identifying number of the taxpayer was issued after the due date for filing the return for the taxable year.

''(C) INSTITUTION.—No credit shall be allowed under this section unless the taxpayer includes the employer identification number of any institution to which qualified tuition and related expenses were paid with respect to the individual.

''(2) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS, ETC.—The amount of qualified tuition and related expenses otherwise taken into account under subsection (a) with respect to an individual for an academic period shall be reduced (before the application of subsection (c)) by the sum of any amounts paid for the benefit of such individual which are allocable to such period as—

''(A) a qualified scholarship which is excludable from gross income under section 117,

''(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or under chapter 1606 of title 10, United States Code, and

''(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for such individual's educational expenses, or attributable to such individual's enrollment at an eligible educational institution, which is excludable from gross income under any law of the United States.

''(3) TREATMENT OF EXPENSES PAID BY DEPENDENT.—If an individual is a dependent of another taxpayer for a taxable year beginning in the calendar year in which such individuals taxable year begins—

''(A) no credit shall be allowed under subsection (a) to such individual for such individual's taxable year, and

''(B) qualified tuition and related expenses paid by such individual during such individual's taxable year shall be treated for purposes of this section as paid by such other taxpayer.

''(4) TREATMENT OF CERTAIN PREPAYMENTS.—If qualified tuition and related expenses are paid by the taxpayer during a taxable year for an academic period which begins during the first 3 months following such taxable year, such academic period shall be treated for purposes of this section as beginning during such taxable year.

''(5) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any

amount for which a deduction is allowed under any other provision of this chapter.

''(6) NO CREDIT FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(7) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

''(8) RESTRICTIONS ON TAXPAYERS WHO IMPROPERLY CLAIMED CREDIT IN PRIOR YEAR.—

''(A) TAXPAYERS MAKING PRIOR FRAUDULENT OR RECKLESS CLAIMS.—

''(i) IN GENERAL.—No credit shall be allowed under this section for any taxable year in the disallowance period.

''(ii) DISALLOWANCE PERIOD.—For purposes of clause (i), the disallowance period is—

''(I) the period of 10 taxable years after the most recent taxable year for which there was a final determination that the taxpayer's claim of credit under this section was due to fraud, and

''(II) the period of 2 taxable years after the most recent taxable year for which there was a final determination that the taxpayer's claim of credit under this section was due to reckless or intentional disregard of rules and regulations (but not due to fraud).

''(B) TAXPAYERS MAKING IMPROPER PRIOR CLAIMS.—In the case of a taxpayer who is denied credit under this section for any taxable year as a result of the deficiency procedures under subchapter B of chapter 63, no credit shall be allowed under this section for any subsequent taxable year unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.

''(g) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of a taxable year beginning after 2018, the $80,000 amount in subsection (c)(1)(A)(ii) shall each be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(c)(2)(A) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in clause (ii) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.

''(h) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of the credit allowed under this section in cases where there is a refund in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 72(t)(7)(B) is amended by striking ''section 25A(g)(2)'' and inserting ''section 25A(f)(2)''.

(2) Section 529(c)(3)(B)(v)(I) is amended by striking ''section 25A(g)(2)'' and inserting ''section 25A(f)(2)''.

(3) Section 529(e)(3)(B)(i) is amended by striking ''section 25A(b)(3)'' and inserting ''section 25A(d)''.

(4) Section 530(d)(2)(C) is amended—

(A) by striking ''section 25A(g)(2)'' in clause (i)(I) and inserting ''section 25A(f)(2)'', and

(B) by striking ''HOPE AND LIFETIME LEARNING CREDITS'' in the heading and inserting ''AMERICAN OPPORTUNITY TAX CREDIT''.

(5) Section 530(d)(4)(B)(iii) is amended by striking ''section 25A(g)(2)'' and inserting ''section 25A(d)(4)(B)''.

(6) Section 6050S(e) is amended by striking ''subsection (g)(2)'' and inserting ''subsection (f)(2)''.

(7) Section 6211(b)(4)(A) is amended by striking ''subsection (i)(6)'' and inserting ''subsection (b)''.

(8) Section 6213(g)(2)(J) is amended by striking ''TIN required under section 25A(g)(1)'' and inserting ''TIN, and employer identification number, required under section 25A(f)(1)''.

(9) Section 6213(g)(2)(Q) is amended to read as follows:

''(Q) an omission of information required by section 25A(f)(8)(B) or an entry on the return claiming the credit determined under section 25A(a) for a taxable year for which the credit is disallowed under section 25A(f)(8)(A).''.

(10) Section 1004(c) of division B of the American Recovery and Reinvestment Tax Act of 2009 is amended—

(A) in paragraph (1)—

(i) by striking ''section 25A(i)(6)'' each place it appears and inserting ''section 25A(b)'', and

(ii) by striking ''with respect to taxable years beginning after 2008 and before 2018'' each place it appears and inserting ''with respect to each taxable year'',

(B) in paragraph (2), by striking ''Section 25A(i)(6)'' and inserting ''Section 25A(b)'', and

(C) in paragraph (3)(C), by striking ''subsection (i)(6)'' and inserting ''subsection (b)''.

(11) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 25A and inserting the following new item:

''Sec. 25A. American opportunity tax credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***SEC. 1202. CONSOLIDATION OF EDUCATION SAVINGS RULES.***

(a) NO NEW CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNT.—Section 530(b)(1)(A) is amended to read as follows:

''(A) Except in the case of rollover contributions, no contribution will be accepted after December 31, 2017.''.

(b) LIMITED DISTRIBUTION ALLOWED FOR ELEMENTARY AND SECONDARY TUITION.—

(1) IN GENERAL.—Section 529(c) is amended by adding at the end the following new paragraph:

''(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this subsection to the term 'qualified higher education expense' shall include a reference to expenses for tuition in connection with enrollment at an elementary or secondary school.''.

(2) LIMITATION.—Section 529(e)(3)(A) is amended by adding at the end the following: ''The amount of cash distributions from all qualified tuition programs described in subsection (b)(1)(A)(ii) with respect to a beneficiary during any taxable year, shall, in the aggregate, include not more than $10,000 in expenses for tuition incurred during the taxable year in connection with the enrollment or attendance of the beneficiary as an elementary or secondary school student at a public, private, or religious school.''.

(c) ROLLOVERS TO QUALIFIED TUITION PROGRAMS PERMITTED.—Section 530(d)(5) is amended by inserting '', or into (by purchase or contribution) a qualified tuition program (as defined in section 529),'' after ''into another Coverdell education savings account''.

(d) DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS FOR CERTAIN EXPENSES ASSOCIATED WITH REGISTERED APPRENTICESHIP PROGRAMS.—Section 529(e)(3) is amended by adding at the end the following new subparagraph:

''(C) CERTAIN EXPENSES ASSOCIATED WITH REGISTERED APPRENTICESHIP PROGRAMS.—The term 'qualified higher education expenses' shall include books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).''.

(e) UNBORN CHILDREN ALLOWED AS ACCOUNT BENEFICIARIES.—Section 529(e) is amended by adding at the end the following new paragraph:

''(6) TREATMENT OF UNBORN CHILDREN.—

''(A) IN GENERAL.—Nothing shall prevent an unborn child from being treated as a designated beneficiary or an individual under this section.

''(B) UNBORN CHILD.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'unborn child' means a child in utero.

''(ii) CHILD IN UTERO.—The term 'child in utero' means a member of the species homo sapiens, at any stage of development, who is carried in the womb.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to contributions made after December 31, 2017.

(2) ROLLOVERS TO QUALIFIED TUITION PROGRAMS.—The amendments made by subsection (b) shall apply to distributions after December 31, 2017.

***SEC. 1203. REFORMS TO DISCHARGE OF CERTAIN STUDENT LOAN INDEBTEDNESS.***

(a) TREATMENT OF STUDENT LOANS DISCHARGED ON ACCOUNT OF DEATH OR DISABILITY.—Section 108(f) is amended by adding at the end the following new paragraph:

''(5) DISCHARGES ON ACCOUNT OF DEATH OR DISABILITY.—

''(A) IN GENERAL.—In the case of an individual, gross income does not include any amount which (but for this subsection) would be includible in gross income by reasons of the discharge (in whole or in part) of any loan described in subparagraph (B) if such discharge was—

''(i) pursuant to subsection (a) or (d) of section 437 of the Higher Education Act of 1965 or the parallel benefit under part D of title IV of such Act (relating to the repayment of loan liability),

''(ii) pursuant to section 464(c)(1)(F) of such Act, or

''(iii) otherwise discharged on account of the death or total and permanent disability of the student.

''(B) LOANS DESCRIBED.—A loan is described in this subparagraph if such loan is—

''(i) a student loan (as defined in paragraph (2)), or

''(ii) a private education loan (as defined in section 140(7) of the Consumer Credit Protection Act (15 U.S.C. 1650(7))).''.

(b) EXCLUSION FROM GROSS INCOME FOR PAYMENTS MADE UNDER INDIAN HEALTH SERVICE LOAN REPAYMENT PROGRAM.—

(1) IN GENERAL.—Section 108(f)(4) is amended by inserting ''under section 108 of the Indian Health Care Improvement Act,'' after ''338I of such Act,''.

(2) CLERICAL AMENDMENT.—The heading for section 108(f)(4) is amended by striking ''AND CERTAIN'' and inserting '', INDIAN HEALTH SERVICE LOAN REPAYMENT PROGRAM, AND CERTAIN''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a)(1) shall apply to discharges of indebtedness after December 31, 2017.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to amounts received in taxable years beginning after December 31, 2017.

***SEC. 1204. REPEAL OF OTHER PROVISIONS RELATING TO EDUCATION.***

(a) IN GENERAL.—Subchapter B of chapter 1 is amended—

(1) in part VII by striking sections 221 and 222 (and by striking the items relating to such sections in the table of sections for such part),

(2) in part VII by striking sections 135 and 127 (and by striking the items relating to such sections in the table of sections for such part), and

(3) by striking subsection (d) of section 117.

(b) CONFORMING AMENDMENT RELATING TO SECTION 221.—

(1) Section 62(a) is amended by striking paragraph (17).

(2) Section 74(d) is amended by striking ''221,''.
(3) Section 86(b)(2)(A) is amended by striking ''221,''.
(4) Section 219(g)(3)(A)(ii) is amended by striking ''221,''.
(5) Section 163(h)(2) is amended by striking subparagraph (F).
(6) Section 6050S(a) is amended—
(A) by inserting ''or'' at the end of paragraph (1),
(B) by striking ''or'' at the end of paragraph (2), and
(C) by striking paragraph (3).
(7) Section 6050S(e) is amended by striking all that follows ''thereof)'' and inserting a period.
(c) CONFORMING AMENDMENTS RELATED TO SECTION 222.—
(1) Section 62(a) is amended by striking paragraph (18).
(2) Section 74(d)(2)(B) is amended by striking ''222,''.
(3) Section 86(b)(2)(A) is amended by striking ''222,''.
(4) Section 219(g)(3)(A)(ii) is amended by striking ''222,''.
(d) CONFORMING AMENDMENTS RELATING TO SECTION 127.—
(1) Section 125(f)(1) is amended by striking ''127,''.
(2) Section 132(j)(8) is amended by striking ''which are not excludable from gross income under section 127''.
(3) Section 414(n)(3)(C) is amended by striking ''127,''.
(4) Section 414(t)(2) is amended by striking ''127,''.
(5) Section 3121(a)(18) is amended by striking ''127,''.
(6) Section 3231(e) is amended by striking paragraph (6).
(7) Section 3306(b)(13) is amended by ''127,''.
(8) Section 3401(a)(18) is amended by striking ''127,''.
(9) Section 6039D(d)(1) is amended by striking '', 127''.
(e) CONFORMING AMENDMENTS RELATING TO SECTION 117(d).—
(1) Section 117(c)(1) is amended—
(A) by striking ''subsections (a) and (d)'' and inserting ''subsection (a)'', and
(B) by striking ''or qualified tuition reduction''.
(2) Section 414(n)(3)(C) is amended by striking ''117(d),''.
(3) Section 414(t)(2) is amended by striking ''117(d),''.
(f) CONFORMING AMENDMENTS RELATED TO SECTION 135.—
(1) Section 74(d)(2)(B) is amended by striking ''135,''.
(2) Section 86(b)(2)(A) is amended by striking ''135,''.
(3) Section 219(g)(3)(A)(ii) is amended by striking ''135,''.
(g) EFFECTIVE DATES.—
(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2017.
(2) AMENDMENTS RELATING TO SECTION 117(d).—The amendments made by subsections (a)(3) and (e) shall apply to amounts paid or incurred after December 31, 2017.

**SEC. 1205. ROLLOVERS BETWEEN QUALIFIED TUITION PROGRAMS AND QUALIFIED ABLE PROGRAMS.**

(a) ROLLOVERS FROM QUALIFIED TUITION PROGRAMS TO QUALIFIED ABLE PROGRAMS.—Section 529(c)(3)(C)(i) is amended by striking ''or'' at the end of subclause (I), by striking the period at the end of subclause (II) and inserting '', or'', and by adding at the end the following new subclause:

''(III) to an ABLE account (as defined in section 529A(e)(6)) of the designated beneficiary or a member of the family of the designated beneficiary.

Subclause (III) shall not apply to so much of a distribution which, when added to all other contributions made to the ABLE account for the taxable year, exceeds the limitation under section 529A(b)(2)(B).''.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2017.

## Subtitle D—Simplification and Reform of Deductions

**SEC. 1301. REPEAL OF OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.**

(a) IN GENERAL.—Part 1 of subchapter B of chapter 1 is amended by striking section 68 (and the item relating to such section in the table of sections for such part).
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1302. MORTGAGE INTEREST.**

(a) MODIFICATION OF LIMITATIONS.—
(1) IN GENERAL.—Section 163(h)(3) is amended to read as follows:
''(3) QUALIFIED RESIDENCE INTEREST.—For purposes of this subsection—
''(A) IN GENERAL.—The term 'qualified residence interest' means any interest which is paid or accrued during the taxable year on indebtedness which—
''(i) is incurred in acquiring, constructing, or substantially improving any qualified residence (determined as of the time the interest is accrued) of the taxpayer, and
''(ii) is secured by such residence.
Such term also includes interest on any indebtedness secured by such residence resulting from the refinancing of indebtedness meeting the requirements of the preceding sentence (or this sentence); but only to the extent the amount of the indebtedness resulting from such refinancing does not exceed the amount of the refinanced indebtedness.
''(B) LIMITATION.—The aggregate amount of indebtedness taken into account under subparagraph (A) for any period shall not exceed $500,000 (half of such amount in the case of a married individual filing a separate return).
''(C) TREATMENT OF INDEBTEDNESS INCURRED ON OR BEFORE NOVEMBER 2, 2017.—
''(i) IN GENERAL.—In the case of any pre-November 2, 2017, indebtedness, this paragraph shall apply as in effect immediately before the enactment of the Tax Cuts and Jobs Act.
''(ii) PRE-NOVEMBER 2, 2017, INDEBTEDNESS.—For purposes of this subparagraph, the term 'pre-November 2, 2017, indebtedness' means—
''(I) any principal residence acquisition indebtedness which was incurred on or before November 2, 2017, or
''(II) any principal residence acquisition indebtedness which is incurred after November 2, 2017, to refinance indebtedness described in clause (i) (or refinanced indebtedness meeting the requirements of this clause) to the extent (immediately after the refinancing) the principal amount of the indebtedness resulting from the refinancing does not exceed the principal amount of the refinanced indebtedness (immediately before the refinancing).
''(iii) LIMITATION ON PERIOD OF REFINANCING.—clause (ii)(II) shall not apply to any indebtedness after—
''(I) the expiration of the term of the original indebtedness, or
''(II) if the principal of such original indebtedness is not amortized over its term, the expiration of the term of the 1st refinancing of such indebtedness (or if earlier, the date which is 30 years after the date of such 1st refinancing).
''(iv) BINDING CONTRACT EXCEPTION.—In the case of a taxpayer who enters into a written binding contract before November 2, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, subparagraphs (A) and (B) shall be applied by substituting 'April 1, 2018' for 'November 2, 2017'.''.
(2) CONFORMING AMENDMENTS.—
(A) Section 108(h)(2) is by striking ''for '$1,000,000 ($500,000' in clause (ii) thereof'' and inserting ''for '$500,000 ($250,000' in paragraph (2)(A), and '$1,000,000' for '$500,000' in paragraph (2)(B), thereof''.
(B) Section 163(h) is amended by striking subparagraphs (E) and (F) in paragraph (4).
(b) TAXPAYERS LIMITED TO 1 QUALIFIED RESIDENCE.—Section 163(h)(4)(A)(i) is amended to read as follows:
''(i) IN GENERAL.—The term 'qualified residence' means the principal residence (within the meaning of section 121) of the taxpayer.''.
(c) EFFECTIVE DATES.—
(1) IN GENERAL.—The amendments made by this section shall apply to interest paid or accrued in taxable years beginning after December 31, 2017, with respect to indebtedness incurred before, on, or after such date.
(2) TREATMENT OF GRANDFATHERED INDEBTEDNESS.—For application of the amendments made by this section to grandfathered indebtedness, see paragraph (3)(C) of section 163(h) of the Internal Revenue Code of 1986, as amended by this section.

**SEC. 1303. REPEAL OF DEDUCTION FOR CERTAIN TAXES NOT PAID OR ACCRUED IN A TRADE OR BUSINESS.**

(a) IN GENERAL.—Section 164(b)(5) is amended to read as follows:
''(5) LIMITATION IN CASE OF INDIVIDUALS.—In the case of a taxpayer other than a corporation—
''(A) foreign real property taxes (other than taxes which are paid or accrued in carrying on a trade or business or an activity described in section 212) shall not be taken into account under subsection (a)(1),
''(B) the aggregate amount of taxes (other than taxes which are paid or accrued in carrying on a trade or business or an activity described in section 212) taken into account under subsection (a)(1) for any taxable year shall not exceed $10,000 ($5,000 in the case of a married individual filing a separate return),
''(C) subsection (a)(2) shall only apply to taxes which are paid or accrued in carrying on a trade or business or an activity described in section 212, and
''(D) subsection (a)(3) shall not apply to State and local taxes.''.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1304. REPEAL OF DEDUCTION FOR PERSONAL CASUALTY LOSSES.**

(a) IN GENERAL.—Section 165(c) is amended by inserting ''and'' at the end of paragraph (1), by striking ''; and'' at the end of paragraph (2) and inserting a period, and by striking paragraph (3).
(b) CONFORMING AMENDMENTS.—
(1) Section 165(h) is amended to read as follows:
''(h) SPECIAL RULE WHERE PERSONAL CASUALTY GAINS EXCEED PERSONAL CASUALTY LOSSES.—
''(1) IN GENERAL.—If the personal casualty gains for any taxable year exceed the personal casualty losses for such taxable year—
''(A) all such gains shall be treated as gains from sales or exchanges of capital assets, and
''(B) all such losses shall be treated as losses from sales or exchanges of capital assets.
''(2) DEFINITIONS OF PERSONAL CASUALTY GAIN AND PERSONAL CASUALTY LOSS.—For purposes of this subsection—
''(A) PERSONAL CASUALTY LOSS.—The term 'personal casualty loss' means any loss of property not connected with a trade or business or a transaction entered into for profit, if such loss arises from fire, storm, shipwreck, or other casualty, or from theft.
''(B) PERSONAL CASUALTY GAIN.—The term 'personal casualty gain' means the recognized gain from any involuntary conversion of property which is described in subparagraph (A)

*arising from fire, storm, shipwreck, or other casualty, or from theft.''.*

*(2) Section 165 is amended by striking subsection (k).*

*(3)(A) Section 165(l)(1) is amended by striking ''a loss described in subsection (c)(3)'' and inserting ''an ordinary loss described in subsection (c)(2)''.*

*(B) Section 165(l) is amended—*

*(i) by striking paragraph (5),*

*(ii) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively, and*

*(iii) by inserting after paragraph (1) the following new paragraph:*

*''(2) LIMITATIONS.—*

*''(A) DEPOSIT MAY NOT BE FEDERALLY INSURED.—No election may be made under paragraph (1) with respect to any loss on a deposit in a qualified financial institution if part or all of such deposit is insured under Federal law.*

*''(B) DOLLAR LIMITATION.—With respect to each financial institution, the aggregate amount of losses attributable to deposits in such financial institution to which an election under paragraph (1) may be made by the taxpayer for any taxable year shall not exceed $20,000 ($10,000 in the case of a separate return by a married individual). The limitation of the preceding sentence shall be reduced by the amount of any insurance proceeds under any State law which can reasonably be expected to be received with respect to losses on deposits in such institution.''.*

*(4) Section 172(b)(1)(E)(ii), prior to amendment under title III, is amended by striking subclause (I) and by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively.*

*(5) Section 172(d)(4)(C) is amended by striking ''paragraph (2) or (3) of section 165(c)'' and inserting ''section 165(c)(2)''.*

*(6) Section 274(f) is amended by striking ''CASUALTY LOSSES,'' in the heading thereof.*

*(7) Section 280A(b) is amended by striking ''CASUALTY LOSSES,'' in the heading thereof.*

*(8) Section 873(b), as amended by the preceding provisions of this Act, is amended by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.*

*(9) Section 504(b) of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 is amended by adding at the end the following new paragraph:*

*''(4) COORDINATION WITH TAX REFORM.—This subsection shall be applied without regard to the amendments made by section 1304 of the Tax Cuts and Jobs Act.''.*

*(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

***SEC. 1305. LIMITATION ON WAGERING LOSSES.***

*(a) IN GENERAL.—Section 165(d) is amended by adding at the end the following: ''For purposes of the preceding sentence, the term 'losses from wagering transactions' includes any deduction otherwise allowable under this chapter incurred in carrying on any wagering transaction.''.*

*(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

***SEC. 1306. CHARITABLE CONTRIBUTIONS.***

*(a) INCREASED LIMITATION FOR CASH CONTRIBUTIONS.—Section 170(b)(1) is amended by redesignating subparagraph (G) as subparagraph (H) and by inserting after subparagraph (F) the following new subparagraph:*

*''(G) INCREASED LIMITATION FOR CASH CONTRIBUTIONS.—*

*''(i) IN GENERAL.—In the case of any contribution of cash to an organization described in subparagraph (A), the total amount of such contributions which may be taken into account under subsection (a) for any taxable year shall not exceed 60 percent of the taxpayer's contribution base for such year.*

*''(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the applicable limitation under clause (i), such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time.*

*''(iii) COORDINATION WITH SUBPARAGRAPHS (A) AND (B).—*

*''(I) IN GENERAL.—Contributions taken into account under this subparagraph shall not be taken into account under subparagraph (A).*

*''(II) LIMITATION REDUCTION.—Subparagraphs (A) and (B) shall be applied by reducing (but not below zero) the aggregate contribution limitation allowed for the taxable year under each such subparagraph by the aggregate contributions allowed under this subparagraph for such taxable year.''.*

*(b) DENIAL OF DEDUCTION FOR COLLEGE ATHLETIC EVENT SEATING RIGHTS.—Section 170(l)(1) is amended to read as follows:*

*''(1) IN GENERAL.—No deduction shall be allowed under this section for any amount described in paragraph (2).''.*

*(c) CHARITABLE MILEAGE RATE ADJUSTED FOR INFLATION.—Section 170(i) is amended by striking ''shall be 14 cents per mile'' and inserting ''shall be a rate which takes into account the variable cost of operating an automobile''.*

*(d) REPEAL OF SUBSTANTIATION EXCEPTION IN CASE OF CONTRIBUTIONS REPORTED BY DONEE.—Section 170(f)(8) is amended by striking subparagraph (D) and by redesignating subparagraph (E) as subparagraph (D).*

*(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2017.*

***SEC. 1307. REPEAL OF DEDUCTION FOR TAX PREPARATION EXPENSES.***

*(a) IN GENERAL.—Section 212 is amended by adding ''or'' at the end of paragraph (1), by striking ''; or'' at the end of paragraph (2) and inserting a period, and by striking paragraph (3).*

*(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

***SEC. 1308. REPEAL OF MEDICAL EXPENSE DEDUCTION.***

*(a) IN GENERAL.—Part VII of subchapter B is amended by striking by striking section 213 (and by striking the item relating to such section in the table of sections for such subpart).*

*(b) CONFORMING AMENDMENTS.—*

*(1)(A) Section 105(f) is amended to read as follows:*

*''(f) MEDICAL CARE.—For purposes of this section—*

*''(1) IN GENERAL.—The term 'medical care' means amounts paid—*

*''(A) for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body,*

*''(B) for transportation primarily for and essential to medical care referred to in subparagraph (A),*

*''(C) for qualified long-term care services (as defined in section 7702B(c)), or*

*''(D) for insurance (including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care referred to in subparagraphs (A) and (B) or for any qualified long-term care insurance contract (as defined in section 7702B(b)).*

*In the case of a qualified long-term care insurance contract (as defined in section 7702B(b)), only eligible long-term care premiums (as defined in paragraph (7)) shall be taken into account under subparagraph (D).*

*''(2) AMOUNTS PAID FOR CERTAIN LODGING AWAY FROM HOME TREATED AS PAID FOR MEDICAL CARE.—Amounts paid for lodging (not lavish or extravagant under the circumstances) while away from home primarily for and essential to medical care referred to in paragraph (1)(A) shall be treated as amounts paid for medical care if—*

*''(A) the medical care referred to in paragraph (1)(A) is provided by a physician in a licensed hospital (or in a medical care facility which is related to, or the equivalent of, a licensed hospital), and*

*''(B) there is no significant element of personal pleasure, recreation, or vacation in the travel away from home.*

*The amount taken into account under the preceding sentence shall not exceed $50 for each night for each individual.*

*''(3) PHYSICIAN.—The term 'physician' has the meaning given to such term by section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)).*

*''(4) CONTRACTS COVERING OTHER THAN MEDICAL CARE.—In the case of an insurance contract under which amounts are payable for other than medical care referred to in subparagraphs (A), (B) and (C) of paragraph (1)—*

*''(A) no amount shall be treated as paid for insurance to which paragraph (1)(D) applies unless the charge for such insurance is either separately stated in the contract, or furnished to the policyholder by the insurance company in a separate statement,*

*''(B) the amount taken into account as the amount paid for such insurance shall not exceed such charge, and*

*''(C) no amount shall be treated as paid for such insurance if the amount specified in the contract (or furnished to the policyholder by the insurance company in a separate statement) as the charge for such insurance is unreasonably large in relation to the total charges under the contract.*

*''(5) CERTAIN PRE-PAID CONTRACTS.—Subject to the limitations of paragraph (4), premiums paid during the taxable year by a taxpayer before he attains the age of 65 for insurance covering medical care (within the meaning of subparagraphs (A), (B), and (C) of paragraph (1)) for the taxpayer, his spouse, or a dependent after the taxpayer attains the age of 65 shall be treated as expenses paid during the taxable year for insurance which constitutes medical care if premiums for such insurance are payable (on a level payment basis) under the contract for a period of 10 years or more or until the year in which the taxpayer attains the age of 65 (but in no case for a period of less than 5 years).*

*''(6) COSMETIC SURGERY.—*

*''(A) IN GENERAL.—The term 'medical care' does not include cosmetic surgery or other similar procedures, unless the surgery or procedure is necessary to ameliorate a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease.*

*''(B) COSMETIC SURGERY DEFINED .—For purposes of this paragraph, the term 'cosmetic surgery' means any procedure which is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease.*

*''(7) ELIGIBLE LONG-TERM CARE PREMIUMS.—*

*''(A) IN GENERAL.—For purposes of this section, the term 'eligible long-term care premiums' means the amount paid during a taxable year for any qualified long-term care insurance contract (as defined in section 7702B(b)) covering an individual, to the extent such amount does not exceed the limitation determined under the following table:*

| *''In the case of an individual with an attained age before the close of the taxable year of:* | *The limitation is:* |
|---|---|
| *40 or less* | *$200* |
| *More than 40 but not more than 50* | *$375* |
| *More than 50 but not more than 60* | *$750* |
| *More than 60 but not more than 70* | *$2,000* |
| *More than 70* | *$2,500* |

*''(B) INDEXING.—*

''(i) IN GENERAL.—In the case of any taxable year beginning after 1997, each dollar amount in subparagraph (A) shall be increased by the medical care cost adjustment of such amount for such calendar year. Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $10.

''(ii) MEDICAL CARE COST ADJUSTMENT.—For purposes of clause (i), the medical care cost adjustment for any calendar year is the adjustment prescribed by the Secretary, in consultation with the Secretary of Health and Human Services, for purposes of such clause. To the extent that CPI (as defined section 1(c)), or any component thereof, is taken into account in determining such adjustment, such adjustment shall be determined by taking into account C-CPI-U (as so defined), or the corresponding component thereof, in lieu of such CPI (or component thereof), but only with respect to the portion of such adjustment which relates to periods after December 31, 2017.

''(8) CERTAIN PAYMENTS TO RELATIVES TREATED AS NOT PAID FOR MEDICAL CARE.—An amount paid for a qualified long-term care service (as defined in section 7702B(c)) provided to an individual shall be treated as not paid for medical care if such service is provided—

''(A) by the spouse of the individual or by a relative (directly or through a partnership, corporation, or other entity) unless the service is provided by a licensed professional with respect to such service, or

''(B) by a corporation or partnership which is related (within the meaning of section 267(b) or 707(b)) to the individual.

For purposes of this paragraph, the term 'relative' means an individual bearing a relationship to the individual which is described in any of subparagraphs (A) through (G) of section 7706(d)(2). This paragraph shall not apply for purposes of subsection (b) with respect to reimbursements through insurance.''.

(B) Section 72(t)(2)(D)(i)(III) is amended by striking ''section 213(d)(1)(D)'' and inserting ''section 105(f)(1)(D)''.

(C) Section 104(a) is amended by striking ''section 213(d)(1)'' in the last sentence and inserting ''section 105(f)(1)''.

(D) Section 105(b) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(E) Section 139D is amended by striking ''section 213'' and inserting ''section 223''.

(F) Section 162(l)(2) is amended by striking ''section 213(d)(10)'' and inserting ''section 105(f)(7)''.

(G) Section 220(d)(2)(A) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(H) Section 223(d)(2)(A) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(I) Section 419A(f)(2) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(J) Section 501(c)(26)(A) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(K) Section 2503(e) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(L) Section 4980B(c)(4)(B)(i)(I) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(M) Section 6041(f) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(N) Section 7702B(a)(2) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(O) Section 7702B(a)(4) is amended by striking ''section 213(d)(1)(D)'' and inserting ''section 105(f)(1)(D)''.

(P) Section 7702B(d)(5) is amended by striking ''section 213(d)(10)'' and inserting ''section 105(f)(7)''.

(Q) Section 9832(d)(3) is amended by striking ''section 213(d)'' and inserting ''section 105(f)''.

(2) Section 72(t)(2)(B) is amended to read as follows:

''(B) MEDICAL EXPENSES.—Distributions made to an individual (other than distributions described in subparagraph (A), (C), or (D) to the extent such distributions do not exceed the excess of—

''(i) the expenses paid by the taxpayer during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in 105(f)) of the taxpayer, his spouse, or a dependent (as defined in section 7706, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof), over

''(ii) 10 percent of the taxpayer's adjusted gross income.''.

(3) Section 162(l) is amended by striking paragraph (3).

(4) Section 402(l) is amended by striking paragraph (7) and redesignating paragraph (8) as paragraph (7).

(5) Section 220(f) is amended by striking paragraph (6).

(6) Section 223(f) is amended by striking paragraph (6).

(7) Section 7702B(e) is amended by striking paragraph (2).

(8) Section 7706(f)(7), as redesignated by this Act, is amended by striking ''sections 105(b), 132(h)(2)(B), and 213(d)(5)'' and inserting ''sections 105(b) and 132(h)(2)(B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***SEC. 1309. REPEAL OF DEDUCTION FOR ALIMONY PAYMENTS.***

(a) IN GENERAL.—Part VII of subchapter B is amended by striking by striking section 215 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) CORRESPONDING REPEAL OF PROVISIONS PROVIDING FOR INCLUSION OF ALIMONY IN GROSS INCOME.—

(A) Subsection (a) of section 61 is amended by striking paragraph (8) and by redesignating paragraphs (9) through (15) as paragraphs (8) through (14), respectively.

(B) Part II of subchapter B of chapter 1 is amended by striking section 71 (and by striking the item relating to such section in the table of sections for such part).

(C) Subpart F of part I of subchapter J of chapter 1 is amended by striking section 682 (and by striking the item relating to such section in the table of sections for such subpart).

(2) RELATED TO REPEAL OF SECTION 215.—

(A) Section 62(a) is amended by striking paragraph (10).

(B) Section 3402(m)(1) is amended by striking ''(other than paragraph (10) thereof)''.

(3) RELATED TO REPEAL OF SECTION 71.—

(A) Section 121(d)(3) is amended—

(i) by striking ''(as defined in section 71(b)(2))'' in subparagraph (B), and

(ii) by adding at the end the following new subparagraph:

''(C) DIVORCE OR SEPARATION INSTRUMENT.—For purposes of this paragraph, the term 'divorce or separation instrument' means—

''(i) a decree of divorce or separate maintenance or a written instrument incident to such a decree,

''(ii) a written separation agreement, or

''(iii) a decree (not described in clause (i)) requiring a spouse to make payments for the support or maintenance of the other spouse.''.

(B) Section 220(f)(7) is amended by striking ''subparagraph (A) of section 71(b)(2)'' and inserting ''clause (i) of section 121(d)(3)(C)''.

(C) Section 223(f)(7) is amended by striking ''subparagraph (A) of section 71(b)(2)'' and inserting ''clause (i) of section 121(d)(3)(C)''.

(D) Section 382(l)(3)(B)(iii) is amended by striking ''section 71(b)(2)'' and inserting ''section 121(d)(3)(C)''.

(E) Section 408(d)(6) is amended by striking ''subparagraph (A) of section 71(b)(2)'' and inserting ''clause (i) of section 121(d)(3)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) any divorce or separation instrument (as defined in section 71(b)(2) of the Internal Revenue Code of 1986 as in effect before the date of the enactment of this Act) executed after December 31, 2017, and

(2) any divorce or separation instrument (as so defined) executed on or before such date and modified after such date if the modification expressly provides that the amendments made by this section apply to such modification.

***SEC. 1310. REPEAL OF DEDUCTION FOR MOVING EXPENSES.***

(a) IN GENERAL.—Part VII of subchapter B is amended by striking by striking section 217 (and by striking the item relating to such section in the table of sections for such subpart).

(b) RETENTION OF MOVING EXPENSES FOR MEMBERS OF ARMED FORCES.—Section 134(b) is amended by adding at the end the following new paragraph:

''(7) MOVING EXPENSES.—The term 'qualified military benefit' includes any benefit described in section 217(g) (as in effect before the enactment of the Tax Cuts And Jobs Act).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 62(a) is amended by striking paragraph (15).

(2) Section 274(m)(3) is amended by striking ''(other than section 217)''.

(3) Section 3121(a) is amended by striking paragraph (11).

(4) Section 3306(b) is amended by striking paragraph (9).

(5) Section 3401(a) is amended by striking paragraph (15).

(6) Section 7872(f) is amended by striking paragraph (11).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***SEC. 1311. TERMINATION OF DEDUCTION AND EXCLUSIONS FOR CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.***

(a) TERMINATION OF INCOME TAX DEDUCTION.—Section 220 is amended by adding at the end the following new subsection:

''(k) TERMINATION.—No deduction shall be allowed under subsection (a) with respect to any taxable year beginning after December 31, 2017.''.

(b) TERMINATION OF EXCLUSION FOR EMPLOYER-PROVIDED CONTRIBUTIONS.—Section 106 is amended by striking subsection (b).

(c) CONFORMING AMENDMENTS.—

(1) Section 62(a) is amended by striking paragraph (16).

(2) Section 106(d) is amended by striking paragraph (2), by redesignating paragraph (3) as paragraph (6), and by inserting after paragraph (1) the following new paragraphs:

''(2) NO CONSTRUCTIVE RECEIPT.—No amount shall be included in the gross income of any employee solely because the employee may choose between the contributions referred to in paragraph (1) and employer contributions to another health plan of the employer.

''(3) SPECIAL RULE FOR DEDUCTION OF EMPLOYER CONTRIBUTIONS.—Any employer contribution to a health savings account (as so defined), if otherwise allowable as a deduction under this chapter, shall be allowed only for the taxable year in which paid.

''(4) EMPLOYER HEALTH SAVINGS ACCOUNT CONTRIBUTION REQUIRED TO BE SHOWN ON RETURN.—Every individual required to file a return under section 6012 for the taxable year shall include on such return the aggregate amount contributed by employers to the health savings accounts (as so defined) of such individual or such individual's spouse for such taxable year.

''(5) HEALTH SAVINGS ACCOUNT CONTRIBUTIONS NOT PART OF COBRA COVERAGE.—Paragraph (1) shall not apply for purposes of section 4980B.''.

(3) Section 223(b)(4) is amended by striking subparagraph (A), by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and by striking the second sentence thereof.

(4) Section 223(b)(5) is amended by striking ''under paragraph (3))'' and all that follows

through ''shall be divided equally between them'' and inserting the following: ''under paragraph (3)) shall be divided equally between the spouses''.

(5) Section 223(c) is amended by striking paragraph (5).

(6) Section 3231(e) is amended by striking paragraph (10).

(7) Section 3306(b) is amended by striking paragraph (17).

(8) Section 3401(a) is amended by striking paragraph (21).

(9) Chapter 43 is amended by striking section 4980E (and by striking the item relating to such section in the table of sections for such chapter).

(10) Section 4980G is amended to read as follows:

**''SEC. 4980G. FAILURE OF EMPLOYER TO MAKE COMPARABLE HEALTH SAVINGS ACCOUNT CONTRIBUTIONS.**

''(a) IN GENERAL.—In the case of an employer who makes a contribution to the health savings account of any employee during a calendar year, there is hereby imposed a tax on the failure of such employer to meet the requirements of subsection (d) for such calendar year.

''(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) on any failure for any calendar year is the amount equal to 35 percent of the aggregate amount contributed by the employer to health savings accounts of employees for taxable years of such employees ending with or within such calendar year.

''(c) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) EMPLOYER REQUIRED TO MAKE COMPARABLE HEALTH SAVINGS ACCOUNT CONTRIBUTIONS FOR ALL PARTICIPATING EMPLOYEES.—

''(1) IN GENERAL.—An employer meets the requirements of this subsection for any calendar year if the employer makes available comparable contributions to the health savings accounts of all comparable participating employees for each coverage period during such calendar year.

''(2) COMPARABLE CONTRIBUTIONS.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'comparable contributions' means contributions—

''(i) which are the same amount, or

''(ii) which are the same percentage of the annual deductible limit under the high deductible health plan covering the employees.

''(B) PART-YEAR EMPLOYEES.—In the case of an employee who is employed by the employer for only a portion of the calendar year, a contribution to the health savings account of such employee shall be treated as comparable if it is an amount which bears the same ratio to the comparable amount (determined without regard to this subparagraph) as such portion bears to the entire calendar year.

''(3) COMPARABLE PARTICIPATING EMPLOYEES.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'comparable participating employees' means all employees—

''(i) who are eligible individuals covered under any high deductible health plan of the employer, and

''(ii) who have the same category of coverage.

''(B) CATEGORIES OF COVERAGE.—For purposes of subparagraph (B), the categories of coverage are self-only and family coverage.

''(4) PART-TIME EMPLOYEES.—

''(A) IN GENERAL .—Paragraph (3) shall be applied separately with respect to part-time employees and other employees.

''(B) PART-TIME EMPLOYEE.—For purposes of subparagraph (A), the term 'part-time employee' means any employee who is customarily employed for fewer than 30 hours per week.

''(5) SPECIAL RULE FOR NON-HIGHLY COMPENSATED EMPLOYEES.—For purposes of applying this section to a contribution to a health savings account of an employee who is not a highly compensated employee (as defined in section 414(q)), highly compensated employees shall not be treated as comparable participating employees.

''(e) CONTROLLED GROUPS.—For purposes of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as 1 employer.

''(f) DEFINITIONS.—Terms used in this section which are also used in section 223 have the respective meanings given such terms in section 223.

''(g) REGULATIONS.—The Secretary shall issue regulations to carry out the purposes of this section.''.

(11) Section 6051(a) is amended by striking paragraph (11).

(12) Section 6051(a)(14)(A) is amended by striking ''paragraphs (11) and (12)'' and inserting ''paragraph (12)''.

(d) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1312. DENIAL OF DEDUCTION FOR EXPENSES ATTRIBUTABLE TO THE TRADE OR BUSINESS OF BEING AN EMPLOYEE.**

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 is amended by inserting after the item relating to section 262 the following new item:

**''SEC. 262A. EXPENSES ATTRIBUTABLE TO BEING AN EMPLOYEE.**

''(a) IN GENERAL.—Except as otherwise provided in this section, no deduction shall be allowed with respect to any trade or business of the taxpayer which consists of the performance of services by the taxpayer as an employee.

''(b) EXCEPTION FOR ABOVE-THE-LINE DEDUCTIONS.—Subsection (a) shall not apply to any deduction allowable (determined without regard to subsection (a)) in determining adjusted gross income.''.

(b) REPEAL OF CERTAIN ABOVE-THE-LINE TRADE AND BUSINESS DEDUCTIONS OF EMPLOYEES.—

(1) IN GENERAL.—Section 62(a)(2) is amended—

(A) by striking subparagraphs (B), (C), and (D), and

(B) by redesignating subparagraph (E) as subparagraph (B).

(2) CONFORMING AMENDMENTS.—

(A) Section 62 is amended by striking subsections (b) and (d) and by redesignating subsections (c) and (e) as subsections (b) and (c), respectively.

(B) Section 62(a)(20) is amended by striking ''subsection (e)'' and inserting ''subsection (c)''.

(c) CONTINUED EXCLUSION OF WORKING CONDITION FRINGE BENEFITS.—Section 132(d) is amended by inserting ''(determined without regard to section 262A)'' after ''section 162''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***Subtitle E—Simplification and Reform of Exclusions and Taxable Compensation***

**SEC. 1401. LIMITATION ON EXCLUSION FOR EMPLOYER-PROVIDED HOUSING.**

(a) IN GENERAL.—Section 119 is amended by adding at the end the following new subsection:

''(e) LIMITATION ON EXCLUSION OF LODGING.—

''(1) IN GENERAL.—The aggregate amount excluded from gross income of the taxpayer under subsections (a) and (d) with respect to lodging for any taxable year shall not exceed $50,000 (half such amount in the case of a married individual filing a separate return).

''(2) LIMITATION TO 1 HOME.—Subsections (a) and (d) (separately and in combination) shall not apply with respect to more than 1 residence of the taxpayer at any given time. In the case of a joint return, the preceding sentence shall apply separately to each spouse for any period during which each spouse resides separate from the other spouse in a residence which is provided in connection with the employment of each spouse, respectively.

''(3) LIMITATION FOR HIGHLY COMPENSATED EMPLOYEES.—

''(A) REDUCED FOR EXCESS COMPENSATION.—In the case of an individual whose compensation for the taxable year exceeds the amount in effect under section 414(q)(1)(B)(i) for the calendar in which such taxable year begins, the $50,000 amount under paragraph (1) shall be reduced (but not below zero) by an amount equal to 50 percent of such excess. For purposes of the preceding sentence, the term 'compensation' means wages (as defined in section 3121(a) (without regard to the contribution and benefit base limitation in section 3121(a)(1)).

''(B) EXCLUSION DENIED FOR 5-PERCENT OWNERS.—In the case of an individual who is a 5-percent owner (as defined in section 416(i)(1)(B)(i)) of the employer at any time during the taxable year, the amount under paragraph (1) shall be zero.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1402. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE.**

(a) REQUIREMENT THAT RESIDENCE BE PRINCIPAL RESIDENCE FOR 5 YEARS DURING 8-YEAR PERIOD.—Subsection (a) of section 121 is amended—

(1) by striking ''5-year period'' and inserting ''8-year period'', and

(2) by striking ''2 years'' and inserting ''5 years''.

(b) APPLICATION TO ONLY 1 SALE OR EXCHANGE EVERY 5 YEARS.—Paragraph (3) of section 121(b) is amended to read as follows:

''(3) APPLICATION TO ONLY 1 SALE OR EXCHANGE EVERY 5 YEARS.—Subsection (a) shall not apply to any sale or exchange by the taxpayer if, during the 5-year period ending on the date of such sale or exchange, there was any other sale or exchange by the taxpayer to which subsection (a) applied.''.

(c) PHASEOUT BASED ON MODIFIED ADJUSTED GROSS INCOME.—Section 121 is amended by adding at the end the following new subsection:

''(h) PHASEOUT BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—If the average modified adjusted gross income of the taxpayer for the taxable year and the 2 preceding taxable years exceeds $250,000 (twice such amount in the case of a joint return), the amount which would (but for this subsection) be excluded from gross income under subsection (a) for such taxable year shall be reduced (but not below zero) by the amount of such excess.

''(2) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means, with respect to any taxable year, adjusted gross income determined after application of this section (but without regard to subsection (b)(1) and this subsection).

''(3) SPECIAL RULE FOR JOINT RETURNS.—In the case of a joint return, the average modified adjusted gross income of the taxpayer shall be determined without regard to any taxable year with respect to which the taxpayer did not file a joint return.''.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions of section 121 are each amended by striking ''5-year period'' each place it appears therein and inserting ''8-year period'':

(A) Subsection (b)(5)(C)(ii)(I).

(B) Subsection (c)(1)(B)(i)(I).

(C) Subsection (d)(7)(B).

(D) Subparagraphs (A) and (B) of subsection (d)(9).

(E) Subsection (d)(10).

(F) Subsection (d)(12)(A).

(2) Section 121(c)(1)(B)(ii) is amended by striking ''2 years'' and inserting ''5 years'':

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after December 31, 2017.

**SEC. 1403. REPEAL OF EXCLUSION, ETC., FOR EMPLOYEE ACHIEVEMENT AWARDS.**

(a) IN GENERAL.—Section 74 is amended by striking subsection (c).

(b) REPEAL OF LIMITATION ON DEDUCTION.—Section 274 is amended by striking subsection (j).

(c) CONFORMING AMENDMENTS.—

(1) Section 102(c)(2) is amended by striking the first sentence.

(2) Section 414(n)(3)(C) is amended by striking ''274(j),''.

(3) Section 414(t)(2) is amended by striking ''274(j),''.

(4) Section 3121(a)(20) is amended by striking ''74(c)''.

(5) Section 3231(e)(5) is amended by striking ''74(c),''.

(6) Section 3306(b)(16) is amended by striking ''74(c),''.

(7) Section 3401(a)(19) is amended by striking ''74(c),''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1404. SUNSET OF EXCLUSION FOR DEPENDENT CARE ASSISTANCE PROGRAMS.**

(a) IN GENERAL.—Section 129 is amended by adding at the end the following new subsection:

''(f) TERMINATION.—Subsection (a) shall not apply to taxable years beginning after December 31, 2022.''.

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

**SEC. 1405. REPEAL OF EXCLUSION FOR QUALIFIED MOVING EXPENSE REIMBURSEMENT.**

(a) IN GENERAL.—Section 132(a) is amended by striking paragraph (6).

(b) CONFORMING AMENDMENTS.—

(1) Section 82 is amended by striking ''Except as provided in section 132(a)(6), there'' and inserting ''There''.

(2) Section 132 is amended by striking subsection (g).

(3) Section 132(l) is amended by striking by striking ''subsections (e) and (g)'' and inserting ''subsection (e)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1406. REPEAL OF EXCLUSION FOR ADOPTION ASSISTANCE PROGRAMS.**

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by striking section 137 (and by striking the item relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—

(1) Sections 414(n)(3)(C), 414(t)(2), 74(d)(2)(B), 86(b)(2)(A), 219(g)(3)(A)(ii) are each amended by striking '', 137''.

(2) Section 1016(a), as amended by the preceding provision of this Act, is amended by striking paragraph (26).

(3) Section 6039D(d)(1), as amended by the preceding provisions of this Act, is amended—

(A) by striking '', or 137'', and

(B) by inserting ''or'' before ''125''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***Subtitle F—Simplification and Reform of Savings, Pensions, Retirement***

**SEC. 1501. REPEAL OF SPECIAL RULE PERMITTING RECHARACTERIZATION OF ROTH IRA CONTRIBUTIONS AS TRADITIONAL IRA CONTRIBUTIONS.**

(a) IN GENERAL.—Section 408A(d) is amended by striking paragraph (6) and by redesignating paragraph (7) as paragraph (6).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1502. REDUCTION IN MINIMUM AGE FOR ALLOWABLE IN-SERVICE DISTRIBUTIONS.**

(a) IN GENERAL.—Section 401(a)(36) is amended by striking ''age 62'' and inserting ''age 59 ½''.

(b) APPLICATION TO GOVERNMENTAL SECTION 457(b) PLANS.—Clause (i) of section 457(d)(1)(A) is amended by inserting ''(in the case of a plan maintained by an employer described in subsection (e)(1)(A), age 59 ½)'' before the comma at the end.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2017.

**SEC. 1503. MODIFICATION OF RULES GOVERNING HARDSHIP DISTRIBUTIONS.**

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall modify Treasury Regulation section 1.401(k)–1(d)(3)(iv)(E) to—

(1) delete the 6-month prohibition on contributions imposed by paragraph (2) thereof, and

(2) make any other modifications necessary to carry out the purposes of section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986.

(b) EFFECTIVE DATE.—The revised regulations under this section shall apply to plan years beginning after December 31, 2017.

**SEC. 1504. MODIFICATION OF RULES RELATING TO HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.**

(a) IN GENERAL.—Section 401(k) is amended by adding at the end the following:

''(14) SPECIAL RULES RELATING TO HARDSHIP WITHDRAWALS.—For purposes of paragraph (2)(B)(i)(IV)—

''(A) AMOUNTS WHICH MAY BE WITHDRAWN.—The following amounts may be distributed upon hardship of the employee:

''(i) Contributions to a profit-sharing or stock bonus plan to which section 402(e)(3) applies.

''(ii) Qualified nonelective contributions (as defined in subsection (m)(4)(C)).

''(iii) Qualified matching contributions described in paragraph (3)(D)(ii)(I).

''(iv) Earnings on any contributions described in clause (i), (ii), or (iii).

''(B) NO REQUIREMENT TO TAKE AVAILABLE LOAN.—A distribution shall not be treated as failing to be made upon the hardship of an employee solely because the employee does not take any available loan under the plan.''.''.

(b) CONFORMING AMENDMENT.—Section 401(k)(2)(B)(i)(IV) is amended to read as follows:

''(IV) subject to the provisions of paragraph (14), upon hardship of the employee, or''.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2017.

**SEC. 1505. EXTENDED ROLLOVER PERIOD FOR THE ROLLOVER OF PLAN LOAN OFFSET AMOUNTS IN CERTAIN CASES.**

(a) IN GENERAL.—Paragraph (3) of section 402(c) is amended by adding at the end the following new subparagraph:

''(C) ROLLOVER OF CERTAIN PLAN LOAN OFFSET AMOUNTS.—

''(i) IN GENERAL.—In the case of a qualified plan loan offset amount, paragraph (1) shall not apply to any transfer of such amount made after the due date (including extensions) for filing the return of tax for the taxable year in which such amount is treated as distributed from a qualified employer plan.

''(ii) QUALIFIED PLAN LOAN OFFSET AMOUNT.—For purposes of this subparagraph, the term 'qualified plan loan offset amount' means a plan loan offset amount which is treated as distributed from a qualified employer plan to a participant or beneficiary solely by reason of—

''(I) the termination of the qualified employer plan, or

''(II) the failure to meet the repayment terms of the loan from such plan because of the separation from service of the participant (whether due to layoff, cessation of business, termination of employment, or otherwise).

''(iii) PLAN LOAN OFFSET AMOUNT.—For purposes of clause (ii), the term 'plan loan offset amount' means the amount by which the participant's accrued benefit under the plan is reduced in order to repay a loan from the plan.

''(iv) LIMITATION.—This subparagraph shall not apply to any plan loan offset amount unless such plan loan offset amount relates to a loan to which section 72(p)(1) does not apply by reason of section 72(p)(2).

''(v) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' has the meaning given such term by section 72(p)(4).''.

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 402(c)(3) is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 1506. MODIFICATION OF NONDISCRIMINATION RULES TO PROTECT OLDER, LONGER SERVICE PARTICIPANTS.**

(a) IN GENERAL.—Section 401 is amended—

(1) by redesignating subsection (o) as subsection (p), and

(2) by inserting after subsection (n) the following new subsection:

''(o) SPECIAL RULES FOR APPLYING NONDISCRIMINATION RULES TO PROTECT OLDER, LONGER SERVICE AND GRANDFATHERED PARTICIPANTS.—

''(1) TESTING OF DEFINED BENEFIT PLANS WITH CLOSED CLASSES OF PARTICIPANTS.—

''(A) BENEFITS, RIGHTS, OR FEATURES PROVIDED TO CLOSED CLASSES.—A defined benefit plan which provides benefits, rights, or features to a closed class of participants shall not fail to satisfy the requirements of subsection (a)(4) by reason of the composition of such closed class or the benefits, rights, or features provided to such closed class, if—

''(i) for the plan year as of which the class closes and the 2 succeeding plan years, such benefits, rights, and features satisfy the requirements of subsection (a)(4) (without regard to this subparagraph but taking into account the rules of subparagraph (I)),

''(ii) after the date as of which the class was closed, any plan amendment which modifies the closed class or the benefits, rights, and features provided to such closed class does not discriminate significantly in favor of highly compensated employees, and

''(iii) the class was closed before April 5, 2017, or the plan is described in subparagraph (C).

''(B) AGGREGATE TESTING WITH DEFINED CONTRIBUTION PLANS PERMITTED ON A BENEFITS BASIS.—

''(i) IN GENERAL.—For purposes of determining compliance with subsection (a)(4) and section 410(b), a defined benefit plan described in clause (iii) may be aggregated and tested on a benefits basis with 1 or more defined contribution plans, including with the portion of 1 or more defined contribution plans which—

''(I) provides matching contributions (as defined in subsection (m)(4)(A)),

''(II) provides annuity contracts described in section 403(b) which are purchased with matching contributions or nonelective contributions, or

''(III) consists of an employee stock ownership plan (within the meaning of section 4975(e)(7)) or a tax credit employee stock ownership plan (within the meaning of section 409(a)).

''(ii) SPECIAL RULES FOR MATCHING CONTRIBUTIONS.—For purposes of clause (i), if a defined benefit plan is aggregated with a portion of a defined contribution plan providing matching contributions—

''(I) such defined benefit plan must also be aggregated with any portion of such defined contribution plan which provides elective deferrals described in subparagraph (A) or (C) of section 402(g)(3), and

''(II) such matching contributions shall be treated in the same manner as nonelective contributions, including for purposes of applying the rules of subsection (l).

''(iii) PLANS DESCRIBED.—A defined benefit plan is described in this clause if—

''(I) the plan provides benefits to a closed class of participants,

''(II) for the plan year as of which the class closes and the 2 succeeding plan years, the plan satisfies the requirements of section 410(b) and subsection (a)(4) (without regard to this subparagraph but taking into account the rules of subparagraph (I)),

''(III) after the date as of which the class was closed, any plan amendment which modifies the closed class or the benefits provided to such closed class does not discriminate significantly in favor of highly compensated employees, and

''(IV) the class was closed before April 5, 2017, or the plan is described in subparagraph (C).

''(C) PLANS DESCRIBED.—A plan is described in this subparagraph if, taking into account any predecessor plan—

''(i) such plan has been in effect for at least 5 years as of the date the class is closed, and

''(ii) during the 5-year period preceding the date the class is closed, there has not been a substantial increase in the coverage or value of the benefits, rights, or features described in subparagraph (A) or in the coverage or benefits under the plan described in subparagraph (B)(iii) (whichever is applicable).

''(D) DETERMINATION OF SUBSTANTIAL INCREASE FOR BENEFITS, RIGHTS, AND FEATURES.—In applying subparagraph (C)(ii) for purposes of subparagraph (A)(iii), a plan shall be treated as having had a substantial increase in coverage or value of the benefits, rights, or features described in subparagraph (A) during the applicable 5-year period only if, during such period—

''(i) the number of participants covered by such benefits, rights, or features on the date such period ends is more than 50 percent greater than the number of such participants on the first day of the plan year in which such period began, or

''(ii) such benefits, rights, and features have been modified by 1 or more plan amendments in such a way that, as of the date the class is closed, the value of such benefits, rights, and features to the closed class as a whole is substantially greater than the value as of the first day of such 5-year period, solely as a result of such amendments.

''(E) DETERMINATION OF SUBSTANTIAL INCREASE FOR AGGREGATE TESTING ON BENEFITS BASIS.—In applying subparagraph (C)(ii) for purposes of subparagraph (B)(iii)(IV), a plan shall be treated as having had a substantial increase in coverage or benefits during the applicable 5-year period only if, during such period—

''(i) the number of participants benefitting under the plan on the date such period ends is more than 50 percent greater than the number of such participants on the first day of the plan year in which such period began, or

''(ii) the average benefit provided to such participants on the date such period ends is more than 50 percent greater than the average benefit provided on the first day of the plan year in which such period began.

''(F) CERTAIN EMPLOYEES DISREGARDED.—For purposes of subparagraphs (D) and (E), any increase in coverage or value or in coverage or benefits, whichever is applicable, which is attributable to such coverage and value or coverage and benefits provided to employees—

''(i) who became participants as a result of a merger, acquisition, or similar event which occurred during the 7-year period preceding the date the class is closed, or

''(ii) who became participants by reason of a merger of the plan with another plan which had been in effect for at least 5 years as of the date of the merger,

shall be disregarded, except that clause (ii) shall apply for purposes of subparagraph (D) only if, under the merger, the benefits, rights, or features under 1 plan are conformed to the benefits, rights, or features of the other plan prospectively.

''(G) RULES RELATING TO AVERAGE BENEFIT.—For purposes of subparagraph (E)—

''(i) the average benefit provided to participants under the plan will be treated as having remained the same between the 2 dates described in subparagraph (E)(ii) if the benefit formula applicable to such participants has not changed between such dates, and

''(ii) if the benefit formula applicable to 1 or more participants under the plan has changed between such 2 dates, then the average benefit under the plan shall be considered to have increased by more than 50 percent only if—

''(I) the total amount determined under section 430(b)(1)(A)(i) for all participants benefitting under the plan for the plan year in which the 5-year period described in subparagraph (E) ends, exceeds

''(II) the total amount determined under section 430(b)(1)(A)(i) for all such participants for such plan year, by using the benefit formula in effect for each such participant for the first plan year in such 5-year period, by more than 50 percent.

In the case of a CSEC plan (as defined in section 414(y)), the normal cost of the plan (as determined under section 433(j)(1)(B)) shall be used in lieu of the amount determined under section 430(b)(1)(A)(i).

''(H) TREATMENT AS SINGLE PLAN.—For purposes of subparagraphs (E) and (G), a plan described in section 413(c) shall be treated as a single plan rather than as separate plans maintained by each participating employer.

''(I) SPECIAL RULES.—For purposes of subparagraphs (A)(i) and (B)(iii)(II), the following rules shall apply:

''(i) In applying section 410(b)(6)(C), the closing of the class of participants shall not be treated as a significant change in coverage under section 410(b)(6)(C)(i)(II).

''(ii) 2 or more plans shall not fail to be eligible to be aggregated and treated as a single plan solely by reason of having different plan years.

''(iii) Changes in the employee population shall be disregarded to the extent attributable to individuals who become employees or cease to be employees, after the date the class is closed, by reason of a merger, acquisition, divestiture, or similar event.

''(iv) Aggregation and all other testing methodologies otherwise applicable under subsection (a)(4) and section 410(b) may be taken into account.

The rule of clause (ii) shall also apply for purposes of determining whether plans to which subparagraph (B)(i) applies may be aggregated and treated as 1 plan for purposes of determining whether such plans meet the requirements of subsection (a)(4) and section 410(b).

''(J) SPUN-OFF PLANS.—For purposes of this paragraph, if a portion of a defined benefit plan described in subparagraph (A) or (B)(iii) is spun off to another employer and the spun-off plan continues to satisfy the requirements of—

''(i) subparagraph (A)(i) or (B)(iii)(II), whichever is applicable, if the original plan was still within the 3-year period described in such subparagraph at the time of the spin off, and

''(ii) subparagraph (A)(ii) or (B)(iii)(III), whichever is applicable,

the treatment under subparagraph (A) or (B) of the spun-off plan shall continue with respect to such other employer.

''(2) TESTING OF DEFINED CONTRIBUTION PLANS.—

''(A) TESTING ON A BENEFITS BASIS.—A defined contribution plan shall be permitted to be tested on a benefits basis if—

''(i) such defined contribution plan provides make-whole contributions to a closed class of participants whose accruals under a defined benefit plan have been reduced or eliminated,

''(ii) for the plan year of the defined contribution plan as of which the class eligible to receive such make-whole contributions closes and the 2 succeeding plan years, such closed class of participants satisfies the requirements of section 410(b)(2)(A)(i) (determined by applying the rules of paragraph (1)(I)),

''(iii) after the date as of which the class was closed, any plan amendment to the defined contribution plan which modifies the closed class or the allocations, benefits, rights, and features provided to such closed class does not discriminate significantly in favor of highly compensated employees, and

''(iv) the class was closed before April 5, 2017, or the defined benefit plan under clause (i) is described in paragraph (1)(C) (as applied for purposes of paragraph (1)(B)(iii)(IV)).

''(B) AGGREGATION WITH PLANS INCLUDING MATCHING CONTRIBUTIONS.—

''(i) IN GENERAL.—With respect to 1 or more defined contribution plans described in subparagraph (A), for purposes of determining compliance with subsection (a)(4) and section 410(b), the portion of such plans which provides make-whole contributions or other nonelective contributions may be aggregated and tested on a benefits basis with the portion of 1 or more other defined contribution plans which—

''(I) provides matching contributions (as defined in subsection (m)(4)(A)),

''(II) provides annuity contracts described in section 403(b) which are purchased with matching contributions or nonelective contributions, or

''(III) consists of an employee stock ownership plan (within the meaning of section 4975(e)(7)) or a tax credit employee stock ownership plan (within the meaning of section 409(a)).

''(ii) SPECIAL RULES FOR MATCHING CONTRIBUTIONS.—Rules similar to the rules of paragraph (1)(B)(ii) shall apply for purposes of clause (i).

''(C) SPECIAL RULES FOR TESTING DEFINED CONTRIBUTION PLAN FEATURES PROVIDING MATCHING CONTRIBUTIONS TO CERTAIN OLDER, LONGER SERVICE PARTICIPANTS.—In the case of a defined contribution plan which provides benefits, rights, or features to a closed class of participants whose accruals under a defined benefit plan have been reduced or eliminated, the plan shall not fail to satisfy the requirements of subsection (a)(4) solely by reason of the composition of the closed class or the benefits, rights, or features provided to such closed class if the defined contribution plan and defined benefit plan otherwise meet the requirements of subparagraph (A) but for the fact that the make-whole contributions under the defined contribution plan are made in whole or in part through matching contributions.

''(D) SPUN-OFF PLANS.—For purposes of this paragraph, if a portion of a defined contribution plan described in subparagraph (A) or (C) is spun off to another employer, the treatment under subparagraph (A) or (C) of the spun-off plan shall continue with respect to the other employer if such plan continues to comply with the requirements of clauses (ii) (if the original plan was still within the 3-year period described in such clause at the time of the spin off) and (iii) of subparagraph (A), as determined for purposes of subparagraph (A) or (C), whichever is applicable.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) MAKE-WHOLE CONTRIBUTIONS.—Except as otherwise provided in paragraph (2)(C), the term 'make-whole contributions' means nonelective allocations for each employee in the class which are reasonably calculated, in a consistent manner, to replace some or all of the retirement benefits which the employee would have received under the defined benefit plan and any other plan or qualified cash or deferred arrangement under subsection (k)(2) if no change had been made to such defined benefit plan and such other plan or arrangement. For purposes of the preceding sentence, consistency shall not be required with respect to employees who were subject to different benefit formulas under the defined benefit plan.

''(B) REFERENCES TO CLOSED CLASS OF PARTICIPANTS.—References to a closed class of participants and similar references to a closed class

*shall include arrangements under which 1 or more classes of participants are closed, except that 1 or more classes of participants closed on different dates shall not be aggregated for purposes of determining the date any such class was closed.*

*''(C) HIGHLY COMPENSATED EMPLOYEE.—The term 'highly compensated employee' has the meaning given such term in section 414(q).''.*

*(b) PARTICIPATION REQUIREMENTS.—Paragraph (26) of section 401(a) is amended by adding at the end the following new subparagraph:*

*''(I) PROTECTED PARTICIPANTS.—*

*''(i) IN GENERAL.—A plan shall be deemed to satisfy the requirements of subparagraph (A) if—*

*''(I) the plan is amended—*

*''(aa) to cease all benefit accruals, or*

*''(bb) to provide future benefit accruals only to a closed class of participants,*

*''(II) the plan satisfies subparagraph (A) (without regard to this subparagraph) as of the effective date of the amendment, and*

*''(III) the amendment was adopted before April 5, 2017, or the plan is described in clause (ii).*

*''(ii) PLANS DESCRIBED.—A plan is described in this clause if the plan would be described in subsection (o)(1)(C), as applied for purposes of subsection (o)(1)(B)(iii)(IV) and by treating the effective date of the amendment as the date the class was closed for purposes of subsection (o)(1)(C).*

*''(iii) SPECIAL RULES.—For purposes of clause (i)(II), in applying section 410(b)(6)(C), the amendments described in clause (i) shall not be treated as a significant change in coverage under section 410(b)(6)(C)(i)(II).*

*''(iv) SPUN-OFF PLANS.—For purposes of this subparagraph, if a portion of a plan described in clause (i) is spun off to another employer, the treatment under clause (i) of the spun-off plan shall continue with respect to the other employer.''.*

*(c) EFFECTIVE DATE.—*

*(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act, without regard to whether any plan modifications referred to in such amendments are adopted or effective before, on, or after such date of enactment.*

*(2) SPECIAL RULES.—*

*(A) ELECTION OF EARLIER APPLICATION.—At the election of the plan sponsor, the amendments made by this section shall apply to plan years beginning after December 31, 2013.*

*(B) CLOSED CLASSES OF PARTICIPANTS.—For purposes of paragraphs (1)(A)(iii), (1)(B)(iii)(IV), and (2)(A)(iv) of section 401(o) of the Internal Revenue Code of 1986 (as added by this section), a closed class of participants shall be treated as being closed before April 5, 2017, if the plan sponsor's intention to create such closed class is reflected in formal written documents and communicated to participants before such date.*

*(C) CERTAIN POST-ENACTMENT PLAN AMENDMENTS.—A plan shall not be treated as failing to be eligible for the application of section 401(o)(1)(A), 401(o)(1)(B)(iii), or 401(a)(26) of such Code (as added by this section) to such plan solely because in the case of—*

*(i) such section 401(o)(1)(A), the plan was amended before the date of the enactment of this Act to eliminate 1 or more benefits, rights, or features, and is further amended after such date of enactment to provide such previously eliminated benefits, rights, or features to a closed class of participants, or*

*(ii) such section 401(o)(1)(B)(iii) or section 401(a)(26), the plan was amended before the date of the enactment of this Act to cease all benefit accruals, and is further amended after such date of enactment to provide benefit accruals to a closed class of participants. Any such section shall only apply if the plan otherwise meets the requirements of such section and in applying such section, the date the class of participants is closed shall be the effective date of the later amendment.*

### *Subtitle G—Estate, Gift, and Generation-skipping Transfer Taxes*

#### *SEC. 1601. INCREASE IN CREDIT AGAINST ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX.*

*(a) IN GENERAL.—Section 2010(c)(3) is amended by striking ''$5,000,000'' and inserting ''$10,000,000''.*

*(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, after December 31, 2017.*

#### *SEC. 1602. REPEAL OF ESTATE AND GENERATION-SKIPPING TRANSFER TAXES.*

*(a) ESTATE TAX REPEAL.—*

*(1) IN GENERAL.—Subchapter C of chapter 11 is amended by adding at the end the following new section:*

***''SEC. 2210. TERMINATION.***

*''(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall not apply to the estates of decedents dying after December 31, 2024.*

*''(b) CERTAIN DISTRIBUTIONS FROM QUALIFIED DOMESTIC TRUSTS.—In applying section 2056A with respect to the surviving spouse of a decedent dying on or before December 31, 2024—*

*''(1) section 2056A(b)(1)(A) shall not apply to distributions made after the 10-year period beginning on such date, and*

*''(2) section 2056A(b)(1)(B) shall not apply after such date.''.*

*(2) CONFORMING AMENDMENTS.—Section 1014(b) is amended—*

*(A) in paragraph (6), by striking ''was includible in determining'' and all that follows through the end and inserting ''was includible (or would have been includible without regard to section 2210) in determining the value of the decedent's gross estate under chapter 11 of subtitle B'' ,*

*(B) in paragraph (9), by striking ''required to be included'' through ''Code of 1939'' and inserting ''required to be included (or would have been required to be included without regard to section 2210) in determining the value of the decedent's gross estate under chapter 11 of subtitle B'', and*

*(C) in paragraph (10), by striking ''Property includible in the gross estate'' and inserting ''Property includible (or which would have been includible without regard to section 2210) in the gross estate''.*

*(3) CLERICAL AMENDMENT.—The table of sections for subchapter C of chapter 11 is amended by adding at the end the following new item:*

*''Sec. 2210. Termination.''.*

*(b) GENERATION-SKIPPING TRANSFER TAX REPEAL.—*

*(1) IN GENERAL.—Subchapter G of chapter 13 of subtitle B of such Code is amended by adding at the end the following new section:*

***''SEC. 2664. TERMINATION.***

*''This chapter shall not apply to generation-skipping transfers after December 31, 2024.''.*

*(2) CLERICAL AMENDMENT.—The table of sections for subchapter G of chapter 13 of such Code is amended by adding at the end the following new item:*

*''Sec. 2664. Termination.''.*

*(c) CONFORMING AMENDMENTS RELATED TO GIFT TAX.—*

*(1) COMPUTATION OF GIFT TAX.—Section 2502 is amended by adding at the end the following new subsection:*

*''(d) GIFTS MADE AFTER 2024.—*

*''(1) IN GENERAL.—In the case of a gift made after December 31, 2024, subsection (a) shall be applied by substituting 'subsection (d)(2)' for 'section 2001(c)' and 'such subsection' for 'such section'.*

*''(2) RATE SCHEDULE.—*

| ***''If the amount with respect to which the tentative tax to be computed is:*** | ***The tentative tax is:*** |
|---|---|
| *Not over $10,000* | *18% of such amount.* |
| *Over $10,000 but not over $20,000* | *$1,800, plus 20% of the excess over $10,000.* |
| *Over $20,000 but not over $40,000* | *$3,800, plus 22% of the excess over $20,000.* |
| *Over $40,000 but not over $60,000* | *$8,200, plus 24% of the excess over $40,000.* |
| *Over $60,000 but not over $80,000* | *$13,000, plus 26% of the excess over $60,000.* |
| *Over $80,000 but not over $100,000* | *$18,200, plus 28% of the excess over $80,000.* |
| *Over $100,000 but not over $150,000* | *$23,800, plus 30% of the excess over $100,000.* |
| *Over $150,000 but not over $250,000* | *$38,800, plus 32% of the excess of $150,000.* |
| *Over $250,000 but not over $500,000* | *$70,800, plus 34% of the excess over $250,000.* |
| *Over $500,000* | *$155,800, plus 35% of the excess of $500,000.''.* |

*(2) LIFETIME GIFT EXEMPTION.—Section 2505 is amended by adding at the end the following new subsection:*

*''(d) GIFTS MADE AFTER 2024.—*

*''(1) IN GENERAL.—In the case of a gift made after December 31, 2024, subsection (a)(1) shall be applied by substituting 'the amount of the tentative tax which would be determined under the rate schedule set forth in section 2502(a)(2) if the amount with respect to which such tentative tax is to be computed were $10,000,000' for 'the applicable credit amount in effect under section 2010(c) which would apply if the donor died as of the end of the calendar year'.*

*''(2) INFLATION ADJUSTMENT.—*

*''(A) IN GENERAL.—In the case of any calendar year after 2024, the dollar amount in subsection (a)(1) (after application of this subsection) shall be increased by an amount equal to—*

*''(i) such dollar amount, multiplied by*

''(ii) the cost-of-living adjustment determined under section 1(c)(2)(A) of such calendar year by substituting 'calendar year 2011' for 'calendar year 2016' in clause (ii) thereof.

''(B) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''.

(3) OTHER CONFORMING AMENDMENTS RELATED TO GIFT TAX.—Section 2801 is amended by adding at the end the following new subsection:

''(g) GIFTS RECEIVED AFTER 2024.—In the case of a gift received after December 31, 2024, subsection (a)(1) shall be applied by substituting 'section 2502(a)(2)' for 'section 2001(c) as in effect on the date of such receipt'.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, after December 31, 2024.

## TITLE II—ALTERNATIVE MINIMUM TAX REPEAL

### SEC. 2001. REPEAL OF ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subchapter A of chapter 1 is amended by striking part VI (and by striking the item relating to such part in the table of parts for subchapter A).

(b) CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—

(1) LIMITATION.—Subsection (c) of section 53 is amended to read as follows:

''(c) LIMITATION.—The credit allowable under subsection (a) shall not exceed the regular tax liability of the taxpayer reduced by the sum of the credits allowed under subparts A, B, and D.''.

(2) CREDITS TREATED AS REFUNDABLE.—Section 53 is amended by adding at the end the following new subsection:

''(e) PORTION OF CREDIT TREATED AS REFUNDABLE.—

''(1) IN GENERAL.—In the case of any taxable year beginning in 2019, 2020, 2021, or 2022, the limitation under subsection (c) shall be increased by the AMT refundable credit amount for such year.

''(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1), the AMT refundable credit amount is an amount equal to 50 percent (100 percent in the case of a taxable year beginning in 2022) of the excess (if any) of—

''(A) the minimum tax credit determined under subsection (b) for the taxable year, over

''(B) the minimum tax credit allowed under subsection (a) for such year (before the application of this subsection for such year).

''(3) CREDIT REFUNDABLE.—For purposes of this title (other than this section), the credit allowed by reason of this subsection shall be treated as a credit allowed under subpart C (and not this subpart).

''(4) SHORT TAXABLE YEARS.—In the case of any taxable year of less than 365 days, the AMT refundable credit amount determined under paragraph (2) with respect to such taxable year shall be the amount which bears the same ratio to such amount determined without regard to this paragraph as the number of days in such taxable year bears to 365.''.

(3) TREATMENT OF REFERENCES.—Section 53(d) is amended by adding at the end the following new paragraph:

''(3) AMT TERM REFERENCES.—Any references in this subsection to section 55, 56, or 57 shall be treated as a reference to such section as in effect before its repeal by the Tax Cuts and Jobs Act.''.

(c) CONFORMING AMENDMENTS RELATED TO AMT REPEAL.—

(1) Section 2(d) is amended by striking ''sections 1 and 55'' and inserting ''section 1''.

(2) Section 5(a) is amended by striking paragraph (4).

(3) Section 11(d) is amended by striking ''the taxes imposed by subsection (a) and section 55'' and inserting ''the tax imposed by subsection (a)''.

(4) Section 12 is amended by striking paragraph (7).

(5) Section 26(a) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year.''.

(6) Section 26(b)(2) is amended by striking subparagraph (A).

(7) Section 26 is amended by striking subsection (c).

(8) Section 38(c) is amended—

(A) by striking paragraphs (1) through (5),

(B) by redesignating paragraph (6) as paragraph (2),

(C) by inserting before paragraph (2) (as so redesignated) the following new paragraph:

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the sum of—

''(i) so much of the regular tax liability as does not exceed $25,000, plus

''(ii) 75 percent of so much of the regular tax liability as exceeds $25,000, over

''(B) the sum of the credits allowable under subparts A and B of this part.'', and

(D) by striking ''subparagraph (B) of paragraph (1)'' each place it appears in paragraph (2) (as so redesignated) and inserting ''clauses (i) and (ii) of paragraph (1)(A)''.

(9) Section 39(a) is amended—

(A) by striking ''or the eligible small business credits'' in paragraph (3)(A), and

(B) by striking paragraph (4).

(10) Section 45D(g)(4)(B) is amended by striking ''or for purposes of section 55''.

(11) Section 54(c)(1) is amended to read as follows:

''(1) regular tax liability (as defined in section 26(b)), over''.

(12) Section 54A(c)(1)(A) is amended to read as follows:

''(A) regular tax liability (as defined in section 26(b)), over''.

(13) Section 148(b)(3) is amended to read as follows:

''(3) TAX-EXEMPT BONDS NOT TREATED AS INVESTMENT PROPERTY.—The term 'investment property' does not include any tax-exempt bond.''.

(14) Section 168(k)(2) is amended by striking subparagraph (G).

(15) Section 168(k) is amended by striking paragraph (4).

(16) Section 168(k)(5) is amended by striking subparagraph (E).

(17) Section 168(m)(2)(B)(i) is amended by striking ''(determined without regard to paragraph (4) thereof)''.

(18) Section 168(m)(2) is amended by striking subparagraph (D).

(19) Section 173 is amended by striking subsection (b).

(20) Section 263(c) is amended by striking ''section 59(e) or 291'' and inserting ''section 291''.

(21) Section 263A(c) is amended by striking paragraph (6) and by redesignating paragraph (7) (as amended) as paragraph (6).

(22) Section 382(l) is amended by striking paragraph (7) and by redesignating paragraph (8) as paragraph (7).

(23) Section 443 is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(24) Section 616 is amended by striking subsection (e).

(25) Section 617 is amended by striking subsection (i).

(26) Section 641(c) is amended—

(A) in paragraph (2) by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively, and

(B) in paragraph (3), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(27) Subsections (b) and (c) of section 666 are each amended by striking ''(other than the tax imposed by section 55)''.

(28) Section 848 is amended by striking subsection (i).

(29) Section 860E(a) is amended by striking paragraph (4).

(30) Section 871(b)(1) is amended by striking ''or 55''.

(31) Section 882(a)(1) is amended by striking ''55,''.

(32) Section 897(a) is amended to read as follows:

''(a) TREATMENT AS EFFECTIVELY CONNECTED WITH UNITED STATES TRADE OR BUSINESS.—For purposes of this title, gain or loss of a nonresident alien individual or a foreign corporation from the disposition of a United States real property interest shall be taken into account—

''(1) in the case of a nonresident alien individual, under section 871(b)(1), or

''(2) in the case of a foreign corporation, under section 882(a)(1),

as if the taxpayer were engaged in a trade or business within the United States during the taxable year and as if such gain or loss were effectively connected with such trade or business.''.

(33) Section 904(k) is amended to read as follows:

''(k) CROSS REFERENCE.—For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a prior taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(b).''.

(34) Section 911(f) is amended to read as follows:

''(f) DETERMINATION OF TAX LIABILITY.—

''(1) IN GENERAL.—If, for any taxable year, any amount is excluded from gross income of a taxpayer under subsection (a), then, notwithstanding section 1, if such taxpayer has taxable income for such taxable year, the tax imposed by section 1 for such taxable year shall be equal to the excess (if any) of—

''(A) the tax which would be imposed by section 1 for such taxable year if the taxpayer's taxable income were increased by the amount excluded under subsection (a) for such taxable year, over

''(B) the tax which would be imposed by section 1 for such taxable year if the taxpayer's taxable income were equal to the amount excluded under subsection (a) for such taxable year.

For purposes of this paragraph, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.

''(2) TREATMENT OF CAPITAL GAIN EXCESS.—

''(A) IN GENERAL.—In applying section 1(h) for purposes of determining the tax under paragraph (1)(A) for any taxable year in which, without regard to this subsection, the taxpayer's net capital gain exceeds taxable income (hereafter in this subparagraph referred to as the capital gain excess)—

''(i) the taxpayer's net capital gain (determined without regard to section 1(h)(11)) shall be reduced (but not below zero) by such capital gain excess,

''(ii) the taxpayer's qualified dividend income shall be reduced by so much of such capital gain excess as exceeds the taxpayer's net capital gain (determined without regard to section 1(h)(11) and the reduction under clause (i)), and

''(iii) adjusted net capital gain, unrecaptured section 1250 gain, and 28-percent rate gain shall each be determined after increasing the amount described in section 1(h)(4)(B) by such capital gain excess.

''(B) DEFINITIONS.—Terms used in this paragraph which are also used in section 1(h) shall have the respective meanings given such terms by section 1(h).''.

(35) Section 962(a)(1) is amended—

(A) by striking ''sections 1 and 55'' and inserting ''section 1'', and

(B) by striking ''sections 11 and 55'' and inserting ''section 11''.

(36) Section 1016(a) is amended by striking paragraph (20).

(37) Section 1202(a)(4) is amended by inserting ''and'' at the end of subparagraph (A), by striking '', and'' and inserting a period at the end of subparagraph (B), and by striking subparagraph (C).

(38) Section 1374(b)(3)(B) is amended by striking the last sentence thereof.

(39) Section 1561(a) is amended—

(A) by inserting ''and'' at the end of paragraph (1), by striking '', and'' at the end of paragraph (2) and inserting a period, and by striking paragraph (3), and

(B) by striking the last sentence.

(40) Section 6015(d)(2)(B) is amended by striking ''or 55''.

(41) Section 6211(b)(4)(A) is amended by striking'', 168(k)(4)''.

(42) Section 6425(c)(1)(A) is amended to read as follows:

''(A) the tax imposed under section 11 or subchapter L of chapter 1, whichever is applicable, over''.

(43) Section 6654(d)(2) is amended—

(A) in clause (i) of subparagraph (B), by striking '', alternative minimum taxable income,'', and

(B) in clause (i) of subparagraph (C), by striking '', alternative minimum taxable income,''.

(44) Section 6655(e)(2)(B)(i) is amended by striking ''The taxable income and alternative minimum taxable income shall'' and inserting ''Taxable income shall''.

(45) Section 6655(g)(1)(A) is amended by adding ''plus'' at the end of clause (i), by striking clause (ii), and by redesignating clause (iii) as clause (ii).

(46) Section 6662(e)(3)(C) is amended by striking ''the regular tax (as defined in section 55(c))'' and inserting ''the regular tax liability (as defined in section 26(b))''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) PRIOR ELECTIONS WITH RESPECT TO CERTAIN TAX PREFERENCES.—So much of the amendment made by subsection (a) as relates to the repeal of section 59(e) of the Internal Revenue Code of 1986 shall apply to amounts paid or incurred after December 31, 2017.

(3) TREATMENT OF NET OPERATING LOSS CARRYBACKS.—For purposes of section 56(d) of the Internal Revenue Code of 1986 (as in effect before its repeal), the amount of any net operating loss which may be carried back from a taxable year beginning after December 31, 2017, to taxable years beginning before January 1, 2018, shall be determined without regard to any adjustments under section 56(d)(2)(A) of such Code (as so in effect).

## TITLE III—BUSINESS TAX REFORM

### Subtitle A—Tax Rates

**SEC. 3001. REDUCTION IN CORPORATE TAX RATE.**

(a) IN GENERAL.—Section 11(b) is amended to read as follows:

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the tax imposed by subsection (a) shall be 20 percent of taxable income.

''(2) SPECIAL RULE FOR PERSONAL SERVICE CORPORATIONS.—

''(A) IN GENERAL.—In the case of a personal service corporation (as defined in section 448(d)(2)), the amount of the tax imposed by subsection (a) shall be 25 percent of taxable income.

''(B) REFERENCES TO CORPORATE RATE.—Any reference to the rate imposed under this section or to the highest rate in effect under this section (or any similar reference) shall be determined without regard to the rate imposed with respect to personal service corporations (as so defined).''.

(b) CONFORMING AMENDMENTS.—

(1)(A) Part I of subchapter P of chapter 1 is amended by striking section 1201 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 12 is amended by striking paragraph (4).

(C) Section 527(b) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes ''is hereby imposed'' and inserting:

''(b) TAX IMPOSED.—A tax''.

(D) Section 594(a) is amended by striking ''taxes imposed by section 11 or 1201(a)'' and inserting ''tax imposed by section 11''.

(E) Section 691(c)(4) is amended by striking ''1201,''.

(F) Section 801(a) is amended—

(i) by striking paragraph (2), and

(ii) by striking all that precedes ''is hereby imposed'' and inserting:

''(a) TAX IMPOSED.—A tax''.

(G) Section 831(e) is amended by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(H) Sections 832(c)(5) and 834(b)(1)(D) are each amended by striking ''sec. 1201 and following,''.

(I) Section 852(b)(3)(A) is amended by striking ''section 1201(a)'' and inserting ''section 11(b)(1)''.

(J) Section 857(b)(3) is amended—

(i) by striking subparagraph (A) and redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively,

(ii) in subparagraph (C), as so redesignated—

(I) by striking ''subparagraph (A)(ii)'' in clause (i) thereof and inserting ''paragraph (1)'',

(II) by striking ''the tax imposed by subparagraph (A)(ii)'' in clauses (ii) and (iv) thereof and inserting ''the tax imposed by paragraph (1) on undistributed capital gain'',

(iii) in subparagraph (E), as so redesignated, by striking ''subparagraph (B) or (D)'' and inserting ''subparagraph (A) or (C)'', and

(iv) by adding at the end the following new subparagraph:

''(F) UNDISTRIBUTED CAPITAL GAIN.—For purposes of this paragraph, the term 'undistributed capital gain' means the excess of the net capital gain over the deduction for dividends paid (as defined in section 561) determined with reference to capital gain dividends only.''.

(K) Section 882(a)(1) is amended by striking '', or 1201(a)''.

(L) Section 1374(b) is amended by striking paragraph (4).

(M) Section 1381(b) is amended by striking ''taxes imposed by section 11 or 1201'' and inserting ''tax imposed by section 11''.

(N) Section 6655(g)(1)(A)(i) is amended by striking ''or 1201(a),''.

(O) Section 7518(g)(6)(A) is amended by striking ''or 1201(a)''.

(2) Section 1445(e)(1) is amended by striking ''35 percent (or, to the extent provided in regulations, 20 percent)'' and inserting ''20 percent''.

(3) Section 1445(e)(2) is amended by striking ''35 percent'' and inserting ''20 percent''.

(4) Section 1445(e)(6) is amended by striking ''35 percent (or, to the extent provided in regulations, 20 percent)'' and inserting ''20 percent''.

(5)(A) Part I of subchapter B of chapter 5 is amended by striking the item relating to such section in the table of sections for such part).

(B) Section 12 is amended by striking paragraph (6).

(C) Section 535(c)(5) is amended to read as follows:

''(5) CROSS REFERENCE.—For limitation on credit provided in paragraph (2) or (3) in the case of certain controlled corporations, see section 1561.''.

(6)(A) Section 1561, as amended by the preceding provisions of this Act, is amended to read as follows:

**''SEC. 1561. LIMITATION ON ACCUMULATED EARNINGS CREDIT IN THE CASE OF CERTAIN CONTROLLED CORPORATIONS.**

''(a) IN GENERAL.—The component members of a controlled group of corporations on a December 31 shall, for their taxable years which include such December 31, be limited for purposes of this subtitle to one $250,000 ($150,000 if any component member is a corporation described in section 535(c)(2)(B)) amount for purposes of computing the accumulated earnings credit under section 535(c)(2) and (3). Such amount shall be divided equally among the component members of such group on such December 31 unless the Secretary prescribes regulations permitting an unequal allocation of such amount.

''(b) CERTAIN SHORT TAXABLE YEARS.—If a corporation has a short taxable year which does not include a December 31 and is a component member of a controlled group of corporations with respect to such taxable year, then for purposes of this subtitle, the amount to be used in computing the accumulated earnings credit under section 535(c)(2) and (3) of such corporation for such taxable year shall be the amount specified in subsection (a) with respect to such group, divided by the number of corporations which are component members of such group on the last day of such taxable year. For purposes of the preceding sentence, section 1563(b) shall be applied as if such last day were substituted for December 31.''.

(B) The table of sections for part II of subchapter B of chapter 5 is amended by striking the item relating to section 1561 and inserting the following new item:

''Sec. 1561. Limitation on accumulated earnings credit in the case of certain controlled corporations.''.

(7) Section 7518(g)(6)(A) is amended—

(A) by striking ''With respect to the portion'' and inserting ''In the case of a taxpayer other than a corporation, with respect to the portion'', and

(B) by striking ''(34 percent in the case of a corporation)''.

(c) REDUCTION IN DIVIDEND RECEIVED DEDUCTIONS TO REFLECT LOWER CORPORATE INCOME TAX RATES.—

(1) DIVIDENDS RECEIVED BY CORPORATIONS.—

(A) IN GENERAL.—Section 243(a)(1) is amended by striking ''70 percent'' and inserting ''50 percent''.

(B) DIVIDENDS FROM 20-PERCENT OWNED CORPORATIONS.—Section 243(c)(1) is amended—

(i) by striking ''80 percent'' and inserting ''65 percent'', and

(ii) by striking ''70 percent'' and inserting ''50 percent''.

(C) CONFORMING AMENDMENT.—The heading for section 243(c) is amended by striking ''RETENTION OF 80-PERCENT DIVIDEND RECEIVED DEDUCTION'' and inserting ''INCREASED PERCENTAGE''.

(2) DIVIDENDS RECEIVED FROM FSC.—Section 245(c)(1)(B) is amended—

(A) by striking ''70 percent'' and inserting ''50 percent'', and

(B) by striking ''80 percent'' and inserting ''65 percent''.

(3) LIMITATION ON AGGREGATE AMOUNT OF DEDUCTIONS.—Section 246(b)(3) is amended—

(A) by striking ''80 percent'' in subparagraph (A) and inserting ''65 percent'', and

(B) by striking ''70 percent'' in subparagraph (B) and inserting ''50 percent''.

(4) REDUCTION IN DEDUCTION WHERE PORTFOLIO STOCK IS DEBT-FINANCED.—Section 246A(a)(1) is amended—

(A) by striking ''70 percent'' and inserting ''50 percent'', and

(B) by striking ''80 percent'' and inserting ''65 percent''.

(5) INCOME FROM SOURCES WITHIN THE UNITED STATES.—Section 861(a)(2) is amended—

(A) by striking ''100/70th'' and inserting ''100/50th'' in subparagraph (B), and

(B) in the flush sentence at the end—

(i) by striking ''100/80th'' and inserting ''100/65th'', and

(ii) by striking ''100/70th'' and inserting ''100/50th''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) CERTAIN CONFORMING AMENDMENTS.—The amendments made by paragraphs (2), (3), and (4) of subsection (b) shall apply to distributions after December 31, 2017.

(e) NORMALIZATION REQUIREMENTS.—

(1) IN GENERAL.—A normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method.

(2) ALTERNATIVE METHOD FOR CERTAIN TAXPAYERS.—If, as of the first day of the taxable year that includes the date of enactment of this Act—

(A) the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and

(B) the taxpayer's books and underlying records did not contain the vintage account data necessary to apply the average rate assumption method,

the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the alternative method for public utility property that is subject to the regulatory authority of that jurisdiction.

(3) DEFINITIONS.—For purposes of this subsection—

(A) EXCESS TAX RESERVE.—The term ''excess tax reserve'' means the excess of—

(i) the reserve for deferred taxes (as described in section 168(i)(9)(A)(ii) of the Internal Revenue Code of 1986 as in effect on the day before the date of the enactment of this Act), over

(ii) the amount which would be the balance in such reserve if the amount of such reserve were determined by assuming that the corporate rate reductions provided in this Act were in effect for all prior periods.

(B) AVERAGE RATE ASSUMPTION METHOD.—The average rate assumption method is the method under which the excess in the reserve for deferred taxes is reduced over the remaining lives of the property as used in its regulated books of account which gave rise to the reserve for deferred taxes. Under such method, if timing differences for the property reverse, the amount of the adjustment to the reserve for the deferred taxes is calculated by multiplying—

(i) the ratio of the aggregate deferred taxes for the property to the aggregate timing differences for the property as of the beginning of the period in question, by

(ii) the amount of the timing differences which reverse during such period.

(C) ALTERNATIVE METHOD.—The ''alternative method'' is the method in which the taxpayer—

(i) computes the excess tax reserve on all public utility property included in the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and

(ii) reduces the excess tax reserve ratably over the remaining regulatory life of the property.

(4) TAX INCREASED FOR NORMALIZATION VIOLATION.—If, for any taxable year ending after the date of the enactment of this Act, the taxpayer does not use a normalization method of accounting, the taxpayer's tax for the taxable year shall be increased by the amount by which it reduces its excess tax reserve more rapidly than permitted under a normalization method of accounting.

### Subtitle B—Cost Recovery

**SEC. 3101. INCREASED EXPENSING.**

(a) 100 PERCENT EXPENSING.—Section 168(k)(1)(A) is amended by striking ''50 percent'' and inserting ''100 percent''.

(b) EXTENSION THROUGH JANUARY 1, 2023.—Section 168(k)(2) is amended—

(1) in subparagraph (A)(iii), by striking ''January 1, 2020'' and inserting ''January 1, 2023'',

(2) in subparagraph (B)(i)(II), by striking ''January 1, 2021'' and inserting ''January 1, 2024'',

(3) in subparagraph (B)(i)(III), by striking ''January 1, 2020'' and inserting ''January 1, 2023'',

(4) in subparagraph (B)(ii), by striking ''January 1, 2020'' in each place it appears and inserting ''January 1, 2023'', and

(5) in subparagraph (E)(i), by striking ''January 1, 2020'' and replacing it with ''January 1, 2023''.

(c) APPLICATION TO USED PROPERTY.—

(1) IN GENERAL.—Section 168(k)(2)(A)(ii) is amended to read as follows:

''(ii) the original use of which begins with the taxpayer or the acquisition of which by the taxpayer meets the requirements of clause (ii) of subparagraph (E), and''.

(2) ACQUISITION REQUIREMENTS.—Section 168(k)(2)(E)(ii) is amended to read as follows:

''(ii) ACQUISITION REQUIREMENTS.—An acquisition of property meets the requirements of this clause if—

''(I) such property was not used by the taxpayer at any time prior to such acquisition, and

''(II) the acquisition of such property meets the requirements of paragraphs (2)(A), (2)(B), (2)(C), and (3) of section 179(d).'',

(3) ANTI-ABUSE RULES.—Section 168(k)(2)(E) is further amended by amending clause (iii)(I) to read as follows:

''(I) property is used by a lessor of such property and such use is the lessor's first use of such property,''.

(d) EXCEPTION FOR CERTAIN TRADES AND BUSINESSES NOT SUBJECT TO LIMITATION ON INTEREST EXPENSE.—Section 168(k)(2), as amended by section 2001, is amended by inserting after subparagraph (F) the following new subparagraph:

''(G) EXCEPTION FOR PROPERTY OF CERTAIN BUSINESSES NOT SUBJECT TO LIMITATION ON INTEREST EXPENSE.—The term 'qualified property' shall not include any property used in—

''(i) a trade or business described in subparagraph (B) or (C) of section 163(j)(7), or

''(ii) a trade or business that has had floor plan financing indebtedness (as defined in paragraph (9) of section 163(j)), if the floor plan financing interest related to such indebtedness was taken into account under paragraph (1)(C) of such section.''.

(e) COORDINATION WITH SECTION 280F.—Section 168(k)(2)(F) is amended—

(1) by striking ''$8,000'' in clauses (i) and (iii) and inserting ''$16,000'', and

(2) in clause (iii)—

(A) by striking ''placed in service by the taxpayer after December 31, 2017'' and inserting ''acquired by the taxpayer before September 28, 2017, and placed in service by the taxpayer after September 27, 2017'', and

(B) by redesignating subclauses (I) and (II) as subclauses (II) and (III) respectively, and inserting before clause (II), as so redesignated, the following new subclause:

''(I) in the case of a passenger automobile placed in service before January 1, 2018, '$8,000',''.

(f) CONFORMING AMENDMENTS.—

(1) Section 168(k)(2)(B)(i)(III), as amended, is amended by inserting ''binding'' before ''contract''.

(2) Section 168(k)(5) is amended by—

(A) by striking ''January 1, 2020'' in subparagraph (A) and inserting ''January 1, 2023'',

(B) by striking ''50 percent'' in subparagraph (A)(i) and inserting ''100 percent'', and

(C) by striking subparagraph (F).

(3) Section 168(k)(6) is amended to read as follows:

''(6) PHASE DOWN.—In the case of qualified property acquired by the taxpayer before September 28, 2017, and placed in service by the taxpayer after September 27, 2017, paragraph (1)(A) shall be applied by substituting for '100 percent'—

''(A) '50 percent' in the case of—

''(i) property placed in service before January 1, 2018, and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service in 2018,

''(B) '40 percent' in the case of—

''(i) property placed in service in 2018 (other than property described in subparagraph (B) or (C) of paragraph (2)), and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service in 2019, and

''(C) '30 percent' in the case of—

''(i) property placed in service in 2019 (other than property described in subparagraph (B) or (C) of paragraph (2)), and

''(ii) property described in subparagraph (B) or (C) of paragraph (2) which is placed in service in 2020.''.

(4) The heading of section 168(k) is amended by striking ''SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER DECEMBER 31, 2007, AND BEFORE JANUARY 1, 2020'' and inserting ''FULL EXPENSING OF CERTAIN PROPERTY''.

(5) Section 460(c)(6)(B)(ii) is amended by striking ''January 1, 2020 (January 1, 2021 in the case of property described in section 168(k)(2)(B))'' and inserting ''January 1, 2023 (January 1, 2024 in the case of property described in section 168(k)(2)(B))''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except at provided by paragraph (2), the amendments made by this section shall apply to property which—

(A) is acquired after September 27, 2017, and

(B) is placed in service after such date.

For purposes of the preceding sentence, property shall not be treated as acquired after the date on which a written binding contract is entered into for such acquisition.

(2) SPECIFIED PLANTS.—The amendments made by subsection (f)(2) shall apply to specified plants planted or grafted after September 27, 2017.

(3) TRANSITION RULE.—In the case of any taxpayer's first taxable year ending after September 27, 2017, the taxpayer may elect (at such time and in such form and manner as the Secretary of the Treasury, or his designee, may provide) to apply section 168 of the Internal Revenue Code of 1986 without regard to the amendments made by this section.

(4) LIMITATION ON NET OPERATING LOSS CARRYBACKS ATTRIBUTABLE TO FULL EXPENSING.—In the case of any taxable year which includes any portion of the period beginning on September 28, 2017, and ending on December 31, 2017, the amount of any net operating loss for such taxable year which may be treated as a net operating loss carryback (including any such carryback attributable to any specified liability loss under section 172(b)(1)(C), any corporate equity reduction interest loss under section 172(b)(1)(D), any eligible loss under section 172(b)(1)(E), and any farming loss under section 172(b)(1)(F)) shall be determined without regard to the amendments made by this section. For purposes of this paragraph, terms which are used in section 172 of the Internal Revenue Code of 1986 (determined without regard to the

amendments made by section 3302) shall have the same meaning as when used in such section.

**Subtitle C—Small Business Reforms**

**SEC. 3201. EXPANSION OF SECTION 179 EXPENSING.**

(a) INCREASED DOLLAR LIMITATIONS.—

(1) IN GENERAL.—Section 179(b) is amended—

(A) by inserting ''($5,000,000, in the case of taxable years beginning before January 1, 2023)'' after ''$500,000'' in paragraph (1), and

(B) by inserting ''($20,000,000, in the case of taxable years beginning before January 1, 2023)'' after ''$2,000,000'' in paragraph (2).

(2) INFLATION ADJUSTMENT.—Section 179(b)(6) is amended to read as follows:

''(6) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of a taxable year beginning after 2015 (2018 in the case of the $5,000,000 and $20,000,000 amounts in subsection (b)), each dollar amount in subsection (b) shall be increased by an amount equal to such dollar amount multiplied by—

''(i) in the case of the $500,000 and $2,000,000 amounts in subsection (b), the cost-of-living adjustment determined under section 1(c)(2) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2014' for 'calendar year 2016' in subparagraph (A)(ii) thereof, and

''(ii) in the case of the $5,000,000 and $20,000,000 amounts in subsection (b), the cost-of-living adjustment determined under section 1(c)(2) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(B) ROUNDING.—The amount of any increase under subparagraph (A) shall be rounded to the nearest multiple of $10,000 ($100,000 in the case of the $5,000,000 and $20,000,000 amounts in subsection (b)).''.

(b) APPLICATION TO QUALIFIED ENERGY EFFICIENT HEATING AND AIR-CONDITIONING PROPERTY.—

(1) IN GENERAL.—Section 179(f)(2) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) qualified energy efficient heating and air-conditioning property.''.

(2) QUALIFIED ENERGY EFFICIENT HEATING AND AIR-CONDITIONING PROPERTY.—Section 179(f) is amended by adding at the end the following new paragraph:

''(3) QUALIFIED ENERGY EFFICIENT HEATING AND AIR-CONDITIONING PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified energy efficient heating and air-conditioning property' means any section 1250 property—

''(i) with respect to which depreciation (or amortization in lieu of depreciation) is allowable,

''(ii) which is installed as part of a building's heating, cooling, ventilation, or hot water system, and

''(iii) which is within the scope of Standard 90.1–2007 or any successor standard.

''(B) STANDARD 90.1–2007.—The term 'Standard 90.1–2007' means Standard 90.1–2007 of the American Society of Heating, Refrigerating and Air-Conditioning Engineers and the Illuminating Engineering Society of North America (as in effect on the day before the date of the adoption of Standard 90.1–2010 of such Societies).''.

(c) EFFECTIVE DATE.—

(1) INCREASED DOLLAR LIMITATIONS.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2017.

(2) APPLICATION TO QUALIFIED ENERGY EFFICIENT HEATING AND AIR-CONDITIONING PROPERTY.—The amendments made by subsection (b) shall apply to property acquired and placed in service after November 2, 2017. For purposes of the preceding sentence, property shall not be treated as acquired after the date on which a written binding contract is entered into for such acquisition.

**SEC. 3202. SMALL BUSINESS ACCOUNTING METHOD REFORM AND SIMPLIFICATION.**

(a) MODIFICATION OF LIMITATION ON CASH METHOD OF ACCOUNTING.—

(1) INCREASED LIMITATION.—So much of section 448(c) as precedes paragraph (2) is amended to read as follows:

''(c) GROSS RECEIPTS TEST.—For purposes of this section—

''(1) IN GENERAL.—A corporation or partnership meets the gross receipts test of this subsection for any taxable year if the average annual gross receipts of such entity for the 3-taxable-year period ending with the taxable year which precedes such taxable year does not exceed $25,000,000.''.

(2) APPLICATION OF EXCEPTION ON ANNUAL BASIS.—Section 448(b)(3) is amended to read as follows:

''(3) ENTITIES WHICH MEET GROSS RECEIPTS TEST.—Paragraphs (1) and (2) of subsection (a) shall not apply to any corporation or partnership for any taxable year if such entity (or any predecessor) meets the gross receipts test of subsection (c) for such taxable year.''.

(3) INFLATION ADJUSTMENT.—Section 448(c) is amended by adding at the end the following new paragraph:

''(4) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning after December 31, 2018, the dollar amount in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(c)(2) for the calendar year in which the taxable year begins, by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of $1,000,000, such amount shall be rounded to the nearest multiple of $1,000,000.''.

(4) COORDINATION WITH SECTION 481.—Section 448(d)(7) is amended to read as follows:

''(7) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this section shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(5) APPLICATION OF EXCEPTION TO CORPORATIONS ENGAGED IN FARMING.—

(A) IN GENERAL.—Section 447(c) is amended—

(i) by inserting ''for any taxable year'' after ''not being a corporation'' in the matter preceding paragraph (1), and

(ii) by amending paragraph (2) to read as follows:

''(2) a corporation which meets the gross receipts test of section 448(c) for such taxable year.''.

(B) COORDINATION WITH SECTION 481.—Section 447(f) is amended to read as follows:

''(f) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this section shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(C) CONFORMING AMENDMENTS.—Section 447 is amended—

(i) by striking subsections (d), (e), (h), and (i), and

(ii) by redesignating subsections (f) and (g) (as amended by subparagraph (B)) as subsections (d) and (e), respectively.

(b) EXEMPTION FROM UNICAP REQUIREMENTS.—

(1) IN GENERAL.—Section 263A is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—

''(1) IN GENERAL.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for any taxable year, this section shall not apply with respect to such taxpayer for such taxable year.

''(2) APPLICATION OF GROSS RECEIPTS TEST TO INDIVIDUALS, ETC.— In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if each trade or business of such taxpayer were a corporation or partnership.

''(3) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this subsection shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 263A(b)(2) is amended to read as follows:

''(2) PROPERTY ACQUIRED FOR RESALE.—Real or personal property described in section 1221(a)(1) which is acquired by the taxpayer for resale.''.

(c) EXEMPTION FROM INVENTORIES.—Section 471 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—

''(1) IN GENERAL.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for any taxable year—

''(A) subsection (a) shall not apply with respect to such taxpayer for such taxable year, and

''(B) the taxpayer's method of accounting for inventory for such taxable year shall not be treated as failing to clearly reflect income if such method either—

''(i) treats inventory as non-incidental materials and supplies, or

''(ii) conforms to such taxpayer's method of accounting reflected in an applicable financial statement of the taxpayer with respect to such taxable year or, if the taxpayer does not have any applicable financial statement with respect to such taxable year, the books and records of the taxpayer prepared in accordance with the taxpayer's accounting procedures.

''(2) APPLICABLE FINANCIAL STATEMENT.—For purposes of this subsection, the term 'applicable financial statement' means—

''(A) a financial statement which is certified as being prepared in accordance with generally accepted accounting principles and which is—

''(i) a 10-K (or successor form), or annual statement to shareholders, required to be filed by the taxpayer with the United States Securities and Exchange Commission,

''(ii) an audited financial statement of the taxpayer which is used for—

''(I) credit purposes,

''(II) reporting to shareholders, partners, or other proprietors, or to beneficiaries, or

''(III) any other substantial nontax purpose,

but only if there is no statement of the taxpayer described in clause (i), or

''(iii) filed by the taxpayer with any other Federal or State agency for nontax purposes, but only if there is no statement of the taxpayer described in clause (i) or (ii), or

''(B) a financial statement of the taxpayer which—

''(i) is used for a purpose described in subclause (I), (II), or (III) of subparagraph (A)(ii), or

''(ii) filed by the taxpayer with any regulatory or governmental body (whether domestic or foreign) specified by the Secretary,

but only if there is no statement of the taxpayer described in subparagraph (A).

''(3) APPLICATION OF GROSS RECEIPTS TEST TO INDIVIDUALS, ETC.—In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if each trade or

business of such taxpayer were a corporation or partnership.

''(4) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to this subsection shall be treated for purposes of section 481 as initiated by the taxpayer and made with the consent of the Secretary.''.

(d) EXEMPTION FROM PERCENTAGE COMPLETION FOR LONG-TERM CONTRACTS.—

(1) IN GENERAL.—Section 460(e)(1)(B) is amended—

(A) by inserting ''(other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3))'' after ''taxpayer'' in the matter preceding clause (i), and

(B) by amending clause (ii) to read as follows:

''(ii) who meets the gross receipts test of section 448(c) for the taxable year in which such contract is entered into.''.

(2) CONFORMING AMENDMENTS.—Section 460(e) is amended by striking paragraphs (2) and (3), by redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) RULES RELATED TO GROSS RECEIPTS TEST.—

''(A) APPLICATION OF GROSS RECEIPTS TEST TO INDIVIDUALS, ETC.— For purposes of paragraph (1)(B)(ii), in the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if each trade or business of such taxpayer were a corporation or partnership.

''(B) COORDINATION WITH SECTION 481.—Any change in method of accounting made pursuant to paragraph (1)(B)(ii) shall be treated as initiated by the taxpayer and made with the consent of the Secretary. Such change shall be effected on a cut-off basis for all similarly classified contracts entered into on or after the year of change.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) PRESERVATION OF SUSPENSE ACCOUNT RULES WITH RESPECT TO ANY EXISTING SUSPENSE ACCOUNTS.—So much of the amendments made by subsection (a)(5)(C) as relate to section 447(i) of the Internal Revenue Code of 1986 shall not apply with respect to any suspense account established under such section before the date of the enactment of this Act.

(3) EXEMPTION FROM PERCENTAGE COMPLETION FOR LONG-TERM CONTRACTS.—The amendments made by subsection (d) shall apply to contracts entered into after December 31, 2017, in taxable years ending after such date.

**SEC. 3203. SMALL BUSINESS EXCEPTION FROM LIMITATION ON DEDUCTION OF BUSINESS INTEREST.**

(a) IN GENERAL.—Section 163(j)(2), as amended by section 3301, is amended to read as follows:

''(2) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—In the case of any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under section 448(a)(3)) which meets the gross receipts test of section 448(c) for any taxable year, paragraph (1) shall not apply to such taxpayer for such taxable year. In the case of any taxpayer which is not a corporation or a partnership, the gross receipts test of section 448(c) shall be applied in the same manner as if such taxpayer were a corporation or partnership.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3204. MODIFICATION OF TREATMENT OF S CORPORATION CONVERSIONS TO C CORPORATIONS.**

(a) ADJUSTMENTS ATTRIBUTABLE TO CONVERSION FROM S CORPORATION TO C CORPORATION.—Section 481 is amended by adding at the end the following new subsection:

''(d) ADJUSTMENTS ATTRIBUTABLE TO CONVERSION FROM S CORPORATION TO C CORPORATION.—

''(1) IN GENERAL.—In the case of an eligible terminated S corporation, any adjustment required by subsection (a)(2) which is attributable to such corporation's revocation described in paragraph (2)(A)(ii) shall be taken into account ratably during the 6-taxable year period beginning with the year of change.

''(2) ELIGIBLE TERMINATED S CORPORATION.—For purposes of this subsection, the term 'eligible terminated S corporation' means any C corporation—

''(A) which—

''(i) was an S corporation on the day before the date of the enactment of the Tax Cuts and Jobs Act, and

''(ii) during the 2-year period beginning on the date of such enactment makes a revocation of its election under section 1362(a), and

''(B) the owners of the stock of which, determined on the date such revocation is made, are the same owners (and in identical proportions) as on the date of such enactment.''.

(b) CASH DISTRIBUTIONS FOLLOWING POST-TERMINATION TRANSITION PERIOD FROM S CORPORATION STATUS.—Section 1371 is amended by adding at the end the following new subsection:

''(f) CASH DISTRIBUTIONS FOLLOWING POST-TERMINATION TRANSITION PERIOD.—In the case of a distribution of money by an eligible terminated S corporation (as defined in section 481(d)) after the post-termination transition period, the accumulated adjustments account shall be allocated to such distribution, and the distribution shall be chargeable to accumulated earnings and profits, in the same ratio as the amount of such accumulated adjustments account bears to the amount of such accumulated earnings and profits.''.

***Subtitle D—Reform of Business-related Exclusions, Deductions, etc.***

**SEC. 3301. INTEREST.**

(a) IN GENERAL.—Section 163(j) is amended to read as follows:

''(j) LIMITATION ON BUSINESS INTEREST.—

''(1) IN GENERAL.—In the case of any taxpayer for any taxable year, the amount allowed as a deduction under this chapter for business interest shall not exceed the sum of—

''(A) the business interest income of such taxpayer for such taxable year,

''(B) 30 percent of the adjusted taxable income of such taxpayer for such taxable year, plus

''(C) the floor plan financing interest of such taxpayer for such taxable year.

The amount determined under subparagraph (B) (after any increases in such amount under paragraph (3)(A)(iii)) shall not be less than zero.

''(2) EXEMPTION FOR CERTAIN SMALL BUSINESSES.—For exemption for certain small businesses, see the amendment made by section 3203 of the Tax Cuts and Jobs Act.

''(3) APPLICATION TO PARTNERSHIPS, ETC.—

''(A) IN GENERAL.—In the case of any partnership—

''(i) this subsection shall be applied at the partnership level and any deduction for business interest shall be taken into account in determining the non-separately stated taxable income or loss of the partnership,

''(ii) the adjusted taxable income of each partner of such partnership shall be determined without regard to such partner's distributive share of the non-separately stated taxable income or loss of such partnership, and

''(iii) the amount determined under paragraph (1)(B) with respect to each partner of such partnership shall be increased by such partner's distributive share of such partnership's excess amount.

''(B) EXCESS AMOUNT.—The term 'excess amount' means, with respect to any partnership, the excess (if any) of—

''(i) 30 percent of the adjusted taxable income of the partnership, over

''(ii) the amount (if any) by which the business interest of the partnership, reduced by floor plan financing interest, exceeds the business interest income of the partnership.

''(C) APPLICATION TO S CORPORATIONS.—Rules similar to the rules of subparagraphs (A) and (B) shall apply with respect to any S corporation and its shareholders.

''(4) BUSINESS INTEREST.—For purposes of this subsection, the term 'business interest' means any interest paid or accrued on indebtedness properly allocable to a trade or business. Such term shall not include investment interest (within the meaning of subsection (d)).

''(5) BUSINESS INTEREST INCOME.—For purposes of this subsection, the term 'business interest income' means the amount of interest includible in the gross income of the taxpayer for the taxable year which is properly allocable to a trade or business. Such term shall not include investment income (within the meaning of subsection (d)).

''(6) ADJUSTED TAXABLE INCOME.—For purposes of this subsection, the term 'adjusted taxable income' means the taxable income of the taxpayer—

''(A) computed without regard to—

''(i) any item of income, gain, deduction, or loss which is not properly allocable to a trade or business,

''(ii) any business interest or business interest income,

''(iii) the amount of any net operating loss deduction under section 172, and

''(iv) any deduction allowable for depreciation, amortization, or depletion, and

''(B) computed with such other adjustments as the Secretary may provide.

''(7) TRADE OR BUSINESS.—For purposes of this subsection, the term 'trade or business' shall not include—

''(A) the trade or business of performing services as an employee,

''(B) a real property trade or business (as such term is defined in section 469(c)(7)(C)), or

''(C) the trade or business of the furnishing or sale of—

''(i) electrical energy, water, or sewage disposal services,

''(ii) gas or steam through a local distribution system, or

''(iii) transportation of gas or steam by pipeline,

if the rates for such furnishing or sale, as the case may be, have been established or approved by a State or political subdivision thereof, by any agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any State or political subdivision thereof.

''(8) CARRYFORWARD OF DISALLOWED INTEREST.—For carryforward of interest disallowed under paragraph (1), see subsection (o).

''(9) FLOOR PLAN FINANCING INTEREST DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'floor plan financing interest' means interest paid or accrued on floor plan financing indebtedness.

''(B) FLOOR PLAN FINANCING INDEBTEDNESS.—The term 'floor plan financing indebtedness' means indebtedness—

''(i) used to finance the acquisition of motor vehicles held for sale to retail customers, and

''(ii) secured by the inventory so acquired.

''(C) MOTOR VEHICLE.—The term 'motor vehicle' means a motor vehicle that is any of the following:

''(i) An automobile.

''(ii) A truck.

''(iii) A recreational vehicle.

''(iv) A motorcycle.

''(v) A boat.

''(vi) Farm machinery or equipment.

''(vii) Construction machinery or equipment.''.

(b) CARRYFORWARD OF DISALLOWED BUSINESS INTEREST.—Section 163, after amendment by section 4302(a) and before amendment by section

4302(b), is amended by inserting after subsection (n) the following new subsection:

''(o) CARRYFORWARD OF DISALLOWED BUSINESS INTEREST.—The amount of any business interest not allowed as a deduction for any taxable year by reason of subsection (j) shall be treated as business interest paid or accrued in the succeeding taxable year. Business interest paid or accrued in any taxable year (determined without regard to the preceding sentence) shall not be carried past the 5th taxable year following such taxable year, determined by treating business interest as allowed as a deduction on a first-in, first-out basis.''.

(c) TREATMENT OF CARRYFORWARD OF DISALLOWED BUSINESS INTEREST IN CERTAIN CORPORATE ACQUISITIONS.—

(1) IN GENERAL.—Section 381(c) is amended by inserting after paragraph (19) the following new paragraph:

''(20) CARRYFORWARD OF DISALLOWED INTEREST.—The carryover of disallowed interest described in section 163(o) to taxable years ending after the date of distribution or transfer.''.

(2) APPLICATION OF LIMITATION.—Section 382(d) is amended by adding at the end the following new paragraph:

''(3) APPLICATION TO CARRYFORWARD OF DISALLOWED INTEREST.—The term 'pre-change loss' shall include any carryover of disallowed interest described in section 163(o) under rules similar to the rules of paragraph (1).''.

(3) CONFORMING AMENDMENT.—Section 382(k)(1) is amended by inserting after the first sentence the following: ''Such term shall include any corporation entitled to use a carryforward of disallowed interest described in section 381(c)(20).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3302. MODIFICATION OF NET OPERATING LOSS DEDUCTION.**

(a) INDEFINITE CARRYFORWARD OF NET OPERATING LOSSES.—Section 172(b)(1)(A)(ii) is amended by striking ''to each of the 20 taxable years'' and inserting ''to each taxable year''.

(b) REPEAL OF NET OPERATING LOSS CARRYBACKS OTHER THAN 1-YEAR CARRYBACK OF ELIGIBLE DISASTER LOSSES.—

(1) IN GENERAL.—Section 172(b)(1)(A)(i) is amended to read as follows:

''(i) in the case of any portion of a net operating loss for the taxable year which is an eligible disaster loss with respect to the taxpayer, shall be a net operating loss carryback to the taxable year preceding the taxable year of such loss, and''.

(2) CONFORMING AMENDMENTS.—

(A) Section 172(b)(1) is amended by striking subparagraphs (B) through (F) and inserting the following:

''(B) ELIGIBLE DISASTER LOSS.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i), the term 'eligible disaster loss' means—

''(I) in the case of a taxpayer which is a small business, net operating losses attributable to federally declared disasters (as defined by section 165(i)(5)), and

''(II) in the case of a taxpayer engaged in the trade or business of farming, net operating losses attributable to such federally declared disasters.

''(ii) SMALL BUSINESS.—For purposes of this subparagraph, the term 'small business' means a corporation or partnership which meets the gross receipts test of section 448(c) (determined by substituting '$5,000,000' for '$25,000,000' each place it appears therein) for the taxable year in which the loss arose (or, in the case of a sole proprietorship, which would meet such test if such proprietorship were a corporation).

''(iii) TRADE OR BUSINESS OF FARMING.—For purposes of this subparagraph, the trade or business of farming shall include the trade or business of—

''(I) operating a nursery or sod farm, or

''(II) the raising or harvesting of trees bearing fruit, nuts, or other crops, or ornamental trees. For purposes of subclause (II), an evergreen tree which is more than 6 years old at the time severed from the roots shall not be treated as an ornamental tree.''.

(B) Section 172 is amended by striking subsections (f), (g), and (h).

(c) LIMITATION OF NET OPERATING LOSS TO 90 PERCENT OF TAXABLE INCOME.—

(1) IN GENERAL.—Section 172(a) is amended to read as follows:

''(a) DEDUCTION ALLOWED.—There shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

''(1) the aggregate of the net operating loss carryovers to such year, plus the net operating loss carrybacks to such year, or

''(2) 90 percent of taxable income computed without regard to the deduction allowable under this section.

For purposes of this subtitle, the term 'net operating loss deduction' means the deduction allowed by this subsection.''.

(2) COORDINATION OF LIMITATION WITH CARRYBACKS AND CARRYOVERS.—Section 172(b)(2) is amended by striking ''shall be computed—'' and all that follows and inserting ''shall—

''(A) be computed with the modifications specified in subsection (d) other than paragraphs (1), (4), and (5) thereof, and by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

''(B) not be considered to be less than zero, and

''(C) not exceed the amount determined under subsection (a)(2) for such prior taxable year.''.

(3) CONFORMING AMENDMENT.—Section 172(d)(6) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) subsection (a)(2) shall be applied by substituting 'real estate investment trust taxable income (as defined in section 857(b)(2) but without regard to the deduction for dividends paid (as defined in section 561))' for 'taxable income'.''.

(d) ANNUAL INCREASE OF INDEFINITE CARRYOVER AMOUNTS.—Section 172(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) ANNUAL INCREASE OF INDEFINITE CARRYOVER AMOUNTS.—For purposes of paragraph (2)—

''(A) the amount of any indefinite net operating loss which is carried to the next succeeding taxable year after the loss year (within the meaning of paragraph (2)) shall be increased by an amount equal to—

''(i) the amount of the loss which may be so carried over to such succeeding taxable year (determined without regard to this paragraph), multiplied by

''(ii) the sum of—

''(I) the annual Federal short-term rate (determined under section 1274(d)) for the last month ending before the beginning of such taxable year, plus

''(II) 4 percentage points, and

''(B) the amount of any indefinite net operating loss which is carried to any succeeding taxable year (after such next succeeding taxable year) shall be an amount equal to—

''(i) the excess of—

''(I) the amount of the loss carried to the prior taxable year (after any increase under this paragraph with respect to such amount), over

''(II) the amount by which such loss was reduced under paragraph (2) by reason of the taxable income for such prior taxable year, multiplied by

''(ii) a percentage equal to 100 percent plus the percentage determined under subparagraph (A)(ii) with respect to such succeeding taxable year.

For purposes of the preceding sentence, the term 'indefinite net operating loss' means any net operating loss arising in a taxable year beginning after December 31, 2017.''.

(e) EFFECTIVE DATE.—

(1) CARRYFORWARDS AND CARRYBACKS.—The amendments made by subsections (a) and (b) shall apply to net operating losses arising in taxable years beginning after December 31, 2017.

(2) NET OPERATING LOSS LIMITED TO 90 PERCENT OF TAXABLE INCOME.—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2017.

(3) ANNUAL INCREASE IN CARRYOVER AMOUNTS.—The amendments made by subsection (d) shall apply to amounts carried to taxable years beginning after December 31, 2017.

(4) SPECIAL RULE FOR NET DISASTER LOSSES.—Notwithstanding paragraph (1), the amendments made by subsection (b) shall not apply to the portion of the net operating loss for any taxable year which is a net disaster loss to which section 504(b) of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 applies.

**SEC. 3303. LIKE-KIND EXCHANGES OF REAL PROPERTY.**

(a) IN GENERAL.—Section 1031(a)(1) is amended by striking ''property'' each place it appears and inserting ''real property''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1031(a) is amended to read as follows:

''(2) EXCEPTION FOR REAL PROPERTY HELD FOR SALE.—This subsection shall not apply to any exchange of real property held primarily for sale.''.

(2) Section 1031 is amended by striking subsections (e) and (i).

(3) Section 1031, as amended by paragraph (2), is amended by inserting after subsection (d) the following new subsection:

''(e) APPLICATION TO CERTAIN PARTNERSHIPS.—For purposes of this section, an interest in a partnership which has in effect a valid election under section 761(a) to be excluded from the application of all of subchapter K shall be treated as an interest in each of the assets of such partnership and not as an interest in a partnership.''.

(4) Section 1031(h) is amended to read as follows:

''(h) SPECIAL RULES FOR FOREIGN REAL PROPERTY.—Real property located in the United States and real property located outside the United States are not property of a like kind.''.

(5) The heading of section 1031 is amended by striking ''**PROPERTY**'' and inserting ''**REAL PROPERTY**''.

(6) The table of sections for part III of subchapter O of chapter 1 is amended by striking the item relating to section 1031 and inserting the following new item:

''Sec. 1031. Exchange of real property held for productive use or investment.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to exchanges completed after December 31, 2017.

(2) TRANSITION RULE.—The amendments made by this section shall not apply to any exchange if—

(A) the property disposed of by the taxpayer in the exchange is disposed of on or before December 31 2017, or

(B) the property received by the taxpayer in the exchange is received on or before December 31, 2017.

**SEC. 3304. REVISION OF TREATMENT OF CONTRIBUTIONS TO CAPITAL.**

(a) INCLUSION OF CONTRIBUTIONS TO CAPITAL.—Part II of subchapter B of chapter 1 is amended by inserting after section 75 the following new section:

**''SEC. 76. CONTRIBUTIONS TO CAPITAL.**

''(a) IN GENERAL.—Gross income includes any contribution to the capital of any entity.

''(b) TREATMENT OF CONTRIBUTIONS IN EXCHANGE FOR STOCK, ETC.—

''(1) IN GENERAL.—In the case of any contribution of money or other property to a corporation in exchange for stock of such corporation—

''(A) such contribution shall not be treated for purposes of subsection (a) as a contribution to the capital of such corporation (and shall not be includible in the gross income of such corporation), and

''(B) no gain or loss shall be recognized to such corporation upon the issuance of such stock.

''(2) TREATMENT LIMITED TO VALUE OF STOCK.—For purposes of this subsection, a contribution of money or other property to a corporation shall be treated as being in exchange for stock of such corporation only to the extent that the fair market value of such money and other property does not exceed the fair market value of such stock.

''(3) APPLICATION TO ENTITIES OTHER THAN CORPORATIONS.—In the case of any entity other than a corporation, rules similar to the rules of paragraphs (1) and (2) shall apply in the case of any contribution of money or other property to such entity in exchange for any interest in such entity.

''(c) TREASURY STOCK TREATED AS STOCK.—Any reference in this section to stock shall be treated as including a reference to treasury stock.''.

(b) BASIS OF CORPORATION IN CONTRIBUTED PROPERTY.—

(1) CONTRIBUTIONS TO CAPITAL.—Subsection (c) of section 362 is amended to read as follows:

''(c) CONTRIBUTIONS TO CAPITAL.—If property other than money is transferred to a corporation as a contribution to the capital of such corporation (within the meaning of section 76) then the basis of such property shall be the greater of—

''(1) the basis determined in the hands of the transferor, increased by the amount of gain recognized to the transferor on such transfer, or

''(2) the amount included in gross income by such corporation under section 76 with respect to such contribution.''.

(2) CONTRIBUTIONS IN EXCHANGE FOR STOCK.—Paragraph (2) of section 362(a) is amended by striking ''contribution to capital'' and inserting ''contribution in exchange for stock of such corporation (determined under rules similar to the rules of paragraphs (2) and (3) of section 76(b))''.

(c) CONFORMING AMENDMENTS.—

(1) Section 108(e) is amended by striking paragraph (6).

(2) Part III of subchapter B of chapter 1 is amended by striking section 118 (and by striking the item relating to such section in the table of sections for such part).

(3) The table of sections for part II of subchapter B of chapter 1 is amended by inserting after the item relating to section 75 the following new item:

''Sec. 76. Contributions to capital.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made, and transactions entered into, after the date of the enactment of this Act.

**SEC. 3305. REPEAL OF DEDUCTION FOR LOCAL LOBBYING EXPENSES.**

(a) IN GENERAL.—Section 162(e) is amended by striking paragraphs (2) and (7) and by redesignating paragraphs (3), (4), (5), (6), and (8) as paragraphs (2), (3), (4), (5), and (6), respectively.

(b) CONFORMING AMENDMENT.—Section 6033(e)(1)(B)(ii) is amended by striking ''section 162(e)(5)(B)(ii)'' and inserting ''section 162(e)(4)(B)(ii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

**SEC. 3306. REPEAL OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.**

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by striking section 199 (and by striking the item relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—

(1) Sections 74(d)(2)(B), 86(b)(2)(A), 137(b)(3)(A), 219(g)(3)(A)(ii), and 246(b)(1) are each amended by striking ''199,''.

(2) Section 170(b)(2)(D), as amended by the preceding provisions of this Act, is amended by striking clause (iv), by redesignating clause (v) as clause (iv), and by inserting ''and'' at the end of clause (iii).

(3) Section 172(d) is amended by striking paragraph (7).

(4) Section 613(a) is amended by striking ''and without the deduction under section 199''.

(5) Section 613A(d)(1) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(6) Section 1402(a) is amended by adding ''and'' at the end of paragraph (15) and by striking paragraph (16).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3307. ENTERTAINMENT, ETC. EXPENSES.**

(a) DENIAL OF DEDUCTION.—Subsection (a) of section 274 is amended to read as follows:

''(a) ENTERTAINMENT, AMUSEMENT, RECREATION, AND OTHER FRINGE BENEFITS .—

''(1) IN GENERAL.—No deduction otherwise allowable under this chapter shall be allowed for amounts paid or incurred for any of the following items:

''(A) ACTIVITY.—With respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation.

''(B) MEMBERSHIP DUES.—With respect to membership in any club organized for business, pleasure, recreation or other social purposes.

''(C) AMENITY.—With respect to a de minimis fringe (as defined in section 132(e)(1)) that is primarily personal in nature and involving property or services that are not directly related to the taxpayer's trade or business.

''(D) FACILITY.—With respect to a facility or portion thereof used in connection with an activity referred to in subparagraph (A), membership dues or similar amounts referred to in subparagraph (B), or an amenity referred to in subparagraph (C).

''(E) QUALIFIED TRANSPORTATION FRINGE AND PARKING FACILITY.—Which is a qualified transportation fringe (as defined in section 132(f)) or which is a parking facility used in connection with qualified parking (as defined in section 132(f)(5)(C)).

''(F) ON-PREMISES ATHLETIC FACILITY.—Which is an on-premises athletic facility as defined in section 132(j)(4)(B).

''(2) SPECIAL RULES.—For purposes of applying paragraph (1), an activity described in section 212 shall be treated as a trade or business.

''(3) REGULATIONS.—Under the regulations prescribed to carry out this section, the Secretary shall include regulations—

''(A) defining entertainment, amenities, recreation, amusement, and facilities for purposes of this subsection,

''(B) providing for the appropriate allocation of depreciation and other costs with respect to facilities used for parking or for on-premises athletic facilities, and

''(C) specifying arrangements a primary purpose of which is the avoidance of this subsection.''.

(b) EXCEPTION FOR CERTAIN EXPENSES INCLUDIBLE IN INCOME OF RECIPIENT.—

(1) EXPENSES TREATED AS COMPENSATION.—Paragraph (2) of section 274(e) is amended to read as follows:

''(2) EXPENSES TREATED AS COMPENSATION.—Expenses for goods, services, and facilities, to the extent that the expenses do not exceed the amount of the expenses which are treated by the taxpayer, with respect to the recipient of the entertainment, amusement, or recreation, as compensation to an employee on the taxpayer's return of tax under this chapter and as wages to such employee for purposes of chapter 24 (relating to withholding of income tax at source on wages).''.

(2) EXPENSES INCLUDIBLE IN INCOME OF PERSONS WHO ARE NOT EMPLOYEES.—Paragraph (9) of section 274(e) is amended by striking ''to the extent that the expenses'' and inserting ''to the extent that the expenses do not exceed the amount of the expenses that''.

(c) EXCEPTIONS FOR REIMBURSED EXPENSES.—Paragraph (3) of section 274(e) is amended to read as follows:

''(3) REIMBURSED EXPENSES.—

''(A) IN GENERAL.—Expenses paid or incurred by the taxpayer, in connection with the performance by him of services for another person (whether or not such other person is the taxpayer's employer), under a reimbursement or other expense allowance arrangement with such other person, but this paragraph shall apply—

''(i) where the services are performed for an employer, only if the employer has not treated such expenses in the manner provided in paragraph (2), or

''(ii) where the services are performed for a person other than an employer, only if the taxpayer accounts (to the extent provided by subsection (d)) to such person.

''(B) EXCEPTION.—Except as provided by the Secretary, subparagraph (A) shall not apply—

''(i) in the case of an arrangement in which the person other than the employer is an entity described in section 168(h)(2)(A), or

''(ii) to any other arrangement designated by the Secretary as having the effect of avoiding the limitation under subparagraph (A).''.

(d) 50 PERCENT LIMITATION ON MEALS AND ENTERTAINMENT EXPENSES.—Subsection (n) of section 274 is amended to read as follows:

''(n) LIMITATION ON CERTAIN EXPENSES.—

''(1) IN GENERAL.—The amount allowable as a deduction under this chapter for any expense for food or beverages (pursuant to subsection (e)(1)) or business meals (pursuant to subsection (k)(1)) shall not exceed 50 percent of the amount of such expense or item which would (but for this paragraph) be allowable as a deduction under this chapter.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any expense if—

''(A) such expense is described in paragraph (2), (3), (6), (7), or (8) of subsection (e),

''(B) in the case of an expense for food or beverages, such expense is excludable from the gross income of the recipient under section 132 by reason of subsection (e) thereof (relating to de minimis fringes) or under section 119 (relating to meals and lodging furnished for convenience of employer), or

''(C) in the case of an employer who pays or reimburses moving expenses of an employee, such expenses are includible in the income of the employee under section 82.

''(3) SPECIAL RULE FOR INDIVIDUALS SUBJECT TO FEDERAL HOURS OF SERVICE.—In the case of any expenses for food or beverages consumed while away from home (within the meaning of section 162(a)(2)) by an individual during, or incident to, the period of duty subject to the hours of service limitations of the Department of Transportation, paragraph (1) shall be applied by substituting '80 percent' for '50 percent'.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 274(d) is amended—

(A) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(B) in the flush material following paragraph (3) (as so redesignated)—

(i) by striking '', entertainment, amusement, recreation, or'' in item (B), and

(ii) by striking ''(D) the business relationship to the taxpayer of persons entertained, using the facility or property, or receiving the gift'' and inserting ''(D) the business relationship to the taxpayer of the person receiving the benefit''.

(2) Section 274(e) is amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(3) Section 274(k)(2)(A) is amended by striking ''(4), (7), (8), or (9)'' and inserting ''(6), (7), or (8)''.

(4) Section 274 is amended by striking subsection (l).

(5) Section 274(m)(1)(B)(ii) is amended by striking ''(4), (7), (8), or (9)'' and inserting ''(6), (7), or (8)''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

**SEC. 3308. UNRELATED BUSINESS TAXABLE INCOME INCREASED BY AMOUNT OF CERTAIN FRINGE BENEFIT EXPENSES FOR WHICH DEDUCTION IS DISALLOWED.**

(a) IN GENERAL.—Section 512(a) is amended by adding at the end the following new paragraph:

''(6) INCREASE IN UNRELATED BUSINESS TAXABLE INCOME BY DISALLOWED FRINGE.—Unrelated business taxable income of an organization shall be increased by any amount for which a deduction is not allowable under this chapter by reason of section 274 and which is paid or incurred by such organization for any qualified transportation fringe (as defined in section 132(f)), any parking facility used in connection with qualified parking (as defined in section 132(f)(5)(C)), or any on-premises athletic facility (as defined in section 132(j)(4)(B)). The preceding sentence shall not apply to the extent the amount paid or incurred is directly connected with an unrelated trade or business which is regularly carried on by the organization. The Secretary may issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing for the appropriate allocation of depreciation and other costs with respect to facilities used for parking or for on-premises athletic facilities.

''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2017.

**SEC. 3309. LIMITATION ON DEDUCTION FOR FDIC PREMIUMS.**

(a) IN GENERAL.—Section 162 is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

''(q) DISALLOWANCE OF FDIC PREMIUMS PAID BY CERTAIN LARGE FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—No deduction shall be allowed for the applicable percentage of any FDIC premium paid or incurred by the taxpayer.

''(2) EXCEPTION FOR SMALL INSTITUTIONS.—Paragraph (1) shall not apply to any taxpayer for any taxable year if the total consolidated assets of such taxpayer (determined as of the close of such taxable year) do not exceed $10,000,000,000.

''(3) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means, with respect to any taxpayer for any taxable year, the ratio (expressed as a percentage but not greater than 100 percent) which—

''(A) the excess of—

''(i) the total consolidated assets of such taxpayer (determined as of the close of such taxable year), over

''(ii) $10,000,000,000, bears to

''(B) $40,000,000,000.

''(4) FDIC PREMIUMS.—For purposes of this subsection, the term 'FDIC premium' means any assessment imposed under section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)).

''(5) TOTAL CONSOLIDATED ASSETS.—For purposes of this subsection, the term 'total consolidated assets' has the meaning given such term under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365).

''(6) AGGREGATION RULE.—

''(A) IN GENERAL.—Members of an expanded affiliated group shall be treated as a single taxpayer for purposes of applying this subsection.

''(B) EXPANDED AFFILIATED GROUP.—For purposes of this paragraph, the term 'expanded affiliated group' means an affiliated group as defined in section 1504(a), determined—

''(i) by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears, and

''(ii) without regard to paragraphs (2) and (3) of section 1504(b).

A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3310. REPEAL OF ROLLOVER OF PUBLICLY TRADED SECURITIES GAIN INTO SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.**

(a) IN GENERAL.—Part III of subchapter O of chapter 1 is amended by striking section 1044 (and by striking the item relating to such section in the table of sections of such part).

(b) CONFORMING AMENDMENTS.—Section 1016(a)(23) is amended—

(1) by striking ''1044,'', and

(2) by striking ''1044(d),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2017.

**SEC. 3311. CERTAIN SELF-CREATED PROPERTY NOT TREATED AS A CAPITAL ASSET.**

(a) PATENTS, ETC.—Section 1221(a)(3) is amended by inserting ''a patent, invention, model or design (whether or not patented), a secret formula or process,'' before ''a copyright''.

(b) CONFORMING AMENDMENT.—Section 1231(b)(1)(C) is amended by inserting ''a patent, invention, model or design (whether or not patented), a secret formula or process,'' before ''a copyright''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 2017.

**SEC. 3312. REPEAL OF SPECIAL RULE FOR SALE OR EXCHANGE OF PATENTS.**

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 is amended by striking section 1235 (and by striking the item relating to such section in the table of sections of such part).

(b) CONFORMING AMENDMENTS.—

(1) Section 483(d) is amended by striking paragraph (4).

(2) Section 901(l)(5) is amended by striking ''without regard to section 1235 or any similar rule'' and inserting ''without regard to any provision which treats a disposition as a sale or exchange of a capital asset held for more than 1 year or any similar provision''.

(3) Section 1274(c)(3) is amended by striking subparagraph (E) and redesignating subparagraph (F) as subparagraph (E).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 2017.

**SEC. 3313. REPEAL OF TECHNICAL TERMINATION OF PARTNERSHIPS.**

(a) IN GENERAL.—Paragraph (1) of section 708(b) is amended—

(1) by striking '', or'' at the end of subparagraph (A) and all that follows and inserting a period, and

(2) by striking ''only if—'' and all that follows through ''no part of any business'' and inserting the following: ''only if no part of any business''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 2017.

**SEC. 3314. RECHARACTERIZATION OF CERTAIN GAINS IN THE CASE OF PARTNERSHIP PROFITS INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF INVESTMENT SERVICES.**

(a) IN GENERAL.—Part IV of subchapter O of chapter 1 is amended—

(1) by redesignating section 1061 as section 1062, and

(2) by inserting after section 1060 the following new section:

**''SEC. 1061. PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.**

''(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, the excess (if any) of—

''(1) the taxpayer's net long-term capital gain with respect to such interests for such taxable year, over

''(2) the taxpayer's net long-term capital gain with respect to such interests for such taxable year computed by applying paragraphs (3) and (4) of sections 1222 by substituting '3 years' for '1 year',

shall be treated as short-term capital gain.

''(b) SPECIAL RULE.—To the extent provided by the Secretary, subsection (a) shall not apply to income or gain attributable to any asset not held for portfolio investment on behalf of third party investors.

''(c) APPLICABLE PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in this paragraph or paragraph (4), the term 'applicable partnership interest' means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of substantial services by the taxpayer, or any other related person, in any applicable trade or business. The previous sentence shall not apply to an interest held by a person who is employed by another entity that is conducting a trade or business (other than an applicable trade or business) and only provides services to such other entity.

''(2) APPLICABLE TRADE OR BUSINESS.—The term 'applicable trade or business' means any activity conducted on a regular, continuous, and substantial basis which, regardless of whether the activity is conducted in one or more entities, consists, in whole or in part, of—

''(A) raising or returning capital, and

''(B) either—

''(i) investing in (or disposing of) specified assets (or identifying specified assets for such investing or disposition), or

''(ii) developing specified assets.

''(3) SPECIFIED ASSET.—The term 'specified asset' means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), commodities (as defined in section 475(e)(2)), real estate held for rental or investment, cash or cash equivalents, options or derivative contracts with respect to any of the foregoing, and an interest in a partnership to the extent of the partnership's proportionate interest in any of the foregoing.

''(4) EXCEPTIONS.—The term 'applicable partnership interest' shall not include—

''(A) any interest in a partnership directly or indirectly held by a corporation, or

''(B) any capital interest in the partnership which provides the taxpayer with a right to share in partnership capital commensurate with—

''(i) the amount of capital contributed (determined at the time of receipt of such partnership interest), or

''(ii) the value of such interest subject to tax under section 83 upon the receipt or vesting of such interest.

''(5) THIRD PARTY INVESTOR.—The term 'third party investor' means a person who—

''(A) holds an interest in the partnership which does not constitute property held in connection with an applicable trade or business; and

''(B) is not (and has not been) actively engaged, and is (and was) not related to a person so engaged, in (directly or indirectly) providing substantial services described in paragraph (1) for such partnership or any applicable trade or business.

''(d) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST TO RELATED PERSON.—

''(1) IN GENERAL.—If a taxpayer transfers any applicable partnership interest, directly or indirectly, to a person related to the taxpayer, the taxpayer shall include in gross income (as short term capital gain) the excess (if any) of—

''(A) so much of the taxpayer's long-term capital gains with respect to such interest for such taxable year attributable to the sale or exchange of any asset held for not more than 3 years as is allocable to such interest, over

''(B) any amount treated as short term capital gain under subsection (a) with respect to the transfer of such interest.

''(2) RELATED PERSON.—For purposes of this paragraph, a person is related to the taxpayer if—

''(A) the person is a member of the taxpayer's family within the meaning of section 318(a)(1), or

''(B) the person performed a service within the current calendar year or the preceding three calendar years in any applicable trade or business in which or for which the taxpayer performed a service.

''(e) REPORTING.—The Secretary shall require such reporting (at the time and in the manner prescribed by the Secretary) as is necessary to carry out the purposes of this section.

''(f) REGULATIONS.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out the purposes of this section''.

(b) COORDINATION WITH SECTION 83.—Subsection (e) of section 83 is amended by striking ''or'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', or'', and by adding at the end the following new paragraph:

''(6) a transfer of an applicable partnership interest to which section 1061 applies.''.

(c) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to 1061 and inserting the following new items:

''Sec. 1061. Partnership interests held in connection with performance of services.

''Sec. 1062. Cross references.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3315. AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.**

(a) IN GENERAL.—Section 174 is amended to read as follows:

**''SEC. 174. AMORTIZATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.**

''(a) IN GENERAL.—In the case of a taxpayer's specified research or experimental expenditures for any taxable year—

''(1) except as provided in paragraph (2), no deduction shall be allowed for such expenditures, and

''(2) the taxpayer shall—

''(A) charge such expenditures to capital account, and

''(B) be allowed an amortization deduction of such expenditures ratably over the 5-year period (15-year period in the case of any specified research or experimental expenditures which are attributable to foreign research (within the meaning of section 41(d)(4)(F))) beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

''(b) SPECIFIED RESEARCH OR EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term 'specified research or experimental expenditures' means, with respect to any taxable year, research or experimental expenditures which are paid or incurred by the taxpayer during such taxable year in connection with the taxpayer's trade or business.

''(c) SPECIAL RULES.—

''(1) LAND AND OTHER PROPERTY.—This section shall not apply to any expenditure for the acquisition or improvement of land, or for the acquisition or improvement of property to be used in connection with the research or experimentation and of a character which is subject to the allowance under section 167 (relating to allowance for depreciation, etc.) or section 611 (relating to allowance for depletion); but for purposes of this section allowances under section 167, and allowances under section 611, shall be considered as expenditures.

''(2) EXPLORATION EXPENDITURES.—This section shall not apply to any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

''(3) SOFTWARE DEVELOPMENT.—For purposes of this section, any amount paid or incurred in connection with the development of any software shall be treated as a research or experimental expenditure.

''(d) TREATMENT UPON DISPOSITION, RETIREMENT, OR ABANDONMENT.—If any property with respect to which specified research or experimental expenditures are paid or incurred is disposed, retired, or abandoned during the period during which such expenditures are allowed as an amortization deduction under this section, no deduction shall be allowed with respect to such expenditures on account of such disposition, retirement, or abandonment and such amortization deduction shall continue with respect to such expenditures.''.

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking the item relating to section 174 and inserting the following new item:

''Sec. 174. Amortization of research and experimental expenditures.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2022.

**SEC. 3316. UNIFORM TREATMENT OF EXPENSES IN CONTINGENCY FEE CASES.**

(a) IN GENERAL.—Section 162, as amended by the preceding provisions of this Act, is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

''(r) EXPENSES IN CONTINGENCY FEE CASES.—No deduction shall be allowed under subsection (a) to a taxpayer for any expense—

''(1) paid or incurred in the course of the trade or business of practicing law, and

''(2) resulting from a case for which the taxpayer is compensated primarily on a contingent basis,

until such time as such contingency is resolved.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses and costs paid or incurred in taxable years beginning after the date of the enactment of this Act.

***Subtitle E—Reform of Business Credits***

**SEC. 3401. REPEAL OF CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES OR CONDITIONS.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 45C (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking paragraph (12).

(2) Section 280C is amended by striking subsection (b).

(3) Section 6501(m) is amended by striking ''45C(d)(4),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2017.

**SEC. 3402. REPEAL OF EMPLOYER-PROVIDED CHILD CARE CREDIT.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 45F (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking paragraph (15).

(2) Section 1016(a) is amended by striking paragraph (28).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(2) BASIS ADJUSTMENTS.—The amendment made by subsection (b)(2) shall apply to credits determined for taxable years beginning after December 31, 2017.

**SEC. 3403. REPEAL OF REHABILITATION CREDIT.**

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 is amended by striking section 47 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 170(f)(14)(A) is amended by inserting ''(as in effect before its repeal by the Tax Cuts and Jobs Act)'' after ''section 47''.

(2) Section 170(h)(4) is amended—

(A) by striking ''(as defined in section 47(c)(3)(B))'' in subparagraph (C)(ii), and

(B) by adding at the end the following new subparagraph:

''(D) REGISTERED HISTORIC DISTRICT.—The term 'registered historic district' means—

''(i) any district listed in the National Register, and

''(ii) any district—

''(I) which is designated under a statute of the appropriate State or local government, if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district, and

''(II) which is certified by the Secretary of the Interior to the Secretary as meeting substantially all of the requirements for the listing of districts in the National Register.''.

(3) Section 469(i)(3) is amended by striking subparagraph (B).

(4) Section 469(i)(6)(B) is amended—

(A) by striking ''in the case of—'' and all that follows and inserting ''in the case of any credit determined under section 42 for any taxable year.'', and

(B) by striking '', REHABILITATION CREDIT,'' in the heading thereof.

(5) Section 469(k)(1) is amended by striking '', or any rehabilitation credit determined under section 47,''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts paid or incurred after December 31, 2017.

(2) TRANSITION RULE.—In the case of qualified rehabilitation expenditures (within the meaning of section 47 of the Internal Revenue Code of 1986 as in effect before its repeal) with respect to any building—

(A) owned or leased (as permitted by section 47 of the Internal Revenue Code of 1986 as in effect before its repeal) by the taxpayer at all times after December 31, 2017, and

(B) with respect to which the 24-month period selected by the taxpayer under section 47(c)(1)(C) of such Code begins not later than the end of the 180-day period beginning on the date of the enactment of this Act,

the amendments made by this section shall apply to such expenditures paid or incurred after the end of the taxable year in which the 24-month period referred to in subparagraph (B) ends.

**SEC. 3404. REPEAL OF WORK OPPORTUNITY TAX CREDIT.**

(a) IN GENERAL.—Subpart F of part IV of subchapter A of chapter 1 is amended by striking section 51 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CLERICAL AMENDMENT.—The heading of such subpart F (and the item relating to such subpart in the table of subparts for part IV of subchapter A of chapter 1) are each amended by striking ''Rules for Computing Work Opportunity Credit'' and inserting ''Special Rules''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred to individuals who begin work for the employer after December 31, 2017.

**SEC. 3405. REPEAL OF DEDUCTION FOR CERTAIN UNUSED BUSINESS CREDITS.**

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by striking section 196 (and by striking the item relating to such section in the table of sections for such part).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3406. TERMINATION OF NEW MARKETS TAX CREDIT.**

(a) IN GENERAL.—Section 45D(f) is amended—

(1) by striking ''2019'' in paragraph (1)(G) and inserting ''2017'', and

(2) by striking ''2024'' in paragraph (3) and inserting ''2022''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2017.

**SEC. 3407. REPEAL OF CREDIT FOR EXPENDITURES TO PROVIDE ACCESS TO DISABLED INDIVIDUALS.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 44 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENT.—Section 38(b) is amended by striking paragraph (7).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3408. MODIFICATION OF CREDIT FOR PORTION OF EMPLOYER SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE TIPS.**

(a) CREDIT DETERMINED WITH RESPECT TO MINIMUM WAGE AS IN EFFECT.—Section 45B(b)(1)(B) is amended by striking ''as in effect on January 1, 2007, and''.

(b) INFORMATION RETURN REQUIREMENT.—Section 45B is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

''(c) INFORMATION RETURN REQUIREMENT.—

''(1) IN GENERAL.—No credit shall be determined under subsection (a) with respect to any food or beverage establishment of any taxpayer for any taxable year unless such taxpayer has, with respect to the calendar year which ends in or with such taxable year—

''(A) made a report to the Secretary showing the information described in section 6053(c)(1) with respect to such food or beverage establishment, and

''(B) furnished written statements to each employee of such food or beverage establishment showing the information described in section 6053(c)(2).

''(2) ALLOCATION OF 10 PERCENT OF GROSS RECEIPTS.—For purposes of determining the information referred to in subparagraphs (A) and (B), section 6053(c)(3)(A)(i) shall be applied by substituting '10 percent' for '8 percent'. For purposes of section 6053(c)(5), any reference to section 6053(c)(3)(B) contained therein shall be treated as including a reference to this paragraph.

''(3) FOOD OR BEVERAGE ESTABLISHMENT.—For purposes of this subsection, the term 'food or beverage establishment' means any trade or business (or portion thereof) which would be a large food or beverage establishment (as defined in section 6053(c)(4)) if such section were applied without regard to subparagraph (C) thereof.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***Subtitle F—Energy Credits***

**SEC. 3501. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.**

(a) TERMINATION OF INFLATION ADJUSTMENT.—Section 45(b)(2) is amended—

(1) by striking ''The 1.5 cent amount'' and inserting the following:

''(A) IN GENERAL.—The 1.5 cent amount'', and

(2) by adding at the end the following new subparagraph:

''(B) TERMINATION.—Subparagraph (A) shall not apply with respect to any electricity or refined coal produced at a facility the construction of which begins after the date of the enactment of this subparagraph.''.

(b) SPECIAL RULE FOR DETERMINATION OF BEGINNING OF CONSTRUCTION.—Section 45(e) is amended by adding at the end the following new paragraph:

''(12) SPECIAL RULE FOR DETERMINING BEGINNING OF CONSTRUCTION.—For purposes of subsection (d), the construction of any facility, modification, improvement, addition, or other property shall not be treated as beginning before any date unless there is a continuous program of construction which begins before such date and ends on the date that such property is placed in service.''.

(c) EFFECTIVE DATES.—

(1) TERMINATION OF INFLATION ADJUSTMENT.—The amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

(2) SPECIAL RULE FOR DETERMINATION OF BEGINNING OF CONSTRUCTION.—The amendment made by subsection (b) shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

**SEC. 3502. MODIFICATION OF THE ENERGY INVESTMENT TAX CREDIT.**

(a) EXTENSION OF SOLAR ENERGY PROPERTY.—Section 48(a)(3)(A)(ii) is amended by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''.

(b) EXTENSION OF QUALIFIED FUEL CELL PROPERTY.—Section 48(c)(1)(D) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(c) EXTENSION OF QUALIFIED MICROTURBINE PROPERTY.—Section 48(c)(2)(D) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(d) EXTENSION OF COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48(c)(3)(A)(iv) is amended by striking ''which is placed in service before January 1, 2017'' and inserting ''the construction of which begins before January 1, 2022''.

(e) EXTENSION OF QUALIFIED SMALL WIND ENERGY PROPERTY.—Section 48(c)(4)(C) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(f) EXTENSION OF THERMAL ENERGY PROPERTY.—Section 48(a)(3)(A)(vii) is amended by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''.

(g) PHASEOUT OF 30 PERCENT CREDIT RATE FOR FUEL CELL AND SMALL WIND ENERGY PROPERTY.—Section 48(a) is amended by adding at the end the following new paragraph:

''(7) PHASEOUT FOR QUALIFIED FUEL CELL PROPERTY AND QUALIFIED SMALL WIND ENERGY PROPERTY.—

''(A) IN GENERAL.—In the case of qualified fuel cell property or qualified small wind energy property, the construction of which begins before January 1, 2022, the energy percentage determined under paragraph (2) shall be equal to—

''(i) in the case of any property the construction of which begins after December 31, 2019, and before January 1, 2021, 26 percent, and

''(ii) in the case of any property the construction of which begins after December 31, 2020, and before January 1, 2022, 22 percent.

''(B) PLACED IN SERVICE DEADLINE.—In the case of any qualified fuel cell property or qualified small wind energy property, the construction of which begins before January 1, 2022, and which is not placed in service before January 1, 2024, the energy percentage determined under paragraph (2) shall be equal to 10 percent.''.

(h) PHASEOUT FOR FIBER-OPTIC SOLAR ENERGY PROPERTY.—Subparagraphs (A) and (B) of section 48(a)(6) are each amended by inserting ''or (3)(A)(ii)'' after ''paragraph (3)(A)(i)''.

(i) TERMINATION OF SOLAR ENERGY PROPERTY.—Section 48(a)(3)(A)(i) is amended by inserting '', the construction of which begins before January 1, 2028, and'' after ''equipment''.

(j) TERMINATION OF GEOTHERMAL ENERGY PROPERTY.—Section 48(a)(3)(A)(iii) is amended by inserting '', the construction of which begins before January 1, 2028, and'' after ''equipment''.

(k) SPECIAL RULE FOR DETERMINATION OF BEGINNING OF CONSTRUCTION.—Section 48(c) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR DETERMINING BEGINNING OF CONSTRUCTION.—The construction of any facility, modification, improvement, addition, or other property shall not be treated as beginning before any date unless there is a continuous program of construction which begins before such date and ends on the date that such property is placed in service.''.

(l) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to periods after December 31, 2016, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(2) EXTENSION OF COMBINED HEAT AND POWER SYSTEM PROPERTY.—The amendment made by subsection (d) shall apply to property placed in service after December 31, 2016.

(3) PHASEOUTS AND TERMINATIONS.—The amendments made by subsections (g), (h), (i), and (j) shall take effect on the date of the enactment of this Act.

(4) SPECIAL RULE FOR DETERMINATION OF BEGINNING OF CONSTRUCTION.—The amendment made by subsection (k) shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

**SEC. 3503. EXTENSION AND PHASEOUT OF RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

(a) EXTENSION.—Section 25D(h) is amended by striking ''December 31, 2016 (December 31, 2021, in the case of any qualified solar electric property expenditures and qualified solar water heating property expenditures)'' and inserting ''December 31, 2021''.

(b) PHASEOUT.—

(1) IN GENERAL.—Paragraphs (3), (4), and (5) of section 25D(a) are amended by striking ''30 percent'' each place it appears and inserting ''the applicable percentage''.

(2) CONFORMING AMENDMENT.—Section 25D(g) of such Code is amended by striking ''paragraphs (1) and (2) of''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2016.

**SEC. 3504. REPEAL OF ENHANCED OIL RECOVERY CREDIT.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 43 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking paragraph (6).

(2) Section 6501(m) is amended by striking ''43,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3505. REPEAL OF CREDIT FOR PRODUCING OIL AND GAS FROM MARGINAL WELLS.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by striking section 45I (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENT.—Section 38(b) is amended by striking paragraph (19).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3506. MODIFICATIONS OF CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.**

(a) TREATMENT OF UNUTILIZED LIMITATION AMOUNTS.—Section 45J(b) is amended—

(1) in paragraph (4), by inserting ''or any amendment to'' after ''enactment of''; and

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

''(5) ALLOCATION OF UNUTILIZED LIMITATION.—

''(A) IN GENERAL.—Any unutilized national megawatt capacity limitation shall be allocated by the Secretary under paragraph (3) as rapidly as is practicable after December 31, 2020—

''(i) first to facilities placed in service on or before such date to the extent that such facilities did not receive an allocation equal to their full nameplate capacity; and

''(ii) then to facilities placed in service after such date in the order in which such facilities are placed in service.

''(B) UNUTILIZED NATIONAL MEGAWATT CAPACITY LIMITATION.—The term 'unutilized national megawatt capacity limitation' means the excess (if any) of—

''(i) 6,000 megawatts, over

''(ii) the aggregate amount of national megawatt capacity limitation allocated by the Secretary before January 1, 2021, reduced by any amount of such limitation which was allocated to a facility which was not placed in service before such date.

''(C) COORDINATION WITH OTHER PROVISIONS.—In the case of any unutilized national megawatt capacity limitation allocated by the Secretary pursuant to this paragraph—

''(i) such allocation shall be treated for purposes of this section in the same manner as an allocation of national megawatt capacity limitation; and

''(ii) subsection (d)(1)(B) shall not apply to any facility which receives such allocation.''.

(b) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—

(1) IN GENERAL.—Section 45J is amended—

(A) by redesignating subsection (e) as subsection (f); and

(B) by inserting after subsection (d) the following new subsection:

''(e) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—

''(1) IN GENERAL.—If, with respect to a credit under subsection (a) for any taxable year—

''(A) the taxpayer would be a qualified public entity; and

''(B) such entity elects the application of this paragraph for such taxable year with respect to all (or any portion specified in such election) of such credit,

the eligible project partner specified in such election (and not the qualified public entity) shall be treated as the taxpayer for purposes of this title with respect to such credit (or such portion thereof).

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) QUALIFIED PUBLIC ENTITY.—The term 'qualified public entity' means—

''(i) a Federal, State, or local government entity, or any political subdivision, agency, or instrumentality thereof;

''(ii) a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2); or

''(iii) a not-for-profit electric utility which has or had received a loan or loan guarantee under the Rural Electrification Act of 1936.

''(B) ELIGIBLE PROJECT PARTNER.—The term 'eligible project partner' means—

''(i) any person responsible for, or participating in, the design or construction of the advanced nuclear power facility to which the credit under subsection (a) relates;

''(ii) any person who participates in the provision of the nuclear steam supply system to the advanced nuclear power facility to which the credit under subsection (a) relates;

''(iii) any person who participates in the provision of nuclear fuel to the advanced nuclear power facility to which the credit under subsection (a) relates; or

''(iv) any person who has an ownership interest in such facility.

''(3) SPECIAL RULES.—

''(A) APPLICATION TO PARTNERSHIPS.—In the case of a credit under subsection (a) which is determined at the partnership level—

''(i) for purposes of paragraph (1)(A), a qualified public entity shall be treated as the taxpayer with respect to such entity's distributive share of such credit; and

''(ii) the term 'eligible project partner' shall include any partner of the partnership.

''(B) TAXABLE YEAR IN WHICH CREDIT TAKEN INTO ACCOUNT.—In the case of any credit (or portion thereof) with respect to which an election is made under paragraph (1), such credit shall be taken into account in the first taxable year of the eligible project partner ending with, or after, the qualified public entity's taxable year with respect to which the credit was determined.

''(C) TREATMENT OF TRANSFER UNDER PRIVATE USE RULES.—For purposes of section 141(b)(1), any benefit derived by an eligible project partner in connection with an election under this subsection shall not be taken into account as a private business use.''.

(2) SPECIAL RULE FOR PROCEEDS OF TRANSFERS FOR MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) of such Code is amended by adding at the end the following new subparagraph:

''(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2), income received or accrued in connection with an election under section 45J(e)(1) shall be treated as an amount collected from members for the sole purpose of meeting losses and expenses.''.

(c) EFFECTIVE DATES.—

(1) TREATMENT OF UNUTILIZED LIMITATION AMOUNTS.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—The amendments made by subsection (b) shall apply to taxable years beginning after the date of the enactment of this Act.

***Subtitle G—Bond Reforms***

**SEC. 3601. TERMINATION OF PRIVATE ACTIVITY BONDS.**

(a) IN GENERAL.—Paragraph (1) of section 103(b) is amended—

(1) by striking ''which is not a qualified bond (within the meaning of section 141)'', and

(2) by striking ''WHICH IS NOT A QUALIFIED BOND'' in the heading thereof.

(b) CONFORMING AMENDMENTS.—

(1) Subpart A of part IV of subchapter B of chapter 1 is amended by striking sections 142, 143, 144, 145, 146, and 147 (and by striking each of the items relating to such sections in the table of sections for such subpart).

(2) Section 25 is amended by adding at the end the following new subsection:

''(j) COORDINATION WITH REPEAL OF PRIVATE ACTIVITY BONDS.—Any reference to section 143, 144, or 146 shall be treated as a reference to such section as in effect before its repeal by the Tax Cuts and Jobs Act.''.

(3) Section 26(b)(2) is amended by striking subparagraph (D).

(4) Section 141(b) is amended by striking paragraphs (5) and (9).

(5) Section 141(d) is amended by striking paragraph (5).

(6) Section 141 is amended by striking subsection (e).

(7) Section 148(f)(4) is amended—

(A) by striking ''(determined in accordance with section 147(b)(2)(A))'' in the flush matter following subparagraph (A)(ii) and inserting ''(determined by taking into account the respective issue prices of the bonds issued as part of the issue)'', and

(B) by striking the last sentence of subparagraph (D)(v).

(8) Clause (iv) of section 148(f)(4)(C) is amended to read as follows:

''(iv) CONSTRUCTION ISSUE.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'construction issue' means any issue if at least 75 percent of the available construction proceeds of such issue are to be used for construction expenditures.

''(II) CONSTRUCTION.—The term 'construction' includes reconstruction and rehabilitation.''.

(9) Section 149(b)(3) is amended by striking subparagraph (C).

(10) Section 149(e)(2) is amended—

(A) by striking subparagraphs (C), (D), and (F) and by redesignating subparagraphs (E) and (G) as subparagraphs (C) and (D), respectively, and

(B) by striking the second sentence.

(11) Section 149(f)(6) is amended—

(A) by striking subparagraph (B), and

(B) by striking ''For purposes of this subsection'' and all that follows through ''The term'' and inserting the following: ''For purposes of this subsection, the term''.

(12) Section 150(e)(3) is amended to read as follows:

''(3) PUBLIC APPROVAL REQUIREMENT.—A bond shall not be treated as part of an issue which meets the requirements of paragraph (1) unless such bond satisfies the requirements of section 147(f)(2) (as in effect before its repeal by the Tax Cuts and Jobs Act).''.

(13) Section 269A(b)(3) is amended by striking ''144(a)(3)'' and inserting ''414(n)(6)(A)''.

(14) Section 414(m)(5) is amended by striking ''section 144(a)(3)'' and inserting ''subsection (n)(6)(A)''.

(15) Section 414(n)(6)(A) is amended to read as follows:

''(A) RELATED PERSONS.—A person is a related person to another person if—

''(i) the relationship between such persons would result in a disallowance of losses under section 267 or 707(b), or

''(ii) such persons are members of the same controlled group of corporations (as defined in section 1563(a), except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears therein).''.

(16) Section 6045(e)(4)(B) is amended by inserting ''(as in effect before its repeal by the Tax Cuts and Jobs Act)'' after ''section 143(m)(3)''.

(17) Section 6654(f)(1) is amended by inserting ''(as in effect before its repeal by the Tax Cuts and Jobs Act)'' after ''section 143(m)''.

(18) Section 7871(c) is amended—

(A) by striking paragraphs (2) and (3), and

(B) by striking ''TAX-EXEMPT BONDS.—'' and all that follows through ''Subsection (a) of section 103'' and inserting the following: ''TAX-EXEMPT BONDS.—Subsection (a) of section 103''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2017.

**SEC. 3602. REPEAL OF ADVANCE REFUNDING BONDS.**

(a) IN GENERAL.—Paragraph (1) of section 149(d) is amended by striking ''as part of an issue described in paragraph (2), (3), or (4).'' and inserting ''to advance refund another bond.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 149(d) is amended by striking paragraphs (2), (3), (4), and (6) and by redesignating paragraphs (5) and (7) as paragraphs (2) and (3).

(2) Section 148(f)(4)(C) is amended by striking clause (xiv) and by redesignating clauses (xv) to (xvii) as clauses (xiv) to (xvi).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to advance refunding bonds issued after December 31, 2017.

**SEC. 3603. REPEAL OF TAX CREDIT BONDS.**

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 is amended by striking subparts H, I, and J (and by striking the items relating to such subparts in the table of subparts for such part).

(b) PAYMENTS TO ISSUERS.—Subchapter B of chapter 65 is amended by striking section 6431 (and by striking the item relating to such section in the table of sections for such subchapter).

(c) CONFORMING AMENDMENTS.—

(1) Part IV of subchapter U of chapter 1 is amended by striking section 1397E (and by striking the item relating to such section in the table of sections for such part).

(2) Section 54(l)(3)(B) is amended by inserting ''(as in effect before its repeal by the Tax Cuts and Jobs Act)'' after ''section 1397E(I)''.

(3) Section 6211(b)(4)(A) is amended by striking '', and 6431'' and inserting ''and'' before ''36B''.

(4) Section 6401(b)(1) is amended by striking ''G, H, I, and J'' and inserting ''and G''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2017.

**SEC. 3604. NO TAX EXEMPT BONDS FOR PROFESSIONAL STADIUMS.**

(a) IN GENERAL.—Section 103(b), as amended by this Act, is further amended by adding at the end the following new paragraph:

''(4) PROFESSIONAL STADIUM BOND.—Any professional stadium bond.''.

(b) PROFESSIONAL STADIUM BOND DEFINED.—Subsection (c) of section 103 is amended by adding at the end the following new paragraph:

''(3) PROFESSIONAL STADIUM BOND.—The term 'professional stadium bond' means any bond issued as part of an issue any proceeds of which are used to finance or refinance capital expenditures allocable to a facility (or appurtenant real property) which, during at least 5 days during any calendar year, is used as a stadium or arena for professional sports exhibitions, games, or training.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after November 2, 2017.

***Subtitle H—Insurance***

**SEC. 3701. NET OPERATING LOSSES OF LIFE INSURANCE COMPANIES.**

(a) IN GENERAL.—Section 805(b) is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(b) CONFORMING AMENDMENTS.—

(1) Part I of subchapter L of chapter 1 is amended by striking section 810 (and by striking the item relating to such section in the table of sections for such part).

(2) Part III of subchapter L of chapter 1 is amended by striking section 844 (and by striking the item relating to such section in the table of sections for such part).

(3) Section 381 is amended by striking subsection (d).

(4) Section 805(a)(4)(B)(ii) is amended to read as follows:

''(ii) the deduction allowed under section 172,''.

(5) Section 805(a) is amended by striking paragraph (5).

(6) Section 953(b)(1)(B) is amended to read as follows:

''(B) So much of section 805(a)(8) as relates to the deduction allowed under section 172.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses arising in taxable years beginning after December 31, 2017.

**SEC. 3702. REPEAL OF SMALL LIFE INSURANCE COMPANY DEDUCTION.**

(a) IN GENERAL.—Part I of subchapter L of chapter 1 is amended by striking section 806 (and by striking the item relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—

(1) Section 453B(e) is amended—

(A) by striking ''(as defined in section 806(b)(3))'' in paragraph (2)(B), and

(B) by adding at the end the following new paragraph:

''(3) NONINSURANCE BUSINESS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'noninsurance business' means any activity which is not an insurance business.

''(B) CERTAIN ACTIVITIES TREATED AS INSURANCE BUSINESSES.—For purposes of subparagraph (A), any activity which is not an insurance business shall be treated as an insurance business if—

''(i) it is of a type traditionally carried on by life insurance companies for investment purposes, but only if the carrying on of such activity (other than in the case of real estate) does not constitute the active conduct of a trade or business, or

''(ii) it involves the performance of administrative services in connection with plans providing life insurance, pension, or accident and health benefits.''.

(2) Section 465(c)(7)(D)(v)(II) is amended by striking ''section 806(b)(3)'' and inserting ''section 453B(e)(3)''.

(3) Section 801(a)(2) is amended by striking subparagraph (C).

(4) Section 804 is amended by striking ''means—'' and all that follows and inserting ''means the general deductions provided in section 805.''.

(5) Section 805(a)(4)(B), as amended by section 3701, is amended by striking clause (i) and by redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(6) Section 805(b)(2)(A) is amended by striking clause (iii) and by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(7) Section 842(c) is amended by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(8) Section 953(b)(1), as amended by section 3701, is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3703. SURTAX ON LIFE INSURANCE COMPANY TAXABLE INCOME.**

(a) IN GENERAL.—Section 801(a)(1) is amended—

(1) by striking ''consist of a tax'' and insert ''consist of the sum of—

''(A) a tax'', and

(2) by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(B) a tax equal to 8 percent of the life insurance company taxable income.''.

**SEC. 3704. ADJUSTMENT FOR CHANGE IN COMPUTING RESERVES.**

(a) IN GENERAL.—Paragraph (1) of section 807(f) is amended to read as follows:

''(1) TREATMENT AS CHANGE IN METHOD OF ACCOUNTING.—If the basis for determining any item referred to in subsection (c) as of the close of any taxable year differs from the basis for such determination as of the close of the preceding taxable year, then so much of the difference between—

''(A) the amount of the item at the close of the taxable year, computed on the new basis, and

''(B) the amount of the item at the close of the taxable year, computed on the old basis,

as is attributable to contracts issued before the taxable year shall be taken into account under section 481 as adjustments attributable to a change in method of accounting initiated by the taxpayer and made with the consent of the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3705. REPEAL OF SPECIAL RULE FOR DISTRIBUTIONS TO SHAREHOLDERS FROM PRE-1984 POLICYHOLDERS SURPLUS ACCOUNT.**

(a) IN GENERAL.—Subpart D of part I of subchapter L is amended by striking section 815 (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENT.—Section 801 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(d) PHASED INCLUSION OF REMAINING BALANCE OF POLICYHOLDERS SURPLUS ACCOUNTS.—In the case of any stock life insurance company which has a balance (determined as of the close of such company's last taxable year beginning before January 1, 2018) in an existing policyholders surplus account (as defined in section 815 of the Internal Revenue Code of 1986, as in effect before its repeal), the tax imposed by section 801 of such Code for the first 8 taxable years beginning after December 31, 2017, shall be the amount which would be imposed by such section for such year on the sum of—

(1) life insurance company taxable income for such year (within the meaning of such section 801 but not less than zero), plus

(2) ⅛ of such balance.

**SEC. 3706. MODIFICATION OF PRORATION RULES FOR PROPERTY AND CASUALTY INSURANCE COMPANIES.**

(a) IN GENERAL.—Section 832(b)(5)(B) is amended by striking ''15 percent'' and inserting ''26.25 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3707. MODIFICATION OF DISCOUNTING RULES FOR PROPERTY AND CASUALTY INSURANCE COMPANIES.**

(a) MODIFICATION OF RATE OF INTEREST USED TO DISCOUNT UNPAID LOSSES.—Paragraph (2) of section 846(c) is amended to read as follows:

''(2) DETERMINATION OF ANNUAL RATE.—The annual rate determined by the Secretary under this paragraph for any calendar year shall be a rate determined on the basis of the corporate bond yield curve (as defined in section 430(h)(2)(D)(i)).''.

(b) MODIFICATION OF COMPUTATIONAL RULES FOR LOSS PAYMENT PATTERNS.—Section 846(d)(3) is amended by striking subparagraphs (B) through (G) and inserting the following new subparagraphs:

''(B) TREATMENT OF CERTAIN LOSSES.—Losses which would have been treated as paid in the last year of the period applicable under subparagraph (A)(i) or (A)(ii) shall be treated as paid in the following manner:

''(i) 3-YEAR LOSS PAYMENT PATTERN.—

''(I) IN GENERAL.—The period taken into account under subparagraph (A)(i) shall be extended to the extent required under subclause (II).

''(II) COMPUTATION OF EXTENSION.—The amount of losses which would have been treated as paid in the 3d year after the accident year shall be treated as paid in such 3d year and each subsequent year in an amount equal to the average of the losses treated as paid in the 1st and 2d years after the accident year (or, if lesser, the portion of the unpaid losses not theretofore taken into account). To the extent such unpaid losses have not been treated as paid before the 18th year after the accident year, they shall be treated as paid in such 18th year.

''(ii) 10-YEAR LOSS PAYMENT PATTERN.—

''(I) IN GENERAL.—The period taken into account under subparagraph (A)(ii) shall be extended to the extent required under subclause (II).

''(II) COMPUTATION OF EXTENSION.—The amount of losses which would have been treated as paid in the 10th year after the accident year shall be treated as paid in such 10th year and each subsequent year in an amount equal to the amount of the average of the losses treated as paid in the 7th, 8th, and 9th years after the accident year (or, if lesser, the portion of the unpaid losses not theretofore taken into account). To the extent such unpaid losses have not been treated as paid before the 25th year after the accident year, they shall be treated as paid in such 25th year.''.

(c) REPEAL OF HISTORICAL PAYMENT PATTERN ELECTION.—Section 846 is amended by striking subsection (e) and by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(e) TRANSITIONAL RULE.—For the first taxable year beginning after December 31, 2017—

(1) the unpaid losses and the expenses unpaid (as defined in paragraphs (5)(B) and (6) of section 832(b) of the Internal Revenue Code of 1986) at the end of the preceding taxable year, and

(2) the unpaid losses as defined in sections 807(c)(2) and 805(a)(1) of such Code at the end of the preceding taxable year,

shall be determined as if the amendments made by this section had applied to such unpaid losses and expenses unpaid in the preceding taxable year and by using the interest rate and loss payment patterns applicable to accident years ending with calendar year 2018, and any adjustment shall be taken into account ratably in such first taxable year and the 7 succeeding taxable years. For subsequent taxable years, such amendments shall be applied with respect to such unpaid losses and expenses unpaid by using the interest rate and loss payment patterns applicable to accident years ending with calendar year 2018.

**SEC. 3708. REPEAL OF SPECIAL ESTIMATED TAX PAYMENTS.**

(a) IN GENERAL.—Part III of subchapter L of chapter 1 is amended by striking section 847 (and by striking the item relating to such section in the table of sections for such part).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***Subtitle I—Compensation***

**SEC. 3801. MODIFICATION OF LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.**

(a) REPEAL OF PERFORMANCE-BASED COMPENSATION AND COMMISSION EXCEPTIONS FOR LIMITATION ON EXCESSIVE EMPLOYEE REMUNERATION.—

(1) IN GENERAL.—Section 162(m)(4) is amended by striking subparagraphs (B) and (C) and by redesignating subparagraphs (D), (E), (F), and (G) as subparagraphs (B), (C), (D), and (E), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Paragraphs (5)(E) and (6)(D) of section 162(m) are each amended by striking ''subparagraphs (B), (C), and (D)'' and inserting ''subparagraph (B)''.

(B) Paragraphs (5)(G) and (6)(G) of section 162(m) are each amended by striking ''(F) and (G)'' and inserting ''(D) and (E)''.

(b) EXPANSION OF APPLICABLE EMPLOYER.—Section 162(m)(2) is amended to read as follows:

''(2) PUBLICLY HELD CORPORATION.—For purposes of this subsection, the term 'publicly held corporation' means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c))—

''(A) the securities of which are required to be registered under section 12 of such Act (15 U.S.C. 78l), or

''(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d)).''.

(c) MODIFICATION OF DEFINITION OF COVERED EMPLOYEES.—Section 162(m)(3) is amended—

(1) in subparagraph (A), by striking ''as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or is'' and inserting ''such employee is the principal executive officer or principal financial officer of the taxpayer at any time during the taxable year, or was'',

(2) in subparagraph (B)—

(A) by striking ''4'' and inserting ''3'', and

(B) by striking ''(other than the chief executive officer)'' and inserting ''(other than the principal executive officer or principal financial officer)'', and

(3) by striking ''or'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', or'', and by adding at the end the following:

''(C) was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2016.

Such term shall include any employee who would be described in subparagraph (B) if the reporting described in such subparagraph were required as so described.''.

(d) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Section 162(m)(4), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

''(F) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Remuneration shall not fail to be applicable employee remuneration merely because it is includible in the income of, or paid to, a person other than the covered employee, including after the death of the covered employee.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 3802. EXCISE TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.**

(a) IN GENERAL.—Subchapter D of chapter 42 is amended by adding at the end the following new section:

**''SEC. 4960. TAX ON EXCESS TAX-EXEMPT ORGANIZATION EXECUTIVE COMPENSATION.**

''(a) TAX IMPOSED.—There is hereby imposed a tax equal to 20 percent of the sum of—

''(1) so much of the remuneration paid (other than any excess parachute payment) by an applicable tax-exempt organization for the taxable year with respect to employment of any covered employee in excess of $1,000,000, plus

''(2) any excess parachute payment paid by such an organization to any covered employee.

''(b) LIABILITY FOR TAX.—The employer shall be liable for the tax imposed under subsection (a).

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) APPLICABLE TAX-EXEMPT ORGANIZATION.—The term 'applicable tax-exempt organization' means any organization that for the taxable year—

''(A) is exempt from taxation under section 501(a),

''(B) is a farmers' cooperative organization described in section 521(b)(1),

''(C) has income excluded from taxation under section 115(1), or

''(D) is a political organization described in section 527(e)(1).

''(2) COVERED EMPLOYEE.—For purposes of this section, the term 'covered employee' means any employee (including any former employee) of an applicable tax-exempt organization if the employee—

''(A) is one of the 5 highest compensated employees of the organization for the taxable year, or

''(B) was a covered employee of the organization (or any predecessor) for any preceding taxable year beginning after December 31, 2016.

''(3) REMUNERATION.—For purposes of this section, the term 'remuneration' means wages (as defined in section 3401(a)), except that such term shall not include any designated Roth contribution (as defined in section 402A(c)).

''(4) REMUNERATION FROM RELATED ORGANIZATIONS.—

''(A) IN GENERAL.—Remuneration of a covered employee paid by an applicable tax-exempt organization shall include any remuneration paid with respect to employment of such employee by any related person or governmental entity.

''(B) RELATED ORGANIZATIONS.—A person or governmental entity shall be treated as related to an applicable tax-exempt organization if such person or governmental entity—

''(i) controls, or is controlled by, the organization,

''(ii) is controlled by one or more persons that control the organization,

''(iii) is a supported organization (as defined in section 509(f)(2)) during the taxable year with respect to the organization,

''(iv) is a supporting organization described in section 509(a)(3) during the taxable year with respect to the organization, or

''(v) in the case of an organization that is a voluntary employees' beneficiary association described in section 501(a)(9), establishes, maintains, or makes contributions to such voluntary employees' beneficiary association.

''(C) LIABILITY FOR TAX.—In any case in which remuneration from more than one employer is taken into account under this paragraph in determining the tax imposed by subsection (a), each such employer shall be liable for such tax in an amount which bears the same ratio to the total tax determined under subsection (a) with respect to such remuneration as—

''(i) the amount of remuneration paid by such employer with respect to such employee, bears to

''(ii) the amount of remuneration paid by all such employers to such employee.

''(5) EXCESS PARACHUTE PAYMENT.—For purposes determining the tax imposed by subsection (a)(2)—

''(A) IN GENERAL.—The term 'excess parachute payment' means an amount equal to the excess of any parachute payment over the portion of the base amount allocated to such payment.

''(B) PARACHUTE PAYMENT.—The term 'parachute payment' means any payment in the nature of compensation to (or for the benefit of) a covered employee if—

''(i) such payment is contingent on such employee's separation from employment with the employer, and

''(ii) the aggregate present value of the payments in the nature of compensation to (or for the benefit of) such individual which are contingent on such separation equals or exceeds an amount equal to 3 times the base amount.

Such term does not include any payment described in section 280G(b)(6) (relating to exemption for payments under qualified plans) or any payment made under or to an annuity contract described in section 403(b) or a plan described in section 457(b).

''(C) BASE AMOUNT.—Rules similar to the rules of 280G(b)(3) shall apply for purposes of determining the base amount.

''(D) PROPERTY TRANSFERS; PRESENT VALUE.—Rules similar to the rules of paragraphs (3) and (4) of section 280G(d) shall apply.

''(6) COORDINATION WITH DEDUCTION LIMITATION.—Remuneration the deduction for which is

not allowed by reason of section 162(m) shall not be taken into account for purposes of this section.

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to prevent avoidance of the purposes of this section through the performance of services other than as an employee.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 42 is amended by adding at the end the following new item:

''Sec. 4960. Tax on excess exempt organization executive compensation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

***SEC. 3803. TREATMENT OF QUALIFIED EQUITY GRANTS.***

(a) IN GENERAL.—

(1) ELECTION TO DEFER INCOME.—Section 83 is amended by adding at the end the following new subsection:

''(i) QUALIFIED EQUITY GRANTS.—

''(1) IN GENERAL.—For purposes of this subtitle, if qualified stock is transferred to a qualified employee who makes an election with respect to such stock under this subsection—

''(A) except as provided in subparagraph (B), no amount shall be included in income under subsection (a) for the first taxable year in which the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, whichever is applicable, and

''(B) an amount equal to the amount which would be included in income of the employee under subsection (a) (determined without regard to this subsection) shall be included in income for the taxable year of the employee which includes the earliest of—

''(i) the first date such qualified stock becomes transferable (including transferable to the employer),

''(ii) the date the employee first becomes an excluded employee,

''(iii) the first date on which any stock of the corporation which issued the qualified stock becomes readily tradable on an established securities market (as determined by the Secretary, but not including any market unless such market is recognized as an established securities market by the Secretary for purposes of a provision of this title other than this subsection),

''(iv) the date that is 5 years after the first date the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, or

''(v) the date on which the employee revokes (at such time and in such manner as the Secretary may provide) the election under this subsection with respect to such stock.

''(2) QUALIFIED STOCK.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified stock' means, with respect to any qualified employee, any stock in a corporation which is the employer of such employee, if—

''(i) such stock is received—

''(I) in connection with the exercise of an option, or

''(II) in settlement of a restricted stock unit, and

''(ii) such option or restricted stock unit was provided by the corporation—

''(I) in connection with the performance of services as an employee, and

''(II) during a calendar year in which such corporation was an eligible corporation.

''(B) LIMITATION.—The term 'qualified stock' shall not include any stock if the employee may sell such stock to, or otherwise receive cash in lieu of stock from, the corporation at the time that the rights of the employee in such stock first become transferable or not subject to a substantial risk of forfeiture.

''(C) ELIGIBLE CORPORATION.—For purposes of subparagraph (A)(ii)(II)—

''(i) IN GENERAL.—The term 'eligible corporation' means, with respect to any calendar year, any corporation if—

''(I) no stock of such corporation (or any predecessor of such corporation) is readily tradable on an established securities market (as determined under paragraph (1)(B)(iii)) during any preceding calendar year, and

''(II) such corporation has a written plan under which, in such calendar year, not less than 80 percent of all employees who provide services to such corporation in the United States (or any possession of the United States) are granted stock options, or restricted stock units, with the same rights and privileges to receive qualified stock.

''(ii) SAME RIGHTS AND PRIVILEGES.—For purposes of clause (i)(II)—

''(I) except as provided in subclauses (II) and (III), the determination of rights and privileges with respect to stock shall be determined in a similar manner as provided under section 423(b)(5),

''(II) employees shall not fail to be treated as having the same rights and privileges to receive qualified stock solely because the number of shares available to all employees is not equal in amount, so long as the number of shares available to each employee is more than a de minimis amount, and

''(III) rights and privileges with respect to the exercise of an option shall not be treated as the same as rights and privileges with respect to the settlement of a restricted stock unit.

''(iii) EMPLOYEE.—For purposes of clause (i)(II), the term 'employee' shall not include any employee described in section 4980E(d)(4) or any excluded employee.

''(iv) SPECIAL RULE FOR CALENDAR YEARS BEFORE 2018.—In the case of any calendar year beginning before January 1, 2018, clause (i)(II) shall be applied without regard to whether the rights and privileges with respect to the qualified stock are the same.

''(3) QUALIFIED EMPLOYEE; EXCLUDED EMPLOYEE.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified employee' means any individual who—

''(i) is not an excluded employee, and

''(ii) agrees in the election made under this subsection to meet such requirements as determined by the Secretary to be necessary to ensure that the withholding requirements of the corporation under chapter 24 with respect to the qualified stock are met.

''(B) EXCLUDED EMPLOYEE.—The term 'excluded employee' means, with respect to any corporation, any individual—

''(i) who was a 1-percent owner (within the meaning of section 416(i)(1)(B)(ii)) at any time during the 10 preceding calendar years,

''(ii) who is or has been at any prior time—

''(I) the chief executive officer of such corporation or an individual acting in such a capacity, or

''(II) the chief financial officer of such corporation or an individual acting in such a capacity,

''(iii) who bears a relationship described in section 318(a)(1) to any individual described in subclause (I) or (II) of clause (ii), or

''(iv) who has been for any of the 10 preceding taxable years one of the 4 highest compensated officers of such corporation determined with respect to each such taxable year on the basis of the shareholder disclosure rules for compensation under the Securities Exchange Act of 1934 (as if such rules applied to such corporation).

''(4) ELECTION.—

''(A) TIME FOR MAKING ELECTION.—An election with respect to qualified stock shall be made under this subsection no later than 30 days after the first time the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, and shall be made in a manner similar to the manner in which an election is made under subsection (b).

''(B) LIMITATIONS.—No election may be made under this section with respect to any qualified stock if—

''(i) the qualified employee has made an election under subsection (b) with respect to such qualified stock,

''(ii) any stock of the corporation which issued the qualified stock is readily tradable on an established securities market (as determined under paragraph (1)(B)(iii)) at any time before the election is made, or

''(iii) such corporation purchased any of its outstanding stock in the calendar year preceding the calendar year which includes the first time the rights of the employee in such stock are transferable or are not subject to a substantial risk of forfeiture, unless—

''(I) not less than 25 percent of the total dollar amount of the stock so purchased is deferral stock, and

''(II) the determination of which individuals from whom deferral stock is purchased is made on a reasonable basis.

''(C) DEFINITIONS AND SPECIAL RULES RELATED TO LIMITATION ON STOCK REDEMPTIONS.—

''(i) DEFERRAL STOCK.—For purposes of this paragraph, the term 'deferral stock' means stock with respect to which an election is in effect under this subsection.

''(ii) DEFERRAL STOCK WITH RESPECT TO ANY INDIVIDUAL NOT TAKEN INTO ACCOUNT IF INDIVIDUAL HOLDS DEFERRAL STOCK WITH LONGER DEFERRAL PERIOD.—Stock purchased by a corporation from any individual shall not be treated as deferral stock for purposes of clause (iii) if such individual (immediately after such purchase) holds any deferral stock with respect to which an election has been in effect under this subsection for a longer period than the election with respect to the stock so purchased.

''(iii) PURCHASE OF ALL OUTSTANDING DEFERRAL STOCK.—The requirements of subclauses (I) and (II) of subparagraph (B)(iii) shall be treated as met if the stock so purchased includes all of the corporation's outstanding deferral stock.

''(iv) REPORTING.—Any corporation which has outstanding deferral stock as of the beginning of any calendar year and which purchases any of its outstanding stock during such calendar year shall include on its return of tax for the taxable year in which, or with which, such calendar year ends the total dollar amount of its outstanding stock so purchased during such calendar year and such other information as the Secretary may require for purposes of administering this paragraph.

''(5) CONTROLLED GROUPS.—For purposes of this subsection, all corporations which are members of the same controlled group of corporations (as defined in section 1563(a)) shall be treated as one corporation.

''(6) NOTICE REQUIREMENT.—Any corporation that transfers qualified stock to a qualified employee shall, at the time that (or a reasonable period before) an amount attributable to such stock would (but for this subsection) first be includible in the gross income of such employee—

''(A) certify to such employee that such stock is qualified stock, and

''(B) notify such employee—

''(i) that the employee may elect to defer income on such stock under this subsection, and

''(ii) that, if the employee makes such an election—

''(I) the amount of income recognized at the end of the deferral period will be based on the value of the stock at the time at which the rights of the employee in such stock first become transferable or not subject to substantial risk of forfeiture, notwithstanding whether the value of the stock has declined during the deferral period,

''(II) the amount of such income recognized at the end of the deferral period will be subject to withholding under section 3401(i) at the rate determined under section 3402(t), and

''(III) the responsibilities of the employee (as determined by the Secretary under paragraph (3)(A)(ii)) with respect to such withholding.

''(7) RESTRICTED STOCK UNITS.—This section (other than this subsection), including any election under subsection (b), shall not apply to restricted stock units.''.

(2) DEDUCTION BY EMPLOYER.—Subsection (h) of section 83 is amended by striking ''or (d)(2)'' and inserting ''(d)(2), or (i)''.

(b) WITHHOLDING.—

(1) TIME OF WITHHOLDING.—Section 3401 is amended by adding at the end the following new subsection:

''(i) QUALIFIED STOCK FOR WHICH AN ELECTION IS IN EFFECT UNDER SECTION 83(i).—For purposes of subsection (a), qualified stock (as defined in section 83(i)) with respect to which an election is made under section 83(i) shall be treated as wages—

''(1) received on the earliest date described in section 83(i)(1)(B), and

''(2) in an amount equal to the amount included in income under section 83 for the taxable year which includes such date.''.

(2) AMOUNT OF WITHHOLDING.—Section 3402 is amended by adding at the end the following new subsection:

''(t) RATE OF WITHHOLDING FOR CERTAIN STOCK.—In the case of any qualified stock (as defined in section 83(i)) with respect to which an election is made under section 83(i)—

''(1) the rate of tax under subsection (a) shall not be less than the maximum rate of tax in effect under section 1, and

''(2) such stock shall be treated for purposes of section 3501(b) in the same manner as a noncash fringe benefit.''.

(c) COORDINATION WITH OTHER DEFERRED COMPENSATION RULES.—

(1) ELECTION TO APPLY DEFERRAL TO STATUTORY OPTIONS.—

(A) INCENTIVE STOCK OPTIONS.—Section 422(b) is amended by adding at the end the following: ''Such term shall not include any option if an election is made under section 83(i) with respect to the stock received in connection with the exercise of such option.''.

(B) EMPLOYEE STOCK PURCHASE PLANS.—Section 423(a) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to any share of stock with respect to which an election is made under section 83(i).''.

(2) EXCLUSION FROM DEFINITION OF NONQUALIFIED DEFERRED COMPENSATION PLAN.—Subsection (d) of section 409A is amended by adding at the end the following new paragraph:

''(7) TREATMENT OF QUALIFIED STOCK.—An arrangement under which an employee may receive qualified stock (as defined in section 83(i)(2)) shall not be treated as a nonqualified deferred compensation plan solely because an employee's election, or ability to make an election, to defer recognition of income under section 83(i).''.

(d) INFORMATION REPORTING.—Section 6051(a) is amended by striking ''and'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting a comma, and by inserting after paragraph (14) the following new paragraphs:

''(15) the amount excludable from gross income under subparagraph (A) of section 83(i)(1),

''(16) the amount includible in gross income under subparagraph (B) of section 83(i)(1) with respect to an event described in such subparagraph which occurs in such calendar year, and

''(17) the aggregate amount of income which is being deferred pursuant to elections under section 83(i), determined as of the close of the calendar year.''.

(e) PENALTY FOR FAILURE OF EMPLOYER TO PROVIDE NOTICE OF TAX CONSEQUENCES.—Section 6652 is amended by adding at the end the following new subsection:

''(o) FAILURE TO PROVIDE NOTICE UNDER SECTION 83(i).—In the case of each failure to provide a notice as required by section 83(i)(6), at the time prescribed therefor, unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Secretary and in the same manner as tax, by the person failing to provide such notice, an amount equal to $100 for each such failure, but the total amount imposed on such person for all such failures during any calendar year shall not exceed $50,000.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to stock attributable to options exercised, or restricted stock units settled, after December 31, 2017.

(2) REQUIREMENT TO PROVIDE NOTICE.—The amendments made by subsection (e) shall apply to failures after December 31, 2017.

(g) TRANSITION RULE.—Until such time as the Secretary (or the Secretary's delegate) issue regulations or other guidance for purposes of implementing the requirements of paragraph (2)(C)(i)(II) of section 83(i) of the Internal Revenue Code of 1986 (as added by this section), or the requirements of paragraph (6) of such section, a corporation shall be treated as being in compliance with such requirements (respectively) if such corporation complies with a reasonable good faith interpretation of such requirements.

## TITLE IV—TAXATION OF FOREIGN INCOME AND FOREIGN PERSONS

### Subtitle A—Establishment of Participation Exemption System for Taxation of Foreign Income

**SEC. 4001. DEDUCTION FOR FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.**

(a) IN GENERAL.—Part VIII of subchapter B of chapter 1 is amended by inserting after section 245 the following new section:

**''SEC. 245A. DEDUCTION FOR FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.**

''(a) IN GENERAL.—In the case of any dividend received from a specified 10-percent owned foreign corporation by a domestic corporation which is a United States shareholder with respect to such foreign corporation, there shall be allowed as a deduction an amount equal to the foreign-source portion of such dividend.

''(b) SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—For purposes of this section, the term 'specified 10-percent owned foreign corporation' means any foreign corporation with respect to which any domestic corporation is a United States shareholder. Such term shall not include any passive foreign investment company (within the meaning of subpart D of part VI of subchapter P) that is not a controlled foreign corporation.

''(c) FOREIGN-SOURCE PORTION.—For purposes of this section—

''(1) IN GENERAL.—The foreign-source portion of any dividend is an amount which bears the same ratio to such dividend as—

''(A) the post-1986 undistributed foreign earnings of the specified 10-percent owned foreign corporation, bears to

''(B) the total post-1986 undistributed earnings of such foreign corporation.

''(2) POST-1986 UNDISTRIBUTED EARNINGS.—The term 'post-1986 undistributed earnings' means the amount of the earnings and profits of the specified 10-percent owned foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 1986—

''(A) as of the close of the taxable year of the specified 10-percent owned foreign corporation in which the dividend is distributed, and

''(B) without diminution by reason of dividends distributed during such taxable year.

''(3) POST-1986 UNDISTRIBUTED FOREIGN EARNINGS.—The term 'post-1986 undistributed foreign earnings' means the portion of the post-1986 undistributed earnings which is attributable to neither—

''(A) income described in subparagraph (A) of section 245(a)(5), nor

''(B) dividends described in subparagraph (B) of such section (determined without regard to section 245(a)(12)).

''(4) TREATMENT OF DISTRIBUTIONS FROM EARNINGS BEFORE 1987.—

''(A) IN GENERAL.—In the case of any dividend paid out of earnings and profits of the specified 10-percent owned foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning before January 1, 1987—

''(i) paragraphs (1), (2), and (3) shall be applied without regard to the phrase 'post-1986' each place it appears, and

''(ii) paragraph (2) shall be applied by substituting 'after the date specified in section 316(a)(1)' for 'in taxable years beginning after December 31, 1986'.

''(B) DIVIDENDS PAID FIRST OUT OF POST-1986 EARNINGS.—Dividends shall be treated as paid out of post-1986 undistributed earnings to the extent thereof.

''(5) TREATMENT OF CERTAIN DIVIDENDS IN EXCESS OF UNDISTRIBUTED EARNINGS.—In the case of any dividend from the specified 10-percent owned foreign corporation which is in excess of undistributed earnings (as determined under paragraph (2) after taking into account the modifications described in clauses (i) and (ii) of paragraph (4)(A)), the foreign-source portion of such dividend is an amount which bears the same ratio to such dividend as—

''(A) the portion of the earnings and profits described in subparagraph (B) which is attributable to neither income described in paragraph (3)(A) nor dividends described in paragraph (3)(B), bears to

''(B) the earnings and profits of such corporation for the taxable year in which such distribution is made (computed as of the close of the taxable year without diminution by reason of any distributions made during the taxable year).

''(d) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

''(1) IN GENERAL.—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to any dividend for which a deduction is allowed under this section.

''(2) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer as having elected the benefits of subpart A of part III of subchapter N).

''(e) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.''.

(b) APPLICATION OF HOLDING PERIOD REQUIREMENT.—Section 246(c) is amended—

(1) by striking ''or 245'' in paragraph (1) and inserting ''245, or 245A'', and

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

''(5) SPECIAL RULES FOR FOREIGN SOURCE PORTION OF DIVIDENDS RECEIVED FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—

''(A) 6-MONTH HOLDING PERIOD REQUIREMENT.—For purposes of section 245A—

''(i) paragraph (1)(A) shall be applied—

''(I) by substituting '180 days' for '45 days'each place it appears, and

''(II) by substituting '361-day period' for '91-day period', and

''(ii) paragraph (2) shall not apply.

''(B) STATUS MUST BE MAINTAINED DURING HOLDING PERIOD.—For purposes of applying paragraph (1) with respect to section 245A, the taxpayer shall be treated as holding the stock referred to in paragraph (1) for any period only if—

''(i) the specified 10-percent owned foreign corporation referred to in section 245A(a) is a specified 10-percent owned foreign corporation for such period, and

''(ii) the taxpayer is a United States shareholder with respect to such specified 10-percent owned foreign corporation for such period.''.

(c) APPLICATION OF RULES GENERALLY APPLICABLE TO DEDUCTIONS FOR DIVIDENDS RECEIVED.—

(1) TREATMENT OF DIVIDENDS FROM CERTAIN CORPORATIONS.—Section 246(a)(1) is amended by striking ''and 245'' and inserting ''245, and 245A''.

(2) COORDINATION WITH SECTION 1059.—Section 1059(b)(2)(B) is amended by striking ''or 245'' and inserting ''245, or 245A''.

(d) COORDINATION WITH FOREIGN TAX CREDIT LIMITATION.—Section 904(b) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF DIVIDENDS FOR WHICH DEDUCTION IS ALLOWED UNDER SECTION 245A.—For purposes of subsection (a), in the case of a United States shareholder with respect to a specified 10-percent owned foreign corporation, such shareholder's taxable income from sources without the United States (and entire taxable income) shall be determined without regard to—

''(A) the foreign-source portion of any dividend received from such foreign corporation, and

''(B) any deductions properly allocable or apportioned to—

''(i) income (other than subpart F income (as defined in section 952) and foreign high return amounts (as defined in section 951A(b)) with respect to stock of such specified 10-percent owned foreign corporation, or

''(ii) such stock (to the extent income with respect to such stock is other than subpart F income (as so defined) or foreign high return amounts (as so defined)).

Any term which is used in section 245A and in this paragraph shall have the same meaning for purposes of this paragraph as when used in such section.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 245(a)(4) is amended by striking ''section 902(c)(1)'' and inserting ''section 245A(c)(2) applied by substituting 'qualified 10-percent owned foreign corporation' for 'specified 10-percent owned foreign corporation' each place it appears''.

(2) Section 951(b) is amended by striking ''subpart'' and inserting ''title''.

(3) Section 957(a) is amended by striking ''subpart'' in the matter preceding paragraph (1) and inserting ''title''.

(4) The table of sections for part VIII of subchapter B of chapter 1 is amended by inserting after section 245 the following new item:

''Sec. 245A. Deduction for foreign-source portion of dividends received by domestic corporations from specified 10-percent owned foreign corporations.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after (and, in the case of the amendments made by subsection (d), deductions with respect to taxable years ending after) December 31, 2017.

**SEC. 4002. APPLICATION OF PARTICIPATION EXEMPTION TO INVESTMENTS IN UNITED STATES PROPERTY.**

(a) IN GENERAL.—Section 956(a) is amended in the matter preceding paragraph (1) by inserting ''(other than a corporation)'' after ''United States shareholder''.

(b) REGULATORY AUTHORITY TO PREVENT ABUSE.—Section 956(e) is amended by striking ''including regulations to prevent'' and inserting ''including regulations—

''(1) to address United States shareholders that are partnerships with corporate partners, and

''(2) to prevent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017.

**SEC. 4003. LIMITATION ON LOSSES WITH RESPECT TO SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.**

(a) BASIS IN SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION REDUCED BY NONTAXED PORTION OF DIVIDEND FOR PURPOSES OF DETERMINING LOSS.—

(1) IN GENERAL.—Section 961 is amended by adding at the end the following new subsection:

''(d) BASIS IN SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION REDUCED BY NONTAXED PORTION OF DIVIDEND FOR PURPOSES OF DETERMINING LOSS.—If a domestic corporation received a dividend from a specified 10-percent owned foreign corporation (as defined in section 245A) in any taxable year, solely for purposes of determining loss on any disposition of stock of such foreign corporation in such taxable year or any subsequent taxable year, the basis of such domestic corporation in such stock shall be reduced (but not below zero) by the amount of any deduction allowable to such domestic corporation under section 245A with respect to such stock except to the extent such basis was reduced under section 1059 by reason of a dividend for which such a deduction was allowable.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions made after December 31, 2017.

(b) TREATMENT OF FOREIGN BRANCH LOSSES TRANSFERRED TO SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 is amended by adding at the end the following new section:

**''SEC. 91. CERTAIN FOREIGN BRANCH LOSSES TRANSFERRED TO SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.**

''(a) IN GENERAL.—If a domestic corporation transfers substantially all of the assets of a foreign branch (within the meaning of section 367(a)(3)(C)) to a specified 10-percent owned foreign corporation (as defined in section 245A) with respect to which it is a United States shareholder after such transfer, such domestic corporation shall include in gross income for the taxable year which includes such transfer an amount equal to the transferred loss amount with respect to such transfer.

''(b) TRANSFERRED LOSS AMOUNT.—For purposes of this section, the term 'transferred loss amount' means, with respect to any transfer of substantially all of the assets of a foreign branch, the excess (if any) of—

''(1) the sum of losses—

''(A) which were incurred by the foreign branch after December 31, 2017, and before the transfer, and

''(B) with respect to which a deduction was allowed to the taxpayer, over

''(2) the sum of—

''(A) any taxable income of such branch for a taxable year after the taxable year in which the loss was incurred and through the close of the taxable year of the transfer, and

''(B) any amount which is recognized under section 904(f)(3) on account of the transfer.

''(c) REDUCTION FOR RECOGNIZED GAINS.—

''(1) IN GENERAL.—In the case of a transfer not described in section 367(a)(3)(C), the transferred loss amount shall be reduced (but not below zero) by the amount of gain recognized by the taxpayer on account of the transfer (other than amounts taken into account under subsection (c)(2)(B)).

''(2) COORDINATION WITH RECOGNITION UNDER SECTION 367.—In the case of a transfer described in section 367(a)(3)(C), the transferred loss amount shall not exceed the excess (if any) of—

''(A) the excess of the amount described in section 367(a)(3)(C)(i) over the amount described in section 367(a)(3)(C)(ii) with respect to such transfer, over

''(B) the amount of gain recognized under section 367(a)(3)(C) with respect to such transfer.

''(d) SOURCE OF INCOME.—Amounts included in gross income under this section shall be treated as derived from sources within the United States.

''(e) BASIS ADJUSTMENTS.—Consistent with such regulations or other guidance as the Secretary may prescribe, proper adjustments shall be made in the adjusted basis of the taxpayer's stock in the specified 10-percent owned foreign corporation to which the transfer is made, and in the transferee's adjusted basis in the property transferred, to reflect amounts included in gross income under this section.''.

(2) AMOUNTS RECOGNIZED UNDER SECTION 367 ON TRANSFER OF FOREIGN BRANCH WITH PREVIOUSLY DEDUCTED LOSSES TREATED AS UNITED STATES SOURCE.—Section 367(a)(3)(C) is amended by striking ''outside'' in the last sentence and inserting ''within''.

(3) CLERICAL AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Certain foreign branch losses transferred to specified 10-percent owned foreign corporations.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to transfers after December 31, 2017.

**SEC. 4004. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.**

(a) IN GENERAL.—Section 965 is amended to read as follows:

**''SEC. 965. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.**

''(a) TREATMENT OF DEFERRED FOREIGN INCOME AS SUBPART F INCOME.—In the case of the last taxable year of a deferred foreign income corporation which begins before January 1, 2018, the subpart F income of such foreign corporation (as otherwise determined for such taxable year under section 952) shall be increased by the greater of—

''(1) the accumulated post-1986 deferred foreign income of such corporation determined as of November 2, 2017, or

''(2) the accumulated post-1986 deferred foreign income of such corporation determined as of December 31, 2017.

''(b) REDUCTION IN AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS OF SPECIFIED FOREIGN CORPORATIONS WITH DEFICITS IN EARNINGS AND PROFITS.—

''(1) IN GENERAL.—In the case of a taxpayer which is a United States shareholder with respect to at least one deferred foreign income corporation and at least one E&P deficit foreign corporation, the amount which would (but for this subsection) be taken into account under section 951(a)(1) by reason of subsection (a) as such United States shareholder's pro rata share of the subpart F income of each deferred foreign income corporation shall be reduced (but not below zero) by the amount of such United States shareholder's aggregate foreign E&P deficit which is allocated under paragraph (2) to such deferred foreign income corporation.

''(2) ALLOCATION OF AGGREGATE FOREIGN E&P DEFICIT.—The aggregate foreign E&P deficit of any United States shareholder shall be allocated among the deferred foreign income corporations of such United States shareholder in an amount which bears the same proportion to such aggregate as—

''(A) such United States shareholder's pro rata share of the accumulated post-1986 deferred foreign income of each such deferred foreign income corporation, bears to

''(B) the aggregate of such United States shareholder's pro rata share of the accumulated post-1986 deferred foreign income of all deferred foreign income corporations of such United States shareholder.

''(3) DEFINITIONS RELATED TO E&P DEFICITS.—For purposes of this subsection—

''(A) AGGREGATE FOREIGN E&P DEFICIT.—The term 'aggregate foreign E&P deficit' means, with respect to any United States shareholder, the aggregate of such shareholder's pro rata shares of the specified E&P deficits of the E&P deficit foreign corporations of such shareholder.

''(B) E&P DEFICIT FOREIGN CORPORATION.—The term 'E&P deficit foreign corporation' means, with respect to any taxpayer, any specified foreign corporation with respect to which such taxpayer is a United States shareholder, if—

''(i) such specified foreign corporation has a deficit in post-1986 earnings and profits, and

''(ii) as of November 2, 2017—

''(I) such corporation was a specified foreign corporation, and

''(II) such taxpayer was a United States shareholder of such corporation.

''(C) SPECIFIED E&P DEFICIT.—The term 'specified E&P deficit' means, with respect to any E&P deficit foreign corporation, the amount of the deficit referred to in subparagraph (B).

''(4) NETTING AMONG UNITED STATES SHAREHOLDERS IN SAME AFFILIATED GROUP.—

''(A) IN GENERAL.—In the case of any affiliated group which includes at least one E&P net surplus shareholder and one E&P net deficit shareholder, the amount which would (but for this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a) by each such E&P net surplus shareholder shall be reduced (but not below zero) by such shareholder's applicable share of the affiliated group's aggregate unused E&P deficit.

''(B) E&P NET SURPLUS SHAREHOLDER.—For purposes of this paragraph, the term 'E&P net surplus shareholder' means any United States shareholder which would (determined without regard to this paragraph) take into account an amount greater than zero under section 951(a)(1) by reason of subsection (a).

''(C) E&P NET DEFICIT SHAREHOLDER.—For purposes of this paragraph, the term 'E&P net deficit shareholder' means any United States shareholder if—

''(i) the aggregate foreign E&P deficit with respect to such shareholder (as defined in paragraph (3)(A)), exceeds

''(ii) the amount which would (but for this subsection) be taken into account by such shareholder under section 951(a)(1) by reason of subsection (a).

''(D) AGGREGATE UNUSED E&P DEFICIT.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'aggregate unused E&P deficit' means, with respect to any affiliated group, the lesser of—

''(I) the sum of the excesses described in subparagraph (C), determined with respect to each E&P net deficit shareholder in such group, or

''(II) the amount determined under subparagraph (E)(ii).

''(ii) REDUCTION WITH RESPECT TO E&P NET DEFICIT SHAREHOLDERS WHICH ARE NOT WHOLLY OWNED BY THE AFFILIATED GROUP.—If the group ownership percentage of any E&P net deficit shareholder is less than 100 percent, the amount of the excess described in subparagraph (C) which is taken into account under clause (i)(I) with respect to such E&P net deficit shareholder shall be such group ownership percentage of such amount.

''(E) APPLICABLE SHARE.—For purposes of this paragraph, the term 'applicable share' means, with respect to any E&P net surplus shareholder in any affiliated group, the amount which bears the same proportion to such group's aggregate unused E&P deficit as—

''(i) the product of—

''(I) such shareholder's group ownership percentage, multiplied by

''(II) the amount which would (but for this paragraph) be taken into account under section 951(a)(1) by reason of subsection (a) by such shareholder, bears to

''(ii) the aggregate amount determined under clause (i) with respect to all E&P net surplus shareholders in such group.

''(F) GROUP OWNERSHIP PERCENTAGE.—For purposes of this paragraph, the term 'group ownership percentage' means, with respect to any United States shareholder in any affiliated group, the percentage of the value of the stock of such United States shareholder which is held by other includible corporations in such affiliated group. Notwithstanding the preceding sentence, the group ownership percentage of the common parent of the affiliated group is 100 percent. Any term used in this subparagraph which is also used in section 1504 shall have the same meaning as when used in such section.

''(c) APPLICATION OF PARTICIPATION EXEMPTION TO INCLUDED INCOME.—

''(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income corporation, there shall be allowed as a deduction for the taxable year in which an amount is included in the gross income of such United States shareholder under section 951(a)(1) by reason of this section an amount equal to the sum of—

''(A) the United States shareholder's 7 percent rate equivalent percentage of the excess (if any) of—

''(i) the amount so included as gross income, over

''(ii) the amount of such United States shareholder's aggregate foreign cash position, plus

''(B) the United States shareholder's 14 percent rate equivalent percentage of so much of the amount described in subparagraph (A)(ii) as does not exceed the amount described in subparagraph (A)(i).

''(2) 7 AND 14 PERCENT RATE EQUIVALENT PERCENTAGES.—For purposes of this subsection—

''(A) 7 PERCENT RATE EQUIVALENT PERCENTAGE.—The term '7 percent rate equivalent percentage' means, with respect to any United States shareholder for any taxable year, the percentage which would result in the amount to which such percentage applies being subject to a 7 percent rate of tax determined by only taking into account a deduction equal to such percentage of such amount and the highest rate of tax specified in section 11 for such taxable year. In the case of any taxable year of a United States shareholder to which section 15 applies, the highest rate of tax under section 11 before the effective date of the change in rates and the highest rate of tax under section 11 after the effective date of such change shall each be taken into account under the preceding sentence in the same proportions as the portion of such taxable year which is before and after such effective date, respectively.

''(B) 14 PERCENT RATE EQUIVALENT PERCENTAGE.—The term '14 percent rate equivalent percentage' means, with respect to any United States shareholder for any taxable year, the percentage determined under subparagraph (A) applied by substituting '14 percent rate of tax' for '7 percent rate of tax'.

''(3) AGGREGATE FOREIGN CASH POSITION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'aggregate foreign cash position' means, with respect to any United States shareholder, one-third of the sum of—

''(i) the aggregate of such United States shareholder's pro rata share of the cash position of each specified foreign corporation of such United States shareholder determined as of November 2, 2017,

''(ii) the aggregate described in clause (i) determined as of the close of the last taxable year of each such specified foreign corporation which ends before November 2, 2017, and

''(iii) the aggregate described in clause (i) determined as of the close of the taxable year of each such specified foreign corporation which precedes the taxable year referred to in clause (ii).

In the case of any foreign corporation which did not exist as of the determination date described in clause (ii) or (iii), this subparagraph shall be applied separately to such foreign corporation by not taking into account such clause and by substituting 'one-half (100 percent in the case that both clauses (ii) and (iii) are disregarded)' for 'one-third'.

''(B) CASH POSITION.—For purposes of this paragraph, the cash position of any specified foreign corporation is the sum of—

''(i) cash held by such foreign corporation,

''(ii) the net accounts receivable of such foreign corporation, plus

''(iii) the fair market value of the following assets held by such corporation:

''(I) Actively traded personal property for which there is an established financial market.

''(II) Commercial paper, certificates of deposit, the securities of the Federal government and of any State or foreign government.

''(III) Any foreign currency.

''(IV) Any obligation with a term of less than one year.

''(V) Any asset which the Secretary identifies as being economically equivalent to any asset described in this subparagraph.

''(C) NET ACCOUNTS RECEIVABLE.—For purposes of this paragraph, the term 'net accounts receivable' means, with respect to any specified foreign corporation, the excess (if any) of—

''(i) such corporation's accounts receivable, over

''(ii) such corporation's accounts payable (determined consistent with the rules of section 461).

''(D) PREVENTION OF DOUBLE COUNTING.—

''(i) IN GENERAL.—The applicable percentage of each specified cash position of a specified foreign corporation shall not be taken into account by—

''(I) the United States shareholder referred to in clause (ii) with respect to such position, or

''(II) any United States shareholder which is an includible corporation in the same affiliated group as such United States shareholder referred to in clause (ii).

''(ii) SPECIFIED CASH POSITION.—For purposes of this subparagraph, the term 'specified cash position' means—

''(I) amounts described in subparagraph (B)(ii) to the extent such amounts are receivable from another specified foreign corporation with respect to any United States shareholder,

''(II) amounts described in subparagraph (B)(iii)(I) to the extent such amounts consist of an equity interest in another specified foreign corporation with respect to any United States shareholder, and

''(III) amounts described in subparagraph (B)(iii)(IV) to the extent that another specified foreign corporation with respect to any United States shareholder is obligated to repay such amount.

''(iii) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the term 'applicable percentage' means—

''(I) with respect to each specified cash position described in subclause (I) or (III) of clause (ii), the pro rata share of the United States shareholder referred to in clause (ii) with respect to the specified foreign corporation referred to in such clause, and

''(II) with respect to each specified cash position described in clause (ii)(II), the ratio (expressed as a percentage and not in excess of 100 percent) of the United States shareholder's pro rata share of the cash position of the specified foreign corporation referred to in such clause divided by the amount of such specified cash position.

For purposes of this subparagraph, a separate applicable percentage shall be determined under each of subclauses (I) and (II) with respect to each specified foreign corporation referred to in clause (ii) with respect to which a specified cash position is determined for the specified foreign corporation referred to in clause (i).

''(iv) REDUCTION WITH RESPECT TO AFFILIATED GROUP MEMBERS NOT WHOLLY OWNED BY THE AFFILIATED GROUP.—For purposes of clause (i)(II), in the case of an includible corporation the group ownership percentage of which is less than 100 percent (as determined under subsection (b)(4)(F)), the amount not take into account by reason of such clause shall be the

group ownership percentage of such amount (determined without regard to this clause).

''(E) CERTAIN BLOCKED ASSETS NOT TAKEN INTO ACCOUNT.—A cash position of a specified foreign corporation shall not be taken into account under subparagraph (A) if such position could not (as of the date that it would otherwise have been taken into account under clause (i), (ii), or (iii) of subparagraph (A)) have been distributed by such specified foreign corporation to United States shareholders of such specified foreign corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country (within the meaning of section 964(b)).

''(F) CASH POSITIONS OF CERTAIN NON-CORPORATE ENTITIES TAKEN INTO ACCOUNT.—An entity (other than a domestic corporation) shall be treated as a specified foreign corporation of a United States shareholder for purposes of determining such United States shareholder's aggregate foreign cash position if any interest in such entity is held by a specified foreign corporation of such United States shareholder (determined after application of this subparagraph) and such entity would be a specified foreign corporation of such United States shareholder if such entity were a foreign corporation.

''(G) TIME OF CERTAIN DETERMINATIONS.—For purposes of this paragraph, the determination of whether a person is a United States shareholder, whether a person is a specified foreign corporation, and the pro rata share of a United States shareholder with respect to a specified foreign corporation, shall be determined as of the end of the taxable year described in subsection (a).

''(H) ANTI-ABUSE.—If the Secretary determines that the principal purpose of any transaction was to reduce the aggregate foreign cash position taken into account under this subsection, such transaction shall be disregarded for purposes of this subsection.

''(d) DEFERRED FOREIGN INCOME CORPORATION; ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—For purposes of this section—

''(1) DEFERRED FOREIGN INCOME CORPORATION.—The term 'deferred foreign income corporation' means, with respect to any United States shareholder, any specified foreign corporation of such United States shareholder which has accumulated post-1986 deferred foreign income (as of the date referred to in paragraph (1) or (2) of subsection (a), whichever is applicable with respect to such foreign corporation) greater than zero.

''(2) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—The term 'accumulated post-1986 deferred foreign income' means the post-1986 earnings and profits except to the extent such earnings—

''(A) are attributable to income of the specified foreign corporation which is effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter, or

''(B) if distributed, would be excluded from the gross income of a United States shareholder under section 959.

To the extent provided in regulations or other guidance prescribed by the Secretary, in the case of any controlled foreign corporation which has shareholders which are not United States shareholders, accumulated post-1986 deferred foreign income shall be appropriately reduced by amounts which would be described in subparagraph (B) if such shareholders were United States shareholders.

''(3) POST-1986 EARNINGS AND PROFITS.—The term 'post-1986 earnings and profits' means the earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 1986, and determined—

''(A) as of the date referred to in paragraph (1) or (2) of subsection (a), whichever is applicable with respect to such foreign corporation,

''(B) without diminution by reason of dividends distributed during the taxable year ending with or including such date, and

''(C) increased by the amount of any qualified deficit (within the meaning of section 952(c)(1)(B)(ii)) arising before January 1, 2018, which is treated as a qualified deficit (within the meaning of such section as amended by the Tax Cuts and Jobs Act) for purposes of such foreign corporation's first taxable year beginning after December 31, 2017.

''(e) SPECIFIED FOREIGN CORPORATION.—

''(1) IN GENERAL.—For purposes of this section, the term 'specified foreign corporation' means—

''(A) any controlled foreign corporation, and

''(B) any foreign corporation with respect to which one or more domestic corporations is a United States shareholder (determined without regard to section 958(b)(4)).

''(2) APPLICATION TO CERTAIN FOREIGN CORPORATIONS.—For purposes of sections 951 and 961, a foreign corporation described in paragraph (1)(B) shall be treated as a controlled foreign corporation solely for purposes of taking into account the subpart F income of such corporation under subsection (a) (and for purposes of applying subsection (f)).

''(3) EXCEPTION FOR PASSIVE FOREIGN INVESTMENT COMPANIES.—The term 'specified foreign corporation' shall not include any passive foreign investment company (within the meaning of subpart D of part VI of subchapter P) that is not a controlled foreign corporation.

''(f) DETERMINATIONS OF PRO RATA SHARE.—For purposes of this section, the determination of any United States shareholder's pro rata share of any amount with respect to any specified foreign corporation shall be determined under rules similar to the rules of section 951(a)(2) by treating such amount in the same manner as subpart F income (and by treating such specified foreign corporation as a controlled foreign corporation).

''(g) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

''(1) IN GENERAL.—No credit shall be allowed under section 901 for the applicable percentage of any taxes paid or accrued (or treated as paid or accrued) with respect to any amount for which a deduction is allowed under this section.

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the amount (expressed as a percentage) equal to the sum of—

''(A) 80 percent of the ratio of—

''(i) the excess to which subsection (c)(1)(A) applies, divided by

''(ii) the sum of such excess plus the amount to which subsection (c)(1)(B) applies, plus

''(B) 60 percent of the ratio of—

''(i) the amount to which subsection (c)(1)(B) applies, divided by

''(ii) the sum described in subparagraph (A)(ii).

''(3) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer as having elected the benefits of subpart A of part III of subchapter N).

''(4) COORDINATION WITH SECTION 78.—With respect to the taxes treated as paid or accrued by a domestic corporation with respect to amounts which are includible in gross income of such domestic corporation by reason of this section, section 78 shall apply only to so much of such taxes as bears the same proportion to the amount of such taxes as—

''(A) the excess of—

''(i) the amounts which are includible in gross income of such domestic corporation by reason of this section, over

''(ii) the deduction allowable under subsection (c) with respect to such amounts, bears to

''(B) such amounts.

''(5) EXTENSION OF FOREIGN TAX CREDIT CARRYOVER PERIOD.—With respect to any taxes paid or accrued (or treated as paid or accrued) with respect to any amount for which a deduction is allowed under this section, section 904(c) shall be applied by substituting 'first 20 succeeding taxable years' for 'first 10 succeeding taxable years'.

''(h) ELECTION TO PAY LIABILITY IN INSTALLMENTS.—

''(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income corporation, such United States shareholder may elect to pay the net tax liability under this section in 8 equal installments.

''(2) DATE FOR PAYMENT OF INSTALLMENTS.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of tax for the taxable year described in subsection (a) and each succeeding installment shall be paid on the due date (as so determined) for the return of tax for the taxable year following the taxable year with respect to which the preceding installment was made.

''(3) ACCELERATION OF PAYMENT.—If there is an addition to tax for failure to timely pay any installment required under this subsection, a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer, or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed). The preceding sentence shall not apply to the sale of substantially all the assets of a taxpayer to a buyer if such buyer enters into an agreement with the Secretary under which such buyer is liable for the remaining installments due under this subsection in the same manner as if such buyer were the taxpayer.

''(4) PRORATION OF DEFICIENCY TO INSTALLMENTS.—If an election is made under paragraph (1) to pay the net tax liability under this section in installments and a deficiency has been assessed with respect to such net tax liability, the deficiency shall be prorated to the installments payable under paragraph (1). The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

''(5) ELECTION.—Any election under paragraph (1) shall be made not later than the due date for the return of tax for the taxable year described in subsection (a) and shall be made in such manner as the Secretary may provide.

''(6) NET TAX LIABILITY UNDER THIS SECTION.—For purposes of this subsection—

''(A) IN GENERAL.—The net tax liability under this section with respect to any United States shareholder is the excess (if any) of—

''(i) such taxpayer's net income tax for the taxable year in which an amount is included in the gross income of such United States shareholder under section 951(a)(1) by reason of this section, over

''(ii) such taxpayer's net income tax for such taxable year determined—

''(I) without regard to this section, and

''(II) without regard to any income, deduction, or credit, properly attributable to a dividend received by such United States shareholder from any deferred foreign income corporation.

''(B) NET INCOME TAX.—The term 'net income tax' means the regular tax liability reduced by the credits allowed under subparts A, B, and D of part IV of subchapter A.

''(i) SPECIAL RULES FOR S CORPORATION SHAREHOLDERS.—

''(1) IN GENERAL.—In the case of any S corporation which is a United States shareholder of

*a deferred foreign income corporation, each shareholder of such S corporation may elect to defer payment of such shareholder's net tax liability under this section with respect to such S corporation until the shareholder's taxable year which includes the triggering event with respect to such liability. Any net tax liability payment of which is deferred under the preceding sentence shall be assessed on the return as an addition to tax in the shareholder's taxable year which includes such triggering event.*

*''(2) TRIGGERING EVENT.—*

*''(A) IN GENERAL.—In the case of any shareholder's net tax liability under this section with respect to any S corporation, the triggering event with respect to such liability is whichever of the following occurs first:*

*''(i) Such corporation ceases to be an S corporation (determined as of the first day of the first taxable year that such corporation is not an S corporation).*

*''(ii) A liquidation or sale of substantially all the assets of such S corporation (including in a title 11 or similar case), a cessation of business by such S corporation, such S corporation ceases to exist, or any similar circumstance.*

*''(iii) A transfer of any share of stock in such S corporation by the taxpayer (including by reason of death, or otherwise).*

*''(B) PARTIAL TRANSFERS OF STOCK.—In the case of a transfer of less than all of the taxpayer's shares of stock in the S corporation, such transfer shall only be a triggering event with respect to so much of the taxpayer's net tax liability under this section with respect to such S corporation as is properly allocable to such stock.*

*''(C) TRANSFER OF LIABILITY.—A transfer described in clause (iii) shall not be treated as a triggering event if the transferee enters into an agreement with the Secretary under which such transferee is liable for net tax liability with respect to such stock in the same manner as if such transferee were the taxpayer.*

*''(3) NET TAX LIABILITY.—A shareholder's net tax liability under this section with respect to any S corporation is the net tax liability under this section which would be determined under subsection (h)(6) if the only subpart F income taken into account by such shareholder by reason of this section were allocations from such S corporation.*

*''(4) ELECTION TO PAY DEFERRED LIABILITY IN INSTALLMENTS.—In the case of a taxpayer which elects to defer payment under paragraph (1)—*

*''(A) subsection (h) shall be applied separately with respect to the liability to which such election applies,*

*''(B) an election under subsection (h) with respect to such liability shall be treated as timely made if made not later than the due date for the return of tax for the taxable year in which the triggering event with respect to such liability occurs,*

*''(C) the first installment under subsection (h) with respect to such liability shall be paid not later than such due date (but determined without regard to any extension of time for filing the return), and*

*''(D) if the triggering event with respect to any net tax liability is described in paragraph (2)(A)(ii), an election under subsection (h) with respect to such liability may be made only with the consent of the Secretary.*

*''(5) JOINT AND SEVERAL LIABILITY OF S CORPORATION.—If any shareholder of an S corporation elects to defer payment under paragraph (1), such S corporation shall be jointly and severally liable for such payment and any penalty, addition to tax, or additional amount attributable thereto.*

*''(6) EXTENSION OF LIMITATION ON COLLECTION.—Notwithstanding any other provision of law, any limitation on the time period for the collection of a liability deferred under this subsection shall not be treated as beginning before the date of the triggering event with respect to such liability.*

*''(7) ANNUAL REPORTING OF NET TAX LIABILITY.—*

*''(A) IN GENERAL.—Any shareholder of an S corporation which makes an election under paragraph (1) shall report the amount of such shareholder's deferred net tax liability on such shareholder's return of tax for the taxable year for which such election is made and on the return of tax for each taxable year thereafter until such amount has been fully assessed on such returns.*

*''(B) DEFERRED NET TAX LIABILITY.—For purposes of this paragraph, the term 'deferred net tax liability' means, with respect to any taxable year, the amount of net tax liability payment of which has been deferred under paragraph (1) and which has not been assessed on a return of tax for any prior taxable year.*

*''(C) FAILURE TO REPORT.—In the case of any failure to report any amount required to be reported under subparagraph (A) with respect to any taxable year before the due date for the return of tax for such taxable year, there shall be assessed on such return as an addition to tax 5 percent of such amount.*

*''(8) ELECTION.—Any election under paragraph (1)—*

*''(A) shall be made by the shareholder of the S corporation not later than the due date for such shareholder's return of tax for the taxable year which includes the close of the taxable year of such S corporation in which the amount described in subsection (a) is taken into account, and*

*''(B) shall be made in such manner as the Secretary may provide.*

*''(j) REPORTING BY S CORPORATION.—Each S corporation which is a United States shareholder of a deferred foreign income corporation shall report in its return of tax under section 6037(a) the amount includible in its gross income for such taxable year by reason of this section and the amount of the deduction allowable by subsection (c). Any copy provided to a shareholder under section 6037(b) shall include a statement of such shareholder's pro rata share of such amounts.*

*''(k) INCLUSION OF DEFERRED FOREIGN INCOME UNDER THIS SECTION NOT TO TRIGGER RECAPTURE OF OVERALL FOREIGN LOSS, ETC.—For purposes of sections 904(f)(1) and 907(c)(4), in the case of a United States shareholder of a deferred foreign income corporation, such United States shareholder's taxable income from sources without the United States and combined foreign oil and gas income shall be determined without regard to this section.*

*''(l) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.''.*

*(b) CLERICAL AMENDMENT.—The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 965 and inserting the following:*

*''Sec. 965. Treatment of deferred foreign income upon transition to participation exemption system of taxation.''.*

***Subtitle B—Modifications Related to Foreign Tax Credit System***

***SEC. 4101. REPEAL OF SECTION 902 INDIRECT FOREIGN TAX CREDITS; DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.***

*(a) REPEAL OF SECTION 902 INDIRECT FOREIGN TAX CREDITS.—Subpart A of part III of subchapter N of chapter 1 is amended by striking section 902.*

*(b) DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.—Section 960 is amended—*

*(1) by striking subsection (c), by redesignating subsection (b) as subsection (c), by striking all that precedes subsection (c) (as so redesignated) and inserting the following:*

***''SEC. 960. DEEMED PAID CREDIT FOR SUBPART F INCLUSIONS.***

*''(a) IN GENERAL.—For purposes of this subpart, if there is included in the gross income of a domestic corporation any item of income under section 951(a)(1) with respect to any controlled foreign corporation with respect to which such domestic corporation is a United States shareholder, such domestic corporation shall be deemed to have paid so much of such foreign corporation's foreign income taxes as are properly attributable to such item of income.*

*''(b) SPECIAL RULES FOR DISTRIBUTIONS FROM PREVIOUSLY TAXED EARNINGS AND PROFITS.—For purposes of this subpart—*

*''(1) IN GENERAL.—If any portion of a distribution from a controlled foreign corporation to a domestic corporation which is a United States shareholder with respect to such controlled foreign corporation is excluded from gross income under section 959(a), such domestic corporation shall be deemed to have paid so much of such foreign corporation's foreign income taxes as—*

*''(A) are properly attributable to such portion, and*

*''(B) have not been deemed to have to been paid by such domestic corporation under this section for the taxable year or any prior taxable year.*

*''(2) TIERED CONTROLLED FOREIGN CORPORATIONS.—If section 959(b) applies to any portion of a distribution from a controlled foreign corporation to another controlled foreign corporation, such controlled foreign corporation shall be deemed to have paid so much of such other controlled foreign corporation's foreign income taxes as—*

*''(A) are properly attributable to such portion, and*

*''(B) have not been deemed to have been paid by a domestic corporation under this section for the taxable year or any prior taxable year.'',*

*(2) and by adding after subsection (c) (as so redesignated) the following new subsections:*

*''(d) FOREIGN INCOME TAXES.—The term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accrued to any foreign country or possession of the United States.*

*''(e) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section.''.*

*(c) CONFORMING AMENDMENTS.—*

*(1) Section 78 is amended to read as follows:*

***''SEC. 78. GROSS UP FOR DEEMED PAID FOREIGN TAX CREDIT.***

*''If a domestic corporation chooses to have the benefits of subpart A of part III of subchapter N (relating to foreign tax credit) for any taxable year, an amount equal to the taxes deemed to be paid by such corporation under subsections (a) and (b) of section 960 for such taxable year shall be treated for purposes of this title (other than sections 959, 960, and 961) as an item of income required to be included in the gross income of such domestic corporation under section 951(a) for such taxable year.''.*

*(2) Section 245(a)(10)(C) is amended by striking ''sections 902, 907, and 960'' and inserting ''sections 907 and 960''.*

*(3) Sections 535(b)(1) and 545(b)(1) are each amended by striking ''section 902(a) or 960(a)(1)'' and inserting ''section 960''.*

*(4) Section 814(f)(1) is amended—*

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

*(B) by striking all that precedes ''No income'' and inserting the following:*

*''(1) TREATMENT OF FOREIGN TAXES.—''.*

*(5) Section 865(h)(1)(B) is amended by striking ''sections 902, 907, and 960'' and inserting ''sections 907 and 960''.*

*(6) Section 901(a) is amended by striking ''sections 902 and 960'' and inserting ''section 960''.*

*(7) Section 901(e)(2) is amended by striking ''but is not limited to—'' and all that follows through ''that portion'' and inserting ''but is not limited to, that portion''.*

*(8) Section 901(f) is amended by striking ''sections 902 and 960'' and inserting ''section 960''.*

*(9) Section 901(j)(1)(A) is amended by striking ''902 or''.*

*(10) Section 901(j)(1)(B) is amended by striking ''sections 902 and 960'' and inserting ''section 960''.*

*(11) Section 901(k)(2) is amended by striking ''section 853, 902, or 960'' and inserting ''section 853 or 960''.*

*(12) Section 901(k)(6) is amended by striking ''902 or''.*

*(13) Section 901(m)(1) is amended by striking ''relevant foreign assets—'' and all that follows and inserting ''relevant foreign assets shall not be taken into account in determining the credit allowed under subsection (a).''.*

*(14) Section 904(d)(1) is amended by striking ''sections 902, 907, and 960'' and inserting ''sections 907 and 960''.*

*(15) Section 904(d)(6)(A) is amended by striking ''sections 902, 907, and 960'' and inserting ''sections 907 and 960''.*

*(16) Section 904(h)(10)(A) is amended by striking ''sections 902, 907, and 960'' and inserting ''sections 907 and 960''.*

*(17) Section 904 is amended by striking subsection (k).*

*(18) Section 905(c)(1) is amended by striking the last sentence.*

*(19) Section 905(c)(2)(B)(i) is amended to read as follows:*

*''(i) shall be taken into account for the taxable year to which such taxes relate, and''.*

*(20) Section 906(a) is amended by striking ''(or deemed, under section 902, paid or accrued during the taxable year)''.*

*(21) Section 906(b) is amended by striking paragraphs (4) and (5).*

*(22) Section 907(b)(2)(B) is amended by striking ''902 or''.*

*(23) Section 907(c)(3) is amended—*

*(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and*

*(B) by striking ''section 960(a)'' in subparagraph (A) (as so redesignated) and inserting ''section 960''.*

*(24) Section 907(c)(5) is amended by striking ''902 or''.*

*(25) Section 907(f)(2)(B)(i) is amended by striking ''902 or''.*

*(26) Section 908(a) is amended by striking ''902 or''.*

*(27) Section 909(b) is amended—*

*(A) by striking ''section 902 corporation'' in the matter preceding paragraph (1) and inserting ''10/50 corporation'',*

*(B) by striking ''902 or'' in paragraph (1),*

*(C) by striking ''by such section 902 corporation'' and all that follows in the matter following paragraph (2) and inserting ''by such 10/50 corporation or a domestic corporation which is a United States shareholder with respect to such 10/50 corporation.'', and*

*(D) by striking ''SECTION 902 CORPORATIONS'' in the heading thereof and inserting ''10/50 CORPORATIONS''.*

*(28) Section 909(d)(5) is amended to read as follows:*

*''(5) 10/50 CORPORATION.—The term '10/50 corporation' means any foreign corporation with respect to which one or more domestic corporations is a United States shareholder.''.*

*(29) Section 958(a)(1) is amended by striking ''960(a)(1)'' and inserting ''960''.*

*(30) Section 959(d) is amended by striking ''Except as provided in section 960(a)(3), any'' and inserting ''Any''.*

*(31) Section 959(e) is amended by striking ''section 960(b)'' and inserting ''section 960(c)''.*

*(32) Section 1291(g)(2)(A) is amended by striking ''any distribution—'' and all that follows through ''but only if'' and inserting ''any distribution, any withholding tax imposed with respect to such distribution, but only if''.*

*(33) Section 6038(c)(1)(B) is amended by striking ''sections 902 (relating to foreign tax credit for corporate stockholder in foreign corporation) and 960 (relating to special rules for foreign tax credit)'' and inserting ''section 960''.*

*(34) Section 6038(c)(4) is amended by striking subparagraph (C).*

*(35) The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by striking the item relating to section 902.*

*(36) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 960 and inserting the following:*

*''Sec. 960. Deemed paid credit for subpart F inclusions.''.*

*(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.*

***SEC. 4102. SOURCE OF INCOME FROM SALES OF INVENTORY DETERMINED SOLELY ON BASIS OF PRODUCTION ACTIVITIES.***

*(a) IN GENERAL.—Section 863(b) is amended by adding at the end the following: ''Gains, profits, and income from the sale or exchange of inventory property described in paragraph (2) shall be allocated and apportioned between sources within and without the United States solely on the basis of the production activities with respect to the property.''.*

*(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.*

***Subtitle C—Modification of Subpart F Provisions***

***SEC. 4201. REPEAL OF INCLUSION BASED ON WITHDRAWAL OF PREVIOUSLY EXCLUDED SUBPART F INCOME FROM QUALIFIED INVESTMENT.***

*(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 is amended by striking section 955.*

*(b) CONFORMING AMENDMENTS.—*

*(1)(A) Section 951(a)(1)(A) is amended to read as follows:*

*''(A) his pro rata share (determined under paragraph (2)) of the corporation's subpart F income for such year, and''.*

*(B) Section 851(b)(3) is amended by striking ''section 951(a)(1)(A)(i)'' in the flush language at the end and inserting ''section 951(a)(1)(A)''.*

*(C) Section 952(c)(1)(B)(i) is amended by striking ''section 951(a)(1)(A)(i)'' and inserting ''section 951(a)(1)(A)''.*

*(D) Section 953(c)(1)(C) is amended by striking ''section 951(a)(1)(A)(i)'' and inserting ''section 951(a)(1)(A)''.*

*(2) Section 951(a) is amended by striking paragraph (3).*

*(3) Section 953(d)(4)(B)(iv)(II) is amended by striking ''or amounts referred to in clause (ii) or (iii) of section 951(a)(1)(A)''.*

*(4) Section 964(b) is amended by striking '', 955,''.*

*(5) Section 970 is amended by striking subsection (b).*

*(6) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 955.*

*(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.*

***SEC. 4202. REPEAL OF TREATMENT OF FOREIGN BASE COMPANY OIL RELATED INCOME AS SUBPART F INCOME.***

*(a) IN GENERAL.—Section 954(a) is amended by striking paragraph (5), by striking the comma at the end of paragraph (3) and inserting a period, and by inserting ''and'' at the end of paragraph (2).*

*(b) CONFORMING AMENDMENTS.—*

*(1) Section 952(c)(1)(B)(iii) is amended by striking subclause (I) and by redesignating subclauses (II) through (V) as subclauses (I) through (IV), respectively.*

*(2) Section 954(b)(4) is amended by striking the last sentence.*

*(3) Section 954(b)(5) is amended by striking ''the foreign base company services income, and the foreign base company oil related income'' and inserting ''and the foreign base company services income''.*

*(4) Section 954(b) is amended by striking paragraph (6).*

*(5) Section 954 is amended by striking subsection (g).*

*(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.*

***SEC. 4203. INFLATION ADJUSTMENT OF DE MINIMIS EXCEPTION FOR FOREIGN BASE COMPANY INCOME.***

*(a) IN GENERAL.—Section 954(b)(3) is amended by adding at the end the following new subparagraph:*

*''(D) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2017, the dollar amount in subparagraph (A)(ii) shall be increased by an amount equal to—*

*''(i) such dollar amount, multiplied by*

*''(ii) the cost-of-living adjustment determined under section 1(c)(2)(A) for the calendar year in which the taxable year begins.*

*Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50,000.''.*

*(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.*

***SEC. 4204. LOOK-THRU RULE FOR RELATED CONTROLLED FOREIGN CORPORATIONS MADE PERMANENT.***

*(a) IN GENERAL.—Paragraph (6) of section 954(c) is amended by striking subparagraph (C).*

*(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2019, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.*

***SEC. 4205. MODIFICATION OF STOCK ATTRIBUTION RULES FOR DETERMINING STATUS AS A CONTROLLED FOREIGN CORPORATION.***

*(a) IN GENERAL.—Section 958(b) is amended—*

*(1) by striking paragraph (4), and*

*(2) by striking ''Paragraphs (1) and (4)'' in the last sentence and inserting ''Paragraph (1)''.*

*(b) APPLICATION OF CERTAIN REPORTING REQUIREMENTS.—Section 6038(e)(2) is amended by striking ''except that—'' and all that follows through ''in applying subparagraph (C)'' and inserting ''except that in applying subparagraph (C)''.*

*(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.*

***SEC. 4206. ELIMINATION OF REQUIREMENT THAT CORPORATION MUST BE CONTROLLED FOR 30 DAYS BEFORE SUBPART F INCLUSIONS APPLY.***

*(a) IN GENERAL.—Section 951(a)(1) is amended by striking ''for an uninterrupted period of 30 days or more'' and inserting ''at any time''.*

*(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.*

***Subtitle D—Prevention of Base Erosion***

***SEC. 4301. CURRENT YEAR INCLUSION BY UNITED STATES SHAREHOLDERS WITH FOREIGN HIGH RETURNS.***

*(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951 the following new section:*

***"SEC. 951A. FOREIGN HIGH RETURN AMOUNT INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.***

*''(a) IN GENERAL.—Each person who is a United States shareholder of any controlled foreign corporation for any taxable year of such United States shareholder shall include in gross income for such taxable year 50 percent of such shareholder's foreign high return amount for such taxable year.*

*''(b) FOREIGN HIGH RETURN AMOUNT.—For purposes of this section—*

*''(1) IN GENERAL.—The term 'foreign high return amount' means, with respect to any United States shareholder for any taxable year of such United States shareholder, the excess (if any) of—*

*''(A) such shareholder's net CFC tested income for such taxable year, over*

*''(B) the excess (if any) of—*

*''(i) the applicable percentage of the aggregate of such shareholder's pro rata share of the qualified business asset investment of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year (determined for each taxable year of each such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over*

*''(ii) the amount of interest expense taken into account under subsection (c)(2)(A)(ii) in determining the shareholder's net CFC tested income for the taxable year.*

*''(2) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means, with respect to any taxable year, the Federal short-term rate (determined under section 1274(d) for the month in which or with which such taxable year ends) plus 7 percentage points.*

*''(c) NET CFC TESTED INCOME.—For purposes of this section—*

*''(1) IN GENERAL.—The term 'net CFC tested income' means, with respect to any United States shareholder for any taxable year of such United States shareholder, the excess (if any) of—*

*''(A) the aggregate of such shareholder's pro rata share of the tested income of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder (determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder), over*

*''(B) the aggregate of such shareholder's pro rata share of the tested loss of each controlled foreign corporation with respect to which such shareholder is a United States shareholder for such taxable year of such United States shareholder (determined for each taxable year of such controlled foreign corporation which ends in or with such taxable year of such United States shareholder).*

*''(2) TESTED INCOME; TESTED LOSS.—For purposes of this section—*

*''(A) TESTED INCOME.—The term 'tested income' means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the excess (if any) of—*

*''(i) the gross income of such corporation determined without regard to—*

*''(I) any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States if subject to tax under this chapter,*

*''(II) any gross income taken into account in determining the subpart F income of such corporation,*

*''(III) except as otherwise provided by the Secretary, any amount excluded from the foreign personal holding company income (as defined in section 954) of such corporation by reason of section 954(c)(6) but only to the extent that any deduction allowable for the payment or accrual of such amount does not result in a reduction in the foreign high return amount of any United States shareholder (determined without regard to this subclause),*

*''(IV) any gross income excluded from the foreign personal holding company income (as defined in section 954) of such corporation by reason of subsection (c)(2)(C), (h), or (i) of section 954,*

*''(V) any gross income excluded from the insurance income (as defined in section 953) of such corporation by reason of section 953(a)(2),*

*''(VI) any gross income excluded from foreign base company income (as defined in section 954) or insurance income (as defined in section 953) of such corporation by reason of section 954(b)(4),*

*''(VII) any dividend received from a related person (as defined in section 954(d)(3)), and*

*''(VIII) any commodities gross income of such corporation, over*

*''(ii) the deductions (including taxes) properly allocable to such gross income under rules similar to the rules of section 954(b)(5) (or which would be so properly allocable if such corporation had such gross income).*

*''(B) TESTED LOSS.—The term 'tested loss' means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).*

*''(d) QUALIFIED BUSINESS ASSET INVESTMENT.—For purposes of this section—*

*''(1) IN GENERAL.—The term 'qualified business asset investment' means, with respect to any controlled foreign corporation for any taxable year of such controlled foreign corporation, the aggregate of the corporation's adjusted bases (determined as of the close of such taxable year and after any adjustments with respect to such taxable year) in specified tangible property—*

*''(A) used in a trade or business of the corporation, and*

*''(B) of a type with respect to which a deduction is allowable under section 168.*

*''(2) SPECIFIED TANGIBLE PROPERTY.—The term 'specified tangible property' means any tangible property to the extent such property is used in the production of tested income or tested loss.*

*''(3) PARTNERSHIP PROPERTY.—For purposes of this subsection, if a controlled foreign corporation holds an interest in a partnership at the close of such taxable year of the controlled foreign corporation, such controlled foreign corporation shall take into account under paragraph (1) the controlled foreign corporation's distributive share of the aggregate of the partnership's adjusted bases (determined as of such date in the hands of the partnership) in tangible property held by such partnership to the extent such property—*

*''(A) is used in the trade or business of the partnership,*

*''(B) is of a type with respect to which a deduction is allowable under section 168, and*

*''(C) is used in the production of tested income or tested loss (determined with respect to such controlled foreign corporation's distributive share of income or loss with respect to such property).*

*For purposes of this paragraph, the controlled foreign corporation's distributive share of the adjusted basis of any property shall be the controlled foreign corporation's distributive share of income and loss with respect to such property.*

*''(4) DETERMINATION OF ADJUSTED BASIS.—For purposes of this subsection, the adjusted basis in any property shall be determined without regard to any provision of this title (or any other provision of law) which is enacted after the date of the enactment of this section.*

*''(5) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines appropriate to prevent the avoidance of the purposes of this subsection, including regulations or other guidance which provide for the treatment of property if—*

*''(A) such property is transferred, or held, temporarily, or*

*''(B) the avoidance of the purposes of this paragraph is a factor in the transfer or holding of such property.*

*''(e) COMMODITIES GROSS INCOME.—For purposes of this section—*

*''(1) COMMODITIES GROSS INCOME.—The term 'commodities gross income' means, with respect to any corporation—*

*''(A) gross income of such corporation from the disposition of commodities which are produced or extracted by such corporation (or a partnership in which such corporation is a partner), and*

*''(B) gross income of such corporation from the disposition of property which gives rise to income described in subparagraph (A).*

*''(2) COMMODITY.—The term 'commodity' means any commodity described in section 475(e)(2)(A) or section 475(e)(2)(D) (determined without regard to clause (i) thereof and by substituting 'a commodity described in subparagraph (A)' for 'such a commodity' in clause (ii) thereof).*

*''(f) TAXABLE YEARS FOR WHICH PERSONS ARE TREATED AS UNITED STATES SHAREHOLDERS OF CONTROLLED FOREIGN CORPORATIONS.—For purposes of this section—*

*''(1) IN GENERAL.—A United States shareholder of a controlled foreign corporation shall be treated as a United States shareholder of such controlled foreign corporation for any taxable year of such United States shareholder if—*

*''(A) a taxable year of such controlled foreign corporation ends in or with such taxable year of such person, and*

*''(B) such person owns (within the meaning of section 958(a)) stock in such controlled foreign corporation on the last day, in such taxable year of such foreign corporation, on which the foreign corporation is a controlled foreign corporation.*

*''(2) TREATMENT AS A CONTROLLED FOREIGN CORPORATION.—Except for purposes of paragraph (1)(B) and the application of section 951(a)(2) to this section pursuant to subsection (g), a foreign corporation shall be treated as a controlled foreign corporation for any taxable year of such foreign corporation if such foreign corporation is a controlled foreign corporation at any time during such taxable year.*

*''(g) DETERMINATION OF PRO RATA SHARE.—For purposes of this section, pro rata shares shall be determined under the rules of section 951(a)(2) in the same manner as such section applies to subpart F income.*

*''(h) COORDINATION WITH SUBPART F.—*

*''(1) TREATMENT AS SUBPART F INCOME FOR CERTAIN PURPOSES.—Except as otherwise provided by the Secretary any foreign high return amount included in gross income under subsection (a) shall be treated in the same manner as an amount included under section 951(a)(1)(A) for purposes of applying sections 168(h)(2)(B), 535(b)(10), 851(b), 904(h)(1), 959, 961, 962, 993(a)(1)(E), 996(f)(1), 1248(b)(1), 1248(d)(1), 6501(e)(1)(C), 6654(d)(2)(D), and 6655(e)(4).*

*''(2) ENTIRE FOREIGN HIGH RETURN AMOUNT TAKEN INTO ACCOUNT FOR PURPOSES OF CERTAIN SECTIONS.—For purposes of applying paragraph (1) with respect to sections 168(h)(2)(B), 851(b), 959, 961, 962, 1248(b)(1), and 1248(d)(1), the foreign high return amount included in gross income under subsection (a) shall be determined by substituting '100 percent' for '50 percent' in such subsection.*

*''(3) ALLOCATION OF FOREIGN HIGH RETURN AMOUNT TO CONTROLLED FOREIGN CORPORATIONS.—For purposes of the sections referred to in paragraph (1), with respect to any controlled foreign corporation any pro rata amount from which is taken into account in determining the*

*foreign high return amount included in gross income of a United States shareholder under subsection (a), the portion of such foreign high return amount which is treated as being with respect to such controlled foreign corporation is—*

*''(A) in the case of a controlled foreign corporation with tested loss, zero, and*

*''(B) in the case of a controlled foreign corporation with tested income, the portion of such foreign high return amount which bears the same ratio to such foreign high return amount as—*

*''(i) such United States shareholder's pro rata amount of the tested income of such controlled foreign corporation, bears to*

*''(ii) the aggregate amount determined under subsection (c)(1)(A) with respect to such United States shareholder.*

*''(4) COORDINATION WITH SUBPART F TO DENY DOUBLE BENEFIT OF LOSSES.—In the case of any United States shareholder of any controlled foreign corporation, the amount included in gross income under section 951(a)(1)(A) shall be determined by increasing the earnings and profits of such controlled foreign corporation (solely for purposes of determining such amount) by an amount that bears the same ratio (not greater than 1) to such shareholder's pro rata share of the tested loss of such controlled foreign corporation as—*

*''(A) the aggregate amount determined under subsection (c)(1)(A) with respect to such shareholder, bears to*

*''(B) the aggregate amount determined under subsection (c)(1)(B) with respect to such shareholder.''.*

*(b) FOREIGN TAX CREDIT.—*

*(1) APPLICATION OF DEEMED PAID FOREIGN TAX CREDIT.—Section 960, as amended by the preceding provisions of this Act, is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:*

*''(d) DEEMED PAID CREDIT FOR TAXES PROPERLY ATTRIBUTABLE TO TESTED INCOME.—*

*''(1) IN GENERAL.—For purposes of this subpart, if any amount is includible in the gross income of a domestic corporation under section 951A, such domestic corporation shall be deemed to have paid foreign income taxes equal to 80 percent of—*

*''(A) such domestic corporation's foreign high return percentage, multiplied by*

*''(B) the aggregate tested foreign income taxes paid or accrued by controlled foreign corporations with respect to which such domestic corporation is a United States shareholder.*

*''(2) FOREIGN HIGH RETURN PERCENTAGE.—For purposes of paragraph (1), the term 'foreign high return percentage' means, with respect to any domestic corporation, the ratio (expressed as a percentage) of—*

*''(A) such corporation's foreign high return amount (as defined in section 951A(b)), divided by*

*''(B) the aggregate amount determined under section 951A(c)(1)(A) with respect to such corporation.*

*''(3) TESTED FOREIGN INCOME TAXES.—For purposes of paragraph (1), the term 'tested foreign income taxes' means, with respect to any domestic corporation which is a United States shareholder of a controlled foreign corporation, the foreign income taxes paid or accrued by such foreign corporation which are properly attributable to gross income described in section 951A(c)(2)(A)(i).''.*

*(2) APPLICATION OF FOREIGN TAX CREDIT LIMITATION.—*

*(A) SEPARATE BASKET FOR FOREIGN HIGH RETURN AMOUNT.—Section 904(d)(1) is amended by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively, and by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:*

*''(A) any amount includible in gross income under section 951A,''.*

*(B) NO CARRYOVER OF EXCESS TAXES.—Section 904(c) is amended by adding at the end the following: ''This subsection shall not apply to taxes paid or accrued with respect to amounts described in subsection (d)(1)(A).''*

*(3) GROSS UP FOR DEEMED PAID FOREIGN TAX CREDIT.—Section 78, as amended by the preceding provisions of this Act, is amended—*

*(A) by striking ''any taxable year, an amount'' and inserting ''any taxable year—*

*''(1) an amount'', and*

*(B) by striking the period at the end and inserting '', and*

*''(2) an amount equal to the taxes deemed to be paid by such corporation under section 960(d) for such taxable year (determined by substituting '100 percent' for '80 percent' in such section) shall be treated for purposes of this title (other than sections 959, 960, and 961) as an increase in the foreign high return amount of such domestic corporation under section 951A for such taxable year.''.*

*(c) CONFORMING AMENDMENTS.—*

*(1) Section 170(b)(2)(D) is amended by striking ''computed without regard to'' and all that follows and inserting ''computed—*

*''(i) without regard to—*

*''(I) this section,*

*''(II) part VIII (except section 248),*

*''(III) any net operating loss carryback to the taxable year under section 172,*

*''(IV) any capital loss carryback to the taxable year under section 1212(a)(1), and*

*''(ii) by substituting '100 percent' for '50 percent' in section 951A(a).''.*

*(2) Section 246(b)(1) is amended by—*

*(A) striking ''and without regard to'' and inserting ''without regard to'', and*

*(B) by striking the period at the end and inserting '', and by substituting '100 percent' for '50 percent' in section 951A(a).''.*

*(3) Section 469(i)(3)(F) is amended by striking ''determined without regard to'' and all that follows and inserting ''determined—*

*''(i) without regard to—*

*''(I) any amount includible in gross income under section 86,*

*''(II) the amounts allowable as a deduction under section 219, and*

*''(III) any passive activity loss or any loss allowable by reason of subsection (c)(7), and*

*''(ii) by substituting '100 percent' for '50 percent' in section 951A(a).''.*

*(4) Section 856(c)(2) is amended by striking ''and'' at the end of subparagraph (H), by adding ''and'' at the end of subparagraph (I), and by inserting after subparagraph (I) the following new subparagraph:*

*''(J) amounts includible in gross income under section 951A(a);''.*

*(5) Section 856(c)(3)(D) is amended by striking ''dividends or other distributions on, and gain'' and inserting ''dividends, other distributions on, amounts includible in gross income under section 951A(a) with respect to, and gain''.*

*(6) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by inserting after the item relating to section 951 the following new item:*

*''Sec. 951A. Foreign high return amount included in gross income of United States shareholders.''.*

*(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.*

***SEC. 4302. LIMITATION ON DEDUCTION OF INTEREST BY DOMESTIC CORPORATIONS WHICH ARE MEMBERS OF AN INTERNATIONAL FINANCIAL REPORTING GROUP.***

*(a) IN GENERAL.—Section 163 is amended by redesignating subsection (n) as subsection (p) and by inserting after subsection (m) the following new subsection:*

*''(n) LIMITATION ON DEDUCTION OF INTEREST BY DOMESTIC CORPORATIONS IN INTERNATIONAL FINANCIAL REPORTING GROUPS.—*

*''(1) IN GENERAL.—In the case of any domestic corporation which is a member of any international financial reporting group, the deduction under this chapter for interest paid or accrued during the taxable year shall not exceed the sum of—*

*''(A) the allowable percentage of 110 percent of the excess (if any) of —*

*''(i) the amount of such interest so paid or accrued, over*

*''(ii) the amount described in subparagraph (B), plus*

*''(B) the amount of interest includible in gross income of such corporation for such taxable year.*

*''(2) INTERNATIONAL FINANCIAL REPORTING GROUP.—*

*''(A) For purposes of this subsection, the term 'international financial reporting group' means, with respect to any reporting year, any group of entities which—*

*''(i) includes—*

*''(I) at least one foreign corporation engaged in a trade or business within the United States, or*

*''(II) at least one domestic corporation and one foreign corporation,*

*''(ii) prepares consolidated financial statements with respect to such year, and*

*''(iii) reports in such statements average annual gross receipts (determined in the aggregate with respect to all entities which are part of such group) for the 3-reporting-year period ending with such reporting year in excess of $100,000,000.*

*''(B) RULES RELATING TO DETERMINATION OF AVERAGE GROSS RECEIPTS.—For purposes of subparagraph (A)(iii), rules similar to the rules of section 448(c)(3) shall apply.*

*''(3) ALLOWABLE PERCENTAGE.—For purposes of this subsection—*

*''(A) IN GENERAL.—The term 'allowable percentage' means, with respect to any domestic corporation for any taxable year, the ratio (expressed as a percentage and not greater than 100 percent) of—*

*''(i) such corporation's allocable share of the international financial reporting group's reported net interest expense for the reporting year of such group which ends in or with such taxable year of such corporation, over*

*''(ii) such corporation's reported net interest expense for such reporting year of such group.*

*''(B) REPORTED NET INTEREST EXPENSE.—The term 'reported net interest expense' means—*

*''(i) with respect to any international financial reporting group for any reporting year, the excess of—*

*''(I) the aggregate amount of interest expense reported in such group's consolidated financial statements for such taxable year, over*

*''(II) the aggregate amount of interest income reported in such group's consolidated financial statements for such taxable year, and*

*''(ii) with respect to any domestic corporation for any reporting year, the excess of—*

*''(I) the amount of interest expense of such corporation reported in the books and records of the international financial reporting group which are used in preparing such group's consolidated financial statements for such taxable year, over*

*''(II) the amount of interest income of such corporation reported in such books and records.*

*''(C) ALLOCABLE SHARE OF REPORTED NET INTEREST EXPENSE.—With respect to any domestic corporation which is a member of any international financial reporting group, such corporation's allocable share of such group's reported net interest expense for any reporting year is the portion of such expense which bears the same ratio to such expense as—*

*''(i) the EBITDA of such corporation for such reporting year, bears to*

*''(ii) the EBITDA of such group for such reporting year.*

*''(D) EBITDA.—*

''(i) IN GENERAL.—The term 'EBITDA' means, with respect to any reporting year, earnings before interest, taxes, depreciation, and amortization—

''(I) as determined in the international financial reporting group's consolidated financial statements for such year, or

''(II) for purposes of subparagraph (A)(i), as determined in the books and records of the international financial reporting group which are used in preparing such statements if not determined in such statements.

''(ii) TREATMENT OF DISREGARDED ENTITIES.—The EBITDA of any domestic corporation shall not fail to include the EBITDA of any entity which is disregarded for purposes of this chapter.

''(iii) TREATMENT OF INTRA-GROUP DISTRIBUTIONS.—The EBITDA of any domestic corporation shall be determined without regard to any distribution received by such corporation from any other member of the international financial reporting group.

''(E) SPECIAL RULES FOR NON-POSITIVE EBITDA.—

''(i) NON-POSITIVE GROUP EBITDA.—In the case of any international financial reporting group the EBITDA of which is zero or less, paragraph (1) shall not apply to any member of such group the EBITDA of which is above zero.

''(ii) NON-POSITIVE ENTITY EBITDA.—In the case of any group member the EBITDA of which is zero or less, paragraph (1) shall be applied without regard to subparagraph (A) thereof.

''(4) CONSOLIDATED FINANCIAL STATEMENT.—For purposes of this subsection, the term 'consolidated financial statement' means any consolidated financial statement described in paragraph (2)(A)(ii) if such statement is—

''(A) a financial statement which is certified as being prepared in accordance with generally accepted accounting principles, international financial reporting standards, or any other comparable method of accounting identified by the Secretary, and which is—

''(i) a 10-K (or successor form), or annual statement to shareholders, required to be filed with the United States Securities and Exchange Commission,

''(ii) an audited financial statement which is used for—

''(I) credit purposes,

''(II) reporting to shareholders, partners, or other proprietors, or to beneficiaries, or

''(III) any other substantial nontax purpose,

but only if there is no statement described in clause (i), or

''(iii) filed with any other Federal or State agency for nontax purposes, but only if there is no statement described in clause (i) or (ii), or

''(B) a financial statement which—

''(i) is used for a purpose described in subclause (I), (II), or (III) of subparagraph (A)(ii), or

''(ii) filed with any regulatory or governmental body (whether domestic or foreign) specified by the Secretary,

but only if there is no statement described in subparagraph (A).

''(5) REPORTING YEAR.—For purposes of this subsection, the term 'reporting year' means, with respect to any international financial reporting group, the year with respect to which the consolidated financial statements are prepared.

''(6) APPLICATION TO CERTAIN ENTITIES.—

''(A) PARTNERSHIPS.—Except as otherwise provided by the Secretary in paragraph (7), this subsection shall apply to any partnership which is a member of any international financial reporting group under rules similar to the rules of section 163(j)(3).

''(B) FOREIGN CORPORATIONS ENGAGED IN TRADE OR BUSINESS WITHIN THE UNITED STATES.—Except as otherwise provided by the Secretary in paragraph (8), any deduction for interest paid or accrued by a foreign corporation engaged in a trade or business within the United States shall be limited in a manner consistent with the principles of this subsection.

''(C) CONSOLIDATED GROUPS.—For purposes of this subsection, the members of any group that file (or are required to file) a consolidated return with respect to the tax imposed by chapter 1 for a taxable year shall be treated as a single corporation.

''(7) REGULATIONS.—The Secretary may issue such regulations or other guidance as are necessary or appropriate to carry out the purposes of this subsection.''.

(b) CARRYFORWARD OF DISALLOWED INTEREST.—

(1) IN GENERAL.—Section 163(o) is amended to read as follows:

''(o) CARRYFORWARD OF CERTAIN DISALLOWED INTEREST.—The amount of any interest not allowed as a deduction for any taxable year by reason of subsection (j)(1) or (n)(1) (whichever imposes the lower limitation with respect to such taxable year) shall be treated as interest (and as business interest for purposes of subsection (j)(1)) paid or accrued in the succeeding taxable year. Interest paid or accrued in any taxable year (determined without regard to the preceding sentence) shall not be carried past the 5th taxable year following such taxable year, determined by treating interest as allowed as a deduction on a first-in, first-out basis.''.

(2) TREATMENT OF CARRYFORWARD OF DISALLOWED INTEREST IN CERTAIN CORPORATE ACQUISITIONS.—For rules related to the carryforward of disallowed interest in certain corporate acquisitions, see the amendments made by section 3301(c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 4303. EXCISE TAX ON CERTAIN PAYMENTS FROM DOMESTIC CORPORATIONS TO RELATED FOREIGN CORPORATIONS; ELECTION TO TREAT SUCH PAYMENTS AS EFFECTIVELY CONNECTED INCOME.**

(a) EXCISE TAX ON CERTAIN AMOUNTS FROM DOMESTIC CORPORATIONS TO FOREIGN AFFILIATES.—

(1) IN GENERAL.—Chapter 36 is amended by adding at the end the following new subchapter:

***"Subchapter E—Tax on Certain Amounts to Foreign Affiliates***



***"SEC. 4491. IMPOSITION OF TAX ON CERTAIN AMOUNTS FROM DOMESTIC CORPORATIONS TO FOREIGN AFFILIATES.***

''(a) IN GENERAL.—There is hereby imposed on each specified amount paid or incurred by a domestic corporation to a foreign corporation which is a member of the same international financial reporting group as such domestic corporation a tax equal to the highest rate of tax in effect under section 11 multiplied by such amount.

''(b) BY WHOM PAID.—The tax imposed by subsection (a) shall be paid by the domestic corporation described in such subsection.

''(c) EXCEPTION FOR EFFECTIVELY CONNECTED INCOME.—Subsection (a) shall not apply to so much of any specified amount as is effectively connected with the conduct of a trade or business within the United States if such amount is subject to tax under chapter 1. In the case of any amount which is treated as effectively connected with the conduct of a trade or business within the United States by reason of section 882(g), the preceding sentence shall apply to such amount only if the domestic corporation provides to the Secretary (at such time and in such form and manner as the Secretary may provide) a copy of the election made under section 882(g) by the foreign corporation referred to in subsection (a).

''(d) DEFINITIONS AND SPECIAL RULES.—Terms used in this section that are also used in section 882(g) shall have the same meaning as when used in such section and rules similar to the rules of paragraphs (5) and (6) of such section shall apply for purposes of this section.''.

(2) DENIAL OF DEDUCTION FOR TAX IMPOSED.—Section 275(a) is amended by inserting after paragraph (6) the following new paragraph:

''(7) Taxes imposed by section 4491.''.

(3) CLERICAL AMENDMENT.—The table of subchapters for chapter 36 is amended by adding at the end the following new item:



(b) ELECTION TO TREAT CERTAIN PAYMENTS FROM DOMESTIC CORPORATIONS TO RELATED FOREIGN CORPORATIONS AS EFFECTIVELY CONNECTED INCOME.—Section 882 is amended by adding at the end the following new subsection:

''(g) ELECTION TO TREAT CERTAIN PAYMENTS FROM DOMESTIC CORPORATIONS TO RELATED FOREIGN CORPORATIONS AS EFFECTIVELY CONNECTED INCOME.—

''(1) IN GENERAL.—In the case of any specified amount paid or incurred by a domestic corporation to a foreign corporation which is a member of the same international financial reporting group as such domestic corporation and which has elected to be subject to the provisions of this subsection—

''(A) such amount shall be taken into account (other than for purposes of sections 245, 245A, and 881) in the taxable year of such foreign corporation during which such amount is paid or incurred as if—

''(i) such foreign corporation were engaged in a trade or business within the United States,

''(ii) such foreign corporation had a permanent establishment in the United States during the taxable year, and

''(iii) such payment were effectively connected with the conduct of a trade or business within the United States and were attributable to such permanent establishment,

''(B) for purposes of subsection (c)(1)(A), no deduction shall be allowed with respect to such amount and such subsection shall be applied without regard to such amount, and

''(C) the foreign corporation shall be allowed a deduction (for the taxable year referred to in subparagraph (A)) equal to the deemed expenses with respect to such amount.

''(2) SPECIFIED AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'specified amount' means any amount which is, with respect to the payor, allowable as a deduction or includible in costs of goods sold, inventory, or the basis of a depreciable or amortizable asset.

''(B) EXCEPTIONS.—The term 'specified amount' shall not include—

''(i) interest,

''(ii) any amount paid or incurred for the acquisition of any security described in section 475(c)(2) (determined without regard to the last sentence thereof) or any commodity described in section 475(e)(2),

''(iii) except as provided in subparagraph (C), any amount with respect to which tax is imposed under section 881(a), and

''(iv) in the case of a payor which has elected to use a services cost method for purposes of section 482, any amount paid or incurred for services if such amount is the total services cost with no markup.

''(C) AMOUNTS NOT TREATED AS EFFECTIVELY CONNECTED TO EXTENT OF GROSS-BASIS TAX.—Subparagraph (B)(iii) shall only apply to so much of any specified amount as bears the proportion to such amount as—

''(i) the rate of tax imposed under section 881(a) with respect to such amount, bears to

''(ii) 30 percent.

''(3) DEEMED EXPENSES.—

''(A) IN GENERAL.—The deemed expenses with respect to any specified amount received by a foreign corporation during any reporting year is the amount of expenses such that the net income

ratio of such foreign corporation with respect to such amount (taking into account only such specified amount and such deemed expenses) is equal to the net income ratio of the international financial reporting group determined for such reporting year with respect to the product line to which the specified amount relates.

''(B) NET INCOME RATIO.—For purposes of this paragraph, the term 'net income ratio' means the ratio of—

''(i) net income determined without regard to interest income, interest expense, and income taxes, divided by

''(ii) revenues.

''(C) METHOD OF DETERMINATION.—Amounts described in subparagraph (B) shall be determined with respect to the international financial reporting group on the basis of the consolidated financial statements referred to in paragraph (4)(A)(i) and the books and records of the members of the international financial reporting group which are used in preparing such statements, taking into account only revenues and expenses of the members of such group (other than the members of such group which are (or are treated as) a domestic corporation for purposes of this subsection) derived from, or incurred with respect to—

''(i) persons who are not members of such group, and

''(ii) members of such group which are (or are treated as) a domestic corporation for purposes of this subsection.

''(4) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'international financial reporting group' means any group of entities, with respect to any specified amount, if such amount is paid or incurred during a reporting year of such group with respect to which—

''(i) such group prepares consolidated financial statements (within the meaning of section 163(n)(4)) with respect to such year, and

''(ii) the average annual aggregate payment amount of such group for the 3-reporting-year period ending with such reporting year exceeds $100,000,000.

''(B) ANNUAL AGGREGATE PAYMENT AMOUNT.—The term 'annual aggregate payment amount' means, with respect to any reporting year of the group referred to in subparagraph (A)(i), the aggregate specified amounts to which paragraph (1) applies (or would apply if such group were an international financial reporting group).

''(C) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of subparagraphs (A), (B), and (D) of section 448(c)(3) shall apply for purposes of this paragraph.

''(5) TREATMENT OF PARTNERSHIPS.—Any specified amount paid, incurred, or received by a partnership which is a member of any international financial reporting group (and any amount treated as paid, incurred, or received by a partnership under this paragraph) shall be treated for purposes of this subsection as amounts paid, incurred, or received, respectively, by each partner of such partnership in an amount equal to such partner's distributive share of the items of income, gain, deduction, or loss to which such amounts relate.

''(6) TREATMENT OF AMOUNTS IN CONNECTION WITH UNITED STATES TRADE OR BUSINESS.—Any specified amount paid, incurred, or received by a foreign corporation in connection with the conduct of a trade or business within the United States (other than a trade or business it is deemed to conduct pursuant to this subsection) shall be treated for purposes of this subsection as an amount paid, incurred, or received, respectively, by a domestic corporation. For purposes of the preceding sentence, a foreign corporation shall be deemed to pay, incur, and receive amounts with respect to a trade or business it conducts within the United States (other than a trade or business it is deemed to conduct pursuant to this subsection) to the extent such foreign corporation would be treated as paying, incurring, or receiving such amounts from such trade or business if such trade or business were a domestic corporation.

''(7) JOINT AND SEVERAL LIABILITY OF MEMBERS OF INTERNAL FINANCIAL REPORTING GROUP.—In the case of any underpayment with respect to any taxable year of a foreign corporation which is a member of an international financial accounting group, each domestic corporation which is a member of such group at any time during such taxable year shall be jointly and severally liable for—

''(A) so much of such underpayment as does not exceed the excess (if any) of such underpayment over the amount of such underpayment determined without regard to this subsection, and

''(B) any penalty, addition to tax, or additional amount attributable to the amount described in subparagraph (A).

''(8) FOREIGN TAX CREDIT ALLOWED.—The credit allowed under section 906(a) with respect to amounts taken into account in income under paragraph (1)(A) shall be limited to 80 percent of the amount of taxes paid or accrued and determined without regard to section 906(b)(1).

''(9) ELECTION.—Any election under paragraph (1)—

''(A) shall be made at such time and in such form and manner as the Secretary may provide, and

''(B) shall apply for the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

''(10) REGULATIONS.—The Secretary may issue such regulations or other guidance as are necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance—

''(A) to provide for the proper determination of product lines, and

''(B) to prevent the avoidance of the purposes of this subsection through the use of conduit transactions or by other means.''.

(c) REPORTING REQUIREMENTS.—

(1) REPORTING BY FOREIGN CORPORATION.—Section 6038C(b) is amended to read as follows:

''(b) REQUIRED INFORMATION.—

''(1) IN GENERAL.—The information described in this subsection is—

''(A) the information described in section 6038A(b), and

''(B) such other information as the Secretary may prescribe by regulations relating to any item not directly connected with a transaction for which information is required under subparagraph (A).

''(2) CERTAIN PAYMENTS FROM RELATED DOMESTIC CORPORATIONS.—

''(A) IN GENERAL.—In the case of any reporting corporation that receives during the taxable year any amount to which section 882(g)(1) applies, the information described in this subsection shall include, with respect to each member of the international financial reporting group from which any such amount is received—

''(i) the name and taxpayer identification number of such member,

''(ii) the aggregate amounts received from such member,

''(iii) the product lines to which such amounts relate, the aggregate amounts relating to each such product line, and the net income ratio for each such product line (determined under section 882(g)(3)(B) with respect to the international financial reporting group), and

''(iv) a summary of any changes in financial accounting methods that affect the computation of any net income ratio described in clause (iii).

''(B) DEFINITIONS AND SPECIAL RULES.—Terms used in this paragraph that are also used in section 882(g) shall have the same meaning as when used in such section and rules similar to the rules of paragraphs (5) and (6) of such section shall apply for purposes of this paragraph.''.

(2) REPORTING BY DOMESTIC GROUP MEMBERS.—

(A) IN GENERAL .—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038D the following new section:

**''SEC. 6038E. INFORMATION WITH RESPECT TO CERTAIN PAYMENTS FROM DOMESTIC CORPORATIONS TO RELATED FOREIGN CORPORATIONS.**

''(a) IN GENERAL.—In the case of any domestic corporation which pays or incurs any amount to which section 882(g)(1) applies, such person shall—

''(1) make a return according to the forms and regulations prescribed the Secretary, setting forth the information described in subsection (b), and

''(2) maintain (at the location, in the manner, and to the extent prescribed in regulations) such records as may be appropriate to determine liability for tax pursuant to paragraphs (1) and (7) of section 882(g).

''(b) REQUIRED INFORMATION.—The information described in this subsection is—

''(1) the name and taxpayer identification number of the common parent of the international financial reporting group in which such domestic corporation is a member, and

''(2) with respect to any person who receives an amount described in subsection (a) from such domestic corporation—

''(A) the name and taxpayer identification number of such person,

''(B) the aggregate amounts received by such person,

''(C) the product lines to which such amounts relate, the aggregate amounts relating to each such product line, and the net income ratio for each such product line (determined under section 882(g)(3)(B) with respect to the international financial reporting group), and

''(D) a summary of any changes in financial accounting methods that affect the computation of any net income ratios described in subparagraph (C).

''(c) DEFINITIONS AND SPECIAL RULES.—Terms used in this paragraph that are also used in section 882(g) shall have the same meaning as when used in such section and rules similar to the rules of paragraphs (5) and (6) of such section shall apply for purposes of this paragraph.''.

(B) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6038D the following new item:

''Sec. 6038E. Information with respect to certain payments from domestic corporations to related foreign corporations.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2018.

## Subtitle E—Provisions Related to Possessions of the United States

**SEC. 4401. EXTENSION OF DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.**

(a) IN GENERAL.—Section 199(d)(8)(C), prior to its repeal by this Act, is amended—

(1) by striking ''first 11 taxable years'' and inserting ''first 12 taxable years'', and

(2) by striking ''January 1, 2017'' and inserting ''January 1, 2018''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

**SEC. 4402. EXTENSION OF TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.**

(a) IN GENERAL.—Section 7652(f)(1) is amended by striking ''January 1, 2017'' and inserting ''January 1, 2023''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2016.

**SEC. 4403. EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.**

(a) IN GENERAL.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking ''January 1, 2017'' each place it appears and inserting ''January 1, 2023'',

(2) by striking ''first 11 taxable years'' in paragraph (1) and inserting ''first 17 taxable years'', and

(3) by striking ''first 5 taxable years'' in paragraph (2) and inserting ''first 11 taxable years''.

(b) TREATMENT OF CERTAIN REFERENCES.—Section 119(e) of division A of the Tax Relief and Health Care Act of 2006 is amended by adding at the end the following: ''References in this subsection to section 199 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal by the Tax Cuts and Jobs Act.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

### Subtitle F—Other International Reforms

**SEC. 4501. RESTRICTION ON INSURANCE BUSINESS EXCEPTION TO PASSIVE FOREIGN INVESTMENT COMPANY RULES.**

(a) IN GENERAL.—Section 1297(b)(2)(B) is amended to read as follows:

''(B) derived in the active conduct of an insurance business by a qualifying insurance corporation (as defined in subsection (f)),''.

(b) QUALIFYING INSURANCE CORPORATION DEFINED.—Section 1297 is amended by adding at the end the following new subsection:

''(f) QUALIFYING INSURANCE CORPORATION.—For purposes of subsection (b)(2)(B)—

''(1) IN GENERAL.—The term 'qualifying insurance corporation' means, with respect to any taxable year, a foreign corporation—

''(A) which would be subject to tax under subchapter L if such corporation were a domestic corporation, and

''(B) the applicable insurance liabilities of which constitute more than 25 percent of its total assets, determined on the basis of such liabilities and assets as reported on the corporation's applicable financial statement for the last year ending with or within the taxable year.

''(2) ALTERNATIVE FACTS AND CIRCUMSTANCES TEST FOR CERTAIN CORPORATIONS.—If a corporation fails to qualify as a qualified insurance corporation under paragraph (1) solely because the percentage determined under paragraph (1)(B) is 25 percent or less, a United States person that owns stock in such corporation may elect to treat such stock as stock of a qualifying insurance corporation if—

''(A) the percentage so determined for the corporation is at least 10 percent, and

''(B) under regulations provided by the Secretary, based on the applicable facts and circumstances—

''(i) the corporation is predominantly engaged in an insurance business, and

''(ii) such failure is due solely to runoff-related or rating-related circumstances involving such insurance business.

''(3) APPLICABLE INSURANCE LIABILITIES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'applicable insurance liabilities' means, with respect to any life or property and casualty insurance business—

''(i) loss and loss adjustment expenses, and

''(ii) reserves (other than deficiency, contingency, or unearned premium reserves) for life and health insurance risks and life and health insurance claims with respect to contracts providing coverage for mortality or morbidity risks.

''(B) LIMITATIONS ON AMOUNT OF LIABILITIES.—Any amount determined under clause (i) or (ii) of subparagraph (A) shall not exceed the lesser of such amount—

''(i) as reported to the applicable insurance regulatory body in the applicable financial statement described in paragraph (4)(A) (or, if less, the amount required by applicable law or regulation), or

''(ii) as determined under regulations prescribed by the Secretary.

''(4) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE FINANCIAL STATEMENT.—The term 'applicable financial statement' means a statement for financial reporting purposes which—

''(i) is made on the basis of generally accepted accounting principles,

''(ii) is made on the basis of international financial reporting standards, but only if there is no statement that meets the requirement of clause (i), or

''(iii) except as otherwise provided by the Secretary in regulations, is the annual statement which is required to be filed with the applicable insurance regulatory body, but only if there is no statement which meets the requirements of clause (i) or (ii).

''(B) APPLICABLE INSURANCE REGULATORY BODY.—The term 'applicable insurance regulatory body' means, with respect to any insurance business, the entity established by law to license, authorize, or regulate such business and to which the statement described in subparagraph (A) is provided.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

## TITLE V—EXEMPT ORGANIZATIONS

### Subtitle A—Unrelated Business Income Tax

**SEC. 5001. CLARIFICATION OF UNRELATED BUSINESS INCOME TAX TREATMENT OF ENTITIES TREATED AS EXEMPT FROM TAXATION UNDER SECTION 501(a).**

(a) IN GENERAL.—Section 511 is amended by adding at the end the following new subsection:

''(d) ORGANIZATIONS AND TRUSTS EXEMPT FROM TAXATION NOT SOLELY BY REASON OF SECTION 501(a).—For purposes of subsections (a)(2) and (b)(2), an organization or trust shall not fail to be treated as exempt from taxation under this subtitle by reason of section 501(a) solely because such organization is also so exempt, or excludes amounts from gross income, by reason of any other provision of this title.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 5002. EXCLUSION OF RESEARCH INCOME LIMITED TO PUBLICLY AVAILABLE RESEARCH.**

(a) IN GENERAL.—Section 512(b)(9) is amended by striking ''from research'' and inserting ''from such research''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

### Subtitle B—Excise Taxes

**SEC. 5101. SIMPLIFICATION OF EXCISE TAX ON PRIVATE FOUNDATION INVESTMENT INCOME.**

(a) RATE REDUCTION.—Section 4940(a) is amended by striking ''2 percent'' and inserting ''1.4 percent''.

(b) REPEAL OF SPECIAL RULES FOR CERTAIN PRIVATE FOUNDATIONS.—Section 4940 is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 5102. PRIVATE OPERATING FOUNDATION REQUIREMENTS RELATING TO OPERATION OF ART MUSEUM.**

(a) IN GENERAL.—Section 4942(j) is amended by adding at the end the following new paragraph:

''(6) ORGANIZATION OPERATING ART MUSEUM.—For purposes of this section, the term 'operating foundation' shall not include an organization which operates an art museum as a substantial activity unless such museum is open during normal business hours to the public for at least 1,000 hours during the taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 5103. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.**

(a) IN GENERAL.—Chapter 42 is amended by adding at the end the following new subchapter:

**''Subchapter H—Excise Tax Based on Investment Income of Private Colleges and Universities**



**''SEC. 4969. EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.**

''(a) TAX IMPOSED.—There is hereby imposed on each applicable educational institution for the taxable year a tax equal to 1.4 percent of the net investment income of such institution for the taxable year.

''(b) APPLICABLE EDUCATIONAL INSTITUTION.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'applicable educational institution' means an eligible educational institution (as defined in section 25A(e)(3))—

''(A) which has at least 500 students during the preceding taxable year,

''(B) which is not described in the first sentence of section 511(a)(2)(B), and

''(C) the aggregate fair market value of the assets of which at the end of the preceding taxable year (other than those assets which are used directly in carrying out the institution's exempt purpose) is at least $250,000 per student of the institution.

''(2) STUDENTS.—For purposes of paragraph (1), the number of students of an institution shall be based on the daily average number of full-time students attending such institution (with part-time students taken into account on a full-time student equivalent basis).

''(c) NET INVESTMENT INCOME.—For purposes of this section, net investment income shall be determined under rules similar to the rules of section 4940(c).

''(d) ASSETS AND NET INVESTMENT INCOME OF RELATED ORGANIZATIONS.—

''(1) IN GENERAL.—For purposes of subsections (b)(1)(C) and (c), the assets and net investment income of any related organization shall be treated as the assets and net investment income of the eligible educational institution.

''(2) RELATED ORGANIZATION.—For purposes of this subsection, the term 'related organization' means, with respect to an eligible educational institution, any organization which—

''(A) controls, or is controlled by, such institution,

''(B) is controlled by one or more persons that control such institution, or

''(C) is a supported organization (as defined in section 509(f)(3)), or an organization described in section 509(a)(3), during the taxable year with respect to such institution.''.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 42 is amended by adding at the end the following new item:

''SUBCHAPTER H—EXCISE TAX BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

**SEC. 5104. EXCEPTION FROM PRIVATE FOUNDATION EXCESS BUSINESS HOLDING TAX FOR INDEPENDENTLY-OPERATED PHILANTHROPIC BUSINESS HOLDINGS.**

(a) IN GENERAL.—Section 4943 is amended by adding at the end the following new subsection:

''(g) EXCEPTION FOR CERTAIN HOLDINGS LIMITED TO INDEPENDENTLY-OPERATED PHILANTHROPIC BUSINESS.—

''(1) IN GENERAL.—Subsection (a) shall not apply with respect to the holdings of a private foundation in any business enterprise which for the taxable year meets—

''(A) the ownership requirements of paragraph (2),

''(B) the all profits to charity distribution requirement of paragraph (3), and

''(C) the independent operation requirements of paragraph (4).

''(2) OWNERSHIP.—The ownership requirements of this paragraph are met if—

''(A) 100 percent of the voting stock in the business enterprise is held by the private foundation at all times during the taxable year, and

''(B) all the private foundation's ownership interests in the business enterprise were acquired not by purchase.

''(3) ALL PROFITS TO CHARITY.—

''(A) IN GENERAL.—The all profits to charity distribution requirement of this paragraph is met if the business enterprise, not later than 120 days after the close of the taxable year, distributes an amount equal to its net operating income for such taxable year to the private foundation.

''(B) NET OPERATING INCOME.—For purposes of this paragraph, the net operating income of any business enterprise for any taxable year is an amount equal to the gross income of the business enterprise for the taxable year, reduced by the sum of—

''(i) the deductions allowed by chapter 1 for the taxable year which are directly connected with the production of such income,

''(ii) the tax imposed by chapter 1 on the business enterprise for the taxable year, and

''(iii) an amount for a reasonable reserve for working capital and other business needs of the business enterprise.

''(4) INDEPENDENT OPERATION.—The independent operation requirements of this paragraph are met if, at all times during the taxable year—

''(A) no substantial contributor (as defined in section 4958(c)(3)(C)) to the private foundation, or family member of such a contributor (determined under section 4958(f)(4)) is a director, officer, trustee, manager, employee, or contractor of the business enterprise (or an individual having powers or responsibilities similar to any of the foregoing),

''(B) at least a majority of the board of directors of the private foundation are not—

''(i) also directors or officers of the business enterprise, or

''(ii) members of the family (determined under section 4958(f)(4)) of a substantial contributor (as defined in section 4958(c)(3)(C)) to the private foundation, and

''(C) there is no loan outstanding from the business enterprise to a substantial contributor (as so defined) to the private foundation or a family member of such contributor (as so determined).

''(5) CERTAIN DEEMED PRIVATE FOUNDATIONS EXCLUDED.—This subsection shall not apply to—

''(A) any fund or organization treated as a private foundation for purposes of this section by reason of subsection (e) or (f),

''(B) any trust described in section 4947(a)(1) (relating to charitable trusts), and

''(C) any trust described in section 4947(a)(2) (relating to split-interest trusts).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

### Subtitle C—Requirements for Organizations Exempt From Tax

**SEC. 5201. 501(c)(3) ORGANIZATIONS PERMITTED TO MAKE STATEMENTS RELATING TO POLITICAL CAMPAIGN IN ORDINARY COURSE OF ACTIVITIES.**

(a) IN GENERAL.—Section 501 is amended by adding at the end the following new subsection:

''(s) SPECIAL RULE RELATING TO POLITICAL CAMPAIGN STATEMENTS OF ORGANIZATIONS DESCRIBED IN SUBSECTION (c)(3).—

''(1) IN GENERAL.—For purposes of subsection (c)(3) and sections 170(c)(2), 2055, 2106, 2522, and 4955, an organization shall not fail to be treated as organized and operated exclusively for a purpose described in subsection (c)(3), nor shall it be deemed to have participated in, or intervened in any political campaign on behalf of (or in opposition to) any candidate for public office, solely because of the content of any statement which—

''(A) is made in the ordinary course of the organization's regular and customary activities in carrying out its exempt purpose, and

''(B) results in the organization incurring not more than de minimis incremental expenses.

''(2) TERMINATION.—Paragraph (1) shall not apply to taxable years beginning after December 31, 2023.''.

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

**SEC. 5202. ADDITIONAL REPORTING REQUIREMENTS FOR DONOR ADVISED FUND SPONSORING ORGANIZATIONS.**

(a) IN GENERAL.—Section 6033(k) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3), and by adding at the end the following new paragraphs:

''(4) indicate the average amount of grants made from such funds during such taxable year (expressed as a percentage of the value of assets held in such funds at the beginning of such taxable year), and

''(5) indicate whether the organization has a policy with respect to donor advised funds (as so defined) for frequency and minimum level of distributions.

Such organization shall include with such return a copy of any policy described in paragraph (5).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply for returns filed for taxable years beginning after December 31, 2017.

The SPEAKER pro tempore. The bill shall be debatable for 4 hours, equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means.

The gentleman from Texas (Mr. BRADY) and the gentleman from Massachusetts (Mr. NEAL) each will control 2 hours.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. BRADY of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 1, the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the full House begins consideration of H.R. 1, the Tax Cuts and Jobs Act, historic tax reform legislation that will revitalize our economy and provide lasting tax relief to Americans of all walks of life.

Over 30 years have gone by since the last overhaul of our Nation's tax system. In that time, our Tax Code has become one of the most complicated, unfair, and uncompetitive in the world. Today it is impacting nearly every aspect of Americans' lives, and not for the better.

The overwhelming complexity of today's system forces American taxpayers to spend billions of hours and billions of dollars every year just filing their taxes. Trillions of dollars in carve-outs and loopholes give favoritism to Washington special interests while hardworking Americans get nothing but frustration.

With some of the highest tax rates in the world for our businesses, we are seeing good-paying American jobs and manufacturing plants move overseas one after the other.

Today, with the Tax Cuts and Jobs Act, we change all of this. With this bill, we have an opportunity to deliver the most transformational tax overhaul in a generation. But make no mistake, this bill is not about us. It is not about Congress. This bill is about—for the first time in decades—providing the American people with a simple and fair tax system, so much so that nine out of ten Americans will be able to file using a simple postcard-style system. It is about finally rewarding hard work, growing jobs and paychecks, and allowing Americans to keep more of their hard-earned money to use on whatever is important to them.

So if you are one of the millions of Americans who is sick of today's Tax Code, you are going to see a remarkable difference. You will see the standard deduction doubled, increasing to protect more of every paycheck from taxes. You will have a larger child tax credit, providing more support as you raise a family and care for your loved ones. More Americans will get help raising their kids.

You will have peace of mind when it comes to life's most important investments because this bill preserves tax benefits to help you afford your home, to pay your property taxes, and put your kids through college.

So if you are a typical middle-income family of four making $59,000 a year, you are going to get a tax cut of nearly $1,200. More than that, you are going to enjoy the benefits of a strong, healthy, and growing American economy. You are going to see more jobs on Main Street.

With this bill, our small businesses will finally have low tax rates and a fair Tax Code that works with them as they grow and create jobs. You are going to see our larger businesses—our iconic American brands and our major manufacturers—win throughout the world and create new, good-paying jobs right here at home because, with this bill, we are going to have one of the most modern and one of the most competitive Tax Codes on the planet. That includes lowering our corporate rate from 35 to 20 percent, which beats many of our international competitors.

Not only are you going to see jobs stop leaving the United States, you are going to see our Nation become a 21st

century magnet for job creation and business investment.

With the Tax Cuts and Jobs Act, the American people will see and help lead the way in launching a new era of Made in America innovation. In the end, the Tax Cuts and Jobs Act is a striking alternative to the broken Tax Code we have today. It represents a bold path forward that will allow us as a country to break out of the slow-growth status quo once and for all.

Mr. Speaker, the American people have waited years—decades—for a fair, simple, and competitive Tax Code. Right now, in this moment, we stand on the doorstep of delivering the most sweeping tax overhaul since President Reagan's reforms in 1986. Like President Reagan back then, President Trump is now putting his full support behind this effort.

Let's pass this historic bill and take another step forward in delivering bold, pro-growth, pro-family tax reform for Americans throughout this Nation.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am delighted the chairman mentioned President Reagan. But he made it sound as though President Reagan did tax reform on his own. Tax reform in 1986 was done in a bipartisan manner. I guess we just leave out Speaker O'Neill and we just leave out Chairman Rostenkowski and we just leave out Senator Bradley or Congressman Gephardt. The reason that they are left out is because even though it was accomplished in 1986, it started in 1982 when Mr. Gephardt and Mr. Bradley introduced the first tax reform act.

□ 1700

What happened in those intervening years?

The Ways and Means Committee took testimony from 50 witnesses. They held 30 markups and an untold number of hearings.

Contrast that with what we did in the Ways and Means Committee: not one witness, not one hearing, not one opportunity to hear from renowned economists, labor leaders, or individuals who would have great knowledge not just of what happened in 1986, but what could happen in this Chamber. Instead, we are going forward with this ill-considered effort.

This is a missed opportunity. This is a bad deal for millions of Americans in the middle class. The legislation puts the wealthy, the well-connected, and the strong, once again, at the top. Thirty-six million Americans are going to receive a tax increase.

When they talk about tax simplification, take a look at the phase-ins and phase-outs of this measure. That is hardly simplification. It is greater complexity.

Oh, by the way, the corporate rate is made permanent. The individual issues phase out after 5 years.

Consider this: 13 million people will lose their health insurance based on what Republicans are doing in the United States Senate. They are going to lose their healthcare to pay for a tax cut for people at the very top.

Let me just walk you through some of these provisions because I think that they deserve our attention and the magnifying glass of critical analysis.

We are being asked tonight to borrow $2.3 trillion to pay for this tax cut. This is from people who regularly lecture the American electorate on the need for fiscal austerity and balanced budgets.

When Barack Obama was President, the budget should be balanced. When Bill Clinton was President, the budget should be balanced. But in the intervening period of time, apparently, we don't have to balance the budget.

Also, $2.3 trillion is being added to the debt and deficits. We are witnessing what they are attempting to do because they are going to scale back the tax benefit for buying a new home by lowering the cap on mortgage interest deduction to $500,000. That is going to lower home values.

H.R. 1 repeals the new markets tax credit. The historic tax credit that has transformed American cities is being eliminated. They beat up on the municipal bond market.

As a former mayor, I have some knowledge of the municipal bond market.

They are getting rid of the private activity bonds. Years ago, I raised the cap so that we might do more intervention and innovation in terms of rebuilding our airports across the country. Private activity bonds are a key for financing affordable housing. It is going to go by the wayside if they have their way. It is going to have a profound impact on the housing market.

They eliminate several deductions and exclusions that help pay for college education, including a deduction for interest on student loans.

Pay attention to this number. Student debt in America is at $1.3 trillion, and they are taking away the ability of students to deduct that interest on those loans.

They also impose a new tax on universities and colleges.

They repeal the above-the-line deduction for teachers' out-of-pocket expenses. You know, those teachers who, in September, might be short some school supplies and they are good enough to pack the car up and bring it to school? We give them a $250 deduction. They are going to take it away.

They create a health tax, an Alzheimer's tax, by repealing the medical expense deduction. This change basically scraps a family's ability to receive financial relief when dealing with serious medical conditions.

Think of it this way: We celebrate annually the increases in life expectancy in America—80 for a male, 81 for a female. But if we are going to celebrate that, we also have to acknowledge something else: more dementia and more Alzheimer's as people grow older in America. So their decision is: Let's take away the ability of individuals to deduct those expenses.

They also want to write off a very important consideration for the middle class in their ability to deduct real property tax costs up to $10,000.

Contrast this with what these tax cuts do for the wealthy.

H.R. 1 repeals the estate tax, which is paid by a small number of families in America. They are going to repeal it. I guess the slogan becomes: We are rich, and we are not going to take it anymore. That is not a tax on Conrad Hilton; it is a tax on Paris Hilton. That is what we should be considering with the greater efforts on their side to further concentrate wealth.

By the way, there is an issue I have worked on for decades here, successfully, because 27 million middle class families no longer pay the alternative minimum tax. But guess what they are going to do? They are going to eliminate it for 4.5 million of the richest families in America. They are going to take away that payment.

This is a missed opportunity, Mr. Speaker. This could have been done the way Chairman BRADY indicated in 1986: hearings, markups, a genuine effort to find common ground on this.

On our side, I have waited all these years to do this. Tonight and tomorrow, what you are witnessing is that they need a victory. That is what this is about. It is a victory in search of a policy.

Mr. Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I will note that, in the district of my good friend from Massachusetts, the average family of four making $87,000 will see a tax cut of $2,032.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ROSKAM), chairman of the Tax Policy Subcommittee and a leader in the tax reform effort.

Mr. ROSKAM. Mr. Speaker, my friend from Massachusetts said this is a missed opportunity. This is no missed opportunity. What we are witnessing is the seizing of an opportunity.

During the debate, our friends on the other side of the aisle, in 25 hours of markup last week, offered amendment after amendment after amendment. I think it was about 25 amendments.

Do you know what every one of the amendments did, Mr. Speaker? It restored the status quo. It put something back in, put another thing back in, defended something else, and so forth. There was no comprehensive offer of an amendment in the nature of a substitute that would have been transformational.

There is no exclusion here. We debated. We are now here, and for the first time since 1986, we are on the cusp of seizing an opportunity and having a transformational moment.

Here is the transformation:

When the Tax Code was last amended 30 years ago—think about it—the internet didn't exist as a commercial enterprise. Yes, it has fully developed, and we have got a Tax Code that was built for yesterday.

The global nature of supply chains were nowhere nearly as intricately interlinked, yet we have got a Tax Code that was built for yesterday.

The shared economy—Airbnb, Uber, Lyft, all of those things—didn't exist, yet we have got a Tax Code that was built for yesterday.

Who does the status quo benefit, Mr. Speaker? It benefits the few. It benefits the privileged. It benefits the folks at the top of the economic scale of things.

So what this is doing is proposing a very different approach. It says we are going to make the United States the most competitive jurisdiction in the world by giving business tax relief and welcoming back commercial enterprise and growth and prosperity and ingenuity and investment—that does what? It creates paychecks and it expands opportunities.

Kids graduated from college shouldn't have to grub around piecing together two jobs and living in their parents' basement. How absurd. We can do much better. We are the biggest, best economy in the world, and it is time we acted like it.

This is transformational. To lean back and away from this and say, oh, this Tax Code is a natural disaster; it is too big and too overwhelming and we can't deal with it is nonsense. We fundamentally reject that.

We are going to be measured in the future, Mr. Speaker, by this moment. I thank Chairman BRADY for his leadership in creating this crescendo, because now is the time to act. Let's not defend the status quo. Let's move forward, and let's transform this economy.

Mr. NEAL. Mr. Speaker, I am for maintaining the status quo by allowing students to deduct their student interest loans.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, everyone knows that the Republican tax scam gives massive tax cuts to millionaires and billionaires and corporations, and they do it, in part, by increasing healthcare costs for millions of Americans. Over 36 million middle class households will see a tax hike under this bill.

Families with big medical bills will take the hardest hit. That is because Americans will no longer be able to deduct major medical expenses such as cancer treatment or Alzheimer's from their Federal income taxes.

This is a middle class tax hike. Seven in ten households using the medical expense deduction make under $75,000 a year. Repealing the deduction would especially hurt seniors who use it for long-term care expenses.

The bill takes a second swipe at American seniors and people with disabilities. According to the Congressional Budget Office, by not paying for tax cuts for the wealthy, Republicans would trigger automatic cuts to Medicare, slashing $25 billion from Medicare in 2018 alone.

But the $25 billion cut to Medicare is just the beginning. The same Republican budget that cleared the way for $1.5 trillion in tax cuts for the superwealthy proposed cutting Medicare and Medicaid by, no coincidence, $1.5 trillion.

Now, Senate Republicans want to pay for additional tax cuts by repealing a key part of the Affordable Care Act. This change would increase the number of uninsured Americans by 13 million and increase premiums by 10 percent.

Middle class families, people with disabilities, and seniors struggling to afford healthcare should not foot the bill for billionaires to get a tax cut. I urge my colleagues to make the healthy choice for Americans and vote against the Republican tax scam.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. REICHERT), chairman of the Trade Subcommittee and a champion for working families.

Mr. REICHERT. Mr. Speaker, I thank the chairman for yielding and for his leadership in bringing this tough piece of legislation. I mean tough in the sense that it has taken years to put this together and at least 40 hearings on the legislation that is presented today.

Mr. Speaker, when I travel my district from the suburbs of Auburn, Washington, to the orchards of Chelan, I hear the same thing from middle-income, hardworking families, from the apple grower in Wenatchee, the tech entrepreneur in Issaquah, and the growing family in Maple Valley, Washington: They want to keep more of their hard-earned money, plan for the future, and they want to have some certainty in their future. They want to care for those they love.

They deserve a plan that gives them the opportunity at their first job or a better job. They deserve a chance to decide how they want to spend their money.

It is their money. Why wouldn't they deserve that chance?

They want a Tax Code that is simpler, fairer, and that works for them. They want the same bright future for their children.

This is a bill that is not just a tax bill, but it is a bill that reignites, in my opinion, the belief in the American Dream.

In the Eighth District of Washington State, the median income family of four will receive a tax cut of $3,654. In Washington State, 21,875 new jobs will be created.

This plan will change lives. It will energize our economy and get our economy booming again.

As we went through this process, I asked myself several questions over the last few years, to be honest with you. Here are the questions:

Will this plan make the American economy boom again?

Will this plan create jobs in America?

Will this plan increase paychecks?

Will this plan put more money in the pockets of hardworking Americans?

Will this plan make the Tax Code fairer and simpler?

The answer I came to and I think that Americans will come to, Mr. Speaker, is a resounding ''yes.''

□ 1715

Mr. NEAL. Mr. Speaker, this bill phases out the deductions that benefit middle-income families.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. SCHNEIDER).

Mr. SCHNEIDER. Mr. Speaker, we absolutely must reform our outdated and overly complex Tax Code, but the current bill this House is considering is not the way to do it. I have heard from constituents and local elected officials about how this plan will hurt them and their communities.

Rather than lifting our economy and making our local communities stronger, this bill before us is an unfair and fiscally reckless step backwards. My constituents are deeply concerned with the restrictions placed on the State and local tax, or SALT, deduction. This puts a real burden on the residents of States like Illinois.

One in three Illinois taxpayers uses the SALT deduction. Let's be clear. The SALT deduction is not a tax break for the very wealthy. It is used by the hardworking families we need to be helping with tax reform, not hurting.

I am also profoundly concerned about what this reform means for our growing debt. An additional $2.3 trillion in debt is irresponsible in the extreme, burdening our children and our grandchildren with the consequences.

Now, with the most recent Senate version, the GOP is taking aim at the Affordable Care Act, repealing the individual mandate without a workable replacement to further reduce enrollment in the individual health insurance markets, making coverage more expensive for millions of Americans and their families.

There are things we can do to improve the ACA. For example, delaying the looming taxes on medical devices and health insurance premiums has broad bipartisan support. We should be focused on solutions like these that improve, not dismantle, the ACA.

Despite our willingness to work across the aisle, there was virtually no bipartisan engagement on the plan this House is rushing to vote on. It is not too late to change course.

I urge my colleagues to take the time for full deliberation in a complete and bipartisan process. Together, we can produce real tax reform that is fiscally responsible, prioritizes the middle class, and grows our economy for the next generation.

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from

Nebraska (Mr. SMITH), chairman of the Human Resources Subcommittee and a champion for agriculture.

Mr. SMITH of Nebraska. Mr. Speaker, I thank Chairman BRADY for the time and for his leadership as we continue our efforts to pass this historic legislation.

Mr. Speaker, after nearly 7 years of work in the Ways and Means Committee and more than 31 years since our last true tax reform, many hearings along the way, it is time to pass historic comprehensive tax reform. Our current Tax Code is antiquated, as we know. It is complex, and it ignores many of the improvements and competitiveness, which have been adopted by every other major economy worldwide.

The time for tax reform is now. Others have already outlined many of the highlights of this bill, but I think they warrant mentioning again.

Simplified compliance and rates for individuals and families means more than 95 percent of Americans will be able to file their returns on a postcard. Lower rates for small businesses recognize the important role they play as job creators in our economy. A 20 percent top corporate tax rate and transitioning to a territorial system will ensure our businesses remain competitive with the rest of the world.

In addition to lower rates, expanded expensing will further encourage entrepreneurs to invest in capital to grow their businesses, and full repeal of the death tax, including the continuation of step-up in basis, will ensure our Nation's farmers, ranchers, and small manufacturers can continue creating opportunity for generations to come without the threat of double taxation.

Our Tax Code shouldn't reward businesses and investors because they hired accountants and lawyers to help them avoid taxes, and the estate tax does exactly that right now. I think it is equally important to praise what the bill leaves alone in the Tax Code. With our impending entitlement crisis, we want Americans to save everything they can for retirement. This bill leaves those incentives intact.

It also excludes a proposal, which had initially been included in the bill, to apply self-employment taxes to rental income. This could have had serious repercussions for ag land rental, and I am glad it was dropped. And I particularly appreciate how this bill continues the deductibility of State and local taxes for businesses, including farmers and ranchers.

U.S. producers have made great strides in increasing production on a per-acre basis, but land remains a primary input as they work to feed the world. Ensuring the property tax on land and production remains deductible as business cost is vital to their continued success.

This is the moment to finally provide the tax relief Americans have been asking for and to make our country competitive again. I urge the passage of this progrowth bill.

Mr. NEAL. Mr. Speaker, more than 100,000 Nebraska households making under $137,000 a year will see a tax increase under this bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CAPUANO), my good friend from Somerville, Massachusetts.

Mr. CAPUANO. Mr. Speaker, I thank the gentleman for yielding. I am a former tax lawyer. My wife is a practicing CPA. We have heard this before: simplification is going to help. It has never put a single accountant out of business, and it won't do it now. It is another part of the big scam going on.

Why? Sure, I will probably get a tax break out of this; some of my constituents will. But what do we get in return? We don't get healthcare. We don't get better roads. We don't get better education. But we do provide a $5,000 to $10,000 debt for our children. We do tell our seniors: Too bad if you have a heart attack or cancer; no more medical deductions for you. We tell our current graduate students: Too bad, no deductions for you. And on and on and on.

And by the way, we have a new provision in here that I like to call the ''Dynasty Protection Act.'' Why? Because if you have a dynasty, if you are worth $30-, $40-, $50-, $100 million, your children get to keep it all. Not because they have done anything, but because they won the genetic lottery. Good for them.

And then if they do get up off their butt and get a job, maybe start a hedge fund with all the money they inherited, they get another tax credit by not touching the special tax deals—you have the hedge fund managers. And if they earn a little extra money, they get to keep more of it because there is no alternative minimum tax left.

I know that President Trump will particularly appreciate that provision because we all know—the only tax return we have seen—the AMT cost him $31 million. So thank you from the rich.

Now, I don't have any problem with people being wealthy. I represent many of them. They don't want this tax cut because they know it is bad for America.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Mr. Speaker, I yield an additional 15 seconds to the gentleman from Massachusetts.

Mr. CAPUANO. Mr. Speaker, as a final insult, the corporate tax you have encourages businesses to send jobs offshore by not taxing profits made offshore when they expand jobs, if they do. They will do it offshore, not here in America.

Mr. BRADY of Texas. Mr. Speaker, Massachusetts will gain 24,000 jobs; families will see a $3,000 increase in their paychecks.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. PAULSEN), a key member of our committee and a leader in technology and employee stock options.

Mr. PAULSEN. Mr. Speaker, for the first time in a generation, middle-income and hardworking Americans are closer to a Tax Code that works for them rather than against them.

It has been 31 long years since we last reformed our broken tax system, and, in that time, our Tax Code has become one of the most complicated, unfair, and uncompetitive in the world. It has led to a stagnant economy and sluggish growth. American businesses of all sizes have some of the highest tax rates in the world, sending our jobs, our manufacturing, our research, and our headquarters overseas.

And you know, the economic recovery hasn't been all that great since the Great Recession—not that great for a lot of Americans. Half the population is living paycheck to paycheck. Many either have or are at risk of having a lower standard of living than their parents. Young people, like my daughter's generation, will go backwards if this country is not fundamentally more competitive. And then seniors and those baby boomers preparing for retirement, who have a lifetime of savings, are now at risk without a growing economy.

The reforms in this bill today will help real people with tax cuts aimed to help middle-income families that want to save for the future and improve their own standard of living. The bill focuses on helping small businesses, Main Street Minnesota businesses with a simpler, clearer, and fairer Tax Code that is critical for job creation. It lowers small business rates to 25 percent and even provides a 9 percent rate for the smallest Main Street startups.

Modernizing the Tax Code is essential to allowing American businesses of all sizes to compete around the world and bring those jobs home. We need to be able to sell where the customers are, and 95 percent of the world's customers are outside the United States. The international reforms in this bill will incentivize businesses to bring their money home to invest in our communities.

And importantly, this bill includes bipartisan legislation that I authored, the Empowering Employees through Stock Ownership Act, which helps those entrepreneurs and startups attract and retain talent. Hardworking taxpayers, Mr. Speaker, deserve a Tax Code that is simpler, flatter, and fairer so that every American family and employer can file their taxes without having to hire an Army of lawyers and accountants.

Mr. Speaker, we have a choice. The choice is Americans. We can either truly grow the economy and put ourselves back on the path to real prosperity, or we can continue the actual trend we have right now of weak economic growth, which only benefits the few and the privileged and will do nothing for regular folks when the next economic downturn hits.

Tax reform for me is about one thing and one thing only. It is about restoring hope for a prosperous future for

ourselves, our parents, and, most importantly, our children. I want to thank the chairman for his guiding leadership through this effort.

Mr. NEAL. Mr. Speaker, 40 percent of Mr. PAULSEN's constituents claim the SALT deduction, a benefit of over $15,000. They are lucky to break even after this tax bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND), a valued member of the Ways and Means Committee.

Mr. KIND. Mr. Speaker, there are certain phrases that we have learned to grow to accept with great suspicion: The check is in the mail. It is not you; it is me. Don't worry, I will respect you in the morning. I have had just a few drinks; I am fine with driving.

And now we have to add to that: Don't worry. Large tax cuts for the most wealthy will pay for themselves, and I am a fiscally conservative Republican who cares about debt and deficits.

The Joint Committee on Taxation has determined that, with interest payments, this bill will add over $2.3 trillion, with a T, to our national debt over the next 10 years. That is why last week, in committee, I was offering an amendment that would expand the endangered species list to include fiscally conservative Republicans because your vote on this bill will make you extinct.

And what is unfortunate is, unlike past tax cuts that weren't paid for, we have run out of time. We no longer have the luxury of time to recover from a huge fiscal mistake, not with 70 million baby boomers beginning their massive retirement—10,000 a day joining Social Security and Medicare. Those programs and the solvency of Social Security and Medicare will be in jeopardy with another $2.3 trillion of debt over the next 10 years.

And what is unfortunate, it didn't have to be this way. There was bipartisan interest in simplifying the Code, making it more competitive, broadening the base, making it fair for working families and small businesses and family farmers, but doing it in a fiscally responsible way.

Asking 34 million Americans to accept a tax increase to pay for a 43 percent marginal rate reduction to the largest companies is hardly responsible, and it is hardly fair. I encourage my colleagues to let us take a different approach and reject this bill.

Mr. BRADY of Texas. Mr. Speaker, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACK), the chair of the Budget Committee who cleared the path for this progrowth tax reform.

Mrs. BLACK. Mr. Speaker, I thank the chairman for his endless hours of work listening to everyday people, listening to small businesses, listening to large businesses, listening to how what we put in this bill was going to affect the American people who, at the end of the day, are going to be the winners.

So it has been more than three decades since Congress has worked with the White House to modernize our Nation's very confusing and complicated tax system. Just ask anybody who has filed their taxes on their own.

But we are closer to changing that day with H.R. 1, the Tax Cuts and Jobs Act. And with this budget, with the budget passed in both Chambers and following last week's productive markup in our House Ways and Means Committee, tax relief is on the horizon.

With this legislation, Republicans clearly recognize the need to do something about our heavy tax burden weighing down the hardworking Americans and holding back job creators.

We also recognize the need to bring simplicity to the Tax Code. In our tax reform plan, we will help low- and middle-income Americans see more of their hard-earned paychecks by lowering the tax rates and nearly doubling the standard deduction for individuals and married couples.

□ 1730

For instance, for an average middle class family of four, that translates to a $1,200 tax cut. Now, I will tell you, that is real money.

We also establish a new family credit that raises the child tax credit and introduces new credits for family members and other dependents.

The Tax Code will also become less confusing, making it possible for most Americans to file their taxes on a single postcard.

Our plan, rightly, provides tax relief for job creators, empowering entrepreneurs and small businesses to continue opening, operating, and expanding on Main Street.

For my home State of Tennessee, H.R. 1 will allow families to see an estimated $2,200 increase in wages. Again, that is real money.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. BRADY of Texas. Mr. Speaker, I yield an additional 15 seconds to the gentlewoman.

Mrs. BLACK. According to the nonpartisan Tax Foundation, this bill would also mean 20,000 new jobs for my State. This will provide a welcome jolt to our economy, which is badly needed following eight lackluster years under the Obama administration.

Without question, enacting tax reform is a challenge, but the benefits of seeing it through will be felt for generations to come.

Mr. Speaker, I am proud to support this legislation, and I urge my colleagues to do the same. We cannot miss this historic opportunity.

Mr. NEAL. Mr. Speaker, over 350,000 Tennessee households making under $132,000 will see a tax increase with this bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. COURTNEY), a leader on the Higher Education Subcommittee and well known nationally as a spokesperson on education issues.

Mr. COURTNEY. Mr. Speaker, I rise in strong opposition to H.R. 1.

Mr. Speaker, I thank Mr. NEAL for his tireless leadership pointing out the trail of broken promises that are in this bill for middle class families, who will pay dearly with higher costs for healthcare, home ownership, and, in many cases, Federal taxes.

I would like to zero in for a minute during National Apprenticeship Week on the broken promise that the bill represents to growing the U.S. economy, which has a shortage of skilled workers. The obliteration of the student loan interest deduction, which will add $24 billion to the cost of higher education; the taxation of graduate students' tuition waivers, 60 percent of which are concentrated in STEM curricula; and the elimination of tax-free employer-funded tuition assistance, to enhance workplace skills, often using apprenticeship programs, moves this country in exactly the wrong direction to close the skills gap in our workforce, which we all know every Member in this body has heard about from employers back home.

Indeed, America's CEOs told the President last February at a White House manufacturing summit: Jobs exist, skills don't.

In fact, the Trump's Labor Department reported 6.1 million job openings in the month of September, a near record high.

Sadly, this antigrowth tax bill robs American job seekers and employers of the tools to fill those jobs, ironically, during National Apprenticeship Week.

Mr. Speaker, I urge the Members of this body to vote ''no.''

Mr. BRADY of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. MEEHAN), one of the key members of our Tax Policy Subcommittee and a champion for working men and women.

Mr. MEEHAN. Mr. Speaker, I rise today to urge my colleagues to take advantage of this historic opportunity that we have before us.

As I travel across my district, I hear from families that are struggling to get ahead. I hear from families that can't make ends meet most months. They don't have a whole lot left over. In fact, 63 percent of American families don't have $500 to handle an emergency. I hear from businesses that say they would love to be able to hire, expand, or buy that new piece of equipment, but they just don't have the cash to do it.

Our Tax Code is taking too many dollars from Pennsylvania and sending it to Washington. It is sending good-paying, middle class jobs overseas and it is holding our economy back, making it harder for so many to get ahead.

This is our chance to change the status quo. We have an opportunity to jump-start our economy and let more hardworking families keep what they earn.

We rewrite the Tax Code for American job creators, taking away the incentives to send jobs overseas and dollars offshore. Putting those dollars to

work will put more Americans to work as businesses expand and invest here at home—American tax cuts for American workers with American jobs.

We give these small businesses a break—the mom-and-pop shops that employ Pennsylvanians. We give entrepreneurs, who have so much innovation and creativity, a wider cushion to take a risk. We are putting more money in the pockets of hardworking families. We are doubling the standard deduction, which means that 94 percent of taxpayers won't need to itemize at all. Let me say that again: 94 percent of taxpayers won't even need to itemize at all.

By expanding the child tax credit and creating a new $300 credit for parents and nondependent children, we put an additional $1,800 back in the pockets of every family of four. That is money that they can use as they see fit. We have streamlined the maze of education tax credits, and included in my bipartisan bill are apprenticeship programs that can now be made affordable.

The taxpayers I hear from say they want to pay less in taxes, not more. If limiting some deductions and lowering your rates means your tax bill is lower at the end of the year, that is a good deal for taxpayers.

We owe it to the hardworking, taxpaying families we represent to deliver that.

I urge my colleagues to support the Tax Cuts and Jobs Act.

Mr. NEAL. Mr. Speaker, all of those projects in Philadelphia are about to come to an end with the abolition of the historic tax credit.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. SHERMAN), who, incidentally, is a CPA and a tax attorney.

Mr. SHERMAN. Mr. Speaker, by 2027, roughly one-third of middle class families will be paying more in taxes, and that average family will be paying $1,300 more.

The personal exemption, worth $4,150 per person in a family, that is $21,000 for a family of five, and they take it away.

The moving expense deduction, if you have to move to keep your job, you don't get to deduct that. But if you move a factory to China, you get to deduct all of the moving expenses.

The student loan debt, they won't let you deduct it.

As for the effect on simplicity, my CPA and tax law homeboys are going to be rolling in big dollars. Just from the provisions that define the difference between personal service income, passive income, active business income, the litigation and planning opportunities—talk about complexity—it is all there, and my homeboys love it.

We currently deduct extraordinary medical expenses. That is important to those with disabilities and families with children with special needs. They wipe it out.

The extraordinary casualty loss deduction, they wipe out. That is very important to people who face floods and fires.

They change the rules so that we don't have adequate indexing for inflation, so everybody is pushed into a higher tax bracket by inflation, except those at the very top; they are protected.

But look at the effect on our Nation's economy. This is a job-killing, deficit-exploding, growth-reducing disaster. Look at what happened to Kansas. These policies have already devastated one of our States.

You are going to be taking $1.5 trillion out of the money available for business investment. The Federal Government will come in and borrow all of that money, leaving less money for factories, farms, and homes.

As RON KIND pointed out, there is an extra $800 billion of interest on top of that just in the next 10 years. Keep in mind, this increase in our debt is forever. Your grandchildren will be paying taxes on this debt.

Look at the chart. We had the policies of Ronald Reagan from 1988—when his 1986 law became effective—through 1993, and we had 2.67 percent growth. In 1994, we got Clinton tax policies and we exploded to over 4 percent annual growth. Then with George W. Bush, we dropped to 1.7 percent growth. Then when we adopted Obama tax policies, which are in force today, we are back up to 2.2 percent economic growth.

Which policies give you economic growth?

Let's look internationally. You can manufacture and pay zero percent on the profits you earn by a factory, but only if it is a foreign factory.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Mr. Speaker, I yield an additional 15 seconds to the gentleman.

Mr. SHERMAN. Finally, Mr. Zandi, one of the top economists in the country, testified before our Financial Services Committee that this bill means double-digit declines in the value of homes in American metropolitan areas.

What effect does that have on the economy? Who is going to go out and spend in the middle class when they are told that the equity in their home has been virtually wiped out?

So you can vote against this bill because it is unfair, or you can vote against this bill because it will be a crushing weight on our economy, but don't engage in the fantasy that you can cut taxes and make it up through ''economic growth.''

Mr. BRADY of Texas. Mr. Speaker, under tax reform, California will grow 111,000 new jobs, and paychecks will increase by nearly $3,000.

Mr. Speaker, I yield 3 minutes to the gentlewoman from South Dakota (Mrs. NOEM), a champion of family-owned farms and businesses.

Mrs. NOEM. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, today I rise in support of H.R. 1, the Tax Cuts and Jobs Act of 2017.

We have worked hours—literally hundreds of hours—on this legislation, and I commend Chairman BRADY and the staff of the Ways and Means Committee for all of their hard work.

Mr. Speaker, we have gone through this bill line by line. I have personally fought for policies and ideas in this bill to make sure that it works for families, to make sure that it increases wages, and creates more opportunity for folks all across America.

My goal in this was two-fold. Number one, I wanted to strengthen families. Number two, I wanted to create a stronger future for America. This tax reform package puts us well on our way to achieving these goals and achieving some remarkable wins for the American people.

I say this because this plan simplifies the Tax Code. It simplifies it to the point that most people can file their taxes on a form the size of a postcard. It also gives significantly lower rates. It dramatically expands the child tax credit. It keeps the child care credit. It protects flexible spending benefits.

These provisions for working families are important to me. My home State of South Dakota has the highest rate of working families in the Nation. The moms and dads in my State aren't working just for fun. They are working to pay the bills to provide for their families. They need money to put food on the table and to put a roof over their kids' heads. These provisions are going to help them pay their bills, take care of their kids, go to work, and maybe, just maybe, get a little extra money that they can take their kids off for a weekend and do something fun together. That is important.

When these kids grow up, I want them to be able to find good, high-paying jobs. So I fought hard to make sure that our farmers, our ranchers, and our small businesses could thrive under this new Tax Code. We got some pretty big wins for those folks.

In this bill, we fully and permanently repeal the death tax—that un-American, unfair double tax. We give people better expensing tools and we drive down the rate for small businesses. If we are going to make sure that our kids can thrive, we need to create opportunities for them to make sure that they can do it right here in America, and this tax reform package lets hardworking job creators do that better.

Mr. Speaker, I understand that no tax reform plan is going to be perfect in everybody's eyes, but this proposal is a strong step forward. It reflects real, sustainable policy changes that are going to let people keep more money in their pockets.

I have heard from many throughout this debate, who have spoken up against these tax cuts and these reforms—people who trust the government with this money more than they trust the American people.

Mr. Speaker, I fundamentally disagree. The American people deserve more control over their paychecks.

They have worked hard to earn that money. They have taken time away from their families to earn that money. They ought to be the ones deciding how, where, and when to spend it.

So for the purposes of strengthening families and offering folks a stronger future here in America, I urge my colleagues to support H.R. 1.

Mr. NEAL. Mr. Speaker, 38,000 South Dakota households making less than $113,000 a year will see a tax increase under this legislation.

Mr. Speaker, I yield 2 minutes to the highly regarded gentleman from Virginia (Mr. CONNOLLY), the son of Massachusetts and my friend.

Mr. CONNOLLY. Mr. Speaker, I thank my good friend, the gentleman from Massachusetts (Mr. NEAL) for yielding me this time.

Mr. Speaker, you can put all the lipstick you want on this pig, and it is still a pig.

Let's be honest, this isn't tax reform. This is a cut on taxes for corporate America, the corporate friends and my friends on the other side of the aisle, and they had to squeeze all kinds of things in to justify it and pay for it. That is why the middle class is going to suffer. That is why their kids in college are going to start losing their ability to deduct interest on student loans, and they are going to pay taxes on waived tuition when they get a teaching assistant position or a benefit from the university.

□ 1745

That is why your local municipalities are going to lose tax exemption for private activity bonds that fund tens of billions of dollars of public improvements all over the United States.

That is why 8.8 million Americans are going to lose the ability to deduct medical costs. Good luck to families who have to put people in nursing homes for long-term care, patients suffering dementia. How will they work that financing out when they lose this deduction, and how will they feel when they know the reason they are losing this deduction is to finance a corporate tax rate?

What about homeowners losing the ability to deduct mortgage interest or to have it capped artificially so corporate America can get the biggest tax cut in history?

And, by the way, they get to continue to deduct State and local taxes and other kinds of financial interest-related expenses, but not you, not you the middle class.

It adds $1.5 trillion, and that is with dynamic scoring. Dynamic scoring is another way of saying: We kind of fudged the real number. It is more than that, at least $200 billion more than that.

I thought my friends on the other side of the aisle were fiscal hawks dedicated to making sure we didn't have deficits.

This is an inconsistent bill. This is going to harm middle class America.

Mr. Speaker, I urge my colleagues to defeat this bill, and let's start over in a bipartisan way.

Mr. BRADY of Texas. Mr. Speaker, the gentleman's constituents in Virginia's District 11, with average household earnings of $136,000, with two kids, will see a tax cut of $5,008.

Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. BARR).

Mr. BARR. Mr. Speaker, I rise today to engage in a colloquy.

Mr. Speaker, I want to first commend Chairman BRADY and the Ways and Means Committee for their outstanding work on the Tax Cuts and Jobs Act, which will provide tax relief to millions of hardworking families and businesses.

I would like to address a small provision in the bill that inadvertently impacts Berea College, a small private college in Berea, Kentucky, that is a member of the federally recognized Work Colleges Consortium.

Work colleges, by definition, do not charge their students tuition, and they also require their students to hold jobs. For over 125 years, Berea College has fulfilled its mission of providing a tuition-free education to students with limited economic resources, primarily from Appalachia, and who are often first-generation college students. Berea pairs its strong academics with a student labor program, honoring the dignity and utility of all work.

Berea could not fulfill its unique and special mission of providing free tuition to all students without a healthy endowment. The Tax Cuts and Jobs Act includes a 1.4 percent excise tax on private college endowments over $500,000 per student. There are two federally recognized work colleges with endowments above this level, including Berea College in my district.

I was pleased to learn that the Senate version of the bill exempts schools with fewer than 500 tuition-paying students from the excise tax. This provision would effectively exempt work colleges from the tax, because they do not charge tuition.

I understand it was never the committee's intent for this legislation to negatively impact work colleges that use their endowments to provide tuition-free education. In fact, I understand the intended purpose of the excise tax is to encourage colleges to use their endowments to keep college costs down. In this case, Berea College uses its endowments to defray 100 percent of the cost of tuition.

Mr. Speaker, I thank the chairman for his willingness to work with me on a solution in conference, either acceding to the Senate position or another mutually accepted solution that exempts work colleges and allows them to continue their unique mission.

Mr. BRADY of Texas. Will the gentleman yield?

Mr. BARR. I yield to the gentleman from Texas.

Mr. BRADY of Texas. Mr. Speaker, I wish to thank the gentleman from Kentucky for his leadership here.

Mr. Speaker, we will work together for a mutually accepted solution to make sure we exempt work colleges to use their endowments to provide tuition-free education.

Mr. BARR. Mr. Speaker, I thank the gentleman.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE), a well-regarded champion of middle-income people.

Ms. LEE. Mr. Speaker, I thank the gentleman for yielding and also for his tremendous leadership on the Ways and Means Committee and for really telling the truth.

Mr. Speaker, I rise in strong opposition to this bill, H.R. 1, which really is a tax scam. Republicans are really trying to pull a fast one on the American people.

This bill would steal from the hard-earned paychecks of millions of middle-income families to line the pockets of billionaires and corporations. In fact, 80 percent of the tax breaks would go to the top 1 percent. It also eliminates student loan deductions and eradicates medical expense deductions.

If this isn't cruel enough, this bill makes it easier for corporations to ship jobs overseas, so people will actually lose their jobs. This tax plan does nothing to create better jobs or better wages or a better future for the middle class. It does just the opposite.

In my home State of California, one in five middle-income families will see a tax hike next year. The State and local tax deduction would be particularly hard on my State, where 6.1 million households will see a tax increase.

Public sector jobs, like firefighters, will lose their jobs, not to mention the vital services our most vulnerable will need. These will be cut.

This bill really is a disgrace. Stealing from families who need help the most to give more to donors—millionaires and billionaires and corporations—this is really a new low.

Thirty-six million middle-income households, working families, will pay more in taxes.

We can't forget, also, that this tax scam sets the stage, really, for a heartless $1.5 trillion cut to Medicare and Medicaid, as we saw in the Republican budget.

We need to reject this mean-spirited tax scam and vote ''no'' and then come back and look at how we can support middle-income families, working families, so everyone has a chance and an opportunity at the American Dream.

Mr. BRADY of Texas. Mr. Speaker, I would note that the constituents in California's 13th District, a median family of four earning $107,000 will see a tax cut of $2,589.

Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. MCKINLEY).

Mr. MCKINLEY. Mr. Speaker, I thank the gentleman for this opportunity to discuss the historic preservation tax credits that historically have stimulated nearly $150 billion in private sector investment.

As we have discussed over the last month, the tax credit is critically important for economic development and revitalization, especially in small, rural areas of this country. Without the credit, projects that transform communities in all 50 States, from West Virginia to Texas, to Wisconsin, simply will not happen.

Mr. Speaker, the chairman's word means something to me, so I am asking for his commitment to continue working with me to ensure that the Federal historic preservation tax credit is preserved in the final tax reform package.

Mr. BRADY of Texas. Will the gentleman yield?

Mr. MCKINLEY. I yield to the gentleman from Texas.

Mr. BRADY of Texas. Mr. Speaker, I thank Mr. MCKINLEY for his passion about making sure our smaller communities can revitalize and grow and about the role of the historic preservation tax credit in doing that. I commit to working with him and continuing to work with him on this issue because I know the importance of it.

Mr. MCKINLEY. Mr. Speaker, I thank the chairman and I look forward to working with him as well. We have had a good working relationship over the years. I want to continue this process because I understand this process. I will be voting to continue the process in anticipation that it will be in the final bill.

Mr. NEAL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts (Ms. CLARK), a valued member of our delegation.

Ms. CLARK of Massachusetts. Mr. Speaker, I thank our ranking member for yielding and for all of his incredible work on this bill.

Mr. Speaker, we were promised tax reform, but that is not what we are seeing in this bill. In fact, you don't have to dig far into this 429-page bill to see that it is a con, a cynical bait and switch for families at home.

When this bill was released just 2 weeks ago, I started getting calls from families at home wanting to know how it would affect them. We dug into it, and I want to share just a few of those examples, but it didn't take long to see why it was developed in secret and why it is being rushed to a vote.

On page 254, Republicans propose getting rid of a program that helps veterans find work when they come home. 300,000 veterans have been helped by the work opportunity tax credit. The repeal of this provision to reduce taxes for the very wealthiest is a coldhearted way to say thank you for your service.

On page 113, this tax scam sends a bill to 9 million households who have extremely high medical costs. Tax breaks for billionaires are expensive; we get that. Under this plan, Americans who live in nursing homes, have a sick child, high medical costs will foot the bill.

On pages 95 and 97, students get added to the list of Americans who will be forced to pay for the GOP's tax breaks for corporations. They will see increased debt and taxes.

This bill says: Good luck, students. Building an economy that will not allow you to pay off the $1.3 trillion of existing student debt but, instead, will add $2.3 trillion in deficit, this bill was created for you.

Just yesterday, the President's chief economic strategist was surprised when the CEOs gathered admitted they would not be investing their tax cuts in jobs and wages.

The SPEAKER pro tempore (Mr. GARRETT). The time of the gentlewoman has expired.

Mr. NEAL. Mr. Speaker, I yield an additional 30 seconds to the gentlewoman.

Ms. CLARK of Massachusetts. Mr. Speaker, he should not have been surprised. Corporations are already sitting on record amounts of cash while generations of hardworking Americans have had to pay for tax experiments like this based on disproven economic theories.

Let's not repeat the mistakes of the past. Let's reject this bill and work together to create bipartisan tax reform that is fair and benefits all families.

Mr. BRADY of Texas. Mr. Speaker, because of the Tax Cuts and Jobs Act, in the Fifth District of Massachusetts, a median household of four earning $143,000 will see a tax cut of $5,208.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. REED), one of our key leaders on tax reform on the Ways and Means Committee.

Mr. REED. Mr. Speaker, I thank the chairman for all of his hard work in putting this bill together.

Mr. Speaker, this bill has been in the process for over 7 years in regards to the time I spent on the committee. There have been multiple hearings on the issue of tax reform, well over 40-plus. There have been hours upon hours of debate.

There were efforts done by our former chairman, Dave Camp. I know my colleagues on the other side of the aisle have recognized, during our committee markup process, the hard work that Chairman Camp did with rewriting the entire Code from the bottom up.

These issues have been out there for the American people and for the people from across the country to look at, to digest. Now is the time to rise in support of this legislation, Mr. Speaker, because what we have before you is a new Tax Code for the 21st century.

Mr. Speaker, we have a Tax Code that is going to, for once in 31 years, put our corporations on the multinational level across the world in a competitive position by lowering the rates and getting to a 21st century taxing program on a territorial basis.

Most importantly, Mr. Speaker, we deliver tax relief. I know the folks on the other side aren't going to agree with this because they are going to say this is a Tax Code for the rich, this is a Tax Code, tax reform for the rich and the almighty 1 percent.

But, Mr. Speaker, I have done the math. I have looked at this bill inside and out, and it delivers a simplified Code where $1,600 is left in the pockets of my constituents in western New York. That is $1,600 that they earned that the government won't have to take from them anymore; $1,600, Mr. Speaker, that will allow them, as senior citizens, to go visit their grandkids in the South because New York State has driven them out of New York State with its high tax policies at the State capital. That is $1,600 that maybe they can go on a trip with their family and experience a little relaxation because of the hard work that generated those moneys and those dollars in their pockets.

Mr. Speaker, these are the people whom we represent, the Perrys. Mr. and Mrs. Perry are hardworking people of western New York, and those are their two beautiful children. What this is going to allow them to do is get a little bit more of their money kept in their pocket so they can spend a little bit more time with their kids and enjoy the fruits of their labor.

□ 1800

Mr. Speaker, I know my colleagues on the other side advocate because there is another issue with tax reform that I want to highlight real quick.

The easy approach of government is to spend more money, develop more programs, and maybe give a little bit in regards to a government welfare check. But what this Tax Code and reform does is deliver a job opportunity for these people, and I don't know a better program in America that serves more people than an honest day's work and an honest paycheck and an honest job, and that is what this Tax Code will do.

Mr. NEAL. Madam Speaker, correction. Not one hearing was held on this tax bill. Thirty-eight thousand people in Mr. REED's district will lose the student loan interest deduction.

Madam Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR), a real champion of the working class in America.

Ms. KAPTUR. Madam Speaker, I want to thank the gentleman from Massachusetts, Ranking Member RICHARD NEAL, for his exceptional leadership in trying to fix this horrendous bill.

Madam Speaker, the GOP-led tax and deficit disaster rewards the big corporations and billionaires. It will accelerate job outsourcing. Indeed, 50 percent of the tax benefits go to the top 1 percent.

This tax scam locks in—get this—a $621,500 tax bonus to each billionaire in the billionaire class, the top one-tenth of 1 percent. Do you really think they need it?

Meanwhile, this tax scam raids money from the pockets of 38 million middle class taxpayers, likely those caring for their sick relatives or trying to help their kids in college. Do you

really think the one-tenth of 1 percent need more?

Money-trading Wall Street megabanks like Goldman Sachs and J.P. Morgan, already making billions, will get more tax bonuses courtesy of the middle class.

The SPEAKER pro tempore (Ms. CHENEY). The time of the gentlewoman has expired.

Mr. NEAL. I yield the gentlewoman an additional 30 seconds.

Ms. KAPTUR. This job outsourcing tax bill of the rich, by the rich, and for the rich, well, if it walks like a duck and quacks like a duck, it must be a duck, and this duck belongs in a swamp, which voters may have thought they were draining in the last election.

Well, folks, this bill makes the swamp wider and deeper, and the fat ducks will be even fatter and happier in it.

I urge my colleagues to vote for the middle class, not the billionaire donor class. Vote ''no.'' Drain the swamp.

Mr. BRADY of Texas. Madam Speaker, I am proud the Tax Cuts and Jobs Act for that family of four in Ohio, in the Ninth District, a $64,000 household, will see a tax cut of $1,284.

Madam Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TURNER).

Mr. TURNER. Madam Speaker, I thank the chairman for working diligently to create the Tax Cuts and Jobs Act that will give a tax break to the middle class.

After speaking to both Speaker PAUL RYAN and Ways and Means Committee member TOM REED, I believe that an unintended consequence of this bill would hinder middle class Americans pursuing a higher education degree in an attempt to better their lives. These consequences will affect the education of employees of universities, graduate students, and employees receiving employer-provided education benefits.

Madam Speaker, under current law, higher education institutions can provide tax-free tuition waivers or reimbursement to employees, spouses, and dependents.

Secondly, many universities provide graduate students, including Ph.D. candidates, with tuition relief and stipends, which they can utilize while pursuing their degree. Several of my constituents, including my niece, Sarah Schiavone, who is a Ph.D. student, would be impacted by this.

Thirdly, employer-provided education incentives are currently not taxed. I offered two amendments, amendments 20 and 21, to H.R. 1 that would have kept these qualified tuition reduction benefits and currently would have provided for them to continue.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BRADY of Texas. Madam Speaker, I inadvertently cut the gentleman short. I yield the gentleman an additional 2 minutes.

Mr. TURNER. I know the Senate is working on their version of the tax reform package, and, as of today, the Senate bill does not include the repeal of these vital education permits.

Mr. Chairman, I would like your assurances that the current status of these education benefits will be protected during conference debate. I am requesting you continue to work with my office as we, together, address this issue.

Mr. RODNEY DAVIS of Illinois. Will the gentleman yield?

Mr. TURNER. I yield to the gentleman from Illinois.

Mr. RODNEY DAVIS of Illinois. It is a privilege to be able to work with the gentleman on this issue, and, Mr. Chairman, it is a privilege to work with you.

With eight colleges and universities in my district, I cannot ignore the impact that eliminating this section that Mr. TURNER eloquently explained—the impact it may have on the students and the employees in my district at all of those institutions.

The University of Illinois, the largest university in my district, provided $184 million in tuition waivers to 1,387 faculty and staff last year alone; 1,100 of those employees made less than $75,000.

I am worried, too, that that is going to have a tremendous impact on graduate students. I am worried it is going to have an impact on the custodians and the assistants in the Registrar's Office who are just working at these institutions to be able to send their son or daughter to college. So I look forward to working with Mr. TURNER and Mr. Chairman and working toward a solution.

Mr. BRADY of Texas. Will the gentleman yield?

Mr. TURNER. I yield to the gentleman.

Mr. BRADY of Texas. Madam Speaker, I would like to thank Mr. TURNER and Mr. DAVIS for raising this important issue. On the committee, Representatives MEEHAN and LYNN JENKINS led the discussion and share your sentiments.

I have a keen interest in this issue. I will work with you toward a positive solution on tuition assistance in conference with the Senate.

Mr. NEAL. Madam Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. WELCH), who is a son of Springfield, Massachusetts, and a very distinguished gentleman.

Mr. WELCH. Madam Speaker, I have a few questions for the authors of this bill.

What do you have against students? You are imposing an opportunity tax. A young Vermonter who wants to get a certificate in welding, or get a degree from our community college, and gets tuition assistance from an employer, they have to pay taxes on that. If they borrow money from the Vermont Student Assistance Corporation, they have to pay more because they can't deduct that interest.

By the way, the Vermont Student Assistance Corporation has to charge higher interest because we are eliminating private activity bonds, and they don't get the benefit of their municipal bonds rate.

I have another question. What do you have against teachers? They reach in their pocket at the beginning of school to help out with school supplies. They lose the deduction.

I have another question. What do you have against people who have a loved one with Alzheimer's? They can't deduct the cost of that medical care.

The SPEAKER pro tempore. The gentleman will suspend.

Members are reminded to address their remarks to the Chair.

Mr. WELCH. Well, I have another question for the Chair, and I ask it of the leadership.

What happened to democracy? We were promised an open process. And there was a model for this. It was President Reagan and Dan Rostenkowski, 4 months of actual hearings, witnesses testifying about the bill.

This was written in secret. Oh, by the way, no amendments.

Now, we could ask 435 Members of Congress whether we should stick it to the students like we are doing in this bill, and 435 of us would all stand up for the students. But you know what? Not a single one of us is given the opportunity to ask the question: Do we want to stick it to our students who want to get a welding degree or a college degree?

That is disgraceful, it is inexcusable, it is within the control of the majority, and they are denying us the opportunity.

Here is the big deal that we know. This bill was written by and for the donor class that has flooded and contaminated this political process with billions of dollars in our campaigns.

Madam Speaker, I say defeat this bill.

Mr. BRADY of Texas. Madam Speaker, the Tax Cuts and Jobs Act for families of four in Vermont, making $89,000, will see a tax cut of $2,030.

Madam Speaker, I yield 3 minutes to the gentlewoman from Indiana (Mrs. WALORSKI), one of our key leaders championing for small business.

Madam Speaker, I also ask unanimous consent that the gentleman from Illinois (Mr. ROSKAM) be permitted to control the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. WALORSKI. Madam Speaker, I thank the chairman for all of his work.

Madam Speaker, I can't tell you how grateful I am to cast a vote to move our Tax Code one step closer to its first overhaul in 31 years.

We know the Tax Code is broken. The American people know the Tax Code is broken. They are reminded every time they look at their paycheck. The Tax Cuts and Jobs Act will deliver progrowth tax reform to the families, farmers, manufacturers, and workers in my district.

For families, we are delivering tax cuts so that hardworking Hoosiers can keep more of their hard-earned money. We are enhancing the child tax credit, preserving the Adoption tax credit, encouraging retirement savings, and streamlining 15 different education tax incentives.

We are delivering a Tax Code so simple that most Americans can file taxes on a postcard. In my district, 80 percent of filers already take the standard deduction. They will be able to keep even more of their money, because the standard deduction is doubled, and most itemizers will now be able to save time, money, and stress by taking the double standard deduction instead.

No one is ever excited to file their taxes, but I am all for a simpler, quicker process that makes it much more pain-free.

H.R. 1 helps job creators grow. Small businesses get a lower rate and more simplicity. Family businesses passed down for generations won't have to worry about the estate tax anymore, and America will be a more attractive place to do business.

Our antiquated Tax Code keeps investment in jobs out. This bill incentivizes companies to bring profits back, to locate facilities here, and to grow American jobs and raise wages.

Madam Speaker, I was so proud to vote for this bill in the Ways and Means Committee, and I am proud to be a part of this House that is delivering yet another crucial step toward tax cuts, simplicity, and fairness.

Madam Speaker, I urge all of my colleagues to support this bill.

Mr. NEAL. Madam Speaker, the University of Notre Dame is about to get slugged with a new tax, and the clock is running out.

Madam Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. DAVID SCOTT), who has been a champion of the working class.

Mr. DAVID SCOTT of Georgia. Madam Speaker, I thank Ranking Member NEAL. I appreciate this time.

Madam Speaker, my heart is heavy tonight, and it is heavy because we are faced with the absolute, most dangerous, destructive, and deceitful tax reform bill in the history of this Congress. Now, let me tell you why.

On the other side, you have heard Member after Member on the other side get up and tell you: This is going to get a tax cut, we are going to give the wealthy a tax cut, we are going to give the corporations a tax cut. But none of them have told you, or the American people, how they are going to pay for it.

And the great tragedy is, the most deceitful thing about what my colleagues on the other side are doing to the American people is they are doing these tax cuts for the wealthy, the tax cuts for the corporations, on the backs of the poor, the middle class. Let me tell you why.

They won't tell you that they are paying for this tax cut because on—$1.5 trillion that they will cut from Medicaid, from Medicare.

Madam Speaker, Medicaid is for the children. There are literally millions of children on there.

You heard one of my colleagues go down. We are losing 20 veterans to suicide every single day. No mention of that. Yet they will cut the veterans program designed to help them to pay for this tax cut.

Not to mention the student loan interest rate. Young people across this country, you need to rise up. Seniors, we need to rise up.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. I yield the gentleman an additional 15 seconds.

Mr. DAVID SCOTT of Georgia. We need to rise up and stand and fight for this country. Let our minds go back to 1770, in Boston, at the harbor, when they threw the tea over that founded the foundation of our great democracy.

I ask the American people to stand up and help us Democrats defeat this dangerous bill.

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair.

□ 1815

Mr. ROSKAM. Madam Speaker, the good news is that the good people of Georgia's 13th District median household income, family of four, at $80,000 would receive a $1,700 tax break.

Madam Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. SCHWEIKERT), former treasurer of one of the largest counties in our country.

Mr. SCHWEIKERT. Madam Speaker, this is one of those moments where—and forgive me, but I sometimes feel like I live and work in a math-free zone, because you can't intellectually have it both ways, where you are talking about the great difficulties coming, and then when you bring in the actual data and you actually start to look at the charts that we all see, it isn't in the future, it is right on the cusp of us, and that is the debt and entitlement crisis.

If we do not start to get some economic growth, we are in so much trouble. If you really care about Medicare, Medicaid, the children, this education program, this health research, where is the money coming from?

It is on the cusp. This is less than a decade away. In just a few years, we cross 100 percent of GDP, and that is publicly held, and then the ability to sell the bonds if we do not get economic growth.

But if you look at the last 30 years in the charts and the data—and I am sorry, I know this is small and I know it is math, so it is uncomfortable for a lot of people in this body. If you actually look across here and you see, this is entitlements to GDP, when we have been in times of economic expansion, all of a sudden our ability to finance, to maintain the promises we have made as a society, if the math works. And this is a commonality we both understand, economic growth is our only path. Because if it is not, are you on your side ready to do fairly draconian cuts?

If we actually look at some of the data that has come from the Tax Foundation, the Tax Foundation's modeling says $1 trillion of additional taxes, but almost $300 billion in additional payroll taxes over the 10 years.

I have already heard a couple people get behind the microphone here and use the term that the trillion and a half is dynamically scored. No. That is a static score. All dynamic scoring is—so we all have a commonality—you calculate back in the size of the economy. You loop back in the size of the economy, and you can't have it both ways. You either support dynamic scoring or you oppose it for global warming. You oppose it for immigration. You oppose it for the stimulus, because we actually, as a body, every March, when CBO brings us the numbers, they give us a number that has been dynamically scored.

I know we all want what is best for this Nation, but as I dig through the math, if we get the economic growth that I believe this tax model, so many of the very difficult decisions we as a body have to make over the next decade get much easier. Let's hope we get there.

Mr. NEAL. Madam Speaker, I appreciate the gentleman's sincerity as we proceed to watch them borrow $2.3 trillion on the deficit.

Madam Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. KILDEE), from a well-known family.

Mr. KILDEE. Madam Speaker, I thank the gentleman for yielding me time and for his incredible leadership on this subject.

You can't have it both ways. I just heard it said. You can't have it both ways. So what I suspect will happen after I get done, as has been the case with every one of the speakers on this side, the gentleman on the other side will say that residents in my hometown will get a tax break of X, $1,000.

I would ask the gentleman if he would add to that the amount of the debt that is being borne by each one of those families. Because the way I have got it calculated, it costs a family of four about $20,000 for your debt that you are willing to levy against our children and grandchildren in order to give the richest 1 percent of Americans a massive tax break.

You can't deny the math that almost all the benefit goes to the people at the top. The top 1 percent are huge beneficiaries. You can't deny the math that 5,400 families will get a massive tax break. You can't deny the math that says that every single American will take on additional debt; a family of four, $20,000 in debt.

I also was intrigued by the colloquy where Members came to ask the leadership if they will work with them to take out egregious elements of this tax

proposal. We get this sort of ''Yes, I will work with the gentleman'' answer.

I have a question: Why did you put it in in the first place? Why are you cutting brownfield tax credits? Why are you cutting new market tax credits? Why are you cutting historic tax credits in the first place? Why did you put it in in the first place?

You just wrote the bill. You just wrote it. It makes no sense. It makes no sense.

We can't pass debts to our children in order to finance tax breaks for the people at the very top.

The SPEAKER pro tempore. The Chair would like to remind all Members that they should address their remarks to the Chair and not to others in the Chamber.

Mr. ROSKAM. Madam Speaker, I yield myself 30 seconds.

Madam Speaker, the good news is it is not just $1,000 for the gentleman's district, it is $1,200.

Let's go right to this student issue. It was the Obama administration that proposed in the 2017 budget for the elimination of the student deduction. I think the sanctimonious need to just walk out of the Chamber.

The other thing is, at a tax rate of 15 percent, an annual $2,500 above-the-line deduction is a $375 tax break. We are proposing something far greater than that with doubling the standard deduction, lowering the rates and so forth.

Madam Speaker, let's just take the student deduction and chuck it in the garbage.

Madam Speaker, I yield 1 minute to the gentlewoman from Missouri (Mrs. WAGNER).

Mrs. WAGNER. Madam Speaker, it is about time we get something real done for the American people. The people of Missouri's Second District sent me to Washington to secure their jobs and to keep a little more of their hard-earned money, and at long last we are finally doing just that.

I vote ''yes'' to fix our broken tax system. I vote ''yes'' to help reignite the American economy. I vote ''yes'' to make it a little bit easier for that single mother of two, that firefighter, that teacher, that shopowner, that family of four, that veteran. I vote ''yes'' for bigger paychecks, better savings, and a more secure future.

I ran for Congress to fight for the people of Missouri and to ensure that every hardworking American can realize their own American Dream.

Mr. NEAL. Madam Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. MICHAEL F. DOYLE), a conscience of the House and a champion of all things Pittsburgh.

Mr. MICHAEL F. DOYLE of Pennsylvania. Madam Speaker, I rise today in opposition to this terrible bill. Many of my colleagues have called it a scam, and they are absolutely right.

Supporters of this bill have said that everyone gets a tax cut. That is not true. Millions of Americans get a tax increase; more and more each year, in fact.

Supporters of this bill have called it a middle class tax cut. That is not true. The lion's share of the money goes to corporations and households making $1 million or more, not to the family struggling paycheck to paycheck.

What this bill gives to the middle class in one hand, it takes it away with the other with devastating consequences for households with high medical costs, student loans, or high State and local taxes.

Supporters of this bill have claimed that it will keep companies from moving jobs overseas, create new jobs here at home, raise wages for American workers. That is not true. While this bill cuts corporate tax rates, it creates new incentives for shipping our jobs abroad.

Finally, does anyone really believe that tax cuts for corporations and the rich will trickle down to the rest of us?

It didn't work in the Reagan administration. It didn't work in the Bush administration. It didn't work in Kansas, and it is not going to work today.

Make no mistake, this massive tax cut for corporations and the rich will increase deficits and the national debt by trillions of dollars, sticking the rest of us, especially our kids, with the bill.

Madam Speaker, this massive tax cut for corporations and the wealthy is not a middle class tax cut. It won't create jobs or raise wages. It isn't simple, it isn't reform, and it certainly won't pay for itself.

If we want to increase economic growth, let's give a real break to the middle class and the small businesses. They will put that money right back into the economy. That is the way to create jobs and boost wages.

Madam Speaker, I urge my colleagues to reject this giveaway to the rich and to start over with a bipartisan bill that truly benefits the middle class.

Mr. ROSKAM. Madam Speaker, my friends on the other side of the aisle need to make a decision: Do they want to lionize Ronald Reagan or criticize Ronald Reagan?

I will leave it to them to decide which.

Madam Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. BARR).

Mr. BARR. Madam Speaker, I rise today to adamantly dispute this false narrative that the Tax Cuts and Jobs Act is only intended to benefit the wealthiest Americans and does not benefit the middle class.

When you hear this fiction from the other side of the aisle, remember these facts: this bill lowers tax rates on low- and middle-income Americans. It takes the lowest 10 percent bracket to zero. It doubles the standard deduction, meaning hardworking Americans can immediately take home more of their paychecks. Specifically, the first $24,000 of family income will be completely tax free under this plan.

By slashing our noncompetitive corporate tax rate, this bill will result in more jobs and, according to the nonpartisan Tax Foundation, it will deliver average American households a pay raise of at least 2½ percent.

With this legislation, a typical family of four earning $59,000, the median household income, will receive a $1,182 tax cut.

Madam Speaker, that is not a tax cut for the rich. That is a tax cut for low- and middle-income hardworking Americans, and that is a fact.

This will benefit people like Jared from Frankfort, Kentucky, who told me: ''The extra income from the tax cut will enable us to have some breathing room.''

It will also help constituents who are living paycheck to paycheck, who have told me they would use these tax cuts to save for a rainy day, make car repairs, occasionally go to a restaurant, and invest in higher education for their kids.

I heard from my constituent in Lexington named Gary, who told me: ''It doesn't matter how I plan to use my money. By definition, it is my money to begin with. Trust me to spend it in the way that applies for me.''

Gary, you are absolutely right, it is your money.

Tax relief is not about handouts. It is simply about allowing the American people to keep more of the hard-earned income that they made.

On behalf of all of the hardworking people of central Kentucky, I urge my colleagues to vote for Gary and to vote for all other taxpayers who deserve to keep more of what they earned. Vote ''yes.''

Mr. NEAL. Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. RYAN), who is well known and well regarded as he addresses national economic issues.

Mr. RYAN of Ohio. Madam Speaker, I thank the gentleman for his leadership on this.

The last time there was tax reform was 31 years ago. Since then, 96 percent of income growth went to the top 10 percent of the people in the country. Ninety-six percent went to the top 10 percent. The top 1 percent control 90 percent of the wealth in this country.

Sixty-three percent of average families in the United States of America could not withstand a $500 emergency.

We have pensions collapsing, we have communities that have eroded, wiped out, and the Republican plan to fix all of this is to go to the Chinese Government, borrow $2.3 trillion and bring it back to the United States and give it to the wealthiest people in this country.

That is not going to fix a damn thing in the United States. It is not going to help Flint, or Springfield, or Youngstown, or Pittsburgh, or Gary. I am talking about Gary, Indiana, will get hammered from this thing.

□ 1830

We have tried this before, and many of you were here. President Bush did

this. He said: We are going to cut taxes for the wealthy. It is going to lead to growth. Wages are going to go up.

We had the most stagnant decade of growth since the Great Depression, and it ended in a complete economic collapse. This is a canard. This economic philosophy stinks. It doesn't work, and it hammers working class people.

To put a little salt in the wound, Madam Speaker, you keep the deduction that allows a corporation to outsource jobs from our communities to other countries.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Madam Speaker, I yield an additional 30 seconds to the gentleman.

Mr. RYAN of Ohio. Madam Speaker, the only place this is going to create a job is in Beijing, China.

Mr. ROSKAM. Madam Speaker, as you know, the good news is, according to the Joint Committee on Taxation, 70 percent of the individual tax relief goes to families earning under $200,000, according to their publication on November 13.

Madam Speaker, I yield 1 minute to the gentleman from Florida (Mr. RUTHERFORD).

Mr. RUTHERFORD. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I think no one in this Chamber can dispute when I say that America's Tax Code is broken. I rise today to stand with my colleagues in support of progrowth tax reform because our Tax Cuts and Jobs Act works for the middle class.

For too long, a complex Tax Code, high rates, and burdensome regulations have held back opportunities for hardworking families. The Tax Cuts and Jobs Act offers much-needed tax relief for low-income and middle-income Americans.

It focuses on middle class tax cuts that allow hardworking Floridians to keep more of their paychecks so that they can save for their children's college fund, so that they can invest in their retirement, so that they can enjoy vacations with their family.

Florida families know how to spend their money better than the government, and this plan allows them to keep more of the money that they earn instead of waiting for tax returns and deductions to give them their money back.

This bill is profamily. It is probusiness, and it will give our economy a boost. Nothing will address our debt more than growth.

Madam Speaker, I urge my colleagues to support this bill.

Mr. NEAL. Madam Speaker, I yield 2 minutes to the gentleman from California (Mr. MCNERNEY), well-known as a champion of America's middle class.

Mr. MCNERNEY. Madam Speaker, I want to thank the ranking member of the committee for his hard work on this. He has been a great voice.

Madam Speaker, this is a harmful and deceitful bill. It is strictly partisan. We have learned over the years, if you do something strictly on a partisan basis, it isn't going to work. It is going to fall apart. It will come back to you. I am telling you, learn from our mistakes. Work with us.

There hasn't been a single hearing on this bill.

Is the public out there confused? They should be because they haven't been informed about what this bill does.

It was rushed through in 1 week. It takes more than a week to name a post office around here.

What is the deal? What is going on here? No one really understands the consequences of this bill, but I can tell you what it does.

It will greatly reduce taxes for corporate America. It will reduce taxes for the wealthy.

So where do you think the money is going to come from to pay for Social Security? to pay for our roads and highways? to pay for our education? to pay for Medicare? If you haven't guessed, it is going to come from the middle class. There is no other way we can pay for this.

So I will be kind and say maybe they are being overoptimistic. Maybe they don't really understand what is going on there, but don't believe it. You are going to pay more taxes. It is going to come out of your hide.

And when I sit down, the Member from Nebraska is going to say that, in my district, you are going to get $1,200 more or $1,700 more. No. You are going to pay more. You are not going to get more money back.

In California, 6 million people will lose their tax deductions, the State income tax deduction. What does that mean? That means you are going to pay taxes twice on your earned income. In California, homeowners are going to get hit hard. I don't see how anyone from California can vote for this bill.

Education will be more expensive; student loans will not be deductible. This bill will hurt our Nation's ability to compete.

What does that mean? It means lower pay. It means layoffs.

This tax overhaul is a big lie. We should oppose this bill and start over and do it right.

Mr. ROSKAM. Madam Speaker, the good news is it is not $1,200. It is not $1,700. It is $1,900 for the median household in California's Ninth District.

Madam Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. SMITH), a great friend of agriculture and a great friend of small business.

Mr. SMITH of Missouri. Madam Speaker, a lot has been said today on the floor about the Tax Cuts and Jobs Act from my friends on the other side of the aisle. They think that this bill before us will make losers of the American workers or of the American economy. The truth is the status quo—our current broken Tax Code—is causing our workers and our economy to lose.

Back in southeast Missouri—I will give you an example under the current Tax Code—a machinist in Poplar Bluff, Missouri, working 40 hours a week is fearful to work harder because the more money that they make, the less that they will have percentagewise under our current Tax Code. That is simply not right, Madam Speaker.

Back in southeast Missouri, a cotton farmer in Hayti has worked for decades to build his family farm hoping to pass it on to his daughter. Yet, under the current system, his daughter would have to sell portions of the farm or take out a massive loan to continue the family operation.

The status quo in our Tax Code is rigged against the American taxpayer. They can't afford an army of lawyers, accountants, and lobbyists to find all of the loopholes and the bailouts available only to a select few.

The status quo are tax rates for businesses that are so high that the American companies are not able to grow, hire new workers, or be competitive with other countries around the world.

The other side of the aisle was arguing to keep a broken Tax Code that is punishing hardworking taxpayers. All of the grandstanding leaves us with one question that needs to be answered for the American people: What do these tax cuts mean for you? It means that the hardworking family in southeast Missouri will keep more of their paycheck.

Instead of being penalized for success, this bill is about employees. It is about wages. It is about getting to keep more of what you earn. For families and couples, the first $24,000 you earn under this bill will be tax free. You get to keep it. You get to decide how to spend your own money, not the government.

It means that the small businesses and family farms won't feel the sting of the IRS and the death tax when tragedy strikes their family.

It means that lobbyists and special interests become the losers. We close loopholes in handouts that the hardworking taxpayer can't get.

We are ending a Tax Code that isn't built for the everyday American. We are making it simple and fair. It means that America can now compete and win again.

With this bill, we lower the business rate to historic levels. We are making our economy healthy again. We know from history that a healthy economy takes care of itself. It is more stable and sustainable. It provides for full employment, better jobs, and higher wages.

Former President John F. Kennedy knew this when he said: ''Our true choice is not between tax reduction, on the one hand, and the avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance our budget just as it will never produce enough jobs or enough profits.''

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ROSKAM. Madam Speaker, I yield an additional 30 seconds to the gentleman.

Mr. SMITH of Missouri. Madam Speaker, surely, the lesson of the last decade is that budget deficits are not caused by wild-eyed spenders but by slow economic growth and periodic recessions. Any new recession would break all deficit records.

This bill makes the American worker, the American family, the American farmer, the American small businesses, and the American economy winners once again.

Madam Speaker, I urge all of my colleagues to vote ''yes'' on the Tax Cuts and Jobs Act.

Mr. NEAL. Madam Speaker, 28,000 people will use the student loan interest deduction in Missouri's Eighth District, claiming nearly $33 million in deductions.

Madam Speaker, I yield 2 minutes to the gentleman from California (Mr. RUIZ), a medical man and Congressman.

Mr. RUIZ. Madam Speaker, I thank Ranking Member NEAL for the opportunity to speak on this bill.

The fact is I do want to simplify our Tax Code and I do want tax reform, a tax reform that relieves the burden on our middle class, our seniors, our veterans, and our students. But let's just see how this bill fares with the middle class, seniors, veterans, and students.

My middle class constituents in California will be double-taxed on their income, but big corporations will get tax relief.

Veterans in my district will find it harder to find work or a home because this bill eliminates tax credits for hiring veterans and harms efforts to end veterans' homelessness.

Middle class homeowners across California will see the value of their homes decrease by as much as 10 percent.

Students will get hit with the largest relative tax increase in this bill.

Seniors will see a Medicare cut by $25 billion a year. That is over $100 billion of Medicare cuts over the next 4 years.

And 38 million middle class families will see their taxes increase. They always point to this family of four earning $59,000 getting a certain amount of tax cuts, but 38 million middle class families will see their taxes increase, all this while giving tax breaks to millionaires, billionaires, and corporations who ship jobs overseas and raise the deficit by $1.44 trillion within 10 years. In fact, nearly 80 percent of the tax cuts in this bill go to millionaires, billionaires, and multinational corporations that ship jobs overseas.

The bottom line is this bill raises taxes on the middle class and gives tax breaks to billionaires. This is irresponsible and unacceptable.

Madam Speaker, I urge my colleagues to oppose this bill and protect Medicare, protect the middle class, protect seniors, protect veterans, and protect students.

Mr. ROSKAM. Madam Speaker, if you are in California's 36th District and your median household income is $58,000, it looks like a tax cut of $1,090.

I am informed that our friends on the other side have more time, and my suggestion is that our friends use some of their time to get back in balance.

I reserve the balance of my time.

Mr. NEAL. Madam Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts has 1 hour 16¼ minutes remaining.

Mr. NEAL. Madam Speaker, I just happen to have the nephew of former President Kennedy here who is going to set the record straight on that quote that was attributed to President Kennedy just a few moments ago.

Madam Speaker, I yield 2 minutes to the gentleman from Massachusetts (MR. KENNEDY), a very good member of the Massachusetts congressional delegation and my friend.

Mr. KENNEDY. Madam Speaker, I thank my friend and mentor in the House, the dean of our delegation from Massachusetts (Mr. NEAL), for his leadership on this issue and so many others.

Madam Speaker, I am always heartened by the quotes of President Kennedy offered by any Member of this body. I would like to think that they would seek to emulate him not just on the marginal tax cuts that were put forth some 50 years ago, but also on his stance on immigration, on civil rights, and on Russia.

□ 1845

But those are issues for another day, Madam Speaker.

The issue today is a vote that we will take on this floor tomorrow to rewrite an American Tax Code that will touch every single American life.

True tax reform is complicated, it is cumbersome, and, above all else, it is deeply personal. But this bill is none of those things. It is a massive, permanent handout to corporations passed off on American families. It is a terrifyingly precise attack on patients with chronic illness, a heartless roadblock for low-income students, and a choice to value inherited wealth more than hard-earned income.

It is a gift to corporations paid to the richest among us, and it is paid for by long nights, by double shifts, by vacations not taken, and of hardworking American families sacrificing for their hope for a better tomorrow.

You are asking them to fortify your tax cuts and stock options with their classrooms, your corporate profits with their roads and bridges, your balance sheets with their hard-earned retirement and healthcare benefits.

For all the talk about the boost to corporate profits, 80 percent of the stocks in this country are owned by 10 percent of Americans. Ask yourself who is going to actually be the beneficiary of all that money. That is what this bill does.

You have heard from my Republican friends over the course of the past couple days about how much this will save the average American family, but not about the 36 million people and families who will experience a tax hike.

What they aren't telling you is what is going to happen the moment this bill is passed. Luckily for the American public, one of the chief economic advisers to the President has said so. He said that after this bill is done, they are turning directly toward welfare cuts, Social Security, Medicare, and Medicaid. So when you hear questions about how much this bill is going to save you, ask how about your retirement. These cuts go right to Social Security.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Madam Speaker, I yield the gentleman from Massachusetts an additional 30 seconds.

Mr. KENNEDY. Madam Speaker, ask them how much more money that $1,000 is going to save you when your healthcare benefits are taken away. By the way, that clause just got added over in the Senate.

Ask them how much more some savings might go for one family when you gut and shred a social safety net that has powered the greatest expansion of economic growth that this country has ever seen.

That is what your bill does. That is what this bill means. That is what this bill is about. It is about the values envisioned of an America, about a tax structure that should reflect the values of the American family, not the values of corporate balance sheets.

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair.

Mr. NEAL. Madam Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. RASKIN). Congressman RASKIN is a well-known champion of civil liberties and a scholar of the law.

Mr. RASKIN. Madam Speaker, as my friends across the aisle prepare their statistics about my congressional district where 500 people rallied against the tax plan this last weekend, I want to invite them to come to my district and to debate me and several other members of our caucus. I am happy to come to the gentleman's district and debate it, too, because the American people should be able to be part of this decision.

When the majority voted to throw 30 million Americans off of their health insurance plans, they went over to the White House where they celebrated like it was Mardi Gras, the Super Bowl, and Herbert Hoover's birthday all put together. When millions of middle class Americans rebelled and defeated that monstrosity of a bill, Donald Trump pointed at them and said that they had all voted for a mean bill; and he was right.

Now like lambs to the slaughter, they are about to vote for another mean bill, a tax scam written by corporate lobbyists in the dark of night

now moving through Congress at the speed of light.

While our poor colleagues grimly walk the plank for the billionaires, Wall Street tycoons, and the Trump Cabinet, who are getting ready to laugh all the way to the bank when middle class Americans rebel again this week, next week, and the week after that, and this tax scam bites the dust, President Trump can turn around again and call this monstrosity not only mean, but greedy.

This mean and greedy tax scam puts $1.5 trillion on America's credit card so the sons and daughters of the middle class can pay the rest of their lives for a gigantic corporate tax cut in a period of record corporate profits.

One-third of the windfall raining down on corporate investors will go abroad because more than one-third of corporate wealth is owned by foreign investors. That is more than $500 billion that goes not even to our own rich people but to Saudi Arabia, China, and other foreign investor havens, and it will not go to Medicare or Medicaid or other public purposes at home.

Then they move to the so-called territorial tax system so that corporate profits moved abroad will escape our normal system, giving incentive to record job flight. Somebody tell Donald Trump about this because this tax scam puts foreign jobs first.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL. Madam Speaker, I yield the gentleman from Maryland an additional 1 minute.

Mr. RASKIN. In the meantime, Madam Speaker, 34 million middle class Americans get hit with a tax increase. Good-bye to the healthcare deduction. Good-bye to the college loan interest deduction. Farewell to a meaningful State and local tax deduction—oh, and farewell to the estate tax which applies only to billionaires and the richest millionaires in the country, 2 out of 1,000 families. Where is the democracy? Where is the legislative process?

When we had a bipartisan bill in 1986, we took more than 2 years. It passed with overwhelming support. Now this tax scam has had no hearings, no experts, and no citizen testimony. What a scandal it is. We do need tax reform, but we don't need a corporate tax scam imposed against the middle class.

Mr. NEAL. Madam Speaker, I yield 2 minutes to the gentlewoman from California (Ms. MAXINE WATERS), who is the ranking member of the Financial Services Committee.

Ms. MAXINE WATERS of California. Madam Speaker, I rise today in opposition to H.R. 1, which is just a continuation of Republicans' relentless attack on working families. This is not a tax plan; it is a tax scam.

This President won't disclose how he is going to benefit from this tax scam. He has disrespected us all. This tax scam will eliminate the student loan interest deduction. It will eliminate State and local tax deductions on income. It will restrict the mortgage interest deduction.

It is estimated that 47 million taxpayers face a tax hike. Almost half of any tax cuts will go to the richest 1 percent. Residents of my State of California will face the largest net tax increase totaling $12.1 billion in 2027 alone.

Madam Speaker, I call on the President of the United States of America to show his tax income and to show his tax plan. He needs to let us know what he is all about and what his taxes are. From the very beginning, he said he couldn't show them at the time that he was asked when he was first inaugurated into this Presidency, but time has passed. It is time for the President to show us his tax returns, rather than coming up with a tax scam asking everybody else to pay up, to pay more, and saying that this is a middle class tax cut when it is not.

We want to know more about him and his plan. So with my 1 minute, my 2 minutes, whatever it is, this evening is all about saying a message to the President.

Even though I will be cautioned that I am not to talk to the President, I am calling on the President: Show your tax returns.

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair.

Mr. ROSKAM. Madam Speaker, there is a message for California's 43rd District, and that is a benefit of $1,395 if H.R. 1 is passed into law.

Madam Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. LAHOOD).

Mr. LAHOOD. Madam Speaker, I want to thank my colleague from Illinois for his commitment and dedication to this terrific bill that we have before the House tonight.

Madam Speaker, the people of Illinois are unfortunately all too familiar with high taxes and the burden they put on families and our local businesses. At the Federal level, things have become just as bad with a Tax Code that is over 74,000 pages long and riddled with loopholes.

Over 30 years have passed since the last time Congress passed comprehensive tax reform, and you can see the effects of our outdated Tax Code everywhere. We have stagnant hiring, stagnant wages, and a stagnant economy that is holding back our middle class instead of helping them get ahead.

H.R. 1, the Tax Cuts and Jobs Act, is our chance to change all of this. By simplifying our Tax Code and bringing real relief to everyday families, we can, once again, jump-start the American economy and get it back to working for the middle class.

The choice before us is a simple one: Do we support this bill and support the middle class, or do we embrace the status quo? That is why I urge my colleagues on both sides of the aisle to come together and vote for this bill. Let's send a signal that we don't stand for the status quo. We stand for growth and economic opportunity for the American people. Let us bring relief to the middle class. Support this bill.

Mr. NEAL. Madam Speaker, I yield 3 minutes to the gentlewoman from Alabama (Ms. SEWELL). Congresswoman SEWELL is an attorney and a Marshall Scholar.

Ms. SEWELL of Alabama. Madam Speaker, our Tax Code is a statement of our values, and I can tell you that this tax bill doesn't reflect my values nor those of the American people. This bill favors the wealthy over the middle class, it favors corporations over the working families, and it favors special interests over everyday Americans.

Madam Speaker, this tax bill raises taxes for 36 million middle class Americans, and it cashes a check for $2.3 trillion worth of debt that will be left for our children and grandchildren to pay.

This tax bill gives permanent tax cuts for corporations and multinationals while making the tax cuts for regular taxpayers temporary.

This tax bill preserves tax deductions for certain industries but does away with tax cuts in the Code that help everyday Americans. It eliminates the deduction for State and local taxes. It also limits mortgage interest deductions and limits the medical expense deduction affecting 9 million households.

The independent group, the Tax Policy Center, estimates that almost half of the tax cuts, 47 percent of the tax cuts, will go to the top 1 percent.

Madam Speaker, this bill devastates education. Education is truly the investment in our human capital, our workforce. It eliminates deductions for interest on student loans. It eliminates deductions for teachers who buy supplies. It eliminates lifetime learning credits, and it eliminates employer tuition assistance.

This bill adds a special tax on the endowments of colleges and universities which will reduce scholarships and increase the cost of college for average, everyday Americans.

Cities and towns will be decimated by this bill. This bill eliminates tax incentives such as private activity bonds, new markets tax credits, and historic tax credits which dramatically affect the ability to build libraries and hospitals, and to fund roads, bridges, and broadband infrastructure. These are critical investments, Madam Speaker, in the public service that spur economic growth.

Madam Speaker, this tax bill has it backwards. This Congress should value its constituents first, not Wall Street, and not special interests—its constituents first.

Madam Speaker, I urge my colleagues to vote against this tax bill because it doesn't represent the values that our constituents sent us here to this hallowed place, Congress, to represent. We should be representing them and not the special interests.

Mr. ROSKAM. Madam Speaker, I yield myself 30 seconds to just do a quick, little cleanup.

There was a discussion a minute ago by the gentlewoman from Alabama where she was talking about teachers, for example. Let's get right to that. Teachers won't be harmed by shifting the status quo because what they are getting right now is a $250 deduction which is worth about $37 at the 15 percent tax rate, receipts that they have to keep all year long in an envelope and apply it at the end in terms of doing their taxes.

We say: Dump that. Let's get away from that. Let's double their standard deduction, lower their rates, and give them some real money.

Madam Speaker, I yield 4 minutes to the gentlewoman from California (Mrs. MIMI WALTERS).

Madam Speaker, I ask unanimous consent that the gentleman from Texas (Mr. BRADY) control the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. MIMI WALTERS of California. Madam Speaker, I rise to engage the gentleman from Texas (Mr. BRADY) in a colloquy.

Madam Speaker, tax reform will result in economic growth across the country, especially in my home State of California. I thank the gentleman for his dedication to this important effort.

Madam Speaker, my home State is uniquely positioned in this tax debate. Due to the liberal tax-and-spend policies enacted by the California State Legislature, my district in Orange County is one of the most expensive places to live in this country. California has the highest personal income tax rate in the country, reaching a crushing 12.3 percent. The median home price in my district is almost $800,000. California also has the highest gas tax in the country.

While this bill makes important reforms that will grow our economy, I have serious concerns that some of my constituents may be worse off. As Sacramento continues to confiscate more and more of California's hard-earned paychecks, we must ensure that Washington does not put similar tax burdens on our constituents.

I ask the chairman of the Ways and Means Committee to assure me that we will ensure that individuals and families in my district are protected from such unintended outcomes.

Mr. KNIGHT. Will the gentlewoman yield?

Mrs. MIMI WALTERS of California. I yield to the gentleman from California.

□ 1900

Mr. KNIGHT. Madam Speaker, if you want to demonize or scare people, you come down and yell and scream and raise your hand and you say things that they haven't looked into.

What I did was talk to people in my district and looked at their rates and said: Let's look at your taxes and kind of work them through.

I found that people in the lower-income rate in my district got relief. People in the middle-income rate got relief. This happened right across the board to everyone we kept talking to.

So I would say that, before you come down and yell and scream and try and scare people on something you might have heard from a talking head, actually work with your people. It works.

Madam Speaker, if this bill is enacted, it will result in economic growth across the country, especially in my home State of California. The lower rates for individuals, families, businesses, and the tax simplicity and certainty offered by this bill will provide net tax relief to the middle class and our country's job creators.

We expect this bill to create nearly 1 million jobs nationwide, and nearly 10 percent of those in California.

While the bill makes commendable strides toward a fair, simpler Tax Code, I am concerned about how the bill could impact some of my constituents as a result of the high level of income taxes imposed on them by our State government.

I would ask the Chairman of the Ways and Means Committee if he can assure me that we continue our work and ensure the families in my district are protected from such unintended consequences and that they will be able to fully enjoy the benefits of this bill.

Mr. BRADY of Texas. Will the gentlewoman yield?

Mrs. MIMI WALTERS of California. I yield to the gentleman.

Mr. BRADY of Texas. Madam Speaker, I thank both the gentlewoman and the gentleman for stepping forward and being such strong advocates for taxpayers in a State that taxes its families and businesses, I think, almost beyond belief.

Our goal in tax reform is to achieve tax relief for families and individuals across the country, regardless of where you live, and across all incomes, while, at the same time, unleashing the economic engine for American economic growth.

California, by the way, under tax reform, is the number one job creator under the new Tax Code.

So I agree with the gentleman and the gentlewoman. There are still some areas where we want to make and will make improvements in this bill. If they will work with us to continue to move this process forward, I am happy to commit to working with both of them to ensure we reach a positive outcome for their constituents and families as we reconcile our differences with the Senate.

Madam Speaker, I reserve the balance of my time.

Mr. NEAL. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, 33 percent of Mr. KNIGHT's constituents derive a $16,000 annual benefit from the State and local tax deduction.

In the case of the gentlewoman from California, 37 percent of her constituents enjoy an $18,200 State and local tax deduction benefit.

Madam Speaker, in closing, more than anything else, this is, as I opened with, a missed opportunity.

We all know what is wrong with this Tax Code. We could have found areas of compromise emphasizing the middle class and middle-income earners. We understand that the Tax Code that American corporations use is not competitive now internationally, but we wanted some relief for middle-income people.

So here is where the investment could have taken place. We could have begun an investment in human capital. You have heard it tonight. We should all be alarmed by labor participation rates in America. We all should be alarmed by what has happened in the post-war period where, at one time, it was 63 percent, and now it is 63.8 percent.

It is about technology; it is about globalization, for sure; but it is also about skill set. Eighteen thousand precision manufacturing jobs in New England go unanswered, the smallest geographic region of the country. The Department of Labor reported this week that 6 million jobs in America go unanswered. It is part of a skill set issue.

You know what else we need to be concerned about?

Two million people in America are addicted to opioids. That is what we should be concerned about as well as getting them back into the workplace through the trampoline effect, where they hit it and bounce back up into the mainstream. But that is not what we did.

Without any hearings, without any chance for the minority to participate, in terms of substance, we moved forward.

I want to say to the last two speakers, they are sincere enough. We have heard now four different people come to the well of this House on the other side and say to the chairperson of our committee and a friend: Are you going to fix this after the bill leaves here?

Four different people asked for a fix. I want to tell you, based on long experience in this House, the path gets more narrow as it leaves this House. It doesn't grow more expansive. It will be harder to fix these things because of the budget score that was embraced.

In 2001, we were promised widespread economic growth when President Bush took the Clinton surplus and offered $1.3 trillion worth of tax cuts. When you look at the distribution tables, they were right about one thing: everybody did get a tax cut. But then you look at those tables and you say: Let me examine who got what.

In 2003, we came back and the President proposed $1 trillion worth of tax cuts based on the premise of economic growth, which didn't happen.

By the way, in 2004, there was repatriation, which may be the granddaddy of them all. Well, we are going to repatriate those holdings offshore at 5¼ percent on the premise of job growth. And there was none.

We had this opportunity to do this together, as I described with worker participation rates, understanding that most families now are not having large numbers of children any longer. This should have been about immigration reform attached to it as well. We all know skilled workers from overseas are going to be an important part of the American economy, and we should be embracing that, along with sensible tax policies based upon some relief for the middle class.

Instead, we are taking away the ability of American students to deduct interest on their loans to pay for a tax cut for people at the top?

We are taking away a medical expense deduction for people who have Alzheimer's disease to pay for the tax cut for people at the top?

We are assessing universities and colleges a new, special tax to pay for tax cuts for people at the top?

We could have had this conversation. We acknowledge what President Reagan and Speaker O'Neill did because it was based upon good will and commonality and not needing just a political victory. Day after day they plowed through with 450 witnesses in front of the Ways and Means Committee.

How many witnesses did we have in front of the Ways and Means Committee?

Zero.

How many hearings did we have on this tax bill?

Zero.

We saw the manager's amendment and were given 20 minutes to review it. I don't mean 25 minutes. I mean 20 minutes. Back to regular order. We should scrap this bill.

To those who are vulnerable on the other side, I would not be trusting of the idea that these issues are going to be fixed after you cast this vote tomorrow morning. There will be an opportunity to go back and redo this if the other side would say: Let's find a meaningful path to cooperation between the two parties.

That is all we are asking for on this side: include us in this discussion so we might invest in community colleges, vocational education, internship programs, skill set training, and answer the call of globalization.

We still have innovation and creativity that far surpasses the rest of the world. There is nothing we can't answer in America without those healthy investments that we need.

Instead, when you look at these distribution tables that are proposed as to who is going to get what; taking away the alternative minimum tax for the 4.5 million families that pay it; asking students to give up their student interest deduction; the estate tax, which we are repealing; and we are asking that loved ones who have Alzheimer's and being cared for at home to give up that medical deduction to pay for all of that, it makes no sense whatsoever. But there is an opportunity, Madam Speaker, to reverse course.

In my years here, I can tell you this: Anybody who thinks that the United States Senate is going to accommodate their wishes, when they see the goalpost and the goal line of a handful of Members of this House, they are making a miscalculation.

We have heard tonight they are going to do something about state and local tax deduction, they are going to do something about the historic tax credit, and they are going to revisit these issues.

Do you know how difficult that is going to be, Madam Speaker?

That is going to be nearly impossible.

On top of that, they are going to go back and try to appeal the Affordable Care Act again and take 13 million people away from their insurance so that we can have a tax cut that further concentrates wealth for a handful of people in America?

This is the House of Representatives, Madam Speaker, not the House of Lords. We don't serve here by peerage. We are not entitled to anything here. Most of us come from pretty modest backgrounds. That is the principle we should be honoring in this tax debate as we discuss who is about to pay what and what the rewards ought to be for the hardworking men and women.

This is last note I am going to express before I yield back my time. What about those 1 million veterans who have served us honorably in Iraq and Afghanistan?

New veterans, what about them?

Are we going to eventually cut their benefits with Social Security and Medicare and Medicaid and put it all on the chopping block as we attempt to further concentrate wealth in America, particularly for unearned income, by the way?

That is where we are heading.

We should honor the skills of those men and women who get up every day and strive and work hard in this country with a sense of purpose and great patriotism. That is what we should be acknowledging in this debate.

I am looking forward to tomorrow morning, when we conclude this debate and spend the 2 hours discussing more of what we have witnessed here tonight. There will be more than enough enthusiasm on our side. They will be lined up to RFK Stadium to participate tomorrow morning in this debate. That is how important this is to the future of the American people.

Madam Speaker, I reserve the balance of my time.

Mr. BRADY of Texas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, Washington is just hilarious.

Lawmakers back home tell everyone they are for tax reform, until it comes actually time to do it. Everyone says they want a fairer, flatter, simpler Tax Code, as long as you keep every special interest provision in this big, fat, messed-up Tax Code.

Everyone says they want to give people back more of what they earned and get Main Street businesses going, as long as you don't change anything in the Tax Code. As long as the lobbyists win and the American people lose, they are willing to talk about it.

House Republicans are actually acting on tax reform for the first time in 31 years.

In Washington, they sneer at that family of four back home making $59,000 a year. That is the average household. Under our tax reform, they pay $1,182 less that they keep in their pocket. Washington makes fun of that. That is real money for families.

A firefighter making $48,000 a year keeps over $1,300. That single mom working hard every day making $30,000 a year has a $700 larger refund than she gets today.

That Main Street startup business working I don't know how many hours, making $62,000 a year—that was my Chamber of Commerce member right there—in that startup business, they keep $3,007 more than they do today. Washington just laughs at that. But it is real money for real people.

In my district, a family of four making $90,000—two teachers—keeps $2,176 more every year of their life from this.

My friends on the Democrat side now worry about the debt. I remember the first year Democrats took control of the House, they doubled the deficit. The second year, they tripled it. The third year, it went to $1 trillion. It stayed that way until the American people gave the House back to Republicans.

They love spending money and raising the deficit when they let Washington grow, but when it is time to grow jobs and paychecks, all of a sudden they are worried about the debt.

The truth of the matter is we want to keep this debt and deficits going. Don't change anything. Keep this slow-growth economy, keep spending, and I guarantee you debts and deficits will grow.

We are talking about growing jobs, growing paychecks, and getting back to a balanced budget by getting this economy moving in a big way.

At the end of the day, it is time to end the status quo in Washington, D.C. Americans deserve a fair, flatter Tax Code, one that closes loopholes and ends special interest deductions so that Americans can keep more of what they earn, so their paychecks can raise and our businesses can compete and win anywhere in the world, especially here at home America.

It is time our jobs start coming back to America, rather than watching them go: our jobs, research, manufacturing patents, our headquarters. That era is over, and it starts with H.R. 1, the Tax Cuts and Jobs Act.

We will continue this debate tomorrow, Madam Speaker, so we will continue to deliver tax reform and tax cuts for the American people.

Madam Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 1 is postponed.

□ 1915

## HISTORIC TAX REFORM FOR THE AMERICAN PEOPLE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2017, the gentleman from Louisiana (Mr. JOHNSON) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. JOHNSON of Louisiana. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include any extraneous material in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. JOHNSON of Louisiana. Madam Speaker, we have heard a lot in this debate today. One thing is abundantly clear. Virtually every hardworking citizen in this country recognizes our genuine need for tax reform.

Let me summarize some of the facts that have been presented today.

The burdensome 70,000-page U.S. Tax Code has grown to be unreasonably complex, increasingly unfair, and filled with special interest loopholes. American companies are taxed at the highest rate in the industrialized world, and the government takes even more from our small-business owners and our entrepreneurs. As a result, our economic growth is stagnant, companies have gradually shifted their manufacturing and operations overseas, and families are struggling just to keep up.

Today, the hurdles in our system seem almost insurmountable for hardworking people as they are afforded fewer and fewer opportunities for economic mobility.

For previous generations, it was a different deal. We had the American Dream. The American Dream was defined by a simple promise: if you were willing to work hard and sacrifice and play by the rules, you could make a better life for yourself and your family. But today, our outdated Tax Code has pushed that dream beyond the grasp of more and more people.

The good news is we can fix this problem, and we are going to do that in this Chamber tomorrow. For the first time in over 30 years, Congress has a historic opportunity to pass landmark tax reform that will be a turboboost to this economy, and it is going to lead us to a fairer system, as we said so many times, with more jobs and bigger paychecks for everyone.

Our Tax Cuts and Jobs Act, H.R. 1, will deliver significant tax reductions for low- and middle-income earners, and it will help Americans in every level of our economy. The bill, which draws from 6 years of intensive work and expert analysis from more than 40 different congressional hearings, lowers individual income taxes by consolidating the existing seven brackets into four and doubling the standard deduction for everyone.

It also establishes a new family tax credit. It provides higher education benefits. It repeals the death tax. It preserves deductions for mortgage interest and charitable donations and property taxes, and it incentivizes saving for retirement.

Tax returns will become incredibly simple for the first time in my lifetime because 9 out of 10 Americans will be able to complete their annual filing on a form the size of a postcard.

The bill's business tax reforms are equally seismic because we are going to slash our draconian corporate tax from 35 percent, the highest in the world, to 20 percent, and we are going to institute the lowest rates for small business job creators since World War II. U.S. companies will finally be allowed to compete again on a level playing field and bring their jobs and operations back home from overseas.

The independent Tax Foundation estimated that our plan will result in the creation of approximately 975,000 full-time American jobs and an increase in family incomes of 4.4 percent, on average. In Louisiana, for example, that would mean 13,293 new jobs and $1,857 of additional after-tax income for our average middle class families.

The American people have long deserved a simpler, fairer, and effective system that rewards hard work and allows taxpayers to keep and invest more of what they earn. Our plan will finally provide that relief and spark the dramatic economic growth our Nation has so desperately needed.

The Tax Cuts and Jobs Act is about more than just smart legislation. It is about a revival of that American Dream I referenced. That has one agenda that should unite every single one of us, and we hope all of our colleagues will support this historic landmark piece of legislation tomorrow.

Madam Speaker, I yield to the gentleman from North Carolina (Mr. BUDD), a great American small-business owner himself.

Mr. BUDD. Madam Speaker, I thank my friend, the gentleman from Louisiana, for yielding.

Madam Speaker, as my colleagues in this body know very well, it has been many years since we have reformed our Tax Code. Over the last few decades, Congress has cut some taxes here and there, but we are overdue for meaningful tax reform.

Hardworking taxpayers in North Carolina are right to ask why it has been so long since we have even reformed our Tax Code. The unfortunate truth is that, for many years, Congress has thrown up the white flag in defeat against K Street lobbyists, and they settled for preserving the status quo. However, tomorrow, we have a rare opportunity to finally deliver a tax bill that puts working families first. The Tax Cuts and Jobs Act would be the biggest overhaul to our Tax Code in 30 years.

To quickly summarize, this bill would collapse our tax brackets from seven to four; it would double the standard deduction and get rid of many lobbyist loopholes; and it would slash the corporate tax rate to 20 percent, which would allow America to compete and to win.

The nonpartisan Tax Foundation found that, if we passed this bill into law, American workers would see a 3 percent increase in their wages, and our country would see nearly 1 million full-time jobs created.

Madam Speaker, yesterday, my office received a letter from a constituent of mine that said: ''As a manufacturer and constituent, I urge you to support tax reform and legislation that will fix our Tax Code that has held manufacturers back for far too long.'' This is just an example of the many letters I have received in favor of this reform effort.

In addition to letters of support that I have received, studies show that, if we pass this bill, a typical household would see their taxes cut nearly $2,000.

Let's think for a second what this means. Instead of the IRS taking it, families could spend it on their children. They could put it in their savings, or they could pay off debts.

I am supporting this bill so we no longer hold manufacturers back from success. I am supporting this bill because it would make life simpler and easier for job creators, savers, and hardworking families.

Last week, in this body, I addressed the fact that there are certain provisions within this bill that my colleagues and I may differ on, and I noted that that is just always going to be the case, but I also suggested that we ask ourselves three questions.

The first question was: Does this bill cut taxes for the vast majority of hardworking American families?

The second was: Will it bring back jobs?

And the third question was: Will this bill simplify the tax filing process for working families next year and in the years to come?

Madam Speaker, the answer to all three of those questions was ''yes.'' I urge my colleagues to vote tomorrow in favor of the Tax Cuts and Jobs Act.

Last year, President Trump promised to cut taxes for working families, and that is exactly what this bill will do.

Mr. JOHNSON of Louisiana. Madam Speaker, I yield to the gentleman from Texas (Mr. ARRINGTON).

Mr. ARRINGTON. Madam Speaker, I thank my dear friend and distinguished colleague from the State of Louisiana

for his strong leadership and for hosting us this evening, this Special Order, on such an important issue.

Madam Speaker, tax reform in west Texas and in rural America is about giving our hardworking and middle class families a break in allowing them to keep more of their hard-earned money. According to the nonpartisan Tax Foundation, our plan would increase wages by over 3 percent, create roughly 1 million new jobs, and raise the after-tax income of the average middle-income family by nearly $2,600.

It is about simplifying the Tax Code and reducing the burden on taxpayers so that they don't have to spend a combined almost 9 billion hours and $100 billion just to prepare their taxes every year. Under our plan, 9 out of 10 Americans, as my colleague mentioned, will be able to file their taxes on a form as simple as a postcard.

It is about getting off the backs of our job creators, which are our small businesses, and letting them create more jobs for their communities. Our plan would reduce the tax rate on our Main Street job creators to the lowest it has been since World War II.

It is about making America competitive again by leveling the playing field for American producers and manufacturers.

Our plan would lower the corporate tax rate and bring jobs back to America, and it would also boost the average American household income by $4,000 and, in some studies, as high as $9,000.

It is about giving our family farmers and ranchers a reason to invest in new tractors and equipment, combines and cotton strippers, so they can do what they have been doing: be more productive even at feeding and clothing the American people.

This plan allows our farmers and ranchers, as well as our small businesses, the ability to write off the full cost of new technology and equipment immediately, and it is about eliminating the duplicative, unfair, and un-American death tax that prevents family farmers, ranchers, and small-business owners from passing down their hard-earned American Dream to the next generation after they paid taxes on it their entire lives.

Today, more than 70 percent—listen to this—more than 70 percent of family businesses don't make it to the second generation; 90 percent don't survive to the third generation. That is unacceptable.

Tomorrow, Madam Speaker, marks an historic moment, the likes of which we haven't seen in over 30 years, to change the current economic trajectory of this country and restore freedom and opportunity for all hard-working American families. Let's seize it. Let's deliver on our promise, and let's give much-deserved relief to the American people and a much-needed boost to the American economy.

Mr. JOHNSON of Louisiana. Madam Speaker, I thank the gentleman from Texas, who is always eloquent.

Madam Speaker, I yield to the gentleman from Kentucky (Mr. COMER).

Mr. COMER. Madam Speaker, it has been more than 30 years since Congress passed meaningful tax reform. In those three decades, we have seen unbelievable progress in technology, communications, manufacturing, and so much more. I am thrilled we now have a chance to pass meaningful tax reform, an opportunity to finally move to a Tax Code that works for families, small businesses, and Americans across the board.

We have a once-in-a-generation chance to bolster middle class prosperity, strengthen our economy, and help America's global competitiveness. These are not just abstract concepts. These are real people, families, businesses, and workers.

Over this past year, I have traveled through the 35 counties that I represent, and I have been so impressed by the countless Kentuckians who are working to bring jobs of the future into rural America. Unlike these innovative entrepreneurs, our Tax Code is, unfortunately, stuck in the past.

Like many of my constituents in the First District, I run a family farm and have experienced the challenges of dealing with an outdated and cumbersome Tax Code. I know firsthand the difficulties small businesses face when they try to operate, grow, and hire more workers while battling a Tax Code that does not work for them. Passing tax reform is finally within reach, and I enthusiastically support swift passage of the Tax Cuts and Jobs Act.

Throughout our Nation's history, small businesses have served as the backbone of our communities. These companies provide high-quality jobs, contribute to their local communities, and invest money right here at home. That is why I am dedicated to enacting tax relief that allows American small-business owners to keep more of their hard-earned tax dollars, to grow their businesses, and to compete globally.

This bill will create almost 13,000 new jobs in the Commonwealth of Kentucky and will raise after-tax income for middle class families by almost $2,000. More than 59,000 taxpayers in the First District itemize their taxes, and because of the near doubling of the standard deduction and other simplifications, many of our taxpayers will have much simpler returns. And for our Nation, the Tax Cuts and Jobs Act will generate economic growth adequate to increase Federal tax receipts by $1 trillion.

In the First District of Kentucky, there are nearly 44,000 taxpayers who earn small business income. Under the Tax Cuts and Jobs Act, small-business owners will benefit from the new lower 9 percent tax rate on the first $75,000 of their business income for owners earning less than $150,000. Families and small businesses will have more opportunities to succeed with this framework.

□ 1930

Additionally, the Tax Cuts and Jobs Act reduces the number of deductions and credits aimed at special interests and other well-connected groups, which will create a simpler, more level playing field for American taxpayers. Getting rid of these special privileges in the Tax Code will ensure that all Americans, not just those who can afford their own tax preparers, get to keep more of their own money.

President Trump, my colleagues in Congress and I have promised to deliver tax reform in a big way. I am proud to be keeping this promise now. My constituents deserve a system that enables them to keep more of their hard-earned money and spend less of their time dealing with our overly complicated Tax Code.

I think it is important to address a concern that I have heard throughout the tax reform debate, one that I take very seriously: our national debt, which currently tops $20 trillion and is growing every day. The debt is a serious problem that poses an impediment to growth, a burden on our future, and a threat to our national security.

While I am glad to finally hear bipartisan interest in addressing this challenge and getting the deficit under control, I think it is clear that any solution must include reducing government spending, particularly on mandatory programs that are the major drivers of our debt. I look forward to continuing to work towards this goal.

The last time we addressed our Tax Code was when President Reagan was in office. Sticking with the Tax Code we have had for decades, one that leaves U.S. businesses and workers behind, is not an option. Now, I have high hopes for the future with this tax reform framework.

I will continue fighting for reform that will benefit Kentuckians and our Nation as a whole, and I look forward to supporting progrowth solutions that have proven to benefit our Nation and our citizens.

Mr. JOHNSON of Louisiana. Madam Speaker, there is a trend here tonight. Those who are addressing the House this evening have had their own experience with this burdensome Tax Code. They have been small-business owners, entrepreneurs, job creators, and farmers, like my friend from Kentucky. I appreciate their zeal for this issue.

Madam Speaker, I yield to the gentleman from Virginia (Mr. GARRETT), a former prosecutor, an Army veteran, and always a good voice to reason.

Mr. GARRETT. Madam Speaker, I thank the gentleman from Louisiana for yielding.

Madam Speaker, the last time this Nation passed major tax reform, yours truly weighed 112 pounds at the beginning of wrestling season. I had a full head of hair, I never set foot west of Mississippi, nor outside the United States of America.

Madam Speaker, the last time this country addressed tax reform, the Soviet Union was welcoming a new leader

named Mikhail Gorbachev. It has been too long.

It is an honor to represent the Fifth District of Virginia because I think it is historically unique. I have spoken from this podium and this floor about the amazing characteristics of that particular historical region.

Among the great individuals from the Fifth District of Virginia was a flawed man, an imperfect man, a slaveowner named Jefferson, who gave us a near-perfect document, named the ''Declaration of Independence.''

While not perfect, Jefferson had perfect insight, and, perhaps, you could argue he was prescient when it is said that he said: ''I predict future happiness for Americans if they can prevent the government from wasting the labors of the people under the pretense of taking care of them.''

It has been enlightening tonight to stand on this floor. If you are watching at home, I suppose that you can turn the volume down on C–SPAN, because I don't intend to yell, as so many others have before me. And I will tell you that it is funny to listen to my colleagues across the aisle who say: This is a 429-page bill.

I would point out that saying the number of pages doesn't actually make the bill longer and that the Affordable Care Act, that they had us pass, so that we could find out what was in it, was 2,300 pages with over 20,000 pages of regulation. So there is a little disingenuity, at the very least, for them to lament the first real overhaul in our draconian tax structure in nearly two generations by suggesting that 429 pages is a long document, when such a hearty and robust undertaking is afoot.

Madam Speaker, I would submit that the government needs the people and not the other way around. That is what makes us the United States of America.

It is a clever ploy to attack the rich and the job creators, but let me point out the fact that 97.3 percent of taxes are paid by the top 50 percent of wage earners. So, therefore, when you attempt to cut taxes for working class people, someone who is in the 51st percentile will, indeed, receive a tax cut, but they are, by no means, rich.

It is a clever ploy to attack corporations, because corporations don't have faces, but people do.

And who do corporations provide jobs for?

People.

President Obama acknowledged that our corporate tax structure was among the most backward in the world, and it needed to be addressed, but he didn't address it. President Obama acknowledged that the Affordable Care Act had ''real problems,'' but no one on the other side of the aisle will address them. So, too, did President Clinton. That is two Presidents from the other side of the aisle in a row, but no one will address them. Instead, we will create fear and demagoguery and attack faceless corporations, because faceless corporations don't have faces, but people do.

We need to stop destroying jobs and opportunity and prosperity through the demagoguery of class warfare, attacking corporations, without acknowledging that the very people who benefit from their existence are the people who have the opportunity to send their children to college, to make memories on a vacation, to pursue and achieve dreams, to marry the love of their life with the very incomes achieved by these corporations.

Now, let's talk a little bit about corporations, because I know something about corporations, and we know something about corporations in Virginia's Fifth District.

Dan River Mills stood in Danville, Virginia—a company started in 1881. It closed its doors in 2006. In 2008, the smokestacks from Dan River Mills that had been a symbol not only of the skyline of that once thriving town, but also an identifying factor in the landscape of the city, were torn down as jobs went away.

Another corporation, Burlington Industries, Klopman Mills, in Pittsylvania County, hurt Virginia, and prospered from 1940 through 2007. When they left, over 1,000 jobs went with them as well. And the real estate for the property that once employed generation after generation, sending innumerable children to college, and fulfilling the humble dreams of working class Virginians, sold for a paltry $750,000.

Vaughan-Bassett Furniture—and I would commend to anyone watching at home, the book ''Factory Man,'' by Beth Macy, which chronicles John Bassett, III's struggle to keep 700 furniture jobs in this country, in my district—that corporation changed people's lives and gave them jobs.

Lane Manufacturing, for generations it was a tradition—in my part of the world, at least—that a young woman, prior to being married, might receive a Lane cedar chest—a hope chest. In fact, no less an iconoclast than Shirley Temple was used to peddle Lane cedar chests as something that would be an aspirational goal for a young, working class woman, as she set forth on pursuing the dreams of her life. From 1902, until just about 15 or 20 years ago, hundreds and hundreds of jobs, in Alta Vista, Campbell County, Virginia, left.

Broyhill. So many companies—some still around—all shadows of their former selves, as corporate money and jobs went offshore.

And why?

Because we have incentivized the departure of the very means by which our families have prospered and done so in order to vilify an entity incapable of defending itself, while neglecting to understand that the beneficiaries of the opportunity created thereby were their very neighbors and those who, in their demagoguery, they said they worked to protect.

Last year, in Danville, Virginia, the Goodyear Tire and Rubber Company, who is still there—God bless them—had a cookout for the employees of Goodyear Tire, and the family members, thereof, and anybody who had ever worked for Goodyear Tire. They thought maybe there would be 800 or 1,000 people who attended this cookout. By the time it was over with, you couldn't get a pack of hotdog buns from a Food Lion within 30 miles, because that 1,000 people became 2,000 people, and became 3,000 people, and became nearly 4,000 people. These people didn't come to eat a hotdog with Goodyear Tire. They came to eat a hotdog with their family, their friends, and their community.

I stood last week at Piedmont Precision Machine Company, in Danville Pittsylvania. I looked at $1.6 million worth of new equipment that allowed this American small business to continue to compete with competitors abroad. And the rich man, who owned the company, said: TOM, I am going to have to take a loan to pay my taxes. But if you pass this bill, we will make some money, I will get more equipment, and we are going to hire some more people.

So understand that people don't come to eat hot dogs with Goodyear Tire and Rubber Company, they come to eat hot dogs with their family members, their community, and people who have seen generation after generation receive opportunity, by virtue of their hard work, and opportunity provided by the very entities vilified by our opponents, without acknowledging the beneficiaries of the opportunity they provide are the very ones they purport to protect.

So Piedmont Precision Machine Company toils on. We work to attract more employers in Danville and Pittsylvania, and Henry County, and Martinsville area. Maybe Kyocera is going to come. We hope so. We think that if we get those jobs, we think that we might be able to move manufacturing jobs in high-tech to southside Virginia from Northern Virginia and California. But what I am hearing from the job creators is they want to see this thing get done. And when those jobs come from California, Northern Virginia, China, and India to Campbell County, Bedford County, Lunenburg County, and Mecklenburg County, it will be because we acted in a brave, bold manner, despite the divisive rhetoric that denies the reality that people benefit from opportunity, and opportunity is best provided, not by the government, but by people of initiative.

Now, I have heard so much rhetoric about what you oppose if you support this tax bill, so let's see if we can't flip that shoe onto the other foot. If you oppose this bill, you oppose lowering rates for working and middle-income families, while retaining the highest rate. That doesn't sound like a tax cut for the rich to me.

If you oppose this bill, you literally oppose doubling nearly the standard

deduction from $6,350 to $12,000 for an individual filer; and you oppose, if you oppose this bill, doubling the standard deduction from $12,700 to $24,000 for a married couple.

Why would people oppose that? Do they think the government can make better decisions with the money they earn than they can?

If you oppose this bill, then you oppose simplifying the Tax Code by eliminating years of carve-out deductions made for special interests.

Quite literally, a convoluted Tax Code benefits who?

Tax attorneys and accountants.

I suppose that the other side of the Chamber is the party that has a vested interest in keeping tax attorneys and accountants at work. I want to see people in Mecklenburg County at work.

If you oppose this bill, you oppose establishing a family tax credit; you oppose raising the child credit by $600 per child; and you oppose establishing a new credit of $300 per family member so that you might be able to help your mom, dad, aunt, uncle, or a disabled relative, who you choose to help in your home.

Why would people oppose that?

If you oppose this bill, you oppose reducing small business taxes to the lowest rate since the Second World War.

If you oppose this bill, you oppose establishing a super low nonpercent rate for small startup businesses making less than $75,000 a year in income.

Why would you oppose startups?

If you oppose this bill, you oppose removing incentives that drive businesses to take money and jobs overseas. Don't talk to me about that. We know something about that in Virginia's Fifth.

So, finally, let me submit this: for the folks at home, who are smart enough to figure this out on their own, if you pay $100 more because a deduction is eliminated and your taxes are cut by $1,000 or more, as would be the case for a family of four making $58,000 a year, that is not a tax increase.

□ 1945

I have never, to my knowledge, other than the United States Army, worked for anything resembling a corporate entity in my life, but I know a lot of human beings who have, and I have seen what happens when we, through our divisive rhetoric, drive them away.

This isn't about corporations. This isn't about the rich. This is about human beings.

I think it was succinctly summarized, if perhaps by accident, by my colleague in the other Chamber, Senator SCHUMER, who said:

It is our research that indicates that if you pass this, some people's taxes might go up by 2023.

Think hard. What that acknowledges is that between now and then, people's taxes go down.

While Mr. Jefferson also said that:

The fruits of the working class are safest when the assembly is not in session.

I would submit that if indeed these problems exist, they should work with us to improve our Tax Code, which hasn't been touched since I literally weighed 112 pounds and had a full head of hair, and to start being part of the solution and stop being part of the problem.

Again, the government depends upon Americans, not Americans upon the government.

Mr. JOHNSON of Louisiana. Mr. Speaker, we have heard some compelling arguments here on the floor in the last few hours and some important facts have been shared.

I appreciate so much the eloquent words of my colleagues from Texas and Kentucky and Virginia and Pennsylvania and Florida and all over this great land of ours who have shared with us the importance of this landmark bill and this historic vote that we will take in this Chamber tomorrow.

I just thought there were a few more facts that were important to summarize here at the end of our debate this evening.

I wanted to quote the U.S. Chamber of Commerce because they looked at this bill and they gave an exhaustive review of this, as so many have. This is their summary: ''The Tax Cuts and Jobs Act is a growth bill, achieving faster economic growth, encouraging job creation, and getting more money in Americans' pockets each year.''

I think that is a pretty good summary of what the bill will do and what it will accomplish.

We brought just a couple of graphics here to illustrate the national impact of this landmark reform. When we pass this bill and we get this to the President's desk, the Tax Cuts and Jobs Act will lead to the creation of an additional 975,000 new full-time jobs across this country.

It will raise after-tax income for middle class families by $2,598 each. That is an increase of 4.4 percent. That is real money to families who are struggling to make ends meet around this country.

It will generate economic growth sufficient to increase Federal tax receipts by $1 trillion. That is real money. That is a real boost to the American economy.

I brought another graphic here to show what this will mean in my district, by way of example, in Louisiana. The Tax Cuts and Jobs Act will mean a whole lot for my State.

It will lead to the creation of an additional 13,293 jobs in my State of Louisiana alone. Those are good-paying, full-time jobs. It will raise after-tax income for middle class families in Louisiana by $1,857. That is real money. That will mean a lot to the families in my State.

More specifically, let me talk about the Fourth Congressional District in northwest and west Louisiana, 15 parishes, about one-third of our State by land area; good, hardworking, God-fearing Americans. Let me tell you what it will mean to the people of Louisiana's Fourth Congressional District.

Here are just four highlights. It will be a larger child tax credit. In my district, there are 53,918 taxpayers who claim the child tax credit every year. The Tax Cuts and Jobs Act will increase the child tax credit from $1,000 per child to $1,600 per child for each of those families.

Let me give you another one: the tax relief for small businesses. This is a big thing in my district. 49,929 taxpayers in the Fourth Congressional District of Louisiana have small business income, and that is a business that a taxpayer operates. The Tax Cuts and Jobs Act reduces taxes for small-business owners.

First, the bill implements a new, lower 9 percent tax rate on the first $75,000 of net business income for active small-business owners earning less than $150,000 through their businesses. That is a whole lot of people, a whole lot of LLCs and small companies in my district.

Second, the bill lowers taxes on small business investment by creating a new 25 percent small business tax rate. That is capped at 25 percent. That is a big deal to people who are struggling to make ends meet.

Number three, a third feature, the elimination of the alternative minimum tax, the AMT. 4,049 taxpayers in the Fourth Congressional District of Louisiana are impacted directly by the AMT. The Tax Cuts and Jobs Act eliminates that factor.

Another one is simpler taxes. Listen to this number: 67,543 taxpayers in the Fourth Congressional District, in my district back home in Louisiana, itemize their taxes.

As a result of the near doubling of the standard deduction and other simplifications, many taxpayers will have much simpler returns. It is estimated, as we have said so many times tonight, that nine out of ten Americans will be able to file their taxes on a form the size of a postcard. That is a big change and a great simplification for the people of my district. We owe this to them.

I wanted to share a few other facts that I think are important to highlight tonight, Mr. Speaker.

The Tax Cuts and Jobs Act is more than just a win for our American economy. It is a win for our American values. Let me give you a couple examples of that.

First, it is a win for free speech. The bill incorporates the language of our Free Speech and Fairness Act, which we filed as a standalone piece of legislation earlier this year in February. That will stop the IRS from policing the speech of churches and charitable organizations. That is a huge relief for men and women of faith, in particular, who watched the IRS breathe down the necks of nonprofits and religious entities, threatening to take away their tax-exempt status if they dare talk

about the moral and social and political issues of the day. That is a big win for free speech and a big win for them.

This bill is also a big win for American families. Let me give you a few examples of important features of how this helps the family in this country. The adoption tax credit has been restored. This is section 1102 of the bill. Now, this is a critically important thing to advance the policy, to advance and encourage and incentivize adoption in this country. This is something that all of us should agree on.

Over 60 percent of adopted children are adopted by middle- and low-income taxpayers in this country. Almost half of the children adopted from foster care live in families with household incomes at or below 200 percent of the Federal poverty level.

Listen to this statistic: a study reported by the Federal Children's Bureau showed that the government saves between $65,000 and $127,000 for each child who is adopted rather than placed in long-term foster care.

Studies comparing children who remain in foster care to children who are adopted show that adopted children are 54 percent less likely to be delinquent or arrested, 19 percent less likely to become teen parents, and 76 percent more likely to be employed.

Can we all agree that the adoption tax credit being restored is an important part of this bill?

I think we can.

Here is another way it helps families, Mr. Speaker: the family tax credits. This is something that everybody back home should pay attention to. The child tax credit, section 1202 of the bill, this increases the child tax credit, as I mentioned a moment ago, from $1,000 per child to $1,600 per child. It provides a credit of $300 for each parent and nonchild dependent to help all families with their everyday expenses.

The child dependent care tax credit helps families care for their children and other dependents, such as a disabled grandparent who may need additional support.

Here is another feature: unborn children are recognized in the 529 education savings account provisions of the Tax Code. Our tax reform bill allows a 529 education savings account to be opened, for the first time, for an unborn child or a child in utero. We recognize the humanity and the sanctity of life of the unborn child.

Here is another feature: the marriage penalties are finally removed. For too long, we have effectively penalized married couples in this country simply for being married. Our Tax Cuts and Jobs Act changes that. In most cases, married couples will no longer be penalized just for their choice to be married.

Mr. Speaker, I will close with just a few more remarks. A lot has been said here tonight, more will be said in the morning preceding our vote, but this is a big day for Congress and a big day for the country.

It has been over 30 years since we last updated our tax system. For reference, I was in the eighth grade the last time tax reform was accomplished in this Chamber. Many of those entering the workforce weren't even born yet the last time Congress fulfilled this responsibility.

Today, Americans are struggling to make ends meet, to find decent-paying jobs, and to prepare for retirement.

We must do right by our children and our grandchildren and give them a better future than our own. Fortunately, my Republican colleagues and I have put forth a framework to do just that.

We have discussed for the last few hours in this Chamber as we have been talking that our plan will create more jobs, fairer taxes, and bigger paychecks for working class Americans and small businesses.

When businessowners are able to keep more of their profits, they will invest that money in their companies and in their employees, and that will spur economic growth, because they will expand their facilities, they will create and expand new product lines, they will add more jobs, and that is good for all of us.

Passing meaningful tax reform isn't about sticker shock talking points that we have heard so much about. It is about real everyday Americans who want to grow their businesses, offer better wages to their employees, provide for their families, but who have struggled to do so because of our oppressive and outdated tax policy.

Our plan puts Americans first and it offers real relief to those who need it most.

The Federal Tax Code today is more than 70,000 pages long. For context, that is more than 60 times longer than the King James Bible, and it contains none of the Good News.

It is time to simplify this Code and it is time to unleash the free market in our American economy again. We have that chance. This will be the biggest Christmas gift to the American people in over 3 decades. It is truly historic and it is long overdue.

Mr. Speaker, we urge our colleagues on both sides of the aisle to vote for the Tax Cuts and Jobs Act on this floor tomorrow. Let's make history together. Let's do right by the American people.

Mr. Speaker, I yield back the balance of my time.

## CONSEQUENCES OF PASSING THE REPUBLICANS' TAX PLAN

The SPEAKER pro tempore (Mr. COMER). Under the Speaker's announced policy of January 3, 2017, the gentleman from Massachusetts (Mr. NEAL) is recognized for 60 minutes as the designee of the minority leader.

Mr. NEAL. Mr. Speaker, tomorrow we are going to be asked to cast perhaps one of the most important votes that will take place in a career here in the House based on the tax plan that the Republicans have put forward.

I say history is important, because this vote is likely to have consequences for years and years and years to come.

As I noted earlier tonight, as we look at a million new veterans from the wars in Afghanistan and Iraq who deserve our care, for those of us who represent soldiers' homes and hospitals for the VA, we know just how important this is.

We know what happens to Alzheimer's patients who are going to lose the deduction on healthcare. We know what is going to happen to those students who currently write off parts of their student loans through interest deductions. We know the assessed tax that is going to go on places like the University of Notre Dame and others. We also understand that the homeowner deduction, the mortgage interest deduction, which is a huge middle class benefit, is about to be taken away arbitrarily.

State and local taxes, in some cases sales taxes, are about to be abolished all based upon the premise of maybe there will be enough economic growth.

There is no evidence, based on the tax cuts of 2001 and 2003 or the repatriation that took place in 2004, that any of this is accurate, but they continue to proceed.

The next part of the challenge is they have now substituted the old supply side economics theory—remember tax cuts pay for themselves—and they have come up with a new term, and the new term that they have come up with is ''dynamic scoring.''

So we have the challenge of technology, we have the challenge of globalization, and, yes, we have the challenge of skill set across America to move people into a direction of employment where they and their skills might be aligned with the jobs that are open, because the Department of Labor this week said there are 6 million jobs in America that go unanswered, 18,000 precision manufacturing jobs in New England that go unanswered, and 1 million tech jobs.

□ 2000

So we should be using this opportunity to invest in vocational education; we should be using it to invest in internship programs; and, yes, we should be using it to invest in community colleges. So part of this discussion should be based on, again, the historic vote of long-term investment.

Now, we also know that is unlikely to happen because, when people have a chance to look at these distribution tables on these tax cuts as to who gets what, they are going to be furious.

Mr. Speaker, I yield to the gentleman from Napa, California (Mr. THOMPSON), and then the gentleman from Connecticut (Mr. LARSON) will be acknowledged right after that.

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding.

It is not often that I come down and participate in these Special Orders, but

I have got to tell you I was in my office watching the previous speakers, and I started to get a little queasy from the spin that they were providing from the floor, talking about what they say this bill will do. I can tell you that there were a lot of inaccuracies in some of the things that they were trying to convince the American people that they would benefit from this.

As Mr. NEAL said, this bill, this vote, is an important vote. This is going to be around a long time. Numerous speakers today have mentioned the fact that the last time we did major tax reform, a major tax overhaul, was over 30 years ago. So if that is any indication, we are going to be living with the consequences of this bill for a long time, and I don't think those consequences are anything to be proud of.

We heard repeatedly that this bill is not going to help at all the wealthiest people in the country, and you just can't help but laugh.

The last speaker came out and stated that this does away with the alternative minimum tax. The alternative minimum tax was put in place to ensure that the wealthiest of taxpayers actually pay taxes because they were able to escape paying taxes, so that is why the alternative minimum tax came into play. They are the ones who pay this tax, so if you do away with it, I don't see how you can, with a straight face, say that this doesn't help wealthy Americans.

Inheritance tax was talked about a lot. As a matter of fact, it was a very dishonest discussion. They kept referring to it as the ''death tax.'' We have heard this ad nauseam. We heard it in committee. We hear it on the floor. We have heard it for the past few years. This has been a very clever campaign on the other side's part to discredit the inheritance tax.

If you open the Code, the Tax Code, there is nothing in the Code that says the death tax. It doesn't exist. It is not real. It is made up. It is fiction.

We heard some very compelling arguments about how farmers will lose their farms if they don't do away with the death tax. There is no such thing as a death tax.

We heard repeatedly that, after somebody dies, it is unfair to make them pay taxes. I am here to tell you, after you die, you will never have to pay taxes.

The inheritance tax refers to inherited wealth. If I inherit money from my parents, then I am taxed on that wealth that I inherit. And there is a provision in the law that says the first $11 million doesn't get touched, so it has got to be a pretty huge estate before you even pay any taxes on it.

If there was all this concern about losing the family farm, then the Republicans should have taken up my bill, a bill that I have had for a number of years with absolutely no support from the Republican side of the aisle, that says, if you inherit the family farm or a family business and you continue to farm it or you continue to run the business, you are deferred from paying any inheritance tax. Now, if you inherit it and sell it and take the money and move to a beach in Hawaii, then you would pay a tax on that inherited wealth.

So this is subterfuge, at best. It is dishonesty, at worst.

The last speaker said that American families are big winners in this bill. Well, I don't know whose American family he was talking about.

Mr. NEAL was right when he said American families had a chance to be big winners if we had used this opportunity to invest in workers, invest in training, invest in community colleges, create jobs, create opportunities, build this tax reform from the middle class, the working class out.

But, instead, we didn't do that. We didn't even talk about it. We didn't talk about it because we didn't have a single hearing on one of the most important bills that we will cast a vote on in our time in Congress. We didn't hear from one expert witness.

They dropped this bill, written in secret. As a matter of fact, many of our Republican colleagues were complaining that they didn't get a chance to see what was in the bill. They dropped this on us at the last minute.

We could have worked with them. We could have addressed some of these issues. We could have figured out how to invest in the American worker. We could have figured out how to make investments that created jobs. But, no, we didn't get to do that because we didn't have any hearings. It was written in the middle of the night, in a dark room someplace way out of our wheelhouse.

They said they had to do this because the Tax Code was too big, and I agree with them. I think it is too big. I think it does need to be reformed.

But the fact of the matter is, and Joint Tax testified on this, if their bill is passed and signed into law, it won't do away with a single chapter of the Tax Code, but, instead, it will add one more to it. So this is literally making the Tax Code bigger.

And I want to know who those American families are who some of my colleagues on the other side of the aisle claim will be helped by this, because this is what I see in reading this and reading the analyses from different experts.

If someone in your family has Alzheimer's, you will pay more because they are going to take away the medical expense deduction that you now can take advantage of.

Low-income folks with kids, you are going to pay more when you are excluded from the child tax credit.

If you are a teacher, dedicated to your students and to their well-being and you take money out of your own pocket to buy pencils, supplies, and things for your classroom, today you get a deduction for that because we know how important education is. But under this bill, you will pay more because they are taking that deduction away, too.

We just heard from a veteran on the other side who said how great this is for veterans. Well, let me tell you, if you are a veteran and you get your duty station reassigned and you have to go someplace else and the house you have to sell in your first duty station, if you haven't lived in it for 8 years, you are going to be taxed on any profit from that. So if you are a veteran and you get transferred, you are not going to benefit from this. You are going to lose.

Do you have a student loan? And we all know how expensive those are these days. If you do, you are going to pay more because they are taking away your ability to deduct the interest payment on your student loan.

Do you own a home? If you do, you will pay more when they limit the mortgage deduction, mortgage interest deduction.

By the way, as we heard in committee during the markup on this bill, this could actually decrease the value of your home by 10 percent. Now, tell me how that helps working class, middle class families to say, all that money that you have been saving by buying your home, we are going to take 10 percent away from the value of that? That certainly doesn't create a big win for American families.

Are you in the middle class, that big win for American families, those middle class families? Because the analysis says that 36 million middle class families are going to see a tax hike in this bill.

Do you deduct your State and local taxes? Well, if you do, you are going to pay more because you are going to lose that deduction, too.

Do you care about infrastructure investments in your community?

I had a visit yesterday from the head of the San Francisco airport. He came in because of this bill. I don't represent San Francisco, but he came in to see me because I am a member of this committee, and he knew we were going to be taking this bill up.

They have a tremendous amount of infrastructure investment pending. They do it with the bonds that will be disallowed under this bill, the same, similar type of action that they are going to do in regard to low-income housing.

In my State, we need housing badly, and we are able to build low-income housing by using those bonds that are made available in our Tax Code. That goes away. That hurts homes. That hurts people who want to move into homes.

And I will tell you, in my district, it is a particularly raw subject right now because in one of my counties, Sonoma County, we had a 2 percent vacancy rate in residential housing about a month ago. And about a month ago now, we had the worst fire in California history. In Sonoma County, it wiped

out 5 percent of the residential housing stock. There were about 9,000 homes, total, in the fire that were destroyed, homes in Sonoma, homes in Napa, homes in Lake, homes in Mendocino, homes in Butte, homes down in southern California, and that just further deteriorated the housing shortage problem that we face. So to take away ability to construct new, low-income housing hurts.

But I think what hurt even more is, in this bill, they took away the ability for individuals and families, those middle class families that they are talking about helping, they took away their ability to write off their losses due to a disaster.

Mr. LARSON of Connecticut. Will the gentleman yield?

Mr. NEAL. I yield to the gentleman.

Mr. LARSON of Connecticut. How did they do that?

Mr. THOMPSON of California. I don't know how they did that. I don't know why they would do that.

Mr. LARSON of Connecticut. Why would they do that? In the face of these fires and in the face of so many in California understanding that impact, why is it that they did this?

Mr. THOMPSON of California. Well, that is—I wish I could say that is the $64 million question, but, sadly, it is going to cost taxpayers a lot more than $64 million when all is said and done. It is a mystery to me.

I asked the chairman, who wrote the bill, during the committee markup, why he would do that, and he had no response. He said: Well, we are going to fix it. We are going to make it better.

Mr. LARSON of Connecticut. Were there any hearings?

Mr. THOMPSON of California. There were no hearings.

Mr. LARSON of Connecticut. So there have been no hearings.

Mr. THOMPSON of California. No hearings, and they didn't fix it.

Mr. LARSON of Connecticut. They didn't fix it. And yet here we are, on the verge of voting on a bill that will impact 100 percent of the economy and 100 percent of the Tax Code.

No hearings?

Mr. THOMPSON of California. No hearings.

Mr. LARSON of Connecticut. Mr. NEAL, you suggested in the process, at the outset, that this was a missed opportunity, and then you went back and gave a historic tutorial on how we got here.

How is it that we got here and arrived here with no public hearings and no expert testimony?

Mr. NEAL. The summary of this tax bill was published last Thursday. We did a walk-through on Monday. We only had a chance to respond to the bill, or the chairman's mark on Friday. And then on Monday, we did a walk-through. Tuesday, Wednesday, and Thursday morning, we did the markup. Not one hearing.

And recall that, in the last moments of the markup, we were handed a manager's amendment. We had 20 minutes to react to the manager's amendment, so no hearings.

And compare that with 1986, which everybody heralds now, as the great moment of Reagan and O'Neill and Rostenkowski and Gephardt and Bradley, 450 witnesses, 30 public hearings. The Secretary of the Treasury sat through the markup.

Mr. LARSON of Connecticut. In your history of serving on this committee—and we are joined by Mr. LEVIN and Mr. KIND and Mr. WELCH.

And, Mr. LEVIN, I have to ask you this, too. In your serving on this committee, has there ever been a bill of this magnitude or proportion that has been brought out without a public hearing, without expert witnesses?

Mr. THOMPSON had a raging fire in his district that we heard him, from his own lips, what it did and how it devastated Sonoma and Napa Valley, and no hearings. Is there a precedent for this?

Mr. NEAL. I yield to the gentleman from Michigan (Mr. LEVIN).

□ 2015

Mr. LEVIN. I don't think so. Mr. NEAL has spelled out, and you have, the atrocious approach here. So I think we can sum it up. The process has been terrible. The product is worse. That is what happens when you have a very terrible process, you get a frightfully bad product.

Mr. NEAL. Mr. Speaker, I yield to the gentleman.

Mr. LARSON of Connecticut. Mr. Speaker, Mr. KIND stood up earlier and talked about the fact that the other side, who claim to be deficit hawks, all of a sudden, they are an endangered species.

I don't know if the gentleman from Wisconsin wants to expand upon that and further ask the gentleman from California.

Mr. NEAL. Mr. Speaker, I yield to the gentleman.

Mr. THOMPSON of California. Mr. Speaker, let me just thank the gentleman for drawing attention to the terrible fires that did so much damage in my home State, and the fact that they took the deduction for these types of disasters away from the American people. But I don't want anybody to think it is just about fires, nor is it just about my State.

They took away this provision in the Tax Code for anybody who has a disaster from now on. If it is a mudslide, an earthquake, a fire, any disaster, you will not be able to claim that deduction.

And to add insult to injury, the chairman grandfathered in the hurricane victims in his own district.

I will just say one more thing. If this isn't all bad enough, everybody should know that all of these costs that we have talked about are bad enough, but there is one cost in here that is crippling, and it is crippling to our children and our grandchildren, and that is the fact that this bill is not paid for, and it adds $2.3 trillion—that is trillion with a T—to our national debt, and that is going to be passed right along to our children, right along to our grandchildren, and that is going to hurt us in the years to come.

Mr. NEAL. Mr. Speaker, I yield to the gentleman.

Mr. LARSON of Connecticut. Mr. Speaker, could I just ask for the gentleman to clarify something?

You said earlier that you came down here, and you rarely come down here. This is a Special Order. The reason that you are here, the reason that Mr. DAVIS is here, Mr. WELCH, Mr. LEVIN, and reason that Mr. NEAL, Mr. KIND, and myself are all here is because we haven't had the opportunity to have a hearing and have expert witnesses.

Have you had any expert witness?

Mr. NEAL. Mr. Speaker, I yield to the gentleman.

Mr. THOMPSON of California. Mr. Speaker, there have been no hearings on this bill, there have been no expert witnesses. The only help that we have gotten are from the outside organizations and the universities that crunched these numbers to be able to give us some glimpse of what is going to happen and the benefit of some analysis from the Joint Tax staff, but there have been no hearings, there have been no experts, nobody from our district who lives and breathes this, no one from our districts who are going to be impacted by this.

This was done from the top down and crammed through in the most bastardized system that I have ever seen in my years here.

Mr. NEAL. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I think my good friend and colleague from California is raising a very important point, and it is a point that all of us here this evening on the Ways and Means Committee, with the leadership of Mr. NEAL from Massachusetts, have been raising for some time.

Doing tax reform right is tough. There are a lot of moving pieces to it, and there are a lot of traps and unintended consequences if you do it the wrong way. Not having one hearing, not having proper vetting, not taking the time to listen to people back home in our respective States and districts about the consequences of something that is going to affect every American life in this country is legislative malpractice, and that is what we are on the verge of committing leading up to tomorrow's vote.

My friend from California mentioned the $2.3 trillion in additional debt over the next 10 years by the time you add in the interest payments and how devastating that will be, and it is happening at the wrong time.

I mean, we might have gotten away with that with the 1981 tax cuts that weren't paid for back then because there was a little bit of time to recover

from a big fiscal mistake, and from 2001, 2003. We have run out of time as a nation, with 70 million baby boomers beginning their massive retirement, 10,000 a day joining Social Security and Medicare.

But their entire theory is premised on the fact that over two-thirds of the tax cut will be going to large corporations under their bill of this illusory growth that is going to come from it. Part of that is based on this tax holiday, they call it deemed repatriation, where these multinational companies are going to be able to bring dollars back into America at a much lower rate and supposedly reinvesting here that is going to promote growth.

But there was a recent survey by Bank of America and Merrill Lynch of 300 executives of some of the largest U.S. multinational companies asking them what they would do with this deemed repatriated money coming back to the country. Their number one response was paying down debt. Reinvesting in their company, reinvesting in research and development, investing in more jobs and good-paying jobs barely registered in that survey.

But this should not come as a surprise. It is not like we haven't been down this road before. We tried a repatriation bill back in the early 2000s, where these companies were able to bring back a ton of money, and what they used it for was dividend give-outs and stock buybacks. Yet they are refusing to learn the lessons of the past and going on this theory of an illusory growth that none of the major economists see under this tax bill, and it is a huge fiscal gamble that I think is going to leave us in the same place as the 2001 and 2003 tax cuts, which was one of the worst decades when it came to job growth in our country.

Mr. NEAL. Mr. Speaker, I yield to the gentleman.

Mr. THOMPSON of California. The gentleman is absolutely correct. Thank you for pointing that out.

Mr. NEAL. I yield to Mr. DAVIS to talk about historic tax credits. I know Mr. LIPINSKI is here from Chicago as well to talk about new markets, and then we can talk, as Mr. KIND did, about the retirement crisis that is coming, and we can just yield back and forth to make sure that people understand the totality of what is being asked in this legislation.

Mr. Speaker, I yield to the gentleman.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, I thank Mr. NEAL for not only yielding to me, but for the tremendous leadership that he has provided throughout this process.

Mr. Speaker, as I listen, there is no doubt in my mind that the vote we will take tomorrow is going to be one of the most important votes that I will ever take as a Member of Congress. It is important because I know that it will affect, in one way or the other, every citizen of this country.

As I listened to the debate over the last 2 days, I know that America is at a great crossroads, and that we can either go forward or we can go backwards.

We can go forward into a new era of job creation, supporting education for all, and keeping the greatest level of healthcare that this country has ever known.

Or we can go backwards, backwards with Marie Antoinette-type tax policy that takes opportunity and bread from the middle class, and then say: Let them eat cake.

Or we can go forward with a more equitable tax plan, one that promotes infrastructure protection and development by keeping the provisions for State and local deductions, which everybody knows will create jobs, jobs, and jobs.

We can go forward by making sure that the access we currently have to quality healthcare will continue.

I hear many people talking about what we will get from H.R. 1, what I call the Republican Marie Antoinette tax bill.

But let me just mention some of what we will not get that we already have. Teachers will not get the ability to write off the $250 that they spend out of their pockets for materials and supplies for their students. Students will lose $65 billion in Federal funds to help make college more affordable. Senior citizens, as we have already heard, with Alzheimer's will lose the ability to write off high medical costs. Student loan interest can no longer be used.

Cities like mine; like Philadelphia; like Detroit; like Gary, Indiana; cities all over the country will not be able to make use of the new market tax credits to rebuild slum and blighted areas.

Many of those areas have been laying fallow for 50 and 60 years, where there used to be thriving communities. Historical buildings will be left standing because the tax credits to restore them will no longer be available, losing the opportunity to create jobs and work opportunities for people who are unemployed.

Under the bill, any way that you cut it, the middle class will lose and the special interests and the wealthy will again win.

I know that we are again being sold the idea of what I call trickle-down economics. Feed those at the top, and crumbs will trickle down to all the rest of society, even though study after study has shown that this does not work. It is nothing more than a theory, far from any basis of truth.

I think that we have no choice. When I hear these kinds of discussions, I think of all kinds of things. But I guess what I think most is something that Billie Holiday wrote and sang. She said: ''Momma may have, papa may have, but God bless the child that has got his own.'' And she said: ''Rich relations give crusts of bread and such. You can help yourself, but don't take too much.''

So if you are waiting for something to trickle down, you better remember what she said: '' . . . God bless the child that has got his own.''

One thing that each one of us has is the ability to vote, and I will vote tomorrow. And I will make sure that when I vote, I will vote to represent the thousands and thousands of middle class families who need to have hope, who need to have faith, and who need to believe that when we sing the song ''My Country, 'Tis of Thee,'' that we are singing about them, too.

Mr. Speaker, I thank Mr. NEAL for yielding.

Mr. NEAL. I yield to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. I appreciate the remarks of my friend from Chicago. He represents a large urban district. I represent a large rural district in Wisconsin. He may be a Bears fan, and I might be a Packers fan, but one thing we agree on is this a bill of goods for both of our constituencies.

I am especially concerned about the economic impact in the large rural congressional district that I represent where production agriculture is still an important part of our economy.

Some of the changes that they are making are going to be devastating to family farmers. They are taking away the 199 tax deduction, which is as important for our domestic manufacturers as it is for our family farmers.

If you want to grow things and invent things and create things, make things in America, the 199 has a proven track record of making it easier for our farmers and manufacturers to do it. Under their bill, that goes away.

That operating loss carryback, which is important for a lot of farmers in order to recoup some of the losses that they have experienced in their business, it goes away.

Like-kind exchanges for property and heavy machinery in farm country goes away. A lot of my farmers are operating on a margin right now. I am concerned about the impact this is going to have on the rural economy and our family farmers with what they are proposing.

You don't have to be from a city or from a rural district to understand that, again, the work wasn't put into this bill to understand the real consequences of what they are asking for. It is not too late. We can still regroup and work in the bipartisan fashion that tax reform was meant to occur and figure out a way to truly simplify, make us more competitive, but make it fair for working families, small businesses, and family farmers in all of our districts, rather than this rush to judgment just so they can score a political win before the end of the year.

□ 2030

So I think the points that my friend from Chicago raised are very valid, and it is something that I would hope all of us would heed before we reach our final decision tomorrow morning.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, the one thing that I like

about the Packers is that the people own them.

Mr. KIND. Amen.

Mr. NEAL. Mr. Speaker, forgive me for being from New England. I will leave that alone.

Mr. Speaker, I yield to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, I thank the gentleman for his leadership on this committee and also for the tutorial that he gave us earlier today about how we got to this spot.

I think it is important because, for most Americans listening out there, what you are witnessing is the tyranny of the majority. What I mean by that is, when the minority doesn't get an opportunity to bring forth witnesses, to have hearings—and you heard Mr. NEAL talk about the more than 30 hearings in the committee, the more than 12 subcommittee hearings, the 450-plus experts that we never got to hear from—you understand the position that we find ourselves in.

As I said earlier, this impacts 100 percent of our economy and 100 percent of our people. We all swear an oath of allegiance to the Constitution, but apparently on the other side, they swear an oath of allegiance to Grover Norquist because that is more important than fulfilling our constitutional responsibility and going through regular order and having the experts.

It is more important to take a pledge to Mr. Norquist and pass something politically in as pure a bare-knuckle way as you possibly can without any amendments being made in order and rushing the bill to the floor in haste, without any concern for the ramifications that it has other than fulfilling a pledge to Mr. Norquist, and also a pledge, as we have heard from some of their Members, to their donor base.

That is what has frustrated us on this side of the aisle. I think Mr. NEAL said it very clearly, we had a missed opportunity here. Mr. KIND mentioned that we still have that opportunity. If there are enough people on that side of the aisle—and we know there are. We know regionally, as Mr. KING and Mr. ZELDIN have said, that this tax bill represents the greatest shift that we have seen in wealth in this country from the middle class of the Northeast and West Coast to the rest of the country.

It is unconscionable that this would take place under the guise of trying to say that you are providing middle class tax relief.

I went to the commissioner of revenue services in the State of Connecticut and asked: How will this impact our citizens? It represents an increase in taxes for the middle class, not this so-called tax cut that the other side has perpetrated.

I want to point out this claw that exists within here. Because even for those States, red State or blue State, where you think you might receive a de minimis tax cut today, it is clawed back within 5 years because they put something in the Code, commonly referred to as a ''chained CPI.'' And that has dire ramifications.

Mr. LEVIN. Will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Michigan.

Mr. LEVIN. Mr. Speaker, I wanted to ask you to yield just at this moment. The gentleman talked about a tax cut for the middle class. The problem with this terrible process is there isn't time enough to challenge those who say something that is false. I just want to read again what the Speaker said relating to your point.

He said this: ''The focus is on middle class tax relief. The focus is on directing that tax relief to the people in the middle and the people who are trying to get there.''

This bill is the opposite. As we discussed with our ranking member at the markup, and we challenged it, the Joint Tax said to us: Well, I think—and we will show this to you—that there are going to be millions of people in the middle class who, in subsequent years, will have their taxes increased, not decreased. Millions.

When we asked about the pass-through—picking up on the gentleman's point about the middle class—he pointed to tables which showed that the vast majority of the moneys that are going to go through passthroughs, that are going to get some tax help, the vast majority are for very wealthy people. While we don't have the final figures, it is likely that 85 to 90 percent is going to go to the very wealthy.

I think so much of what they have said is so untrue. They say that necessity is the mother of invention. In this case, necessity, their political necessity, has been the mother of deception.

Mr. NEAL. Mr. Speaker, I continue to yield to the gentleman from Connecticut.

Mr. LARSON of Connecticut. Mr. Speaker, I thank the gentleman from Michigan. He is absolutely right.

I want to also point out that we did ask Mr. Barthold, the Chief of Staff for the Joint Committee on Taxation, about this tax and what its ramifications are. I asked him: Will this fall unevenly as we have seen across the Northeast and as we have seen across the West Coast?

The response was: It is not possible to say that in all cases—meaning all 50 States—that these taxpayers will have lower total income tax liability under H.R. 1 than under the present law.

Why?

Because they are not going to be allowed to take the deductions they normally get. In the State of Connecticut, 41 percent of our citizens utilize and itemize their deductions under the code that they have been able to do since 1913 and its inception.

Why is this important?

Well, we have heard Mr. BRADY say—after everyone gets up and speaks, he talks about what is going on in their district in an overgeneralized manner.

So I asked Joint Tax: What would it be for a couple in West Hartford with a child in college?

They own a home and have a combined income of $125,000. Under the Republican plan, they would see a $767 tax increase in 2018, and they would see more than a $1,667 tax increase in 2023, when the family credit expires, a point Mr. NEAL has made repeatedly.

Tax cuts are made permanent for corporations and the wealthy. The wealthy get the alternative minimum tax and they get the estate tax and they are made permanent. For those of you who may think you are even going to get a tax cut, the Norquist clawback provision, under something we referred to as ''chained CPI,'' takes it away after the fifth year.

So we find ourselves in this god-awful position without public hearings and without the ability to call expert witnesses and to only have a back-and-forth between Democrats and Republicans.

The Republicans need a political win. That is probably true. But who really needs to win here are the American people. The American people expect more of us. That is why this is a loss possibility and why we ought to be regrouping and taking this back up, because, as Mr. KIND says, there still is time.

How can you turn your backs on your fellow Republicans in New York, in New Jersey, in Pennsylvania? How can you do this to these people without any kind of public hearing or public witnesses or experts to talk about what the calamity will be? How about their commissioners of revenue services coming in and going over and examining just how these taxes will impact on them?

That is not going to happen, unfortunately. This is being jammed down our throats.

Mr. NEAL. Mr. Speaker, I want to ask Mr. WELCH, who made it to Vermont via Springfield, who has a longstanding interest in higher education—maybe he could talk about parts of Vermont that are very rural and also link it to that whole notion of higher education in the State of Vermont.

Mr. Speaker, I yield to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH. Mr. Speaker, I would be glad to. Just by way of introduction, I thank the ranking member for his leadership.

As the gentleman said, the biggest challenge we face in this country—and it is not a Democrat or Republican issue—is that wages have been stagnant for Americans for 20 years. They haven't had a pay raise. That is a huge challenge because the American Dream has always been premised on the fact that our parents have made an economy that has provided more opportunity for their kids.

Wages are flat. America hasn't had a pay raise in 20 years. So the fundamental question for me on a tax bill is whether that tax bill will increase opportunity for hardworking Americans. And it doesn't matter where they are

from, rural or urban. It doesn't matter what their race is. It doesn't matter what their gender or their sexual orientation is. Most Americans want to work and they want to take care of the people they love and they want to have an opportunity.

This tax bill comes up real short. By the way, I want to be somewhat self-critical of the Democrats. We haven't been where we have needed to be, oftentimes, which is for hardworking Americans, but I think we are solidly where we need to be on this tax bill.

Mr. Speaker, I will give the gentleman a couple of examples in explicit response to his question. I went out to a school that provided training for young Vermont men and women who wanted to become welders. That is a great job. They get out of school and they get a job that pays them good wages. They have got to borrow money in order to do that.

In some cases, they have an employer who pays their tuition. Under this tax bill, that young woman or that young man who gets tuition assistance from his or her employer has to declare that as income and pay taxes on it.

That is an opportunity tax. A lot of those folks have borrowed money. We have got a wonderful Vermont Student Assistance Corporation program. It doesn't matter whether you are a Republican child or a Democratic child, you get low interest loans. They have lost their tax deduction.

This is when they are beginning their career, so their income is not great, and they are trying to pay their bills, maybe get a condominium; maybe, if they are really lucky, get a house. They have got to pay more taxes as a result of this bill.

The other thing is private activity bonds. This is unbelievable because what those bonds are—I didn't know much about this before I came to Congress—but it is a benefit where there can be an opportunity to borrow money from the private market, by the way, in order to provide low interest rates. The people who buy these bonds get the benefit of a tax deduction in order to provide a continuing benefit to lower interest rates for kids who are trying to get a welding degree or a community college degree or a higher education degree.

We are taking that away. We are taking away opportunity. We are imposing a big tax on the opportunity for young women and men in Vermont. There is not a single Republican who would want to do that. But we don't have an opportunity in this bill to propose an amendment, to say: Hey, wait a minute. We made a mistake on this provision because we don't want the would-be welders in Alabama, the would-be welders in Texas, the would-be welders in Vermont to have to pay more in order to develop a skill that is really essential to making those joints on our bridges and doing the things that we need to rebuild our cities.

We are not allowed an opportunity to propose an amendment where every single American would know whether your Representative wanted to impose an opportunity tax on that student who wants to become a welder.

Where is the democracy in this? Where is the transparency in this?

That is what really is heartache for me. As Chairman Neal knows, we grew up in the same city and it was rough and tumble, working class, proud people, and ethnic.

□ 2045

We played hard in sports, and we battled all the time. But we had a kind of common pride in the value of work. We saw how hard our parents worked. We didn't necessarily notice that when we should have when we were younger. But as we grew up, we really were stunned at the kind of commitment they had to rebuilding the city that we were in and the gentleman became mayor of. We became so appreciative of the opportunity they gave us.

I grew up in a family of six kids, and how my parents did it in a small house with four bedrooms and sharing a bedroom, we didn't know. It was only after the fact that we became aware of how wonderful this opportunity was that they gave us and the sacrifices that they made.

Isn't it our job in this House of Representatives to give everybody the same opportunity to the experience that Mr. NEAL had, that Mr. LIPINSKI had, and that I had? That was on the shoulders of parents who sacrificed for our benefit.

So the bottom line for me on this tax bill is whether it enhances the opportunity of every American striver, every American who wants to become better, more contributing, more of an active citizen, more of an accomplished adult, and more of a contributor to our workforce. Does this bill help them achieve that or does it impede them from doing that?

When I look just at one specific provision where we say that students are going to have to pay taxes on the interest that they pay on their student loan or when a student who earns, in fact, a scholarship or a fellowship to go advance their higher education and they have to pay income tax on that, I am truly horrified because this country—and this is not a Republican-Democratic deal—is all based on the optimism that, if we give people opportunity, it will benefit all of us. It will benefit that individual who is there to seize that opportunity and make the best of what they can do and, therefore, build the country.

So, Mr. Speaker, I really appreciate the ranking member's efforts on this.

Mr. NEAL. Mr. Speaker, I thank the gentleman from Vermont. It was a very nice description of our hometown, Springfield, Massachusetts.

Mr. Speaker, I yield to the gentleman from Chicago, Illinois (Mr. LIPINSKI), who is a good friend to all of us here.

Mr. LIPINSKI. Mr. Speaker, I thank Mr. NEAL, the ranking member of the Ways and Means Committee, for all his work.

I want to talk tonight from the perspective of Blue Dog Democrats.

Now, clearly, we all know—and Mr. WELCH very eloquently talked about the needs of the middle class and people who are struggling—it is far past time that we reform the Tax Code by making it simpler, closing loopholes, and lowering rates. However, this bill that we are going to be voting on tomorrow is certainly not the answer for the middle class.

Now, it didn't have to be this way. Throughout the year, I heard from Republican lawmakers and from the White House about the benefits of creating a bipartisan tax reform plan. As the policy co-chair of the Blue Dog Coalition representing modern Democrats, I coordinated the coalition's creation of key principles needed for a permanent, bipartisan tax reform bill. Our reform principles called for the following:

First, tax reform must be passed with an open, bipartisan process and through regular order.

Second, tax reform must be credibly revenue neutral and should not use unrealistic economic growth projections to offset the costs of tax reform or tax relief.

Third, American companies need a more competitive corporate tax rate and structure in order to maintain their ability to compete globally. Congress must also account for the needs of small businesses when it comes to setting tax rates.

Fourth, and most importantly, the middle class must be the priority in this tax bill.

Fifth, Congress should use tax reform to address the funding challenges for the highway trust fund.

Taken together, I think most people would say that this is a good, sound set of principles; but, disappointingly, H.R. 1 fails to meet these criteria.

First, this bill is not bipartisan. The Blue Dogs met with the Treasury Secretary, the Director of the National Economic Council, as well as the chairman of the committee. We were told that they wanted this to be a bipartisan bill.

But the bill was passed in committee less than a week after it was introduced and less than a day—even less than that—after last-minute changes were made by the chairman. The committee voted down every Democratic amendment on a party-line vote, and 1 week later, this bill is being brought to the floor with no amendments allowed.

This is clearly not bipartisan, and it is tough to argue that this is an open process of regular order where Members get to participate in the process.

But what about the contents of the bill?

First, it is not revenue neutral. We were told that this bill would be revenue neutral using dynamic scoring, that is, when considering additional revenue that will be raised from increased economic growth because of

the tax cuts. Some dismiss dynamic scoring out of hand, but I believe that it can be legitimate. But as we were about to vote on the bill, even the idea of having an official dynamic score of this bill before voting on it seems to have completely disappeared.

What we do know is that the nonpartisan Joint Committee on Taxation says it will add nearly $1.5 trillion plus interest to our debt, which is currently $20 trillion and growing. The one rough dynamic score that has been produced by the rightwing Tax Foundation shows that this bill, as originally introduced, would still add over $1 trillion to our debt.

The new debt is not even used to put the needs of middle class Americans first. The bulk of the benefits from the bill favor businesses and corporations rather than individual taxpayers.

The Tax Policy Center estimates that families would only get the benefit of about one-third of the tax cuts offered by the bill, with corporations and other businesses getting twice as much. This is because of the unbalanced way in which business tax rates are lowered with relatively few cuts to corporate deductions.

But as we have heard many of our speakers talk about all of the deductions, they are going to hurt middle class Americans as they try to deal with growing expenses for healthcare, education, and childcare.

Of course, true tax reform can alter some of these provisions in order to simplify the Tax Code. But we must make sure that, at the end of the day, middle class families' pocketbooks are not harmed by the changes that we make.

While many tout that this bill doubles the standard deduction, it is important to understand that it also eliminates personal exemptions. This means that families with children or other dependents may be worse off.

There are other examples of deductions lost that will negatively impact middle class families. We have heard many of them, including the medical expense deduction. That means that families with very high expenses, such as long-term care for extraordinary illnesses, will pay higher tax bills.

The bill also makes student loan borrowers pay new taxes on the loan interest they pay.

The list goes on.

One particularly contentious part of this bill is that it severely curtails the deduction individual taxpayers take for State and local taxes paid. Supporters of this idea claim that this deduction is an unfair subsidy from the Federal Government to high-tax cities and States, but in my own State of Illinois where taxpayers will get hit hard by this, we already get only 79 cents back from the Federal Government for every dollar we contribute in taxes. Taking away the State and local tax deduction will only make this discrepancy worse.

Now, one particularly troubling aspect of this bill is that, while it adds some new incentives to make it easier to raise children and support families, these incentives expire after 5 years, even as provisions that primarily benefit high-income taxpayers and corporations are made permanent.

When analyzed as a whole, the nonpartisan Tax Policy Center predicts that any tax relief some middle class families might receive from this bill will disappear over time. Yet families in the top of 1 percent and even the top one-tenth of 1 percent will not only see immediate relief, but even larger returns in the long run.

Finally, this bill does nothing to address a major tax issue that our Nation faces: the fact that the highway trust fund that pays for Federal roads and transit projects is taking more and more money every year out of general revenue. We need to fix the highway trust fund, and if we did that here, we could also start finally doing some of those trillion-dollar infrastructure projects that the President keeps talking about.

So, once again, in this bill, the House is choosing to pursue a needlessly partisan, closed process for major legislation with wide-ranging impacts and enormous price tags. I really urge my colleagues to change course. Pursue a truly bipartisan reform so that we do well by American families and businesses that need Congress to act on this critical issue.

Mr. Speaker, I thank Ranking Member NEAL for all his work on this.

Mr. NEAL. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts has 1½ minutes remaining.

Mr. NEAL. Mr. Speaker, let me thank Mr. LIPINSKI and the group that is assembled here tonight. I want to encourage the American people to pay attention beginning again tomorrow morning at 9 o'clock when we are going to finish the debate on this legislation.

I hope that as they pay attention to it they will consider what a missed opportunity this was, a reminder that one of the most complex pieces of legislation offered in the years I have been here had no public hearings. Not one witness was summonsed to give advice on a tax bill of this consequence.

It has been advertised as a middle class tax cut. I can assure you that 36 million Americans are going to pay more when this is done.

Also, another reminder to pay close attention to is that our friends down the hallway in the Senate are going to include an end to the mandate, which is the glue that holds together the Affordable Care Act, in a further effort to take away health insurance from 13 million people to pay for a tax cut.

This could have been done together, Democrats and Republicans. We wanted to do it. We were shut out of this process from day one. Remember, this legislation was offered last Thursday. A manager's mark was published Friday. We went to markup on Monday, and we were done on Thursday. There was no opportunity for us to participate.

Mr. Speaker, I yield back the balance of my time.

## TAX REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2017, the Chair recognizes the gentleman from Arizona (Mr. SCHWEIKERT) for 30 minutes.

Mr. SCHWEIKERT. Mr. Speaker, I want to do actually two or three things specifically tonight. One is walk through a bunch of data on why the tax reform proposal is actually just sort of crucial to our society and where we are going and, number two, actually walk through some impressions of being one of the new members on Ways and Means.

I have been here in the U.S. House; now I am in my seventh year here. I have only been on the Ways and Means Committee now for a year. It has been one of the most fascinating experiences of my life because of the number of meetings, the diving into data, the ability to sort of make things mesh together and make the math work, with an understanding of how serious this is.

The problem is, in the somewhat toxic partisan environment we are in right now, I know there are some of my friends on the other side who are really uncomfortable with the idea of Republicans having a win.

□ 2100

I know there are others who are constantly looking for what the partisan wedge is. I am going to ask, at least for just a couple of moments, that we sort of think through something altogether.

We are going to walk through some of these boards. If you see this one right here, this is with the borrowing from all the trust funds. But our country is already 105 percent of debt. If you add up the publicly held debt and that from borrowing from the trust funds, it is over 105 percent of debt to GDP.

Lots and lots of economists get really nervous when you start to say: Hey, in just a few years, the amount of debt issued by this government will be the size of the entire economy. This is issue, not borrowing from trust funds.

Understand that the curve is steepening because the trust fund balances are falling. We are finally hitting that inflection period where demographics are moving our numbers. Remember, the peak of the baby boom is 60 years old today.

We have obligations that we as a society have made to our brothers and sisters who are getting older. We have a real problem. You are going to see in a number of these slides that if we continue to stay as a society, as a country, that is only growing. Remember, the projection right now is 1.8 percent growth over the next 20 years. You mathematically cannot meet your obligations. It is called a debt crisis. It is called an entitlement crisis.

One of the key solutions to being able to meet our obligations, to meet our promises, is we need a society, an economy that is growing. If you love people, if you care about them, if you want them to be able to save and have opportunity and a future, you need a society that is economically expanding.

I accept that this body is often about our next reelection. This is an observation that I learned this year. There are some things that are in the Tax Code that are brilliant politics. They get you reelected. They give you something warm and fuzzy to go talk about at home. They are really bad economics.

It is hard to stand in front of a group and say: Hey, we get to deduct State and local taxes. Yay.

Then you look at the economic expansion modeling of it and there is almost no economic growth for a huge amount of spending.

I know it is a sensitive issue with a lot of my brothers and sisters here on both the right and left who are from high-tax jurisdictions, but understand one of the reasons it has been looked at is that it is a tremendous amount of spending in the Tax Code and there is almost no economic expansion from that spending.

Whereas, if that same spending in the Tax Code is in things that grow businesses, grow job opportunities, grow the ability to save, you can actually see the modeling where the economy gets bigger, where all of us have job opportunities, and over the coming years, you get paid more because the economy is growing.

This is great politics. This is good economics. I don't think those of us on the Republican side know it—and I know so often we get behind these microphones and we all sound like accountants on steroids—but the math is important.

How many times has this body made public policy that felt good, that was good politics, and really crappy economics?

That is how you wake up one day and your society is $20 trillion in debt and the curve is about to blow off the charts.

Remember, a lot of outside groups on the right and left have been doing modeling, saying there will be a debt crisis in about a decade and a half. It is coming, and it is coming very, very fast at us.

To have an understanding of just how difficult these numbers are, on this chart I have up here, do you see the red area?

This is for 2027. But you figure we just finished the 2018 appropriations and budgets, so we are already starting to plan the 2019.

Well, 8 functionally budget years from now, only 11 percent of this Federal Government's spending will be for things that people think of as government. Everything else—defense and entitlements, mandatory spending, both earned entitlements and unearned entitlements—will be everything other than 11 percent of the spending.

Public lands, the FBI, the Justice Department, the Park Service, health research, education, all the things you think of as government will be only 11 percent of our spending. Everything else will be either military—the military will also be only 11 percent—and everything else after that is mandatory. It continues to grow that way.

If you are someone who cares about education, who cares about the environment, who cares about these things, understand that if you do not start to get some dramatic economic growth, you are going to be squeezed out.

The dollars spent on your priorities are disappearing. It is math. We do not have the revenues. It is going to get crushed. It is coming very, very fast. This isn't Republican math or Democrat math. It is math.

What if I came to you right now and asked: What is one of the most powerful things we can do as a society to keep our promises?

My brothers and sisters on the left often talk about our promises to retirees. They are absolutely right. The fact of the matter is, I believe that for someone who retires in the next couple of years, they will have put in about $190,000 for their Medicare. They are going to receive over $600,000. That is in, like, dollars.

Multiply that by 76 million baby boomers in that 18-year period. In just that differential, understand that one of the root causes is demographics. We still made a promise. The way you are able to cover that promise is economic growth.

When you look at this chart, it is fairly new from a Stanford economist. I found this in a book about 2 months ago. Do you see that red line on the left-hand side? Do you see where it lays fairly flat?

That is actually a line that says: ''Entitlement spending to GDP.''

The size of the economy, the entitlement spending in the 1990s, in the late 1980s didn't go down. It was still going up. The difference was the economy got bigger.

So when you hear us talk about debt-to-GDP ratios, start thinking about that denominator.

How do you grow the economy so that if we keep our promises, it doesn't crash the economy and functionally almost bring the world down?

We have some charts that make it very clear that when we have been in times of economic expansion, we have even been able to spend more money on these entitlement programs; yet we bent the debt curve and the amount of that consumption to the size of the economy.

I know this gets a little geeky, but at some point the math is important. I know we just spent a couple of hours talking about peoples' feelings on a 400- or 500-page tax bill, but let's get some of the math correct.

Understand that the chart next to me is sort of the CBO projections. The math is worse than even the CBO projections. If you can look—and I know this is small—but the CBO missed the 2017 number by over $100 billion. The fiscal year we just finished, the 2017 fiscal year, we borrowed $666 billion. This is one of the good years.

So, remember, you have heard people talking about in a static score over the next decade—10 years—this tax bill costs a $1.5 trillion. But we borrowed $666 billion last year, with no tax relief and a government policy that functionally gave us a 1.8 percent GDP.

Take a look at this year. It was supposed to get much better, but now that we know we have the spending for the hurricanes and disasters, we know we are going to blow through that.

If you can see it in about 4 budget years, because of that 1.8 percent economic expansion, we are going to start borrowing $1 trillion a year.

Yes, building a tax bill with $1.5 trillion borrowing over 10 years is something you have to really think about. You need to design it so we get the economic expansion so that the size of the economy gets bigger so there are opportunities to take in new revenues.

But do understand that if you are part of the side that you are just hearing supporting the status quo, the status quo is already a disaster and is just on the cusp of time. The disaster is already here. The disaster is status quo and doing more of the same.

In 4 budget years, you are borrowing $1 trillion a year, and it goes up from that. So doing nothing, continuing the status quo, is the entitlement crisis, is the fiscal cliff, is the debt crisis. We don't have a choice. We must get together and do what is necessary to get this economy growing.

We heard one of the previous speakers—who is one of the people I really like; he is a good guy; a Democrat of Illinois—talk about the Tax Foundation. I sort of forgot this part. This is a quote from the Tax Foundation study. It is $1 trillion in new revenues.

Our static score that we are doing—and the Tax Foundation score is higher in spending—but our model says it is $1.5 trillion of spending in the Tax Code static. That means no economic growth. We are going to talk about what dynamic growth is. They say a new, additional trillion dollars of revenue. That is what we call dynamic scoring.

What is dynamic scoring, you may ask. Dynamic scoring is nothing more than asking: How does this policy affect the size of the economy? And then you loop it back and look for the feedback effects.

If you are a Democrat and you are saying, ''I don't believe in dynamic scoring,'' you really need to think about that position because you believe in dynamic scoring when the left introduced an immigration bill. It was dynamically scored.

Global warming. If you actually look at the scoring, it has feedback effects. Go back to the stimulus.

We all use dynamic scoring around here. We just seem to only want to embrace it when it supports our own political views. Every March, the Congressional Budget Office gives us an update that has economic feedback effect in it. That is called dynamic scoring.

For both my friends on the right and the left, you can't just pretend that public policy has no effect in the size of the economy when it is contrary to your certain political pitch that you are making right now.

Just understand, the Tax Foundation says $1 trillion in new revenues. But the other things that are really important—and this actually starts to give you an understanding of some of the effects—is we have close to $300 billion in new payroll taxes.

Understanding that Social Security and Medicare are pay-as-you-go programs, today's taxpayers are functionally paying today's recipients. That is why I have been behind this microphone over the last year talking about things like demographics and birth rates and the really dangerous effects these low birth rates are having in the society, but that is other stuff.

We will have almost $300 billion in new payroll taxes. So I have $1 trillion in new income taxes and close to $300 billion in new payroll taxes for what we model is a trillion-and-a-half-dollar static score.

You may not like the numbers, but the Tax Foundation is really good at this. They have some of the most advanced models that exist anywhere in this country and it is worth going to and reading their information.

Right now, when you hear us talking, we are giving you just static scores. It is important to know that the freaky smart people are out there modeling, saying what we are doing is expanding the size of the economy as you go into the future.

Why is this so critical?

If you see this chart, this is what is being projected for our future. This is the CBO's estimates over the next, I believe it is, three decades.

□ 2115

Functionally, a 1.8 percent GDP growth. This is their projection. This is what they see our future looking like.

But if you go back to the 1950s—to 1973, yeah, we had a demographic bubble that was young and moving into the workforce. If you look at the late 1970s, 1990s, we were actually doing an average of 3.3 percent GDP a year.

If you actually are someone like I am where you just are fascinated—GDPNow, which is the Atlanta Fed's calculator, right now, has our GDP, as of today, at 3.2 percent GDP. That is amazing. The model we have been given says we should be at 1.8. We are substantially above that right now in anticipation of tax reform.

Apparently, a lot of the economy out there is already anticipating a better regulatory market and a better tax regime, and, with that, they are spending, they are investing, and we are already seeing it in the baseline numbers. This is something we can't screw up. It is incredibly important.

So let's try to understand, once again, if you care and love people and want them to have an economic future, why that growth is so incredibly important. If you actually sort of look at the difference—and this is sort of a difficult chart to understand. But if we are sitting here somewhere between this 1½ and 2 percent GDP growth, and you wanted to double the size of the economy, you are looking at having to wait over 35 years.

What happens if we were in the very tail end? And look, from my own math, I don't think we get there. We might have some years that touch it. But what would happen if you were at 4 percent GDP growth? You go from over 35 years to a little over 17 years to double the size of the economy. Well, how about if we could beat 3½ percent GDP? You go from over 35 years to 22 years.

Just understand the size of the economy has almost everything to do with what you are paid, your ability to have a pay raise, your ability to have enough cash flow in your life so you can save for your retirement. I know this seems like an academic lecture, but it is not. These things affect our lives. They also affect our ability to pay our promises. It also affects our ability to protect our Nation. It is not a game.

So another way to sort of look at the same numbers—and I just happen to like this chart, so that is one of the reasons we are putting it up. You can see sort of the bubbles. What would it take to sort of double that GDP per person? You know, okay, so instead of the entire economy, how about you, as an American citizen, the size of the economy as you—because as a participant in the economy, this has something to do with what you are paid, your ability on your lifestyle, the things you can own, the things you can do for your family.

The difference between the 2 percent—and let's just jump up to 4 percent, and the number of years, you start to realize the difference between 17 years or 35 years. This is about every one of us as an individual in this country that if we can adopt tax policy, that is good for families, good for the middle class, but also makes us competitive in the world again, and we start to grow, good things happen. Do you do a Tax Code that is great politics or really good economics?

Some of the math is hard. We live in a society right now where if you can look at the very far left side of this chart, the top 20 percent of our society, of our income earners—the top 20 percent of income earners are paying 88 percent of the Federal income taxes.

You start to understand. If I came to you right now, just as a simple math problem, and said, ''Hey, I have got 20 percent of very high income earners who are paying 88 percent of all the Federal income taxes, but I really want to make sure that the quartiles of our hardworking middle-income earners are getting a lot of this benefit,'' you can understand why there were such great math problems in making these things work, because 88 percent of all your Federal revenue is sitting out here with 20 percent of the population.

That is actually why we have had to do a lot of the things we have done. And where certain deductions, certain things phase out, it is just a math problem. But remember, you see that red line, and you see where it crosses the blue line? That is where publicly held debt will exceed the size of our economy.

This government will have issued debt to foreign buyers, to your retirement account, to pension funds that will exceed the size of this economy, and it is only a few years away, and that is what the status quo is. That is where we are going.

I will make you the argument, we don't have a choice. We must make a simpler, a fairer, but a dramatic and more progrowth tax system as part of this country's culture.

In being blessed to now be on the Ways and Means Committee, which I am incredibly appreciative—they are some of the smartest people I have ever worked with, are really smart calculators and people—there is something called Joint Tax. If you ever want to know where all the freaky smart people or president of your high school math class are, there is 50 of them in there. I think like more than half may have Ph.D.'s in math and statistics and accounting. They tell us, the testimony to the committee is, 94 percent of the tax paying population will now do their taxes on this. Only 6 percent of taxpayers in the country will need to itemize.

There is actually some really interesting math that also starts to happen when you have made a tax system fairer, simpler, and progrowth. But the simplicity of it makes compliance, makes the ability to pay, makes the ability to participate so much easier and so much more elegant.

I have been proud to be part of the team that has helped build this tax plan. It is not perfect, and it is still going to go through a couple of more changes. That is the way it works. We will get the Senate product; we will sit in conference committee; we will work out the math; but understand the status quo is disastrous for every American, and I actually believe it is disastrous for the world. The tax reform gives us an opportunity to grow and have an incredibly bright future if we do it the right way.

Mr. Speaker, I yield back the balance of my time.

## PUBLICATION OF COMMITTEE RULES

RULES OF THE COMMITTEE ON THE JUDICIARY FOR THE 115TH CONGRESS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
*Washington, DC, November 15, 2017.*

Hon. PAUL RYAN,
*Speaker, House of Representatives,*
*Washington, DC.*

DEAR MR. SPEAKER: Pursuant to clause 2(a)(2) of House of Representatives Rule XI, I am submitting the Committee on the Judiciary's Rules of Procedure for publication in the CONGRESSIONAL RECORD. These rules were adopted by a vote of the Committee on January 24, 2017.

Sincerely,

BOB GOODLATTE,
*Chairman.*

RULE I.

The Rules of the House of Representatives are the rules of the Committee on the Judiciary and its Subcommittees with the following specific additions thereto.

RULE II. COMMITTEE MEETINGS

(a) The regular meeting day of the Committee on the Judiciary for the conduct of its business shall be on Wednesday of each week while the House is in session.

(b) Additional meetings may be called by the Chairman and a regular meeting of the Committee may be dispensed with when, in the judgment of the Chairman, there is no need therefor.

(c) The Chairman shall furnish each Member of the Committee or Subcommittee with the date, place, and a list of bills and subjects to be considered at a Committee or Subcommittee meeting, which may not commence earlier than the third day on which Members have notice thereof (excluding Saturdays, Sundays and legal holidays when the House is not in session).

(d) At least 48 hours prior to the commencement of a meeting for the markup of legislation, the text of such legislation shall be made publicly available in electronic form.

(e) In an emergency that does not reasonably allow for the notice as requirements in (c) and (d), the Chairman may waive the notice requirements with the concurrence of the Ranking Minority Member

(f) To the maximum extent practicable, amendments to a measure or matter shall be submitted in writing or electronically to the designee of both the Chairman and Ranking Member at least 24 hours prior to the consideration of the measure or matter. The Chairman may use his discretion to give priority to amendments submitted in advance.

(g) Committee and Subcommittee meetings for the transaction of business, i.e. meetings other than those held for the purpose of taking testimony, shall be open to the public except when the Committee or Subcommittee determines by majority vote to close the meeting because disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade or incriminate any person or otherwise would violate any law or rule of the House.

(h) Every motion made to the Committee and entertained by the Chairman shall be reduced to writing upon demand of any Member, and a copy made available to each Member present.

(i) For purposes of taking any action at a meeting of the full Committee or any Subcommittee thereof for which a majority is not required, a quorum shall be constituted by the presence of not less than one-third of the Members of the Committee or Subcommittee, respectively.

(j)(1) Subject to subparagraph (2), the Chairman may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chairman may resume proceedings on a postponed request at any time.

(2) In exercising postponement authority under subparagraph (1), the Chairman shall take all reasonable steps necessary to notify Members on the resumption of proceedings on any postponed record vote.

(3) When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further debate or amendment to the same extent as when the question was postponed.

(k) Transcripts of markups shall be recorded and may be published in the same manner as hearings before the Committee

(l) Without further action of the Committee, the Chairman is directed to offer a motion under clause 1 of rule XXII of the Rules of the House of Representatives whenever the Chairman considers it appropriate.

RULE III. HEARINGS

(a) The Committee Chairman or any Subcommittee Chairman shall make public announcement of the date, place, and subject matter of any hearing to be conducted by it on any measure or matter at least one week before the commencement of that hearing. If the Chairman of the Committee, or Subcommittee, with the concurrence of the Ranking Minority Member, determines there is good cause to begin the hearing sooner, or if the Committee or Subcommittee so determines by majority vote, a quorum being present for the transaction of business, the Chairman or Subcommittee Chairman shall make the announcement at the earliest possible date.

(b) Committee and Subcommittee hearings shall be open to the public except when the Committee or Subcommittee determines by majority vote to close the meeting because disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would tend to defame, degrade or incriminate any person or otherwise would violate any law or rule of the House.

(c) For purposes of taking testimony and receiving evidence before the Committee or any Subcommittee, a quorum shall be constituted by the presence of two Members

(d) In the course of any hearing each Member shall be allowed five minutes for the interrogation of a witness until such time as each Member who so desires has had an opportunity to question the witness.

(e) The transcripts of those hearings conducted by the Committee which are decided to be printed shall be published in verbatim form, with the material requested for the record inserted at that place requested, or at the end of the record, as appropriate. Individuals, including Members of Congress, whose comments are to be published as part of a Committee document shall be given the opportunity to verify the accuracy of the transcription in advance of publication. Any requests by those Members, staff or witnesses to correct any errors other than errors in the transcription, or disputed errors in transcription, shall be appended to the record, and the appropriate place where the change is requested will be footnoted. Prior to approval by the Chairman of hearings conducted jointly with another congressional Committee, a memorandum of understanding shall be prepared which incorporates an agreement for the publication of the verbatim transcript.

RULE IV. SUBPOENAS

(a) A subpoena may be authorized and issued by the Chairman, in accordance with clause 2(m) of rule XI of the House of Representatives, in the conduct of any investigation or activity or series of investigations or activities within the jurisdiction of the Committee, following consultation with the Ranking Minority Member.

(b) In addition, a subpoena may be authorized and issued by the Committee or its Subcommittees in accordance with clause 2(m) of rule XI of the House of Representatives, in the conduct of any investigation or activity or series of investigations or activities, when authorized by a majority of the Members voting, a majority of the Committee or Subcommittee being present. Authorized subpoenas shall be signed by the Chairman or by any Member designated by the Committee.

(c) At least two business days before issuing any subpoena pursuant to subsection (a), the Chair shall consult with the Ranking Member regarding the authorization and issuance of such subpoena, and the Chair shall provide a full copy of the proposed subpoena, including any proposed document schedule, at that time.

(d) The requirements of subsection (c) may be waived in the event of an emergency that does not reasonably allow for advance written notice.

RULE V. BROADCASTING

Whenever a hearing or meeting conducted by the Committee or any Subcommittee is open to the public, those proceedings shall be open to coverage by television, radio and still photography subject to the requirements of clause 4 of Rule XI of the Rules of the House of Representatives.

RULE VI. STANDING SUBCOMMITTEES

(a) The full Committee shall have jurisdiction over: copyright, and other such matters as determined by the Chairman, and relevant oversight.

(b) There shall be five standing Subcommittees of the Committee on the Judiciary, with jurisdictions as follows:

The Subcommittee on the Constitution and Civil Justice shall have jurisdiction over the following subject matters: constitutional amendments, constitutional rights, Federal civil rights, claims against the United States, non-immigration private claims bills, ethics in government, tort liability, including medical malpractice and product liability, legal reform generally, other appropriate matters as referred by the Chairman, and relevant oversight.

The Subcommittee on Courts, Intellectual Property, and the Internet shall have jurisdiction over the following subject matters: Administration of U.S. Courts, Federal Rules of Evidence, Civil and Appellate Procedure, judicial ethics, patent and trademark law, information technology, other appropriate matters as referred to by the Chairman, and relevant oversight.

The Subcommittee on Crime, Terrorism, Homeland Security, and Investigations shall have jurisdiction over the following subject matters: Federal Criminal Code, drug enforcement, sentencing, parole and pardons, internal and homeland security, Federal Rules of Criminal Procedure, prisons, criminal law enforcement, and other appropriate matters as referred by the Chairman, and relevant oversight.

The Subcommittee on Immigration and Border Security shall have jurisdiction over the following subject matters: immigration and naturalization, border security, admission of refugees, treaties, conventions and international agreements, Federal charters of incorporation, private immigration bills, non-border immigration enforcement, other appropriate matters as referred by the Chairman, and relevant oversight.

The Subcommittee on Regulatory Reform, Commercial and Antitrust Law shall have

jurisdiction over the following subject matters: bankruptcy and commercial law, bankruptcy judgeships, administrative law, independent counsel, state taxation affecting interstate commerce, interstate compacts, antitrust matters, other appropriate matters as referred by the Chairman, and relevant oversight.

(c) The Chairman of the Committee and Ranking Minority Member thereof shall be ex officio Members, but not voting Members, of each Subcommittee to which such Chairman or Ranking Minority Member has not been assigned by resolution of the Committee. Ex officio Members shall not be counted as present for purposes of constituting a quorum at any hearing or meeting of such Subcommittee.

RULE VII. POWERS AND DUTIES OF SUBCOMMITTEES

Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective Subcommittees after consultation with the Chairman and other Subcommittee chairmen with a view toward avoiding simultaneous scheduling of full Committee and Subcommittee meetings or hearings whenever possible.

RULE VIII. NON-LEGISLATIVE REPORTS

No report of the Committee or Subcommittee which does not accompany a measure or matter for consideration by the House shall be published unless all Members of the Committee or Subcommittee issuing the report shall have been apprised of such report and given the opportunity to give notice of intention to file supplemental, additional, or dissenting views as part of the report. In no case shall the time in which to file such views be less than three calendar days (excluding Saturdays, Sundays and legal holidays when the House is not in session).

RULE IX. COMMITTEE RECORDS

The records of the Committee at the National Archives and Records Administration shall be made available for public use according to the Rules of the House. The Chairman shall notify the Ranking Minority Member of any decision to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on the written request of any Member of the Committee.

RULE X. OFFICIAL COMMITTEE WEBSITE

(a) The Chairman shall maintain an official website on behalf of the Committee for the purpose of furthering the Committee's legislative and oversight responsibilities, including communicating information about the Committee's activities to Committee Members and other Members of the House.

(b) The Chairman shall make the record of the votes on any question on which a record vote is demanded in the full Committee available on the Committee's official website not later than 48 hours after such vote is taken. Such record shall identify or describe the amendment, motion, order, or other proposition, the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and the names of the Members voting present.

(c) Not later than 24 hours after the adoption of any amendment to a measure or matter considered by the Committee or its Subcommittees, the Chairman shall make the text of each such amendment publicly available in electronic form.

(d) Not later than 3 days after the conclusion of a Committee meeting, the transcript of such meeting and the text of all amendments offered shall be made available on the Committee website.

(e) The Ranking Member is authorized to maintain a similar official website on behalf of the Committee Minority for the same purpose, including communicating information about the activities of the Minority to Committee Members and other Members of the House.

## ADJOURNMENT

Mr. SCHWEIKERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 23 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, November 16, 2017, at 9 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

3178. A letter from the Senior Counsel, Legal Division, Bureau of Consumer Financial Protection, transmitting the Bureau's Major final rule — Payday, Vehicle Title, and Certain High-Cost Installment Loans [Docket No.: CFPB-2016-0025] (RIN: 3170-AA40) received November 13, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Financial Services.

3179. A letter from the Senior Procurement Executive, Office of Acquisition Policy, General Services Administration, transmitting the Administration's Major final rule — Federal Acquisition Regulation; Removal of Fair Pay and Safe Workplaces Rule [FAC 2005-96; FAR Case 2017-015; Docket No.: 2017-0002; Sequence No.: 1] (RIN: 9000-AN52) received November 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Oversight and Government Reform.

3180. A letter from the Senior Procurement Executive, Office of Acquisition Policy, General Services Administration, transmitting the Administration's small entity compliance guide — Federal Acquisition Regulation; Federal Acquisition Circular 2005-96 [Docket No.: FAR 2017-0051, Sequence No. 1] received November 14, 2017, pursuant to 5 U.S.C. 801(a)(1)(A); Public Law 104-121, Sec. 251; (110 Stat. 868); to the Committee on Oversight and Government Reform.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOWDY: Committee on Oversight and Government Reform. H.R. 4174. A bill to amend titles 5 and 44, United States Code, to require Federal evaluation activities, improve Federal data management, and for other purposes (Rept. 115–411). Referred to the Committee on the Whole House on the state of the Union.

Mr. GOODLATTE: Committee on the Judiciary. H.R. 659. A bill to amend the Clayton Act and the Federal Trade Commission Act to provide that the Federal Trade Commission shall exercise authority with respect to mergers only under the Clayton Act and only in the same procedural manner as the Attorney General exercises such authority (Rept. 115–412). Referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. WESTERMAN (for himself and Mr. MOULTON):

H.R. 4395. A bill to improve the coordination and use of geospatial data; to the Committee on Science, Space, and Technology, and in addition to the Committee on Oversight and Government Reform, 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.

By Ms. SPEIER (for herself, Mr. COSTELLO of Pennsylvania, Ms. KUSTER of New Hampshire, Mr. POLIQUIN, Mr. FITZPATRICK, and Mr. RASKIN):

H.R. 4396. A bill to amend the Congressional Accountability Act of 1995 to reform the procedures provided under such Act for the investigation and resolution of allegations that employing offices of the legislative branch have violated the rights and protections provided to their employees under such Act, including protections against sexual harassment, to require the updating of programs of sexual harassment prevention and response training in employment, to institute biennial employment discrimination climate surveys, and for other purposes; to the Committee on House Administration.

By Mrs. MIMI WALTERS of California (for herself, Mr. THOMPSON of California, Mr. MCCARTHY, Mr. LAMALFA, Mr. ROYCE of California, Mr. DENHAM, Mr. CALVERT, Ms. BROWNLEY of California, Mr. BERA, Ms. LOFGREN, Mr. HUFFMAN, Mr. COSTA, Ms. MATSUI, Mr. GARAMENDI, Ms. SPEIER, Ms. LEE, Mr. DESAULNIER, Ms. ESHOO, and Mr. GOMEZ):

H.R. 4397. A bill to provide tax relief with respect to California wildfires; to the Committee on Ways and Means, and in addition to the Committee on the Budget, 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.

By Ms. BARRAGÁN (for herself, Ms. LOFGREN, Ms. NORTON, Mr. EVANS, Mr. MCGOVERN, Mrs. NAPOLITANO, Mr. BEYER, Mr. HUFFMAN, Mr. GUTIÉRREZ, Mr. VARGAS, Mr. SOTO, Mr. GOMEZ, Mr. CARBAJAL, and Mr. KIHUEN):

H.R. 4398. A bill to require the Secretary of Homeland Security to suspend immigration enforcement operations within an area for which the President has declared a major disaster or an emergency, and for other purposes; to the Committee on the Judiciary.

By Mr. BRENDAN F. BOYLE of Pennsylvania (for himself, Mr. COSTELLO of Pennsylvania, Mr. SARBANES, and Mr. FITZPATRICK):

H.R. 4399. A bill to expand the monthly payments that may be eligible for public service loan forgiveness; to the Committee on Education and the Workforce.

By Mr. CÁRDENAS (for himself and Ms. NORTON):

H.R. 4400. A bill to amend the Food, Conservation, and Energy Act of 2008 to make improvements to the food safety education program carried out under such Act, and for other purposes; to the Committee on Agriculture.

By Mr. CARSON of Indiana:

H.R. 4401. A bill to ensure prompt access to Supplemental Security Income, Social Security disability, and Medicaid benefits for persons released from certain public institutions; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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.

By Ms. JUDY CHU of California:

H.R. 4402. A bill to amend section 479(c) of the Higher Education Act of 1965 to clarify when the Secretary shall consider an independent student without dependents to have an expected family contribution equal to zero; to the Committee on Education and the Workforce.

By Mr. DENHAM (for himself and Mr. PASCRELL):

H.R. 4403. A bill to amend the Tariff Act of 1930 to protect personally identifiable information, and for other purposes; to the Committee on Ways and Means.

By Mr. EMMER (for himself, Mr. LEWIS of Minnesota, Mr. PETERSON, and Mr. PAULSEN):

H.R. 4404. A bill to amend title XXI of the Social Security Act to provide for an exception to the reduction to State allotments under the Children's Health Insurance Program for fiscal year 2018; to the Committee on Energy and Commerce.

By Mr. ESPAILLAT (for himself, Ms. CLARKE of New York, Mr. COLLINS of New York, Mr. CROWLEY, Mr. DONOVAN, Mr. ENGEL, Mr. FASO, Mr. HIGGINS of New York, Mr. JEFFRIES, Mr. KATKO, Mr. KING of New York, Mrs. LOWEY, Mrs. CAROLYN B. MALONEY of New York, Mr. SEAN PATRICK MALONEY of New York, Mr. MEEKS, Ms. MENG, Mr. NADLER, Mr. REED, Miss RICE of New York, Mr. SERRANO, Ms. SLAUGHTER, Mr. TONKO, Ms. VELÁZQUEZ, Mr. ZELDIN, Mr. SUOZZI, Ms. STEFANIK, and Ms. TENNEY):

H.R. 4405. A bill to designate the facility of the United States Postal Service located at 4558 Broadway in New York, New York, as the ''Stanley Michaels Post Office Building''; to the Committee on Oversight and Government Reform.

By Mr. ESPAILLAT (for himself, Ms. CLARKE of New York, Mr. COLLINS of New York, Mr. CROWLEY, Mr. DONOVAN, Mr. ENGEL, Mr. FASO, Mr. HIGGINS of New York, Mr. JEFFRIES, Mr. KATKO, Mr. KING of New York, Mrs. LOWEY, Mrs. CAROLYN B. MALONEY of New York, Mr. SEAN PATRICK MALONEY of New York, Mr. MEEKS, Ms. MENG, Mr. NADLER, Mr. REED, Miss RICE of New York, Mr. SERRANO, Ms. SLAUGHTER, Mr. TONKO, Ms. VELÁZQUEZ, Mr. ZELDIN, Mr. SUOZZI, Ms. STEFANIK, and Ms. TENNEY):

H.R. 4406. A bill to designate the facility of the United States Postal Service located at 99 Macombs Place in New York, New York, as the ''Tuskegee Airman Post Office Building''; to the Committee on Oversight and Government Reform.

By Mr. HULTGREN (for himself, Mr. RUSH, Ms. KELLY of Illinois, Mr. LIPINSKI, Mr. GUTIÉRREZ, Mr. QUIGLEY, Mr. ROSKAM, Mr. DANNY K. DAVIS of Illinois, Mr. KRISHNAMOORTHI, Ms. SCHAKOWSKY, Mr. SCHNEIDER, Mr. FOSTER, Mr. BOST, Mr. RODNEY DAVIS of Illinois, Mr. SHIMKUS, Mr. KINZINGER, Mrs. BUSTOS, and Mr. LAHOOD):

H.R. 4407. A bill to designate the facility of the United States Postal Service located at 3s101 Rockwell Street in Warrenville, Illinois, as the ''Corporal Jeffery Allen Williams Post Office Building''; to the Committee on Oversight and Government Reform.

By Mr. KATKO (for himself and Mr. SUOZZI):

H.R. 4408. A bill to amend the Controlled Substances Act to establish additional registration requirements for prescribers of opioids, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary, 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.

By Mr. LAWSON of Florida:

H.R. 4409. A bill making supplemental appropriations for the Army Corps of Engineers for flood control projects and storm damage reduction projects in areas affected by flooding in the city of Jacksonville, Florida, and for other purposes; to the Committee on Appropriations, and in addition to the Committee on the Budget, 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.

By Mr. SEAN PATRICK MALONEY of New York:

H.R. 4410. A bill to amend the Higher Education Act of 1965 to require additional reporting on crime and harm that occurs during student participation in programs of study abroad, and for other purposes; to the Committee on Education and the Workforce.

By Mr. SEAN PATRICK MALONEY of New York:

H.R. 4411. A bill to direct the Secretary of State to make available to the Director of the Centers for Disease Control and Prevention copies of consular reports of death of United States citizens, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on 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.

By Ms. MOORE:

H.R. 4412. A bill to amend the Military Selective Service Act to provide that a registrant for selective service may indicate at the time of registration a desire to be classified as a conscientious objector; to the Committee on Armed Services.

By Mr. PEARCE:

H.R. 4413. A bill to amend the Uniform Code of Military Justice to prevent the receipt of unpaid pay and allowances by Bowe Bergdahl and other members of the Armed Forces who are guilty of desertion and to reserve such unpaid pay and allowances to provide additional compensation to members of the Armed Forces who are killed, wounded, or injured while searching for a missing member of the Armed Forces who turns out to have deserted; to the Committee on Armed Services.

By Mr. FRANCIS ROONEY of Florida (for himself, Mr. NORMAN, and Mr. ALLEN):

H.R. 4414. A bill to amend the Higher Education Act of 1965 to require students who do not complete a program of study to repay Federal Pell Grants; to the Committee on Education and the Workforce.

By Mr. SMITH of Washington:

H.R. 4415. A bill to establish the policy of the United States regarding the no-first-use of nuclear weapons; to the Committee on Foreign Affairs.

By Mr. COHEN (for himself, Mr. GUTIÉRREZ, Mr. YARMUTH, Mr. AL GREEN of Texas, Ms. FUDGE, and Mr. ESPAILLAT):

H. Res. 621. A resolution impeaching Donald J. Trump, President of the United States, of high crimes and misdemeanors; to the Committee on the Judiciary.

By Miss RICE of New York (for herself, Mr. SCOTT of Virginia, Mr. NOLAN, Mr. FITZPATRICK, Mr. LARSEN of Washington, Mrs. BUSTOS, Mr. POCAN, Mr. NORCROSS, Ms. BONAMICI, Mr. KHANNA, Mr. BROWN of Maryland, Mrs. LAWRENCE, Mr. LANGEVIN, Mr. CARBAJAL, Mrs. DAVIS of California, Mr. MOULTON, Mr. PALLONE, Mr. BERA, Ms. ADAMS, Mr. COURTNEY, Mr. TAKANO, and Ms. HANABUSA):

H. Res. 622. A resolution supporting the designation of the week beginning November 13, 2017, as ''National Apprenticeship Week''; to the Committee on Education and the Workforce.

By Mr. CARSON of Indiana:

H. Res. 623. A resolution recognizing the importance of providing services to children of incarcerated parents; to the Committee on Education and the Workforce.

By Mr. CURBELO of Florida (for himself, Mr. SENSENBRENNER, Mr. DIAZ-BALART, Ms. ROS-LEHTINEN, Ms. WASSERMAN SCHULTZ, Mr. HUFFMAN, Mr. SOTO, Ms. WILSON of Florida, Mr. SIRES, Mr. LOWENTHAL, and Mr. RODNEY DAVIS of Illinois):

H. Res. 624. A resolution expressing support for the designation of room G2-24 of the Rayburn House Office Building as the ''Stephen D. Vermillion, III, Room''; to the Committee on Transportation and Infrastructure.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

146. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to House Resolution No. 576, urging the Federal Energy Regulatory Commission to swiftly consider the United States Department of Energy's proposed Grid Resiliency Pricing Rule and implement policies to ensure fuel-secure baseload electricity generation resources receive proper compensation for the positive attributes they provide our nation's and our Commonwealth's electric system.; to the Committee on Energy and Commerce.

147. Also, a memorial of the Senate of the Commonwealth of Pennsylvania, relative to Senate Resolution No. 227, acknowledging the grid resilience and reliability benefits that fuel-secure baseload electricity generation resources provide to the residents, businesses and economy of this Commonwealth and asserting that fuel-secure baseload generation resources receive proper compensation for these positive attributes; to the Committee on Energy and Commerce.

## CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the following statements are submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill or joint resolution.

By Mr. WESTERMAN:

H.R. 4395.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to the power granted to Congress under Article I, Section 8, Clause 3 of the United States Constitution

By Ms. SPEIER:

H.R. 4396.

Congress has the power to enact this legislation pursuant to the following:

This bill is enacted pursuant to the power granted to Congress under Article 1, Section 8 of the United States Constitution.

By Mrs. MIMI WALTERS of California:

H.R. 4397.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 1 of the Constitution of the United States.

By Ms. BARRAGÁN:

H.R. 4398.

Congress has the power to enact this legislation pursuant to the following:

the power granted to Congress under Article I of the United States Constitution and it subsequent amendments, and further clarified and interpreted by the Supreme Court of the United States

By Mr. BRENDAN F. BOYLE of Pennsylvania:

H.R. 4399.

Congress has the power to enact this legislation pursuant to the following :

Article I, Section 8 of the U.S. Constitution under the General Welfare Clause.

By Mr. CARDENAS:

H.R. 4400.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

By Mr. CARSON of Indiana:

H.R. 4401.

Congress has the power to enact this legislation pursuant to the following:

Clause 18 of section 8 of Article I of the Constitution.

By Ms. JUDY CHU of California:

H.R. 4402.

Congress has the power to enact this legislation pursuant to the following:

Art. 1, Sec. 8 ''The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States.''

By Mr. DENHAM:

H.R. 4403.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8, Clause 18

By Mr. EMMER:

H.R. 4404.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 1 of the United States Constitution: The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States

By Mr. ESPAILLAT:

H.R. 4405.

Congress has the power to enact this legislation pursuant to the following :

Article One of the United States Constitution, section 8, clause 18:

The Congress shall have Power—To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof

or

Article One of the United States Constitution, Section 8, Clause 3:

The Congress shall have Power—To regulate Commerce with foreign Nations, and among the several States, and with the Indian tribes;

By Mr. ESPAILLAT:

H.R. 4406.

Congress has the power to enact this legislation pursuant to the following:

Article One of the United States Constitution, section 8, clause 18:

The Congress shall have Power—To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof

or

Article One of the United States Constitution, Section 8, Clause 3:

The Congress shall have Power—To regulate Commerce with foreign Nations, and among the several States, and with the Indian tribes;

By Mr. HULTGREN:

H.R. 4407.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 1 of the United States Constitution.

By Mr. KATKO:

H.R. 4408.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8, Clause 1, with respect to the power to ''lay and collect Taxes, Duties, Imposts, and Excises,'' and to provide for the ''general Welfare of the United States.''

By Mr. LAWSON of Florida:

H.R. 4409.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8: To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

By Mr. SEAN PATRICK MALONEY of New York:

H.R. 4410.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

By Mr. SEAN PATRICK MALONEY of New York:

H.R. 4411.

Congress has the power to enact this legislation pursuant to the following:

Article I, Section 8

By Ms. MOORE:

H.R. 4412.

Article I, Section 8 of the United States Constitution

By Mr. PEARCE:

H.R. 4413.

Congress has the power to enact this legislation pursuant to the following:

Article 1, Section 8: The Congress shall have the power to provide for the common defense.

By Mr. FRANCIS ROONEY of Florida:

H.R. 4414.

Congress has the power to enact this legislation pursuant to the following:

Article 1 Section 8

By Mr. SMITH of Washington:

H.R. 4415.

Congress has the power to enact this legislation pursuant to the following:

The constitutional authority on which this bill rests is the power of Congress to ''provide for the common defense,'' as enumerated in Article I, Section 8 of the United States Constitution.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions, as follows:

H.R. 38: Mr. CURTIS.

H.R. 173: Mr. DUFFY and Mrs. LOVE.

H.R. 477: Mr. BUDD.

H.R. 548: Mr. COLLINS of New York and Mr. GALLAGHER.

H.R. 564: Mr. WOMACK.

H.R. 662: Mr. KATKO.

H.R. 772: Mr. RATCLIFFE.

H.R. 807: Mrs. LOWEY and Mr. ZELDIN.

H.R. 930: Mr. RICE of South Carolina and Ms. TITUS.

H.R. 1040: Mr. SESSIONS.

H.R. 1136: Mr. O'HALLERAN.

H.R. 1153: Mr. TROTT.

H.R. 1158: Mr. THOMPSON of Pennsylvania and Mr. ROUZER.

H.R. 1164: Mr. ROYCE of California, Mr. GOTTHEIMER, and Mr. ENGEL.

H.R. 1178: Mr. LOUDERMILK, Mr. LAMBORN, Mr. CHABOT, Mr. ROE of Tennessee, Mr. FLORES, Mr. DESJARLAIS, Mr. ALLEN, Mr. BERGMAN, Mr. BUCHANAN, Mr. LAMALFA, and Mr. KELLY of Mississippi.

H.R. 1192: Mr. ROSKAM.

H.R. 1270: Mr. COSTA.

H.R. 1415: Ms. FRANKEL of Florida and Mr. SHERMAN.

H.R. 1468: Mr. KNIGHT.

H.R. 1472: Mr. KIHUEN.

H.R. 1563: Mr. CLAY.

H.R. 1606: Mr. GALLAGHER.

H.R. 1675: Mr. TIPTON.

H.R. 1811: Mr. RUPPERSBERGER and Mr. GALLAGHER.

H.R. 1953: Mr. HUDSON.

H.R. 1963: Ms. JAYAPAL.

H.R. 1977: Ms. CASTOR of Florida.

H.R. 2004: Ms. JENKINS of Kansas.

H.R. 2152: Mr. RUTHERFORD and Mr. GOHMERT.

H.R. 2255: Mr. GOTTHEIMER.

H.R. 2327: Mr. SIRES.

H.R. 2514: Mr. CORREA, Mr. HUFFMAN, Mr. RICHMOND, Mr. SIRES, and Ms. TITUS.

H.R. 2535: Ms. BROWNLEY of California.

H.R. 2617: Ms. JAYAPAL and Mr. NADLER.

H.R. 2690: Mr. LOWENTHAL.

H.R. 2740: Mr. MCCAUL.

H.R. 2747: Mr. WESTERMAN.

H.R. 2790: Mr. SCHNEIDER.

H.R. 2851: Mr. GALLAGHER.

H.R. 2884: Mr. CONYERS.

H.R. 2996: Mr. KELLY of Mississippi.

H.R. 3106: Mr. KILDEE.

H.R. 3108: Ms. SHEA-PORTER.

H.R. 3127: Mr. KING of Iowa.

H.R. 3128: Mr. KING of Iowa.

H.R. 3154: Mr. LYNCH.

H.R. 3179: Ms. TENNEY and Mr. PITTENGER.

H.R. 3227: Mr. O'ROURKE and Ms. HANABUSA.

H.R. 3394: Mr. WOMACK.

H.R. 3460: Mr. HOLDING.

H.R. 3596: Mr. LAWSON of Florida and Mr. STIVERS.

H.R. 3642: Mrs. BEATTY and Mr. ROSS.

H.R. 3645: Mr. BEYER.

H.R. 3695: Mr. KEATING.

H.R. 3711: Mr. ROE of Tennessee.

H.R. 3751: Mr. PAULSEN.

H.R. 3762: Mr. ROSS.

H.R. 3767: Mr. OLSON and Mr. VALADAO.

H.R. 3770: Ms. TITUS.

H.R. 3780: Mr. RUSH and Mrs. DINGELL.

H.R. 3798: Mr. PEARCE.

H.R. 3842: Mr. CARSON of Indiana, Ms. PINGREE, Ms. KAPTUR, and Ms. NORTON.

H.R. 3867: Mrs. COMSTOCK.

H.R. 3940: Mr. GOMEZ.

H.R. 3956: Mrs. BLACK.

H.R. 3979: Mr. PEARCE.

H.R. 3997: Ms. TENNEY.

H.R. 4006: Mr. LEWIS of Georgia, Mr. BLUMENAUER and Mr. PASCRELL.

H.R. 4007: Mr. GRAVES of Missouri, Mr. KING of New York, and Mr. THORNBERRY.

H.R. 4020: Mr. MEEKS.

H.R. 4022: Mr. LANCE, Ms. DELBENE, Mr. PITTENGER, and Mr. YARMUTH.

H.R. 4036: Mr. FERGUSON.

H.R. 4078: Mr. GRAVES of Missouri.

H.R. 4082: Mr. YARMUTH, Mr. JOHNSON of Georgia, Mr. CLAY, Ms. MCCOLLUM, and Mr. MCNERNEY.

H.R. 4093: Ms. SCHAKOWSKY.
H.R. 4114: Mr. KHANNA and Ms. SEWELL of Alabama.
H.R. 4121: Mr. SHERMAN.
H.R. 4124: Ms. GABBARD.
H.R. 4131: Mr. PERRY, Mr. MARCHANT, and Mr. GALLAGHER.
H.R. 4143: Ms. MENG, Mr. GENE GREEN of Texas, Mr. QUIGLEY, Mr. DELANEY, Mr. STIVERS, Mr. LANCE, Mrs. WALORSKI, Mrs. COMSTOCK, Ms. DEGETTE, Mrs. NAPOLITANO, Mr. KELLY of Pennsylvania, Mr. GALLAGHER, Mr. SENSENBRENNER, Mr. SCHWEIKERT, Mr. CURBELO of Florida, and Mr. PAYNE.
H.R. 4145: Mr. DESAULNIER.
H.R. 4146: Mr. MEADOWS.
H.R. 4155: Mr. DESAULNIER, Mr. PETERSON, Mr. STIVERS, Mr. DEUTCH, Mr. SABLAN, Mr. KRISHNAMOORTHI, Ms. WASSERMAN SCHULTZ, and Mr. KATKO.
H.R. 4178: Mr. THORNBERRY.
H.R. 4215: Ms. MCCOLLUM.
H.R. 4221: Mr. MEEHAN and Mr. KRISHNAMOORTHI.
H.R. 4229: Mr. BUCK, Mrs. BLACK, Mr. ROSS, Mr. GROTHMAN, Mr. BROOKS of Alabama, and Mr. THOMPSON of Pennsylvania.
H.R. 4235: Ms. JENKINS of Kansas and Mr. FRANKS of Arizona.
H.R. 4240: Mr. RUPPERSBERGER, Mr. BERA, Mr. KRISHNAMOORTHI, Ms. SHEA-PORTER, and Mr. LEWIS of Georgia.
H.R. 4246: Ms. NORTON.
H.R. 4248: Mr. SENSENBRENNER.
H.R. 4263: Mr. GOTTHEIMER.
H.R. 4265: Mr. SWALWELL of California.
H.R. 4277: Mr. SOTO and Ms. MOORE.
H.R. 4279: Mr. FOSTER.
H.R. 4290: Mr. PANETTA, Ms. JACKSON LEE, Mr. KRISHNAMOORTHI, and Ms. NORTON.
H.R. 4311: Mr. DUFFY.
H.R. 4314: Mr. DUFFY.
H.R. 4340: Mr. DUNCAN of South Carolina.
H.R. 4363: Mr. QUIGLEY.
H.R. 4370: Mr. RICE of South Carolina.
H.R. 4391: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KHANNA, and Ms. JAYAPAL.
H.R. 4392: Ms. VELÁZQUEZ, Mr. ENGEL, and Mr. BISHOP of Georgia.
H. Con. Res. 90: Mr. MEEHAN and Mr. BEYER.
H. Con. Res. 93: Mr. PEARCE, Mrs. HARTZLER, Mr. WEBER of Texas, Mr. FRANKS of Arizona, Mr. GROTHMAN, Mr. HULTGREN, Mr. BABIN, Mr. SHIMKUS, Mr. HARRIS, Mr. WESTERMAN, Mr. KELLY of Mississippi, Mr. COLE, Mr. ROSS, Mr. ESTES of Kansas, Mr. LOUDERMILK, Mr. POSEY, Mr. CHABOT, Mr. OLSON, Mr. BANKS of Indiana, Mr. WILSON of South Carolina, Mr. JODY B. HICE of Georgia, and Mr. NORMAN.
H. Res. 188: Mr. SOTO and Mr. LOWENTHAL.
H. Res. 220: Mr. BUCK.
H. Res. 276: Mr. HIGGINS of New York, Mr. NORCROSS, and Ms. PINGREE.
H. Res. 336: Ms. FRANKEL of Florida.
H. Res. 401: Ms. FRANKEL of Florida, Mr. CICILLINE, and Mr. SCHWEIKERT.
H. Res. 407: Mr. WILSON of South Carolina.
H. Res. 466: Mr. BILIRAKIS, Mr. EVANS, and Mr. PALLONE.
H. Res. 570: Mr. BANKS of Indiana.
H. Res. 604: Mr. KATKO and Ms. NORTON.