

119TH CONGRESS
1ST SESSION

H. R. 1

AN ACT

To provide for reconciliation pursuant to title II of H. Con.
Res. 14.

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

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “One Big Beautiful Bill
3 Act”.

4 SEC. 2. TABLE OF CONTENTS.

5 The table of contents of this Act is as follows:

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1 **TITLE I—COMMITTEE ON**
2 **AGRICULTURE**
3 **Subtitle A—Nutrition**

4 **SEC. 10001. THRIFTY FOOD PLAN.**

5 Section 3(u) of the Food and Nutrition Act of 2008
6 (7 U.S.C. 2012(u)) is amended to read as follows:

7 “(u)(1) ‘Thrifty food plan’ means the diet required
8 to feed a family of 4 persons consisting of a man and a
9 woman 20 through 50, a child 6 through 8, and a child
10 9 through 11 years of age, based on relevant market bas-
11 kets that shall only be changed pursuant to paragraph (3).
12 The cost of such diet shall be the basis for uniform allot-
13 ments for all households regardless of their actual com-
14 position. The Secretary shall only adjust the cost of the
15 diet as specified in paragraphs (2) and (4).

16 “(2) HOUSEHOLD ADJUSTMENTS.—The Secretary
17 shall make household-size adjustments based on the fol-
18 lowing ratios of household size as a percentage of the max-
19 imum 4-person allotment:

20 “(A) For a 1-person household, 30 percent.

21 “(B) For a 2-person household, 55 percent.

22 “(C) For a 3-person household, 79 percent.

23 “(D) For a 4-person household, 100 percent.

24 “(E) For a 5-person household, 119 percent.

25 “(F) For a 6-person household, 143 percent.

1 “(G) For a 7-person household, 158 percent.

2 “(H) For an 8-person household, 180 percent.

3 “(I) For a 9-person household, 203 percent.

4 “(J) For a 10-person household, 224 percent.

5 “(K) For households with more than 10 per-
6 sons, such adjustment for each additional person
7 shall be 224 percent plus the product of 21 percent
8 and the difference in the number of persons in the
9 household and 10.

10 “(3) REEVALUATION OF MARKET BASKETS.—

11 “(A) EVALUATION.—Not earlier than Oc-
12 tober 1, 2028, and at not more frequently than
13 5-year intervals thereafter, the Secretary may
14 reevaluate the market baskets of the thrifty
15 food plan taking into consideration current food
16 prices, food composition data, consumption pat-
17 terns, and dietary guidance.

18 “(B) NOTICE.—Prior to any update of the
19 market baskets of the thrifty food plan based
20 on a reevaluation pursuant to subparagraph
21 (A), the methodology and results of any such
22 revelation shall be published in the Federal
23 Register with an opportunity for comment of
24 not less than 60 days.

1 “(C) COST NEUTRALITY.—The Secretary
2 shall not increase the cost of the thrifty food
3 plan based on a reevaluation or update under
4 this paragraph.

5 “(4) ALLOWABLE COST ADJUSTMENTS.—On
6 October 1 immediately following the effective date of
7 this paragraph and on each October 1 thereafter,
8 the Secretary shall—

9 “(A) adjust the cost of the thrifty food
10 plan to reflect changes in the Consumer Price
11 Index for All Urban Consumers, published by
12 the Bureau of Labor Statistics of the Depart-
13 ment of Labor, for the most recent 12-month
14 period ending in June;

15 “(B) make cost adjustments in the thrifty
16 food plan for urban and rural parts of Hawaii
17 and urban and rural parts of Alaska to reflect
18 the cost of food in urban and rural Hawaii and
19 urban and rural Alaska provided such cost ad-
20 justment shall not exceed the rate of increase
21 described in the Consumer Price Index for All
22 Urban Consumers, published by the Bureau of
23 Labor Statistics of the Department of Labor,
24 for the most recent 12-month period ending in
25 June; and

1 “(A) IN GENERAL.—On the request of a
 2 State agency and with the support of the chief
 3 executive officer of the State, the Secretary may
 4 waive the applicability of paragraph (2) for not
 5 more than 12 consecutive months to any group
 6 of individuals in the State if the Secretary
 7 makes a determination that the county, or
 8 county-equivalent (as recognized by the Census
 9 Bureau) in which the individuals reside has an
 10 unemployment rate of over 10 percent.”; and
 11 (2) in paragraph (6)(F) by striking “8 percent”
 12 and inserting “1 percent”.

13 **SEC. 10004. AVAILABILITY OF STANDARD UTILITY ALLOW-**
 14 **ANCES BASED ON RECEIPT OF ENERGY AS-**
 15 **SISTANCE.**

16 (a) ALLOWANCE TO RECIPIENTS OF ENERGY ASSIST-
 17 ANCE.—

18 (1) STANDARD UTILITY ALLOWANCE.—Section
 19 5(e)(6)(C)(iv)(I) of the of the Food and Nutrition
 20 Act of 2008 (7 U.S.C. 2014(e)(6)(C)(iv)(I)) is
 21 amended by inserting “with an elderly or disabled
 22 member” after “households”.

23 (2) CONFORMING AMENDMENTS.—Section
 24 2605(f)(2)(A) of the Low-Income Home Energy As-
 25 sistance Act is amended by inserting “received by a

1 household with an elderly or disabled member” be-
2 fore “, consistent with section 5(e)(6)(C)(iv)(I)”.

3 (b) **THIRD-PARTY ENERGY ASSISTANCE PAY-**
4 **MENTS.**—Section 5(k)(4) of the Food and Nutrition Act
5 of 2008 (7 U.S.C. 2014(k)(4)) is amended—

6 (1) in subparagraph (A) by inserting “without
7 an elderly or disabled member” after “household”
8 the 1st place it appears; and

9 (2) in subparagraph (B) by inserting “with an
10 elderly or disabled member” after “household” the
11 1st place it appears.

12 **SEC. 10005. RESTRICTIONS ON INTERNET EXPENSES.**

13 Section 5(e)(6) of the Food and Nutrition Act of
14 2008 (7 U.S.C. 2014(e)(6)) is amended by adding at the
15 end the following:

16 “(E) **RESTRICTIONS ON INTERNET EX-**
17 **PENSES.**—Service fees associated with internet
18 connection, including, but not limited to,
19 monthly subscriber fees (i.e., the base rate paid
20 by the household each month in order to receive
21 service, which may include high-speed internet),
22 taxes and fees charged to the household by the
23 provider that recur on regular bills, the cost of
24 modem rentals, and fees charged by the pro-
25 vider for initial installation, shall not be used in

1 computing the excess shelter expense deduc-
2 tion.”.

3 **SEC. 10006. MATCHING FUNDS REQUIREMENTS.**

4 (a) IN GENERAL.—Section 4(a) of the Food and Nu-
5 trition Act of 2008 (7 U.S.C. 2013(a)) is amended—

6 (1) by striking “(a) Subject to” and inserting
7 the following:

8 “(a) PROGRAM.—

9 “(1) ESTABLISHMENT.—Subject to”; and

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

11 “(2) MATCHING FUNDS REQUIREMENTS.—

12 “(A) IN GENERAL.—

13 “(i) FEDERAL SHARE.—Subject to sub-
14 paragraph (B), the Federal share of the cost of
15 allotments described in paragraph (1) in a fis-
16 cal year shall be—

17 “(I) for each of fiscal years 2026 and
18 2027, 100 percent; and

19 “(II) for fiscal year 2028 and each
20 fiscal year thereafter, 95 percent.

21 “(ii) STATE SHARE.—Subject to subpara-
22 graph (B), the State share of the cost of allot-
23 ments described in paragraph (1) in a fiscal
24 year shall be—

1 “(I) for each of fiscal years 2026 and
2 2027, 0 percent; and

3 “(II) for fiscal year 2028 and each
4 fiscal year thereafter, 5 percent.

5 “(B) STATE QUALITY CONTROL INCENTIVE.—
6 Beginning in fiscal year 2028, any State that has a
7 payment error rate, as defined in section 16, for the
8 most recent complete fiscal year for which data is
9 available, of—

10 “(i) equal to or greater than 6 percent but
11 less than 8 percent, shall have its Federal share
12 of the cost of allotments described in paragraph
13 (1) for the current fiscal year equal 85 percent,
14 and its State share equal 15 percent;

15 “(ii) equal to or greater than 8 percent but
16 less than 10 percent, shall have its Federal
17 share of the cost of allotments described in
18 paragraph (1) for the current fiscal year equal
19 80 percent, and its State share equal 20 per-
20 cent; and

21 “(iii) equal to or greater than 10 percent,
22 shall have its Federal share of the cost of allot-
23 ments described in paragraph (1) for the cur-
24 rent fiscal year equal 75 percent, and its State
25 share equal 25 percent.”.

1 (b) RULE OF CONSTRUCTION.—The Secretary of Ag-
2 riculture may not pay towards the cost of allotments de-
3 scribed in paragraph (1) of section 4(a) of the Food and
4 Nutrition Act of 2008 (7 U.S.C. 2013(a)), as designated
5 by subsection (a), an amount greater than the applicable
6 Federal share described in paragraph (2) of such section
7 4(a), as added by subsection (a).

8 **SEC. 10007. ADMINISTRATIVE COST SHARING.**

9 Section 16(a) of the Food and Nutrition Act of 2008
10 (7 U.S.C. 2025(a)) is amended by striking “50 per cen-
11 tum” and inserting “25 percent”.

12 **SEC. 10008. GENERAL WORK REQUIREMENT AGE.**

13 Section 6(d) of the Food and Nutrition Act of 2008
14 (7 U.S.C. 2015(d)) is amended—

15 (1) in paragraph (1)(A), in the matter pre-
16 ceding clause (i), by striking “over the age of 15 and
17 under the age of 60” and inserting “over the age of
18 17 and under the age of 65”; and

19 (2) in paragraph (2)—

20 (A) by striking “child under age six” and
21 inserting “child under age seven”; and

22 (B) by striking “between 1 and 6 years of
23 age” and inserting “between 1 and 7 years of
24 age”.

1 **SEC. 10009. NATIONAL ACCURACY CLEARINGHOUSE.**

2 Section 11(x)(2) of the Food and Nutrition Act of
3 2008 (7 U.S.C. 2020(x)(2)) is amended by adding at the
4 end the following:

5 “(D) DATA SHARING TO PREVENT OTHER
6 MULTIPLE ISSUANCES.—A State agency shall
7 use each indication of multiple issuance, or each
8 indication that an individual receiving supple-
9 mental nutrition assistance program benefits in
10 1 State has applied to receive supplemental nu-
11 trition assistance program benefits in another
12 State, to prevent multiple issuances of other
13 Federal and State assistance program benefits
14 that a State agency administers through the in-
15 tegrated eligibility system that the State uses to
16 administer the supplemental nutrition assist-
17 ance program in the State.”.

18 **SEC. 10010. QUALITY CONTROL ZERO TOLERANCE.**

19 Section 16(c)(1)(A)(ii) of the Food and Nutrition Act
20 of 2008 (7 U.S.C. 2025(c)(1)(A)(ii)) is amended—

21 (1) in subclause (I), by striking “and” at the
22 end;

23 (2) in subclause (II)—

24 (A) by striking “fiscal year thereafter” and
25 inserting “of fiscal years 2015 through 2025”;
26 and

1 (B) by striking the period at the end and
2 inserting “; and”; and

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

4 “(III) for each fiscal year there-
5 after, \$0.”.

6 **SEC. 10011. NATIONAL EDUCATION AND OBESITY PREVEN-**
7 **TION GRANT PROGRAM REPEALER.**

8 The Food and Nutrition Act of 2008 (7 U.S.C. 2011
9 et seq.) is amended by striking section 28 (7 U.S.C.
10 2036a).

11 **SEC. 10012. ALIEN SNAP ELIGIBILITY.**

12 Section 6(f) of the Food and Nutrition Act of 2008
13 (7 U.S.C. 2015(f)) is amended to read as follows:

14 “(f) No individual who is a member of a household
15 otherwise eligible to participate in the supplemental nutri-
16 tion assistance program under this section shall be eligible
17 to participate in the supplemental nutrition assistance
18 program as a member of that or any other household un-
19 less he or she is—

20 “(1) a resident of the United States; and

21 “(2) either—

22 “(A) a citizen or national of the United
23 States;

24 “(B) an alien lawfully admitted for perma-
25 nent residence as an immigrant as defined by

1 sections 101(a)(15) and 101(a)(20) of the Im-
2 migration and Nationality Act, excluding,
3 among others, alien visitors, tourists, diplomats,
4 and students who enter the United States tem-
5 porarily with no intention of abandoning their
6 residence in a foreign country;

7 “(C) an alien who is a citizen or national
8 of the Republic of Cuba and who—

9 “(i) is the beneficiary of an approved
10 petition under section 203(a) of the Immi-
11 gration and Nationality Act;

12 “(ii) meets all eligibility requirements
13 for an immigrant visa but for whom such
14 a visa is not immediately available;

15 “(iii) is not otherwise inadmissible
16 under section 212(a) of such Act; and

17 “(iv) is physically present in the
18 United States pursuant to a grant of pa-
19 role in furtherance of the commitment of
20 the United States to the minimum level of
21 annual legal migration of Cuban nationals
22 to the United States specified in the U.S.-
23 Cuba Joint Communiqué on Migration,
24 done at New York September 9, 1994, and
25 reaffirmed in the Cuba-United States:

1 Joint Statement on Normalization of Mi-
2 gration, Building on the Agreement of
3 September 9, 1994, done at New York
4 May 2, 1995; or

5 “(D) an individual who lawfully resides in
6 the United States in accordance with a Com-
7 pact of Free Association referred to in section
8 402(b)(2)(G) of the Personal Responsibility and
9 Work Opportunity Reconciliation Act of 1996.

10 The income (less, at State option, a pro rata share)
11 and financial resources of the individual rendered in-
12 eligible to participate in the supplemental nutrition
13 assistance program under this subsection shall be
14 considered in determining the eligibility and the
15 value of the allotment of the household of which
16 such individual is a member.”.

17 **SEC. 10013. EMERGENCY FOOD ASSISTANCE.**

18 Section 203D(d)(5) of the Emergency Food Assist-
19 ance Act of 1983 (7 U.S.C. 7507(d)(5)) is amended by
20 striking “2024” and inserting “2031”.

1 **Subtitle B—Investment in Rural** 2 **America**

3 **SEC. 10101. SAFETY NET.**

4 (a) REFERENCE PRICE.—Section 1111(19) of the
5 Agricultural Act of 2014 (7 U.S.C. 9011(19)) is amended
6 to read as follows:

7 “(19) REFERENCE PRICE.—

8 “(A) IN GENERAL.—Subject to subpara-
9 graphs (B) and (C), the term ‘reference price’,
10 with respect to a covered commodity for a crop
11 year, means the following:

12 “(i) For wheat, \$6.35 per bushel.

13 “(ii) For corn, \$4.10 per bushel.

14 “(iii) For grain sorghum, \$4.40 per
15 bushel.

16 “(iv) For barley, \$5.45 per bushel.

17 “(v) For oats, \$2.65 per bushel.

18 “(vi) For long grain rice, \$16.90 per
19 hundredweight.

20 “(vii) For medium grain rice, \$16.90
21 per hundredweight.

22 “(viii) For soybeans, \$10.00 per bush-
23 el.

24 “(ix) For other oilseeds, \$23.75 per
25 hundredweight.

1 “(x) For peanuts, \$630.00 per ton.

2 “(xi) For dry peas, \$13.10 per hun-
3 dredweight.

4 “(xii) For lentils, \$23.75 per hundred-
5 weight.

6 “(xiii) For small chickpeas, \$22.65
7 per hundredweight.

8 “(xiv) For large chickpeas, \$25.65 per
9 hundredweight.

10 “(xv) For seed cotton, \$0.42 per
11 pound.

12 “(B) EFFECTIVENESS.—Effective begin-
13 ning with the 2031 crop year, the reference
14 prices defined in subparagraph (A) with respect
15 to a covered commodity shall equal the ref-
16 erence price in the previous crop year multiplied
17 by 1.005.

18 “(C) LIMITATION.—In no case shall a ref-
19 erence price for a covered commodity exceed
20 115 percent of the reference price for such cov-
21 ered commodity listed in subparagraph (A).”.

22 (b) BASE ACRES.—Section 1112 of the Agricultural
23 Act of 2014 (7 U.S.C. 9012) is amended—

24 (1) in subsection (d)(3)(A), by striking “2023”
25 and inserting “2031”; and

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

2 “(e) ADDITIONAL BASE ACRES.—

3 “(1) IN GENERAL.—As soon as practicable
4 after the date of enactment of this subsection, and
5 notwithstanding subsection (a), the Secretary shall
6 provide notice to owners of eligible farms pursuant
7 to paragraph (4) and allocate to those eligible farms
8 a total of not more than an additional 30,000,000
9 base acres in the manner provided in this subsection.

10 “(2) CONTENT OF NOTICE.—The notice under
11 paragraph (1) shall include the following:

12 “(A) Information that the allocation is oc-
13 ccurring.

14 “(B) Information regarding the eligibility
15 of the farm for an allocation of base acres
16 under paragraph (4).

17 “(C) Information regarding how an owner
18 may appeal a determination of ineligibility for
19 an allocation of base acres under paragraph (4)
20 through an appeals process established by the
21 Secretary.

22 “(3) OPT-OUT.—An owner of a farm that is eli-
23 gible to receive an allocation of base acres may elect
24 to not receive that allocation by notifying the Sec-
25 retary.

1 “(4) ELIGIBILITY.—

2 “(A) IN GENERAL.—Subject to subpara-
3 graph (D), effective beginning with the 2026
4 crop year, a farm is eligible to receive an alloca-
5 tion of base acres if, with respect to the farm,
6 the amount described in subparagraph (B) ex-
7 ceeds the amount described in subparagraph
8 (C).

9 “(B) 5-YEAR AVERAGE SUM.—The amount
10 described in this subparagraph, with respect to
11 a farm, is the sum of—

12 “(i) the 5-year average of—

13 “(I) the acreage planted on the
14 farm to all covered commodities for
15 harvest, grazing, haying, silage or
16 other similar purposes for the 2019
17 through 2023 crop years; and

18 “(II) any acreage on the farm
19 that the producers were prevented
20 from planting during the 2019
21 through 2023 crop years to covered
22 commodities because of drought,
23 flood, or other natural disaster, or
24 other condition beyond the control of

1 the producers, as determined by the
2 Secretary; plus

3 “(ii) the lesser of—

4 “(I) 15 percent of the total acres
5 on the farm; and

6 “(II) the 5-year average of—

7 “(aa) the acreage planted on
8 the farm to eligible noncovered
9 commodities for harvest, grazing,
10 haying, silage, or other similar
11 purposes for the 2019 through
12 2023 crop years; and

13 “(bb) any acreage on the
14 farm that the producers were
15 prevented from planting during
16 the 2019 through 2023 crop
17 years to eligible noncovered com-
18 modities because of drought,
19 flood, or other natural disaster,
20 or other condition beyond the
21 control of the producers, as de-
22 termined by the Secretary.

23 “(C) TOTAL NUMBER OF BASE ACRES FOR
24 COVERED COMMODITIES.—The amount de-
25 scribed in this subparagraph, with respect to a

1 farm, is the total number of base acres for cov-
2 ered commodities on the farm (excluding unas-
3 signed crop base), as in effect on September 30,
4 2024.

5 “(D) EFFECT OF NO RECENT PLANTINGS
6 OF COVERED COMMODITIES.—In the case of a
7 farm for which the amount determined under
8 clause (i) of subparagraph (B) is equal to zero,
9 that farm shall be ineligible to receive an alloca-
10 tion of base acres under this subsection.

11 “(E) ACREAGE PLANTED ON THE FARM TO
12 ELIGIBLE NONCOVERED COMMODITIES DE-
13 FINED.—In this paragraph, the term ‘acreage
14 planted on the farm to eligible noncovered com-
15 modities’ means acreage planted on a farm to
16 commodities other than covered commodities,
17 trees, bushes, vines, grass, or pasture (including
18 cropland that was idle or fallow), as determined
19 by the Secretary.

20 “(5) NUMBER OF BASE ACRES.—Subject to
21 paragraphs (4) and (7), the number of base acres al-
22 located to an eligible farm shall—

23 “(A) be equal to the difference obtained by
24 subtracting the amount determined under sub-
25 paragraph (C) of paragraph (4) from the

1 amount determined under subparagraph (B) of
2 that paragraph; and

3 “(B) include unassigned crop base.

4 “(6) ALLOCATION OF ACRES.—

5 “(A) ALLOCATION.—The Secretary shall
6 allocate the number of base acres under para-
7 graph (5) among those covered commodities
8 planted on the farm at any time during the
9 2019 through 2023 crop years.

10 “(B) ALLOCATION FORMULA.—The alloca-
11 tion of additional base acres for covered com-
12 modities shall be in proportion to the ratio of—

13 “(i) the 5-year average of—

14 “(I) the acreage planted on the
15 farm to each covered commodity for
16 harvest, grazing, haying, silage, or
17 other similar purposes for the 2019
18 through 2023 crop years; and

19 “(II) any acreage on the farm
20 that the producers were prevented
21 from planting during the 2019
22 through 2023 crop years to that cov-
23 ered commodity because of drought,
24 flood, or other natural disaster, or
25 other condition beyond the control of

1 the producers, as determined by the
2 Secretary; to

3 “(ii) the 5-year average determined
4 under paragraph (4)(B)(i).

5 “(C) INCLUSION OF ALL 5 YEARS IN AVER-
6 AGE.—For the purpose of determining a 5-year
7 acreage average under subparagraph (B) for a
8 farm, the Secretary shall not exclude any crop
9 year in which a covered commodity was not
10 planted.

11 “(D) TREATMENT OF MULTIPLE PLANTING
12 OR PREVENTED PLANTING.—For the purpose of
13 determining under subparagraph (B) the acre-
14 age on a farm that producers planted or were
15 prevented from planting during the 2019
16 through 2023 crop years to covered commod-
17 ities, if the acreage that was planted or pre-
18 vented from being planted was devoted to an-
19 other covered commodity in the same crop year
20 (other than a covered commodity produced
21 under an established practice of double crop-
22 ping), the owner may elect the covered com-
23 modity to be used for that crop year in deter-
24 mining the 5-year average, but may not include

1 both the initial covered commodity and the sub-
2 sequent covered commodity.

3 “(E) LIMITATION.—The allocation of addi-
4 tional base acres among covered commodities on
5 a farm under this paragraph may not result in
6 a total number of base acres for the farm in ex-
7 cess of the total number of acres on the farm.

8 “(7) REDUCTION BY THE SECRETARY.—In car-
9 rying out this subsection, if the total number of eli-
10 gible acres allocated to base acres across all farms
11 in the United States under this subsection would ex-
12 ceed 30,000,000 acres, the Secretary shall apply an
13 across-the-board, pro-rata reduction to the number
14 of eligible acres to ensure the number of allocated
15 base acres under this subsection is equal to
16 30,000,000 acres.

17 “(8) PAYMENT YIELD.—Beginning with crop
18 year 2026, for the purpose of making price loss cov-
19 erage payments under section 1116, the Secretary
20 shall establish payment yields to base acres allocated
21 under this subsection equal to—

22 “(A) the payment yield established on the
23 farm for the applicable covered commodity; and

1 “(B) if no such payment yield for the ap-
2 plicable covered commodity exists, a payment
3 yield—

4 “(i) equal to the average payment
5 yield for the covered commodity for the
6 county in which the farm is situated; or

7 “(ii) determined pursuant to section
8 1113(c).

9 “(9) TREATMENT OF NEW OWNERS.—In the
10 case of a farm for which the owner on the date of
11 enactment of this subsection was not the owner for
12 the 2019 through 2023 crop years, the Secretary
13 shall use the planting history of the prior owner or
14 owners of that farm for purposes of determining—

15 “(A) eligibility under paragraph (4);

16 “(B) eligible acres under paragraph (5);

17 and

18 “(C) the allocation of acres under para-
19 graph (6).”.

20 (c) PRODUCER ELECTION.—Section 1115 of the Ag-
21 ricultural Act of 2014 (7 U.S.C. 9015) is amended—

22 (1) in subsection (a), in the matter preceding
23 paragraph (1) by striking “2023” and inserting
24 “2031”; and

25 (2) in subsection (c)—

1 (A) in the matter preceding paragraph (1),
2 by striking “2014 crop year or the 2019 crop
3 year, as applicable” and inserting “2014 crop
4 year, 2019 crop year, or 2026 crop year, as ap-
5 plicable”;

6 (B) in paragraph (1), by striking “2014
7 crop year or the 2019 crop year, as applicable,”
8 and inserting “2014 crop year, 2019 crop year,
9 or 2026 crop year, as applicable,”; and

10 (C) in paragraph (2)—

11 (i) in subparagraph (A), by striking
12 “and” at the end;

13 (ii) in subparagraph (B), by striking
14 the period at the end and inserting “;
15 and”; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(C) the same coverage for each covered
19 commodity on the farm for the 2026 through
20 2031 crop years as was applicable for the 2024
21 crop year.”.

22 (d) PRICE LOSS COVERAGE.—Section 1116 of the
23 Agricultural Act of 2014 (7 U.S.C. 9016) is amended—

1 (1) in subsection (a)(2), in the matter pre-
2 ceding subparagraph (A), by striking “2023” and
3 inserting “2031”;

4 (2) in subsection (c)(1)(B)—

5 (A) in the subparagraph heading, by strik-
6 ing “2023” and inserting “2031”; and

7 (B) in the matter preceding clause (i), by
8 striking “2023” and inserting “2031”;

9 (3) in subsection (d), by striking “2025” and
10 inserting “2031”; and

11 (4) in subsection (g), by striking “2012 through
12 2016” each place it appears and inserting “2017
13 through 2021”.

14 (e) AGRICULTURE RISK COVERAGE.—Section 1117
15 of the Agricultural Act of 2014 (7 U.S.C. 9017) is amend-
16 ed—

17 (1) in subsection (a), in the matter preceding
18 paragraph (1), by striking “2023” and inserting
19 “2031”;

20 (2) in subsection (c)—

21 (A) in paragraph (1), by inserting “for
22 each of the 2014 through 2024 crop years and
23 90 percent of the benchmark revenue for each
24 of the 2025 through 2031 crop years” before
25 the period at the end;

1 (B) by striking “2023” each place it ap-
2 pears and inserting “2031”; and

3 (C) in paragraph (4)(B), in the subpara-
4 graph heading, by striking “2023” and inserting
5 “2031”;

6 (3) by amending subsection (d)(1)(B) to read
7 as follows:

8 “(B)(i) for each of the crop years 2014
9 through 2024, 10 percent of the benchmark
10 revenue for the crop year applicable under sub-
11 section (e); and

12 “(ii) for each of the crop years 2025
13 through 2031, 12.5 percent of the benchmark
14 revenue for the crop year applicable under sub-
15 section (e).”; and

16 (4) in subsections (e), (g)(5), and (i)(5), by
17 striking “2023” each place it appears and inserting
18 “2031”.

19 (f) **EQUITABLE TREATMENT OF CERTAIN ENTI-**
20 **TIES.—**

21 (1) **IN GENERAL.—**Section 1001 of the Food
22 Security Act of 1985 (7 U.S.C. 1308) is amended—

23 (A) in subsection (a)—

24 (i) by redesignating paragraph (5) as
25 paragraph (6); and

1 (ii) by inserting after paragraph (4)
2 the following:

3 “(5) QUALIFIED PASS-THROUGH ENTITY.—The
4 term ‘qualified pass-through entity’ means—

5 “(A) a partnership (within the meaning of
6 subchapter K of chapter 1 of the Internal Rev-
7 enue Code of 1986);

8 “(B) an S corporation (as defined in sec-
9 tion 1361 of that Code);

10 “(C) a limited liability company that does
11 not affirmatively elect to be treated as a cor-
12 poration; and

13 “(D) a joint venture or general partner-
14 ship.”;

15 (B) in subsections (b) and (c), by striking
16 “except a joint venture or general partnership”
17 each place it appears and inserting “except a
18 qualified pass-through entity”; and

19 (C) in subsection (d), by striking “subtitle
20 B” and all that follows through the end and in-
21 serting “title I of the Agricultural Act of
22 2014.”.

23 (2) CONTRIBUTION OF PAYMENTS.—Section
24 1001(e)(3)(B)(ii) of the Food Security Act of 1985
25 (7 U.S.C. 1308(e)(3)(B)(ii)) is amended—

1 (A) in the clause heading, by striking
2 “JOINT VENTURES AND GENERAL PARTNER-
3 SHIPS” and inserting “QUALIFIED PASS-
4 THROUGH ENTITIES”;

5 (B) by striking “a joint venture or a gen-
6 eral partnership” and inserting “a qualified
7 pass-through entity”;

8 (C) by striking “joint ventures and general
9 partnerships” and inserting “qualified pass-
10 through entities”; and

11 (D) by striking “the joint venture or gen-
12 eral partnership” and inserting “the qualified
13 pass-through entity”.

14 (3) PERSONS ACTIVELY ENGAGED IN FARM-
15 ING.—Section 1001A(b)(2) of the Food Security Act
16 of 1985 (7 U.S.C. 1308–1(b)(2)) is amended—

17 (A) in subparagraphs (A) and (B), by
18 striking “in a general partnership, a participant
19 in a joint venture” each place it appears and in-
20 serting “a qualified pass-through entity”; and

21 (B) in subparagraph (C), by striking “a
22 general partnership, joint venture, or similar
23 entity” and inserting “a qualified pass-through
24 entity or a similar entity”.

1 (4) JOINT AND SEVERAL LIABILITY.—Section
2 1001B(d) of the Food Security Act of 1985 (7
3 U.S.C. 1308–2(d)) is amended by striking “partner-
4 ships and joint ventures” and inserting “qualified
5 pass-through entities”.

6 (5) EXCLUSION FROM AGI CALCULATION.—Sec-
7 tion 1001D(d) of the Food Security Act of 1985 (7
8 U.S.C. 1308–3a(d)) is amended by striking “, gen-
9 eral partnership, or joint venture” each place it ap-
10 pears.

11 (g) PAYMENT LIMITATIONS.—Section 1001 of the
12 Food Security Act of 1985 (7 U.S.C. 1308) is amended—

13 (1) in subsection (b)—

14 (A) by striking “The” and inserting “Sub-
15 ject to subsection (i), the”; and

16 (B) by striking “\$125,000” and inserting
17 “\$155,000”;

18 (2) in subsection (c)—

19 (A) by striking “The” and inserting “Sub-
20 ject to subsection (i), the”; and

21 (B) by striking “\$125,000” and inserting
22 “\$155,000”; and

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

24 “(i) ADJUSTMENT.—For the 2025 crop year and
25 each crop year thereafter, the Secretary shall annually ad-

1 just the amounts described in subsections (b) and (c) for
2 inflation based on the Consumer Price Index for All Urban
3 Consumers published by the Bureau of Labor Statistics
4 of the Department of Labor.”.

5 (h) ADJUSTED GROSS INCOME LIMITATION.—Sec-
6 tion 1001D(b) of the Food Security Act of 1985 (7 U.S.C.
7 1308–3a(b)) is amended—

8 (1) in paragraph (1), by striking “paragraph
9 (3)” and inserting “paragraphs (3) and (4)”; and
10 (2) by adding at the end the following:

11 “(4) EXCEPTION FOR CERTAIN OPERATIONS.—

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

13 “(i) EXCEPTED PAYMENT OR BEN-
14 EFIT.—The term ‘excepted payment or
15 benefit’ means—

16 “(I) a payment or benefit under
17 subtitle E of title I of the Agricultural
18 Act of 2014 (7 U.S.C. 9081 et seq.);

19 “(II) a payment or benefit under
20 section 196 of the Federal Agriculture
21 Improvement and Reform Act of 1996
22 (7 U.S.C. 7333); and

23 “(III) a payment or benefit de-
24 scribed in paragraph (2)(C) received
25 on or after October 1, 2024.

1 “(ii) FARMING, RANCHING, OR
2 SILVICULTURE ACTIVITIES.—The term
3 ‘farming, ranching, or silviculture activi-
4 ties’ includes agritourism, direct-to-con-
5 sumer marketing of agricultural products,
6 the sale of agricultural equipment by a
7 person or legal entity that owns such
8 equipment, and other agriculture-related
9 activities, as determined by the Secretary.

10 “(B) EXCEPTION.—In the case of an ex-
11 cepted payment or benefit, the limitation estab-
12 lished by paragraph (1) shall not apply to a
13 person or legal entity during a crop, fiscal, or
14 program year, as appropriate, if greater than or
15 equal to 75 percent of the average gross income
16 of the person or legal entity derives from farm-
17 ing, ranching, or silviculture activities.”.

18 (i) MARKETING LOANS.—

19 (1) AVAILABILITY OF NONRECOURSE MAR-
20 KETING ASSISTANCE LOANS FOR LOAN COMMOD-
21 ITIES.—Section 1201(b)(1) of the Agricultural Act
22 of 2014 (7 U.S.C. 9031(b)(1)) is amended by strik-
23 ing “2023” and inserting “2031”.

24 (2) LOAN RATES FOR NONRECOURSE MAR-
25 KETING ASSISTANCE LOANS.—Section 1202 of the

1 Agricultural Act of 2014 (7 U.S.C. 9032) is amend-
2 ed—

3 (A) in subsection (b)—

4 (i) in the subsection heading, by strik-
5 ing “2023” and inserting “2025”; and

6 (ii) in the matter preceding paragraph
7 (1), by striking “2023” and inserting
8 “2025”;

9 (B) by redesignating subsections (c) and
10 (d) as subsections (d) and (e), respectively;

11 (C) by inserting after subsection (b) the
12 following:

13 “(c) 2026 THROUGH 2031 CROP YEARS.—For pur-
14 poses of each of the 2026 through 2031 crop years, the
15 loan rate for a marketing assistance loan under section
16 1201 for a loan commodity shall be equal to the following:

17 “(1) In the case of wheat, \$3.72 per bushel.

18 “(2) In the case of corn, \$2.42 per bushel.

19 “(3) In the case of grain sorghum, \$2.42 per
20 bushel.

21 “(4) In the case of barley, \$2.75 per bushel.

22 “(5) In the case of oats, \$2.20 per bushel.

23 “(6) In the case of upland cotton, \$0.55 per
24 pound.

1 “(7) In the case of extra long staple cotton,
2 \$1.00 per pound.

3 “(8) In the case of long grain rice, \$7.70 per
4 hundredweight.

5 “(9) In the case of medium grain rice, \$7.70
6 per hundredweight.

7 “(10) In the case of soybeans, \$6.82 per bushel.

8 “(11) In the case of other oilseeds, \$11.10 per
9 hundredweight for each of the following kinds of oil-
10 seeds:

11 “(A) Sunflower seed.

12 “(B) Rapeseed.

13 “(C) Canola.

14 “(D) Safflower.

15 “(E) Flaxseed.

16 “(F) Mustard seed.

17 “(G) Crambe.

18 “(H) Sesame seed.

19 “(I) Other oilseeds designated by the Sec-
20 retary.

21 “(12) In the case of dry peas, \$6.87 per hun-
22 dredweight.

23 “(13) In the case of lentils, \$14.30 per hun-
24 dredweight.

1 “(14) In the case of small chickpeas, \$11.00
2 per hundredweight.

3 “(15) In the case of large chickpeas, \$15.40 per
4 hundredweight.

5 “(16) In the case of graded wool, \$1.60 per
6 pound.

7 “(17) In the case of nongraded wool, \$0.55 per
8 pound.

9 “(18) In the case of mohair, \$5.00 per pound.

10 “(19) In the case of honey, \$1.50 per pound.

11 “(20) In the case of peanuts, \$390 per ton.”;

12 (D) in subsection (d) (as so redesignated),
13 by striking “(a)(11) and (b)(11)” and inserting
14 “(a)(11), (b)(11), and (c)(11)”;

15 (E) by amending subsection (e) (as so re-
16 designated) to read as follows:

17 “(e) SPECIAL RULE FOR SEED COTTON AND
18 CORN.—

19 “(1) IN GENERAL.—For purposes of section
20 1116(b)(2) and paragraphs (1)(B)(ii) and
21 (2)(A)(ii)(II) of section 1117(b), the loan rate shall
22 be deemed to equal—

23 “(A) for seed cotton, \$0.30 per pound; and

24 “(B) for corn, \$3.30 per bushel.

1 “(2) EFFECT.—Nothing in this subsection au-
2 thorizes any nonrecourse marketing assistance loan
3 under this subtitle for seed cotton.”.

4 (3) PAYMENT OF COTTON STORAGE COSTS.—
5 Section 1204(g) of the Agricultural Act of 2014 (7
6 U.S.C. 9034(g)) is amended—

7 (A) by striking “Effective” and inserting
8 the following:

9 “(1) CROP YEARS 2014 THROUGH 2025.—Effec-
10 tive”;

11 (B) in paragraph (1) (as so designated), by
12 striking “2023” and inserting “2025”; and

13 (C) by adding at the end the following:

14 “(2) PAYMENT OF COTTON STORAGE COSTS.—
15 Effective for each of the 2026 through 2031 crop
16 years, the Secretary shall make cotton storage pay-
17 ments for upland cotton and extra long staple cotton
18 available in the same manner as the Secretary pro-
19 vided storage payments for the 2006 crop of upland
20 cotton, except that the payment rate shall be equal
21 to the lesser of—

22 “(A) the submitted tariff rate for the cur-
23 rent marketing year; and

24 “(B) in the case of storage in—

1 “(i) California or Arizona, a payment
2 rate of \$4.90; and

3 “(ii) any other State, a payment rate
4 of \$3.00.”.

5 (4) LOAN DEFICIENCY PAYMENTS.—

6 (A) CONTINUATION.—Section
7 1205(a)(2)(B) of the Agricultural Act of 2014
8 (7 U.S.C. 9035(a)(2)(B)) is amended by strik-
9 ing “2023” and inserting “2031”.

10 (B) PAYMENTS IN LIEU OF LDPS.—Section
11 1206 of the Agricultural Act of 2014 (7 U.S.C.
12 9036) is amended, in subsections (a) and (d),
13 by striking “2023” each place it appears and
14 inserting “2031”.

15 (5) SPECIAL COMPETITIVE PROVISIONS FOR
16 EXTRA LONG STAPLE COTTON.—Section 1208(a) of
17 the Agricultural Act of 2014 (7 U.S.C. 9038(a)) is
18 amended, in the matter preceding paragraph (1), by
19 striking “2026” and inserting “2032”.

20 (6) AVAILABILITY OF RECOURSE LOANS.—Sec-
21 tion 1209 of the Agricultural Act of 2014 (7 U.S.C.
22 9039) is amended, in subsections (a)(2), (b), and
23 (c), by striking “2023” each place it appears and in-
24 serting “2031”.

1 (j) REPAYMENT OF MARKETING LOANS.—Section
2 1204 of the Agricultural Act of 2014 (7 U.S.C. 9034) is
3 amended—

4 (1) in subsection (b)—

5 (A) by redesignating paragraph (1) as sub-
6 paragraph (A) and indenting appropriately;

7 (B) in the matter preceding subparagraph
8 (A) (as so redesignated), by striking “The Sec-
9 retary” and inserting the following:

10 “(1) IN GENERAL.—The Secretary”; and

11 (C) by striking paragraph (2) and insert-
12 ing the following:

13 “(B)(i) in the case of long grain rice and
14 medium grain rice, the prevailing world market
15 price for the commodity, as determined and ad-
16 justed by the Secretary in accordance with this
17 section; or

18 “(ii) in the case of upland cotton, the low-
19 est prevailing world market price for the com-
20 modity, as determined and adjusted by the Sec-
21 retary in accordance with this section, during
22 the 30-day period following the day on which
23 the producer repays the marketing assistance
24 loan.

1 “(2) REFUND FOR UPLAND COTTON.—In the
2 case of a repayment for a marketing assistance loan
3 for upland cotton at a rate described in paragraph
4 (1)(B)(ii), the Secretary shall provide to the pro-
5 ducer a refund (if any) in an amount equal to the
6 difference between the lowest prevailing world mar-
7 ket price described in that paragraph and the repay-
8 ment amount.”;

9 (2) in subsection (c)—

10 (A) by striking the period at the end and
11 inserting “; and”;

12 (B) by striking “at the loan rate” and in-
13 serting the following: “at a rate that is the less-
14 er of—

15 “(1) the loan rate”; and

16 (C) by adding at the end the following:

17 “(2) the prevailing world market price for the
18 commodity, as determined and adjusted by the Sec-
19 retary in accordance with this section.”;

20 (3) in subsection (d)—

21 (A) in paragraph (1), by striking “and me-
22 dium grain rice” and inserting “medium grain
23 rice, and extra long staple cotton”;

1 (B) by redesignating paragraphs (1) and
2 (2) as subparagraphs (A) and (B), respectively,
3 and indenting appropriately;

4 (C) in the matter preceding subparagraph
5 (A) (as so redesignated), by striking “For pur-
6 poses” and inserting the following:

7 “(1) IN GENERAL.—For purposes”; and

8 (D) by adding at the end the following:

9 “(2) UPLAND COTTON.—In the case of upland
10 cotton, for any period when price quotations for
11 Middling (M) 1³/₃₂-inch cotton are available, the for-
12 mula under paragraph (1)(A) shall be based on the
13 average of the 3 lowest-priced growths that are
14 quoted.”; and

15 (4) in subsection (e)—

16 (A) in the subsection heading, by inserting
17 “EXTRA LONG STAPLE COTTON,” after “UP-
18 LAND COTTON,”;

19 (B) in paragraph (2)—

20 (i) in the paragraph heading, by strik-
21 ing “COTTON” and inserting “UPLAND
22 COTTON”; and

23 (ii) in subparagraph (B), in the mat-
24 ter preceding clause (i), by striking
25 “2024” and inserting “2032”;

1 (C) by redesignating paragraph (3) as
2 paragraph (4); and

3 (D) by inserting after paragraph (2) the
4 following:

5 “(3) EXTRA LONG STAPLE COTTON.—The pre-
6 vailing world market price for extra long staple cot-
7 ton determined under subsection (d)—

8 “(A) shall be adjusted to United States
9 quality and location, with the adjustment to in-
10 clude the average costs to market the com-
11 modity, including average transportation costs,
12 as determined by the Secretary; and

13 “(B) may be further adjusted, during the
14 period beginning on the date of enactment of
15 this paragraph and ending on July 31, 2032, if
16 the Secretary determines the adjustment is nec-
17 essary—

18 “(i) to minimize potential loan forfeit-
19 ures;

20 “(ii) to minimize the accumulation of
21 stocks of extra long staple cotton by the
22 Federal Government;

23 “(iii) to ensure that extra long staple
24 cotton produced in the United States can
25 be marketed freely and competitively; and

1 “(iv) to ensure an appropriate transi-
2 tion between current-crop and forward-
3 crop price quotations, except that the Sec-
4 retary may use forward-crop price
5 quotations prior to July 31 of a marketing
6 year only if—

7 “(I) there are insufficient cur-
8 rent-crop price quotations; and

9 “(II) the forward-crop price
10 quotation is the lowest such quotation
11 available.”.

12 (k) ECONOMIC ADJUSTMENT ASSISTANCE FOR TEX-
13 TILE MILLS.—Section 1207(c) of the Agricultural Act of
14 2014 (7 U.S.C. 9037(c)) is amended by striking para-
15 graph (2) and inserting the following:

16 “(2) VALUE OF ASSISTANCE.—The value of the
17 assistance provided under paragraph (1) shall be—

18 “(A) for the period beginning on August 1,
19 2013, and ending on July 31, 2025, 3 cents per
20 pound; and

21 “(B) beginning on August 1, 2025, 5 cents
22 per pound.”.

23 (l) SUGAR PROGRAM UPDATES.—

1 (1) LOAN RATE MODIFICATIONS.—Section 156
2 of the Federal Agriculture Improvement and Reform
3 Act of 1996 (7 U.S.C. 7272) is amended—

4 (A) in subsection (a)—

5 (i) in paragraph (4), by striking
6 “and” at the end;

7 (ii) in paragraph (5), by striking
8 “2023 crop years.” and inserting “2024
9 crop years; and”; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(6) 24.00 cents per pound for raw cane sugar
13 for each of the 2025 through 2031 crop years.”;

14 (B) in subsection (b)—

15 (i) in paragraph (1), by striking
16 “and” at the end;

17 (ii) in paragraph (2), by striking
18 “2023 crop years.” and inserting “2024
19 crop years; and”; and

20 (iii) by adding at the end the fol-
21 lowing:

22 “(3) a rate that is equal to 136.55 percent of
23 the loan rate per pound of raw cane sugar under
24 subsection (a)(6) for each of the 2025 through 2031
25 crop years.”; and

1 (C) in subsection (i), by striking “2023”
2 and inserting “2031”.

3 (2) ADJUSTMENTS TO COMMODITY CREDIT COR-
4 PORATION STORAGE RATES.—Section 167 of the
5 Federal Agriculture Improvement and Reform Act of
6 1996 (7 U.S.C. 7287) is amended—

7 (A) by striking subsection (a) and insert-
8 ing the following:

9 “(a) IN GENERAL.—The Commodity Credit Corpora-
10 tion shall establish rates for the storage of forfeited sugar
11 in an amount that is not less than—

12 “(1) in the case of refined sugar, 34 cents per
13 hundredweight per month; and

14 “(2) in the case of raw cane sugar, 27 cents per
15 hundredweight per month.”; and

16 (B) in subsection (b)—

17 (i) in the subsection heading, by strik-
18 ing “SUBSEQUENT” and inserting
19 “PRIOR”; and

20 (ii) by striking “and subsequent” and
21 inserting “through 2024”.

22 (3) MODERNIZING BEET SUGAR ALLOT-
23 MENTS.—

24 (A) SUGAR ESTIMATES.—Section
25 359b(a)(1) of the Agricultural Adjustment Act

1 of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by
2 striking “2023” and inserting “2031”.

3 (B) ALLOCATION TO PROCESSORS.—Sec-
4 tion 359c(g)(2) of the Agricultural Adjustment
5 Act of 1938 (7 U.S.C. 1359cc(g)(2)) is amend-
6 ed—

7 (i) by striking “In the case” and in-
8 serting the following:

9 “(A) IN GENERAL.—Except as provided in
10 subparagraph (B), in the case”; and

11 (ii) by adding at the end the fol-
12 lowing:

13 “(B) EXCEPTION.—If the Secretary makes
14 an upward adjustment under paragraph (1)(A),
15 in adjusting allocations among beet sugar proc-
16 essors, the Secretary shall give priority to beet
17 sugar processors with available sugar.”.

18 (C) TIMING OF REASSIGNMENT.—Section
19 359e(b)(2) of the Agricultural Adjustment Act
20 of 1938 (7 U.S.C. 1359ee(b)(2)) is amended—

21 (i) by redesignating subparagraphs
22 (A) through (C) as clauses (i) through
23 (iii), respectively, and indenting appro-
24 priately;

1 (ii) in the matter preceding clause (i)
2 (as so redesignated), by striking “If the
3 Secretary determines that a sugar beet
4 processor who has been allocated a share
5 of the beet sugar allotment will be unable
6 to market that allocation” and inserting
7 the following:

8 “(A) IN GENERAL.—If the Secretary deter-
9 mines that a sugar beet processor who has been
10 allocated a share of the beet sugar allotment for
11 the crop year will be unable to market that allo-
12 cation”; and

13 (iii) by adding at the end the fol-
14 lowing:

15 “(B) TIMING.—In carrying out subpara-
16 graph (A), the Secretary shall—

17 “(i) make an initial determination fol-
18 lowing the publication of the World Agri-
19 cultural Supply and Demand Estimates (in
20 this subparagraph referred to as
21 ‘WASDE’) approved by the World Agricul-
22 tural Outlook Board for the month of Jan-
23 uary that is applicable to the crop year for
24 which a determination under subparagraph
25 (A) is made; and

1 “(ii) provide for an initial reassign-
2 ment under subparagraph (A)(i) not later
3 than 30 days after the date of the an-
4 nouncement of such WASDE.”.

5 (4) REALLOCATIONS OF TARIFF-RATE QUOTA
6 SHORTFALL.—Section 359k of the Agricultural Ad-
7 justment Act of 1938 (7 U.S.C. 1359kk) is amended
8 by adding at the end the following:

9 “(c) REALLOCATION.—

10 “(1) INITIAL REALLOCATION.—Subject to para-
11 graph (3), following the establishment of the tariff-
12 rate quotas under subsection (a) for a quota year,
13 the Secretary shall—

14 “(A) determine which countries do not in-
15 tend to fulfill their allocation for the quota
16 year; and

17 “(B) reallocate any forecasted shortfall in
18 the fulfillment of the tariff-rate quotas as soon
19 as practicable.

20 “(2) SUBSEQUENT REALLOCATION.—Subject to
21 paragraph (3), not later than March 1 of a quota
22 year, the Secretary shall reallocate any additional
23 forecasted shortfall in the fulfillment of the tariff-
24 rate quotas for raw cane sugar established under
25 subsection (a)(1) for that quota year.

1 “(3) CESSATION OF EFFECTIVENESS.—Para-
2 graphs (1) and (2) shall cease to be in effect if—

3 “(A) the Agreement Suspending the Coun-
4 tervailing Duty Investigation on Sugar from
5 Mexico, signed December 19, 2014, is termi-
6 nated; and

7 “(B) no countervailing duty order under
8 subtitle A of title VII of the Tariff Act of 1930
9 (19 U.S.C. 1671 et seq.) is in effect with re-
10 spect to sugar from Mexico.

11 “(d) REFINED SUGAR.—

12 “(1) DEFINITION OF DOMESTIC SUGAR INDUS-
13 TRY.—In this subsection, the term ‘domestic sugar
14 industry’ means domestic—

15 “(A) sugar beet producers and processors;

16 “(B) producers and processors of sugar
17 cane; and

18 “(C) refiners of raw cane sugar.

19 “(2) STUDY REQUIRED.—

20 “(A) IN GENERAL.—Not later than 180
21 days after the date of enactment of this sub-
22 section, the Secretary shall conduct a study on
23 whether the establishment of additional terms
24 and conditions with respect to refined sugar im-
25 ports is necessary and appropriate.

1 “(B) ELEMENTS.—In conducting the study
2 under subparagraph (A), the Secretary shall ex-
3 amine the following:

4 “(i) The need for—

5 “(I) defining ‘refined sugar’ as
6 having a minimum polarization of
7 99.8 degrees or higher;

8 “(II) establishing a standard for
9 color- or reflectance-based units for
10 refined sugar such as those utilized by
11 the International Commission of Uni-
12 form Methods of Sugar Analysis;

13 “(III) prescribing specifications
14 for packaging type for refined sugar;

15 “(IV) prescribing specifications
16 for transportation modes for refined
17 sugar;

18 “(V) requiring affidavits or other
19 evidence that sugar imported as re-
20 fined sugar will not undergo further
21 refining in the United States;

22 “(VI) prescribing appropriate
23 terms and conditions to avoid unlaw-
24 ful sugar imports; and

1 “(VII) establishing other defini-
2 tions, terms and conditions, or other
3 requirements.

4 “(ii) The potential impact of modifica-
5 tions described in each of subclauses (I)
6 through (VII) of clause (i) on the domestic
7 sugar industry.

8 “(iii) Whether, based on the needs de-
9 scribed in clause (i) and the impact de-
10 scribed in clause (ii), the establishment of
11 additional terms and conditions is appro-
12 priate.

13 “(C) CONSULTATION.—In conducting the
14 study under subparagraph (A), the Secretary
15 shall consult with representatives of the domes-
16 tic sugar industry and users of refined sugar.

17 “(D) REPORT.—Not later than 1 year
18 after the date of enactment of this subsection,
19 the Secretary shall submit to the Committee on
20 Agriculture of the House of Representatives
21 and the Committee on Agriculture, Nutrition,
22 and Forestry of the Senate a report that de-
23 scribes the findings of the study conducted
24 under subparagraph (A).

1 “(3) ESTABLISHMENT OF ADDITIONAL TERMS
2 AND CONDITIONS PERMITTED.—

3 “(A) IN GENERAL.—Based on the findings
4 in the report submitted under paragraph
5 (2)(D), and after providing notice to the Com-
6 mittee on Agriculture of the House of Rep-
7 resentatives and the Committee on Agriculture,
8 Nutrition, and Forestry of the Senate, the Sec-
9 retary may issue regulations in accordance with
10 subparagraph (B) to establish additional terms
11 and conditions with respect to refined sugar im-
12 ports that are necessary and appropriate.

13 “(B) PROMULGATION OF REGULATIONS.—
14 The Secretary may issue regulations under sub-
15 paragraph (A) if the regulations—

16 “(i) do not have an adverse impact on
17 the domestic sugar industry; and

18 “(ii) are consistent with the require-
19 ments of this part, section 156 of the Fed-
20 eral Agriculture Improvement and Reform
21 Act of 1996 (7 U.S.C. 7272), and obliga-
22 tions under international trade agreements
23 that have been approved by Congress.”.

24 (5) CLARIFICATION OF TARIFF-RATE QUOTA
25 ADJUSTMENTS.—Section 359k(b)(1) of the Agricul-

1 tural Adjustment Act of 1938 (7 U.S.C.
2 1359kk(b)(1)) is amended, in the matter preceding
3 subparagraph (A), by striking “if there is an” and
4 inserting “for the sole purpose of responding directly
5 to an”

6 (6) PERIOD OF EFFECTIVENESS.—Section
7 359l(a) of the Agricultural Adjustment Act of 1938
8 (7 U.S.C. 1359ll(a)) is amended by striking “2023”
9 and inserting “2031”.

10 (m) DAIRY POLICY UPDATES.—

11 (1) DAIRY MARGIN COVERAGE PRODUCTION
12 HISTORY.—

13 (A) DEFINITION.—Section 1401(8) of the
14 Agricultural Act of 2014 (7 U.S.C. 9051(8)) is
15 amended by striking “when the participating
16 dairy operation first registers to participate in
17 dairy margin coverage”.

18 (B) PRODUCTION HISTORY OF PARTICI-
19 PATING DAIRY OPERATIONS.—Section 1405 of
20 the Agricultural Act of 2014 (7 U.S.C. 9055)
21 is amended—

22 (i) by amending subsection (a) to read
23 as follows:

24 “(a) PRODUCTION HISTORY.—Except as provided in
25 subsection (b), the production history of a dairy operation

1 for dairy margin coverage is equal to the highest annual
2 milk marketings of the participating dairy operation dur-
3 ing any one of the 2021, 2022, or 2023 calendar years.”;
4 and

5 (ii) by amending subsection (b) to
6 read as follows:

7 “(b) ELECTION BY NEW DAIRY OPERATIONS.—In
8 the case of a participating dairy operation that has been
9 in operation for less than a year, the participating dairy
10 operation shall elect 1 of the following methods for the
11 Secretary to determine the production history of the par-
12 ticipating dairy operation:

13 “(1) The volume of the actual milk marketings
14 for the months the participating dairy operation has
15 been in operation extrapolated to a yearly amount.

16 “(2) An estimate of the actual milk marketings
17 of the participating dairy operation based on the
18 herd size of the participating dairy operation relative
19 to the national rolling herd average data published
20 by the Secretary.”.

21 (2) DAIRY MARGIN COVERAGE PAYMENTS.—
22 Section 1406(a)(1)(C) of the Agricultural Act of
23 2014 (7 U.S.C. 9056(a)(1)(C)) is amended by strik-
24 ing “5,000,000” and inserting “6,000,000” each
25 place it appears.

1 (3) PREMIUMS FOR DAIRY MARGINS.—

2 (A) TIER I.—Section 1407(b) of the Agri-
3 cultural Act of 2014 (7 U.S.C. 9057(b)) is
4 amended—

5 (i) in the heading, by striking
6 “5,000,000” and inserting “6,000,000”;
7 and

8 (ii) in paragraph (1), by striking
9 “5,000,000” and inserting “6,000,000”.

10 (B) TIER II.—Section 1407(c) of the Agri-
11 cultural Act of 2014 (7 U.S.C. 9057(c)) is
12 amended—

13 (i) in the heading, by striking
14 “5,000,000” and inserting “6,000,000”;
15 and

16 (ii) in paragraph (1), by striking
17 “5,000,000” and inserting “6,000,000”.

18 (C) PREMIUM DISCOUNTS.—Section
19 1407(g) of the Agricultural Act of 2014 (7
20 U.S.C. 9057(g)) is amended—

21 (i) in paragraph (1)—

22 (I) by striking “2019 through
23 2023” and inserting “2026 through
24 2031”; and

1 (II) by striking “January 2019”
2 and inserting “January 2026”; and
3 (ii) in paragraph (2), by striking
4 “2023” each place it appears and inserting
5 “2031”.

6 (4) DURATION.—Section 1409 of the Agricul-
7 tural Act of 2014 (7 U.S.C. 9059) is amended by
8 striking “2025” and inserting “2031”.

9 (n) SUSPENSION OF PERMANENT PRICE SUPPORT
10 AUTHORITY.—Section 1602 of the Agricultural Act of
11 2014 (7 U.S.C. 9092) is amended by striking “2023” each
12 place it appears and inserting “2031”.

13 (o) IMPLEMENTATION.—Section 1614(c) of the Agri-
14 cultural Act of 2014 (7 U.S.C. 9097(c)) is amended by
15 adding at the end the following:

16 “(5) FISCAL YEAR 2025 RECONCILIATION.—The
17 Secretary shall make available to the Farm Service
18 Agency to carry out section 10101 of the Act titled
19 ‘An Act to provide for reconciliation pursuant to
20 title II of H. Con. Res. 14’, and the amendments
21 made by that section, \$50,000,000, to remain avail-
22 able until expended, of which—

23 “(A) not less than \$5,000,000 shall be
24 used to carry out paragraphs (3) and (4) of
25 subsection (b);

1 “(B) \$3,000,000 shall be used for activi-
2 ties described in paragraph (3)(A) of this sub-
3 section;

4 “(C) \$3,000,000 shall be used for activities
5 described in paragraph (3)(B) of this sub-
6 section; and

7 “(D) \$10,000,000 shall be used to—

8 “(i) carry out mandatory surveys of
9 dairy production cost and product yield in-
10 formation to be reported by manufacturers
11 required to report under section 273 of the
12 Agricultural Marketing Act of 1946 (7
13 U.S.C. 1637b), for all products processed
14 in the same facility or facilities; and

15 “(ii) publish the results of such sur-
16 veys biennially.”.

17 (p) LIVESTOCK SAFETY NET UPDATES.—

18 (1) IN GENERAL.—Section 1501(b) of the Agri-
19 cultural Act of 2014 (7 U.S.C. 9081(b)) is amend-
20 ed—

21 (A) by amending paragraph (2) to read as
22 follows:

23 “(2) PAYMENT RATES.—

24 “(A) LOSSES DUE TO PREDATION.—In-
25 demnity payments to an eligible producer on a

1 farm under paragraph (1)(A) shall be made at
2 a rate of 100 percent of the market value of the
3 affected livestock on the applicable date, as de-
4 termined by the Secretary.

5 “(B) LOSSES DUE TO ADVERSE WEATHER
6 OR DISEASE.—Indemnity payments to an eligi-
7 ble producer on a farm under subparagraph (B)
8 or (C) of paragraph (1) shall be made at a rate
9 of 75 percent of the market value of the af-
10 fected livestock on the applicable date, as deter-
11 mined by the Secretary.

12 “(C) DETERMINATION OF MARKET
13 VALUE.—In determining the market value de-
14 scribed in subparagraphs (A) and (B), the Sec-
15 retary may consider the ability of eligible pro-
16 ducers to document regional price premiums for
17 affected livestock that exceed the national aver-
18 age market price for those livestock.

19 “(D) APPLICABLE DATE DEFINED.—In
20 this paragraph, the term ‘applicable date’
21 means, with respect to livestock, as applicable—

22 “(i) the day before the date of death
23 of the livestock; or

1 “(ii) the day before the date of the
2 event that caused the harm to the livestock
3 that resulted in a reduced sale price.”; and
4 (B) by adding at the end the following:

5 “(5) ADDITIONAL PAYMENT FOR UNBORN LIVE-
6 STOCK.—

7 “(A) IN GENERAL.—In the case of unborn
8 livestock death losses incurred on or after Janu-
9 ary 1, 2024, the Secretary shall make an addi-
10 tional payment to eligible producers on farms
11 that have incurred such losses in excess of the
12 normal mortality due to a condition specified in
13 paragraph (1).

14 “(B) PAYMENT RATE.—Additional pay-
15 ments under subparagraph (A) shall be made at
16 a rate—

17 “(i) determined by the Secretary; and

18 “(ii) less than or equal to 85 percent
19 of the payment rate established with re-
20 spect to the lowest weight class of the live-
21 stock, as determined by the Secretary, act-
22 ing through the Administrator of the Farm
23 Service Agency.

24 “(C) PAYMENT AMOUNT.—The amount of
25 a payment to an eligible producer that has in-

1 curred unborn livestock death losses shall be
2 equal to the payment rate determined under
3 subparagraph (B) multiplied, in the case of live-
4 stock described in—

5 “(i) subparagraph (A), (B), or (F) of
6 subsection (a)(4), by 1;

7 “(ii) subparagraph (D) of such sub-
8 section, by 2;

9 “(iii) subparagraph (E) of such sub-
10 section, by 12; and

11 “(iv) subparagraph (G) of such sub-
12 section, by the average number of birthed
13 animals (for one gestation cycle) for the
14 species of each such livestock, as deter-
15 mined by the Secretary.

16 “(D) UNBORN LIVESTOCK DEATH LOSSES
17 DEFINED.—In this paragraph, the term ‘unborn
18 livestock death losses’ means losses of any live-
19 stock described in subparagraph (A), (B), (D),
20 (E), (F), or (G) of subsection (a)(4) that was
21 gestating on the date of the death of the live-
22 stock.”.

23 (2) LIVESTOCK FORAGE DISASTER PROGRAM.—
24 Section 1501(c)(3)(D)(ii)(I) of the Agricultural Act

1 of 2014 (7 U.S.C. 9081(c)(3)(D)(ii)(I)) is amend-
2 ed—

3 (A) by striking “1 monthly payment” and
4 inserting “2 monthly payments”; and

5 (B) by striking “county for at least 8 con-
6 secutive” and inserting the following: “county
7 for not less than—

8 “(aa) 4 consecutive weeks
9 during the normal grazing period
10 for the county, as determined by
11 the Secretary, shall be eligible to
12 receive assistance under this
13 paragraph in an amount equal to
14 1 monthly payment using the
15 monthly payment rate deter-
16 mined under subparagraph (B);
17 or

18 “(bb) any of the 7 of the
19 previous 8 consecutive”.

20 (3) EMERGENCY ASSISTANCE FOR LIVESTOCK,
21 HONEY BEES, AND FARM-RAISED FISH.—Section
22 1501(d) of the Agricultural Act of 2014 (7 U.S.C.
23 9081(d)) is amended by adding at the end the fol-
24 lowing:

1 “(5) ASSISTANCE FOR LOSSES DUE TO BIRD
2 DEPREDATION.—

3 “(A) PAYMENTS.—Eligible producers on a
4 farm of farm-raised fish, including fish grown
5 as food for human consumption, shall be eligi-
6 ble to receive payments under this subsection to
7 aid in the reduction of losses due to piscivorous
8 birds.

9 “(B) PAYMENT RATE.—

10 “(i) IN GENERAL.—The payment rate
11 for payments under subparagraph (B)
12 shall be determined by the Secretary, tak-
13 ing into account—

14 “(I) costs associated with the de-
15 terrence of piscivorous birds;

16 “(II) the value of lost fish and
17 revenue due to bird depredation; and

18 “(III) costs associated with dis-
19 ease loss from bird depredation.

20 “(ii) MINIMUM RATE.—The payment
21 rate for payments under subparagraph (B)
22 shall be not less than \$600 per acre of
23 farm-raised fish.

1 “(C) PAYMENT AMOUNT.—The amount of
2 a payment under subparagraph (B) shall be the
3 product obtained by multiplying—

4 “(i) the applicable payment rate under
5 subparagraph (C); and

6 “(ii) 85 percent of the total number of
7 acres of farm-raised fish farms that the eli-
8 gible producer has in production for the
9 calendar year.”.

10 (4) TREE ASSISTANCE PROGRAM.—Section
11 1501(e) of the Agricultural Act of 2014 (7 U.S.C.
12 9081(e)) is amended—

13 (A) in paragraph (2)(B), by striking “15
14 percent (adjusted for normal mortality)” and
15 inserting “normal mortality”; and

16 (B) in paragraph (3)—

17 (i) in subparagraph (A)(i), by striking
18 “15 percent mortality (adjusted for normal
19 mortality)” and inserting “normal mor-
20 tality”; and

21 (ii) in subparagraph (B)—

22 (I) by striking “50” and insert-
23 ing “65”; and

24 (II) by striking “15 percent dam-
25 age or mortality (adjusted for normal

1 tree damage and mortality)” and in-
2 sserting “normal tree damage or mor-
3 tality”.

4 (q) EMERGENCY ASSISTANCE FOR HONEYBEES.—In
5 determining honeybee colony losses eligible for assistance
6 under section 1501(d) of the Agricultural Act of 2014 (7
7 U.S.C. 9081(d)), the Secretary shall utilize a normal mor-
8 tality rate of 15 percent.

9 (r) BEGINNING FARMER AND RANCHER BENEFIT.—

10 (1) DEFINITIONS.—

11 (A) IN GENERAL.—Section 502(b) of the
12 Federal Crop Insurance Act (7 U.S.C. 1502(b))
13 is amended in paragraph (3), by striking “5”
14 and inserting “10”.

15 (B) CONFORMING AMENDMENT.—Section
16 522(c)(7) of the Federal Crop Insurance Act (7
17 U.S.C. 1522(c)(7)) is amended by striking sub-
18 paragraph (F).

19 (2) INCREASE IN ASSISTANCE.—Section 508(e)
20 of the Federal Crop Insurance Act (7 U.S.C.
21 1508(e)) is amended by adding at the end the fol-
22 lowing paragraph:

23 “(9) ADDITIONAL SUPPORT.—

24 “(A) IN GENERAL.—Notwithstanding any
25 other provision of this subsection regarding

1 payment of a portion of premiums, a beginning
2 farmer or rancher shall receive premium assist-
3 ance that is—

4 “(i) the number of percentage points
5 specified in subparagraph (B) greater than
6 the premium assistance that would other-
7 wise be available under paragraphs (2) (ex-
8 cept for subparagraph (A) of that para-
9 graph), (5), (6), and (7) for the applicable
10 policy, plan of insurance, and coverage
11 level selected by the beginning farmer or
12 rancher; plus

13 “(ii) any increase otherwise made
14 available under this subsection.

15 “(B) PERCENTAGE POINTS ADJUST-
16 MENTS.—The percentage points referred to in
17 subparagraph (A)(i) are the following:

18 “(i) For each of the first and second
19 reinsurance years that a beginning farmer
20 or rancher participates as a beginning
21 farmer or rancher in the applicable policy
22 or plan of insurance, 5 percentage points.

23 “(ii) For the third reinsurance year
24 that a beginning farmer or rancher partici-
25 pates as a beginning farmer or rancher in

1 the applicable policy or plan of insurance,
2 3 percentage points.

3 “(iii) For the fourth reinsurance year
4 that a beginning farmer or rancher partici-
5 pates as a beginning farmer or rancher in
6 the applicable policy or plan of insurance,
7 1 percentage point.”.

8 (s) AREA-BASED CROP INSURANCE COVERAGE AND
9 AFFORDABILITY.—

10 (1) COVERAGE LEVEL.—Section 508(c)(4) of
11 the Federal Crop Insurance Act (7 U.S.C.
12 1508(c)(4)) is amended—

13 (A) by amending subparagraph (A)(ii) to
14 read as follows:

15 “(ii) may be purchased at any level
16 not to exceed—

17 “(I) in the case of the individual
18 yield or revenue coverage, 85 percent;

19 “(II) in the case of individual
20 yield or revenue coverage aggregated
21 across multiple commodities, 90 per-
22 cent; and

23 “(III) in the case of area yield or
24 revenue coverage (as determined by
25 the Corporation), 95 percent.”; and

1 (B) in subparagraph (C)—

2 (i) in clause (ii), by striking “14” and
3 inserting “10”; and

4 (ii) in clause (iii)(I), by striking “86”
5 and inserting “90”.

6 (2) PREMIUM COST SHARE.—Section
7 508(e)(2)(H)(i) of the Federal Crop Insurance Act
8 (7 U.S.C. 1508(e)(2)(H)(i)) is amended by striking
9 “65” and inserting “80”.

10 (t) PREMIUM SUPPORT.—Section 508(e)(2) of the
11 Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is
12 amended—

13 (1) in subparagraph (C)(i), by striking “64”
14 and inserting “69”;

15 (2) in subparagraph (D)(i), by striking “59”
16 and inserting “64”;

17 (3) in subparagraph (E)(i), by striking “55”
18 and inserting “60”;

19 (4) in subparagraph (F)(i), by striking “48”
20 and inserting “51”; and

21 (5) in subparagraph (G)(i), by striking “38”
22 and inserting “41”.

23 (u) ADMINISTRATIVE AND OPERATING EXPENSE AD-
24 JUSTMENTS.—Section 508(k) of the Federal Crop Insur-

1 ance Act (7 U.S.C. 1508(k)) is amended by adding at the
2 end the following:

3 “(10) ADDITIONAL EXPENSES.—

4 “(A) IN GENERAL.—Beginning with the
5 2026 reinsurance year and for each reinsurance
6 year thereafter, in addition to the terms and
7 conditions of the Standard Reinsurance Agree-
8 ment, to cover additional expenses for loss ad-
9 justment procedures, the Corporation shall pay
10 an additional administrative and operating ex-
11 pense subsidy to approved insurance providers
12 for eligible contracts.

13 “(B) PAYMENT AMOUNT.—In the case of
14 an eligible contract, the payment to an ap-
15 proved insurance provider required under sub-
16 paragraph (A) shall be the amount equal to 6
17 percent of the net book premium.

18 “(C) DEFINITIONS.—In this paragraph:

19 “(i) ELIGIBLE STATE.—The term ‘eli-
20 gible State’ means a State—

21 “(I) identified in State Group 2
22 or State Group 3 (as defined in the
23 Standard Reinsurance Agreement for
24 reinsurance year 2026); and

1 “(II) in which, with respect to an
2 insurance year, the loss ratio for eligi-
3 ble contracts is greater than 120 per-
4 cent of the total net book premium
5 written by all approved insurance pro-
6 viders.

7 “(ii) ELIGIBLE CONTRACTS.—The
8 term ‘eligible contract’—

9 “(I) means a crop insurance con-
10 tract entered into by an approved in-
11 surance provider in an eligible State;
12 and

13 “(II) does not include a contract
14 for—

15 “(aa) catastrophic risk pro-
16 tection under subsection (b);

17 “(bb) an area-based plan of
18 insurance or similar plan of in-
19 surance, as determined by the
20 Corporation; or

21 “(cc) a policy under which
22 an approved insurance provider
23 does not incur loss adjustment
24 expenses, as determined by the
25 Corporation.

1 “(11) SPECIALTY CROPS.—

2 “(A) MINIMUM REIMBURSEMENT.—Begin-
3 ning with the 2026 reinsurance year and for
4 each reinsurance year thereafter, the rate of re-
5 imbursement to approved insurance providers
6 and agents for administrative and operating ex-
7 penses with respect to crop insurance contracts
8 covering agricultural commodities described in
9 section 101 of title I of the Specialty Crops
10 Competitiveness Act of 2004 (7 U.S.C. 1621
11 note) shall be equal to or greater than the per-
12 cent that is the greater of the following:

13 “(i) 17 percent of the premium used
14 to define loss ratio.

15 “(ii) The percent of the premium used
16 to define loss ratio that is otherwise appli-
17 cable for the reinsurance year under the
18 terms of the Standard Reinsurance Agree-
19 ment in effect for the reinsurance year.

20 “(B) OTHER CONTRACTS.—In carrying out
21 subparagraph (A), the Corporation shall not re-
22 duce, with respect to any reinsurance year, the
23 amount or the rate of reimbursement to ap-
24 proved insurance providers and agents under
25 the Standard Reinsurance Agreement described

1 in clause (ii) of such subparagraph for adminis-
2 trative and operating expenses with respect to
3 contracts covering agricultural commodities
4 that are not subject to such subparagraph.

5 “(C) ADMINISTRATION.—The requirements
6 of this paragraph and the adjustments made
7 pursuant to this paragraph shall not be consid-
8 ered a renegotiation under paragraph (8)(A).

9 “(12) A&O INFLATION ADJUSTMENT.—

10 “(A) IN GENERAL.—Subject to subpara-
11 graph (B), for the 2026 reinsurance year, and
12 each reinsurance year thereafter, the Corpora-
13 tion shall increase the total administrative and
14 operating expense reimbursements otherwise re-
15 quired under the Standard Reinsurance Agree-
16 ment in effect for the reinsurance year in order
17 to account for inflation, in a manner consistent
18 with the increases provided with respect to the
19 2011 through 2015 reinsurance years under the
20 enclosure included in Risk Management Agency
21 Bulletin numbered MGR–10–007 and dated
22 June 30, 2010.

23 “(B) SPECIAL RULE FOR 2026 REINSUR-
24 ANCE YEAR.—The increase under subparagraph
25 (A) for the 2026 reinsurance year shall not ex-

1 ceed the percentage change for the preceding
2 reinsurance year included in the Consumer
3 Price Index for All Urban Consumers published
4 by the Bureau of Labor Statistics of the De-
5 partment of Labor.

6 “(C) ADMINISTRATION.—An increase
7 under subparagraph (A)—

8 “(i) shall apply with respect to all
9 contracts covering agricultural commodities
10 that were subject to an increase during the
11 period of the 2011 through 2015 reinsur-
12 ance years under the enclosure referred to
13 in that subparagraph; and

14 “(ii) shall not be considered to be a
15 renegotiation of the Standard Reinsurance
16 Agreement for purposes of paragraph
17 (8)(A).”.

18 (v) PROGRAM COMPLIANCE AND INTEGRITY.—Sec-
19 tion 515(l)(2) of the Federal Crop Insurance Act (7
20 U.S.C. 1515(l)(2)) is amended by striking “than” and all
21 that follows through the period at the end and inserting
22 the following: “than—

23 “(A) \$4,000,000 for each of fiscal years
24 2009 through 2025; and

1 “(B) \$6,000,000 for fiscal year 2026 and
2 each subsequent fiscal year.”.

3 (w) REVIEWS, COMPLIANCE, AND INTEGRITY.—Sec-
4 tion 516(b)(2)(C)(i) of the Federal Crop Insurance Act
5 (7 U.S.C. 1516(b)(2)(C)(i)) is amended by striking “each
6 fiscal year” and inserting “each of fiscal years 2014
7 through 2025 and \$10,000,000 for fiscal year 2026 and
8 each fiscal year thereafter”.

9 (x) POULTRY INSURANCE PILOT PROGRAM.—Section
10 523 of the Federal Crop Insurance Act (7 U.S.C. 1523)
11 is amended by adding at the end the following:

12 “(j) POULTRY INSURANCE PILOT PROGRAM.—

13 “(1) IN GENERAL.—Notwithstanding subsection
14 (a)(2), the Corporation shall establish a pilot pro-
15 gram under which contract poultry growers, includ-
16 ing growers of broilers and laying hens, may elect to
17 receive index-based insurance from extreme weather-
18 related risk resulting in increased utility costs (in-
19 cluding costs of natural gas, propane, electricity,
20 water, and other appropriate costs, as determined by
21 the Corporation) associated with poultry production.

22 “(2) STAKEHOLDER ENGAGEMENT.—The Cor-
23 poration shall engage with poultry industry stake-
24 holders in establishing the pilot program under para-
25 graph (1).

1 “(3) LOCATION.—The pilot program established
2 under paragraph (1) shall be conducted in a suffi-
3 cient number of counties to provide a comprehensive
4 evaluation of the feasibility, effectiveness, and de-
5 mand among producers in the top poultry producing
6 States, including Alabama, Arkansas, and Mis-
7 sissippi, as determined by the Corporation.

8 “(4) APPROVAL OF POLICY OR PLAN.—Notwith-
9 standing section 508(l), the Board shall approve a
10 policy or plan of insurance based on the pilot pro-
11 gram under paragraph (1)—

12 “(A) in accordance with section 508(h);

13 and

14 “(B) not later than 24 months after the
15 date of enactment of this subsection.”.

16 **SEC. 10102. CONSERVATION.**

17 (a) GRASSROOTS SOURCE WATER PROTECTION PRO-
18 GRAM.—Section 12400(b) of the Food Security Act of
19 1985 (16 U.S.C. 3839bb–2(b)) is amended—

20 (1) in paragraph (1), by striking “2023” and
21 inserting “2031”; and

22 (2) in paragraph (3)—

23 (A) in subparagraph (A), by striking the
24 “and” at the end;

1 (B) in subparagraph (B), by striking the
2 period at the end and inserting “; and”; and

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

4 “(C) \$1,000,000 beginning in fiscal year
5 2026, to remain available until expended.”.

6 (b) VOLUNTARY PUBLIC ACCESS AND HABITAT IN-
7 CENTIVE PROGRAM.—Section 1240R(f)(1) of the Food
8 Security Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is
9 amended—

10 (1) by striking the “and” after “2023,”; and

11 (2) by inserting “, and \$10,000,000 for each of
12 fiscal years 2025 through 2031” before the period at
13 the end.

14 (c) FERAL SWINE ERADICATION AND CONTROL
15 PILOT PROGRAM.—Section 2408(g)(1) of the Agriculture
16 Improvement Act of 2018 (7 U.S.C. 8351 note; Public
17 Law 115–334) is amended—

18 (1) by striking “and” and inserting a comma;
19 and

20 (2) by inserting “, and \$15,000,000 for each of
21 fiscal years 2025 through 2031” before the period at
22 the end.

23 (d) FUNDING.—

1 (1) IN GENERAL.—Section 1241(a) of the Food
2 Security Act of 1985 (16 U.S.C. 3841(a)) is amend-
3 ed—

4 (A) in paragraph (2), by striking subpara-
5 graphs (A) through (F) and inserting the fol-
6 lowing:

7 “(A) \$625,000,000 for fiscal year 2026;

8 “(B) \$650,000,000 for fiscal year 2027;

9 “(C) \$675,000,000 for fiscal year 2028;

10 “(D) \$700,000,000 for fiscal year 2029;

11 “(E) \$700,000,000 for fiscal year 2030;

12 and

13 “(F) \$700,000,000 for fiscal year 2031.”;

14 and

15 (B) in paragraph (3)—

16 (i) in subparagraph (A), by striking
17 clauses (i) through (v) and inserting the
18 following:

19 “(i) \$2,655,000,000 for fiscal year
20 2026;

21 “(ii) \$2,855,000,000 for fiscal year
22 2027;

23 “(iii) \$3,255,000,000 for fiscal year
24 2028;

1 “(iv) \$3,255,000,000 for fiscal year
2 2029;

3 “(v) \$3,255,000,000 for fiscal year
4 2030; and

5 “(vi) \$3,255,000,000 for fiscal year
6 2031; and”;

7 (ii) in subparagraph (B), by striking
8 clauses (i) through (v) and inserting the
9 following:

10 “(i) \$1,300,000,000 for fiscal year
11 2026;

12 “(ii) \$1,325,000,000 for fiscal year
13 2027;

14 “(iii) \$1,350,000,000 for fiscal year
15 2028;

16 “(iv) \$1,375,000,000 for fiscal year
17 2029;

18 “(v) \$1,375,000,000 for fiscal year
19 2030; and

20 “(vi) \$1,375,000,000 for fiscal year
21 2031.”.

22 (2) REGIONAL CONSERVATION PARTNERSHIP
23 PROGRAM.—Section 1271D of the Food Security Act
24 of 1985 (16 U.S.C. 3871d) is amended by striking
25 subsection (a) and inserting the following:

1 “(a) AVAILABILITY OF FUNDING.—Of the funds of
2 the Commodity Credit Corporation, the Secretary shall
3 use to carry out the program, to the maximum extent
4 practicable—

5 “(1) \$425,000,000 for fiscal year 2026;

6 “(2) \$450,000,000 for fiscal year 2027;

7 “(3) \$450,000,000 for fiscal year 2028;

8 “(4) \$450,000,000 for fiscal year 2029;

9 “(5) \$450,000,000 for fiscal year 2030; and

10 “(6) \$450,000,000 for fiscal year 2031.”.

11 (3) WATERSHED PROTECTION AND FLOOD PRE-
12 VENTION.—Section 15 of the Watershed Protection
13 and Flood Prevention Act (16 U.S.C. 1012a) is
14 amended—

15 (A) by striking “\$50,000,000 for fiscal
16 year 2019” and inserting “\$150,000,000 for
17 fiscal year 2026”; and

18 (B) by inserting “, to remain available
19 until expended” before the period at the end.

20 (4) RESCISSION.—The unobligated balances of
21 amounts appropriated by section 21001(a) of Public
22 Law 117–169 (136 Stat. 2015) are rescinded.

1 **SEC. 10103. SUPPLEMENTAL AGRICULTURAL TRADE PRO-**
2 **MOTION PROGRAM.**

3 (a) IN GENERAL.—The Secretary shall conduct a
4 program to encourage the accessibility, development,
5 maintenance, and expansion of commercial export markets
6 for United States agricultural commodities.

7 (b) FUNDING.—Of the funds of the Commodity Cred-
8 it Corporation, the Secretary shall make available to carry
9 out this section \$285,000,000 for fiscal year 2027 and
10 each fiscal year thereafter.

11 **SEC. 10104. RESEARCH.**

12 (a) URBAN, INDOOR, AND OTHER EMERGING AGRI-
13 CULTURAL PRODUCTION RESEARCH, EDUCATION, AND
14 EXTENSION INITIATIVE.—Section 1672E(d)(1)(B) of the
15 Food, Agriculture, Conservation, and Trade Act of 1990
16 (7 U.S.C. 5925g(d)(1)(B)) is amended by striking “fiscal
17 year 2024, to remain available until expended” and insert-
18 ing “each of fiscal years 2024 through 2031”.

19 (b) FOUNDATION FOR FOOD AND AGRICULTURE RE-
20 SEARCH.—Section 7601(g)(1)(A) of the Agricultural Act
21 of 2014 (7 U.S.C. 5939(g)(1)(A)) is amended adding at
22 the end the following:

23 “(iv) FURTHER FUNDING.—Of the
24 funds of the Commodity Credit Corpora-
25 tion, the Secretary shall transfer to the
26 Foundation to carry out this section, to re-

1 main available until expended, not later
2 than 30 days after the date of enactment
3 of this clause, \$37,000,000.”.

4 (c) SCHOLARSHIPS FOR STUDENTS AT 1890 INSTI-
5 TUTIONS.—Section 1446 of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3222a) is amended—

8 (1) in subsection (a)—

9 (A) by striking paragraph (3); and

10 (B) by redesignating paragraph (4) as
11 paragraph (3); and

12 (2) in subsection (b), by amending paragraph
13 (1) to read as follows:

14 “(1) MANDATORY FUNDING.—Of the funds of
15 the Commodity Credit Corporation, the Secretary
16 shall make available to carry out this section
17 \$60,000,000 for fiscal year 2026, to remain avail-
18 able until expended.”.

19 (d) ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-
20 ERS WITH DISABILITIES.—Section 1680(c) of the Food,
21 Agriculture, Conservation, and Trade Act of 1990 (7
22 U.S.C. 5933(c)) is amended—

23 (1) in the subsection heading, by striking “AU-
24 THORIZATION OF APPROPRIATIONS” and inserting
25 “FUNDING”;

1 (2) by redesignating paragraphs (1) and (2) as
2 paragraphs (2) and (3), respectively; and

3 (3) by inserting before paragraph (2), as so re-
4 designated, the following:

5 “(1) MANDATORY FUNDING.—Of the funds of
6 the Commodity Credit Corporation, the Secretary
7 shall use to carry out this section \$8,000,000, to re-
8 main available until expended.”; and

9 (4) in paragraph (2), as so redesignated—

10 (A) in the paragraph heading, by striking
11 “IN GENERAL” and inserting “AUTHORIZATION
12 OF APPROPRIATIONS”; and

13 (B) by striking “Subject to paragraph (2)”
14 and inserting “Subject to paragraph (3)”.

15 (e) SPECIALTY CROP RESEARCH INITIATIVE.—Sec-
16 tion 412(k)(1)(B) of the Agricultural Research, Exten-
17 sion, and Education Reform Act of 1998 (7 U.S.C.
18 7632(k)(1)(B)) is amended by striking “section
19 \$80,000,000 for fiscal year 2014” and inserting the fol-
20 lowing: “section—

21 “(i) \$80,000,000 for each of fiscal
22 years 2014 through 2025; and

23 “(ii) \$175,000,000 for fiscal year
24 2026”.

1 (f) RESEARCH FACILITIES ACT.—Section 6 of the
2 Research Facilities Act (7 U.S.C. 390d) is amended—

3 (1) in the section heading by striking “**AU-**
4 **THORIZATION OF APPROPRIATIONS**” and insert-
5 ing “**FUNDING**”; and

6 (2) in subsection (a)—

7 (A) by striking “(a) IN GENERAL.—Sub-
8 ject to” and inserting the following:

9 “(a) IN GENERAL.—

10 “(1) AUTHORIZATION OF APPROPRIATIONS.—
11 Subject to”; and

12 (B) by adding at the end the following:

13 “(2) MANDATORY FUNDING.—Of the funds of
14 the Commodity Credit Corporation, the Secretary
15 shall make available to carry out the competitive
16 grant program under section 4, \$125,000,000 for
17 each fiscal year beginning with fiscal year 2026.”.

18 **SEC. 10105. SECURE RURAL SCHOOLS; FORESTRY.**

19 (a) EXTENSION OF CERTAIN PROVISIONS OF SECURE
20 RURAL SCHOOLS AND COMMUNITY SELF-DETERMINA-
21 TION ACT OF 2000.—

22 (1) SECURE PAYMENTS FOR STATES AND COUN-
23 TIES CONTAINING FEDERAL LAND.—

24 (A) SECURE PAYMENTS.—Section 101 of
25 the Secure Rural Schools and Community Self-

1 Determination Act of 2000 (16 U.S.C. 7111) is
2 amended—

3 (i) in subsections (a) and (b), by
4 striking “2023” each place it appears and
5 inserting “2026”; and

6 (ii) by adding at the end the fol-
7 lowing:

8 “(e) SPECIAL RULE FOR FISCAL YEAR 2024 PAY-
9 MENTS.—

10 “(1) STATE PAYMENT.—If an eligible county in
11 a State that will receive a share of the State pay-
12 ment for fiscal year 2024 has already received, or
13 will receive, a share of the 25-percent payment for
14 fiscal year 2024 distributed to the State before the
15 date of enactment of this subsection—

16 “(A) if the amount of the State payment
17 exceeds the amount of the 25-percent payment,
18 the amount of the State payment shall be re-
19 duced by the amount of the share of the eligible
20 county of the 25-percent payment; or

21 “(B) if the amount of the State payment
22 is less than or equal to the amount of the 25-
23 percent payment, the eligible county—

1 “(i) may retain the amount of the
2 share of the eligible county of the 25-per-
3 cent payment; and

4 “(ii) if so retained, such amount shall
5 be treated as if it were received by the
6 county as a State payment for purposes of
7 this Act.

8 “(2) COUNTY PAYMENT.—If an eligible county
9 that will receive a county payment for fiscal year
10 2024 has already received a 50-percent payment for
11 fiscal year 2024—

12 “(A) if the amount of the county payment
13 exceeds the amount of the 50-percent payment,
14 the amount of the county payment shall be re-
15 duced by the amount of the 50-percent pay-
16 ment; or

17 “(B) if the amount of the county payment
18 is less than or equal to the amount of the 50-
19 percent payment, the eligible county—

20 “(i) may retain the amount of the 50-
21 percent payment; and

22 “(ii) if so retained, such amount shall
23 be treated as if it were received as a coun-
24 ty payment for purposes of this Act.

1 “(3) TIMELY PAYMENT.—Not later than 90
2 days after the date of enactment of this subsection,
3 the Secretary of the Treasury shall make all pay-
4 ments under this title for fiscal year 2024.”.

5 (B) DISTRIBUTION OF PAYMENTS TO ELI-
6 GIBLE COUNTIES.—Section 103(d)(2) of the Se-
7 cure Rural Schools and Community Self-Deter-
8 mination Act of 2000 (16 U.S.C. 7113(d)(2)) is
9 amended by striking “2023” and inserting
10 “2026”.

11 (2) PAYMENTS TO STATES AND COUNTIES.—
12 Section 102 of the Secure Rural Schools and Com-
13 munity Self-Determination Act of 2000 (16 U.S.C.
14 7112) is amended—

15 (A) in subsection (b)—

16 (i) in paragraph (1), by adding at the
17 end the following:

18 “(E) PAYMENTS FOR EACH OF FISCAL
19 YEARS 2024 AND 2025.—The election otherwise
20 required by subparagraph (A) shall not apply
21 for each of fiscal years 2024 and 2025.”; and

22 (ii) in paragraph (2), by adding at the
23 end the following:

24 “(C) FISCAL YEARS 2024 AND 2025.—The
25 election described in paragraph (1)(A) applica-

1 ble to a county in fiscal year 2023 shall be ef-
2 fective for each of fiscal years 2024 and
3 2025.”; and

4 (B) in subsection (d)—

5 (i) in paragraph (1), by adding at the
6 end the following:

7 “(G) PAYMENTS FOR EACH OF FISCAL
8 YEARS 2024 AND 2025.—The election made by
9 an eligible county under subparagraph (B), (C),
10 or (D) for fiscal year 2023, or deemed to be
11 made by the county under paragraph (3)(B) for
12 that fiscal year, shall be effective for each of
13 fiscal years 2024 and 2025.”; and

14 (ii) in paragraph (3), by adding at the
15 end the following:

16 “(E) PAYMENTS FOR EACH OF FISCAL
17 YEARS 2024 AND 2025.—This paragraph does
18 not apply for each of fiscal years 2024 and
19 2025.”.

20 (3) EXTENSION OF AUTHORITY TO CONDUCT
21 SPECIAL PROJECTS ON FEDERAL LAND.—

22 (A) COMMITTEE ON COMPOSITION WAIVER
23 AUTHORITY.—Section 205(d)(6)(C) of the Se-
24 cure Rural Schools and Community Self-Deter-
25 mination Act of 2000 (16 U.S.C.

1 7125(d)(6)(C)) is amended by striking “2023”
2 and inserting “2026”.

3 (B) EXTENSION OF AUTHORITY.—Section
4 208 of the Secure Rural Schools and Commu-
5 nity Self-Determination Act of 2000 (16 U.S.C.
6 7128) is amended—

7 (i) in subsection (a), by striking
8 “2025” and inserting “2028”; and

9 (ii) in subsection (b), by striking
10 “2026” and inserting “2029”.

11 (4) EXTENSION OF AUTHORITY TO EXPEND
12 COUNTY FUNDS.—Section 305 of the Secure Rural
13 Schools and Community Self-Determination Act of
14 2000 (16 U.S.C. 7144) is amended—

15 (A) in subsection (a), by striking “2025”
16 and inserting “2028”; and

17 (B) in subsection (b), by striking “2026”
18 and inserting “2029”.

19 (b) RESOURCE ADVISORY COMMITTEE PILOT PRO-
20 GRAM EXTENSION.—Section 205(g) of the Secure Rural
21 Schools and Community Self-Determination Act of 2000
22 (16 U.S.C. 7125(g)) is amended—

23 (1) in paragraph (5), by striking “2023” and
24 inserting “2026”; and

25 (2) by striking paragraph (6).

1 (c) TECHNICAL CORRECTIONS.—

2 (1) RESOURCE ADVISORY COMMITTEES.—Sec-
3 tion 205 of the Secure Rural Schools and Commu-
4 nity Self-Determination Act of 2000 (16 U.S.C.
5 7125) is amended—

6 (A) in subsection (c)—

7 (i) in paragraph (1), by striking “con-
8 cerned,” and inserting “concerned”; and

9 (ii) in paragraph (3), by striking “the
10 date of the enactment of this Act” and in-
11 sserting “October 3, 2008”; and

12 (B) in subsection (d)(4), by striking “to
13 extent” and inserting “to the extent”.

14 (2) USE OF PROJECT FUNDS.—Section
15 206(b)(2) of the Secure Rural Schools and Commu-
16 nity Self-Determination Act of 2000 (16 U.S.C.
17 7126(b)(2)) is amended by striking “concerned,”
18 and inserting “concerned”.

19 (d) RESCISSIONS.—

20 (1) COMPETITIVE GRANTS FOR NON-FEDERAL
21 FOREST LANDOWNERS.—All of the unobligated bal-
22 ances of the funds made available under each of
23 paragraphs (1) through (4) of section 23002(a) of
24 subtitle D of Public Law 117–169 are rescinded.

1 (2) STATE AND PRIVATE FORESTRY CONSERVA-
2 TION PROGRAMS.—Of the unobligated balances avail-
3 able under section 23003(a)(1) of subtitle D of Pub-
4 lic Law 117–169, \$100,719,676 are rescinded.

5 **SEC. 10106. ENERGY.**

6 (a) BIOBASED MARKETS PROGRAM.—Section
7 9002(k)(1) of the Farm Security and Rural Investment
8 Act of 2002 (7 U.S.C. 8102(k)(1)) is amended by striking
9 “2024” and inserting “2031”.

10 (b) BIOENERGY PROGRAM FOR ADVANCED
11 BIOFUELS.—Section 9005(g)(1)(F) of the Farm Security
12 and Rural Investment Act of 2002 (7 U.S.C.
13 8105(g)(1)(F)) is amended by striking “2024” and insert-
14 ing “2031”.

15 **SEC. 10107. HORTICULTURE.**

16 (a) PLANT PEST AND DISEASE MANAGEMENT AND
17 DISASTER PREVENTION.—Section 420(f) of the Plant
18 Protection Act (7 U.S.C. 7721) is amended—

19 (1) in paragraph (5), by striking “and” at the
20 end;

21 (2) by redesignating paragraph (6) as para-
22 graph (7);

23 (3) by inserting after paragraph (5) the fol-
24 lowing:

1 “(6) \$75,000,000 for each of fiscal years 2018
2 through 2025; and”;

3 (4) in paragraph (7) (as so redesignated), by
4 striking “\$75,000,000 for fiscal year 2018” and in-
5 serting “\$90,000,000 for fiscal year 2026”.

6 (b) SPECIALTY CROP BLOCK GRANTS.—Section
7 101(l)(1) of the Specialty Crops Competitiveness Act of
8 2004 (7 U.S.C. 1621 note; Public Law 108–465) is
9 amended—

10 (1) in subparagraph (D), by striking “and” at
11 the end;

12 (2) by redesignating subparagraph (E) as sub-
13 paragraph (F);

14 (3) by inserting after subparagraph (D) the fol-
15 lowing:

16 “(E) \$85,000,000 for each of fiscal years
17 2018 through 2025; and”;

18 (4) in subparagraph (F) (as so redesignated),
19 by striking “\$85,000,000 for fiscal year 2018” and
20 inserting “\$100,000,000 for fiscal year 2026”.

21 (c) ORGANIC PRODUCTION AND MARKET DATA INI-
22 TIATIVE.—Section 7407(d)(1) of the Farm Security and
23 Rural Investment Act of 2002 (7 U.S.C. 5925c(d)(1)) is
24 amended—

1 (1) in subparagraph (B), by striking “and” at
2 the end;

3 (2) in subparagraph (C), by striking the period
4 at the end and inserting “; and”; and

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

6 “(D) \$10,000,000 for the period of fiscal
7 years 2026 through 2031.”.

8 (d) MODERNIZATION AND IMPROVEMENT OF INTER-
9 NATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA
10 COLLECTION FUNDING.—Section 2123(c)(4) of the Or-
11 ganic Foods Production Act of 1990 (7 U.S.C.
12 6522(c)(4)) is amended, in the matter preceding subpara-
13 graph (A), by striking “and \$1,000,000 for fiscal year
14 2024” and inserting “, \$1,000,000 for fiscal years 2024
15 and 2025, and \$5,000,000 for fiscal year 2026”.

16 (e) NATIONAL ORGANIC CERTIFICATION COST-SHARE
17 PROGRAM.—Section 10606(d)(1)(C) of the Farm Security
18 and Rural Investment Act of 2002 (7 U.S.C.
19 6523(d)(1)(C)) is amended by striking “for each of fiscal
20 years 2022 through 2024” and inserting “for each of fis-
21 cal years 2022 through 2031”.

22 (f) MULTIPLE CROP AND PESTICIDE USE SURVEY.—
23 Section 10109(c)(1) of the Agriculture Improvement Act
24 of 2018 (Public Law 115–334; 132 Stat. 4906) is amend-
25 ed to read as follows:

1 “(1) MANDATORY FUNDING.—Of the funds of
2 the Commodity Credit Corporation, the Secretary
3 shall use to carry out this section—

4 “(A) \$500,000 for fiscal year 2019, to re-
5 main available until expended;

6 “(B) \$100,000 for fiscal year 2024, to re-
7 main available until expended; and

8 “(C) \$5,000,000 for fiscal year 2026, to
9 remain available until expended.”.

10 **SEC. 10108. MISCELLANEOUS.**

11 (a) ANIMAL DISEASE PREVENTION AND MANAGE-
12 MENT.—Section 10409A(d)(1) of the Animal Health Pro-
13 tection Act (7 U.S.C. 8308a(d)(1)) is amended to read
14 as follows:

15 “(1) MANDATORY FUNDING.—

16 “(A) FISCAL YEARS 2023 THROUGH
17 2025.—Of the funds of the Commodity Credit
18 Corporation, the Secretary shall make available
19 to carry out this section \$30,000,000 for each
20 of fiscal years 2023 through 2025, of which not
21 less than \$18,000,000 shall be made available
22 for each of those fiscal years to carry out sub-
23 section (b).

24 “(B) FISCAL YEARS 2026 THROUGH
25 2030.—Of the funds of the Commodity Credit

1 Corporation, the Secretary shall make available
2 to carry out this section \$233,000,000 for each
3 of fiscal years 2026 through 2030, of which—

4 “(i) not less than \$10,000,000 shall
5 be made available for each such fiscal year
6 to carry out subsection (a);

7 “(ii) not less than \$70,000,000 shall
8 be made available for each such fiscal year
9 to carry out subsection (b); and

10 “(iii) not less than \$153,000,000 shall
11 be made available for each such fiscal year
12 to carry out subsection (c).

13 “(C) SUBSEQUENT FISCAL YEARS.—Of the
14 funds of the Commodity Credit Corporation, the
15 Secretary shall make available to carry out this
16 section \$75,000,000 for fiscal year 2031 and
17 each fiscal year thereafter, of which not less
18 than \$45,000,000 shall be made available for
19 each of those fiscal years to carry out sub-
20 section (b).”.

21 (b) SHEEP PRODUCTION AND MARKETING GRANT
22 PROGRAM.—Section 209(c) of the Agricultural Marketing
23 Act of 1946 (7 U.S.C. 1627a(c)) is amended—

24 (1) by striking “\$2,000,000 for fiscal year
25 2019, and”; and

1 (2) by inserting “and \$3,000,000 for fiscal year
2 2026” after “fiscal year 2024”.

3 (c) MISCELLANEOUS TRUST FUNDS.—

4 (1) PIMA AGRICULTURE COTTON TRUST
5 FUND.—Section 12314 of the Agricultural Act of
6 2014 (7 U.S.C. 2101 note; Public Law 113–79) is
7 amended—

8 (A) in subsection (b), in the matter pre-
9 ceeding paragraph (1), by striking “2024” and
10 inserting “2031”; and

11 (B) in subsection (h), by striking “2024”
12 and inserting “2031”.

13 (2) AGRICULTURE WOOL APPAREL MANUFAC-
14 TURERS TRUST FUND.—Section 12315 of the Agri-
15 cultural Act of 2014 (7 U.S.C. 7101 note; Public
16 Law 113–79) is amended by striking “2024” each
17 place it appears and inserting “2031”.

18 (3) WOOL RESEARCH AND PROMOTION.—Sec-
19 tion 12316(a) of the Agricultural Act of 2014 (7
20 U.S.C. 7101 note; Public Law 113–79) is amended
21 by striking “2024” and inserting “2031”.

22 (4) EMERGENCY CITRUS DISEASE RESEARCH
23 AND DEVELOPMENT TRUST FUND.—Section
24 12605(d) of the Agriculture Improvement Act of

1 2018 (7 U.S.C. 7632 note; Public Law 115–334) is
2 amended by striking “2024” and inserting “2031”.

3 **TITLE II—COMMITTEE ON**
4 **ARMED SERVICES**

5 **SEC. 20001. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
6 **RESOURCES FOR IMPROVING THE QUALITY**
7 **OF LIFE FOR MILITARY PERSONNEL.**

8 (a) APPROPRIATIONS.—In addition to amounts other-
9 wise available, there are appropriated to the Secretary of
10 Defense for fiscal year 2025, out of any money in the
11 Treasury not otherwise appropriated, to remain available
12 until September 30, 2029—

13 (1) \$230,480,000 for restoration and mod-
14 ernization costs under the Marine Corps Barracks
15 2030 initiative;

16 (2) \$119,000,000 for base operating support
17 costs for the Marine Corps;

18 (3) \$1,000,000,000 for Army, Navy, Air Force,
19 and Space Force sustainment, restoration, and mod-
20 ernizations of military unaccompanied housing;

21 (4) \$2,000,000,000 for the Defense Health
22 Program;

23 (5) \$2,900,000,000 to supplement the basic al-
24 lowance for housing payable to members of the

1 Armed Forces, notwithstanding section 403 of title
2 37, United States Code;

3 (6) \$50,000,000 for bonuses, special pays, and
4 incentive pays for members of the Armed Forces
5 pursuant to titles 10 and 37, United States Code;

6 (7) \$10,000,000 for the Defense Activity for
7 Non-Traditional Education Support's Online Aca-
8 demic Skills Course program for members of the
9 Armed Forces;

10 (8) \$100,000,000 for tuition assistance for
11 members of the Armed Forces pursuant to title 10,
12 United States Code;

13 (9) \$100,000,000 for child care fee assistance
14 for members of the Armed Forces under part II of
15 chapter 88 of title 10, United States Code;

16 (10) \$590,000,000 to increase the Temporary
17 Lodging Expense Allowance under chapter 8 of title
18 37, United States Code, to 21 days;

19 (11) \$100,000,000 for Department of Defense
20 Impact Aid payments to local educational agencies
21 under section 2008 of title 10, United States Code;

22 (12) \$10,000,000 for military spouse profes-
23 sional licensure under section 1784 of title 10,
24 United States Code;

1 (13) \$6,000,000 for Armed Forces Retirement
2 Home facilities; and

3 (14) \$100,000,000 for the Defense Community
4 Infrastructure Program.

5 (b) TEMPORARY INCREASE IN PERCENTAGE OF
6 VALUE OF AUTHORIZED INVESTMENT IN CERTAIN
7 PRIVATIZED MILITARY HOUSING PROJECTS.—

8 (1) IN GENERAL.—During the period beginning
9 on the date of the enactment of this section and
10 ending on September 30, 2029, the Secretary con-
11 cerned shall apply—

12 (A) paragraph (1) of subsection (c) of sec-
13 tion 2875 of title 10, United States Code, by
14 substituting “60 percent” for “33 1/3 per-
15 cent”; and

16 (B) paragraph (2) of such subsection by
17 substituting “60 percent” for “45 percent”.

18 (2) SECRETARY CONCERNED DEFINED.—In this
19 subsection, the term “Secretary concerned” has the
20 meaning given such term in section 101 of title 10,
21 United States Code.

22 (c) TEMPORARY AUTHORITY FOR ACQUISITION OR
23 CONSTRUCTION OF PRIVATIZED MILITARY UNACCOM-
24 PANIED HOUSING.—Section 2881a of title 10, United
25 States Code, is amended—

1 (1) by striking the heading and inserting
2 **“Temporary authority for acquisition or**
3 **construction of privatized military unac-**
4 **panied housing”**;

5 (2) by striking “Secretary of the Navy” each
6 place it appears and inserting “Secretary con-
7 cerned”;

8 (3) by striking “under the pilot projects” each
9 place it appears and inserting “pursuant to this sec-
10 tion”;

11 (4) in subsection (a)—

12 (A) by striking the heading and inserting
13 “IN GENERAL”; and

14 (B) by striking “carry out not more than
15 three pilot projects under the authority of this
16 section or another provision of this subchapter
17 to use the private sector” and inserting “use
18 the authority under this subchapter to enter
19 into contracts with appropriate private sector
20 entities”;

21 (5) in subsection (c), by striking “privatized
22 housing” and inserting “privatized housing units”;

23 (6) by redesignating subsection (f) as sub-
24 section (e); and

25 (7) in subsection (e) (as so redesignated)—

1 (A) by striking “under the pilot programs”
2 and inserting “under this section”; and

3 (B) by striking “September 30, 2009” and
4 inserting “September 30, 2029”.

5 **SEC. 20002. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
6 **RESOURCES FOR SHIPBUILDING.**

7 In addition to amounts otherwise available, there are
8 appropriated to the Secretary of Defense for fiscal year
9 2025, out of any money in the Treasury not otherwise ap-
10 propriated, to remain available until September 30,
11 2029—

12 (1) \$250,000,000 for the expansion of acceler-
13 ated Training in Defense Manufacturing program;

14 (2) \$250,000,000 for United States production
15 of turbine generators for shipbuilding industrial
16 base;

17 (3) \$450,000,000 for United States additive
18 manufacturing for wire production and machining
19 capacity for shipbuilding industrial base;

20 (4) \$492,000,000 for next-generation ship-
21 building techniques;

22 (5) \$85,000,000 for United States-made steel
23 plate for shipbuilding industrial base;

24 (6) \$50,000,000 for machining capacity for
25 naval propellers for shipbuilding industrial base;

- 1 (7) \$110,000,000 for rolled steel and fabrica-
2 tion facility for shipbuilding industrial base;
- 3 (8) \$400,000,000 for expansion of collaborative
4 campus for naval shipbuilding;
- 5 (9) \$450,000,000 for application of autonomy
6 and artificial intelligence to naval shipbuilding;
- 7 (10) \$500,000,000 for the adoption of advanced
8 manufacturing techniques in the shipbuilding indus-
9 trial base;
- 10 (11) \$500,000,000 for additional dry-dock ca-
11 pability;
- 12 (12) \$50,000,000 for the expansion of cold
13 spray repair technologies;
- 14 (13) \$450,000,000 for additional maritime in-
15 dustrial workforce development programs;
- 16 (14) \$750,000,000 for additional supplier devel-
17 opment across the naval shipbuilding industrial base;
- 18 (15) \$250,000,000 for additional advanced
19 manufacturing processes across the naval ship-
20 building industrial base;
- 21 (16) \$4,600,000,000 for a second Virginia-class
22 submarine in fiscal year 2026;
- 23 (17) \$5,400,000,000 for two additional Guided
24 Missile Destroyer (DDG) ships;

1 (18) \$160,000,000 for advanced procurement
2 for Landing Ship Medium;

3 (19) \$1,803,941,000 for procurement of Land-
4 ing Ship Medium;

5 (20) \$295,000,000 for development of a second
6 Landing Craft Utility shipyard and production of
7 additional Landing Craft Utility;

8 (21) \$100,000,000 for the procurement of com-
9 mercial logistics ships;

10 (22) \$600,000,000 for the lease or purchase of
11 new ships through the National Defense Sealift
12 Fund;

13 (23) \$2,725,000,000 for the procurement of T-
14 AO oilers;

15 (24) \$500,000,000 for cost-to-complete for res-
16 cue and salvage ships;

17 (25) \$300,000,000 for production of ship-to-
18 shore connectors;

19 (26) \$695,000,000 for the implementation of a
20 multi-ship amphibious warship contract;

21 (27) \$80,000,000 for accelerated development
22 of vertical launch system reloading at sea;

23 (28) \$250,000,000 for expansion of Navy corro-
24 sion control programs;

1 (29) \$159,000,000 for leasing of ships for Ma-
2 rine Corps operations;

3 (30) \$1,534,000,000 for expansion of small un-
4 manned surface vessel production;

5 (31) \$1,800,000,000 for expansion of medium
6 unmanned surface vessel production;

7 (32) \$1,300,000,000 for expansion of un-
8 manned underwater vehicle production;

9 (33) \$188,360,000 for the development and
10 testing of maritime robotic autonomous systems and
11 enabling technologies;

12 (34) \$174,000,000 for the development of a
13 Test Resource Management Center robotic autono-
14 mous systems proving ground;

15 (35) \$250,000,000 for the development, produc-
16 tion, and integration of wave-powered unmanned un-
17 derwater vehicles;

18 (36) \$2,100,000,000 for San Antonio-class Am-
19 phibious Transport Dock (LPD); and

20 (37) \$3,700,000,000 for America-class Amphib-
21 ious Assault Ship (LHA).

1 **SEC. 20003. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
2 **RESOURCES FOR INTEGRATED AIR AND MIS-**
3 **SILE DEFENSE.**

4 (a) NEXT GENERATION MISSILE DEFENSE TECH-
5 NOLOGIES.—In addition to amounts otherwise available,
6 there are appropriated to the Secretary of Defense for fis-
7 cal year 2025, out of any money in the Treasury not other-
8 wise appropriated, to remain available until September 30,
9 2029—

10 (1) \$183,000,000 for Missile Defense Agency
11 special programs;

12 (2) \$250,000,000 for development and testing
13 of directed energy capabilities by the Under Sec-
14 retary for Research and Engineering;

15 (3) \$300,000,000 for classified military space
16 superiority programs run by the Strategic Capabili-
17 ties Office;

18 (4) \$500,000,000 for national security space
19 launch infrastructure;

20 (5) \$2,000,000,000 for air moving target indi-
21 cator military satellites;

22 (6) \$400,000,000 for expansion of Multi-Serv-
23 ice Advanced Capability Hypersonic Test Bed pro-
24 gram;

25 (7) \$5,600,000,000 for development of space-
26 based and boost phase intercept capabilities;

1 (8) \$2,400,000,000 for the development of mili-
2 tary non-kinetic missile defense effects; and

3 (9) \$7,200,000,000 for the development, pro-
4 curement, and integration of military space-based
5 sensors.

6 (b) **LAYERED HOMELAND DEFENSE**.—In addition to
7 amounts otherwise available, there are appropriated to the
8 Secretary of Defense for fiscal year 2025, out of any
9 money in the Treasury not otherwise appropriated, to re-
10 main available until September 30, 2029—

11 (1) \$2,200,000,000 for acceleration of
12 hypersonic defense systems;

13 (2) \$800,000,000 for accelerated development
14 and deployment of next-generation intercontinental
15 ballistic missile defense systems;

16 (3) \$408,000,000 for Army space and strategic
17 missile test range infrastructure restoration and
18 modernization in the United States Indo-Pacific
19 Command area of operations west of the inter-
20 national dateline;

21 (4) \$1,975,000,000 for improved ground-based
22 missile defense radars; and

23 (5) \$530,000,000 for the design and construc-
24 tion of Missile Defense Agency missile instrumenta-
25 tion range safety ship.

1 **SEC. 20004. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
2 **RESOURCES FOR MUNITIONS AND DEFENSE**
3 **SUPPLY CHAIN RESILIENCY.**

4 (a) APPROPRIATIONS.—In addition to amounts other-
5 wise available, there are appropriated to the Secretary of
6 Defense for fiscal year 2025, out of any money in the
7 Treasury not otherwise appropriated, to remain available
8 until September 30, 2029—

9 (1) \$400,000,000 for the development, produc-
10 tion, and integration of Navy and Air Force long-
11 range anti-ship missiles;

12 (2) \$380,000,000 for production capacity ex-
13 pansion for Navy and Air Force long-range anti-ship
14 missiles;

15 (3) \$490,000,000 for the development, produc-
16 tion, and integration of Navy and Air Force long-
17 range air-to-surface missiles;

18 (4) \$94,000,000 for the development, produc-
19 tion, and integration of alternative Navy and Air
20 Force long-range air-to-surface missiles;

21 (5) \$630,000,000 for the development, produc-
22 tion, and integration of long-range Navy air defense
23 and anti-ship missiles;

24 (6) \$688,000,000 for the development, produc-
25 tion, and integration of long-range multi-service
26 cruise missiles;

1 (7) \$250,000,000 for production capacity ex-
2 pansion and supplier base strengthening of long-
3 range multi-service cruise missiles;

4 (8) \$70,000,000 for the development, produc-
5 tion, and integration of short-range Navy and Ma-
6 rine Corps anti-ship missiles;

7 (9) \$100,000,000 for the development of an
8 anti-ship seeker for short-range Army ballistic mis-
9 siles;

10 (10) \$175,000,000 for production capacity ex-
11 pansion for next-generation Army medium-range
12 ballistic missiles;

13 (11) \$50,000,000 for the mitigation of dimin-
14 ishing manufacturing sources for medium-range air-
15 to-air missiles;

16 (12) \$250,000,000 for the procurement of me-
17 dium-range air-to-air missiles;

18 (13) \$225,000,000 for the expansion of produc-
19 tion capacity for medium-range air-to-air missiles;

20 (14) \$50,000,000 for the development of second
21 sources for components of short-range air-to-air mis-
22 siles;

23 (15) \$325,000,000 for production capacity im-
24 provements for air-launched anti-radiation missiles;

1 (16) \$50,000,000 for the accelerated develop-
2 ment of Army next-generation medium-range anti-
3 ship ballistic missiles;

4 (17) \$114,000,000 for the production of Army
5 next-generation medium-range ballistic missiles;

6 (18) \$300,000,000 for the production of Army
7 medium-range ballistic missiles;

8 (19) \$85,000,000 for the accelerated develop-
9 ment of Army long-range ballistic missiles;

10 (20) \$400,000,000 for the production of heavy-
11 weight torpedoes;

12 (21) \$200,000,000 for the development, pro-
13 curement, and integration of commercial heavy-
14 weight torpedoes;

15 (22) \$70,000,000 for the improvement of
16 heavyweight torpedo maintenance activities;

17 (23) \$200,000,000 for the production of light-
18 weight torpedoes;

19 (24) \$500,000,000 for the development, pro-
20 curement, and integration of maritime mines;

21 (25) \$50,000,000 for the development, procure-
22 ment, and integration of new underwater explosives;

23 (26) \$55,000,000 for the development, procure-
24 ment, and integration of lightweight multi-mission
25 torpedoes;

1 (27) \$80,000,000 for the production of
2 sonobuoys;

3 (28) \$150,000,000 for the development, pro-
4 curement, and integration of air-delivered long-range
5 maritime mines;

6 (29) \$61,000,000 for the acceleration of Navy
7 expeditionary loitering munitions deployment;

8 (30) \$50,000,000 for the acceleration of one-
9 way attack unmanned aerial systems with advanced
10 autonomy;

11 (31) \$1,000,000,000 for the expansion of the
12 one-way attack unmanned aerial systems industrial
13 base;

14 (32) \$3,500,000,000 for grants made pursuant
15 to the Industrial Base Fund established under sec-
16 tion 4817 of title 10, United States Code;

17 (33) \$1,000,000,000 for grants and purchase
18 commitments made pursuant to the Industrial Base
19 Fund established under section 4817 of title 10,
20 United States Code;

21 (34) \$200,000,000 for investments in solid
22 rocket motor industrial base through the Industrial
23 Base Fund established under section 4817 of title
24 10, United States Code;

1 (35) \$400,000,000 for investments in the
2 emerging solid rocket motor industrial base through
3 the Industrial Base Fund established under section
4 4817 of title 10, United States Code;

5 (36) \$42,000,000 for investments in second
6 sources for large-diameter solid rocket motors for
7 hypersonic missiles;

8 (37) \$1,000,000,000 for the creation of next-
9 generation automated munitions production fac-
10 tories;

11 (38) \$170,000,000 for the development of ad-
12 vanced radar depot for repair, testing, and produc-
13 tion of radar and electronic warfare systems;

14 (39) \$25,000,000 for the expansion of the De-
15 partment of Defense industrial base policy analysis
16 workforce;

17 (40) \$30,300,000 for the repair of Army mis-
18 siles;

19 (41) \$100,000,000 for the production of small
20 and medium ammunition;

21 (42) \$2,500,000,000 for additional activities to
22 improve the United States production of critical
23 minerals through the National Defense Stockpile,
24 authorized by subchapter III of chapter 5 of title 50,
25 United States Code;

1 (43) \$10,000,000 for the expansion of the De-
2 partment of Defense armaments cooperation work-
3 force;

4 (44) \$500,000,000 for the expansion of the De-
5 fense Exportability Features program;

6 (45) \$350,000,000 for production of Navy long-
7 range air and missile defense interceptors;

8 (46) \$93,000,000 for replacement of Navy long-
9 range air and missile defense interceptors;

10 (47) \$100,000,000 for development of a second
11 solid rocket motor source for Navy air defense and
12 anti ship missiles;

13 (48) \$65,000,000 for expansion of production
14 capacity of Missile Defense Agency long-range anti-
15 ballistic missiles;

16 (49) \$225,000,000 for expansion of production
17 capacity for Navy air defense and anti-ship missiles;

18 (50) \$103,300,000 for expansion of depot level
19 maintenance facility for Navy long-range air and
20 missile defense interceptors;

21 (51) \$18,000,000 for creation of domestic
22 source for guidance section of Navy short-range air
23 defense missiles;

1 (52) \$65,000,000 for integration of Army me-
2 dium-range air and missile defense interceptor with
3 Navy ships;

4 (53) \$176,100,000 for production of Army
5 long-range movable missile defense radar;

6 (54) \$100,000,000 for accelerated fielding of
7 Army short-range gun-based air and missile defense
8 system;

9 (55) \$40,000,000 for development of low-cost
10 alternatives to air and missile defense interceptors;

11 (56) \$50,000,000 for acceleration of Army
12 next-generation shoulder-fired air defense system;

13 (57) \$91,000,000 for production of Army next-
14 generation shoulder-fired air defense system;

15 (58) \$500,000,000 for development, production,
16 and integration of counter-unmanned aerial systems
17 programs;

18 (59) \$350,000,000 for development, production,
19 and integration of non-kinetic counter-unmanned
20 aerial systems programs;

21 (60) \$250,000,000 for development, production,
22 and integration of land-based counter-unmanned
23 aerial systems programs;

1 (61) \$200,000,000 for development, production,
2 and integration of ship-based counter-unmanned aer-
3 ial systems programs; and

4 (62) \$400,000,000 for acceleration of
5 hypersonic strike programs.

6 (b) APPROPRIATIONS.—In addition to amounts other-
7 wise available, there is appropriated to the Secretary of
8 Defense, out of any money in the Treasury not otherwise
9 appropriated, to remain available until September 30,
10 2029, \$500,000,000 to the “Department of Defense Cred-
11 it Program Account” to carry out the capital assistance
12 program, including loans, loan guarantees, and technical
13 assistance, established under section 149(e) of title 10,
14 United States Code, for critical minerals and related in-
15 dustries and projects, including related Covered Tech-
16 nology Categories: *Provided*, That—

17 (1) such amounts are available to subsidize
18 gross obligations for the principal amount of direct
19 loans, and total loan principal, any part of which is
20 to be guaranteed, not to exceed \$100,000,000,000;
21 and

22 (2) such amounts are available to cover all costs
23 and expenditures as provided under section
24 149(e)(5)(B) of title 10, United States Code.

1 **SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
2 **RESOURCES FOR SCALING LOW-COST WEAP-**
3 **ONS INTO PRODUCTION.**

4 (a) APPROPRIATIONS.—In addition to amounts other-
5 wise available, there are appropriated to the Secretary of
6 Defense for fiscal year 2025, out of any money in the
7 Treasury not otherwise appropriated, to remain available
8 until September 30, 2029—

9 (1) \$25,000,000 for the Office of Strategic
10 Capital Global Technology Scout program;

11 (2) \$1,100,000,000 for the expansion of the
12 small unmanned aerial system industrial base;

13 (3) \$400,000,000 for the development and de-
14 ployment of the Joint Fires Network and associated
15 joint battle management capabilities;

16 (4) \$400,000,000 for the expansion of advanced
17 command-and-control tools to combatant commands
18 and military departments;

19 (5) \$100,000,000 for the development of shared
20 secure facilities for the defense industrial base;

21 (6) \$50,000,000 for the creation of additional
22 Defense Innovation Unit OnRamp Hubs;

23 (7) \$250,000,000 for the acceleration of Stra-
24 tegic Capabilities Office programs;

1 (8) \$650,000,000 for the expansion of Mission
2 Capabilities office joint prototyping and experimen-
3 tation activities for military innovation;

4 (9) \$500,000,000 for the accelerated develop-
5 ment and integration of advanced 5G/6G tech-
6 nologies for military use;

7 (10) \$25,000,000 for testing of simultaneous
8 transmit and receive technology for military spec-
9 trum agility;

10 (11) \$50,000,000 for the development, procure-
11 ment, and integration of high-altitude stratospheric
12 balloons for military use;

13 (12) \$120,000,000 for the development, pro-
14 curement, and integration of long-endurance un-
15 manned aerial systems for surveillance;

16 (13) \$40,000,000 for the development, procure-
17 ment, and integration of alternative positioning and
18 navigation technology to enable military operations
19 in contested electromagnetic environments;

20 (14) \$750,000,000 for the acceleration of inno-
21 vative military logistics and energy capability devel-
22 opment and deployment;

23 (15) \$120,000,000 for the acceleration of devel-
24 opment of small, portable modular nuclear reactors
25 for military use;

1 (16) \$1,000,000,000 for the expansion of pro-
2 grams to accelerate the procurement and fielding of
3 innovative technologies;

4 (17) \$90,000,000 for the development of reus-
5 able hypersonic technology for military strikes and
6 intelligence;

7 (18) \$2,000,000,000 for the expansion of De-
8 fense Innovation Unit scaling of commercial tech-
9 nology for military use;

10 (19) \$500,000,000 to prevent delays in delivery
11 of attritable autonomous military capabilities;

12 (20) \$1,000,000,000 for the development, pro-
13 curement, and integration of low-cost cruise missiles;

14 (21) \$500,000,000 for the development, pro-
15 curement, and integration of exportable low-cost
16 cruise missiles;

17 (22) \$124,000,000 for improvements to Test
18 Resource Management Center artificial intelligence
19 capabilities;

20 (23) \$145,000,000 for the development of arti-
21 ficial intelligence to enable one-way attack un-
22 manned aerial systems and naval systems;

23 (24) \$250,000,000 for the development of the
24 Test Resource Management Center digital test envi-
25 ronment;

1 (25) \$250,000,000 for the advancement of the
2 artificial intelligence ecosystem;

3 (26) \$250,000,000 for the expansion of Cyber
4 Command artificial intelligence lines of effort;

5 (27) \$250,000,000 for the acceleration of the
6 Quantum Benchmarking Initiative;

7 (28) \$500,000,000 for the expansion and accel-
8 eration of qualification activities and technical data
9 management to enhance competition in defense in-
10 dustrial base;

11 (29) \$400,000,000 for the expansion of the de-
12 fense manufacturing technology program; and

13 (30) \$685,000,000 for military cryptographic
14 modernization activities.

15 (b) APPROPRIATIONS.—In addition to amounts other-
16 wise available, there are appropriated to the Secretary of
17 Defense, out of any money in the Treasury not otherwise
18 appropriated, to remain available until September 30,
19 2029, \$1,000,000,000 to the “Department of Defense
20 Credit Program Account” to carry out the capital assist-
21 ance program, including loans, loan guarantees, and tech-
22 nical assistance, established under section 149(e) of title
23 10, United States Code: *Provided*, That—

24 (1) such amounts are available to subsidize
25 gross obligations for the principal amount of direct

1 loans, and total loan principal, any part of which is
2 to be guaranteed, not to exceed \$100,000,000,000;
3 and

4 (2) such amounts are available to cover all costs
5 and expenditures as provided under section
6 149(e)(5)(B) of title 10, United States Code.

7 **SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
8 **RESOURCES FOR IMPROVING THE EFFI-**
9 **CIENCY AND CYBERSECURITY OF THE DE-**
10 **PARTMENT OF DEFENSE.**

11 In addition to amounts otherwise available, there are
12 appropriated to the Secretary of Defense for fiscal year
13 2025, out of any money in the Treasury not otherwise ap-
14 propriated, to remain available until September 30,
15 2029—

16 (1) \$150,000,000 for business systems replace-
17 ment to accelerate the audits of the financial state-
18 ments of the Department of Defense pursuant to
19 chapter 9A and section 2222 of title 10, United
20 States Code;

21 (2) \$200,000,000 for the deployment of auto-
22 mation and artificial intelligence to accelerate the
23 audits of the financial statements of the Department
24 of Defense pursuant to chapter 9A and section 2222
25 of title 10, United States Code;

1 (3) \$10,000,000 for the improvement of the
2 budgetary and programmatic infrastructure of the
3 Office of the Secretary of Defense; and

4 (4) \$20,000,000 for defense cybersecurity pro-
5 grams of the Defense Advanced Research Projects
6 Agency.

7 **SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
8 **RESOURCES FOR AIR SUPERIORITY.**

9 In addition to amounts otherwise available, there are
10 appropriated to the Secretary of Defense for fiscal year
11 2025, out of any money in the Treasury not otherwise ap-
12 propriated, to remain available until September 30,
13 2029—

14 (1) \$3,150,000,000 to increase F-15EX air-
15 craft production;

16 (2) \$361,220,000 to prevent the retirement of
17 F-22 aircraft;

18 (3) \$127,460,000 to prevent the retirement of
19 F-15E aircraft;

20 (4) \$50,000,000 to accelerate installation of F-
21 16 electronic warfare capability;

22 (5) \$116,000,000 for C-17A Mobility Aircraft
23 Connectivity;

24 (6) \$84,000,000 for KC-135 Mobility Aircraft
25 Connectivity;

1 (7) \$440,000,000 to increase C-130J produc-
2 tion;

3 (8) \$474,000,000 to increase EA-37B produc-
4 tion;

5 (9) \$300,000,000 for Air Force classified pro-
6 grams;

7 (10) \$678,000,000 to accelerate the Collabo-
8 rative Combat Aircraft program;

9 (11) \$400,000,000 to accelerate production of
10 the F-47 aircraft;

11 (12) \$230,000,000 for Navy classified pro-
12 grams;

13 (13) \$500,000,000 accelerate the FA/XX air-
14 craft;

15 (14) \$100,000,000 for production of Advanced
16 Aerial Sensors;

17 (15) \$160,000,000 to accelerate V-22 nacelle
18 improvement; and

19 (16) \$100,000,000 to accelerate production of
20 MQ-25 aircraft.

21 **SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR**
22 **FORCES.**

23 (a) DOD APPROPRIATIONS.—In addition to amounts
24 otherwise available, there are appropriated to the Sec-
25 retary of Defense for fiscal year 2025, out of any money

1 in the Treasury not otherwise appropriated, to remain
2 available until September 30, 2029—

3 (1) \$1,500,000,000 for risk reduction activities
4 for the Sentinel intercontinental ballistic missile pro-
5 gram;

6 (2) \$4,500,000,000 for acceleration of the B-
7 21 long-range bomber aircraft;

8 (3) \$500,000,000 for improvements to the Min-
9 uteman III intercontinental ballistic missile system;

10 (4) \$100,000,000 for capability enhancements
11 to intercontinental ballistic missile reentry vehicles;

12 (5) \$148,000,000 for the expansion of D5 mis-
13 sile motor production;

14 (6) \$400,000,000 to accelerate the development
15 of Trident D5LE2 submarine-launched ballistic mis-
16 siles;

17 (7) \$2,000,000,000 to accelerate the develop-
18 ment, procurement, and integration of the nuclear-
19 armed sea-launched cruise missile;

20 (8) \$62,000,000 to convert Ohio-class sub-
21 marine tubes to accept additional missiles;

22 (9) \$22,000,000 to enhance nuclear deterrence
23 through classified programs;

1 (10) \$168,000,000 to accelerate the production
2 of the Survivable Airborne Operations Center pro-
3 gram;

4 (11) \$65,000,000 to accelerate the moderniza-
5 tion of nuclear command, control, and communica-
6 tions; and

7 (12) \$210,300,000 for the increased production
8 of MH-139 helicopters.

9 (b) NNSA APPROPRIATIONS.—In addition to
10 amounts otherwise available, there are appropriated to the
11 Administrator of the National Nuclear Security Adminis-
12 tration for fiscal year 2025, out of any money in the
13 Treasury not otherwise appropriated, to remain available
14 until September 30, 2029—

15 (1) \$200,000,000 to perform National Nuclear
16 Security Administration Phase 1 studies pursuant to
17 section 3211 of the National Nuclear Security Ad-
18 ministration Act (50 U.S.C. 2401);

19 (2) \$540,000,000 to address deferred mainte-
20 nance and repair needs of the National Nuclear Se-
21 curity Administration pursuant to section 3211 of
22 the National Nuclear Security Administration Act
23 (50 U.S.C. 2401);

24 (3) \$1,000,000,000 to accelerate the construc-
25 tion of National Nuclear Security Administration fa-

1 cilities pursuant to section 3211 of the National Nu-
2 clear Security Administration Act (50 U.S.C. 2401);

3 (4) \$400,000,000 to accelerate the develop-
4 ment, procurement, and integration of the warhead
5 for the nuclear-armed sea-launched cruise missile
6 pursuant to section 3211 of the National Nuclear
7 Security Administration Act (50 U.S.C. 2401);

8 (5) \$500,000,000 to accelerate primary capa-
9 bility modernization pursuant to section 3211 of the
10 National Nuclear Security Administration Act (50
11 U.S.C. 2401);

12 (6) \$500,000,000 to accelerate secondary capa-
13 bility modernization pursuant to section 3211 of the
14 National Nuclear Security Administration Act (50
15 U.S.C. 2401); and

16 (7) \$100,000,000 to accelerate domestic ura-
17 nium enrichment centrifuge deployment for defense
18 purposes pursuant to section 3211 of the National
19 Nuclear Security Administration Act (50 U.S.C.
20 2401).

21 **SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
22 **RESOURCES TO IMPROVE CAPABILITIES OF**
23 **UNITED STATES INDO-PACIFIC COMMAND.**

24 In addition to amounts otherwise available, there are
25 appropriated to the Secretary of Defense for fiscal year

1 2025, out of any money in the Treasury not otherwise ap-
2 propriated, to remain available until September 30,
3 2029—

4 (1) \$365,000,000 for Army exercises and oper-
5 ations in the Western Pacific area of operations;

6 (2) \$53,000,000 for Special Operations Com-
7 mand exercises and operations in the Western Pa-
8 cific area of operations;

9 (3) \$47,000,000 for Marine Corps exercises and
10 operations in Western Pacific area of operations;

11 (4) \$90,000,000 for Air Force exercises and op-
12 erations in Western Pacific area of operations;

13 (5) \$532,600,000 for the Pacific Air Force bi-
14 ennial large-scale exercise;

15 (6) \$19,000,000 for the development of naval
16 small craft capabilities;

17 (7) \$35,000,000 for military additive manufac-
18 turing capabilities in the United States Indo-Pacific
19 Command area of operations west of the inter-
20 national dateline;

21 (8) \$450,000,000 for the development of air-
22 fields within the area of operations of United States
23 Indo-Pacific Command;

1 (9) \$1,100,000,000 for development of infra-
2 structure within the area of operations of United
3 States Indo-Pacific Command;

4 (10) \$124,000,000 for mission networks for
5 United States Indo-Pacific Command;

6 (11) \$100,000,000 for Air Force regionally
7 based cluster pre-position base kits;

8 (12) \$25,000,000 to explore the revitalization
9 of existing Arctic naval infrastructure;

10 (13) \$90,000,000 for the accelerated develop-
11 ment of non-kinetic capabilities;

12 (14) \$20,000,000 for United States Indo-Pa-
13 cific Command military exercises;

14 (15) \$23,000,000 for anti-submarine sonar ar-
15 rays;

16 (16) \$30,000,000 for intelligence, surveillance,
17 and reconnaissance capabilities for United States Af-
18 rica Command;

19 (17) \$30,000,000 for intelligence, surveillance,
20 and reconnaissance capabilities for United States
21 Indo-Pacific Command;

22 (18) \$400,000,000 for the development, coordi-
23 nation, and deployment of economic competition ef-
24 fects within the Department of Defense;

- 1 (19) \$10,000,000 for the expansion of Depart-
2 ment of Defense workforce for economic competition;
- 3 (20) \$1,000,000,000 for offensive cyber oper-
4 ations;
- 5 (21) \$500,000,000 for personnel and operations
6 costs associated with forces assigned to United
7 States Indo-Pacific Command;
- 8 (22) \$300,000,000 for the procurement of mesh
9 network communications capabilities for Special Op-
10 erations Command Pacific;
- 11 (23) \$850,000,000 for the replenishment of
12 military articles;
- 13 (24) \$200,000,000 for acceleration of Guam
14 Defense System program;
- 15 (25) \$4,029,000,000 for classified military
16 space superiority programs;
- 17 (26) \$68,000,000 for Space Force facilities im-
18 provements;
- 19 (27) \$100,000,000 for ground moving target
20 indicator military satellites; and
- 21 (28) \$528,000,000 for DARC and
22 SILENTBARKER military space situational aware-
23 ness programs.

1 **SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
2 **RESOURCES FOR IMPROVING THE READI-**
3 **NESS OF THE ARMED FORCES.**

4 In addition to amounts otherwise available, there are
5 appropriated to the Secretary of Defense for fiscal year
6 2025, out of any money in the Treasury not otherwise ap-
7 propriated, to remain available until September 30,
8 2029—

9 (1) \$1,400,000,000 for a pilot program on
10 OPN-8 maritime spares and repair rotatable pool;

11 (2) \$700,000,000 for a pilot program on OPN-
12 8 maritime spares and repair rotatable pool for am-
13 phibious ships;

14 (3) \$2,118,000,000 for spares and repairs to
15 keep Air Force aircraft mission capable;

16 (4) \$1,500,000,000 for Army depot moderniza-
17 tion and capacity enhancement;

18 (5) \$2,000,000,000 for Navy depot and ship-
19 yard modernization and capacity enhancement;

20 (6) \$250,000,000 for Air Force depot mod-
21 ernization and capacity enhancement;

22 (7) \$1,391,000,000 for the enhancement of
23 Special Operations Command equipment and readi-
24 ness;

25 (8) \$500,000,000 for National Guard unit
26 readiness;

1 (9) \$400,000,000 for Marine Corps readiness
2 and capabilities;

3 (10) \$20,000,000 for upgrades to Marine Corps
4 utility helicopters;

5 (11) \$310,000,000 for next-generation vertical
6 lift, assault, and intra-theater aeromedical evacu-
7 ation aircraft;

8 (12) \$75,000,000 for the procurement of anti-
9 lock braking systems for Army wheeled transport ve-
10 hicles;

11 (13) \$230,000,000 for the procurement of
12 Army wheeled combat vehicles;

13 (14) \$63,000,000 for the development of ad-
14 vanced rotary-wing engines;

15 (15) \$241,000,000 for the development, pro-
16 curement, and integration of Marine Corps amphib-
17 ious vehicles;

18 (16) \$250,000,000 for the procurement of
19 Army tracked combat transport vehicles; and

20 (17) \$98,000,000 for additional Army light ro-
21 tary-wing capabilities.

1 **SEC. 20011. IMPROVING DEPARTMENT OF DEFENSE BOR-**
2 **DER SUPPORT AND COUNTER-DRUG MIS-**
3 **SIONS.**

4 In addition to amounts otherwise available, there are
5 appropriated to the Secretary of Defense for fiscal year
6 2025, out of any money in the Treasury not otherwise ap-
7 propriated, to remain available until September 30, 2029,
8 \$5,000,000,000 for activities in support of border oper-
9 ations, including deployment of military personnel, oper-
10 ations and maintenance, counter-narcotics and counter-
11 transnational criminal organization mission support, the
12 operation of and construction in national defense areas,
13 the temporary detention of migrants on Department of
14 Defense installations.

15 **SEC. 20012. ENHANCEMENT OF MILITARY INTELLIGENCE**
16 **PROGRAMS.**

17 In addition to amounts otherwise available, there are
18 appropriated to the Secretary of Defense for fiscal year
19 2025, out of any money in the Treasury not otherwise ap-
20 propriated, to remain available until September 30, 2029,
21 \$2,000,000,000 for the enhancement of military intel-
22 ligence programs.

23 **SEC. 20013. DEPARTMENT OF DEFENSE OVERSIGHT.**

24 (a) OFFICE OF THE SECRETARY OF DEFENSE.—In
25 addition to amounts otherwise available, there is appro-
26 priated to the Inspector General of the Department of De-

1 fense for fiscal year 2025, out of any money in the Treas-
2 ury not otherwise appropriated, \$10,000,000, to remain
3 available through September 30, 2029, to carry out this
4 section.

5 (b) OVERSIGHT OF PROGRAMS.—The Inspector Gen-
6 eral shall monitor Department of Defense activities for
7 which funding is appropriated in this title, including—

8 (1) programs with mutual technological depend-
9 encies;

10 (2) programs with related data management
11 and data ownership considerations;

12 (3) programs particularly vulnerable to supply
13 chain disruptions and long lead time components;
14 and

15 (4) programs involving classified matters.

16 (c) CLASSIFIED MATTERS.—Not later than 30 days
17 after the date of the enactment of this title, the Chairs
18 of the Committees on Armed Services of the Senate and
19 House of Representatives shall jointly transmit to the De-
20 partment of Defense a classified memorandum regarding
21 amounts made available in this title related to classified
22 matters.

1 **SEC. 20014. MILITARY CONSTRUCTION PROJECTS AUTHOR-**
2 **IZED.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
4 are hereby authorized to be appropriated for military con-
5 struction, land acquisition, and military family housing
6 functions of each military department (as defined in sec-
7 tion 101(a) of title 10, United States Code) as specified
8 in this title.

9 (b) SPENDING PLAN.—Not later than 30 days after
10 the date of the enactment of this title, the Secretary of
11 each military department shall submit to the Committees
12 on Armed Services of the Senate and House of Represent-
13 atives a detailed spending plan by project for all funds
14 made available by this title to be expended on military con-
15 struction projects.

16 **SEC. 20015. PLAN REQUIRED.**

17 (a) IN GENERAL.—Not later than 45 days after the
18 date of the enactment of this title, the Secretary of De-
19 fense and the Administrator of the National Nuclear Secu-
20 rity Agency, as appropriate, shall submit to the Commit-
21 tees on Armed Services of the Senate and the House of
22 Representatives a spending, expenditure, or operating plan
23 for amounts made available pursuant to this title. Such
24 plan shall include the same level of detail as required for
25 the report submitted under section 8007 of division A of

1 the Further Consolidated Appropriations Act, 2024 (Pub-
2 lic Law 118–47; 138 Stat. 482).

3 (b) EXPENDITURE REPORT.—Not later than one
4 year after the date of enactment of this title, and annually
5 thereafter, the Secretary and the Administrator of the Na-
6 tional Nuclear Security Agency, as appropriate, shall sub-
7 mit to the Committees on Armed Services of the Senate
8 and the House of Representative a report that includes
9 a description of any expenditures made pursuant to the
10 plan required under subsection (a).

11 **SEC. 20016. LIMITATION ON AVAILABILITY OF FUNDS.**

12 The funds made available under this title may not
13 be used to enter into any agreement under which any pay-
14 ment of such funds could be outlaid or disbursed after
15 September 30, 2034.

16 **TITLE III—COMMITTEE ON**
17 **EDUCATION AND WORKFORCE**
18 **Subtitle A—Student Eligibility**

19 **SEC. 30001. STUDENT ELIGIBILITY.**

20 (a) IN GENERAL.—Section 484(a)(5) of the Higher
21 Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended
22 to read as follows:

23 “(5) be—

24 “(A) a citizen or national of the United
25 States;

1 “(B) an alien who is lawfully admitted for
2 permanent residence under the Immigration
3 and Nationality Act (8 U.S.C. 1101 et seq.);

4 “(C) an alien who—

5 “(i) is a citizen or national of the Re-
6 public of Cuba;

7 “(ii) is the beneficiary of an approved
8 petition under section 203(a) of the Immi-
9 gration and Nationality Act (8 U.S.C.
10 1153(a));

11 “(iii) meets all eligibility requirements
12 for an immigrant visa but for whom such
13 a visa is not immediately available;

14 “(iv) is not otherwise inadmissible
15 under section 212(a) of such Act (8 U.S.C.
16 1182(a)); and

17 “(v) is physically present in the
18 United States pursuant to a grant of pa-
19 role in furtherance of the commitment of
20 the United States to the minimum level of
21 annual legal migration of Cuban nationals
22 to the United States specified in the U.S.-
23 Cuba Joint Communiqué on Migration,
24 done at New York September 9, 1994, and
25 reaffirmed in the Cuba-United States:

1 Joint Statement on Normalization of Mi-
2 gration, Building on the Agreement of
3 September 9, 1994, done at New York
4 May 2, 1995; or

5 “(D) an individual who lawfully resides in
6 the United States in accordance with a Com-
7 pact of Free Association referred to in section
8 402(b)(2)(G) of the Personal Responsibility and
9 Work Opportunity Reconciliation Act of 1996
10 (8 U.S.C. 1612(b)(2)(G)); and”.

11 (b) EFFECTIVE DATE AND APPLICATION.—The
12 amendment made by subsection (a) shall take effect on
13 July 1, 2025, and shall apply with respect to award year
14 2025–2026 and each subsequent award year, as deter-
15 mined under the Higher Education Act of 1965 (20
16 U.S.C. 1001 et seq.).

17 **SEC. 30002. AMOUNT OF NEED; COST OF ATTENDANCE; ME-**
18 **DIAN COST OF COLLEGE.**

19 (a) AMOUNT OF NEED.—Section 471 of the Higher
20 Education Act of 1965 (20 U.S.C. 1087kk) is amended
21 by amending paragraph (1) to read as follows:

22 “(1)(A) for award year 2025–2026, the cost of
23 attendance of such student; or

1 “(B) for award year 2026–2027, and each sub-
2 sequent award year, the median cost of college of the
3 program of study of such student, minus”.

4 (b) COST OF ATTENDANCE OF A PROGRAM OF
5 STUDY.—

6 (1) DETERMINATION OF COST OF ATTENDANCE
7 OF A PROGRAM OF STUDY.—

8 (A) IN GENERAL.—Section 472(a) of the
9 Higher Education Act of 1965 (20 U.S.C.
10 10871(a)) is amended—

11 (i) in paragraph (1), by striking “car-
12 rying the same academic workload” and in-
13 serting “enrolled in the same program of
14 study”;

15 (ii) in paragraph (2), by striking
16 “same course of study” and inserting
17 “same program of study”; and

18 (iii) in paragraph (14), by striking
19 “program” and inserting “program of
20 study”.

21 (B) EFFECTIVE DATE.—The amendments
22 made by subparagraph (A) shall take effect on
23 July 1, 2026, and shall apply with respect to
24 award year 2026–2027 and each subsequent

1 award year, as determined under the Higher
2 Education Act of 1965.

3 (2) DISCLOSURE.—Section 472(c) of the High-
4 er Education Act of 1965 (20 U.S.C. 1087ll(c)) is
5 amended—

6 (A) by inserting “of each program of study
7 at the institution” after “cost of attendance”;
8 and

9 (B) by striking “of the institution” and in-
10 serting “of such programs of study at the insti-
11 tution”.

12 (c) DETERMINATION OF MEDIAN COST OF COL-
13 LEGE.—Part F of title IV of the Higher Education Act
14 of 1965 (20 U.S.C. 1087kk) is amended by inserting after
15 section 472 (as so amended), the following:

16 **“SEC. 472A. DETERMINATION OF MEDIAN COST OF COL-**
17 **LEGE.**

18 “(a) IN GENERAL.—For the purpose of this title, the
19 term ‘median cost of college’, when used with respect to
20 a program of study, offered by one or more institutions
21 of higher education for an award year, means the median
22 of the cost of attendance of the program of study (as de-
23 termined under section 472) across all institutions of high-
24 er education offering such a program of study for the pre-
25 ceding award year.

1 “(b) PROGRAM OF STUDY DEFINED.—In this section
2 and section 472, and part D:

3 “(1) IN GENERAL.—The term ‘program of
4 study’—

5 “(A) means an eligible program at an in-
6 stitution of higher education that is classified
7 by a combination of—

8 “(i) one or more CIP codes; and

9 “(ii) one credential level, determined
10 by the credential awarded upon completion
11 of the program; and

12 “(B) does not include a program of study
13 abroad.

14 “(2) CIP CODE.—The term ‘CIP code’ means
15 the six-digit taxonomic identification code assigned
16 by an institution of higher education to a specific
17 program of study at the institution, determined by
18 the institution of higher education in accordance
19 with the Classification of Instructional Programs
20 published by the National Center for Education Sta-
21 tistics.

22 “(3) CREDENTIAL LEVEL.—

23 “(A) IN GENERAL.—The term ‘credential
24 level’ means the level of the degree or other cre-
25 dential awarded by an institution of higher edu-

1 cation to students who complete a program of
2 study of the institution. Each degree or other
3 credential awarded by an institution shall be
4 categorized by the institution as either under-
5 graduate credential level or graduate credential
6 level.

7 “(B) UNDERGRADUATE CREDENTIAL.—

8 When used with respect to a credential or cre-
9 dential level, the term ‘undergraduate creden-
10 tial’ includes credentials such as an under-
11 graduate certificate, an associate degree, a
12 bachelor’s degree, and a post-baccalaureate cer-
13 tificate (including the coursework specified in
14 paragraphs (3)(B) and (4)(B) of section
15 484(b)).

16 “(C) GRADUATE CREDENTIAL.—When

17 used with respect to a credential or credential
18 level, the term ‘graduate credential’ includes
19 credentials such as a master’s degree, a doc-
20 toral degree, a professional degree, and a post-
21 graduate certificate.”.

22 (d) EXEMPTION OF CERTAIN ASSETS.—

23 (1) IN GENERAL.—Section 480(f)(2) of the
24 Higher Education Act of 1965 (20 U.S.C.
25 1087vv(f)(2)) is amended—

1 (A) by striking “net value of the” and in-
2 serting the following: “net value of—

3 “(A) the”;

4 (B) by striking the period at the end and
5 inserting a semicolon; and

6 (C) by adding at the end the following:

7 “(B) a family farm on which the family re-
8 sides; or

9 “(C) a small business with not more than
10 100 full-time or full-time equivalent employees
11 (or any part of such a small business) that is
12 owned and controlled by the family.”.

13 (2) EFFECTIVE DATE.—The amendments made
14 by paragraph (1) shall take effect on July 1, 2026,
15 and shall apply with respect to award year 2026–
16 2027 and each subsequent award year, as deter-
17 mined under the Higher Education Act of 1965.

18 **Subtitle B—Loan Limits**

19 **SEC. 30011. LOAN LIMITS.**

20 (a) TERMINATIONS OF AND RESTRICTIONS ON LOAN
21 AUTHORITY.—

22 (1) TERMINATION OF AUTHORITY TO MAKE
23 SUBSIDIZED LOANS TO UNDERGRADUATE STU-
24 DENTS.—Section 455(a)(3) of the Higher Education

1 Act of 1965 (20 U.S.C. 1087e(a)(3)) is amended by
2 adding at the end the following:

3 “(C) TERMINATION OF AUTHORITY TO
4 MAKE SUBSIDIZED LOANS TO UNDERGRADUATE
5 STUDENTS.—Notwithstanding any provision of
6 this part or part B, except as provided in para-
7 graph (4), for any period of instruction begin-
8 ning on or after July 1, 2026—

9 “(i) an undergraduate student shall
10 not be eligible to receive a Federal Direct
11 Stafford loan under this part; and

12 “(ii) the maximum annual amount of
13 Federal Direct Unsubsidized Stafford
14 loans such a student may borrow in any
15 academic year (as defined in section
16 481(a)(2)) or its equivalent shall be the
17 maximum annual amount for such student
18 determined under paragraph (5)).”.

19 (2) TERMINATION OF AUTHORITY TO MAKE
20 FEDERAL DIRECT PLUS LOANS TO ANY STUDENT
21 BORROWER.—Section 455(a)(3) of the Higher Edu-
22 cation Act of 1965 (20 U.S.C. 1087e(a)(3)) is fur-
23 ther amended by adding at the end the following:

24 “(D) TERMINATION OF AUTHORITY TO
25 MAKE FEDERAL DIRECT PLUS LOANS TO ANY

1 STUDENT BORROWER.—Notwithstanding any
2 provision of this part or part B, except as pro-
3 vided in paragraph (4), for any period of in-
4 struction beginning on or after July 1, 2026, a
5 graduate student or professional student shall
6 not be eligible to receive a Federal Direct
7 PLUS Loan under this part.”.

8 (3) RESTRICTION ON AUTHORITY TO MAKE
9 FEDERAL DIRECT PLUS LOANS TO ANY PARENT BOR-
10 ROWER.—Section 455(a)(3) of the Higher Education
11 Act of 1965 (20 U.S.C. 1087e(a)(3)) is further
12 amended by adding at the end the following:

13 “(E) RESTRICTION ON AUTHORITY TO
14 MAKE FEDERAL DIRECT PLUS LOANS TO ANY
15 PARENT BORROWER.—

16 “(i) IN GENERAL.—Notwithstanding
17 any provision of this part or part B, except
18 as provided in clause (ii) and paragraph
19 (4), for any period of instruction beginning
20 on or after July 1, 2026, a parent, on be-
21 half of a dependent student, shall not be
22 eligible to receive a Federal Direct PLUS
23 Loan under this part.

24 “(ii) EXCEPTION.—A parent may re-
25 ceive a Federal Direct PLUS Loan under

1 this part, on behalf of a dependent stu-
2 dent, in any academic year (as defined in
3 section 481(a)(2)) or its equivalent if—

4 “(I) such student borrows the
5 maximum annual amount of Federal
6 Direct Unsubsidized Stafford loans
7 such student may borrow in such aca-
8 demic year; and

9 “(II) such maximum annual
10 amount is less than the cost of at-
11 tendance of the program of study of
12 such student.”.

13 (4) CONFORMING AMENDMENTS.—Section
14 455(a)(3) of the Higher Education Act of 1965 (20
15 U.S.C. 1087e(a)(3)) is further amended—

16 (A) in the paragraph heading, by striking
17 “TERMINATION OF AUTHORITY TO MAKE IN-
18 TEREST SUBSIDIZED LOANS TO GRADUATE AND
19 PROFESSIONAL STUDENTS” and inserting
20 “TERMINATIONS OF AND RESTRICTIONS ON
21 LOAN AUTHORITY”;

22 (B) in subparagraph (A)—

23 (i) in the heading, by striking “IN
24 GENERAL” and inserting “TERMINATION
25 OF AUTHORITY TO MAKE SUBSIDIZED

1 LOANS TO GRADUATE AND PROFESSIONAL
2 STUDENTS”;

3 (ii) in the matter preceding clause (i),
4 by striking “beginning on or after July 1,
5 2012”;

6 (iii) in clause (i), by striking “a grad-
7 uate” and inserting “beginning on or after
8 July 1, 2012, a graduate”; and

9 (iv) in clause (ii), by striking “the
10 maximum annual amount of Federal” and
11 inserting “beginning on or after July 1,
12 2012, and ending June 30, 2026, the max-
13 imum annual amount of Federal”; and
14 (C) in subparagraph (B)—

15 (i) in the heading, by striking “EX-
16 CEPTION” and inserting “EXCEPTION FOR
17 SUBSIDIZED LOANS TO INDIVIDUALS EN-
18 ROLLED IN CERTAIN COURSE WORK”.

19 (ii) by striking “Subparagraph (A)”
20 and inserting “For any period of instruc-
21 tion beginning on or after July 1, 2012,
22 and ending June 30, 2026, subparagraph
23 (A)”.

24 (b) INTERIM RULES FOR ENROLLED BORROWERS.—
25 Section 455(a) of the Higher Education Act of 1965 (20

1 U.S.C. 1087e(a)) is amended by adding at the end the
2 following:

3 “(4) INTERIM EXCEPTION FOR CERTAIN STU-
4 DENTS.—

5 “(A) APPLICATION OF PRIOR LIMITS.—
6 Subparagraphs (C), (D), and (E) of paragraph
7 (3), and paragraphs (5) and (6), shall not
8 apply, during the expected time to credential
9 described in subparagraph (B), with respect to
10 an individual who, as of June 30, 2026—

11 “(i) is enrolled in a program of study
12 at an institution of higher education; and

13 “(ii) has received a loan (or on whose
14 behalf a loan was made) under this part
15 for such program of study.

16 “(B) EXPECTED TIME TO CREDENTIAL.—
17 For purposes of this paragraph, the expected
18 time to credential of an individual shall be
19 equal to the lesser of—

20 “(i) three academic years; or

21 “(ii) the period determined by calcu-
22 lating the difference between—

23 “(I) the program length (as de-
24 fined in section 420W) for the pro-

1 gram of study in which the individual
2 is enrolled; and

3 “(II) the period of such program
4 of study that such individual has com-
5 pleted as of the date of the determina-
6 tion under this subparagraph.”.

7 (c) LOAN LIMITS FOR UNSUBSIDIZED LOANS AND
8 CERTAIN FEDERAL DIRECT PLUS LOANS.—

9 (1) ANNUAL AND AGGREGATE UNSUBSIDIZED
10 LOAN LIMITS.—Section 455(a) of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1087e(a)) is further
12 amended by adding at the end the following:

13 “(5) ANNUAL AND AGGREGATE UNSUBSIDIZED
14 LOAN LIMITS.—

15 “(A) UNDERGRADUATE STUDENTS.—

16 “(i) ANNUAL LOAN LIMITS.—Notwith-
17 standing any provision of this part or part
18 B, subject to subparagraph (C) and except
19 as provided in paragraph (4), beginning on
20 July 1, 2026, the maximum annual
21 amount of Federal Direct Unsubsidized
22 Stafford loans that an undergraduate stu-
23 dent may borrow in any academic year (as
24 defined in section 481(a)(2)) or its equiva-
25 lent shall be the difference between—

1 “(I) the amount of the median
2 cost of college of the program of study
3 in which the student is enrolled; and

4 “(II) the amount of the Federal
5 Pell Grant under section 401 awarded
6 to the student for such academic year.

7 “(ii) AGGREGATE LIMITS.—Notwith-
8 standing any provision of this part or part
9 B, except as provided in paragraph (4), be-
10 ginning on July 1, 2026, the maximum ag-
11 gregate amount of Federal Direct Unsub-
12 sidized Stafford loans that a student may
13 borrow for programs of study that award
14 an undergraduate credential upon comple-
15 tion of such a program shall be \$50,000.

16 “(B) GRADUATE AND PROFESSIONAL STU-
17 DENTS.—

18 “(i) ANNUAL LIMITS.—Notwith-
19 standing any provision of this part or part
20 B, subject to subparagraph (C) and except
21 as provided in paragraph (4), beginning on
22 July 1, 2026, the maximum annual
23 amount of Federal Direct Unsubsidized
24 Stafford loans that a graduate student or
25 professional student may borrow in any

1 academic year (as defined in section
2 481(a)(2)) or its equivalent shall be the
3 amount of the median cost of college of the
4 program of study in which the student is
5 enrolled.

6 “(ii) AGGREGATE LIMITS.—Notwith-
7 standing any provision of this part or part
8 B, except as provided in paragraph (4), be-
9 ginning on July 1, 2026, the maximum ag-
10 gregate amount of Federal Direct Unsub-
11 sidized Stafford loans that, in addition to
12 the maximum aggregate amount described
13 in subparagraph (A)(ii)—

14 “(I) a graduate student—

15 “(aa) who is not (and has
16 not been) a professional student,
17 may borrow for programs of
18 study described in subparagraph
19 (D)(i) shall be \$100,000; or

20 “(bb) who is (or has been) a
21 professional student, may borrow
22 for programs of study described
23 in subparagraph (D)(i) shall be
24 an amount equal to—

25 “(AA) \$150,000, minus

1 “(BB) the amount such
2 student borrowed for pro-
3 grams of study described in
4 subclauses (I) and (II) of
5 subparagraph (D)(ii); and

6 “(II) a professional student—

7 “(aa) who is not (and has
8 not been) a graduate student,
9 may borrow for programs of
10 study described in subclauses (I)
11 and (II) of subparagraph (D)(ii)
12 shall be \$150,000; or

13 “(bb) who is (or has been) a
14 graduate student, may borrow for
15 programs of study described in
16 subclauses (I) and (II) of sub-
17 paragraph (D)(ii) shall be an
18 amount equal to—

19 “(AA) \$150,000, minus

20 “(BB) the amount such
21 student borrowed for pro-
22 grams of study described in
23 subparagraph (D)(i).

24 “(C) LESS THAN FULL-TIME ENROLL-
25 MENT.—In any case where a student is enrolled

1 in an program of study of an institution of
2 higher education on less than a full-time basis
3 during any academic year, the amount of a loan
4 that student may borrow for an academic year
5 (as defined in section 481(a)(2)) or its equiva-
6 lent shall be reduced in direct proportion to the
7 degree to which that student is not so enrolled
8 on a full-time basis, rounded to the nearest
9 whole percentage point, as provided in a sched-
10 ule of reductions published by the Secretary
11 computed for purposes of this paragraph.

12 “(D) DEFINITION.—For purposes of this
13 subsection:

14 “(i) GRADUATE STUDENT.—The term
15 ‘graduate student’ means a student en-
16 rolled in a program of study that awards
17 a graduate credential (other than a profes-
18 sional degree) upon completion of the pro-
19 gram.

20 “(ii) PROFESSIONAL STUDENT.—The
21 term ‘professional student’ means a stu-
22 dent enrolled in a program of study that—

23 “(I) awards a professional degree
24 upon completion of the program; or

1 “(II) provides the training de-
2 scribed in part 141 of title 14, Code
3 of Federal Regulations (or any suc-
4 cessor regulations).

5 “(iii) UNDERGRADUATE STUDENT.—
6 The term ‘undergraduate student’ means a
7 student enrolled in a program of study
8 that awards an undergraduate credential
9 upon completion of the program.”.

10 (2) ANNUAL AND AGGREGATE FEDERAL DIRECT
11 PLUS LOANS LIMITS FOR PARENT BORROWERS.—
12 Section 455(a) of the Higher Education Act of 1965
13 (20 U.S.C. 1087e(a)) is further amended by adding
14 at the end the following:

15 “(6) ANNUAL AND AGGREGATE FEDERAL DI-
16 RECT PLUS LOANS LIMITS FOR PARENT BOR-
17 ROWERS.—

18 “(A) ANNUAL LIMITS.—Notwithstanding
19 any provision of this part or part B, subject to
20 paragraph (3)(E) and except as provided in
21 paragraph (4), beginning on July 1, 2026, the
22 maximum annual amount of Federal Direct
23 PLUS loans that a parent may borrow, on be-
24 half of a dependent student, in any academic

1 year (as defined in section 481(a)(2)) or its
2 equivalent shall be the amount equal to—

3 “(i) the cost of attendance of the pro-
4 gram of study of such student; minus

5 “(ii) the maximum annual amount of
6 Federal Direct Unsubsidized Stafford
7 loans such student may borrow in such
8 academic year.

9 “(B) LIFETIME MAXIMUM AGGREGATE
10 LIMITS.—Notwithstanding any provision of this
11 part or part B, subject to paragraph (3)(E) and
12 except as provided in paragraph (4), beginning
13 on July 1, 2026, the maximum aggregate
14 amount of Federal Direct PLUS loans that a
15 parent may borrow on behalf of dependent stu-
16 dents shall be \$50,000, without regard to—

17 “(i) the number of dependent students
18 on behalf of whom such parent borrows
19 such a loan; or

20 “(ii) any amounts repaid, forgiven,
21 canceled, or otherwise discharged on any
22 such loan.”.

23 (3) LIFETIME MAXIMUM AGGREGATE AMOUNT
24 FOR ALL STUDENTS.—Section 455(a) of the Higher

1 Education Act of 1965 (20 U.S.C. 1087e(a)) is fur-
2 ther amended by adding at the end the following:

3 “(7) LIFETIME MAXIMUM AGGREGATE AMOUNT
4 FOR ALL STUDENTS.—Notwithstanding any provi-
5 sion of this part or part B, except as provided in
6 paragraph (4), beginning on July 1, 2026, the max-
7 imum aggregate amount of loans made, insured, or
8 guaranteed under this title that a student may bor-
9 row (other than a Federal Direct PLUS loan, or
10 loan under section 428B, made to the student as a
11 parent borrower on behalf of a dependent student)
12 shall be \$200,000, without regard to any amounts
13 repaid, forgiven, canceled, or otherwise discharged
14 on any such loan.”.

15 (4) INSTITUTIONALLY DETERMINED LIMITS.—
16 Section 455(a) of the Higher Education Act of 1965
17 (20 U.S.C. 1087e(a)) is further amended by adding
18 at the end the following:

19 “(8) INSTITUTIONALLY DETERMINED LIMITS.—
20 Notwithstanding the annual loan limits described in
21 subparagraphs (A)(i) and (B)(i) of paragraph (5)
22 and subparagraph (A) of paragraph (6), beginning
23 on July 1, 2026, an institution of higher education
24 (at the discretion of a financial aid administrator at
25 the institution) may limit the total amount of loans

1 made under this part for a program of study for an
2 academic year (as defined in section 481(a)(2)) that
3 a student may borrow, and that a parent may bor-
4 row on behalf of such student, as long as any such
5 limit is applied consistently to all students enrolled
6 in such program of study.”.

7 **Subtitle C—Loan Repayment**

8 **SEC. 30021. LOAN REPAYMENT.**

9 (a) TRANSITION TO INCOME-BASED REPAYMENT
10 PLANS.—

11 (1) AUTHORITY TO TRANSITION TO INCOME-
12 BASED REPAYMENT PLANS.—

13 (A) AUTHORITY TO CARRY OUT TRANSI-
14 TION.—Beginning on the date of enactment of
15 this title, the Secretary of Education shall take
16 such steps as may be necessary to apply the re-
17 payment plan under section 493C of the Higher
18 Education Act of 1965 (as amended by this
19 title) to the loans of each borrower who, on the
20 day before such date of enactment, is in a re-
21 payment status in accordance with, or an ad-
22 ministrative forbearance associated with, an in-
23 come-contingent repayment plan authorized
24 under section 455(e) of the Higher Education

1 Act of 1965 (as in effect on the day before the
2 date of enactment of this title).

3 (B) DEADLINE FOR TRANSITION.—The
4 Secretary shall complete the application of the
5 repayment plan under section 493C to the loans
6 described in paragraph (1) as soon as prac-
7 ticable, but not later than 9 months after the
8 date of enactment of this title.

9 (2) LIMITATION OF REGULATORY AUTHOR-
10 ITY.—The Secretary may not establish, promulgate,
11 issue, or modify any regulations or guidance with re-
12 spect to any income-based repayment plan under the
13 Higher Education Act of 1965, except that the Sec-
14 retary may—

15 (A) during the 270-day period after the
16 date of enactment of this title, issue an interim
17 final rule as necessary for the application of the
18 repayment plan under section 493C of such Act
19 of 1965 in accordance with paragraph (1);

20 (B) during the 270-day period after the
21 date of enactment of this title, issue an interim
22 final rule as necessary to implement the amend-
23 ments to such section 493C made by subsection
24 (f) of this title; and

1 (C) during the 18-month period after the
2 date of enactment of this title, issue an interim
3 final rule as necessary to implement the in-
4 come-based Repayment Assistance Program
5 under section 455(q) of such Act of 1965 (as
6 added by this title).

7 (3) WAIVER OF NEGOTIATED RULEMAKING.—
8 Any guidance or regulations issued or modified in
9 accordance with subparagraph (A) or (B) of para-
10 graph (2) shall not be subject to negotiated rule-
11 making requirements under section 492 of the High-
12 er Education Act of 1965 (20 U.S.C. 1098a).

13 (b) REPAYMENT PLANS.—Section 455(d) of the
14 Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is
15 amended—

16 (1) in paragraph (1)—

17 (A) in the matter preceding subparagraph
18 (A), by inserting “before July 1, 2026, who has
19 not received a loan made under this part on or
20 after July 1, 2026,” after “made under this
21 part”;

22 (B) by amending subparagraph (D) to
23 read as follows:

1 “(D) beginning on July 1, 2026, the in-
2 come-based Repayment Assistance Plan under
3 subsection (q), provided that—

4 “(i) the borrower is required to pay
5 each outstanding loan of the borrower
6 made under this part under such Repay-
7 ment Assistance Plan;

8 “(ii) such Plan shall not be available
9 to borrowers with an excepted loan (as de-
10 fined in paragraph (7)); and

11 “(iii) the borrower may not change
12 the borrower’s selection of the Repayment
13 Assistance Plan except in accordance with
14 paragraph (7)(C).”; and

15 (C) in subparagraph (E)—

16 (i) by striking “that enables borrowers
17 who have a partial financial hardship to
18 make a lower monthly payment”; and

19 (ii) by striking “a Federal Direct Con-
20 solidation Loan, if the proceeds of such
21 loan were used to discharge the liability on
22 such Federal Direct PLUS Loan or a loan
23 under section 428B made on behalf of a
24 dependent student” and inserting “an ex-

1 cepted Consolidation Loan (as defined in
2 section 493C(a)(2))”;

3 (2) in paragraph (5), by amending subpara-
4 graph (B) to read as follows:

5 “(B) repay the loan pursuant to an in-
6 come-based repayment plan under subsection
7 (q) or section 493C, as applicable.”; and

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

9 “(6) TERMINATION AND LIMITATION OF REPAY-
10 MENT AUTHORITY.—

11 “(A) SUNSET OF REPAYMENT PLANS
12 AVAILABLE BEFORE JULY 1, 2026.—Paragraphs
13 (1) through (4) of this subsection shall only
14 apply to loans made under this part before July
15 1, 2026.

16 “(B) PROHIBITIONS.—The Secretary may
17 not, for any loan made under this part on or
18 after July 1, 2026—

19 “(i) authorize a borrower of such a
20 loan to repay such loan pursuant to a re-
21 payment plan that is not described in
22 paragraph (7)(A); or

23 “(ii) carry out or modify a repayment
24 plan that is not described in such para-
25 graph.

1 “(7) REPAYMENT PLANS FOR LOANS MADE ON
2 OR AFTER JULY 1, 2026.—

3 “(A) DESIGN AND SELECTION.—Beginning
4 on July 1, 2026, the Secretary shall offer a bor-
5 rower of a loan made under this part on or
6 after such date (including such a borrower who
7 also has a loan made under this part before
8 such date) two plans for repayment of the bor-
9 rower’s loans under this part, including prin-
10 cipal and interest on such loans. The borrower
11 shall be entitled to accelerate, without penalty,
12 repayment on such loans. The borrower may
13 choose—

14 “(i) a standard repayment plan—

15 “(I) with a fixed monthly repay-
16 ment amount paid over a fixed period
17 of time equal to the applicable period
18 determined under subclause (II); and

19 “(II) with the applicable period
20 of time for repayment determined
21 based on the total outstanding prin-
22 cipal of all loans of the borrower made
23 under this part before, on, or after
24 July 1, 2026, at the time the bor-

1 rower is entering repayment under
2 such plan, as follows—

3 “(aa) for a borrower with
4 total outstanding principal of less
5 than \$25,000, a period of 10
6 years;

7 “(bb) for a borrower with
8 total outstanding principal of not
9 less than \$25,000 and less than
10 \$50,000, a period of 15 years;

11 “(cc) for a borrower with
12 total outstanding principal of not
13 less than \$50,000 and less than
14 \$100,000, a period of 20 years;
15 and

16 “(dd) for a borrower with
17 total outstanding principal of
18 \$100,000 or more, a period of 25
19 years; or

20 “(ii) the income-based Repayment As-
21 sistance Plan under subsection (q).

22 “(B) SELECTION BY SECRETARY.—If a
23 borrower of a loan made under this part on or
24 after July 1, 2026, does not select a repayment
25 plan described in subparagraph (A), the Sec-

1 retary shall provide the borrower with the
2 standard repayment plan described in subpara-
3 graph (A)(i).

4 “(C) SELECTION AVAILABLE FOR EACH
5 NEW LOAN; SELECTION APPLIES TO ALL OUT-
6 STANDING LOANS.—Each time a borrower re-
7 ceives a loan made under this part on or after
8 July 1, 2026, the borrower may select either
9 the standard repayment plan under subpara-
10 graph (A)(i) or the Repayment Assistance Plan
11 under subparagraph (A)(ii), provided that the
12 borrower is required to pay each outstanding
13 loan of the borrower made under this part
14 under such selected repayment plan.

15 “(D) PERMISSIBLE CHANGES OF REPAY-
16 MENT PLAN.—

17 “(i) CHANGING FROM STANDARD RE-
18 PAYMENT PLAN.—A borrower may change
19 the borrower’s selection of the standard re-
20 payment plan under subparagraph (A)(i),
21 or the Secretary’s selection of such plan
22 for the borrower under subparagraph (C),
23 as the case may be, to the Repayment As-
24 sistance Plan under subparagraph (A)(ii)
25 at any time.

1 “(ii) LIMITED CHANGE FROM REPAY-
2 MENT ASSISTANCE PLAN.—A borrower
3 may not change the borrower’s selection of
4 the Repayment Assistance Plan under sub-
5 paragraph (A)(ii), except in accordance
6 with subparagraph (C).

7 “(E) SPECIAL RULE FOR EXCEPTED LOAN
8 BORROWERS WITH LOANS MADE ON OR AFTER
9 JULY 1, 2026.—

10 “(i) STANDARD REPAYMENT PLAN RE-
11 QUIRED.—Notwithstanding subparagraphs
12 (A) through (D), beginning on July 1,
13 2026, the Secretary shall require a bor-
14 rower who has an excepted loan and who
15 has received a loan made under this part
16 on or after such date to repay each out-
17 standing loan of the borrower made under
18 this part, including principal and interest
19 on such loans, under the standard repay-
20 ment plan under subparagraph (A)(i). The
21 borrower shall be entitled to accelerate,
22 without penalty, repayment on such loans.

23 “(ii) EXCEPTED LOAN DEFINED.—
24 For the purposes of this paragraph, the

1 term ‘excepted loan’ means a loan with an
2 outstanding balance that is—

3 “(I) a Federal Direct PLUS
4 Loan that is made on behalf of a de-
5 pendent student; or

6 “(II) a Federal Direct Consolida-
7 tion Loan, if the proceeds of such loan
8 were used to the discharge the liability
9 on—

10 “(aa) an excepted PLUS
11 loan, as defined in section
12 493C(a)(1); or

13 “(bb) an excepted consolida-
14 tion loan (as such term is defined
15 in section 493C(a)(2)(A), not-
16 withstanding subparagraph (B)
17 of such section).

18 “(F) TREATMENT OF BORROWERS WITH-
19 OUT LOANS MADE ON OR AFTER JULY 1, 2026.—
20 A borrower who has an outstanding loan (in-
21 cluding an excepted loan) made under this part
22 before July 1, 2026, and who has not received
23 a loan made under this part on or after July
24 1, 2026, shall not be eligible to change the bor-
25 rower’s selection of a repayment plan to the

1 standard repayment plan under subparagraph
2 (A)(i).”.

3 (c) ELIMINATION OF AUTHORITY TO PROVIDE IN-
4 COME CONTINGENT REPAYMENT PLANS.—

5 (1) REPEAL.—Subsection (e) of section 455 the
6 Higher Education Act of 1965 (20 U.S.C. 1087e(e))
7 is repealed.

8 (2) FURTHER AMENDMENTS TO ELIMINATE IN-
9 COME CONTINGENT REPAYMENT.—

10 (A) Section 428 of the Higher Education
11 Act of 1965 (20 U.S.C. 1078) is amended—

12 (i) in subsection (b)(1)(D), by striking
13 “be subject to income contingent repay-
14 ment in accordance with subsection (m)”
15 and inserting “be subject to income-based
16 repayment in accordance with subsection
17 (m)”; and

18 (ii) in subsection (m)—

19 (I) in the subsection heading, by
20 striking “INCOME CONTINGENT AND”;

21 (II) by amending paragraph (1)
22 to read as follows:

23 “(1) AUTHORITY OF SECRETARY TO RE-
24 QUIRE.—The Secretary may require borrowers who
25 have defaulted on loans made under this part that

1 are assigned to the Secretary under subsection
2 (c)(8) to repay those loans pursuant to an income-
3 based repayment plan under section 455(q) or sec-
4 tion 493C, as applicable.”; and

5 (III) in the heading of paragraph
6 (2), by striking “INCOME CONTINGENT
7 OR”.

8 (B) Section 428C of the Higher Education
9 Act of 1965 (20 U.S.C. 1078–3) is amended—

10 (i) in subsection (a)(3)(B)(i)(V)(aa),
11 by striking “for the purposes of obtaining
12 income contingent repayment or income-
13 based repayment” and inserting “for the
14 purposes of qualifying for an income-based
15 repayment plan under section 455(q) or
16 section 493C, as applicable”;

17 (ii) in subsection (b)(5), by striking
18 “be repaid either pursuant to income con-
19 tingent repayment under part D of this
20 title, pursuant to income-based repayment
21 under section 493C, or pursuant to any
22 other repayment provision under this sec-
23 tion” and inserting “be repaid pursuant to
24 an income-based repayment plan under

1 section 493C or any other repayment pro-
2 vision under this section”; and

3 (iii) in subsection (c)—

4 (I) in paragraph (2)(A), by strik-
5 ing “or by the terms of repayment
6 pursuant to income contingent repay-
7 ment offered by the Secretary under
8 subsection (b)(5)” and inserting “or
9 by the terms of repayment pursuant
10 to an income-based repayment plan
11 under section 493C”; and

12 (II) in paragraph (3)(B), by
13 striking “except as required by the
14 terms of repayment pursuant to in-
15 come contingent repayment offered by
16 the Secretary under subsection
17 (b)(5)” and inserting “except as re-
18 quired by the terms of repayment pur-
19 suant to an income-based repayment
20 plan under section 493C”.

21 (C) Section 485(d)(1) of the Higher Edu-
22 cation Act of 1965 (20 U.S.C. 1092(d)(1)) is
23 amended by striking “income-contingent and”.

1 (D) Section 494(a)(2) of the Higher Edu-
2 cation Act of 1965 (20 U.S.C. 1098h(a)(2)) is
3 amended—

4 (i) in the paragraph heading, by strik-
5 ing “INCOME-CONTINGENT AND INCOME-
6 BASED” and inserting “INCOME-BASED”;

7 (ii) in subparagraph (A)—

8 (I) in the matter preceding clause

9 (i), by striking “income-contingent
10 or”; and

11 (II) in clause (ii)(I), by inserting

12 “(as in effect on the day before the
13 date of repeal of subsection (e) of sec-
14 tion 455)” after “section 455(e)(8)”.

15 (d) REPAYMENT ASSISTANCE PLAN.—Section 455 of
16 the Higher Education Act of 1965 (20 U.S.C. 1087e) is
17 amended by adding at the end the following new sub-
18 section:

19 “(q) REPAYMENT ASSISTANCE PLAN.—

20 “(1) IN GENERAL.—Notwithstanding any other
21 provision of this Act, beginning on July 1, 2026, the
22 Secretary shall carry out an income-based repayment
23 plan (to be known as the ‘Repayment Assistance
24 Plan’), that shall have the following terms and con-
25 ditions:

1 “(A) The total monthly repayment amount
2 owed by a borrower for all of the loans of the
3 borrower that are repaid pursuant to the Re-
4 payment Assistance Plan shall be equal to the
5 applicable monthly payment of a borrower cal-
6 culated under paragraph (3)(B), except that the
7 borrower may not be precluded from repaying
8 an amount that exceeds such amount for any
9 month.

10 “(B) The Secretary shall apply the bor-
11 rower’s applicable monthly payment under this
12 paragraph first toward interest due on each
13 such loan, next toward any fees due on each
14 loan, and then toward the principal of each
15 loan.

16 “(C) Any principal due and not paid under
17 subparagraph (B) or paragraph (2)(B) shall be
18 deferred.

19 “(D) A borrower who is not in a period of
20 deferment or forbearance shall make an appli-
21 cable monthly payment for each month until the
22 earlier of—

23 “(i) the date on which the outstanding
24 balance of principal and interest due on all
25 of the loans of the borrower that are re-

1 paid pursuant to the Repayment Assist-
2 ance Plan is \$0; or

3 “(ii) the date on which the borrower
4 has made 360 qualifying monthly pay-
5 ments.

6 “(E) The Secretary shall repay or cancel
7 any outstanding balance of principal and inter-
8 est due on a loan made under this part to a
9 borrower—

10 “(i) who, for any period of time, par-
11 ticipated in the Repayment Assistance
12 Plan under this subsection;

13 “(ii) whose most recent payment for
14 such loan prior to the loan cancellation
15 under this subparagraph was made under
16 such Repayment Assistance Plan; and

17 “(iii) who has made 360 qualifying
18 monthly payments on such loan.

19 “(F) For the purposes of this subsection,
20 the term ‘qualifying monthly payment’ means
21 any of the following:

22 “(i) An on-time applicable monthly
23 payment under this subsection.

24 “(ii) An on-time monthly payment
25 under the standard repayment plan under

1 subsection (d)(7)(A)(i) of not less than the
2 monthly payment required under such
3 plan.

4 “(iii) A monthly payment under any
5 repayment plan of not less than the
6 monthly payment that would be required
7 under a standard repayment plan under
8 section 455(d)(1)(A) with a repayment pe-
9 riod of 10 years.

10 “(iv) A monthly payment under sec-
11 tion 493C of not less than the monthly
12 payment required under such section, in-
13 cluding a monthly payment equal to the
14 minimum payment amount permitted
15 under such section.

16 “(v) A monthly payment made before
17 the date of enactment of this subsection
18 under an income-contingent repayment
19 plan carried out under section
20 455(d)(1)(D) (or under an alternative re-
21 payment plan in lieu of repayment under
22 such an income-contingent repayment plan,
23 if placed in such an alternative repayment
24 plan by the Secretary) of not less than the
25 monthly payment required under such a

1 plan, including a monthly payment equal
2 to the minimum payment amount per-
3 mitted under such a plan.

4 “(vi) A month when the borrower did
5 not make a payment because the borrower
6 was in deferment due to an economic hard-
7 ship described in section 435(o).

8 “(vii) A month that ended before the
9 date of enactment of this subsection when
10 the borrower did not make a payment be-
11 cause the borrower was in a period
12 deferment or forbearance described in sec-
13 tion 685.209(k)(4)(iv) of title 34, Code of
14 Federal Regulations (as in effect on the
15 date of enactment of this subsection).

16 “(G) With respect to carrying out section
17 494(a)(2) for the Repayment Assistance Plan,
18 an individual may elect to opt out of the dislo-
19 cures required under section 494(a)(2)(A)(ii) in
20 accordance with the procedures established
21 under section 493C(c)(2)(B).

22 “(2) BALANCE ASSISTANCE FOR DISTRESSED
23 BORROWERS.—

24 “(A) INTEREST SUBSIDY.—With respect to
25 a borrower of a loan made under this part, for

1 each month for which such a borrower makes
2 an on-time applicable monthly payment re-
3 quired under paragraph (1)(A) and such
4 monthly payment is insufficient to pay the total
5 amount of interest that accrues for the month
6 on all loans of the borrower repaid pursuant to
7 the Repayment Assistance Plan under this sub-
8 section, the amount of interest accrued and not
9 paid for the month shall not be charged to the
10 borrower.

11 “(B) MATCHING PRINCIPAL PAYMENT.—

12 With respect to a borrower of a loan made
13 under this part and not in a period of
14 deferment or forbearance, for each month for
15 which a borrower makes an on-time applicable
16 monthly payment required under paragraph
17 (1)(A) and such monthly payment reduces the
18 total outstanding principal balance of all loans
19 of the borrower repaid pursuant to the Repay-
20 ment Assistance Plan under this subsection by
21 less than \$50, the Secretary shall reduce such
22 total outstanding principal balance of the bor-
23 rower by an amount that is equal to—

24 “(i) the amount that is the lesser of—

25 “(I) \$50; or

1 “(II) the total amount paid by
2 the borrower for such month pursuant
3 to paragraph (1)(A), minus

4 “(ii) the total amount paid by the bor-
5 rower for such month pursuant to para-
6 graph (1)(A) that is applied to such total
7 outstanding principal balance.

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

9 “(A) ADJUSTED GROSS INCOME.—The
10 term ‘adjusted gross income’, when used with
11 respect to a borrower, means the adjusted gross
12 income (as such term is defined in section 62
13 of the Internal Revenue Code of 1986) of the
14 borrower (and the borrower’s spouse, as appli-
15 cable) for the most recent taxable year, except
16 that, in the case of a married borrower who
17 files a separate Federal income tax return, the
18 term does not include the adjusted gross income
19 of the borrower’s spouse.

20 “(B) APPLICABLE MONTHLY PAYMENT.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in clause (ii), (iii), or (vi), the term
23 ‘applicable monthly payment’ means, when
24 used with respect to a borrower, the
25 amount equal to—

1 “(I) the applicable base payment
2 of the borrower, divided by 12; minus

3 “(II) \$50 for each dependent
4 child of the borrower.

5 “(ii) MINIMUM AMOUNT.—In the case
6 of a borrower with an applicable monthly
7 payment amount calculated under clause
8 (i) that is less than \$10, the applicable
9 monthly payment of the borrower shall be
10 \$10.

11 “(iii) FINAL PAYMENT.—In the case
12 of a borrower whose total outstanding bal-
13 ance of principal and interest on all of the
14 loans of the borrower that are repaid pur-
15 suant to the Repayment Assistance Plan is
16 less than the applicable monthly payment
17 calculated pursuant to clause (i) or (ii), as
18 applicable, then the applicable monthly
19 payment of the borrower shall be the total
20 outstanding balance of principal and inter-
21 est on all such loans.

22 “(iv) BASE PAYMENT.—The amount
23 of the applicable base payment for a bor-
24 rower with an adjusted gross income of—

1 “(I) not more than \$10,000, is
2 \$120;

3 “(II) more than \$10,000 and not
4 more than \$20,000, is 1 percent of
5 such adjusted gross income;

6 “(III) more than \$20,000 and
7 not more than \$30,000, is 2 percent
8 of such adjusted gross income;

9 “(IV) more than \$30,000 and
10 not more than \$40,000, is 3 percent
11 of such adjusted gross income;

12 “(V) more than \$40,000 and not
13 more than \$50,000, is 4 percent of
14 such adjusted gross income;

15 “(VI) more than \$50,000 and
16 not more than \$60,000, is 5 percent
17 of such adjusted gross income;

18 “(VII) more than \$60,000 and
19 not more than \$70,000, is 6 percent
20 of such adjusted gross income;

21 “(VIII) more than \$70,000 and
22 not more than \$80,000, is 7 percent
23 of such adjusted gross income;

1 “(IX) more than \$80,000 and
2 not more than \$90,000, is 8 percent
3 of such adjusted gross income;

4 “(X) more than \$90,000 and not
5 more than \$100,000, is 9 percent of
6 such adjusted gross income; and

7 “(XI) more than \$100,000, is 10
8 percent of such adjusted gross in-
9 come.

10 “(v) DEPENDENT CHILD OF THE BOR-
11 ROWER.—For the purposes of this para-
12 graph, the term ‘dependent child of the
13 borrower’ means an individual who—

14 “(I) is under 17 years of age;
15 and

16 “(II) is the borrower’s dependent
17 child or another person who lives with
18 and receives more than one-half of
19 their support from the borrower.

20 “(vi) SPECIAL RULE.—In the case of
21 a borrower who is required by the Sec-
22 retary to provide information to the Sec-
23 retary to determine the applicable monthly
24 payment of the borrower under this sub-
25 paragraph, and who does not comply with

1 such requirement, the applicable monthly
2 payment of the borrower shall be—

3 “(I) the sum of the monthly pay-
4 ment amounts the borrower would
5 have paid for each of the borrower’s
6 loans made under this part under a
7 standard repayment plan with a fixed
8 monthly repayment amount, paid over
9 a period of 10 years, based on the
10 outstanding principal due on such
11 loan when such loan entered repay-
12 ment; and

13 “(II) determined pursuant to this
14 clause until the date on which the bor-
15 rower provides such information to
16 the Secretary.”.

17 (e) FEDERAL CONSOLIDATION LOANS.—Section
18 455(g) of the Higher Education Act of 1965 (20 U.S.C.
19 1087e(g)) is amended by adding at the end the following
20 new paragraph:

21 “(3) CONSOLIDATION LOANS MADE ON OR
22 AFTER JULY 1, 2026.—Notwithstanding subsections
23 (b)(5), (c)(2), and (c)(3)(A) and (B) of section
24 428C, a Federal Direct Consolidation Loan offered
25 to a borrower under this part on or after July 1,

1 2026, may only be repaid pursuant to a repayment
2 plan described in subsection (d)(7)(A)(i) or (ii) of
3 this section, as applicable, and the repayment sched-
4 ule of such a Consolidation Loan shall be determined
5 in accordance with such repayment plan.”.

6 (f) INCOME-BASED REPAYMENT.—

7 (1) AMENDMENTS.—

8 (A) EXCEPTED CONSOLIDATION LOAN DE-
9 FINED.—Section 493C(a)(2) of the Higher
10 Education Act of 1965 (20 U.S.C. 1098e(a)(2))
11 is amended to read as follows:

12 “(2) EXCEPTED CONSOLIDATION LOAN.—

13 “(A) IN GENERAL.—The term ‘excepted
14 consolidation loan’ means—

15 “(i) a consolidation loan under section
16 428C, or a Federal Direct Consolidation
17 Loan, if the proceeds of such loan were
18 used to the discharge the liability on an ex-
19 cepted PLUS loan; or

20 “(ii) a consolidation loan under sec-
21 tion 428C, or a Federal Direct Consolida-
22 tion Loan, if the proceeds of such loan
23 were used to discharge the liability on a
24 consolidation loan under section 428C or a

1 Federal Direct Consolidation Loan de-
2 scribed in clause (i).

3 “(B) EXCLUSION.—The term ‘excepted
4 consolidation loan’ does not include a Federal
5 Direct Consolidation Loan described in sub-
6 paragraph (A) that (on the day before the date
7 of enactment of this subparagraph) was being
8 repaid pursuant to the Income-Contingent Re-
9 payment (ICR) plan in accordance with section
10 685.209(a) of title 34, Code of Federal Regula-
11 tions (as in effect on June 30, 2023).”.

12 (B) TERMS OF INCOME-BASED REPAY-
13 MENT.—Section 493C(b) of the Higher Edu-
14 cation Act of 1965 (20 U.S.C. 1098e(b)) is
15 amended—

16 (i) by amending paragraph (1) to read
17 as follows:

18 “(1) a borrower of any loan made, insured, or
19 guaranteed under part B or D (other than an ex-
20 cepted PLUS loan or excepted consolidation loan),
21 may elect to have the borrower’s aggregate monthly
22 payment for all such loans not exceed the result de-
23 scribed in subsection (a)(3)(B) divided by 12;”;

24 (ii) in paragraph (3)—

25 (I) in subparagraph (B)—

1 (aa) in clause (i)—

2 (AA) by striking sub-
3 clause (II); and

4 (BB) by striking “the
5 borrower” and all the fol-
6 lows through “ends” and in-
7 serting “the borrower ends”;
8 and

9 (bb) in clause (ii)—

10 (AA) by striking sub-
11 clause (II);

12 (BB) by striking “the
13 borrower” and all the fol-
14 lows through “ends” and in-
15 serting “the borrower ends”;
16 and

17 (CC) by striking “or”
18 at the end;

19 (iii) by repealing paragraph (6);

20 (iv) in paragraph (7)(B)—

21 (I) in the matter preceding clause
22 (i), by striking “for a period of time
23 prescribed by the Secretary, not to ex-
24 ceed 25 years” and inserting the fol-
25 lowing: “for 25 years (in the case of

1 a borrower who is repaying at least
2 one loan for a program of study for
3 which a graduate credential (as de-
4 fined in section 472A)) is awarded, or,
5 for 20 years (in the case of a bor-
6 rower who is not repaying at least one
7 such loan)”;

8 (II) in clause (i), by inserting
9 “(as such paragraph was in effect on
10 the day before the date of the repeal
11 of paragraph (6))” after “paragraph
12 (6)”; and

13 (III) in clause (iv), by inserting
14 “(as such section was in effect on the
15 day before the date of the repeal of
16 paragraph (6))” after “section
17 455(d)(1)(D)”; and

18 (v) in paragraph (8), by striking
19 “standard repayment plan” and inserting
20 “standard repayment plan under section
21 428(b)(9)(A)(i) or 455(d)(1)(A), or the
22 Repayment Assistance Program under sec-
23 tion 455(q)”.

24 (C) ELIGIBILITY DETERMINATIONS.—Sec-
25 tion 493C(c)(2) of the Higher Education Act of

1 1965 (20 U.S.C. 1098e(c)(2)) is further amend-
2 ed—

3 (i) in subparagraph (A), by inserting
4 “(as in effect on the day before the date of
5 repeal of subsection (e) of section 455)”
6 after “section 455(e)(1)”; and

7 (ii) in subparagraph (B), by inserting
8 “(as in effect on the day before the date of
9 repeal of subsection (e) of section 455)”
10 after “section 455(e)(8)”.

11 (D) TERMINATION OF SPECIAL TERMS FOR
12 NEW BORROWERS ON AND AFTER JULY 1,
13 2014.—Section 493C of the Higher Education
14 Act of 1965 (20 U.S.C. 1098e(e)) is further
15 amended by striking subsection (e).

16 (2) EFFECTIVE DATE AND APPLICATION.—The
17 amendments made by this subsection shall take ef-
18 fect on the date of enactment of this title, and shall
19 apply with respect to any borrower who is in repay-
20 ment before, on, or after the date of enactment of
21 this title.

22 **SEC. 30022. DEFERMENT; FORBEARANCE.**

23 (a) HEADING AMENDMENT.—Section 455(f) of the
24 Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is

1 amended by striking the subsection heading and inserting
2 the following: “DEFERMENT; FORBEARANCE”.

3 (b) SUNSET OF ECONOMIC HARDSHIP AND UNEM-
4 PLOYMENT DEFERMENTS.—Section 455(f) of the Higher
5 Education Act of 1965 (20 U.S.C.1087e(f)) is amended—

6 (1) in paragraph (2)—

7 (A) in subparagraph (B), by striking “not
8 in” and inserting “subject to paragraph (7), not
9 in”; and

10 (B) in subparagraph (D), by striking “not
11 in” and inserting “subject to paragraph (7), not
12 in”; and

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

14 “(7) SUNSET OF UNEMPLOYMENT AND ECO-
15 NOMIC HARDSHIP DEFERMENTS.—A borrower who
16 receives a loan made under this part on or after
17 July 1, 2025, shall not be eligible to defer such loan
18 under subparagraph (B) or (D) of paragraph (2).”.

19 (c) FORBEARANCE ON LOANS MADE UNDER THIS
20 PART ON OR AFTER JULY 1, 2025.—Section 455(f) of the
21 Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is
22 amended by adding at the end the following:

23 “(8) FORBEARANCE ON LOANS MADE UNDER
24 THIS PART ON OR AFTER JULY 1, 2025.—A borrower

1 who receives a loan made under this part on or after
2 July 1, 2025—

3 “(A) may only be eligible for a forbearance
4 on such loan pursuant to section 428(c)(3)(B)
5 that does not exceed 9 months during any 24-
6 month period; and

7 “(B) in the case of a borrower who is serv-
8 ing in a medical or dental internship or resi-
9 dency program (as such program is described in
10 section 428(c)(3)(A)(i)(I)), may be eligible for a
11 forbearance on such loan pursuant to
12 428(c)(3)(A)(i)(I), during which—

13 “(i) for the first 4 12-month intervals,
14 interest shall not accrue; and

15 “(ii) for any subsequent 12-month in-
16 terval, interest shall accrue.”.

17 **SEC. 30023. LOAN REHABILITATION.**

18 (a) UPDATING LOAN REHABILITATION LIMITS.—

19 (1) FFEL AND DIRECT LOANS.—Section
20 428F(a)(5) of the Higher Education Act of 1965
21 (20 U.S.C. 1078–6(a)(5)) is amended by striking
22 “one time” and inserting “two times”.

23 (2) PERKINS LOANS.—Section 464(h)(1)(D) of
24 the Higher Education Act of 1965 (20 U.S.C.

1 1087dd(h)(1)(D)) is amended by striking “once”
2 and inserting “twice”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall take effect on the date of en-
5 actment of this Act, and shall apply with respect to
6 any loan made, insured, or guaranteed under title IV
7 of the Higher Education Act of 1965 (20 U.S.C.
8 1070 et seq.).

9 (b) MINIMUM MONTHLY PAYMENT AMOUNT.—Sec-
10 tion 428F(a)(1)(B) of the Higher Education Act of 1965
11 (20 U.S.C. 1078–6(a)(1)(B)) is amended by adding at the
12 end the following: “With respect a loan made under part
13 D on or after July 1, 2025, a monthly payment amount
14 described in subparagraph (A) may not be less than \$10.”.

15 **SEC. 30024. PUBLIC SERVICE LOAN FORGIVENESS.**

16 (a) REPAYMENT ASSISTANCE PLAN.—Section
17 455(m)(1)(A) of the Higher Education Act of 1965 (20
18 U.S.C. 1087e(m)(1)(A)) is amended—

19 (1) in clause (iii), by striking “; or” and insert-
20 ing a semicolon;

21 (2) in clause (iv), by striking “; and” and in-
22 serting “(as in effect on the day before the date of
23 the repeal of subsection (e) of this section); or”; and

24 (3) by adding at the end the following new
25 clause:

1 “(v) on-time payments under the Re-
2 payment Assistance Plan under section
3 455(q); and”.

4 (b) PUBLIC SERVICE JOB.—Section 455(m)(3)(B) of
5 the Higher Education Act of 1965 (20 U.S.C.
6 1087e(m)(3)(B)) is amended—

7 (1) by redesignating clauses (i) and (ii) as sub-
8 clauses (I) and (II), respectively, and adjusting the
9 margins accordingly;

10 (2) by striking “The term” and inserting the
11 following:

12 “(i) IN GENERAL.—The term”; and

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

14 “(ii) EXCLUSION.—The term ‘public
15 service job’ does not include time served in
16 a medical or dental internship or residency
17 program (as such program is described in
18 section 428(c)(3)(A)(i)(I)) by an individual
19 who, as of June 30, 2025, has not bor-
20 rowed a Federal Direct PLUS Loan or a
21 Federal Direct Unsubsidized Stafford
22 Loan for a program of study that awards
23 a graduate credential upon completion of
24 such program.”.

1 **SEC. 30025. STUDENT LOAN SERVICING.**

2 Paragraph (1) of section 458(a) of the Higher Edu-
 3 cation Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended
 4 to read as follows:

5 “(1) ADDITIONAL MANDATORY FUNDS FOR FIS-
 6 CAL YEARS 2025 AND 2026.—For each of the fiscal
 7 years 2025 and 2026 there shall be available to the
 8 Secretary (in addition to any other amounts appro-
 9 priated under any appropriations Act for administra-
 10 tive costs under this part and part B and out of any
 11 money in the Treasury not otherwise appropriated)
 12 funds to be obligated for administrative costs under
 13 this part and part B, including the costs of the di-
 14 rect student loan programs under this part, not to
 15 exceed \$500,000,000 in each such fiscal year.”.

16 **Subtitle D—Pell Grants**

17 **SEC. 30031. ELIGIBILITY.**

18 (a) FOREIGN INCOME AND FEDERAL PELL GRANT
 19 ELIGIBILITY.—

20 (1) ADJUSTED GROSS INCOME DEFINED.—Sec-
 21 tion 401(a)(2)(A) of the Higher Education Act of
 22 1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to
 23 read as follows:

24 “(A) the term ‘adjusted gross income’
 25 means—

1 “(i) in the case of a dependent stu-
2 dent, for the second tax year preceding the
3 academic year—

4 “(I) the adjusted gross income
5 (as defined in section 62 of the Inter-
6 nal Revenue Code of 1986) of the stu-
7 dent’s parents; plus

8 “(II) the foreign income (as de-
9 scribed in section 480(b)(5)) of the
10 student’s parents; and

11 “(ii) in the case of an independent
12 student, for the second tax year preceding
13 the academic year—

14 “(I) the adjusted gross income
15 (as defined in section 62 of the Inter-
16 nal Revenue Code of 1986) of the stu-
17 dent (and the student’s spouse, if ap-
18 plicable); plus

19 “(II) the foreign income (as de-
20 scribed in section 480(b)(5)) of the
21 student (and the student’s spouse, if
22 applicable);”.

23 (2) SUNSET.—Section 401(b)(1)(D) of the
24 Higher Education Act of 1965 (20 U.S.C.
25 1070a(b)(1)(D)) is amended by striking “A student”

1 and inserting “For each academic year beginning be-
2 fore July 1, 2026, a student”.

3 (3) CONFORMING AMENDMENT.—Section
4 479A(b)(1)(B) of the Higher Education Act of 1965
5 (20 U.S.C. 1087tt(b)(1)(B)) is amended—

6 (A) by striking clause (v); and

7 (B) by redesignating clauses (vi) and (vii)
8 as clauses (v) and (vi), respectively.

9 (b) DEFINITION OF FULL TIME ENROLLMENT FOR
10 FEDERAL PELL GRANT ELIGIBILITY.—Section 401(a)(2)
11 of the Higher Education Act of 1965 (20 U.S.C.
12 1070a(a)(2)) is further amended—

13 (1) in subparagraph (E), by striking “and”
14 after the semicolon;

15 (2) in subparagraph (F), by striking the period
16 and inserting “; and”; and

17 (3) by adding at the end the following new sub-
18 paragraph:

19 “(G) notwithstanding section
20 481(a)(2)(A)(iii), the terms ‘full time’ and ‘full-
21 time’ (except with respect to subsection (d)(4)
22 when used as part of the term ‘normal full-time
23 workload’) mean, with respect to a student en-
24 rolled in an undergraduate course of study, the
25 student is expected to complete at least 30 se-

1 mester or trimester hours or 45 quarter credit
2 hours (or the clock hour equivalent) in each
3 award year a student is enrolled in the course
4 of study.”.

5 (c) FEDERAL PELL GRANT INELIGIBILITY DUE TO
6 A HIGH STUDENT AID INDEX.—Section 401(b)(1) of the
7 Higher Education Act of 1965 (20 U.S.C. 1070a–1(b)(1))
8 is amended by adding at the end the following:

9 “(F) INELIGIBILITY OF STUDENTS WITH A
10 HIGH STUDENT AID INDEX.—Notwithstanding
11 subparagraphs (A) through (E), a student shall
12 not be eligible for a Federal Pell Grant under
13 this subsection for an academic year in which
14 the student has a student aid index that equals
15 or exceeds twice the amount of the total maximum
16 Federal Pell Grant for such academic
17 year.”.

18 (d) NO FEDERAL PELL GRANT ELIGIBILITY FOR
19 STUDENTS ENROLLED LESS THAN HALF TIME.—Section
20 401 of the Higher Education Act of 1965 (20 U.S.C.
21 1070a) is further amended—

22 (1) in subsection (b)—

23 (A) by striking “(2) LESS” and inserting
24 “(2)(A) LESS”; and

1 (B) by inserting after subparagraph (A)
2 (as so designated by subparagraph (A) of this
3 subsection) the following new subparagraph:

4 “(B) LESS THAN HALF-TIME ENROLLMENT.—
5 Notwithstanding subparagraph (A), a student who
6 first receives a Federal Pell Grant on or after July
7 1, 2026, shall not be eligible for an award under this
8 subsection for any award year beginning after such
9 date in which the student is enrolled in an eligible
10 program of an institution of higher education on less
11 than a half-time basis. The Secretary shall update
12 the schedule of reductions described in subparagraph
13 (A) in accordance with this subparagraph, including
14 for students receiving the minimum Federal Pell
15 Grant.”;

16 (2) in subsection (c)(6)(A), by inserting “, and
17 the eligibility requirement of enrollment on at least
18 a half-time basis under subsection (b)(2),” after
19 “(b)(1)”;

20 (3) in subsection (d)(5)(A), by inserting “(and
21 at least half time, in the case of a student who first
22 receives a Federal Pell Grant under subsection (b)
23 on or after July 1, 2026)” after “full time”.

24 (e) EFFECTIVE DATE AND APPLICATION.—The
25 amendments made by this section shall take effect on July

1 1, 2026, and shall apply with respect to award year 2026–
2 2027 and each subsequent award year.

3 **SEC. 30032. WORKFORCE PELL GRANTS.**

4 (a) IN GENERAL.—Section 401 of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1070a) is amended by add-
6 ing at the end the following:—

7 “(k) WORKFORCE PELL GRANT PROGRAM.—

8 “(1) IN GENERAL.—For the award year begin-
9 ning on July 1, 2026, and each subsequent award
10 year, the Secretary shall award grants (to be known
11 as ‘Workforce Pell Grants’) to eligible students
12 under paragraph (2) in accordance with this sub-
13 section.

14 “(2) ELIGIBLE STUDENTS.—To be eligible to
15 receive a Workforce Pell Grant under this subsection
16 for any period of enrollment, a student shall meet
17 the eligibility requirements for a Federal Pell Grant
18 under this section, except that the student—

19 “(A) shall be enrolled, or accepted for en-
20 rollment, in an eligible program under section
21 481(b)(3) (hereinafter referred to as an ‘eligible
22 workforce program’); and

23 “(B) may not—

1 “(i) be enrolled, or accepted for enroll-
2 ment, in a program of study that leads to
3 a graduate credential; or

4 “(ii) have attained such a credential.

5 “(3) TERMS AND CONDITIONS OF AWARDS.—

6 The Secretary shall award Workforce Pell Grants
7 under this subsection in the same manner and with
8 the same terms and conditions as the Secretary
9 awards Federal Pell Grants under this section, ex-
10 cept that—

11 “(A) each use of the term ‘eligible pro-
12 gram’ (except in subsections (b)(9)(A) and
13 (d)(2)) shall be substituted by ‘eligible work-
14 force program under section 481(b)(3)’; and

15 “(B) a student who is eligible for a grant
16 equal to less than the amount of the minimum
17 Federal Pell Grant because the eligible work-
18 force program in which the student is enrolled
19 or accepted for enrollment is less than an aca-
20 demic year (in hours of instruction or weeks of
21 duration) may still be eligible for a Workforce
22 Pell Grant in an amount that is prorated based
23 on the length of the program.

24 “(4) PREVENTION OF DOUBLE BENEFITS.—No
25 eligible student described in paragraph (2) may con-

1 currently receive a grant under both this subsection
2 and—

3 “(A) subsection (b); or

4 “(B) subsection (c).

5 “(5) DURATION LIMIT.—Any period of study
6 covered by a Workforce Pell Grant awarded under
7 this subsection shall be included in determining a
8 student’s duration limit under subsection (d)(5).”.

9 (b) PROGRAM ELIGIBILITY FOR WORKFORCE PELL
10 GRANTS.—Section 481(b) of the Higher Education Act of
11 1965 (20 U.S.C. 1088(b)) is amended—

12 (1) by redesignating paragraphs (3) and (4) as
13 paragraphs (4) and (5), respectively; and

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

16 “(3)(A) A program is an eligible program for pur-
17 poses of the Workforce Pell Grant program under section
18 401(k) only if—

19 “(i) it is a program of at least 150 clock hours
20 of instruction, but less than 600 clock hours of in-
21 struction, or an equivalent number of credit hours,
22 offered by an eligible institution during a minimum
23 of 8 weeks, but less than 15 weeks;

24 “(ii) it is not offered as a correspondence
25 course, as defined in 600.2 of title 34, Code of Fed-

1 eral Regulations (as in effect on September 20,
2 2020);

3 “(iii) the Governor of a State, after consulta-
4 tion with the State board, determines that the pro-
5 gram—

6 “(I) provides an education aligned with the
7 requirements of high-skill, high-wage (as identi-
8 fied by the State pursuant to section 122 of the
9 Carl D. Perkins Career and Technical Edu-
10 cation Act (20 U.S.C. 2342)), or in-demand in-
11 dustry sectors or occupations;

12 “(II) meets the hiring requirements of po-
13 tential employers in the sectors or occupations
14 described in subclause (I);

15 “(III) either—

16 “(aa) leads to a recognized postsec-
17 ondary credential that is stackable and
18 portable across more than one employer; or

19 “(bb) with respect to students en-
20 rolled in the program—

21 “(AA) prepares such students for
22 employment in an occupation for
23 which there is only one recognized
24 postsecondary credential; and

1 “(BB) provides such students
2 with such a credential upon comple-
3 tion of such program; and

4 “(IV) prepares students to pursue 1 or
5 more certificate or degree programs at 1 or
6 more institutions of higher education (which
7 may include the eligible institution providing
8 the program), including by ensuring—

9 “(aa) that a student, upon completion
10 of the program and enrollment in such a
11 related certificate or degree program, will
12 receive academic credit for the Workforce
13 Pell program that will be accepted toward
14 meeting such certificate or degree program
15 requirements; and

16 “(bb) the acceptability of such credit
17 toward meeting such certificate or degree
18 program requirements; and

19 “(iv) after the Governor of such State makes
20 the determination that the program meets the re-
21 quirements under clause (iii), the Secretary deter-
22 mines that—

23 “(I) the program has been offered by the
24 eligible institution for not less than 1 year prior

1 to the date on which the Secretary makes a de-
2 termination under this clause;

3 “(II) for each award year, the program has
4 a verified completion rate of at least 70 percent,
5 within 150 percent of the normal time for com-
6 pletion;

7 “(III) for each award year, the program
8 has a verified job placement rate of at least 70
9 percent, measured 180 days after completion;
10 and

11 “(IV) for each award year, the median
12 value-added earnings (as defined in section
13 420W) of students who completed such pro-
14 gram for the most recent year for which data
15 is available exceeds the median total price (as
16 defined in section 454(d)(3)(D)) charged to stu-
17 dents in such award year.

18 “(B) In this paragraph:

19 “(i) The term ‘eligible institution’ means
20 an institution of higher education (as defined in
21 section 102), or any other entity that has en-
22 tered into a program participation agreement
23 with the Secretary under section 487(a) (with-
24 out regard to whether that entity is accredited
25 by a national recognized accrediting agency or

1 association), which has not been subject, during
2 any of the preceding 3 years, to—

3 “(I) any suspension, emergency ac-
4 tion, or termination under this title;

5 “(II) in the case of an institution of
6 higher education, any adverse action by the
7 institution’s accrediting agency or associa-
8 tion that revokes or denies accreditation
9 for the institution; or

10 “(III) any final action by the State in
11 which the institution or other entity holds
12 its legal domicile, authorization, or accredi-
13 tation that revokes the institution’s or enti-
14 ty’s license or other authority to operate in
15 such State.

16 “(ii) The term ‘Governor’ means the chief
17 executive of a State.

18 “(iii) The terms ‘industry or sector part-
19 nership’, ‘in-demand industry sector or occupa-
20 tion’, ‘recognized postsecondary credential’, and
21 ‘State board’ have the meanings given such
22 terms in section 3 of the Workforce Innovation
23 and Opportunity Act.”.

24 (c) STUDENT ELIGIBILITY.—Section 484(a)(1) of the
25 Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)) is

1 amended by inserting “or, for purposes of section 401(k),
2 at an entity (other than an institution of higher education)
3 that meets the requirements of section 481(b)(3)(B)(i)”
4 after “section 487”.

5 (d) EFFECTIVE DATE; APPLICABILITY.—The amend-
6 ments made by this section shall take effect on July 1,
7 2026, and shall apply with respect to award year 2026–
8 2027 and each succeeding award year.

9 **SEC. 30033. PELL SHORTFALL.**

10 Section 401(b)(7)(A) of the Higher Education Act of
11 1965 (20 U.S.C. 1070a(b)(7)(A)) is amended—

12 (1) in clause (iii)—

13 (A) by striking “\$2,170,000,000” and in-
14 serting “\$5,351,000,000”; and

15 (B) by striking “and” at the end;

16 (2) in clause (iv)—

17 (A) by striking “\$1,236,000,000” and in-
18 serting “\$6,058,000,000”; and

19 (B) by striking “ and each succeeding fis-
20 cal year.” and inserting a semicolon; and

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

22 “(v) \$3,743,000,000 for fiscal year
23 2028; and

24 “(vi) \$1,236,000,000 for each suc-
25 ceeding fiscal year.”.

1 **Subtitle E—Accountability**

2 **SEC. 30041. AGREEMENTS WITH INSTITUTIONS.**

3 Section 454 of the Higher Education Act of 1965 (20
4 U.S.C. 1087d) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (5), by striking “and”
7 after the semicolon;

8 (B) by redesignating paragraph (6) as
9 paragraph (7); and

10 (C) by inserting after paragraph (5) the
11 following new paragraph:

12 “(6) provide annual reimbursements to the Sec-
13 retary in accordance with the requirements under
14 subsection (d); and”; and

15 (2) by adding at the end the following new sub-
16 section:

17 “(d) REIMBURSEMENT REQUIREMENTS.—

18 “(1) ANNUAL REIMBURSEMENTS REQUIRED.—

19 Beginning in award year 2028–2029, each institu-
20 tion of higher education participating in the direct
21 student loan program under this part shall, for
22 qualifying student loans, remit to the Secretary, at
23 such time as the Secretary may specify, an annual
24 reimbursement for each student cohort of the insti-
25 tution, based on the non-repayment balance of such

1 cohort and calculated in accordance with paragraph
2 (3).

3 “(2) STUDENT COHORTS.—

4 “(A) COHORTS ESTABLISHED.—For each
5 institution of higher education participating in
6 the direct student loan program under this
7 part, the Secretary shall establish student co-
8 horts, beginning with award year 2027–2028,
9 as follows:

10 “(i) COMPLETING STUDENT CO-
11 HORT.—For each program of study at
12 such institution, a student cohort com-
13 prised of all students who received Federal
14 financial assistance under this title and
15 who completed such program during such
16 award year.

17 “(ii) UNDERGRADUATE NON-COM-
18 PLETING STUDENT COHORT.—For such in-
19 stitution, a student cohort comprised of all
20 students who received Federal financial as-
21 sistance under this title, who were enrolled
22 in the institution during the previous
23 award year in a program of study leading
24 to an undergraduate credential, and who at
25 the time the cohort is established—

1 “(I) have not completed such
2 program of study; and

3 “(II) are not enrolled at the in-
4 stitution in any program of study
5 leading to an undergraduate creden-
6 tial.

7 “(iii) GRADUATE NON-COMPLETING
8 STUDENT COHORT.—For each program of
9 study leading to a graduate credential at
10 such institution, a student cohort com-
11 prised of all students who received Federal
12 financial assistance under this title, who
13 were enrolled in such program during the
14 previous award year, and who at the time
15 the cohort is established—

16 “(I) have not completed such
17 program of study; and

18 “(II) are not enrolled in such
19 program.

20 “(B) QUALIFYING STUDENT LOAN.—For
21 the purposes of this subsection, the term ‘quali-
22 fying student loan’ means a loan made under
23 this part on or after July 1, 2027, that—

1 “(i) was made to a student included
2 in a student cohort of an institution or to
3 a parent on behalf of such a student;

4 “(ii) except in the case of a loan de-
5 scribed in clause (i) or (ii) of subparagraph
6 (C), is not included in any other student
7 cohort of any institution of higher edu-
8 cation;

9 “(iii) is not in—

10 “(I) a medical or dental intern-
11 ship or residency forbearance de-
12 scribed in section 428(c)(3)(A)(i)(I),
13 section 428B(a)(2), section 428H(a),
14 or section 685.205(a)(3) of title 34,
15 Code of Federal Regulations;

16 “(II) a graduate fellowship
17 deferment described in section
18 455(f)(2)(A)(ii);

19 “(III) rehabilitation training pro-
20 gram deferment described under sec-
21 tion 455(f)(2)(A)(ii);

22 “(IV) an in-school deferment de-
23 scribed under section 455(f)(2)(A)(i);

24 “(V) a cancer deferment de-
25 scribed under section 455(f)(3);

1 “(VI) a military service
2 deferment described under section
3 455(f)(2)(C); or

4 “(VII) a post-active duty student
5 deferment described under section
6 493D; and

7 “(iv) is not in default.

8 “(C) SPECIAL CIRCUMSTANCES.—

9 “(i) MULTIPLE CREDENTIALS.—In
10 the case of a student who completes two or
11 more programs of study during the same
12 award year, each qualifying student loan of
13 the student shall be included in the student
14 cohort for each of such program of study
15 for such award year.

16 “(ii) TREATMENT OF CERTAIN CON-
17 SOLIDATION LOANS.—A Federal Direct
18 Consolidation loan made under this title
19 shall not be considered a qualifying stu-
20 dent loan for a student cohort for an
21 award year if all of the loans included in
22 such consolidation loan are attributable to
23 another student cohort.

24 “(iii) CONSOLIDATION AFTER INCLU-
25 SION IN A STUDENT COHORT.—If a quali-

1 fying student loan is consolidated into a
2 consolidation loan under this title after
3 such qualifying student loan has been in-
4 cluded in a student cohort, the percentage
5 of the consolidation loan that was attrib-
6 utable to such student cohort at the time
7 of consolidation shall remain attributable
8 to the student cohort for the life of the
9 consolidation loan.

10 “(3) CALCULATION OF REIMBURSEMENT.—

11 “(A) REIMBURSEMENT PAYMENT FOR-
12 MULA.—For each student cohort of an institu-
13 tion of higher education established under this
14 subsection, the annual reimbursement for such
15 cohort shall be equal to—

16 “(i) the reimbursement percentage for
17 the cohort, determined in accordance with
18 subparagraph (B); multiplied by

19 “(ii) the non-repayment balance for
20 the cohort for the award year, determined
21 in accordance with subparagraph (C).

22 “(B) REIMBURSEMENT PERCENTAGE.—

23 The reimbursement percentage of a student co-
24 hort of an institution shall be determined by the
25 Secretary when the cohort is established, shall

1 remain constant for the life of the student co-
2 hort, and shall be determined as follows:

3 “(i) COMPLETING STUDENT CO-
4 HORTS.—The reimbursement percentage of
5 a completing student cohort shall be equal
6 to the percentage determined by—

7 “(I) subtracting from one the
8 quotient of—

9 “(aa) the median value-
10 added earnings of students who
11 completed such program of study
12 in the most recent award year for
13 which such earnings data is
14 available; divided by

15 “(bb) the median total price
16 charged to students included in
17 such cohort; and

18 “(II) multiplying the difference
19 determined under subclause (I) by
20 100.

21 “(ii) SPECIAL CIRCUMSTANCES FOR
22 COMPLETING STUDENT COHORTS.—

23 “(I) HIGH-RISK COHORTS.—Not-
24 withstanding clause (i), if the median
25 value-added earnings of a completing

1 student cohort under clause (i)(I)(aa)
2 is negative, the reimbursement per-
3 centage of the student cohort shall be
4 100 percent.

5 “(II) LOW-RISK COHORTS.—Not-
6 withstanding clause (i), if the median
7 value-added earnings of a completing
8 student cohort under clause (i)(I)(aa)
9 exceeds the median total price of such
10 cohort under clause (i)(I)(bb), the re-
11 imbursement percentage of the stu-
12 dent cohort shall be 0 percent.

13 “(iii) NON-COMPLETING STUDENT CO-
14 HORTS.—The reimbursement percentage of
15 a non-completing student cohort shall be
16 determined based on the most recent data
17 available in the award year in which the
18 cohort is established, and—

19 “(I) for an undergraduate non-
20 completing student cohort, shall be
21 equal to the percentage of under-
22 graduate students who received Fed-
23 eral financial assistance under this
24 title at such institution who—

1 “(aa) did not complete an
2 undergraduate program of study
3 at the institution within 150 per-
4 cent of the program length of
5 such program; or

6 “(bb) only in the case of a
7 two-year institution, did not,
8 within 6 years after first enroll-
9 ing at the two-year institution,
10 complete a program of study at a
11 four-year institution for which a
12 bachelor’s degree (or substan-
13 tially similar credential) is
14 awarded; and

15 “(II) for a graduate non-com-
16 pleting student cohort, shall be equal
17 to the percentage of students who re-
18 ceived Federal financial assistance
19 under this title at the institution for
20 the applicable graduate program of
21 study and who did not complete such
22 program of study within 150 percent
23 of the program length.

24 “(C) NON-REPAYMENT LOAN BALANCE.—

1 “(i) IN GENERAL.—For each award
2 year, the Secretary shall determine the
3 non-repayment loan balance for such
4 award year for each student cohort of an
5 institution of higher education by calcu-
6 lating the sum of—

7 “(I) for loans in such cohort, the
8 difference between the total amount of
9 payments due from all borrowers on
10 such loans during such year and the
11 total amount of payments made by all
12 such borrowers on such loans during
13 such year; plus

14 “(II) the total amount of interest
15 waived, paid, or otherwise not charged
16 by the Secretary during such year
17 under the income-based repayment
18 plan described in section 455(q); plus

19 “(III) the total amount of prin-
20 cipal and interest forgiven, cancelled,
21 waived, discharged, repaid, or other-
22 wise reduced by the Secretary under
23 any act during such year that is not
24 included in subclause (II) and was not

1 discharged or forgiven under section
2 437(a), 428J, or section 455(m).

3 “(ii) SPECIAL CIRCUMSTANCES.—For
4 the purpose of calculating the non-repay-
5 ment loan balance of student cohorts under
6 this paragraph, the Secretary shall—

7 “(I) for each qualifying student
8 loan in a student cohort that is in-
9 cluded in another student cohort be-
10 cause the student who borrowed such
11 loan completed two or more programs
12 of study during the same award year,
13 the sum of the amounts described in
14 subclauses (I) through (III) of clause
15 (i) for such qualifying student loan
16 shall be divided equally among each of
17 the student cohorts in which such loan
18 is included; and

19 “(II) for each consolidation loan
20 in a student cohort—

21 “(aa) determine the percent-
22 age of the outstanding principal
23 balance of the consolidation loan
24 attributable to such student co-
25 hort—

1 “(AA) at the time of
2 that loan was included in
3 such cohort, in the case of a
4 loan consolidated before in-
5 clusion in such cohort; or

6 “(BB) at the time of
7 consolidation, in the case of
8 a loan consolidated after in-
9 clusion in such cohort; and

10 “(bb) include in the calcula-
11 tions under clause (i) for such
12 student cohort only the percent-
13 age of the sum of the amounts
14 described in subclauses (I)
15 through (III) of clause (i) for the
16 consolidation loan for such year
17 that is equal to the percentage of
18 the consolidation loan determined
19 under item (aa).

20 “(D) TOTAL PRICE.—With respect to a
21 student who received Federal financial assist-
22 ance under this title and who completes a pro-
23 gram of study, the term ‘total price’ means the
24 total amount, before Federal financial assist-
25 ance under this title was applied, a student was

1 required to pay to complete the program of
2 study. A student's total price shall be calculated
3 by the Secretary as the difference between—

4 “(i) the total amount of tuition and
5 fees that were charged to such student be-
6 fore the application of any Federal finan-
7 cial assistance provided under this title;
8 minus

9 “(ii) the total amount of grants and
10 scholarships described in section 480(i)
11 awarded to such student from non-Federal
12 sources for such program of study.

13 “(4) NOTIFICATION AND REMITTANCE.—Begin-
14 ning with the first award year for which reimburse-
15 ments are required under this subsection, and for
16 each succeeding award year, the Secretary shall—

17 “(A) notify each institution of higher edu-
18 cation of the amounts and due dates of each
19 annual reimbursement calculated under para-
20 graph (3) for each student cohort of the institu-
21 tion within 30 days of calculating such
22 amounts; and

23 “(B) require the institution to remit such
24 payments within 90 days of such notification.

25 “(5) PENALTY FOR LATE PAYMENTS.—

1 “(A) THREE-MONTH DELINQUENCY.—If
2 an institution fails to remit to the Secretary a
3 reimbursement for a student cohort as required
4 under this subsection within 90 days of receiv-
5 ing notification from the Secretary in accord-
6 ance with paragraph (4), the institution shall
7 pay to the Secretary, in addition to such reim-
8 bursement, interest on such reimbursement
9 payment, at a rate that is the average rate ap-
10 plicable to the loans in such student cohort.

11 “(B) TWELVE-MONTH DELINQUENCY.—If
12 an institution fails to remit to the Secretary a
13 reimbursement for a student cohort as required
14 under this subsection, plus interest owed in
15 under subparagraph (A), within 12 months of
16 receiving notification from the Secretary in ac-
17 cordance with paragraph (4), the institution
18 shall be ineligible to make direct loans to any
19 student enrolled in the program of study for
20 which the institution has failed to make the re-
21 imbursement payments until such payment is
22 made.

23 “(C) EIGHTEEN-MONTH DELINQUENCY.—
24 If an institution fails to remit to the Secretary
25 a reimbursement for a student cohort as re-

1 quired under this subsection, plus interest owed
2 under subparagraph (A), within 18 months of
3 receiving notification from the Secretary in ac-
4 cordance with paragraph (4), the institution
5 shall be ineligible to make direct loans or award
6 Federal Pell Grants under section 401 to any
7 student enrolled in the institution until such
8 payment is made.

9 “(D) TWO-YEAR DELINQUENCY.—If an in-
10 stitution fails to remit to the Secretary a reim-
11 bursement for a student cohort as required
12 under this subsection, plus interest owed under
13 subparagraph (A), within 2 years of receiving
14 notification from the Secretary in accordance
15 with paragraph (4), the institution shall be in-
16 eligible to participate in any program under this
17 title for a period of not less than 10 years.

18 “(6) RELIEF FOR VOLUNTARY CESSATION OF
19 FEDERAL DIRECT LOANS FOR A PROGRAM OF
20 STUDY.—The Secretary shall, upon the request of an
21 institution that voluntarily ceases to make Federal
22 Direct loans to students enrolled in a specific pro-
23 gram of study, reduce the amount of the annual re-
24 imbursement owed by the institution for each stu-
25 dent cohort associated with such program by 50 per-

1 cent if the institution assures the Secretary that the
2 institution will not make Federal Direct loans to any
3 student enrolled in such program of study (or any
4 substantially similar program of study, as deter-
5 mined by the Secretary) for a period of not less than
6 10 award years, beginning with the first award year
7 that begins after the date on which the Secretary re-
8 duces such reimbursement.

9 “(7) RESERVATION OF FUNDS FOR PROMISE
10 GRANTS.—Notwithstanding any other provision of
11 this Act, the Secretary shall reserve the funds remit-
12 ted to the Secretary as reimbursements in accord-
13 ance with this subsection, and such funds shall be
14 made available to the Secretary only for the purpose
15 of awarding PROMISE grants in accordance with
16 subpart 11 of part A of this title.”.

17 **SEC. 30042. CAMPUS-BASED AID PROGRAMS.**

18 (a) PROMISE GRANTS.—Part A of title IV of the
19 Higher Education Act of 1965 (20 U.S.C. 1070c et seq.)
20 is amended by adding at the end the following:

21 **“Subpart 11—Promoting Real Opportunities to**
22 **Maximize Investments and Savings in Education**

23 **“SEC. 420S. PROMISE GRANTS.**

24 “For award year 2028–2029 and each succeeding
25 award year, from reserved funds remitted to the Secretary

1 in accordance with section 454(d) and additional funds
2 made available under section 420V, as necessary, the Sec-
3 retary shall award PROMISE grants to eligible institu-
4 tions to carry out the activities described in section
5 420U(c). PROMISE grants awarded under this subpart
6 shall be awarded on a noncompetitive basis to each eligible
7 institution that submits a satisfactory application under
8 section 420T for a 6-year period in an amount that is de-
9 termined in accordance with section 420U.

10 **“SEC. 420T. ELIGIBLE INSTITUTIONS; APPLICATION.**

11 “(a) ELIGIBLE INSTITUTION.—To be eligible for a
12 PROMISE grant under this subpart, an institution
13 shall—

14 “(1) be an institution of higher education under
15 section 102, except that an institution described in
16 section 102(a)(1)(C) shall not be an eligible institu-
17 tion under this subpart; and

18 “(2) meet the maximum total price guarantee
19 requirements under subsection (c).

20 “(b) APPLICATION.—An eligible institution seeking a
21 PROMISE grant under this subpart (including a renewal
22 of such a grant) shall submit to the Secretary an applica-
23 tion, at such time as the Secretary may require, containing
24 the information required under this subsection. Such ap-
25 plication shall—

1 “(1) demonstrate that the institution—

2 “(A) meets the maximum total price guar-
3 antee requirements under subsection (c); and

4 “(B) will continue to meet the maximum
5 total price guarantee requirements for each
6 award year during the grant period with respect
7 to students first enrolling at the institution for
8 each such award year;

9 “(2) describe how grant funds awarded under
10 this subpart will be used by the institution to carry
11 out activities related to—

12 “(A) increasing postsecondary afford-
13 ability, including—

14 “(i) the expansion and continuation of
15 the maximum total price guarantee re-
16 quirements under subsection (c); and

17 “(ii) any other activities to be carried
18 out by the institution to increase postsec-
19 ondary affordability and minimize the max-
20 imum total price for completion paid by
21 students receiving need-based student aid;

22 “(B) increasing postsecondary access,
23 which may include—

24 “(i) the activities described in section
25 485E of this Act; and

1 “(ii) any other activities to be carried
2 out by the institution to increase postsec-
3 ondary access and expand opportunities for
4 low- and middle-income students; and

5 “(C) increasing postsecondary student suc-
6 cess, which may include—

7 “(i) activities to improve completion
8 rates and reduce time to credential;

9 “(ii) activities to align programs of
10 study with the needs of employers, includ-
11 ing with respect to in-demand industry sec-
12 tors or occupations (as defined in section 3
13 of the Workforce Innovation and Oppor-
14 tunity Act (29 U.S.C. 3102)); and

15 “(iii) any other activities to be carried
16 out by the institution to increase value-
17 added earnings and postsecondary student
18 success;

19 “(3) describe—

20 “(A) how the institution will evaluate the
21 effectiveness of the institution’s use of grant
22 funds awarded under this subpart; and

23 “(B) how the institution will collect and
24 disseminate information on promising practices
25 developed with the use of such grant funds; and

1 “(4) in the case of an institution that has pre-
2 viously received a grant under this subpart, contain
3 the evaluation required under paragraph (3) for
4 each previous grant.

5 “(c) MAXIMUM TOTAL PRICE GUARANTEE REQUIRE-
6 MENTS.—As a condition of eligibility for a PROMISE
7 grant under this subpart, an institution shall—

8 “(1) for each award year beginning after the
9 date of enactment of this subpart, not later than 1
10 year before the start of each such award year (ex-
11 cept that, for the first award year beginning after
12 such date of enactment, the institution shall meet
13 these requirements as soon as practicable after such
14 date of enactment), determine the maximum total
15 price for completion, in accordance with subsection
16 (e), for each program of study at the institution ap-
17 plicable to students in each income category and stu-
18 dent aid index category (as determined by the Sec-
19 retary) and publish such information on the institu-
20 tion’s website and in the institution’s catalog, mar-
21 keting materials, or other official publications;

22 “(2) for the award year for which the institu-
23 tion is applying for a PROMISE grant, and at least
24 1 award year preceding such award year, provide to
25 each student who first enrolls, or plans to enroll, in

1 the institution during the award year and who re-
2 ceives Federal financial aid under this title a max-
3 imum total price guarantee, in accordance with this
4 section, for the minimum guarantee period applica-
5 ble to the student; and

6 “(3) provide to the Secretary an assurance that
7 the institution will continue to meet each of the
8 maximum total price guarantee requirements under
9 this subsection for students who first enroll, or plan
10 to enroll, in the institution during each award year
11 included in the grant period.

12 “(d) DURATION OF MINIMUM GUARANTEE PE-
13 RIOD.—

14 “(1) IN GENERAL.—The minimum period dur-
15 ing which a student shall be provided a guarantee
16 under subsection (c) with respect to the maximum
17 total price for completion of a program of study at
18 an institution shall be the average, for the 3 most
19 recent award years for which data are available, of
20 the median time to credential of students who com-
21 pleted any undergraduate program of study at the
22 institution during each such award year, except that
23 such minimum guarantee period shall not be less
24 than the program length of the program of study in
25 which the student is enrolled.

1 “(2) LIMITATION.—An institution shall not be
2 required to provide a maximum total price guarantee
3 under subsection (c) to a student after the conclu-
4 sion of the 6-year period beginning on the first day
5 on which the student enrolled at such institution.

6 “(e) DETERMINATION OF MAXIMUM TOTAL PRICE
7 FOR COMPLETION.—

8 “(1) IN GENERAL.—For the purposes of sub-
9 section (c), an institution shall determine, prior to
10 the first award year in which a student enrolls at
11 the institution, the maximum total price that may be
12 charged to the student for completion of a program
13 of study at the institution for the minimum guar-
14 antee period applicable to a student, before applica-
15 tion of any Federal Pell Grants or other Federal fi-
16 nancial aid under this title. Such a maximum total
17 price for completion shall be determined for students
18 in each income category and student aid index cat-
19 egory (as determined by the Secretary). In deter-
20 mining the maximum total price for completion to be
21 charged to each such category of students, the insti-
22 tution may consider the ability of a category of stu-
23 dents to pay tuition and fees, but may not include
24 in such consideration any Federal Pell Grants or
25 other Federal financial aid awards that may be

1 available to such category of students under this
2 title.

3 “(2) MULTIPLE MAXIMUM TOTAL PRICE GUAR-
4 ANTEES.—In the event that a student receives more
5 than 1 maximum total price guarantee because the
6 student is included in more than 1 category of stu-
7 dents for which the institution determines a max-
8 imum total price guarantee amount for the purposes
9 of subsection (c), the maximum total price guarantee
10 applicable to such student for the purposes of this
11 section shall be equal to the lowest such guarantee
12 amount.

13 **“SEC. 420U. GRANT AMOUNTS; FLEXIBLE USE OF FUNDS.**

14 “(a) GRANT AMOUNT FORMULA.—

15 “(1) FORMULA.—Subject to subsection (b) and
16 section 420V(b), the amount of a PROMISE grant
17 for an eligible institution for each year of the grant
18 period shall be calculated by the Secretary annually
19 and shall be equal to the amount determined by
20 multiplying—

21 “(A) the lesser of—

22 “(i) the difference determined by sub-
23 tracting one from the quotient of—

24 “(I) the average, for the 3 most
25 recent award years for which data are

1 available, of the median value-added
2 earnings for each such award year of
3 students who completed any program
4 of study of the institution; divided by
5 “(II) the average, for the 3 most
6 recent award years for which data are
7 available, of the maximum total price
8 for completion determined under sec-
9 tion 420T(e) applicable for each such
10 award year to students enrolled in the
11 institution in any program of study
12 who received financial aid under this
13 title; or
14 “(ii) the number two;
15 “(B) the average, for the 3 most recent
16 award years for which data are available, of the
17 total dollar amount of Federal Pell Grants
18 awarded to students enrolled in the institution
19 in each such award year; and
20 “(C) the average, for the 3 most recent
21 award years for which data are available, of the
22 percentage of low-income students who received
23 Federal financial assistance under this title who
24 were enrolled in the institution in each such
25 award year who—

1 “(i) completed a program of study at
2 the institution within 100 percent of the
3 program length of such program; or

4 “(ii) only in the case of a two-year in-
5 stitution or a less than two-year institu-
6 tion—

7 “(I) transfer to a four-year insti-
8 tution; and

9 “(II) within 4 years after first
10 enrolling at the two-year or less than
11 two-year institution, complete a pro-
12 gram of study at the four-year institu-
13 tion for which a bachelor’s degree (or
14 substantially similar credential) is
15 awarded.

16 “(2) DEFINITION OF LOW-INCOME.—In this
17 section, the term ‘low-income’, when used with re-
18 spect to a student, means that the student’s family
19 income does not exceed the maximum income in the
20 lowest income category (as determined by the Sec-
21 retary).

22 “(b) MAXIMUM GRANT AMOUNT.—Notwithstanding
23 subsection (a), the maximum amount an eligible institu-
24 tion may receive annually for a grant under this subpart
25 shall be the amount equal to—

1 “(1) the average, for the 3 most recent award
2 years, of the number of students enrolled in the in-
3 stitution in an award year who receive Federal fi-
4 nancial aid under this title; multiplied by

5 “(2) \$5,000.

6 “(c) FLEXIBLE USE OF FUNDS.—A PROMISE
7 grant awarded under this subpart shall be used by an eli-
8 gible institution to—

9 “(1) carry out activities included in the institu-
10 tion’s application for such grant related to postsec-
11 ondary affordability, access, and student success;

12 “(2) evaluate the effectiveness of the activities
13 carried out with such grant in accordance with sec-
14 tion 420T(b)(3)(A); and

15 “(3) collect and disseminate promising practices
16 related to the activities carried out with such grant,
17 in accordance with section 420T(b)(3)(B).

18 **“SEC. 420V. AVAILABILITY OF FUNDS.**

19 “(a) USED OF RESERVED FUNDS.—

20 “(1) PRIMARY FUNDS.—To carry out this sub-
21 part, there shall be available to the Secretary any
22 funds remitted to the Secretary as reimbursements
23 in accordance with section 454(d) for any award
24 year.

1 “(2) SECONDARY FUNDS.—Beginning award
2 year 2028–2029, if the amounts made available to
3 the Secretary under paragraph (1) to carry out this
4 subpart in any award year are insufficient to fully
5 fund the PROMISE grants awarded under this sub-
6 part in such award year, there shall be available to
7 the Secretary, in addition to such amounts, any
8 funds returned to the Secretary under section 484B
9 in the previous award year.

10 “(b) REDUCTION OF GRANT AMOUNT IN CASE OF IN-
11 SUFFICIENT FUNDS.—

12 “(1) IN GENERAL.—If the amounts made avail-
13 able to the Secretary under subsection (a) to carry
14 out this subpart for an award year are not sufficient
15 to provide grants to each eligible institution in the
16 amount determined under section 420U for such
17 award year, the Secretary shall reduce each such
18 grant amount by the applicable percentage described
19 in paragraph (2).

20 “(2) APPLICABLE PERCENTAGE.—The applica-
21 ble percentage described in this paragraph is the
22 percentage determined by dividing—

23 “(A) the amounts made available under
24 subsection (a) for the award year described in
25 paragraph (1); by

1 “(B) the total amount that would be nec-
2 essary to provide grants to all eligible institu-
3 tions in the amounts determined under section
4 420U for such award year.

5 **“SEC. 420W. DEFINITIONS.**

6 “In this title:

7 “(1) VALUE-ADDED EARNINGS.—

8 “(A) IN GENERAL.—With respect to a stu-
9 dent who received Federal financial aid under
10 this title and who completed a program of study
11 offered by an institution of higher education,
12 the term ‘value-added earnings’ means—

13 “(i) the annual earnings of such stu-
14 dent measured during the applicable earn-
15 ings measurement period for such program
16 (as determined under subparagraph (C));
17 minus

18 “(ii) in the case of a student who
19 completed a program of study that
20 awards—

21 “(I) an undergraduate credential,
22 150 percent of the poverty line appli-
23 cable to a single individual as deter-
24 mined under section 673(2) of the

1 Community Services Block Grant Act
2 (42 U.S.C. 9902(2)) for such year; or

3 “(II) a graduate credential, 300
4 percent of the poverty line applicable
5 to a single individual as determined
6 under section 673(2) of the Commu-
7 nity Services Block Grant Act (42
8 U.S.C. 9902(2)) for such year.

9 “(B) GEOGRAPHIC ADJUSTMENT.—

10 “(i) IN GENERAL.—Except as pro-
11 vided in clause (ii), the Secretary shall use
12 the geographic location of the institution at
13 which a student completed a program of
14 study to adjust the value-added earnings of
15 the student calculated under subparagraph
16 (A) by dividing—

17 “(I) the difference between
18 clauses (i) and (ii) of such subpara-
19 graph; by

20 “(II) the most recent regional
21 price parity index of the Bureau of
22 Economics Analysis for the State or,
23 as applicable, metropolitan area in
24 which such institution is located.

1 “(ii) EXCEPTION.—The value-added
2 earnings of a student calculated under sub-
3 paragraph (A) shall not be adjusted based
4 on geographic location in accordance with
5 clause (i) if such student attended prin-
6 cipally through distance education.

7 “(C) EARNINGS MEASUREMENT PERIOD.—

8 “(i) IN GENERAL.—For the purpose
9 of calculating the value-added earnings of
10 a student, except as provided in clause (ii),
11 the annual earnings of a student shall be
12 measured—

13 “(I) in the case of a program of
14 study that awards an undergraduate
15 certificate, post baccalaureate certifi-
16 cate, or graduate certificate, 1 year
17 after the student completes such pro-
18 gram;

19 “(II) in the case of a program of
20 study that awards an associate’s de-
21 gree or master’s degree, 2 years after
22 the student completes such program;
23 and

24 “(III) in the case of a program of
25 study that awards a bachelor’s degree,

1 doctoral degree, or professional de-
2 gree, 4 years after the student com-
3 pletes such program.

4 “(ii) EXCEPTION.—The Secretary
5 may, as the Secretary determines appro-
6 priate based on the characteristics of a
7 program of study, extend an earnings
8 measurement period described in clause (i)
9 for a program of study that—

10 “(I) requires completion of an
11 additional educational program (such
12 as a residency or fellowship) after
13 completion of the program of study in
14 order to obtain licensure or board cer-
15 tification associated with the creden-
16 tial awarded for such program of
17 study; and

18 “(II) when combined with the
19 program length of such additional
20 educational program for licensure or
21 board certification, has a total pro-
22 gram length that exceeds the relevant
23 earnings measurement period pre-
24 scribed for such program of study
25 under clause (i),

1 except that in no case shall the annual
2 earnings of a student be measured more
3 than 1 year after the student completes
4 such additional educational program.

5 “(2) PROGRAM LENGTH.—The term ‘program
6 length’ means the minimum amount of time in
7 weeks, months, or years that is specified in the cata-
8 log, marketing materials, or other official publica-
9 tions of an institution of higher education for a full-
10 time student to complete the requirements for a spe-
11 cific program of study.”.

12 (b) INSTITUTIONAL REFUNDS.—Section 484B of the
13 Higher Education Act of 1965 (20 U.S.C. 1091b) is
14 amended by adding at the end the following:

15 “(f) RESERVATION OF FUNDS FOR PROMISE
16 GRANTS.—Notwithstanding any other provision of this
17 Act, the Secretary shall reserve the funds returned to the
18 Secretary under this section for 1 year after the return
19 of such funds for the purpose of awarding PROMISE
20 grants in accordance with subpart 4 of part A of this
21 title.”.

22 **Subtitle F—Regulatory Relief**

23 **SEC. 30051. REGULATORY RELIEF.**

24 (a) 90/10 RULE.—Section 487 of the Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1094) is amended—

1 (1) in subsection (a), by repealing paragraph
2 (24); and

3 (2) by repealing subsection (d).

4 (b) GAINFUL EMPLOYMENT.—The Higher Education
5 Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

6 (1) in section 101(b)(1), by striking “gainful
7 employment in”;

8 (2) in section 102—

9 (A) in subsection (b)(1)(A)(i), by striking
10 “gainful employment in”; and

11 (B) in subsection (c)(1)(A), by striking
12 “gainful employment in”; and

13 (3) in section 481(b)(1)(A)(i), by striking
14 “gainful employment in”.

15 (c) OTHER REPEALS.—The following regulations (in-
16 cluding any supplement or revision to such regulations)
17 are repealed and shall have no legal effect:

18 (1) CLOSED SCHOOL DISCHARGES.—Sections
19 674.33(g), 682.402(d), and 685.214 of title 34,
20 Code of Federal Regulations (relating to closed
21 school discharges), as added or amended by the final
22 regulations published by the Department of Edu-
23 cation in the Federal Register on November 1, 2022
24 (87 Fed. Reg. 65904 et seq.).

1 (2) BORROWER DEFENSE TO REPAYMENT.—
2 Subpart D of part 685 of title 34, Code of Federal
3 Regulations (relating to borrower defense to repay-
4 ment), as added or amended by the final regulations
5 published by the Department of Education in the
6 Federal Register on November 1, 2022 (87 Fed.
7 Reg. 65904 et seq.).

8 (d) EFFECT OF REPEALS.—Any regulations relating
9 to closed school discharges or borrower defense to repay-
10 ment that took effect on July 1, 2020, are restored and
11 revived as such regulations were in effect on such date.

12 (e) PROHIBITION.—The Secretary of Education may
13 not implement any rule, regulation, policy, or executive ac-
14 tion specified in this section (or a substantially similar
15 rule, regulation, policy, or executive action) unless author-
16 ity for such implementation is explicitly provided in an Act
17 of Congress.

18 **Subtitle G—Limitation on**
19 **Authority**

20 **SEC. 30061. LIMITATION ON AUTHORITY OF THE SEC-**
21 **RETARY TO PROPOSE OR ISSUE REGULA-**
22 **TIONS AND EXECUTIVE ACTIONS.**

23 Part G of title IV of the Higher Education Act of
24 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
25 after section 492 the following:

1 **“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-**
2 **RETARY TO PROPOSE OR ISSUE REGULA-**
3 **TIONS AND EXECUTIVE ACTIONS.**

4 “(a) DRAFT REGULATIONS.—Beginning on the date
5 of enactment of this section, a draft regulation imple-
6 menting this title (as described in section 492(b)(1)) that
7 is determined by the Secretary to be economically signifi-
8 cant shall be subject to the following requirements (re-
9 gardless of whether negotiated rulemaking occurs):

10 “(1) The Secretary shall determine whether the
11 draft regulation, if implemented, would result in an
12 increase in a subsidy cost.

13 “(2) If the Secretary determines under para-
14 graph (1) that the draft regulation would result in
15 an increase in a subsidy cost, then the Secretary
16 may not take any further action with respect to such
17 regulation.

18 “(b) PROPOSED OR FINAL REGULATIONS AND EXEC-
19 UTIVE ACTIONS.—Beginning on the date of enactment of
20 this section, the Secretary may not issue a proposed rule,
21 final regulation, or executive action implementing this title
22 if the Secretary determines that the rule, regulation, or
23 executive action—

24 “(1) is economically significant; and

25 “(2) would result in an increase in a subsidy
26 cost.

1 “(c) RELATIONSHIP TO OTHER REQUIREMENTS.—
2 The analyses required under subsections (a) and (b) shall
3 be in addition to any other cost analysis required under
4 law for a regulation implementing this title, including any
5 cost analysis that may be required pursuant to Executive
6 Order 12866 (58 Fed. Reg. 51735; relating to regulatory
7 planning and review), Executive Order 13563 (76 Fed.
8 Reg. 3821; relating to improving regulation and regu-
9 latory review), or any related or successor orders.

10 “(d) DEFINITION.—In this section, the term ‘eco-
11 nomically significant’, when used with respect to a draft,
12 proposed, or final regulation or executive action, means
13 that the regulation or executive action is likely, as deter-
14 mined by the Secretary—

15 “(1) to have an annual effect on the economy
16 of \$100,000,000 or more; or

17 “(2) to adversely affect in a material way the
18 economy, a sector of the economy, productivity, com-
19 petition, jobs, the environment, public health or safe-
20 ty, or State, local, or tribal governments or commu-
21 nities.”.

1 **TITLE IV—ENERGY AND**
2 **COMMERCE**
3 **Subtitle A—Energy**

4 **SEC. 41001. RESCISSIONS RELATING TO CERTAIN INFLA-**
5 **TION REDUCTION ACT PROGRAMS.**

6 (a) STATE-BASED HOME ENERGY EFFICIENCY CON-
7 TRACTOR TRAINING GRANTS.—The unobligated balance
8 of any amounts made available under subsection (a) of
9 section 50123 of Public Law 117–169 (42 U.S.C. 18795b)
10 is rescinded.

11 (b) FUNDING FOR DEPARTMENT OF ENERGY LOAN
12 PROGRAMS OFFICE.—The unobligated balance of any
13 amounts made available under subsection (b) of section
14 50141 of Public Law 117–169 (136 Stat. 2042) is re-
15 scinded.

16 (c) ADVANCED TECHNOLOGY VEHICLE MANUFAC-
17 TURING.—The unobligated balance of any amounts made
18 available under subsection (a) of section 50142 of Public
19 Law 117–169 (136 Stat. 2044) is rescinded.

20 (d) ENERGY INFRASTRUCTURE REINVESTMENT FI-
21 NANCING.—The unobligated balance of any amounts made
22 available under subsection (a) of section 50144 of Public
23 Law 117–169 (136 Stat. 2044) is rescinded.

24 (e) TRIBAL ENERGY LOAN GUARANTEE PROGRAM.—
25 The unobligated balance of any amounts made available

1 under subsection (a) of section 50145 of Public Law 117–
2 169 (136 Stat. 2045) is rescinded.

3 (f) TRANSMISSION FACILITY FINANCING.—The un-
4 obligated balance of any amounts made available under
5 subsection (a) of section 50151 of Public Law 117–169
6 (42 U.S.C. 18715) is rescinded.

7 (g) GRANTS TO FACILITATE THE SITING OF INTER-
8 STATE ELECTRICITY TRANSMISSION LINES.—The unobli-
9 gated balance of any amounts made available under sub-
10 section (a) of section 50152 of Public Law 117–169 (42
11 U.S.C. 18715a) is rescinded.

12 (h) INTERREGIONAL AND OFFSHORE WIND ELEC-
13 TRICITY TRANSMISSION PLANNING, MODELING, AND
14 ANALYSIS.—The unobligated balance of any amounts
15 made available under subsection (a) of section 50153 of
16 Public Law 117–169 (42 U.S.C. 18715b) is rescinded.

17 (i) ADVANCED INDUSTRIAL FACILITIES DEPLOY-
18 MENT PROGRAM.—The unobligated balance of any
19 amounts made available under subsection (a) of section
20 50161 of Public Law 117–169 (42 U.S.C. 17113a) is re-
21 scinded.

22 **SEC. 41002. NATURAL GAS EXPORTS AND IMPORTS.**

23 Section 3 of the Natural Gas Act (15 U.S.C. 717b)
24 is amended by adding at the end the following:

1 “(g) CHARGE FOR EXPORTATION OR IMPORTATION
2 OF NATURAL GAS.—The Secretary of Energy shall, by
3 rule, impose and collect, for each application to export nat-
4 ural gas from the United States to a foreign country with
5 which there is not in effect a free trade agreement requir-
6 ing national treatment for trade in natural gas, or to im-
7 port natural gas from such a foreign country, a non-
8 refundable charge of \$1,000,000, and, for purposes of sub-
9 section (a), the importation or exportation of natural gas
10 that is proposed in an application for which such a non-
11 refundable charge was imposed and collected shall be
12 deemed to be in the public interest, and such an applica-
13 tion shall be granted without modification or delay.”.

14 **SEC. 41003. FUNDING FOR DEPARTMENT OF ENERGY LOAN**
15 **GUARANTEE EXPENSES.**

16 In addition to amounts otherwise available, there is
17 appropriated to the Secretary of Energy, out of any money
18 in the Treasury not otherwise appropriated, \$5,000,000,
19 to remain available for a period of five years for adminis-
20 trative expenses associated with carrying out section 116
21 of the Alaska Natural Gas Pipeline Act (15 U.S.C. 720n).

22 **SEC. 41004. EXPEDITED PERMITTING.**

23 The Natural Gas Act is amended by adding after sec-
24 tion 15 (15 U.S.C. 717n) the following:

1 **“SEC. 15A. EXPEDITED PERMITTING.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) COVERED APPLICATION.—The term ‘cov-
4 ered application’ means an application for an au-
5 thorization under section 3 or a certificate of public
6 convenience and necessity under section 7, as appli-
7 cable, for activities that include construction.

8 “(2) FEDERAL AUTHORIZATION.—The term
9 ‘Federal authorization’ has the meaning given such
10 term in section 15(a).

11 “(b) EXPEDITED REVIEW.—

12 “(1) NOTIFICATION OF ELECTION AND PAY-
13 MENT OF FEE.—Prior to submitting a covered appli-
14 cation, an applicant may elect to obtain an expedited
15 review of authorizations pursuant to Sections 3 and
16 7 of the Natural Gas Act for the approval of such
17 covered application by—

18 “(A) submitting to the Commission a writ-
19 ten notification—

20 “(i) of the election; and

21 “(ii) that identifies each Federal au-
22 thorization required for the approval of the
23 covered application and each Federal,
24 State, or interstate agency that will con-
25 sider an aspect of each such Federal au-
26 thorization; and

1 “(B) making a payment to the Secretary
2 of the Treasury in an amount that is the lesser
3 of—

4 “(i) one percent of the expected cost
5 of the applicable construction, as deter-
6 mined by the applicant; or

7 “(ii) \$10,000,000 (adjusted for infla-
8 tion, as the Secretary of the Treasury de-
9 termines necessary).

10 “(2) SUBMISSION AND REVIEW OF APPLICA-
11 TIONS.—

12 “(A) APPLICATION.—Not later than 60
13 days after the date on which an applicant elects
14 to obtain an expedited review under paragraph
15 (1), the applicant shall submit to the Commis-
16 sion the covered application for which such elec-
17 tion for an expedited review was made, which
18 shall include—

19 “(i) the scope of the applicable activi-
20 ties, including capital investment, siting,
21 temporary construction, and final work-
22 force numbers;

23 “(ii) the industrial sector of the appli-
24 cant, as classified by the North American
25 Industry Classification System; and

1 “(iii) a list of the statutes and regula-
2 tions that are relevant to the covered appli-
3 cation.

4 “(B) APPROVAL.—

5 “(i) STANDARD DEADLINE.—Except
6 as provided in clause (ii), not later than
7 one year after the date on which an appli-
8 cant submits a covered application pursu-
9 ant to subparagraph (A)—

10 “(I) each Federal, State, or
11 interstate agency identified under
12 paragraph (1)(A)(ii) shall—

13 “(aa) review the relevant
14 Natural Gas Act sections 3 or 7
15 authorization identified under
16 such paragraph; and

17 “(bb) subject to any condi-
18 tions determined by such agency
19 to be necessary to comply with
20 the requirements of the Federal
21 law under which such approval is
22 required, approve such Federal
23 authorization; and

24 “(II) the Commission shall—

1 “(aa) review the covered ap-
2 plication; and

3 “(bb) subject to any condi-
4 tions determined by the Commis-
5 sion to be necessary to comply
6 with the requirements of this
7 Act, approve the covered applica-
8 tion.

9 “(ii) EXTENDED DEADLINE.—

10 “(I) EXTENSION.—With respect
11 to a covered application submitted
12 pursuant to subparagraph (A), the
13 Commission may approve a request by
14 an agency identified under paragraph
15 (1)(A)(ii) for an extension of the one-
16 year deadline imposed by clause (i) of
17 this subparagraph for a period of 6
18 months if the Commission receives
19 consent from the relevant applicant.

20 “(II) APPLICABILITY.—If the
21 Commission approves a request for an
22 extension under subclause (I), such
23 extension shall apply to the applicable
24 covered application and the Federal

1 authorization for which the extension
2 was requested.

3 “(C) EFFECT OF FAILURE TO MEET DEAD-
4 LINE.—

5 “(i) DEEMED APPROVAL.—Any cov-
6 ered application submitted pursuant to
7 subparagraph (A), or Federal authoriza-
8 tion that is required with respect to such
9 covered application, that is not approved
10 by the applicable deadline under subpara-
11 graph (B) shall be deemed approved in
12 perpetuity.

13 “(ii) COMPLIANCE.—A person car-
14 rying out activities under a covered appli-
15 cation or Federal authorization that has
16 been deemed approved under clause (i)
17 shall comply with the requirements of the
18 Natural Gas Act.

19 “(c) JUDICIAL REVIEW.—

20 “(1) REVIEWABLE CLAIMS.—

21 “(A) IN GENERAL.—No court shall have
22 jurisdiction to review a claim with respect to
23 the approval of a covered application or Federal
24 authorization under subparagraph (B) or (C)(i)
25 of subsection (b)(2), except for a claim under

1 chapter 7 of title 5, United States Code, filed
2 not later than 180 days after the date of such
3 approval by—

4 “(i) the applicant; or

5 “(ii) a person who has suffered, or
6 likely and imminently will suffer, direct
7 and irreparable economic harm from the
8 approval.

9 “(B) CLAIMS BY CERTAIN NON-APPLI-
10 CANTS.—An association may only bring a claim
11 on behalf of one or more of its members pursu-
12 ant to subparagraph (A)(ii) if each member of
13 the association has suffered, or likely and immi-
14 nently will suffer, the harm described in sub-
15 paragraph (A)(ii).

16 “(2) STANDARD OF REVIEW.—If an applicant
17 or other person brings a claim described in para-
18 graph (1) with respect to the approval of a covered
19 application or Federal authorization under sub-
20 section (b)(2)(B), the court shall hold unlawful and
21 set aside any agency actions, findings, and conclu-
22 sions in accordance with section 706(2) of title 5,
23 United States Code, except that, for purposes of the
24 application of subparagraph (E) of such section, the
25 court shall apply such subparagraph by substituting

1 ‘clear and convincing evidence’ for ‘substantial evi-
2 dence’.

3 “(3) EXCLUSIVE JURISDICTION.—The United
4 States Court of Appeals for the District of Columbia
5 Circuit shall have original and exclusive jurisdiction
6 over any claim—

7 “(A) alleging the invalidity of subsection
8 (b); or

9 “(B) that an agency action relating to a
10 covered application or Federal authorization
11 under subsection (b) is beyond the scope of au-
12 thority conferred by the Federal law under
13 which such agency action is made.”.

14 **SEC. 41005. DE-RISKING COMPENSATION PROGRAM.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Secretary for
17 fiscal year 2025, out of any money in the Treasury not
18 otherwise appropriated, \$10,000,000, to remain available
19 through September 30, 2034, to carry out this section:
20 *Provided*, That no disbursements may be made under this
21 section after September 30, 2034.

22 (b) DE-RISKING COMPENSATION PROGRAM.—

23 (1) ESTABLISHMENT.—There is established in
24 the Department of Energy a program, to be known
25 as the De-Risking Compensation Program, to pro-

1 vide compensation to sponsors, with respect to cov-
2 ered energy projects, that suffer unrecoverable losses
3 due to qualifying Federal actions.

4 (2) ELIGIBILITY.—A sponsor may enroll in the
5 program with respect to a covered energy project
6 if—

7 (A) all approvals or permits required or
8 authorized under Federal law for the covered
9 energy project have been received, regardless of
10 whether a court order subsequently remands or
11 vacates such approvals or permits;

12 (B) the sponsor commenced construction of
13 the covered energy project or made capital ex-
14 penditures with respect to the covered energy
15 project in reliance on such approvals or per-
16 mits; and

17 (C) at the time of enrollment, no quali-
18 fying Federal action has been issued or taken
19 that has an effect described in subsection
20 (g)(4)(B) on the covered energy project.

21 (3) APPLICATION.—A sponsor may apply to en-
22 roll with respect to a covered energy project in the
23 program by submitting to the Secretary an applica-
24 tion containing such information as the Secretary
25 may require.

1 (4) ENROLLMENT.—Not later than 90 days
2 after the date on which the Secretary receives an ap-
3 plication submitted under paragraph (3), the Sec-
4 retary shall enroll the sponsor in the program for
5 the covered energy project with respect to which the
6 application was submitted if the Secretary deter-
7 mines that the sponsor meets the requirements of
8 paragraph (2) with respect to the covered energy
9 project.

10 (c) FEES AND PREMIUMS.—

11 (1) ENROLLMENT FEE.—Not later than 60
12 days after the date on which a sponsor is enrolled
13 in the program under subsection (b)(4), the sponsor
14 shall pay to the Secretary a one-time enrollment fee
15 equal to 5 percent of the sponsor capital contribu-
16 tion for the applicable covered energy project.

17 (2) ANNUAL PREMIUMS.—

18 (A) IN GENERAL.—The Secretary shall es-
19 tablish and annually collect a premium from
20 each sponsor enrolled in the program for each
21 covered energy project with respect to which the
22 sponsor is enrolled.

23 (B) REQUIREMENTS.—A premium estab-
24 lished and collected from a sponsor under sub-
25 paragraph (A) shall—

1 (i) be equal to 1.5 percent of the
2 sponsor capital contribution for the appli-
3 cable covered energy project; and

4 (ii) be paid beginning with the year of
5 enrollment and continuing until the earlier
6 of—

7 (I) fiscal year 2033; or

8 (II) the year in which the spon-
9 sor withdraws from the program with
10 respect to the applicable covered en-
11 ergy project.

12 (C) ADJUSTMENT.—The Secretary may
13 adjust the percentage required by subparagraph
14 (B)(i) once every two fiscal years to ensure
15 Fund solvency, except that—

16 (i) the Secretary may not vary such
17 percentage between sponsors or projects;
18 and

19 (ii) such percentage may not exceed 5
20 percent.

21 (D) PUBLICATION.—The Secretary shall
22 publish in the Federal Register not later than
23 60 days prior to the start of each fiscal year a
24 list of each premium to be collected for the fis-
25 cal year.

1 (d) COMPENSATION.—

2 (1) IN GENERAL.—Using amounts available in
3 the Fund, and subject to paragraph (5), the Sec-
4 retary shall provide compensation to a sponsor en-
5 rolled in the program with respect to a covered en-
6 ergy project if—

7 (A) the sponsor paid the enrollment fee
8 and the premium for each year the sponsor was
9 enrolled in the program with respect to the cov-
10 ered energy project; and

11 (B) the sponsor demonstrates, in a request
12 submitted to the Secretary, that a qualifying
13 Federal action has been issued or taken that
14 has an effect described in subsection (g)(4)(B)
15 on the covered energy project.

16 (2) REQUEST FOR COMPENSATION.—A request
17 under paragraph (1) shall contain the following:

18 (A) Information on each Federal approval
19 or permit relating to the covered energy project,
20 including the date on which such approval or
21 permit was issued.

22 (B) A certified accounting of capital ex-
23 penditures made in reliance on each such Fed-
24 eral approval or permit.

1 (C) A description of, and, if applicable, a
2 citation to, the applicable qualifying Federal ac-
3 tion.

4 (D) A causal statement showing how the
5 qualifying Federal action directly resulted in
6 unrecoverable losses or cessation of the covered
7 energy project and that absent the qualifying
8 Federal action the project would have otherwise
9 been viable.

10 (E) Any supporting economic analysis
11 demonstrating the financial effects of the cov-
12 ered energy project being rendered unviable.

13 (3) APPROVAL.—The Secretary shall approve a
14 request submitted under paragraph (1) and, subject
15 to paragraph (5), provide compensation to the appli-
16 cable sponsor if the Secretary determines that such
17 request is complete and in compliance with the re-
18 quirements of this section.

19 (4) LIMITATIONS ON DENIALS.—The Secretary
20 may not deny a request submitted under paragraph
21 (1) based on—

22 (A) the merit of the applicable covered en-
23 ergy project, as determined by the Secretary; or

24 (B) the type of technology used in the ap-
25 plicable covered energy project.

1 (5) LIMITATIONS ON COMPENSATION
2 AMOUNT.—

3 (A) SPONSORS.—The amount of compensa-
4 tion provided to a sponsor under this subsection
5 with respect to a covered energy project shall
6 not exceed the sponsor capital contribution for
7 the covered energy project.

8 (B) AVAILABLE FUNDS.—In determining
9 the amount of compensation to be provided to
10 a sponsor under this subsection—

11 (i) such amount may be any amount,
12 including zero, that is less than or equal to
13 the amount of the sponsor capital con-
14 tribution for the covered energy project, re-
15 gardless of the amount of capital expendi-
16 tures made by the sponsor (as certified
17 and included in the request pursuant to
18 paragraph (2)(B)); and

19 (ii) the Secretary shall determine such
20 amount in a manner that ensures no funds
21 will be obligated or expended in amounts
22 that exceed the amounts in the Fund at
23 the time of approval of the applicable re-
24 quest submitted under paragraph (1).

25 (e) DE-RISKING COMPENSATION FUND.—

1 (1) ESTABLISHMENT.—There is established a
2 fund, to be known as the De-Risking Compensation
3 Fund, consisting of such amounts as are deposited
4 in the Fund under this subsection or credited to the
5 Fund under subsection (f).

6 (2) USE OF FUNDS.—Amounts in the Fund—

7 (A) shall remain available until September
8 30, 2034; and

9 (B) may be used, without further appro-
10 priation—

11 (i) to make compensation payments to
12 sponsors under this section; and

13 (ii) to administer the program.

14 (3) LIMITATION ON ADMINISTRATIVE EX-
15 PENSES.—Not more than 3 percent of amounts in
16 the Fund may be used to administer the program.

17 (4) DEPOSITS.—The Secretary shall deposit the
18 fees and premiums received under subsection (c)
19 into the Fund.

20 (f) FUND MANAGEMENT AND INVESTMENT.—The
21 Fund shall be managed and invested as follows:

22 (1) The Fund shall be maintained and adminis-
23 tered by the Secretary.

24 (2) Amounts in the Fund shall be invested in
25 obligations of the United States in accordance with

1 the requirements of section 9702 of title 31, United
2 States Code.

3 (3) The interest on such investments shall be
4 credited to the Fund.

5 (g) DEFINITIONS.—For purposes of this section:

6 (1) COVERED ENERGY PROJECT.—The term
7 “covered energy project” means a project located in
8 the United States for the development, extraction,
9 processing, transportation, or use of coal, coal by-
10 products, critical minerals, oil, natural gas, or nu-
11 clear energy with a total projected capital expendi-
12 ture of not less than \$30,000,000, as certified by the
13 Secretary.

14 (2) FUND.—The term “Fund” means the De-
15 Risking Compensation Fund established in sub-
16 section (e)(1).

17 (3) PROGRAM.—The term “program” means
18 the De-Risking Compensation Program established
19 in subsection (b)(1).

20 (4) QUALIFYING FEDERAL ACTION.—The term
21 “qualifying Federal action” means a regulation, ad-
22 ministrative decision, or executive action—

23 (A) issued or taken after a sponsor re-
24 ceived a Federal approval or permit for a cov-
25 ered energy project; and

1 (B) that revokes such approval or permit
2 or cancels, delays, or renders unviable the cov-
3 ered energy project regardless of whether the
4 regulation, administrative decision, or executive
5 action is responsive to a court order.

6 (5) SECRETARY.—The term “Secretary” means
7 the Secretary of Energy.

8 (6) SPONSOR.—The term “sponsor” means an
9 entity incorporated and headquartered in the United
10 States with an ownership or development interest in
11 a covered energy project.

12 (7) SPONSOR CAPITAL CONTRIBUTION.—The
13 term “sponsor capital contribution” means the pro-
14 jected capital expenditure of a sponsor for a covered
15 energy project, as certified by the Secretary at the
16 time of enrollment in the program, which shall in-
17 clude verifiable development, construction, permit-
18 ting, and financing costs directly related to the cov-
19 ered energy project.

20 **SEC. 41006. STRATEGIC PETROLEUM RESERVE.**

21 (a) APPROPRIATIONS.—In addition to amounts other-
22 wise available, there is appropriated to the Department
23 of Energy for fiscal year 2025, out of any money in the
24 Treasury not otherwise appropriated, to remain available
25 until September 30, 2029—

1 (1) \$218,000,000 for maintenance of, including
2 repairs to, storage facilities and related facilities (as
3 such terms are defined in section 152 of the Energy
4 Policy and Conservation Act (42 U.S.C. 6232)) of
5 the Strategic Petroleum Reserve; and

6 (2) \$1,321,000,000 to acquire, by purchase, pe-
7 troleum products for storage in the Strategic Petro-
8 leum Reserve.

9 (b) REPEAL OF STRATEGIC PETROLEUM RESERVE
10 DRAWDOWN AND SALE MANDATE.—Section 20003 of
11 Public Law 115–97 (42 U.S.C. 6241 note) is repealed.

12 **Subtitle B—Environment**

13 **PART 1—REPEALS AND RESCISSIONS**

14 **SEC. 42101. REPEAL AND RESCISSION RELATING TO CLEAN**
15 **HEAVY-DUTY VEHICLES.**

16 (a) REPEAL.—Section 132 of the Clean Air Act (42
17 U.S.C. 7432) is repealed.

18 (b) RESCISSION.—The unobligated balance of any
19 amounts made available under section 132 of the Clean
20 Air Act (42 U.S.C. 7432) (as in effect on the day before
21 the date of enactment of this Act) is rescinded.

1 **SEC. 42102. REPEAL AND RESCISSION RELATING TO**
2 **GRANTS TO REDUCE AIR POLLUTION AT**
3 **PORTS.**

4 (a) REPEAL.—Section 133 of the Clean Air Act (42
5 U.S.C. 7433) is repealed.

6 (b) RESCISSION.—The unobligated balance of any
7 amounts made available under section 133 of the Clean
8 Air Act (42 U.S.C. 7433) (as in effect on the day before
9 the date of enactment of this Act) is rescinded.

10 **SEC. 42103. REPEAL AND RESCISSION RELATING TO**
11 **GREENHOUSE GAS REDUCTION FUND.**

12 (a) REPEAL.—Section 134 of the Clean Air Act (42
13 U.S.C. 7434) is repealed.

14 (b) RESCISSION.—The unobligated balance of any
15 amounts made available under section 134 of the Clean
16 Air Act (42 U.S.C. 7434) (as in effect on the day before
17 the date of enactment of this Act) is rescinded.

18 **SEC. 42104. REPEAL AND RESCISSION RELATING TO DIESEL**
19 **EMISSIONS REDUCTIONS.**

20 (a) REPEAL.—Section 60104 of Public Law 117–169
21 is repealed.

22 (b) RESCISSION.—The unobligated balance of any
23 amounts made available under section 60104 of Public
24 Law 117–169 (as in effect on the day before the date of
25 enactment of this Act) is rescinded.

1 **SEC. 42105. REPEAL AND RESCISSION RELATING TO FUND-**
2 **ING TO ADDRESS AIR POLLUTION.**

3 (a) REPEAL.—Section 60105 of Public Law 117–169
4 is repealed.

5 (b) RESCISSION.—The unobligated balance of any
6 amounts made available under section 60105 of Public
7 Law 117–169 (as in effect on the day before the date of
8 enactment of this Act) is rescinded.

9 **SEC. 42106. REPEAL AND RESCISSION RELATING TO FUND-**
10 **ING TO ADDRESS AIR POLLUTION AT**
11 **SCHOOLS.**

12 (a) REPEAL.—Section 60106 of Public Law 117–169
13 is repealed.

14 (b) RESCISSION.—The unobligated balance of any
15 amounts made available under section 60106 of Public
16 Law 117–169 (as in effect on the day before the date of
17 enactment of this Act) is rescinded.

18 **SEC. 42107. REPEAL AND RESCISSION RELATING TO LOW**
19 **EMISSIONS ELECTRICITY PROGRAM.**

20 (a) REPEAL.—Section 135 of the Clean Air Act (42
21 U.S.C. 7435) is repealed.

22 (b) RESCISSION.—The unobligated balance of any
23 amounts made available under section 135 of the Clean
24 Air Act (42 U.S.C. 7435) (as in effect on the day before
25 the date of enactment of this Act) is rescinded.

1 **SEC. 42108. REPEAL AND RESCISSION RELATING TO FUND-**
2 **ING FOR SECTION 211(o) OF THE CLEAN AIR**
3 **ACT.**

4 (a) REPEAL.—Section 60108 of Public Law 117–169
5 is repealed.

6 (b) RESCISSION.—The unobligated balance of any
7 amounts made available under section 60108 of Public
8 Law 117–169 (as in effect on the day before the date of
9 enactment of this Act) is rescinded.

10 **SEC. 42109. REPEAL AND RESCISSION RELATING TO FUND-**
11 **ING FOR IMPLEMENTATION OF THE AMER-**
12 **ICAN INNOVATION AND MANUFACTURING**
13 **ACT.**

14 (a) REPEAL.—Section 60109 of Public Law 117–169
15 is repealed.

16 (b) RESCISSION.—The unobligated balance of any
17 amounts made available under section 60109 of Public
18 Law 117–169 (as in effect on the day before the date of
19 enactment of this Act) is rescinded.

20 **SEC. 42110. REPEAL AND RESCISSION RELATING TO FUND-**
21 **ING FOR ENFORCEMENT TECHNOLOGY AND**
22 **PUBLIC INFORMATION.**

23 (a) REPEAL.—Section 60110 of Public Law 117–169
24 is repealed.

25 (b) RESCISSION.—The unobligated balance of any
26 amounts made available under section 60110 of Public

1 Law 117–169 (as in effect on the day before the date of
2 enactment of this Act) is rescinded.

3 **SEC. 42111. REPEAL AND RESCISSION RELATING TO**
4 **GREENHOUSE GAS CORPORATE REPORTING.**

5 (a) REPEAL.—Section 60111 of Public Law 117–169
6 is repealed.

7 (b) RESCISSION.—The unobligated balance of any
8 amounts made available under section 60111 of Public
9 Law 117–169 (as in effect on the day before the date of
10 enactment of this Act) is rescinded.

11 **SEC. 42112. REPEAL AND RESCISSION RELATING TO ENVI-**
12 **RONMENTAL PRODUCT DECLARATION AS-**
13 **SISTANCE.**

14 (a) REPEAL.—Section 60112 of Public Law 117–169
15 (42 U.S.C. 4321 note) is repealed.

16 (b) RESCISSION.—The unobligated balance of any
17 amounts made available under section 60112 of Public
18 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the
19 day before the date of enactment of this Act) is rescinded.

20 **SEC. 42113. REPEAL OF FUNDING FOR METHANE EMIS-**
21 **SIONS AND WASTE REDUCTION INCENTIVE**
22 **PROGRAM FOR PETROLEUM AND NATURAL**
23 **GAS SYSTEMS.**

24 (a) REPEAL AND RESCISSION.—Subsections (a) and
25 (b) of section 136 of the Clean Air Act (42 U.S.C. 7436)

1 are repealed and the unobligated balances of amounts
2 made available under those subsections (as in effect on
3 the day before the date of enactment of this Act) are re-
4 scinded.

5 (b) CONFORMING AMENDMENTS.—Section 136 of the
6 Clean Air Act (42 U.S.C. 7436) is amended—

7 (1) by redesignating subsections (c) through (i)
8 as subsections (a) through (g), respectively;

9 (2) by striking “subsection (c)” each place it
10 appears and inserting “subsection (a)”;

11 (3) by striking “subsection (d)” each place it
12 appears and inserting “subsection (b)”;

13 (4) by striking “subsection (f)” each place it
14 appears and inserting “subsection (d)”;

15 (5) in subsection (e) (as so redesignated), by
16 striking “calendar year 2024” and inserting “cal-
17 endar year 2034”; and

18 (6) in subsection (f) (as so redesignated)—

19 (A) by striking “subsections (e) and (f)”
20 and inserting “subsections (c) and (d)”;

21 (B) by striking “including data collected
22 pursuant to subsection (a)(4),”.

1 **SEC. 42114. REPEAL AND RESCISSION RELATING TO**
2 **GREENHOUSE GAS AIR POLLUTION PLANS**
3 **AND IMPLEMENTATION GRANTS.**

4 (a) REPEAL.—Section 137 of the Clean Air Act (42
5 U.S.C. 7437) is repealed.

6 (b) RESCISSION.—The unobligated balance of any
7 amounts made available under section 137 of the Clean
8 Air Act (42 U.S.C. 7437) (as in effect on the day before
9 the date of enactment of this Act) is rescinded.

10 **SEC. 42115. REPEAL AND RESCISSION RELATING TO ENVI-**
11 **RONMENTAL PROTECTION AGENCY EFFI-**
12 **CIENT, ACCURATE, AND TIMELY REVIEWS.**

13 (a) REPEAL.—Section 60115 of Public Law 117–169
14 is repealed.

15 (b) RESCISSION.—The unobligated balance of any
16 amounts made available under section 60115 of Public
17 Law 117–169 (as in effect on the day before the date of
18 enactment of this Act) is rescinded.

19 **SEC. 42116. REPEAL AND RESCISSION RELATING TO LOW-**
20 **EMBODIED CARBON LABELING FOR CON-**
21 **STRUCTION MATERIALS.**

22 (a) REPEAL.—Section 60116 of Public Law 117–169
23 (42 U.S.C. 4321 note) is repealed.

24 (b) RESCISSION.—The unobligated balance of any
25 amounts made available under section 60116 of Public

1 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the
2 day before the date of enactment of this Act) is rescinded.

3 **SEC. 42117. REPEAL AND RESCISSION RELATING TO ENVI-**
4 **RONMENTAL AND CLIMATE JUSTICE BLOCK**
5 **GRANTS.**

6 (a) REPEAL.—Section 138 of the Clean Air Act (42
7 U.S.C. 7438) is repealed.

8 (b) RESCISSION.—The unobligated balance of any
9 amounts made available under section 138 of the Clean
10 Air Act (42 U.S.C. 7438) (as in effect on the day before
11 the date of enactment of this Act) is rescinded.

12 **PART 2—REPEAL OF EPA RULES RELATING TO**
13 **GREENHOUSE GAS AND MULTI-POLLUTANT**
14 **EMISSIONS STANDARDS**

15 **SEC. 42201. REPEAL OF EPA RULES RELATING TO GREEN-**
16 **HOUSE GAS AND MULTI-POLLUTANT EMIS-**
17 **SIONS STANDARDS.**

18 The final rules issued by the Environmental Protec-
19 tion Agency relating to “Revised 2023 and Later Model
20 Year Light-Duty Vehicle Greenhouse Gas Emissions
21 Standards” (86 Fed. Reg. 74434 (December 30, 2021))
22 and “Multi-Pollutant Emissions Standards for Model
23 Years 2027 and Later Light-Duty and Medium-Duty Ve-
24 hicles” (89 Fed. Reg. 27842 (April 18, 2024)) shall have
25 no force or effect.

1 **PART 3—REPEAL OF NHTSA RULES RELATING TO**
2 **CAFE STANDARDS**

3 **SEC. 42301. REPEAL OF NHTSA RULES RELATING TO CAFE**
4 **STANDARDS.**

5 The final rules issued by the National Highway Traf-
6 fic Safety Administration relating to “Corporate Average
7 Fuel Economy Standards for Model Years 2024–2026
8 Passenger Cars and Light Trucks” (87 Fed. Reg. 25710
9 (May 2, 2022)) and “Corporate Average Fuel Economy
10 Standards for Passenger Cars and Light Trucks for Model
11 Years 2027 and Beyond and Fuel Efficiency Standards
12 for Heavy-Duty Pickup Trucks and Vans for Model Years
13 2030 and Beyond” (89 Fed. Reg. 52540 (June 24, 2024))
14 shall have no force or effect.

15 **Subtitle C—Communications**

16 **PART 1—SPECTRUM AUCTIONS**

17 **SEC. 43101. IDENTIFICATION AND AUCTION OF SPECTRUM.**

18 (a) IDENTIFICATION.—

19 (1) IN GENERAL.—Not later than 2 years after
20 the date of the enactment of this Act, the Assistant
21 Secretary and the Commission shall identify, from
22 spectrum in the covered band that is allocated for
23 Federal use, non-Federal use, or shared Federal and
24 non-Federal use, a total of not less than 600 mega-
25 hertz of spectrum for reallocation for non-Federal
26 use on an exclusive, licensed basis for mobile

1 broadband services, fixed broadband services, mobile
2 and fixed broadband services, or a combination
3 thereof.

4 (2) WITHDRAWAL OR MODIFICATION OF FED-
5 ERAL GOVERNMENT ASSIGNMENTS.—The President,
6 acting through the Assistant Secretary, shall—

7 (A) withdraw or modify the assignments to
8 Federal Government stations of spectrum iden-
9 tified under paragraph (1) as necessary for the
10 Commission to comply with subsection (b); and

11 (B) not later than 30 days after com-
12 pleting any necessary withdrawal or modifica-
13 tion under subparagraph (A), notify the Com-
14 mission that the withdrawal or modification is
15 complete.

16 (3) RULE OF CONSTRUCTION.—Nothing in this
17 subsection may be construed to change the respec-
18 tive authorities of the Assistant Secretary and the
19 Commission with respect to spectrum allocated for
20 Federal use, non-Federal use, or shared Federal and
21 non-Federal use.

22 (b) AUCTION.—

23 (1) IN GENERAL.—The Commission shall,
24 through 1 or more systems of competitive bidding
25 under section 309(j) of the Communications Act of

1 1934 (47 U.S.C. 309(j)), grant licenses for the use
2 of the spectrum identified under subsection (a) on
3 an exclusive, licensed basis for mobile broadband
4 services, fixed broadband services, mobile and fixed
5 broadband services, or a combination thereof.

6 (2) SCHEDULE.—Notwithstanding paragraph
7 (15)(A) of section 309(j) of the Communications Act
8 of 1934 (47 U.S.C. 309(j)), the Commission shall
9 auction spectrum under paragraph (1) of this sub-
10 section according to the following schedule:

11 (A) Not later than 3 years after the date
12 of the enactment of this Act, the Commission
13 shall complete 1 or more systems of competitive
14 bidding for not less than 200 megahertz of such
15 spectrum.

16 (B) Not later than 6 years after the date
17 of the enactment of this Act, the Commission
18 shall complete 1 or more systems of competitive
19 bidding for any remaining spectrum required to
20 be auctioned under paragraph (1) after compli-
21 ance with subparagraph (A) of this paragraph.

22 (c) AUCTION PROCEEDS TO COVER 110 PERCENT OF
23 FEDERAL RELOCATION OR SHARING COSTS.—Nothing in
24 this section may be construed to relieve the Commission

1 from the requirements of section 309(j)(16)(B) of the
2 Communications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

3 (d) AUCTION AUTHORITY.—Section 309(j)(11) of the
4 Communications Act of 1934 (47 U.S.C. 309(j)(11)) is
5 amended by striking “grant a license or permit under this
6 subsection shall expire March 9, 2023” and all that fol-
7 lows and inserting “complete a system of competitive bid-
8 ding under this subsection shall expire September 30,
9 2034.”.

10 (e) DEFINITIONS.—In this section:

11 (1) ASSISTANT SECRETARY.—The term “Assist-
12 ant Secretary” means the Assistant Secretary of
13 Commerce for Communications and Information.

14 (2) COMMISSION.—The term “Commission”
15 means the Federal Communications Commission.

16 (3) COVERED BAND.—

17 (A) IN GENERAL.—The term “covered
18 band” means the band of frequencies between
19 1.3 gigahertz and 10 gigahertz, inclusive.

20 (B) EXCLUSION.—The term “covered
21 band” does not include the following:

22 (i) The band of frequencies between
23 3.1 gigahertz and 3.45 gigahertz, inclusive.

1 (ii) The band of frequencies between
2 5.925 gigahertz and 7.125 gigahertz, inclu-
3 sive.

4 **PART 2—ARTIFICIAL INTELLIGENCE AND**
5 **INFORMATION TECHNOLOGY MODERNIZATION**

6 **SEC. 43201. ARTIFICIAL INTELLIGENCE AND INFORMATION**
7 **TECHNOLOGY MODERNIZATION INITIATIVE.**

8 (a) APPROPRIATION OF FUNDS.—There is hereby ap-
9 propriated to the Department of Commerce for fiscal year
10 2025, out of any funds in the Treasury not otherwise ap-
11 propriated, \$500,000,000, to remain available until Sep-
12 tember 30, 2034, to modernize and secure Federal infor-
13 mation technology systems through the deployment of
14 commercial artificial intelligence, the deployment of auto-
15 mation technologies, and the replacement of antiquated
16 business systems in accordance with subsection (b).

17 (b) AUTHORIZED USES.—The Secretary of Com-
18 merce shall use the funds appropriated under subsection

19 (a) for the following:

20 (1) To replace or modernize, within the Depart-
21 ment of Commerce, legacy business systems with
22 state-of-the-art commercial artificial intelligence sys-
23 tems and automated decision systems.

24 (2) To facilitate, within the Department of
25 Commerce, the adoption of artificial intelligence

1 models that increase operational efficiency and serv-
2 ice delivery.

3 (3) To improve, within the Department of Com-
4 merce, the cybersecurity posture of Federal informa-
5 tion technology systems through modernized archi-
6 tecture, automated threat detection, and integrated
7 artificial intelligence solutions.

8 (c) MORATORIUM.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), no State or political subdivision thereof
11 may enforce, during the 10-year period beginning on
12 the date of the enactment of this Act, any law or
13 regulation of that State or a political subdivision
14 thereof limiting, restricting, or otherwise regulating
15 artificial intelligence models, artificial intelligence
16 systems, or automated decision systems entered into
17 interstate commerce.

18 (2) RULE OF CONSTRUCTION.—Paragraph (1)
19 may not be construed to prohibit the enforcement
20 of—

21 (A) any law or regulation that—

22 (i) the primary purpose and effect of
23 which is to—

24 (I) remove legal impediments to,
25 or facilitate the deployment or oper-

1 ation of, an artificial intelligence
2 model, artificial intelligence system, or
3 automated decision system; or

4 (II) streamline licensing, permit-
5 ting, routing, zoning, procurement, or
6 reporting procedures in a manner that
7 facilitates the adoption of artificial in-
8 telligence models, artificial intelligence
9 systems, or automated decision sys-
10 tems;

11 (ii) does not impose any substantive
12 design, performance, data-handling, docu-
13 mentation, civil liability, taxation, fee, or
14 other requirement on artificial intelligence
15 models, artificial intelligence systems, or
16 automated decision systems unless such re-
17 quirement—

18 (I) is imposed under Federal law;

19 or

20 (II) in the case of a requirement
21 imposed under a generally applicable
22 law, is imposed in the same manner
23 on models and systems, other than ar-
24 tificial intelligence models, artificial
25 intelligence systems, and automated

1 decision systems, that provide com-
2 parable functions to artificial intel-
3 ligence models, artificial intelligence
4 systems, or automated decision sys-
5 tems; and

6 (iii) does not impose a fee or bond un-
7 less—

8 (I) such fee or bond is reasonable
9 and cost-based; and

10 (II) under such fee or bond, arti-
11 ficial intelligence models, artificial in-
12 telligence systems, and automated de-
13 cision systems are treated in the same
14 manner as other models and systems
15 that perform comparable functions; or

16 (B) any provision of a law or regulation to
17 the extent that the violation of such provision
18 carries a criminal penalty.

19 (d) DEFINITIONS.—In this section:

20 (1) ARTIFICIAL INTELLIGENCE.—The term “ar-
21 tificial intelligence” has the meaning given such
22 term in section 5002 of the National Artificial Intel-
23 ligence Initiative Act of 2020 (15 U.S.C. 9401).

24 (2) ARTIFICIAL INTELLIGENCE MODEL.—The
25 term “artificial intelligence model” means a software

1 component of an information system that imple-
2 ments artificial intelligence technology and uses
3 computational, statistical, or machine-learning tech-
4 niques to produce outputs from a defined set of in-
5 puts.

6 (3) ARTIFICIAL INTELLIGENCE SYSTEM.—The
7 term “artificial intelligence system” means any data
8 system, hardware, tool, or utility that operates, in
9 whole or in part, using artificial intelligence.

10 (4) AUTOMATED DECISION SYSTEM.—The term
11 “automated decision system” means any computa-
12 tional process derived from machine learning, statisti-
13 cal modeling, data analytics, or artificial intel-
14 ligence that issues a simplified output, including a
15 score, classification, or recommendation, to materi-
16 ally influence or replace human decision making.

17 **Subtitle D—Health**

18 **PART 1—MEDICAID**

19 **Subpart A—Reducing Fraud and Improving**

20 **Enrollment Processes**

21 **SEC. 44101. MORATORIUM ON IMPLEMENTATION OF RULE** 22 **RELATING TO ELIGIBILITY AND ENROLL-** 23 **MENT IN MEDICARE SAVINGS PROGRAMS.**

24 The Secretary of Health and Human Services shall
25 not, during the period beginning on the date of the enact-

1 ment of this section and ending January 1, 2035, imple-
2 ment, administer, or enforce the provisions of the final
3 rule published by the Centers for Medicare & Medicaid
4 Services on September 21, 2023, and titled “Streamlining
5 Medicaid; Medicare Savings Program Eligibility Deter-
6 mination and Enrollment” (88 Fed. Reg. 65230).

7 **SEC. 44102. MORATORIUM ON IMPLEMENTATION OF RULE**
8 **RELATING TO ELIGIBILITY AND ENROLL-**
9 **MENT FOR MEDICAID, CHIP, AND THE BASIC**
10 **HEALTH PROGRAM.**

11 The Secretary of Health and Human Services shall
12 not, during the period beginning on the date of the enact-
13 ment of this section and ending January 1, 2035, imple-
14 ment, administer, or enforce the provisions of the final
15 rule published by the Centers for Medicare & Medicaid
16 Services on April 2, 2024, and titled “Medicaid Program;
17 Streamlining the Medicaid, Children’s Health Insurance
18 Program, and Basic Health Program Application, Eligi-
19 bility Determination, Enrollment, and Renewal Processes”
20 (89 Fed. Reg. 22780).

21 **SEC. 44103. ENSURING APPROPRIATE ADDRESS**
22 **VERIFICATION UNDER THE MEDICAID AND**
23 **CHIP PROGRAMS.**

24 (a) MEDICAID.—

1 (1) IN GENERAL.—Section 1902 of the Social
2 Security Act (42 U.S.C. 1396a) is amended—

3 (A) in subsection (a)—

4 (i) in paragraph (86), by striking
5 “and” at the end;

6 (ii) in paragraph (87), by striking the
7 period and inserting “; and”; and

8 (iii) by inserting after paragraph (87)
9 the following new paragraph:

10 “(88) provide—

11 “(A) beginning not later than January 1,
12 2027, in the case of 1 of the 50 States and the
13 District of Columbia, for a process to regularly
14 obtain address information for individuals en-
15 rolled under such plan (or a waiver of such
16 plan) in accordance with subsection (vv); and

17 “(B) beginning not later than October 1,
18 2029—

19 “(i) for the State to submit to the sys-
20 tem established by the Secretary under
21 subsection (uu), with respect to an indi-
22 vidual enrolled or seeking to enroll under
23 such plan, not less frequently than once
24 each month and during each determination
25 or redetermination of the eligibility of such

1 individual for medical assistance under
2 such plan (or waiver of such plan)—

3 “(I) the social security number of
4 such individual, if such individual has
5 a social security number and is re-
6 quired to provide such number to en-
7 roll under such plan (or waiver); and

8 “(II) such other information with
9 respect to such individual as deter-
10 mined necessary by the Secretary for
11 purposes of preventing individuals
12 from simultaneously being enrolled
13 under State plans (or waivers of such
14 plans) of multiple States;

15 “(ii) for the use of such system to
16 prevent such simultaneous enrollment; and

17 “(iii) in the case that such system in-
18 dicates that an individual enrolled or seek-
19 ing to enroll under such plan (or wavier of
20 such plan) is enrolled under a State plan
21 (or waiver of such a plan) of another
22 State, for the taking of appropriate action
23 (as determined by the Secretary) to iden-
24 tify whether such an individual resides in
25 the State and disenroll an individual from

1 the State plan of such State if such indi-
2 vidual does not reside in such State (unless
3 such individual meets such an exception as
4 the Secretary may specify).”; and

5 (B) by adding at the end the following new
6 subsections:

7 “(uu) PREVENTION OF ENROLLMENT UNDER MUL-
8 TIPLE STATE PLANS.—

9 “(1) IN GENERAL.—Not later than October 1,
10 2029, the Secretary shall establish a system to be
11 utilized by the Secretary and States to prevent an
12 individual from being simultaneously enrolled under
13 the State plans (or waivers of such plans) of mul-
14 tiple States. Such system shall—

15 “(A) provide for the receipt of information
16 submitted by a State under subsection
17 (a)(88)(B)(i); and

18 “(B) not less than once each month, notify
19 or transmit information to a State (or allow the
20 Secretary to notify or transmit information to a
21 State) regarding whether an individual enrolled
22 or seeking to enroll under the State plan of
23 such State (or waiver of such plan) is enrolled
24 under the State plan (or waiver of such plan)
25 of another State.

1 “(2) STANDARDS.—The Secretary shall estab-
2 lish such standards as determined necessary by the
3 Secretary to limit and protect information submitted
4 under such system and ensure the privacy of such
5 information, consistent with subsection (a)(7).

6 “(3) IMPLEMENTATION FUNDING.—There are
7 appropriated to the Secretary, out of amounts in the
8 Treasury not otherwise appropriated, in addition to
9 amounts otherwise available—

10 “(A) for fiscal year 2026, \$10,000,000 for
11 purposes of establishing the system required
12 under this subsection, to remain available until
13 expended; and

14 “(B) for fiscal year 2029, \$20,000,000 for
15 purposes of maintaining such system, to remain
16 available until expended.

17 “(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS IN-
18 FORMATION.—

19 “(1) IN GENERAL.—For purposes of subsection
20 (a)(88)(A), a process to regularly obtain address in-
21 formation for individuals enrolled under a State plan
22 (or a waiver of such plan) shall obtain address infor-
23 mation from reliable data sources described in para-
24 graph (2) and take such actions as the Secretary

1 shall specify with respect to any changes to such ad-
2 dress based on such information.

3 “(2) RELIABLE DATA SOURCES DESCRIBED.—
4 For purposes of paragraph (1), the reliable data
5 sources described in this paragraph are the fol-
6 lowing:

7 “(A) Mail returned to the State by the
8 United States Postal Service with a forwarding
9 address.

10 “(B) The National Change of Address
11 Database maintained by the United States
12 Postal Service.

13 “(C) A managed care entity (as defined in
14 section 1932(a)(1)(B)) or prepaid inpatient
15 health plan or prepaid ambulatory health plan
16 (as such terms are defined in section
17 1903(m)(9)(D)) that has a contract under the
18 State plan if the address information is pro-
19 vided to such entity or plan directly from, or
20 verified by such entity or plan directly with,
21 such individual.

22 “(D) Other data sources as identified by
23 the State and approved by the Secretary.”.

24 (2) CONFORMING AMENDMENTS.—

1 (A) PARIS.—Section 1903(r)(3) of the
2 Social Security Act (42 U.S.C. 1396b(r)(3)) is
3 amended—

4 (i) by striking “In order” and insert-
5 ing “(A) In order”;

6 (ii) by striking “through the Public”
7 and inserting “through—
8 “(i) the Public”;

9 (iii) by striking the period at the end
10 and inserting “; and

11 “(ii) beginning October 1, 2029, the sys-
12 tem established by the Secretary under section
13 1902(uu).”; and

14 (iv) by adding at the end the following
15 new subparagraph:

16 “(B) Beginning October 1, 2029, the Secretary
17 may determine that a State is not required to have
18 in operation an eligibility determination system
19 which provides for data matching through the sys-
20 tem described in subparagraph (A)(i) to meet the re-
21 quirements of this paragraph.”.

22 (B) MANAGED CARE.—Section 1932 of the
23 Social Security Act (42 U.S.C. 1396u–2) is
24 amended by adding at the end the following
25 new subsection:

1 “(j) TRANSMISSION OF ADDRESS INFORMATION.—
2 Beginning January 1, 2027, each contract under a State
3 plan with a managed care entity (as defined in section
4 1932(a)(1)(B)) or with a prepaid inpatient health plan or
5 prepaid ambulatory health plan (as such terms are defined
6 in section 1903(m)(9)(D)), shall provide that such entity
7 or plan shall promptly transmit to the State any address
8 information for an individual enrolled with such entity or
9 plan that is provided to such entity or plan directly from,
10 or verified by such entity or plan directly with, such indi-
11 vidual.”.

12 (b) CHIP.—

13 (1) IN GENERAL.—Section 2107(e)(1) of the
14 Social Security Act (42 U.S.C. 1397gg(e)(1)) is
15 amended—

16 (A) by redesignating subparagraphs (H)
17 through (U) as subparagraphs (I) through (V),
18 respectively; and

19 (B) by inserting after subparagraph (G)
20 the following new subparagraph:

21 “(H) Section 1902(a)(88) (relating to ad-
22 dress information for enrollees and prevention
23 of simultaneous enrollments).”.

24 (2) MANAGED CARE.—Section 2103(f)(3) of the
25 Social Security Act (42 U.S.C. 1397cc(f)(3)) is

1 amended by striking “and (e)” and inserting “(e),
2 and (j)”.

3 **SEC. 44104. MODIFYING CERTAIN STATE REQUIREMENTS**
4 **FOR ENSURING DECEASED INDIVIDUALS DO**
5 **NOT REMAIN ENROLLED.**

6 Section 1902 of the Social Security Act (42 U.S.C.
7 1396a), as amended by section 44103, is further amend-
8 ed—

9 (1) in subsection (a)—

10 (A) in paragraph (87), by striking “; and”
11 and inserting a semicolon;

12 (B) in paragraph (88), by striking the pe-
13 riod at the end and inserting “; and”; and

14 (C) by inserting after paragraph (88) the
15 following new paragraph:

16 “(89) provide that the State shall comply with
17 the eligibility verification requirements under sub-
18 section (ww), except that this paragraph shall apply
19 only in the case of the 50 States and the District
20 of Columbia.”; and

21 (2) by adding at the end the following new sub-
22 section:

23 “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRI-
24 TERIA.—

1 “(1) IN GENERAL.—For purposes of subsection
2 (a)(89), the eligibility verification requirements, be-
3 ginning January 1, 2028, are as follows:

4 “(A) QUARTERLY SCREENING TO VERIFY
5 ENROLLEE STATUS.—The State shall, not less
6 frequently than quarterly, review the Death
7 Master File (as such term is defined in section
8 203(d) of the Bipartisan Budget Act of 2013)
9 to determine whether any individuals enrolled
10 for medical assistance under the State plan (or
11 waiver of such plan) are deceased.

12 “(B) DISENROLLMENT UNDER STATE
13 PLAN.—If the State determines, based on infor-
14 mation obtained from the Death Master File,
15 that an individual enrolled for medical assist-
16 ance under the State plan (or waiver of such
17 plan) is deceased, the State shall—

18 “(i) treat such information as factual
19 information confirming the death of a ben-
20 eficiary for purposes of section 431.213(a)
21 of title 42, Code of Federal Regulations;

22 “(ii) disenroll such individual from the
23 State plan (or waiver of such plan); and

24 “(iii) discontinue any payments for
25 medical assistance under this title made on

1 behalf of such individual (other than pay-
2 ments for any items or services furnished
3 to such individual prior to the death of
4 such individual).

5 “(C) REINSTATEMENT OF COVERAGE IN
6 THE EVENT OF ERROR.—If a State determines
7 that an individual was misidentified as deceased
8 based on information obtained from the Death
9 Master File and was erroneously disenrolled
10 from medical assistance under the State plan
11 (or waiver of such plan) based on such
12 misidentification, the State shall immediately
13 re-enroll such individual under the State plan
14 (or waiver of such plan), retroactive to the date
15 of such disenrollment.

16 “(2) RULE OF CONSTRUCTION.—Nothing under
17 this subsection shall be construed to preclude the
18 ability of a State to use other electronic data sources
19 to timely identify potentially deceased beneficiaries,
20 so long as the State is also in compliance with the
21 requirements of this subsection (and all other re-
22 quirements under this title relating to Medicaid eli-
23 gibility determination and redetermination).”.

1 **SEC. 44105. MEDICAID PROVIDER SCREENING REQUIRE-**
2 **MENTS.**

3 Section 1902(kk)(1) of the Social Security Act (42
4 U.S.C. 1396a(kk)(1)) is amended—

5 (1) by striking “The State” and inserting:

6 “(A) IN GENERAL.—The State”; and

7 (2) by adding at the end the following new sub-
8 paragraph:

9 “(B) ADDITIONAL PROVIDER SCREEN-
10 ING.—Beginning January 1, 2028, as part of
11 the enrollment (or reenrollment or revalidation
12 of enrollment) of a provider or supplier under
13 this title, and not less frequently than monthly
14 during the period that such provider or supplier
15 is so enrolled, the State conducts a check of any
16 database or similar system developed pursuant
17 to section 6401(b)(2) of the Patient Protection
18 and Affordable Care Act to determine whether
19 the Secretary has terminated the participation
20 of such provider or supplier under title XVIII,
21 or whether any other State has terminated the
22 participation of such provider or supplier under
23 such other State’s State plan under this title
24 (or waiver of the plan), or such other State’s
25 State child health plan under title XXI (or
26 waiver of the plan).”.

1 **SEC. 44106. ADDITIONAL MEDICAID PROVIDER SCREENING**
2 **REQUIREMENTS.**

3 Section 1902(kk)(1) of the Social Security Act (42
4 U.S.C. 1396a(kk)(1)), as amended by section 44105, is
5 further amended by adding at the end the following new
6 subparagraph:

7 “(C) PROVIDER SCREENING AGAINST
8 DEATH MASTER FILE.—Beginning January 1,
9 2028, as part of the enrollment (or reenroll-
10 ment or revalidation of enrollment) of a pro-
11 vider or supplier under this title, and not less
12 frequently than quarterly during the period that
13 such provider or supplier is so enrolled, the
14 State conducts a check of the Death Master
15 File (as such term is defined in section 203(d)
16 of the Bipartisan Budget Act of 2013) to deter-
17 mine whether such provider or supplier is de-
18 ceased.”.

19 **SEC. 44107. REMOVING GOOD FAITH WAIVER FOR PAYMENT**
20 **REDUCTION RELATED TO CERTAIN ERRO-**
21 **NEOUS EXCESS PAYMENTS UNDER MEDICAID.**

22 (a) IN GENERAL.—Section 1903(u)(1) of the Social
23 Security Act (42 U.S.C. 1396b(u)(1)) is amended—

24 (1) in subparagraph (B)—

1 (A) by striking “The Secretary” and in-
2 serting “(i) Subject to clause (ii), the Sec-
3 retary”; and

4 (B) by adding at the end the following new
5 clause:

6 “(ii) The amount waived under clause (i) for a
7 fiscal year may not exceed an amount equal to the
8 difference between—

9 “(I) the amount of the reduction required
10 under subparagraph (A) for such fiscal year
11 (without application of this subparagraph); and

12 “(II) the sum of the erroneous excess pay-
13 ments for medical assistance described in sub-
14 clauses (I) and (III) of subparagraph (D)(i)
15 made for such fiscal year.”;

16 (2) in subparagraph (C), by striking “he” in
17 each place it appears and inserting “the Secretary”
18 in each such place; and

19 (3) in subparagraph (D)—

20 (A) in clause (i)—

21 (i) in subclause (I), by striking “and”
22 at the end;

23 (ii) in subclause (II), by striking the
24 period at the end and inserting “, and”;

25 and

1 (iii) by adding at the end the fol-
2 lowing new subclause:

3 “(III) payments (other than payments de-
4 scribed in subclause (I)) for items and services fur-
5 nished to an eligible individual who is not eligible for
6 medical assistance under the State plan (or a waiver
7 of such plan) with respect to such items and serv-
8 ices.”; and

9 (B) by adding at the end the following new
10 clause:

11 “(vi) In determining the amount of erroneous excess
12 payments for medical assistance under clause (i), the Sec-
13 retary shall include any payments described in such clause
14 that are identified under the payment error rate measure-
15 ment (PERM) program, the Medicaid Eligibility Quality
16 Control (MEQC) program, an audit conducted by the In-
17 spector General of the Department of Health and Human
18 Services, or any other independent audit made by the Sec-
19 retary.”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 subsection (a) shall apply beginning with respect to fiscal
22 year 2030.

1 **SEC. 44108. INCREASING FREQUENCY OF ELIGIBILITY RE-**
2 **DETERMINATIONS FOR CERTAIN INDIVID-**
3 **UALS.**

4 Section 1902(e)(14) of the Social Security Act (42
5 U.S.C. 1396a(e)(14)) is amended by adding at the end
6 the following new subparagraph:

7 “(L) FREQUENCY OF ELIGIBILITY REDE-
8 TERMINATIONS FOR CERTAIN INDIVIDUALS.—
9 With respect to redeterminations of eligibility
10 for medical assistance under a State plan (or
11 waiver of such plan) scheduled on or after De-
12 cember 31, 2026, a State shall make such a re-
13 determination once every 6 months for the fol-
14 lowing individuals:

15 “(i) Individuals enrolled under sub-
16 section (a)(10)(A)(i)(VIII).

17 “(ii) Individuals described in such
18 subsection who are otherwise enrolled
19 under a waiver of such plan that provides
20 coverage that is equivalent to minimum es-
21 sential coverage (as described in section
22 5000A(f)(1)(A) of the Internal Revenue
23 Code of 1986 and determined in accord-
24 ance with standards prescribed by the Sec-
25 retary in regulations) to all individuals de-
26 scribed in subsection (a)(10)(A)(i)(VIII).”.

1 **SEC. 44109. REVISING HOME EQUITY LIMIT FOR DETER-**
2 **MINING ELIGIBILITY FOR LONG-TERM CARE**
3 **SERVICES UNDER THE MEDICAID PROGRAM.**

4 (a) REVISING HOME EQUITY LIMIT.—Section
5 1917(f)(1) of the Social Security Act (42 U.S.C.
6 1396p(f)(1)) is amended—

7 (1) in subparagraph (B)—

8 (A) by striking “A State” and inserting
9 “(i) A State”;

10 (B) in clause (i), as inserted by subpara-
11 graph (A)—

12 (i) by striking “\$500,000” and in-
13 serting “the amount specified in subpara-
14 graph (A)”; and

15 (ii) by inserting “, in the case of an
16 individual’s home that is located on a lot
17 that is zoned for agricultural use,” after
18 “apply subparagraph (A)”; and

19 (C) by adding at the end the following new
20 clause:

21 “(ii) A State may elect, without regard to the
22 requirements of section 1902(a)(1) (relating to
23 statewideness) and section 1902(a)(10)(B) (relating
24 to comparability), to apply subparagraph (A), in the
25 case of an individual’s home that is not described in
26 clause (i), by substituting for the amount specified

1 in such subparagraph, an amount that exceeds such
2 amount, but does not exceed \$1,000,000.”; and

3 (2) in subparagraph (C)—

4 (A) by inserting “(other than the amount
5 specified in subparagraph (B)(ii) (relating to
6 certain non-agricultural homes))” after “speci-
7 fied in this paragraph”; and

8 (B) by adding at the end the following new
9 sentence: “In the case that application of the
10 preceding sentence would result in a dollar
11 amount (other than the amount specified in
12 subparagraph (B)(i) (relating to certain agricul-
13 tural homes)) exceeding \$1,000,000, such
14 amount shall be deemed to be equal to
15 \$1,000,000.”.

16 (b) CLARIFICATION.—Section 1902 of the Social Se-
17 curity Act (42 U.S.C. 1396a) is amended—

18 (1) in subsection (r)(2), by adding at the end
19 the following new subparagraph:

20 “(C) This paragraph shall not be construed as per-
21 mitting a State to determine the eligibility of an individual
22 for medical assistance with respect to nursing facility serv-
23 ices or other long-term care services without application
24 of the limit under section 1917(f)(1).”; and

25 (2) in subsection (e)(14)(D)(iv)—

1 (A) by striking “Subparagraphs” and in-
 2 serting

3 “(I) IN GENERAL.—Subpara-
 4 graphs”; and

5 (B) by adding at the end the following new
 6 subclause:

7 “(II) APPLICATION OF HOME EQ-
 8 UITY INTEREST LIMIT.—Section
 9 1917(f) shall apply for purposes of de-
 10 termining the eligibility of an indi-
 11 vidual for medical assistance with re-
 12 spect to nursing facility services or
 13 other long-term care services.”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 subsection (a) shall apply beginning on January 1, 2028.

16 **SEC. 44110. PROHIBITING FEDERAL FINANCIAL PARTICIPA-**
 17 **TION UNDER MEDICAID AND CHIP FOR INDI-**
 18 **VIDUALS WITHOUT VERIFIED CITIZENSHIP,**
 19 **NATIONALITY, OR SATISFACTORY IMMIGRA-**
 20 **TION STATUS.**

21 (a) IN GENERAL.—

22 (1) MEDICAID.—Section 1903(i)(22) of the So-
 23 cial Security Act (42 U.S.C. 1396b(i)(22)) is amend-
 24 ed—

25 (A) by adding “and” at the end;

1 (B) by striking “to amounts” and inserting

2 “to—

3 “(A) amounts”; and

4 (C) by adding at the end the following new
5 subparagraph:

6 “(B) in the case that the State elects
7 under section 1902(a)(46)(C) to provide for
8 making medical assistance available to an indi-
9 vidual during—

10 “(i) the period in which the individual
11 is provided the reasonable opportunity to
12 present satisfactory documentary evidence
13 of citizenship or nationality under section
14 1902(ee)(2)(C) or subsection (x)(4);

15 “(ii) the 90-day period described in
16 section 1902(ee)(1)(B)(ii)(II); or

17 “(iii) the period in which the indi-
18 vidual is provided the reasonable oppor-
19 tunity to submit evidence indicating a sat-
20 isfactory immigration status under section
21 1137(d)(4),

22 amounts expended for such medical assistance,
23 unless the citizenship or nationality of such in-
24 dividual or the satisfactory immigration status

1 of such individual (as applicable) is verified by
2 the end of such period;”.

3 (2) CHIP.—Section 2107(e)(1)(N) of the So-
4 cial Security Act (42 U.S.C. 1397gg(e)(1)(N)) is
5 amended by striking “and (17)” and inserting
6 “(17), and (22)”.

7 (b) ELIMINATING STATE REQUIREMENT TO PROVIDE
8 MEDICAL ASSISTANCE DURING REASONABLE OPPOR-
9 TUNITY PERIOD.—

10 (1) DOCUMENTARY EVIDENCE OF CITIZENSHIP
11 OR NATIONALITY.—Section 1903(x)(4) of the Social
12 Security Act (42 U.S.C. 1396b(x)) is amended—

13 (A) by striking “under clauses (i) and (ii)
14 of section 1137(d)(4)(A)” and inserting “under
15 section 1137(d)(4)”;

16 (B) by inserting “, except that the State
17 shall not be required to make medical assist-
18 ance available to such individual during the pe-
19 riod in which such individual is provided such
20 reasonable opportunity if the State has not
21 elected the option under section
22 1902(a)(46)(C)” before the period at the end.

23 (2) SOCIAL SECURITY DATA MATCH.—Section
24 1902(ee) of the Social Security Act (42 U.S.C.
25 1396a(ee)) is amended—

1 (A) in paragraph (1)(B)(ii)—

2 (i) in subclause (II), by striking “(and
3 continues to provide the individual with
4 medical assistance during such 90-day pe-
5 riod)” and inserting “and, if the State has
6 elected the option under subsection
7 (a)(46)(C), continues to provide the indi-
8 vidual with medical assistance during such
9 90-day period”; and

10 (ii) in subclause (III), by inserting “,
11 or denies eligibility for medical assistance
12 under this title for such individual, as ap-
13 plicable” after “under this title”; and

14 (B) in paragraph (2)(C)—

15 (i) by striking “under clauses (i) and
16 (ii) of section 1137(d)(4)(A)” and insert-
17 ing “under section 1137(d)(4)”; and

18 (ii) by inserting “, except that the
19 State shall not be required to make med-
20 ical assistance available to such individual
21 during the period in which such individual
22 is provided such reasonable opportunity if
23 the State has not elected the option under
24 section 1902(a)(46)(C)” before the period
25 at the end.

1 (3) INDIVIDUALS WITH SATISFACTORY IMMI-
2 GRATION STATUS.—Section 1137(d)(4) of the Social
3 Security Act (42 U.S.C. 1320b–7(d)(4)) is amend-
4 ed—

5 (A) in subparagraph (A)(ii), by inserting
6 “(except that such prohibition on delay, denial,
7 reduction, or termination of eligibility for bene-
8 fits under the Medicaid program under title
9 XIX shall apply only if the State has elected
10 the option under section 1902(a)(46)(C))” after
11 “has been provided”; and

12 (B) in subparagraph (B)(ii), by inserting
13 “(except that such prohibition on delay, denial,
14 reduction, or termination of eligibility for bene-
15 fits under the Medicaid program under title
16 XIX shall apply only if the State has elected
17 the option under section 1902(a)(46)(C))” after
18 “status”.

19 (c) OPTION TO CONTINUE PROVIDING MEDICAL AS-
20 SISTANCE DURING REASONABLE OPPORTUNITY PE-
21 RIOD.—

22 (1) MEDICAID.—Section 1902(a)(46) of the So-
23 cial Security Act (42 U.S.C. 1396a(a)(46)) is
24 amended—

1 (A) in subparagraph (A), by striking
2 “and” at the end;

3 (B) in subparagraph (B)(ii), by adding
4 “and” at the end; and

5 (C) by inserting after subparagraph (B)(ii)
6 the following new subparagraph:

7 “(C) provide, at the option of the State, for
8 making medical assistance available—

9 “(i) to an individual described in subpara-
10 graph (B) during the period in which such indi-
11 vidual is provided the reasonable opportunity to
12 present satisfactory documentary evidence of
13 citizenship or nationality under subsection
14 (ee)(2)(C) or section 1903(x)(4), or during the
15 90-day period described in subsection
16 (ee)(1)(B)(ii)(II); or

17 “(ii) to an individual who is not a citizen
18 or national of the United States during the pe-
19 riod in which such individual is provided the
20 reasonable opportunity to submit evidence indi-
21 cating a satisfactory immigration status under
22 section 1137(d)(4);”.

23 (2) CHIP.—Section 2105(c)(9) of the Social
24 Security Act (42 U.S.C. 1397ee(c)(9)) is amended

1 by adding at the end the following new subpara-
2 graph:

3 “(C) OPTION TO CONTINUE PROVIDING
4 CHILD HEALTH ASSISTANCE DURING REASON-
5 ABLE OPPORTUNITY PERIOD.—Section
6 1902(a)(46)(C) shall apply to States under this
7 title in the same manner as it applies to a State
8 under title XIX.”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply beginning October 1, 2026.

11 **SEC. 44111. REDUCING EXPANSION FMAP FOR CERTAIN**
12 **STATES PROVIDING PAYMENTS FOR HEALTH**
13 **CARE FURNISHED TO CERTAIN INDIVIDUALS.**

14 Section 1905 of the Social Security Act (42 U.S.C.
15 1395d) is amended—

16 (1) in subsection (y)—

17 (A) in paragraph (1)(E), by inserting “(or,
18 for calendar quarters beginning on or after Oc-
19 tober 1, 2027, in the case such State is a speci-
20 fied State with respect to such calendar quar-
21 ter, 80 percent)” after “thereafter”; and

22 (B) in paragraph (2), by adding at the end
23 the following new subparagraph:

1 “(C) SPECIFIED STATE.—The term ‘speci-
2 fied State’ means, with respect to a quarter, a
3 State that—

4 “(i) provides any form of financial as-
5 sistance during such quarter, in whole or
6 in part, whether or not made under a
7 State plan (or waiver of such plan) under
8 this title or under another program estab-
9 lished by the State, and regardless of the
10 source of funding for such assistance, to or
11 on behalf of an alien who is not a qualified
12 alien and is not a child or pregnant woman
13 who is lawfully residing in the United
14 States and receiving medical assistance
15 pursuant to section 1903(v)(4), for the
16 purchasing of health insurance coverage
17 (as defined in section 2791(b)(1) of the
18 Public Health Service Act) for an alien
19 who is not a qualified alien and is not such
20 a child or pregnant woman; or

21 “(ii) provides any form of comprehen-
22 sive health benefits coverage during such
23 quarter, whether or not under a State plan
24 (or wavier of such plan) under this title or
25 under another program established by the

1 State, and regardless of the source of
2 funding for such coverage, to an alien who
3 is not a qualified alien and is not such a
4 child or pregnant woman.

5 “(D) IMMIGRATION TERMS.—

6 “(i) ALIEN.—The term ‘alien’ has the
7 meaning given such term in section 101(a)
8 of the Immigration and Nationality Act.

9 “(ii) QUALIFIED ALIEN.—The term
10 ‘qualified alien’ has the meaning given
11 such term in section 431 of the Personal
12 Responsibility and Work Opportunity Rec-
13 onciliation Act of 1996, except that—

14 “(I) such term does not include
15 an alien described in subsection (b)(4)
16 of such section (other than a qualified
17 alien under section 402(b)(2) of such
18 Act);

19 “(II) the reference to ‘at the time
20 the alien applies for, receives, or at-
21 tempts to receive a Federal public
22 benefit’ in subsection (b) of such sec-
23 tion 431 shall be treated as a ref-
24 erence to ‘at the time the alien is pro-
25 vided comprehensive health benefits

1 coverage described in clause (ii) of
2 section 1905(y)(C) of the Social Secu-
3 rity Act or is provided with financial
4 assistance described in clause (i) of
5 such section, as applicable'; and

6 “(III) the references to ‘(in the
7 opinion of the agency providing such
8 benefits)’ in subsection (c) of such
9 section 431 shall be treated as ref-
10 erences to ‘(in the opinion of the
11 State in which such comprehensive
12 health benefits coverage or such finan-
13 cial assistance is provided, as applica-
14 ble)’.”; and

15 (2) in subsection (z)(2)—

16 (A) in subparagraph (A), by striking “for
17 such year” and inserting “for such quarter”;
18 and

19 (B) in subparagraph (B)(i)—

20 (i) in the matter preceding subclause
21 (I), by striking “for a year” and inserting
22 “for a calendar quarter in a year”; and

23 (ii) in subclause (II), by striking “for
24 the year” and inserting “for the quarter
25 for the State”.

1 **Subpart B—Preventing Wasteful Spending**

2 **SEC. 44121. MORATORIUM ON IMPLEMENTATION OF RULE**
3 **RELATING TO STAFFING STANDARDS FOR**
4 **LONG-TERM CARE FACILITIES UNDER THE**
5 **MEDICARE AND MEDICAID PROGRAMS.**

6 The Secretary of Health and Human Services shall
7 not, during the period beginning on the date of the enact-
8 ment of this section and ending January 1, 2035, imple-
9 ment, administer, or enforce the provisions of the final
10 rule published by the Centers for Medicare & Medicaid
11 Services on May 10, 2024, and titled “Medicare and Med-
12 icaid Programs; Minimum Staffing Standards for Long-
13 Term Care Facilities and Medicaid Institutional Payment
14 Transparency Reporting” (89 Fed. Reg. 40876).

15 **SEC. 44122. MODIFYING RETROACTIVE COVERAGE UNDER**
16 **THE MEDICAID AND CHIP PROGRAMS.**

17 (a) IN GENERAL.—Section 1902(a)(34) of the Social
18 Security Act (42 U.S.C. 1396a(a)(34)) is amended—

19 (1) by striking “him” and inserting “the indi-
20 vidual”;

21 (2) by striking “the third month” and inserting
22 “the month”;

23 (3) by striking “he” and inserting “the indi-
24 vidual”; and

25 (4) by striking “his” and inserting “the individ-
26 ual’s”.

1 (b) DEFINITION OF MEDICAL ASSISTANCE.—Section
2 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))
3 is amended by striking “in or after the third month before
4 the month in which the recipient makes application for
5 assistance” and inserting “in or after the month before
6 the month in which the recipient makes application for
7 assistance”.

8 (c) CHIP.—Section 2102(b)(1)(B) of the Social Se-
9 curity Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

10 (1) in clause (iv), by striking “and” at the end;

11 (2) in clause (v), by striking the period and in-
12 serting “; and”; and

13 (3) by adding at the end the following new
14 clause:

15 “(vi) shall, in the case that the State
16 elects to provide child health or pregnancy-
17 related assistance to an individual for any
18 period prior to the month in which the in-
19 dividual made application for such assist-
20 ance (or application was made on behalf of
21 the individual), provide that such assist-
22 ance is not made available to such indi-
23 vidual for items and services included
24 under the State child health plan (or waiv-
25 er of such plan) that are furnished before

1 the month preceding the month in which
2 such individual made application (or appli-
3 cation was made on behalf of such indi-
4 vidual) for such assistance.”.

5 (d) **EFFECTIVE DATE.**—The amendments made by
6 this section shall apply to medical assistance and child
7 health assistance, and pregnancy-related assistance with
8 respect to individuals whose eligibility for such medical as-
9 sistance, child health assistance, or pregnancy-related as-
10 sistance is based on an application made on or after De-
11 cember 31, 2026.

12 **SEC. 44123. ENSURING ACCURATE PAYMENTS TO PHAR-**
13 **MACIES UNDER MEDICAID.**

14 (a) **IN GENERAL.**—Section 1927(f) of the Social Se-
15 curity Act (42 U.S.C. 1396r–8(f)) is amended—

16 (1) in paragraph (1)(A)—

17 (A) by redesignating clause (ii) as clause
18 (iii); and

19 (B) by striking “and” after the semicolon
20 at the end of clause (i) and all that precedes it
21 through “(1)” and inserting the following:

22 “(1) **DETERMINING PHARMACY ACTUAL ACQUI-**
23 **SITION COSTS.**—The Secretary shall conduct a sur-
24 vey of retail community pharmacy drug prices and
25 applicable non-retail pharmacy drug prices to deter-

1 mine national average drug acquisition cost bench-
2 marks (as such term is defined by the Secretary) as
3 follows:

4 “(A) USE OF VENDOR.—The Secretary
5 may contract services for—

6 “(i) with respect to retail community
7 pharmacies, the determination of retail
8 survey prices of the national average drug
9 acquisition cost for covered outpatient
10 drugs that represent a nationwide average
11 of consumer purchase prices for such
12 drugs, net of all discounts, rebates, and
13 other price concessions (to the extent any
14 information with respect to such discounts,
15 rebates, and other price concessions is
16 available) based on a monthly survey of
17 such pharmacies;

18 “(ii) with respect to applicable non-re-
19 tail pharmacies—

20 “(I) the determination of survey
21 prices, separate from the survey prices
22 described in clause (i), of the non-re-
23 tail national average drug acquisition
24 cost for covered outpatient drugs that
25 represent a nationwide average of con-

1 sumer purchase prices for such drugs,
2 net of all discounts, rebates, and other
3 price concessions (to the extent any
4 information with respect to such dis-
5 counts, rebates, and other price con-
6 cessions is available) based on a
7 monthly survey of such pharmacies;
8 and

9 “(II) at the discretion of the Sec-
10 retary, for each type of applicable
11 non-retail pharmacy, the determina-
12 tion of survey prices, separate from
13 the survey prices described in clause
14 (i) or subclause (I) of this clause, of
15 the national average drug acquisition
16 cost for such type of pharmacy for
17 covered outpatient drugs that rep-
18 resent a nationwide average of con-
19 sumer purchase prices for such drugs,
20 net of all discounts, rebates, and other
21 price concessions (to the extent any
22 information with respect to such dis-
23 counts, rebates, and other price con-
24 cessions is available) based on a

1 monthly survey of such pharmacies;
2 and”;

3 (2) in subparagraph (B) of paragraph (1), by
4 striking “subparagraph (A)(ii)” and inserting “sub-
5 paragraph (A)(iii)”;

6 (3) in subparagraph (D) of paragraph (1), by
7 striking clauses (ii) and (iii) and inserting the fol-
8 lowing:

9 “(ii) The vendor must update the Sec-
10 retary no less often than monthly on the
11 survey prices for covered outpatient drugs.

12 “(iii) The vendor must differentiate,
13 in collecting and reporting survey data, for
14 all cost information collected, whether a
15 pharmacy is a retail community pharmacy
16 or an applicable non-retail pharmacy, in-
17 cluding whether such pharmacy is an affil-
18 iate (as defined in subsection (k)(14)),
19 and, in the case of an applicable non-retail
20 pharmacy, which type of applicable non-re-
21 tail pharmacy it is using the relevant phar-
22 macy type indicators included in the guid-
23 ance required by subsection (d)(2) of sec-
24 tion 44123 of the Act titled ‘An Act to

1 provide for reconciliation pursuant to title
2 II of H. Con. Res. 14’.”;

3 (4) by adding at the end of paragraph (1) the
4 following:

5 “(F) SURVEY REPORTING.—In order to
6 meet the requirement of section 1902(a)(54), a
7 State shall require that any retail community
8 pharmacy or applicable non-retail pharmacy in
9 the State that receives any payment, reimburse-
10 ment, administrative fee, discount, rebate, or
11 other price concession related to the dispensing
12 of covered outpatient drugs to individuals re-
13 ceiving benefits under this title, regardless of
14 whether such payment, reimbursement, admin-
15 istrative fee, discount, rebate, or other price
16 concession is received from the State or a man-
17 aged care entity or other specified entity (as
18 such terms are defined in section
19 1903(m)(9)(D)) directly or from a pharmacy
20 benefit manager or another entity that has a
21 contract with the State or a managed care enti-
22 ty or other specified entity (as so defined), shall
23 respond to surveys conducted under this para-
24 graph.

1 “(G) SURVEY INFORMATION.—Information
2 on national drug acquisition prices obtained
3 under this paragraph shall be made publicly
4 available in a form and manner to be deter-
5 mined by the Secretary and shall include at
6 least the following:

7 “(i) The monthly response rate to the
8 survey including a list of pharmacies not in
9 compliance with subparagraph (F).

10 “(ii) The sampling methodology and
11 number of pharmacies sampled monthly.

12 “(iii) Information on price concessions
13 to pharmacies, including discounts, re-
14 bates, and other price concessions, to the
15 extent that such information may be pub-
16 licly released and has been collected by the
17 Secretary as part of the survey.

18 “(H) PENALTIES.—

19 “(i) IN GENERAL.—Subject to clauses
20 (ii), (iii), and (iv), the Secretary shall en-
21 force the provisions of this paragraph with
22 respect to a pharmacy through the estab-
23 lishment of civil money penalties applicable
24 to a retail community pharmacy or an ap-
25 plicable non-retail pharmacy.

1 “(ii) BASIS FOR PENALTIES.—The
2 Secretary shall impose a civil money pen-
3 alty established under this subparagraph
4 on a retail community pharmacy or appli-
5 cable non-retail pharmacy if—

6 “(I) the retail pharmacy or appli-
7 cable non-retail pharmacy refuses or
8 otherwise fails to respond to a request
9 for information about prices in con-
10 nection with a survey under this sub-
11 section;

12 “(II) knowingly provides false in-
13 formation in response to such a sur-
14 vey; or

15 “(III) otherwise fails to comply
16 with the requirements established
17 under this paragraph.

18 “(iii) PARAMETERS FOR PEN-
19 ALTIES.—

20 “(I) IN GENERAL.—A civil money
21 penalty established under this sub-
22 paragraph may be assessed with re-
23 spect to each violation, and with re-
24 spect to each non-compliant retail
25 community pharmacy (including a

1 pharmacy that is part of a chain) or
2 non-compliant applicable non-retail
3 pharmacy (including a pharmacy that
4 is part of a chain), in an amount not
5 to exceed \$100,000 for each such vio-
6 lation.

7 “(II) CONSIDERATIONS.—In de-
8 termining the amount of a civil money
9 penalty imposed under this subpara-
10 graph, the Secretary may consider the
11 size, business structure, and type of
12 pharmacy involved, as well as the type
13 of violation and other relevant factors,
14 as determined appropriate by the Sec-
15 retary.

16 “(iv) RULE OF APPLICATION.—The
17 provisions of section 1128A (other than
18 subsections (a) and (b)) shall apply to a
19 civil money penalty under this subpara-
20 graph in the same manner as such provi-
21 sions apply to a civil money penalty or pro-
22 ceeding under section 1128A(a).

23 “(I) LIMITATION ON USE OF APPLICABLE
24 NON-RETAIL PHARMACY PRICING INFORMA-
25 TION.—No State shall use pricing information

1 reported by applicable non-retail pharmacies
2 under subparagraph (A)(ii) to develop or inform
3 payment methodologies for retail community
4 pharmacies.”;

5 (5) in paragraph (2)—

6 (A) in subparagraph (A), by inserting “,
7 including payment rates and methodologies for
8 determining ingredient cost reimbursement
9 under managed care entities or other specified
10 entities (as such terms are defined in section
11 1903(m)(9)(D)),” after “under this title”; and

12 (B) in subparagraph (B), by inserting
13 “and the basis for such dispensing fees” before
14 the semicolon;

15 (6) by redesignating paragraph (4) as para-
16 graph (5);

17 (7) by inserting after paragraph (3) the fol-
18 lowing new paragraph:

19 “(4) OVERSIGHT.—

20 “(A) IN GENERAL.—The Inspector General
21 of the Department of Health and Human Serv-
22 ices shall conduct periodic studies of the survey
23 data reported under this subsection, as appro-
24 priate, including with respect to substantial
25 variations in acquisition costs or other applica-

1 ble costs, as well as with respect to how internal
2 transfer prices and related party transactions
3 may influence the costs reported by pharmacies
4 that are affiliates (as defined in subsection
5 (k)(13)) or are owned by, controlled by, or re-
6 lated under a common ownership structure with
7 a wholesaler, distributor, or other entity that
8 acquires covered outpatient drugs relative to
9 costs reported by pharmacies not affiliated with
10 such entities. The Inspector General shall pro-
11 vide periodic updates to Congress on the results
12 of such studies, as appropriate, in a manner
13 that does not disclose trade secrets or other
14 proprietary information.

15 “(B) APPROPRIATION.—There is appro-
16 priated to the Inspector General of the Depart-
17 ment of Health and Human Services, out of
18 any money in the Treasury not otherwise ap-
19 propriated, \$5,000,000 for fiscal year 2026, to
20 remain available until expended, to carry out
21 this paragraph.”; and

22 (8) in paragraph (5), as so redesignated—

23 (A) by inserting “, and \$8,000,000 for
24 each of fiscal years 2026 through 2033,” after
25 “2010”; and

1 (B) by inserting “Funds appropriated
2 under this paragraph for each of fiscal years
3 2026 through 2033 shall remain available until
4 expended.” after the period.

5 (b) DEFINITIONS.—Section 1927(k) of the Social Se-
6 curity Act (42 U.S.C. 1396r–8(k)) is amended—

7 (1) in the matter preceding paragraph (1), by
8 striking “In the section” and inserting “In this sec-
9 tion”; and

10 (2) by adding at the end the following new
11 paragraphs:

12 “(12) APPLICABLE NON-RETAIL PHARMACY.—
13 The term ‘applicable non-retail pharmacy’ means a
14 pharmacy that is licensed as a pharmacy by the
15 State and that is not a retail community pharmacy,
16 including a pharmacy that dispenses prescription
17 medications to patients primarily through mail and
18 specialty pharmacies. Such term does not include
19 nursing home pharmacies, long-term care facility
20 pharmacies, hospital pharmacies, clinics, charitable
21 or not-for-profit pharmacies, government phar-
22 macies, or low dispensing pharmacies (as defined by
23 the Secretary).

24 “(13) AFFILIATE.—The term ‘affiliate’ means
25 any entity that is owned by, controlled by, or related

1 under a common ownership structure with a phar-
2 macy benefit manager or a managed care entity or
3 other specified entity (as such terms are defined in
4 section 1903(m)(9)(D)).”.

5 (c) EFFECTIVE DATE.—

6 (1) IN GENERAL.—Subject to paragraph (2),
7 the amendments made by this section shall apply be-
8 ginning on the first day of the first quarter that be-
9 gins on or after the date that is 6 months after the
10 date of enactment of this section.

11 (2) DELAYED APPLICATION TO APPLICABLE
12 NON-RETAIL PHARMACIES.—The pharmacy survey
13 requirements established by the amendments to sec-
14 tion 1927(f) of the Social Security Act (42 U.S.C.
15 1396r–8(f)) made by this section shall apply to re-
16 tail community pharmacies beginning on the effec-
17 tive date described in paragraph (1), but shall not
18 apply to applicable non-retail pharmacies until the
19 first day of the first quarter that begins on or after
20 the date that is 18 months after the date of enact-
21 ment of this section.

22 (d) IDENTIFICATION OF APPLICABLE NON-RETAIL
23 PHARMACIES.—

24 (1) IN GENERAL.—Not later than January 1,
25 2027, the Secretary of Health and Human Services

1 shall publish guidance specifying pharmacies that
2 meet the definition of applicable non-retail phar-
3 macies (as such term is defined in subsection
4 (k)(12) of section 1927 of the Social Security Act
5 (42 U.S.C. 1396r-8), as added by subsection (b)),
6 and that will be subject to the survey requirements
7 under subsection (f)(1) of such section, as amended
8 by subsection (a).

9 (2) INCLUSION OF PHARMACY TYPE INDICA-
10 TORS.—The guidance published under paragraph (1)
11 shall include pharmacy type indicators to distinguish
12 between different types of applicable non-retail phar-
13 macies, such as pharmacies that dispense prescrip-
14 tions primarily through the mail and pharmacies
15 that dispense prescriptions that require special han-
16 dling or distribution. An applicable non-retail phar-
17 macy may be identified through multiple pharmacy
18 type indicators.

19 (e) IMPLEMENTATION.—Implementation of the
20 amendments made by this section shall be exempt from
21 the requirements of section 553 of title 5, United States
22 Code.

23 (f) NONAPPLICATION OF PAPERWORK REDUCTION
24 ACT.—Chapter 35 of title 44, United States Code, shall
25 not apply to any data collection undertaken by the Sec-

1 retary of Health and Human Services under section
2 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)),
3 as amended by this section.

4 **SEC. 44124. PREVENTING THE USE OF ABUSIVE SPREAD**
5 **PRICING IN MEDICAID.**

6 (a) IN GENERAL.—Section 1927 of the Social Secu-
7 rity Act (42 U.S.C. 1396r–8) is amended—

8 (1) in subsection (e), by adding at the end the
9 following new paragraph:

10 “(6) TRANSPARENT PRESCRIPTION DRUG PASS-
11 THROUGH PRICING REQUIRED.—

12 “(A) IN GENERAL.—A contract between
13 the State and a pharmacy benefit manager (re-
14 ferred to in this paragraph as a ‘PBM’), or a
15 contract between the State and a managed care
16 entity or other specified entity (as such terms
17 are defined in section 1903(m)(9)(D) and col-
18 lectively referred to in this paragraph as the
19 ‘entity’) that includes provisions making the en-
20 tity responsible for coverage of covered out-
21 patient drugs dispensed to individuals enrolled
22 with the entity, shall require that payment for
23 such drugs and related administrative services
24 (as applicable), including payments made by a
25 PBM on behalf of the State or entity, is based

1 on a transparent prescription drug pass-
2 through pricing model under which—

3 “(i) any payment made by the entity
4 or the PBM (as applicable) for such a
5 drug—

6 “(I) is limited to—

7 “(aa) ingredient cost; and

8 “(bb) a professional dis-
9 pensing fee that is not less than
10 the professional dispensing fee
11 that the State would pay if the
12 State were making the payment
13 directly in accordance with the
14 State plan;

15 “(II) is passed through in its en-
16 tirety (except as reduced under Fed-
17 eral or State laws and regulations in
18 response to instances of waste, fraud,
19 or abuse) by the entity or PBM to the
20 pharmacy or provider that dispenses
21 the drug; and

22 “(III) is made in a manner that
23 is consistent with sections 447.502,
24 447.512, 447.514, and 447.518 of
25 title 42, Code of Federal Regulations

1 (or any successor regulation) as if
2 such requirements applied directly to
3 the entity or the PBM, except that
4 any payment by the entity or the
5 PBM for the ingredient cost of such
6 drug purchased by a covered entity
7 (as defined in subsection (a)(5)(B))
8 may exceed the actual acquisition cost
9 (as defined in 447.502 of title 42,
10 Code of Federal Regulations, or any
11 successor regulation) for such drug
12 if—

13 “(aa) such drug was subject
14 to an agreement under section
15 340B of the Public Health Serv-
16 ice Act;

17 “(bb) such payment for the
18 ingredient cost of such drug does
19 not exceed the maximum pay-
20 ment that would have been made
21 by the entity or the PBM for the
22 ingredient cost of such drug if
23 such drug had not been pur-
24 chased by such covered entity;
25 and

1 “(cc) such covered entity re-
2 ports to the Secretary (in a form
3 and manner specified by the Sec-
4 retary), on an annual basis and
5 with respect to payments for the
6 ingredient costs of such drugs so
7 purchased by such covered entity
8 that are in excess of the actual
9 acquisition costs for such drugs,
10 the aggregate amount of such ex-
11 cess;

12 “(ii) payment to the entity or the
13 PBM (as applicable) for administrative
14 services performed by the entity or PBM is
15 limited to an administrative fee that re-
16 flects the fair market value (as defined by
17 the Secretary) of such services;

18 “(iii) the entity or the PBM (as appli-
19 cable) makes available to the State, and
20 the Secretary upon request in a form and
21 manner specified by the Secretary, all costs
22 and payments related to covered outpatient
23 drugs and accompanying administrative
24 services (as described in clause (ii)) in-
25 curred, received, or made by the entity or

1 the PBM, broken down (as specified by the
2 Secretary), to the extent such costs and
3 payments are attributable to an individual
4 covered outpatient drug, by each such
5 drug, including any ingredient costs, pro-
6 fessional dispensing fees, administrative
7 fees (as described in clause (ii)), post-sale
8 and post-invoice fees, discounts, or related
9 adjustments such as direct and indirect re-
10 munerations fees, and any and all other re-
11 munerations, as defined by the Secretary;
12 and

13 “(iv) any form of spread pricing
14 whereby any amount charged or claimed by
15 the entity or the PBM (as applicable) that
16 exceeds the amount paid to the pharmacies
17 or providers on behalf of the State or enti-
18 ty, including any post-sale or post-invoice
19 fees, discounts, or related adjustments
20 such as direct and indirect remuneration
21 fees or assessments, as defined by the Sec-
22 retary, (after allowing for an administra-
23 tive fee as described in clause (ii)) is not
24 allowable for purposes of claiming Federal
25 matching payments under this title.

1 “(B) PUBLICATION OF INFORMATION.—
2 The Secretary shall publish, not less frequently
3 than on an annual basis and in a manner that
4 does not disclose the identity of a particular
5 covered entity or organization, information re-
6 ceived by the Secretary pursuant to subpara-
7 graph (A)(iii)(III) that is broken out by State
8 and by each of the following categories of cov-
9 ered entity within each such State:

10 “(i) Covered entities described in sub-
11 paragraph (A) of section 340B(a)(4) of the
12 Public Health Service Act.

13 “(ii) Covered entities described in sub-
14 paragraphs (B) through (K) of such sec-
15 tion.

16 “(iii) Covered entities described in
17 subparagraph (L) of such section.

18 “(iv) Covered entities described in
19 subparagraph (M) of such section.

20 “(v) Covered entities described in sub-
21 paragraph (N) of such section.

22 “(vi) Covered entities described in
23 subparagraph (O) of such section.”; and

1 (2) in subsection (k), as previously amended by
2 this subtitle, by adding at the end the following new
3 paragraph:

4 “(14) PHARMACY BENEFIT MANAGER.—The
5 term ‘pharmacy benefit manager’ means any person
6 or entity that, either directly or through an inter-
7 mediary, acts as a price negotiator or group pur-
8 chaser on behalf of a State, managed care entity (as
9 defined in section 1903(m)(9)(D)), or other specified
10 entity (as so defined), or manages the prescription
11 drug benefits provided by a State, managed care en-
12 tity, or other specified entity, including the proc-
13 essing and payment of claims for prescription drugs,
14 the performance of drug utilization review, the proc-
15 essing of drug prior authorization requests, the man-
16 aging of appeals or grievances related to the pre-
17 scription drug benefits, contracting with pharmacies,
18 controlling the cost of covered outpatient drugs, or
19 the provision of services related thereto. Such term
20 includes any person or entity that acts as a price ne-
21 gotiator (with regard to payment amounts to phar-
22 macies and providers for a covered outpatient drug
23 or the net cost of the drug) or group purchaser on
24 behalf of a State, managed care entity, or other
25 specified entity or that carries out 1 or more of the

1 other activities described in the preceding sentence,
2 irrespective of whether such person or entity calls
3 itself a pharmacy benefit manager.”.

4 (b) CONFORMING AMENDMENTS.—Section 1903(m)
5 of such Act (42 U.S.C. 1396b(m)) is amended—

6 (1) in paragraph (2)(A)(xiii)—

7 (A) by striking “and (III)” and inserting
8 “(III)”;

9 (B) by inserting before the period at the
10 end the following: “, and (IV) if the contract in-
11 cludes provisions making the entity responsible
12 for coverage of covered outpatient drugs, the
13 entity shall comply with the requirements of
14 section 1927(e)(6)”;

15 (C) by moving the left margin 2 ems to the
16 left; and

17 (2) by adding at the end the following new
18 paragraph:

19 “(10) No payment shall be made under this
20 title to a State with respect to expenditures incurred
21 by the State for payment for services provided by an
22 other specified entity (as defined in paragraph
23 (9)(D)(iii)) unless such services are provided in ac-
24 cordance with a contract between the State and such

1 entity which satisfies the requirements of paragraph
2 (2)(A)(xiii).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to contracts between States and
5 managed care entities, other specified entities, or phar-
6 macy benefit managers that have an effective date begin-
7 ning on or after the date that is 18 months after the date
8 of enactment of this section.

9 (d) IMPLEMENTATION.—Implementation of the
10 amendments made by this section shall be exempt from
11 the requirements of section 553 of title 5, United States
12 Code.

13 (e) NONAPPLICATION OF PAPERWORK REDUCTION
14 ACT.—Chapter 35 of title 44, United States Code, shall
15 not apply to any data collection undertaken by the Sec-
16 retary of Health and Human Services under section
17 1927(e) of the Social Security Act (42 U.S.C. 1396r-
18 8(e)), as amended by this section.

19 **SEC. 44125. PROHIBITING FEDERAL MEDICAID AND CHIP**
20 **FUNDING FOR GENDER TRANSITION PROCE-**
21 **DURES.**

22 (a) MEDICAID.—Section 1903(i) of the Social Secu-
23 rity Act (42 U.S.C. 1396b(i)) is amended—

24 (1) in paragraph (26), by striking “; or” and
25 inserting a semicolon;

1 (2) in paragraph (27), by striking the period at
2 the end and inserting “; or”;

3 (3) by inserting after paragraph (27) the fol-
4 lowing new paragraph:

5 “(28) with respect to any amount expended for
6 specified gender transition procedures (as defined in
7 section 1905(kk)) furnished to an individual enrolled
8 in a State plan (or waiver of such plan).”; and

9 (4) in the flush left matter at the end, by strik-
10 ing “and (18),” and inserting “(18), and (28)”.

11 (b) CHIP.—Section 2107(e)(1)(N) of the Social Se-
12 curity Act (42 U.S.C. 1397gg(e)(1)(N)) is amended by
13 striking “and (17)” and inserting “(17), and (28)”.

14 (c) SPECIFIED GENDER TRANSITION PROCEDURES
15 DEFINED.—Section 1905 of the Social Security Act (42
16 U.S.C. 1396d) is amended by adding at the end the fol-
17 lowing new subsection:

18 “(kk) SPECIFIED GENDER TRANSITION PROCE-
19 DURES.—

20 “(1) IN GENERAL.—For purposes of section
21 1903(i)(28), except as provided in paragraph (2),
22 the term ‘specified gender transition procedure’
23 means, with respect to an individual, any of the fol-
24 lowing when performed for the purpose of inten-
25 tionally changing the body of such individual (in-

1 including by disrupting the body's development, inhib-
2 iting its natural functions, or modifying its appear-
3 ance) to no longer correspond to the individual's sex:

4 “(A) Performing any surgery, including—

5 “(i) castration;

6 “(ii) sterilization;

7 “(iii) orchiectomy;

8 “(iv) scrotoplasty;

9 “(v) vasectomy;

10 “(vi) tubal ligation;

11 “(vii) hysterectomy;

12 “(viii) oophorectomy;

13 “(ix) ovariectomy;

14 “(x) metoidioplasty;

15 “(xi) clitoroplasty;

16 “(xii) reconstruction of the fixed part
17 of the urethra with or without a
18 metoidioplasty or a phalloplasty;

19 “(xiii) penectomy;

20 “(xiv) phalloplasty;

21 “(xv) vaginoplasty;

22 “(xvi) vaginectomy;

23 “(xvii) vulvoplasty;

24 “(xviii) reduction thyrochondroplasty;

25 “(xix) chondrolaryngoplasty;

1 “(xx) mastectomy; and

2 “(xxi) any plastic, cosmetic, or aes-
3 thetic surgery that feminizes or
4 masculinizes the facial or other body fea-
5 tures of an individual.

6 “(B) Any placement of chest implants to
7 create feminine breasts or any placement of
8 erection or testicular prostheses.

9 “(C) Any placement of fat or artificial im-
10 plants in the gluteal region.

11 “(D) Administering, prescribing, or dis-
12 pensing to an individual medications, includ-
13 ing—

14 “(i) gonadotropin-releasing hormone
15 (GnRH) analogues or other puberty-block-
16 ing drugs to stop or delay normal puberty;
17 and

18 “(ii) testosterone, estrogen, or other
19 androgens to an individual at doses that
20 are supraphysiologic than would normally
21 be produced endogenously in a healthy in-
22 dividual of the same age and sex.

23 “(2) EXCEPTION.—Paragraph (1) shall not
24 apply to the following when furnished to an indi-

1 vidual by a health care provider with the consent of
2 such individual’s parent or legal guardian:

3 “(A) Puberty suppression or blocking pre-
4 scription drugs for the purpose of normalizing
5 puberty for an individual experiencing pre-
6 cocious puberty.

7 “(B) Medically necessary procedures or
8 treatments to correct for—

9 “(i) a medically verifiable disorder of
10 sex development, including—

11 “(I) 46,XX chromosomes with
12 virilization;

13 “(II) 46,XY chromosomes with
14 undervirilization; and

15 “(III) both ovarian and testicular
16 tissue;

17 “(ii) sex chromosome structure, sex
18 steroid hormone production, or sex hor-
19 mone action, if determined to be abnormal
20 by a physician through genetic or bio-
21 chemical testing;

22 “(iii) infection, disease, injury, or dis-
23 order caused or exacerbated by a previous
24 procedure described in paragraph (1), or a
25 physical disorder, physical injury, or phys-

1 ical illness that would, as certified by a
2 physician, place the individual in imminent
3 danger of death or impairment of a major
4 bodily function unless the procedure is per-
5 formed, not including procedures per-
6 formed for the alleviation of mental dis-
7 tress; or

8 “(iv) procedures to restore or recon-
9 struct the body of the individual in order
10 to correspond to the individual’s sex after
11 one or more previous procedures described
12 in paragraph (1), which may include the
13 removal of a pseudo phallus or breast aug-
14 mentation.

15 “(3) SEX.—For purposes of paragraph (1), the
16 term ‘sex’ means either male or female, as bio-
17 logically determined and defined in paragraphs (4)
18 and (5), respectively.

19 “(4) FEMALE.—For purposes of paragraph (3),
20 the term ‘female’ means an individual who naturally
21 has, had, will have, or would have, but for a develop-
22 mental or genetic anomaly or historical accident, the
23 reproductive system that at some point produces,
24 transports, and utilizes eggs for fertilization.

1 “(5) MALE.—For purposes of paragraph (3),
2 the term ‘male’ means an individual who naturally
3 has, had, will have, or would have, but for a develop-
4 mental or genetic anomaly or historical accident, the
5 reproductive system that at some point produces,
6 transports, and utilizes sperm for fertilization.”.

7 **SEC. 44126. FEDERAL PAYMENTS TO PROHIBITED ENTI-**
8 **TIES.**

9 (a) IN GENERAL.—No Federal funds that are consid-
10 ered direct spending and provided to carry out a State
11 plan under title XIX of the Social Security Act or a waiver
12 of such a plan shall be used to make payments to a prohib-
13 ited entity for items and services furnished during the 10-
14 year period beginning on the date of the enactment of this
15 Act, including any payments made directly to the prohib-
16 ited entity or under a contract or other arrangement be-
17 tween a State and a covered organization.

18 (b) DEFINITIONS.—In this section:

19 (1) PROHIBITED ENTITY.—The term “prohib-
20 ited entity” means an entity, including its affiliates,
21 subsidiaries, successors, and clinics—

22 (A) that, as of the date of enactment of
23 this Act—

24 (i) is an organization described in sec-
25 tion 501(c)(3) of the Internal Revenue

1 Code of 1986 and exempt from tax under
2 section 501(a) of such Code;

3 (ii) is an essential community provider
4 described in section 156.235 of title 45,
5 Code of Federal Regulations (as in effect
6 on the date of enactment of this Act), that
7 is primarily engaged in family planning
8 services, reproductive health, and related
9 medical care; and

10 (iii) provides for abortions, other than
11 an abortion—

12 (I) if the pregnancy is the result
13 of an act of rape or incest; or

14 (II) in the case where a woman
15 suffers from a physical disorder, phys-
16 ical injury, or physical illness, includ-
17 ing a life-endangering physical condi-
18 tion caused by or arising from the
19 pregnancy itself, that would, as cer-
20 tified by a physician, place the woman
21 in danger of death unless an abortion
22 is performed; and

23 (B) for which the total amount of Federal
24 and State expenditures under the Medicaid pro-
25 gram under title XIX of the Social Security Act

1 in fiscal year 2024 made directly, or by a cov-
2 ered organization, to the entity or to any affili-
3 ates, subsidiaries, successors, or clinics of the
4 entity, or made to the entity or to any affiliates,
5 subsidiaries, successors, or clinics of the entity
6 as part of a nationwide health care provider
7 network, exceeded \$1,000,000.

8 (2) DIRECT SPENDING.—The term “direct
9 spending” has the meaning given that term under
10 section 250(c) of the Balanced Budget and Emer-
11 gency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

12 (3) COVERED ORGANIZATION.—The term “cov-
13 ered organization” means a managed care entity (as
14 defined in section 1932(a)(1)(B) of the Social Secu-
15 rity Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid
16 inpatient health plan or prepaid ambulatory health
17 plan (as such terms are defined in section
18 1903(m)(9)(D) of such Act (42 U.S.C.
19 1396b(m)(9)(D))).

20 (4) STATE.—The term “State” has the mean-
21 ing given such term in section 1101 of the Social Se-
22 curity Act (42 U.S.C. 1301).

1 **Subpart C—Stopping Abusive Financing Practices**

2 **SEC. 44131. SUNSETTING ELIGIBILITY FOR INCREASED**
3 **FMAP FOR NEW EXPANSION STATES.**

4 Section 1905(ii)(3) of the Social Security Act (42
5 U.S.C. 1396d(ii)(3)) is amended—

6 (1) by striking “which has not” and inserting
7 the following: “which—

8 “(A) has not”;

9 (2) in subparagraph (A), as so inserted, by
10 striking the period at the end and inserting “; and”;
11 and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(B) begins to expend amounts for all such
15 individuals prior to January 1, 2026.”.

16 **SEC. 44132. MORATORIUM ON NEW OR INCREASED PRO-**
17 **VIDER TAXES.**

18 Section 1903(w)(1)(A)(iii) of the Social Security Act
19 (42 U.S.C. 1396b(w)(1)(A)(iii)) is amended—

20 (1) by striking “or” at the end;

21 (2) by striking “if there” and inserting “if—

22 “(I) there”; and

23 (3) by adding at the end the following new sub-
24 clauses:

25 “(II) the tax is first imposed by the State

26 (or by a unit of local government in the State)

1 on or after the date of the enactment of this
2 subclause (other than such a tax for which the
3 legislation or regulations providing for the im-
4 position of such tax were enacted or adopted
5 prior to such date of enactment); or

6 “(III) on or after the date of the enact-
7 ment of this subclause, the State (or unit of
8 local government) increases the amount or rate
9 of tax imposed with respect to a class of health
10 care items or services (or with respect to a type
11 of provider or activity within such a class), or
12 increases the base of the tax such that the tax
13 is imposed with respect to a class of items or
14 services (or with respect to a type of provider
15 or activity within such a class) to which the tax
16 did not previously apply, but only to the extent
17 that such revenues are attributable to such in-
18 crease and only if such increase was not pro-
19 vided for in legislation or regulations enacted or
20 adopted prior to such date of enactment; or”.

21 **SEC. 44133. REVISING PAYMENTS FOR CERTAIN STATE DI-**
22 **RECTED PAYMENTS.**

23 (a) IN GENERAL.—Subject to subsection (b), the Sec-
24 retary of Health and Human Services (in this section re-
25 ferred to as the Secretary) shall revise section

1 438.6(c)(2)(iii) of title 42, Code of Federal Regulations
2 (or a successor regulation) such that, with respect to a
3 payment described in such section made for a service fur-
4 nished during a rating period beginning on or after the
5 date of the enactment of this Act, the total payment rate
6 for such service is limited to—

7 (1) in the case of a State that provides coverage
8 to all individuals described in section
9 1902(a)(10)(A)(i)(VIII) of the Social Security Act
10 (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) that is equiva-
11 lent to minimum essential coverage (as described in
12 section 5000A(f)(1)(A) of the Internal Revenue
13 Code of 1986 and determined in accordance with
14 standards prescribed by the Secretary in regula-
15 tions) under the State plan (or waiver of such plan)
16 of such State under title XIX of such Act, 100 per-
17 cent of the specified total published Medicare pay-
18 ment rate (or, in the absence of a specified total
19 published Medicare payment rate, an equivalent
20 Medicare payment rate); or

21 (2) in the case of a State other than a State
22 described in paragraph (1), 110 percent of the speci-
23 fied total published Medicare payment rate (or, in
24 the absence of a specified total published Medicare

1 payment rate, an equivalent Medicare payment
2 rate).

3 (b) GRANDFATHERING CERTAIN PAYMENTS.—In the
4 case of a payment described in section 438.6(c)(2)(iii) of
5 title 42, Code of Federal Regulations (or a successor regu-
6 lation) for which written prior approval was made before
7 the date of the enactment of this Act for the rating period
8 occurring as of such date of enactment, or a payment so
9 described for such rating period for which a preprint was
10 submitted to the Secretary prior to such date of enact-
11 ment, the revisions described in subsection (a) shall not
12 apply to such payment for such rating period and for any
13 subsequent rating period if the amount of such payment
14 does not exceed the amount of such payment so approved.

15 (c) TREATMENT OF EXPANSION STATES.—The revi-
16 sions described in subsection (a) shall provide that, with
17 respect to a State that begins providing the coverage de-
18 scribed in paragraph (1) of such subsection on or after
19 the date of the enactment of this Act, the limitation de-
20 scribed in such paragraph shall apply to such State with
21 respect to a payment described in section 438.6(c)(2)(iii)
22 of title 42, Code of Federal Regulations (or a successor
23 regulation) for a service furnished during a rating period
24 beginning on or after the date on which such State begins
25 providing such coverage, including with respect to a pay-

1 ment so described for which written prior approval was
2 made before such date.

3 (d) DEFINITIONS.—In this section:

4 (1) EQUIVALENT MEDICARE PAYMENT RATE.—

5 The term “equivalent Medicare payment rate”
6 means amounts calculated as payment for specific
7 services comparable to the service furnished that
8 have been developed under part A or part B of title
9 XVIII of the Social Security Act (42 U.S.C. 1396 et
10 seq.).

11 (2) RATING PERIOD.—The term “rating pe-
12 riod” has the meaning given such term in section
13 438.2 of title 42, Code of Federal Regulations (or a
14 successor regulation).

15 (3) TOTAL PUBLISHED MEDICARE PAYMENT
16 RATE.—The term “total published Medicare pay-
17 ment rate” means amounts calculated as payment
18 for specific services including the service furnished
19 that have been developed under part A or part B of
20 title XVIII of the Social Security Act (42 U.S.C.
21 1395 et seq.).

22 (4) WRITTEN PRIOR APPROVAL.—The term
23 “written prior approval” has the meaning given such
24 term in section 438.6(c)(2)(i) of title 42, Code of
25 Federal Regulations (or a successor regulation).

1 (e) FUNDING.—There are appropriated out of any
2 monies in the Treasury not otherwise appropriated
3 \$7,000,000 for each of fiscal years 2026 through 2033
4 for purposes of carrying out this section.

5 **SEC. 44134. REQUIREMENTS REGARDING WAIVER OF UNI-**
6 **FORM TAX REQUIREMENT FOR MEDICAID**
7 **PROVIDER TAX.**

8 (a) IN GENERAL.—Section 1903(w) of the Social Se-
9 curity Act (42 U.S.C. 1396b(w)) is amended—

10 (1) in paragraph (3)(E), by inserting after
11 clause (ii)(II) the following new clause:

12 “(iii) For purposes of clause (ii)(I), a tax is not con-
13 sidered to be generally redistributive if any of the following
14 conditions apply:

15 “(I) Within a permissible class, the tax rate im-
16 posed on any taxpayer or tax rate group (as defined
17 in paragraph (7)(J)) explicitly defined by its rel-
18 atively lower volume or percentage of Medicaid tax-
19 able units (as defined in paragraph (7)(H)) is lower
20 than the tax rate imposed on any other taxpayer or
21 tax rate group explicitly defined by its relatively
22 higher volume or percentage of Medicaid taxable
23 units.

24 “(II) Within a permissible class, the tax rate
25 imposed on any taxpayer or tax rate group (as so

1 defined) based upon its Medicaid taxable units (as
2 so defined) is higher than the tax rate imposed on
3 any taxpayer or tax rate group based upon its non-
4 Medicaid taxable unit (as defined in paragraph
5 (7)(I)).

6 “(III) The tax excludes or imposes a lower tax
7 rate on a taxpayer or tax rate group (as so defined)
8 based on or defined by any description that results
9 in the same effect as described in subclause (I) or
10 (II) for a taxpayer or tax rate group. Characteristics
11 that may indicate such type of exclusion include the
12 use of terminology to establish a tax rate group—

13 “(aa) based on payments or expenditures
14 made under the program under this title with-
15 out mentioning the term ‘Medicaid’ (or any
16 similar term) to accomplish the same effect as
17 described in subclause (I) or (II); or

18 “(bb) that closely approximates a taxpayer
19 or tax rate group under the program under this
20 title, to the same effect as described in sub-
21 clause (I) or (II).”; and

22 (2) in paragraph (7), by adding at the end the
23 following new subparagraphs:

24 “(H) The term ‘Medicaid taxable unit’ means a
25 unit that is being taxed within a health care related

1 tax that is applicable to the program under this title.

2 Such term includes a unit that is used as the basis

3 for—

4 “(i) payment under the program under this
5 title (such as Medicaid bed days);

6 “(ii) Medicaid revenue;

7 “(iii) costs associated with the program
8 under this title (such as Medicaid charges,
9 claims, or expenditures); and

10 “(iv) other units associated with the pro-
11 gram under this title, as determined by the Sec-
12 retary.

13 “(I) The term ‘non-Medicaid taxable unit’
14 means a unit that is being taxed within a health
15 care related tax that is not applicable to the pro-
16 gram under this title. Such term includes a unit that
17 is used as the basis for—

18 “(i) payment by non-Medicaid payers (such
19 as non-Medicaid bed days);

20 “(ii) non-Medicaid revenue;

21 “(iii) costs that are not associated with the
22 program under this title (such as non-Medicaid
23 charges, non-Medicaid claims, or non-Medicaid
24 expenditures); and

1 “(iv) other units not associated with the
2 program under this title, as determined by the
3 Secretary.

4 “(J) The term ‘tax rate group’ means a group
5 of entities contained within a permissible class of a
6 health care related tax that are taxed at the same
7 rate.”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect upon the date of enactment
10 of this Act, subject to any applicable transition period de-
11 termined appropriate by the Secretary of Health and
12 Human Services, not to exceed 3 fiscal years.

13 **SEC. 44135. REQUIRING BUDGET NEUTRALITY FOR MED-**
14 **ICAID DEMONSTRATION PROJECTS UNDER**
15 **SECTION 1115.**

16 Section 1115 of the Social Security Act (42 U.S.C.
17 1315) is amended by adding at the end the following new
18 subsection:

19 “(g) REQUIREMENT OF BUDGET NEUTRALITY FOR
20 MEDICAID DEMONSTRATION PROJECTS.—

21 “(1) IN GENERAL.—Beginning on the date of
22 the enactment of this subsection, the Secretary may
23 not approve an application for (or renewal or
24 amendment of) an experimental, pilot, or demonstra-
25 tion project undertaken under subsection (a) to pro-

1 mote the objectives of title XIX in a State (in this
2 subsection referred to as a ‘Medicaid demonstration
3 project’) unless the Secretary certifies that such
4 project is not expected to result in an increase in the
5 amount of expenditures compared to the amount
6 that such expenditures would otherwise be in the ab-
7 sence of such project.

8 “(2) TREATMENT OF SAVINGS.—In the event
9 that expenditures with respect to a State under a
10 Medicaid demonstration project are, during an ap-
11 proval period for such project, less than the amount
12 of such expenditures that would have otherwise been
13 made in the absence of such project, the Secretary
14 shall specify the methodology to be used with respect
15 to any subsequent approval period for such project
16 for purposes of taking the difference between such
17 expenditures into account.”.

18 **Subpart D—Increasing Personal Accountability**

19 **SEC. 44141. REQUIREMENT FOR STATES TO ESTABLISH**
20 **MEDICAID COMMUNITY ENGAGEMENT RE-**
21 **QUIREMENTS FOR CERTAIN INDIVIDUALS.**

22 (a) IN GENERAL.—Section 1902 of the Social Secu-
23 rity Act (42 U.S.C. 1396a), as amended by sections 44103
24 and 44104, is further amended by adding at the end the
25 following new subsection:

1 “(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR
2 APPLICABLE INDIVIDUALS.—

3 “(1) IN GENERAL.—Beginning not later than
4 December 31, 2026, or, at the option of the State,
5 such earlier date as the State may specify, subject
6 to the succeeding provisions of this subsection, a
7 State shall provide, as a condition of eligibility for
8 medical assistance for an applicable individual, that
9 such individual is required to demonstrate commu-
10 nity engagement under paragraph (2)—

11 “(A) in the case of an applicable individual
12 who has filed an application for medical assist-
13 ance under a State plan (or a waiver of such
14 plan) under this title, for 1 or more (as speci-
15 fied by the State) consecutive months imme-
16 diately preceding the month during which such
17 individual applies for such medical assistance;
18 and

19 “(B) in the case of an applicable individual
20 enrolled and receiving medical assistance under
21 a State plan (or under a waiver of such plan)
22 under this title, for 1 or more (as specified by
23 the State) months, whether or not consecu-
24 tive—

1 “(i) during the period between such
2 individual’s most recent determination (or
3 redetermination, as applicable) of eligibility
4 and such individual’s next regularly sched-
5 uled redetermination of eligibility (as
6 verified by the State as part of such regu-
7 larly scheduled redetermination of eligi-
8 bility); or

9 “(ii) in the case of a State that has
10 elected under paragraph (4) to conduct
11 more frequent verifications of compliance
12 with the requirement to demonstrate com-
13 munity engagement, during the period be-
14 tween the most recent and next such
15 verification with respect to such individual.

16 “(2) COMMUNITY ENGAGEMENT COMPLIANCE
17 DESCRIBED.—Subject to paragraph (3), an applica-
18 ble individual demonstrates community engagement
19 under this paragraph for a month if such individual
20 meets 1 or more of the following conditions with re-
21 spect to such month, as determined in accordance
22 with criteria established by the Secretary through
23 regulation:

24 “(A) The individual works not less than 80
25 hours.

1 “(B) The individual completes not less
2 than 80 hours of community service.

3 “(C) The individual participates in a work
4 program for not less than 80 hours.

5 “(D) The individual is enrolled in an edu-
6 cational program at least half-time.

7 “(E) The individual engages in any com-
8 bination of the activities described in subpara-
9 graphs (A) through (D), for a total of not less
10 than 80 hours.

11 “(F) The individual has a monthly income
12 that is not less than the applicable minimum
13 wage requirement under section 6 of the Fair
14 Labor Standards Act of 1938, multiplied by 80
15 hours.

16 “(3) EXCEPTIONS.—

17 “(A) MANDATORY EXCEPTION FOR CER-
18 TAIN INDIVIDUALS.—The State shall deem an
19 applicable individual to have demonstrated com-
20 munity engagement under paragraph (2) for a
21 month if—

22 “(i) for part or all of such month, the
23 individual—

1 “(I) was a specified excluded in-
2 dividual (as defined in paragraph
3 (9)(A)(ii)); or

4 “(II) was—

5 “(aa) under the age of 19;

6 “(bb) pregnant or entitled to
7 postpartum medical assistance
8 under paragraph (5) or (16) of
9 subsection (e);

10 “(cc) entitled to, or enrolled
11 for, benefits under part A of title
12 XVIII, or enrolled for benefits
13 under part B of title XVIII; or

14 “(dd) described in any of
15 subclauses (I) through (VII) of
16 subsection (a)(10)(A)(i); or

17 “(ii) at any point during the 3-month
18 period ending on the first day of such
19 month, the individual was an inmate of a
20 public institution.

21 “(B) OPTIONAL EXCEPTION FOR SHORT-
22 TERM HARDSHIP EVENTS.—

23 “(i) IN GENERAL.—The State plan (or
24 waiver of such plan) may provide, in the
25 case of an applicable individual who experi-

1 ences a short-term hardship event during a
2 month, that the State shall, upon the re-
3 quest of such individual under procedures
4 established by the State (in accordance
5 with standards specified by the Secretary),
6 deem such individual to have demonstrated
7 community engagement under paragraph
8 (2) for such month.

9 “(ii) SHORT-TERM HARDSHIP EVENT
10 DEFINED.—For purposes of this subpara-
11 graph, an applicable individual experiences
12 a short-term hardship event during a
13 month if, for part or all of such month—

14 “(I) such individual receives in-
15 patient hospital services, nursing facil-
16 ity services, services in an inter-
17 mediate care facility for individuals
18 with intellectual disabilities, inpatient
19 psychiatric hospital services, or such
20 other services of similar acuity (in-
21 cluding outpatient care relating to
22 other services specified in this sub-
23 clause) as the Secretary determines
24 appropriate; or

1 “(II) such individual resides in a
2 county (or equivalent unit of local
3 government)—

4 “(aa) in which there exists
5 an emergency or disaster de-
6 clared by the President pursuant
7 to the National Emergencies Act
8 or the Robert T. Stafford Dis-
9 aster Relief and Emergency As-
10 sistance Act; or

11 “(bb) that, subject to a re-
12 quest from the State to the Sec-
13 retary, made in such form, at
14 such time, and containing such
15 information as the Secretary may
16 require, has an unemployment
17 rate that is at or above the lesser
18 of—

19 “(AA) 8 percent; or

20 “(BB) 1.5 times the
21 national unemployment rate.

22 “(4) OPTION TO CONDUCT MORE FREQUENT
23 COMPLIANCE VERIFICATIONS.—With respect to an
24 applicable individual enrolled and receiving medical
25 assistance under a State plan (or a waiver of such

1 plan) under this title, the State shall verify (in ac-
2 cordance with procedures specified by the Secretary)
3 that each such individual has met the requirement
4 to demonstrate community engagement under para-
5 graph (1) during each such individual's regularly
6 scheduled redetermination of eligibility, except that a
7 State may provide for such verifications more fre-
8 quently.

9 “(5) EX PARTE VERIFICATIONS.—For purposes
10 of verifying that an applicable individual has met the
11 requirement to demonstrate community engagement
12 under paragraph (1), the State shall, in accordance
13 with standards established by the Secretary, estab-
14 lish processes and use reliable information available
15 to the State (such as payroll data) without requir-
16 ing, where possible, the applicable individual to sub-
17 mit additional information.

18 “(6) PROCEDURE IN THE CASE OF NONCOMPLI-
19 ANCE.—

20 “(A) IN GENERAL.—If a State is unable to
21 verify that an applicable individual has met the
22 requirement to demonstrate community engage-
23 ment under paragraph (1) (including, if appli-
24 cable, by verifying that such individual was
25 deemed to have demonstrated community en-

1 gagement under paragraph (3)) the State shall
2 (in accordance with standards specified by the
3 Secretary)—

4 “(i) provide such individual with the
5 notice of noncompliance described in sub-
6 paragraph (B);

7 “(ii) (I) provide such individual with a
8 period of 30 calendar days, beginning on
9 the date on which such notice of non-
10 compliance is received by the individual,
11 to—

12 “(aa) make a satisfactory show-
13 ing to the State of compliance with
14 such requirement (including, if appli-
15 cable, by showing that such individual
16 was deemed to have demonstrated
17 community engagement under para-
18 graph (3)); or

19 “(bb) make a satisfactory show-
20 ing to the State that such require-
21 ment does not apply to such indi-
22 vidual on the basis that such indi-
23 vidual does not meet the definition of
24 applicable individual under paragraph
25 (9)(A); and

1 “(II) if such individual is enrolled
2 under the State plan (or a waiver of such
3 plan) under this title, continue to provide
4 such individual with medical assistance
5 during such 30-calendar-day period; and

6 “(iii) if no such satisfactory showing
7 is made and the individual is not a speci-
8 fied excluded individual described in para-
9 graph (9)(A)(ii), deny such individual’s ap-
10 plication for medical assistance under the
11 State plan (or waiver of such plan) or, as
12 applicable, disenroll such individual from
13 the plan (or waiver of such plan) not later
14 than the end of the month following the
15 month in which such 30-calendar-day pe-
16 riod ends, provided that—

17 “(I) the State first determines
18 whether, with respect to the indi-
19 vidual, there is any other basis for eli-
20 gibility for medical assistance under
21 the State plan (or waiver of such
22 plan) or for another insurance afford-
23 ability program; and

24 “(II) the individual is provided
25 written notice and granted an oppor-

1 tunity for a fair hearing in accordance
2 with subsection (a)(3).

3 “(B) NOTICE.—The notice of noncompli-
4 ance provided to an applicable individual under
5 subparagraph (A)(i) shall include information
6 (in accordance with standards specified by the
7 Secretary) on—

8 “(i) how such individual may make a
9 satisfactory showing of compliance with
10 such requirement (as described in subpara-
11 graph (A)(ii)) or make a satisfactory show-
12 ing that such requirement does not apply
13 to such individual on the basis that such
14 individual does not meet the definition of
15 applicable individual under paragraph
16 (9)(A); and

17 “(ii) how such individual may reapply
18 for medical assistance under the State plan
19 (or a waiver of such plan) under this title
20 in the case that such individuals’ applica-
21 tion is denied or, as applicable, in the case
22 that such individual is disenrolled from the
23 plan (or waiver).

1 “(7) TREATMENT OF NONCOMPLIANT INDIVID-
2 UALS IN RELATION TO CERTAIN OTHER PROVI-
3 SIONS.—

4 “(A) CERTAIN FMAP INCREASES.—A State
5 shall not be treated as not providing medical as-
6 sistance to all individuals described in section
7 1902(a)(10)(A)(i)(VIII), or as not expending
8 amounts for all such individuals under the
9 State plan (or waiver of such plan), solely be-
10 cause such an individual is determined ineligible
11 for medical assistance under the State plan (or
12 waiver) on the basis of a failure to meet the re-
13 quirement to demonstrate community engage-
14 ment under paragraph (1).

15 “(B) OTHER PROVISIONS.—For purposes
16 of section 36B(c)(2)(B) of the Internal Revenue
17 Code of 1986, an individual shall be deemed to
18 be eligible for minimum essential coverage de-
19 scribed in section 5000A(f)(1)(A)(ii) of such
20 Code for a month if such individual would have
21 been eligible for medical assistance under a
22 State plan (or a waiver of such plan) under this
23 title but for a failure to meet the requirement
24 to demonstrate community engagement under
25 paragraph (1).

1 “(8) OUTREACH.—

2 “(A) IN GENERAL.—In accordance with
3 standards specified by the Secretary, beginning
4 not later than the date that precedes December
5 31, 2026 (or, if the State elects under para-
6 graph (1) to specify an earlier date, such earlier
7 date) by the number of months specified by the
8 State under paragraph (1)(A) plus 3 months,
9 and periodically thereafter, the State shall no-
10 tify applicable individuals enrolled under a
11 State plan (or waiver) under this title of the re-
12 quirement to demonstrate community engage-
13 ment under this subsection. Such notice shall
14 include information on—

15 “(i) how to comply with such require-
16 ment, including an explanation of the ex-
17 ceptions to such requirement under para-
18 graph (3) and the definition of the term
19 ‘applicable individual’ under paragraph
20 (9)(A);

21 “(ii) the consequences of noncompli-
22 ance with such requirement; and

23 “(iii) how to report to the State any
24 change in the individual’s status that could
25 result in—

1 “(I) the applicability of an excep-
2 tion under paragraph (3) (or the end
3 of the applicability of such an excep-
4 tion); or

5 “(II) the individual qualifying as
6 a specified excluded individual under
7 paragraph (9)(A)(ii).

8 “(B) FORM OF OUTREACH NOTICE.—A no-
9 tice required under subparagraph (A) shall be
10 delivered—

11 “(i) by regular mail (or, if elected by
12 the individual, in an electronic format);
13 and

14 “(ii) in 1 or more additional forms,
15 which may include telephone, text message,
16 an internet website, other commonly avail-
17 able electronic means, and such other
18 forms as the Secretary determines appro-
19 priate.

20 “(9) DEFINITIONS.—In this subsection:

21 “(A) APPLICABLE INDIVIDUAL.—

22 “(i) IN GENERAL.—The term ‘applica-
23 ble individual’ means an individual (other
24 than a specified excluded individual (as de-
25 fined in clause (ii)))—

1 “(I) who is eligible to enroll (or
2 is enrolled) under the State plan
3 under subsection (a)(10)(A)(i)(VIII);
4 or

5 “(II) who—

6 “(aa) is otherwise eligible to
7 enroll (or is enrolled) under a
8 waiver of such plan that provides
9 coverage that is equivalent to
10 minimum essential coverage (as
11 described in section
12 5000A(f)(1)(A) of the Internal
13 Revenue Code of 1986 and as de-
14 termined in accordance with
15 standards prescribed by the Sec-
16 retary in regulations); and

17 “(bb) has attained the age
18 of 19 and is under 65 years of
19 age, is not pregnant, is not enti-
20 tled to, or enrolled for, benefits
21 under part A of title XVIII, or
22 enrolled for benefits under part
23 B of title XVIII, and is not oth-
24 erwise eligible to enroll under
25 such plan.

1 “(ii) SPECIFIED EXCLUDED INDI-
2 VIDUAL.—For purposes of clause (i), the
3 term ‘specified excluded individual’ means
4 an individual, as determined by the State
5 (in accordance with standards specified by
6 the Secretary)—

7 “(I) who is described in sub-
8 section (a)(10)(A)(i)(IX);

9 “(II) who—

10 “(aa) is an Indian or an
11 Urban Indian (as such terms are
12 defined in paragraphs (13) and
13 (28) of section 4 of the Indian
14 Health Care Improvement Act);

15 “(bb) is a California Indian
16 described in section 809(a) of
17 such Act; or

18 “(cc) has otherwise been de-
19 termined eligible as an Indian for
20 the Indian Health Service under
21 regulations promulgated by the
22 Secretary;

23 “(III) who is the parent, guard-
24 ian, or caretaker relative of a disabled
25 individual or a dependent child;

1 “(IV) who is a veteran with a
2 disability rated as total under section
3 1155 of title 38, United States Code;

4 “(V) who is medically frail or
5 otherwise has special medical needs
6 (as defined by the Secretary), includ-
7 ing an individual—

8 “(aa) who is blind or dis-
9 abled (as defined in section
10 1614);

11 “(bb) with a substance use
12 disorder;

13 “(cc) with a disabling men-
14 tal disorder;

15 “(dd) with a physical, intel-
16 lectual or developmental dis-
17 ability that significantly impairs
18 their ability to perform 1 or more
19 activities of daily living; or

20 “(ee) with a serious or com-
21 plex medical condition;

22 “(VI) who—

23 “(aa) is in compliance with
24 any requirements imposed by the
25 State pursuant to section 407; or

1 “(bb) is a member of a
2 household that receives supple-
3 mental nutrition assistance pro-
4 gram benefits under the Food
5 and Nutrition Act of 2008 and is
6 not exempt from a work require-
7 ment under such Act;

8 “(VII) who is participating in a
9 drug addiction or alcoholic treatment
10 and rehabilitation program (as defined
11 in section 3(h) of the Food and Nutri-
12 tion Act of 2008); or

13 “(VIII) who is an inmate of a
14 public institution.

15 “(B) EDUCATIONAL PROGRAM.—The term
16 ‘educational program’ includes—

17 “(i) an institution of higher education
18 (as defined in section 101 of the Higher
19 Education Act of 1965); and

20 “(ii) a program of career and tech-
21 nical education (as defined in section 3 of
22 the Carl D. Perkins Career and Technical
23 Education Act of 2006).

24 “(C) STATE.—The term ‘State’ means 1 of
25 the 50 States or the District of Columbia.

1 “(D) WORK PROGRAM.—The term ‘work
2 program’ has the meaning given such term in
3 section 6(o)(1) of the Food and Nutrition Act
4 of 2008.

5 “(10) PROHIBITING WAIVER OF COMMUNITY
6 ENGAGEMENT REQUIREMENTS.—Notwithstanding
7 section 1115(a), the provisions of this subsection
8 may not be waived.”.

9 (b) CONFORMING AMENDMENT.—Section
10 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42
11 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking
12 “subject to subsection (k)” and inserting “subject to sub-
13 sections (k) and (xx)”.

14 (c) GUIDANCE.—Not later than December 31, 2025,
15 the Secretary of Health and Human Services shall issue
16 guidance relating to the initial implementation of the
17 amendments made by this section.

18 (d) DEVELOPMENT OF GOVERNMENT EFFICIENCY
19 GRANTS TO STATES.—

20 (1) IN GENERAL.—The Secretary of Health and
21 Human Services shall, out of amounts appropriated
22 under paragraph (3), award to each State a grant
23 equal to the amount specified in paragraph (2) for
24 such State for purposes of establishing systems nec-

1 essary to carry out the provisions of, and amend-
2 ments made by, this section.

3 (2) AMOUNT SPECIFIED.—For purposes of
4 paragraph (2), the amount specified in this para-
5 graph is an amount that bears the same ratio to the
6 amount appropriated under paragraph (3) as the
7 number of applicable individuals (as defined in sec-
8 tion 1902(xx) of the Social Security Act, as added
9 by subsection (a)) residing in such State bears to
10 the total number of such individuals residing in all
11 States.

12 (3) FUNDING.—There are appropriated, out of
13 any monies in the Treasury not otherwise appro-
14 priated, \$100,000,000 for fiscal year 2026 for pur-
15 poses of awarding grants under paragraph (1).

16 (4) DEFINITION.—In this subsection, the term
17 “State” means 1 of the 50 States and the District
18 of Columbia.

19 (e) IMPLEMENTATION FUNDING.—For the purposes
20 of carrying out the provisions of, and the amendments
21 made by, this section, there are appropriated, out of any
22 monies in the Treasury not otherwise appropriated, to the
23 Secretary of Health and Human Services, \$50,000,000 for
24 fiscal year 2026, to remain available until expended.

1 **SEC. 44142. MODIFYING COST SHARING REQUIREMENTS**
2 **FOR CERTAIN EXPANSION INDIVIDUALS**
3 **UNDER THE MEDICAID PROGRAM.**

4 (a) IN GENERAL.—Section 1916 of the Social Secu-
5 rity Act (42 U.S.C. 1396o) is amended—

6 (1) in subsection (a), in the matter preceding
7 paragraph (1), by inserting “(other than, beginning
8 October 1, 2028, specified individuals (as defined in
9 subsection (k)(3)))” after “individuals”; and

10 (2) by adding at the end the following new sub-
11 section:

12 “(k) SPECIAL RULES FOR CERTAIN EXPANSION IN-
13 DIVIDUALS.—

14 “(1) PREMIUMS.—Beginning October 1, 2028,
15 the State plan shall provide that in the case of a
16 specified individual (as defined in paragraph (3))
17 who is eligible under the plan, no enrollment fee,
18 premium, or similar charge will be imposed under
19 the plan.

20 “(2) REQUIRED IMPOSITION OF COST SHAR-
21 ING.—

22 “(A) IN GENERAL.—Subject to subpara-
23 graph (B) and subsection (j), in the case of a
24 specified individual, the State plan shall, begin-
25 ning October 1, 2028, provide for the imposi-
26 tion of such deductions, cost sharing, or similar

1 charges determined appropriate by the State (in
2 an amount greater than \$0) with respect to
3 medical assistance furnished to such an indi-
4 vidual.

5 “(B) LIMITATIONS.—

6 “(i) EXCLUSION OF CERTAIN SERV-
7 ICES.—In no case may a deduction, cost
8 sharing, or similar charge be imposed
9 under the State plan with respect to serv-
10 ices described in any of subparagraphs (B)
11 through (J) of subsection (a)(2), or any
12 primary care services, mental health care
13 services, or substance use disorder services,
14 furnished to a specified individual.

15 “(ii) ITEM AND SERVICE LIMITA-
16 TION.—

17 “(I) IN GENERAL.—Except as
18 provided in subclause (II), in no case
19 may a deduction, cost sharing, or
20 similar charge imposed under the
21 State plan with respect to an item or
22 service furnished to a specified indi-
23 vidual exceed \$35.

24 “(II) SPECIAL RULES FOR PRE-
25 SCRIPTIION DRUGS.—In no case may a

1 deduction, cost sharing, or similar
2 charge imposed under the State plan
3 with respect to a prescription drug
4 furnished to a specified individual ex-
5 ceed the limit that would be applicable
6 under paragraph (2)(A)(i) or (2)(B)
7 of section 1916A(c) with respect to
8 such drug and individual if such drug
9 so furnished were subject to cost shar-
10 ing under such section.

11 “(iii) MAXIMUM LIMIT ON COST SHAR-
12 ING.—The total aggregate amount of de-
13 ductions, cost sharing, or similar charges
14 imposed under the State plan for all indi-
15 viduals in the family may not exceed 5 per-
16 cent of the family income of the family in-
17 volved, as applied on a quarterly or month-
18 ly basis (as specified by the State).

19 “(C) CASES OF NONPAYMENT.—Notwith-
20 standing subsection (e), a State may permit a
21 provider participating under the State plan to
22 require, as a condition for the provision of care,
23 items, or services to a specified individual enti-
24 tled to medical assistance under this title for
25 such care, items, or services, the payment of

1 any deductions, cost sharing, or similar charges
2 authorized to be imposed with respect to such
3 care, items, or services. Nothing in this sub-
4 paragraph shall be construed as preventing a
5 provider from reducing or waiving the applica-
6 tion of such deductions, cost sharing, or similar
7 charges on a case-by-case basis.

8 “(3) SPECIFIED INDIVIDUAL DEFINED.—For
9 purposes of this subsection, the term ‘specified indi-
10 vidual’ means an individual who has a family income
11 (as determined in accordance with section
12 1902(e)(14)) that exceeds the poverty line (as de-
13 fined in section 2110(c)(5)) applicable to a family of
14 the size involved and—

15 “(A) is enrolled under section
16 1902(a)(10)(A)(i)(VIII); or

17 “(B) is described in such subsection and
18 otherwise enrolled under a waiver of such plan
19 that provides coverage that is equivalent to
20 minimum essential coverage (as described in
21 section 5000A(f)(1)(A) of the Internal Revenue
22 Code of 1986 and determined in accordance
23 with standards prescribed by the Secretary in
24 regulations) to all individuals described in sec-
25 tion 1902(a)(10)(A)(i)(VIII).”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) REQUIRED APPLICATION.—Section
3 1902(a)(14) of the Social Security Act (42 U.S.C.
4 1396a(a)(14)) is amended by inserting “and provide
5 for imposition of such deductions, cost sharing, or
6 similar charges for medical assistance furnished to
7 specified individuals (as defined in paragraph (3) of
8 section 1916(k)) in accordance with paragraph (2)
9 of such section” after “section 1916”.

10 (2) NONAPPLICABILITY OF ALTERNATIVE COST
11 SHARING.—Section 1916A(a)(1) of the Social Secu-
12 rity Act (42 U.S.C. 1396o–1(a)(1)) is amended, in
13 the second sentence, by striking “or (j)” and insert-
14 ing “(j), or (k)”.

15 **PART 2—AFFORDABLE CARE ACT**

16 **SEC. 44201. ADDRESSING WASTE, FRAUD, AND ABUSE IN**
17 **THE ACA EXCHANGES.**

18 (a) CHANGES TO ENROLLMENT PERIODS FOR EN-
19 ROLLING IN EXCHANGES.—Section 1311 of the Patient
20 Protection and Affordable Care Act (42 U.S.C. 18031) is
21 amended—

22 (1) in subsection (c)(6)—

23 (A) by striking subparagraph (A);

24 (B) by striking “The Secretary” and in-
25 serting the following:

1 “(A) IN GENERAL.—The Secretary”;

2 (C) by redesignating subparagraphs (B)
3 through (D) as clauses (i) through (iii), respec-
4 tively, and adjusting the margins accordingly;

5 (D) in clause (i), as so redesignated, by
6 striking “periods, as determined by the Sec-
7 retary for calendar years after the initial enroll-
8 ment period;” and inserting the following: “pe-
9 riods for plans offered in the individual mar-
10 ket—

11 “(I) for enrollment for plan years
12 beginning before January 1, 2026, as
13 determined by the Secretary; and

14 “(II) for enrollment for plan
15 years beginning on or after January
16 1, 2026, beginning on November 1
17 and ending on December 15 of the
18 preceding calendar year;”;

19 (E) in clause (ii), as so redesignated, by
20 inserting “subject to subparagraph (B),” before
21 “special enrollment periods specified”; and

22 (F) by adding at the end the following new
23 subparagraph:

24 “(B) PROHIBITED SPECIAL ENROLLMENT
25 PERIOD.—With respect to plan years beginning

1 on or after January 1, 2026, the Secretary may
2 not require an Exchange to provide for a spe-
3 cial enrollment period for an individual on the
4 basis of the relationship of the income of such
5 individual to the poverty line, other than a spe-
6 cial enrollment period based on a change in cir-
7 cumstances or the occurrence of a specific
8 event.”; and

9 (2) in subsection (d), by adding at the end the
10 following new paragraphs:

11 “(8) PROHIBITED ENROLLMENT PERIODS.—An
12 Exchange may not provide for, with respect to en-
13 rollment for plan years beginning on or after Janu-
14 ary 1, 2026—

15 “(A) an annual open enrollment period
16 other than the period described in subpara-
17 graph (A)(i) of subsection (c)(6); or

18 “(B) a special enrollment period described
19 in subparagraph (B) of such subsection.

20 “(9) VERIFICATION OF ELIGIBILITY FOR SPE-
21 CIAL ENROLLMENT PERIODS.—

22 “(A) IN GENERAL.—With respect to enroll-
23 ment for plan years beginning on or after Janu-
24 ary 1, 2026, an Exchange shall verify that each
25 individual seeking to enroll in a qualified health

1 plan offered by the Exchange during a special
2 enrollment period selected under subparagraph
3 (B) is eligible to enroll during such special en-
4 rollment period prior to enrolling such indi-
5 vidual in such plan.

6 “(B) SELECTED SPECIAL ENROLLMENT
7 PERIODS.—For purposes of subparagraph (A),
8 an Exchange shall select one or more special
9 enrollment periods for a plan year with respect
10 to which such Exchange shall conduct the
11 verification required under subparagraph (A)
12 such that the Exchange conducts such
13 verification for not less than 75 percent of all
14 individuals enrolling in a qualified health plan
15 offered by the Exchange during any special en-
16 rollment period with respect to such plan
17 year.”.

18 (b) VERIFYING INCOME FOR INDIVIDUALS ENROLL-
19 ING IN A QUALIFIED HEALTH PLAN THROUGH AN EX-
20 CHANGE.—

21 (1) IN GENERAL.—Section 1411(e)(4) of the
22 Patient Protection and Affordable Care Act (42
23 U.S.C. 18081(e)(4)) is amended—

24 (A) by redesignating subparagraph (C) as
25 subparagraph (E); and

1 (B) by inserting after subparagraph (B)
2 the following new subparagraphs:

3 “(C) REQUIRING VERIFICATION OF IN-
4 COME AND FAMILY SIZE WHEN TAX DATA IS
5 UNAVAILABLE.—For plan years beginning on or
6 after January 1, 2026, for purposes of subpara-
7 graph (A), in the case that the Exchange re-
8 quests data from the Secretary of the Treasury
9 regarding an individual’s household income and
10 the Secretary of the Treasury does not return
11 such data, such information may not be verified
12 solely on the basis of the attestation of such in-
13 dividual with respect to such household income,
14 and the Exchange shall take the actions de-
15 scribed in subparagraph (A).

16 “(D) REQUIRING VERIFICATION OF IN-
17 COME IN THE CASE OF CERTAIN INCOME DIS-
18 CREPANCIES.—

19 “(i) IN GENERAL.—Subject to clause
20 (iii), for plan years beginning on or after
21 January 1, 2026, for purposes of subpara-
22 graph (A), in the case that a specified in-
23 come discrepancy described in clause (ii) of
24 this subparagraph exists with respect to
25 the information provided by an applicant

1 under subsection (b)(3), the household in-
2 come of such individual shall be treated as
3 inconsistent with information in the
4 records maintained by persons under sub-
5 section (c), or as not verified under sub-
6 section (d), and the Exchange shall take
7 the actions described in such subparagraph
8 (A).

9 “(ii) SPECIFIED INCOME DISCREP-
10 ANCY.—For purposes of clause (i), a speci-
11 fied income discrepancy exists with respect
12 to the information provided by an appli-
13 cant under subsection (b)(3) if—

14 “(I) the applicant attests to a
15 projected annual household income
16 that would qualify such applicant to
17 be an applicable taxpayer under sec-
18 tion 36B(c)(1)(A) of the Internal Rev-
19 enue Code of 1986 with respect to the
20 taxable year involved;

21 “(II) the Exchange receives data
22 from the Secretary of the Treasury or
23 other reliable, third party data, that
24 indicates that the household income of
25 such applicant is less than the house-

1 hold income that would qualify such
2 applicant to be an applicable taxpayer
3 under such section 36B(c)(1)(A) with
4 respect to the taxable year involved;

5 “(III) such attested projected an-
6 nual household income exceeds the in-
7 come reflected in the data described in
8 subclause (II) by a reasonable thresh-
9 old established by the Exchange and
10 approved by the Secretary (which
11 shall be not less than 10 percent, and
12 may also be a dollar amount); and

13 “(IV) the Exchange has not as-
14 sessed or determined based on the
15 data described in subclause (II) that
16 the household income of the applicant
17 meets the applicable income-based eli-
18 gibility standard for the Medicaid pro-
19 gram under title XIX of the Social
20 Security Act or the State children’s
21 health insurance program under title
22 XXI of such Act.

23 “(iii) EXCLUSION OF CERTAIN INDI-
24 VIDUALS INELIGIBLE FOR MEDICAID.—
25 This subparagraph shall not apply in the

1 case of an applicant who is an alien law-
2 fully present in the United States, who is
3 not eligible for the Medicaid program
4 under title XIX of the Social Security Act
5 by reason of such alien status.”.

6 (2) REQUIRING INDIVIDUALS ON WHOSE BE-
7 HALF ADVANCE PAYMENTS OF THE PREMIUM TAX
8 CREDITS ARE MADE TO FILE AND RECONCILE ON AN
9 ANNUAL BASIS.—Section 1412(b) of the Patient
10 Protection and Affordable Care Act (42 U.S.C.
11 18082(b)) is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(3) ANNUAL REQUIREMENT TO FILE AND REC-
14 ONCILE.—

15 “(A) IN GENERAL.—For plan years begin-
16 ning on or after January 1, 2026, in the case
17 of an individual with respect to whom any ad-
18 vance payment of the premium tax credit allow-
19 able under section 36B of the Internal Revenue
20 Code of 1986 was made under this section to
21 the issuer of a qualified health plan for the rel-
22 evant prior tax year, an advance determination
23 of eligibility for such premium tax credit may
24 not be made under this subsection with respect
25 to such individual and such plan year if the Ex-

1 change determines, based on information pro-
2 vided by the Secretary of the Treasury, that
3 such individual—

4 “(i) has not filed an income tax re-
5 turn, as required under sections 6011 and
6 6012 of such Code (and implementing reg-
7 ulations), for the relevant prior tax year;
8 or

9 “(ii) as necessary, has not reconciled
10 (in accordance with subsection (f) of such
11 section 36B) the advance payment of the
12 premium tax credit made with respect to
13 such individual for such relevant prior tax
14 year.

15 “(B) RELEVANT PRIOR TAX YEAR.—For
16 purposes of subparagraph (A), the term ‘rel-
17 evant prior tax year’ means, with respect to the
18 advance determination of eligibility made under
19 this subsection with respect to an individual,
20 the taxable year for which tax return data
21 would be used for purposes of verifying the
22 household income and family size of such indi-
23 vidual (as described in section 1411(b)(3)(A)).

24 “(C) PRELIMINARY ATTESTATION.—If an
25 individual subject to subparagraph (A) attests

1 that such individual has fulfilled the require-
2 ments to file an income tax return for the rel-
3 evant prior tax year and, as necessary, to rec-
4 oncile the advance payment of the premium tax
5 credit made with respect to such individual for
6 such relevant prior tax year (as described in
7 clauses (i) and (ii) of such subparagraph), the
8 Secretary may make an initial advance deter-
9 mination of eligibility with respect to such indi-
10 vidual and may delay for a reasonable period
11 (as determined by the Secretary) any deter-
12 mination based on information provided by the
13 Secretary of the Treasury that such individual
14 has not fulfilled such requirements.

15 “(D) NOTICE.—If the Secretary deter-
16 mines that an individual did not meet the re-
17 quirements described in subparagraph (A) with
18 respect to the relevant prior tax year and noti-
19 fies the Exchange of such determination, the
20 Exchange shall comply with the notification re-
21 quirement described in section 155.305(f)(4)(i)
22 of title 45, Code of Federal Regulations (as in
23 effect with respect to plan year 2025).”.

24 (3) REMOVING AUTOMATIC EXTENSION OF PE-
25 RIOD TO RESOLVE INCOME INCONSISTENCIES.—The

1 Secretary of Health and Human Services shall revise
2 section 155.315(f) of title 45, Code of Federal Regu-
3 lations (or any successor regulation), to remove
4 paragraph (7) of such section such that, with respect
5 to enrollment for plan years beginning on or after
6 January 1, 2026, in the case that an Exchange es-
7 tablished under subtitle D of title I of the Patient
8 Protection and Affordable Care Act (42 U.S.C.
9 18021 et seq.) provides an individual applying for
10 enrollment in a qualified health plan with a 90-day
11 period to resolve an inconsistency in the application
12 of such individual pursuant to section
13 1411(e)(4)(A)(ii)(II) of such Act, the Exchange may
14 not provide for an automatic extension to such 90-
15 day period on the basis that such individual is re-
16 quired to present satisfactory documentary evidence
17 to verify household income.

18 (c) REVISING RULES ON ALLOWABLE VARIATION IN
19 ACTUARIAL VALUE OF HEALTH PLANS.—The Secretary
20 of Health and Human Services shall—

21 (1) revise section 156.140(c) of title 45, Code
22 of Federal Regulations (or a successor regulation),
23 to provide that, for plan years beginning on or after
24 January 1, 2026, the allowable variation in the actu-
25 arial value of a health plan applicable under such

1 section shall be the allowable variation for such plan
2 applicable under such section for plan year 2022;

3 (2) revise section 156.200(b)(3) of title 45,
4 Code of Federal Regulations (or a successor regula-
5 tion), to provide that, for plan years beginning on or
6 after January 1, 2026, the requirement for a quali-
7 fied health plan issuer described in such section is
8 that the issuer ensures that each qualified health
9 plan complies with benefit design standards, as de-
10 fined in section 156.20 of such title; and

11 (3) revise section 156.400 of title 45, Code of
12 Federal Regulations (or a successor regulation), to
13 provide that, for plan years beginning on or after
14 January 1, 2026, the term “de minimis variation for
15 a silver plan variation” means a minus 1 percentage
16 point and plus 1 percentage point allowable actuarial
17 value variation.

18 (d) UPDATING PREMIUM ADJUSTMENT PERCENTAGE
19 METHODOLOGY.—Section 1302(c)(4) of the Patient Pro-
20 tection and Affordable Care Act (42 U.S.C. 18022(c)(4))
21 is amended—

22 (1) by striking “For purposes” and inserting:

23 “(A) IN GENERAL.—For purposes”; and

24 (2) by adding at the end the following new sub-
25 paragraph:

1 “(B) UPDATE TO METHODOLOGY.—For
2 calendar years beginning with 2026, the pre-
3 mium adjustment percentage under this para-
4 graph for such calendar year shall be deter-
5 mined consistent with the methodology pub-
6 lished in the Federal Register on April 25,
7 2019 (84 Fed. Reg. 17537 through 17541).”.

8 (e) ELIMINATING THE FIXED-DOLLAR AND GROSS-
9 PERCENTAGE THRESHOLDS APPLICABLE TO EXCHANGE
10 ENROLLMENTS.—The Secretary of Health and Human
11 Services shall revise section 155.400(g) of title 45, Code
12 of Federal Regulations (or a successor regulation) to
13 eliminate, for plan years beginning on or after January
14 1, 2026, the gross premium percentage-based premium
15 payment threshold policy described in paragraph (2) of
16 such section and the fixed-dollar premium payment
17 threshold policy described in paragraph (3) of such sec-
18 tion.

19 (f) PROHIBITING AUTOMATIC REENROLLMENT FROM
20 BRONZE TO SILVER LEVEL QUALIFIED HEALTH PLANS
21 OFFERED BY EXCHANGES.—The Secretary of Health and
22 Human Services shall revise section 155.335(j) of title 45,
23 Code of Federal Regulations (or any successor regulation)
24 to remove paragraph (4) of such section such that, with
25 respect to reenrollments for plan years beginning on or

1 after January 1, 2026, an Exchange established under
2 subtitle D of title I of the Patient Protection and Afford-
3 able Care Act (42 U.S.C. 18021 et seq.) may not reenroll
4 an individual who was enrolled in a bronze level qualified
5 health plan in a silver level qualified health plan (as such
6 terms are defined in section 1301(a) and described in
7 1302(d) of such Act) unless otherwise permitted under
8 section 155.335(j) of title 45, Code of Federal Regula-
9 tions, as in effect on the day before the date of the enact-
10 ment of this section.

11 (g) REDUCING ADVANCE PAYMENTS OF PREMIUM
12 TAX CREDITS FOR CERTAIN INDIVIDUALS REENROLLED
13 IN EXCHANGES.—Section 1412 of the Patient Protection
14 and Affordable Care Act (42 U.S.C. 18082) is amended—

15 (1) in subsection (a)(3), by inserting “, subject
16 to subsection (c)(2)(C),” after “qualified health
17 plans”; and

18 (2) in subsection (c)(2)—

19 (A) in subparagraph (A), by striking
20 “The” and inserting “Subject to subparagraph
21 (C), the”; and

22 (B) by adding at the end the following new
23 subparagraph:

24 “(C) REDUCTION IN ADVANCE PAYMENT
25 FOR SPECIFIED REENROLLED INDIVIDUALS.—

1 “(i) IN GENERAL.—The amount of an
2 advance payment made under subpara-
3 graph (A) to reduce the premium payable
4 for a qualified health plan that provides
5 coverage to a specified reenrolled individual
6 for an applicable month shall be an
7 amount equal to the amount that would
8 otherwise be made under such subpara-
9 graph reduced by \$5 (or such higher
10 amount as the Secretary determines appro-
11 priate).

12 “(ii) DEFINITIONS.—In this subpara-
13 graph:

14 “(I) APPLICABLE MONTH.—The
15 term ‘applicable month’ means, with
16 respect to a specified reenrolled indi-
17 vidual, any month during a plan year
18 beginning on or after January 1,
19 2027 (or, in the case of an individual
20 reenrolled in a qualified health plan
21 by an Exchange established pursuant
22 to section 1321(c), January 1, 2026)
23 if, prior to the first day of such
24 month, such individual has failed to
25 confirm or update such information as

1 is necessary to redetermine the eligi-
2 bility of such individual for such plan
3 year pursuant to section 1411(f).

4 “(II) SPECIFIED REENROLLED
5 INDIVIDUAL.—The term ‘specified re-
6 enrolled individual’ means an indi-
7 vidual who is reenrolled in a qualified
8 health plan and with respect to whom
9 the advance payment made under sub-
10 paragraph (A) would, without applica-
11 tion of any reduction under this sub-
12 paragraph, reduce the premium pay-
13 able for a qualified health plan that
14 provides coverage to such an indi-
15 vidual to \$0.”.

16 (h) PROHIBITING COVERAGE OF GENDER TRANSI-
17 TION PROCEDURES AS AN ESSENTIAL HEALTH BENEFIT
18 UNDER PLANS OFFERED BY EXCHANGES.—

19 (1) IN GENERAL.—Section 1302(b)(2) of the
20 Patient Protection and Affordable Care Act (42
21 U.S.C. 18022(b)(2)) is amended by adding at the
22 end the following new subparagraph:

23 “(C) GENDER TRANSITION PROCE-
24 DURES.—For plan years beginning on or after
25 January 1, 2027, the essential health benefits

1 defined pursuant to paragraph (1) may not in-
2 clude items and services furnished for a gender
3 transition procedure.”.

4 (2) GENDER TRANSITION PROCEDURE DE-
5 FINED.—Section 1304 of the Patient Protection and
6 Affordable Care Act (42 U.S.C. 18024) is amended
7 by adding at the end the following new subsection:

8 “(f) GENDER TRANSITION PROCEDURE.—

9 “(1) IN GENERAL.—In this title, except as pro-
10 vided in paragraph (2), the term ‘gender transition
11 procedure’ means, with respect to an individual, any
12 of the following when performed for the purpose of
13 intentionally changing the body of such individual
14 (including by disrupting the body’s development, in-
15 hibiting its natural functions, or modifying its ap-
16 pearance) to no longer correspond to the individual’s
17 sex:

18 “(A) Performing any surgery, including—

19 “(i) castration;

20 “(ii) sterilization;

21 “(iii) orchiectomy;

22 “(iv) scrotoplasty;

23 “(v) vasectomy;

24 “(vi) tubal ligation;

25 “(vii) hysterectomy;

- 1 “(viii) oophorectomy;
- 2 “(ix) ovariectomy;
- 3 “(x) metoidioplasty;
- 4 “(xi) clitoroplasty;
- 5 “(xii) reconstruction of the fixed part
- 6 of the urethra with or without a
- 7 metoidioplasty or a phalloplasty;
- 8 “(xiii) penectomy;
- 9 “(xiv) phalloplasty;
- 10 “(xv) vaginoplasty;
- 11 “(xvi) vaginectomy;
- 12 “(xvii) vulvoplasty;
- 13 “(xviii) reduction thyrochondroplasty;
- 14 “(xix) chondrolaryngoplasty;
- 15 “(xx) mastectomy; and
- 16 “(xxi) any plastic, cosmetic, or aes-
- 17 thetic surgery that feminizes or
- 18 masculinizes the facial or other body fea-
- 19 tures of an individual.
- 20 “(B) Any placement of chest implants to
- 21 create feminine breasts or any placement of
- 22 erection or testicular protheses.
- 23 “(C) Any placement of fat or artificial im-
- 24 plants in the gluteal region.

1 “(D) Administering, prescribing, or dis-
2 pensing to an individual medications, includ-
3 ing—

4 “(i) gonadotropin-releasing hormone
5 (GnRH) analogues or other puberty-block-
6 ing drugs to stop or delay normal puberty;
7 and

8 “(ii) testosterone, estrogen, or other
9 androgens to an individual at doses that
10 are supraphysiologic than would normally
11 be produced endogenously in a healthy in-
12 dividual of the same age and sex.

13 “(2) EXCEPTION.—Paragraph (1) shall not
14 apply to the following:

15 “(A) Puberty suppression or blocking pre-
16 scription drugs for the purpose of normalizing
17 puberty for an individual experiencing pre-
18 cocious puberty.

19 “(B) Medically necessary procedures or
20 treatments to correct for—

21 “(i) a medically verifiable disorder of
22 sex development, including—

23 “(I) 46,XX chromosomes with
24 virilization;

1 “(II) 46,XY chromosomes with
2 undervirilization; and

3 “(III) both ovarian and testicular
4 tissue;

5 “(ii) sex chromosome structure, sex
6 steroid hormone production, or sex hor-
7 mone action, if determined to be abnormal
8 by a physician through genetic or bio-
9 chemical testing;

10 “(iii) infection, disease, injury, or dis-
11 order caused or exacerbated by a previous
12 procedure described in paragraph (1), or a
13 physical disorder, physical injury, or phys-
14 ical illness that would, as certified by a
15 physician, place the individual in imminent
16 danger of death or impairment of a major
17 bodily function unless the procedure is per-
18 formed, not including procedures per-
19 formed for the alleviation of mental dis-
20 tress; or

21 “(iv) procedures to restore or recon-
22 struct the body of the individual in order
23 to correspond to the individual’s sex after
24 one or more previous procedures described
25 in paragraph (1), which may include the

1 removal of a pseudo phallus or breast aug-
2 mentation.

3 “(3) SEX.—For purposes of this subsection, the
4 term ‘sex’ means either male or female, as bio-
5 logically determined and defined by subparagraph
6 (A) and subparagraph (B).

7 “(A) FEMALE.—The term ‘female’ means
8 an individual who naturally has, had, will have,
9 or would have, but for a developmental or ge-
10 netic anomaly or historical accident, the repro-
11 ductive system that at some point produces,
12 transports, and utilizes eggs for fertilization.

13 “(B) MALE.—The term ‘male’ means an
14 individual who naturally has, had, will have, or
15 would have, but for a developmental or genetic
16 anomaly or historical accident, the reproductive
17 system that at some point produces, transports,
18 and utilizes sperm for fertilization.”.

19 (i) CLARIFYING LAWFUL PRESENCE FOR PURPOSES
20 OF THE EXCHANGES.—

21 (1) IN GENERAL.—Section 1312(f) of the Pa-
22 tient Protection and Affordable Care Act (42 U.S.C.
23 18032(f)) is amended by adding at the end the fol-
24 lowing new paragraph:

1 “(4) CLARIFICATION OF LAWFUL PRESENCE.—
2 In this title, the term ‘alien lawfully present in the
3 United States’ does not include an alien granted de-
4 ferred action under the Deferred Action for Child-
5 hood Arrivals process pursuant to the memorandum
6 of the Department of Homeland Security entitled
7 ‘Exercising Prosecutorial Discretion with Respect to
8 Individuals Who Came to the United States as Chil-
9 dren’ issued on June 15, 2012.”.

10 (2) COST-SHARING REDUCTIONS.—Section
11 1402(e)(2) of the Patient Protection and Affordable
12 Care Act (42 U.S.C. 18071(e)(2)) is amended by
13 adding at the end the following new sentence: “For
14 purposes of this section, an individual shall not be
15 treated as lawfully present if the individual is an
16 alien granted deferred action under the Deferred Ac-
17 tion for Childhood Arrivals process pursuant to the
18 memorandum of the Department of Homeland Secu-
19 rity entitled ‘Exercising Prosecutorial Discretion
20 with Respect to Individuals Who Came to the United
21 States as Children’ issued on June 15, 2012.”.

22 (3) PAYMENT PROHIBITION.—Section 1412(d)
23 of the Patient Protection and Affordable Care Act
24 (42 U.S.C. 18082(d)) is amended by adding at the
25 end the following new sentence: “For purposes of

1 the previous sentence, an individual shall not be
2 treated as lawfully present if the individual is an
3 alien granted deferred action under the Deferred Ac-
4 tion for Childhood Arrivals process pursuant to the
5 memorandum of the Department of Homeland Secu-
6 rity entitled ‘Exercising Prosecutorial Discretion
7 with Respect to Individuals Who Came to the United
8 States as Children’ issued on June 15, 2012.”.

9 (4) EFFECTIVE DATE.—The amendments made
10 by this section shall apply with respect to plan years
11 beginning on or after January 1, 2026.

12 (j) ENSURING APPROPRIATE APPLICATION OF GUAR-
13 ANTEED ISSUE REQUIREMENTS IN CASE OF NON-
14 PAYMENT OF PAST PREMIUMS.—

15 (1) IN GENERAL.—Section 2702 of the Public
16 Health Service Act (42 U.S.C. 300gg–1) is amended
17 by adding at the end the following new subsection:
18 “(e) NONPAYMENT OF PAST PREMIUMS.—

19 “(1) IN GENERAL.—A health insurance issuer
20 offering individual health insurance coverage may, to
21 the extent allowed under State law, deny such cov-
22 erage in the case of an individual who owes any
23 amount for premiums for individual health insurance
24 coverage offered by such issuer (or by a health in-
25 surance issuer in the same controlled group (as de-

1 fined in paragraph (3)) as such issuer) in which
2 such individual was previously enrolled.

3 “(2) CONTRIBUTION OF INITIAL PREMIUM PAY-
4 MENT TO OWED AMOUNT.—A health insurance
5 issuer offering individual health insurance coverage
6 may, in the case of an individual described in para-
7 graph (1) and to the extent allowed under State law,
8 attribute the initial premium payment for such cov-
9 erage applicable to such individual to the amount
10 owed by such individual for premiums for individual
11 health insurance coverage offered by such issuer (or
12 by a health insurance issuer in the same controlled
13 group as such issuer) in which such individual was
14 previously enrolled.

15 “(3) CONTROLLED GROUP DEFINED.—For pur-
16 poses of this subsection, the term ‘controlled group’
17 means a group of two or more persons that is
18 treated as a single employer under section 52(a),
19 52(b), 414(m), or 414(o) of the Internal Revenue
20 Code of 1986.”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by paragraph (1) shall apply with respect to plan
23 years beginning on or after January 1, 2026.

1 **SEC. 44202. FUNDING COST SHARING REDUCTION PAY-**
2 **MENTS.**

3 Section 1402 of the Patient Protection and Afford-
4 able Care Act (42 U.S.C. 18071) is amended by adding
5 at the end the following new subsection:

6 “(h) FUNDING.—

7 “(1) IN GENERAL.—There are appropriated out
8 of any monies in the Treasury not otherwise appro-
9 priated such sums as may be necessary for purposes
10 of making payments under this section for plan
11 years beginning on or after January 1, 2026.

12 “(2) LIMITATION.—

13 “(A) IN GENERAL.—The amounts appro-
14 priated under paragraph (1) may not be used
15 for purposes of making payments under this
16 section for a qualified health plan that provides
17 health benefit coverage that includes coverage
18 of abortion.

19 “(B) EXCEPTION.—Subparagraph (A)
20 shall not apply to payments for a qualified
21 health plan that provides coverage of abortion
22 only if necessary to save the life of the mother
23 or if the pregnancy is a result of an act of rape
24 or incest.”.

1 **PART 3—IMPROVING AMERICANS’ ACCESS TO**
2 **CARE**

3 **SEC. 44301. EXPANDING AND CLARIFYING THE EXCLUSION**
4 **FOR ORPHAN DRUGS UNDER THE DRUG**
5 **PRICE NEGOTIATION PROGRAM.**

6 (a) IN GENERAL.—Section 1192(e) of the Social Se-
7 curity Act (42 U.S.C. 1320f–1(e)) is amended—

8 (1) in paragraph (1), in the matter preceding
9 subparagraph (A), by striking “and (3)” and insert-
10 ing “through (4)”;

11 (2) in paragraph (3)(A)—

12 (A) by striking “only one rare disease or
13 condition” and inserting “one or more rare dis-
14 eases or conditions”; and

15 (B) by striking “such disease or condition”
16 and inserting “one or more rare diseases or
17 conditions (as such term is defined in section
18 526(a)(2) of the Federal Food, Drug, and Cos-
19 metic Act)”;

20 (3) by adding at the end the following new
21 paragraph:

22 “(4) TREATMENT OF FORMER ORPHAN
23 DRUGS.—In the case of a drug or biological product
24 that, as of the date of the approval or licensure of
25 such drug or biological product, is a drug or biologi-
26 cal product described in paragraph (3)(A), para-

1 graph (1)(A)(ii) or (1)(B)(ii) (as applicable) shall
2 apply as if the reference to ‘the date of such ap-
3 proval’ or ‘the date of such licensure’, respectively,
4 were instead a reference to ‘the first day after the
5 date of such approval for which such drug is not a
6 drug described in paragraph (3)(A)’ or ‘the first day
7 after the date of such licensure for which such bio-
8 logical product is not a biological product described
9 in paragraph (3)(A)’, respectively.”.

10 (b) APPLICATION.—The amendments made by sub-
11 section (a) shall apply with respect to initial price applica-
12 bility years (as defined in section 1191(b) of the Social
13 Security Act (42 U.S.C. 1320f(b))) beginning on or after
14 January 1, 2028.

15 **SEC. 44302. STREAMLINED ENROLLMENT PROCESS FOR EL-**
16 **IGIBLE OUT-OF-STATE PROVIDERS UNDER**
17 **MEDICAID AND CHIP.**

18 (a) IN GENERAL.—Section 1902(kk) of the Social Se-
19 curity Act (42 U.S.C. 1396a(kk)) is amended by adding
20 at the end the following new paragraph:

21 “(10) STREAMLINED ENROLLMENT PROCESS
22 FOR ELIGIBLE OUT-OF-STATE PROVIDERS.—

23 “(A) IN GENERAL.—The State—

24 “(i) adopts and implements a process
25 to allow an eligible out-of-State provider to

1 enroll under the State plan (or a waiver of
2 such plan) to furnish items and services to,
3 or order, prescribe, refer, or certify eligi-
4 bility for items and services for, qualifying
5 individuals without the imposition of
6 screening or enrollment requirements by
7 such State that exceed the minimum nec-
8 essary for such State to provide payment
9 to an eligible out-of-State provider under
10 such State plan (or a waiver of such plan),
11 such as the provider’s name and National
12 Provider Identifier (and such other infor-
13 mation specified by the Secretary); and

14 “(ii) provides that an eligible out-of-
15 State provider that enrolls as a partici-
16 pating provider in the State plan (or a
17 waiver of such plan) through such process
18 shall be so enrolled for a 5-year period, un-
19 less the provider is terminated or excluded
20 from participation during such period.

21 “(B) DEFINITIONS.—In this paragraph:

22 “(i) ELIGIBLE OUT-OF-STATE PRO-
23 VIDER.—The term ‘eligible out-of-State
24 provider’ means, with respect to a State, a
25 provider—

1 “(I) that is located in any other
2 State;

3 “(II) that—

4 “(aa) was determined by the
5 Secretary to have a limited risk
6 of fraud, waste, and abuse for
7 purposes of determining the level
8 of screening to be conducted
9 under section 1866(j)(2), has
10 been so screened under such sec-
11 tion 1866(j)(2), and is enrolled in
12 the Medicare program under title
13 XVIII; or

14 “(bb) was determined by the
15 State agency administering or su-
16 pervising the administration of
17 the State plan (or a waiver of
18 such plan) of such other State to
19 have a limited risk of fraud,
20 waste, and abuse for purposes of
21 determining the level of screening
22 to be conducted under paragraph
23 (1) of this subsection, has been
24 so screened under such para-
25 graph (1), and is enrolled under

1 such State plan (or a waiver of
2 such plan); and

3 “(III) that has not been—

4 “(aa) excluded from partici-
5 pation in any Federal health care
6 program pursuant to section
7 1128 or 1128A;

8 “(bb) excluded from partici-
9 pation in the State plan (or a
10 waiver of such plan) pursuant to
11 part 1002 of title 42, Code of
12 Federal Regulations (or any suc-
13 cessor regulation), or State law;
14 or

15 “(cc) terminated from par-
16 ticipating in a Federal health
17 care program or the State plan
18 (or a waiver of such plan) for a
19 reason described in paragraph
20 (8)(A).

21 “(ii) QUALIFYING INDIVIDUAL.—The
22 term ‘qualifying individual’ means an indi-
23 vidual under 21 years of age who is en-
24 rolled under the State plan (or waiver of
25 such plan).

1 “(iii) STATE.—The term ‘State’
2 means 1 of the 50 States or the District
3 of Columbia.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 1902(a)(77) of the Social Security
6 Act (42 U.S.C. 1396a(a)(77)) is amended by insert-
7 ing “enrollment,” after “screening,”.

8 (2) The subsection heading for section
9 1902(kk) of such Act (42 U.S.C. 1396a(kk)) is
10 amended by inserting “ENROLLMENT,” after
11 “SCREENING,”.

12 (3) Section 2107(e)(1)(G) of such Act (42
13 U.S.C. 1397gg(e)(1)(G)) is amended by inserting
14 “enrollment,” after “screening,”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply beginning on the date that is 4
17 years after the date of enactment of this Act.

18 **SEC. 44303. DELAYING DSH REDUCTIONS.**

19 (a) IN GENERAL.—Section 1923(f) of the Social Se-
20 curity Act (42 U.S.C. 1396r-4(f)) is amended—

21 (1) in paragraph (7)(A)—

22 (A) in clause (i)—

23 (i) in the matter preceding subclause
24 (I), by striking “2026 through 2028” and
25 inserting “2029 through 2031”; and

1 (ii) in subclause (II), by striking “or
2 period”; and

3 (B) in clause (ii), by striking “2026
4 through 2028” and inserting “2029 through
5 2031”; and

6 (2) in paragraph (8), by striking “2027” and
7 inserting “2031”.

8 (b) TENNESSEE DSH ALLOTMENT.—Section
9 1923(f)(6)(A)(vi) of the Social Security Act (42 U.S.C.
10 1396r-4(f)(6)(A)(vi)) is amended—

11 (1) in the header, by striking “2025” and insert-
12 ing “2028”; and

13 (2) by striking “fiscal year 2025” and inserting
14 “fiscal year 2028”.

15 **SEC. 44304. MODIFYING UPDATE TO THE CONVERSION FAC-**
16 **TOR UNDER THE PHYSICIAN FEE SCHEDULE**
17 **UNDER THE MEDICARE PROGRAM.**

18 Section 1848(d) of the Social Security Act (42 U.S.C.
19 1395w-4(d)) is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (A)—

22 (i) in the first sentence, by striking
23 “and ending with 2025”; and

24 (ii) by striking the second sentence;
25 and

1 (B) in subparagraph (D), by striking “(or,
2 beginning with 2026, applicable conversion fac-
3 tor)”;

4 (2) by amending paragraph (20) to read as fol-
5 lows:

6 “(20) UPDATE FOR 2026 AND SUBSEQUENT
7 YEARS.—The update to the single conversion factor
8 established in paragraph (1)(A)—

9 “(A) for 2026 is 75 percent of the Sec-
10 retary’s estimate of the percentage increase in
11 the MEI (as defined in section 1842(i)(3)) for
12 the year; and

13 “(B) for 2027 and each subsequent year is
14 10 percent of the Secretary’s estimate of the
15 percentage increase in the MEI for the year.”.

16 **SEC. 44305. MODERNIZING AND ENSURING PBM ACCOUNT-**
17 **ABILITY.**

18 (a) IN GENERAL.—

19 (1) PRESCRIPTION DRUG PLANS.—Section
20 1860D–12 of the Social Security Act (42 U.S.C.
21 1395w–112) is amended by adding at the end the
22 following new subsection:

23 “(h) REQUIREMENTS RELATING TO PHARMACY BEN-
24 EFIT MANAGERS.—For plan years beginning on or after
25 January 1, 2028:

1 “(1) AGREEMENTS WITH PHARMACY BENEFIT
2 MANAGERS.—Each contract entered into with a
3 PDP sponsor under this part with respect to a pre-
4 scription drug plan offered by such sponsor shall
5 provide that any pharmacy benefit manager acting
6 on behalf of such sponsor has a written agreement
7 with the PDP sponsor under which the pharmacy
8 benefit manager, and any affiliates of such phar-
9 macy benefit manager, as applicable, agree to meet
10 the following requirements:

11 “(A) NO INCOME OTHER THAN BONA FIDE
12 SERVICE FEES.—

13 “(i) IN GENERAL.—The pharmacy
14 benefit manager and any affiliate of such
15 pharmacy benefit manager shall not derive
16 any remuneration with respect to any serv-
17 ices provided on behalf of any entity or in-
18 dividual, in connection with the utilization
19 of covered part D drugs, from any such en-
20 tity or individual other than bona fide serv-
21 ice fees, subject to clauses (ii) and (iii).

22 “(ii) INCENTIVE PAYMENTS.—For the
23 purposes of this subsection, an incentive
24 payment (as determined by the Secretary)
25 paid by a PDP sponsor to a pharmacy

1 benefit manager (or an affiliate of such
2 pharmacy benefit manager) that is per-
3 forming services on behalf of such sponsor
4 shall be deemed a ‘bona fide service fee’
5 (even if such payment does not otherwise
6 meet the definition of such term under
7 paragraph (7)(B)) if such payment is a
8 flat dollar amount, is consistent with fair
9 market value (as specified by the Sec-
10 retary), is related to services actually per-
11 formed by the pharmacy benefit manager
12 or affiliate of such pharmacy benefit man-
13 ager, on behalf of the PDP sponsor mak-
14 ing such payment, in connection with the
15 utilization of covered part D drugs, and
16 meets additional requirements, if any, as
17 determined appropriate by the Secretary.

18 “(iii) CLARIFICATION ON REBATES
19 AND DISCOUNTS USED TO LOWER COSTS
20 FOR COVERED PART D DRUGS.—Rebates,
21 discounts, and other price concessions re-
22 ceived by a pharmacy benefit manager or
23 an affiliate of a pharmacy benefit manager
24 from manufacturers, even if such price
25 concessions are calculated as a percentage

1 of a drug’s price, shall not be considered a
2 violation of the requirements of clause (i)
3 if they are fully passed through to a PDP
4 sponsor and are compliant with all regu-
5 latory and subregulatory requirements re-
6 lated to direct and indirect remuneration
7 for manufacturer rebates under this part,
8 including in cases where a PDP sponsor is
9 acting as a pharmacy benefit manager on
10 behalf of a prescription drug plan offered
11 by such PDP sponsor.

12 “(iv) EVALUATION OF REMUNERATION
13 ARRANGEMENTS.—Components of subsets
14 of remuneration arrangements (such as
15 fees or other forms of compensation paid
16 to or retained by the pharmacy benefit
17 manager or affiliate of such pharmacy ben-
18 efit manager), as determined appropriate
19 by the Secretary, between pharmacy ben-
20 efit managers or affiliates of such phar-
21 macy benefit managers, as applicable, and
22 other entities involved in the dispensing or
23 utilization of covered part D drugs (includ-
24 ing PDP sponsors, manufacturers, and
25 pharmacies) shall be subject to review by

1 the Secretary, in consultation with the Of-
2 fice of the Inspector General of the De-
3 partment of Health and Human Services,
4 as determined appropriate by the Sec-
5 retary. The Secretary, in consultation with
6 the Office of the Inspector General, shall
7 review whether remuneration under such
8 arrangements is consistent with fair mar-
9 ket value (as specified by the Secretary)
10 through reviews and assessments of such
11 remuneration, as determined appropriate.

12 “(v) DISGORGEMENT.—The pharmacy
13 benefit manager shall disgorge any remu-
14 nation paid to such pharmacy benefit
15 manager or an affiliate of such pharmacy
16 benefit manager in violation of this sub-
17 paragraph to the PDP sponsor.

18 “(vi) ADDITIONAL REQUIREMENTS.—
19 The pharmacy benefit manager shall—

20 “(I) enter into a written agree-
21 ment with any affiliate of such phar-
22 macy benefit manager, under which
23 the affiliate shall identify and disgorge
24 any remuneration described in clause

1 (v) to the pharmacy benefit manager;
2 and

3 “(II) attest, subject to any re-
4 quirements determined appropriate by
5 the Secretary, that the pharmacy ben-
6 efit manager has entered into a writ-
7 ten agreement described in subclause
8 (I) with any relevant affiliate of the
9 pharmacy benefit manager.

10 “(B) TRANSPARENCY REGARDING GUARAN-
11 TEES AND COST PERFORMANCE EVALUA-
12 TIONS.—The pharmacy benefit manager shall—

13 “(i) define, interpret, and apply, in a
14 fully transparent and consistent manner
15 for purposes of calculating or otherwise
16 evaluating pharmacy benefit manager per-
17 formance against pricing guarantees or
18 similar cost performance measurements re-
19 lated to rebates, discounts, price conces-
20 sions, or net costs, terms such as—

21 “(I) ‘generic drug’, in a manner
22 consistent with the definition of the
23 term under section 423.4 of title 42,
24 Code of Federal Regulations, or a suc-
25 cessor regulation;

1 “(II) ‘brand name drug’, in a
2 manner consistent with the definition
3 of the term under section 423.4 of
4 title 42, Code of Federal Regulations,
5 or a successor regulation;

6 “(III) ‘specialty drug’;

7 “(IV) ‘rebate’; and

8 “(V) ‘discount’;

9 “(ii) identify any drugs, claims, or
10 price concessions excluded from any pric-
11 ing guarantee or other cost performance
12 measure in a clear and consistent manner;
13 and

14 “(iii) where a pricing guarantee or
15 other cost performance measure is based
16 on a pricing benchmark other than the
17 wholesale acquisition cost (as defined in
18 section 1847A(e)(6)(B)) of a drug, cal-
19 culate and provide a wholesale acquisition
20 cost-based equivalent to the pricing guar-
21 antee or other cost performance measure.

22 “(C) PROVISION OF INFORMATION.—

23 “(i) IN GENERAL.—Not later than
24 July 1 of each year, beginning in 2028, the
25 pharmacy benefit manager shall submit to

1 the PDP sponsor, and to the Secretary, a
2 report, in accordance with this subpara-
3 graph, and shall make such report avail-
4 able to such sponsor at no cost to such
5 sponsor in a format specified by the Sec-
6 retary under paragraph (5). Each such re-
7 port shall include, with respect to such
8 PDP sponsor and each plan offered by
9 such sponsor, the following information
10 with respect to the previous plan year:

11 “(I) A list of all drugs covered by
12 the plan that were dispensed includ-
13 ing, with respect to each such drug—

14 “(aa) the brand name, ge-
15 neric or non-proprietary name,
16 and National Drug Code;

17 “(bb) the number of plan
18 enrollees for whom the drug was
19 dispensed, the total number of
20 prescription claims for the drug
21 (including original prescriptions
22 and refills, counted as separate
23 claims), and the total number of
24 dosage units of the drug dis-
25 pensed;

1 “(cc) the number of pre-
2 scription claims described in item
3 (bb) by each type of dispensing
4 channel through which the drug
5 was dispensed, including retail,
6 mail order, specialty pharmacy,
7 long term care pharmacy, home
8 infusion pharmacy, or other types
9 of pharmacies or providers;

10 “(dd) the average wholesale
11 acquisition cost, listed as cost per
12 day’s supply, cost per dosage
13 unit, and cost per typical course
14 of treatment (as applicable);

15 “(ee) the average wholesale
16 price for the drug, listed as price
17 per day’s supply, price per dos-
18 age unit, and price per typical
19 course of treatment (as applica-
20 ble);

21 “(ff) the total out-of-pocket
22 spending by plan enrollees on
23 such drug after application of
24 any benefits under the plan, in-
25 cluding plan enrollee spending

1 through copayments, coinsurance,
2 and deductibles;

3 “(gg) total rebates paid by
4 the manufacturer on the drug as
5 reported under the Detailed DIR
6 Report (or any successor report)
7 submitted by such sponsor to the
8 Centers for Medicare & Medicaid
9 Services;

10 “(hh) all other direct or in-
11 direct remuneration on the drug
12 as reported under the Detailed
13 DIR Report (or any successor re-
14 port) submitted by such sponsor
15 to the Centers for Medicare &
16 Medicaid Services;

17 “(ii) the average pharmacy
18 reimbursement amount paid by
19 the plan for the drug in the ag-
20 gregate and disaggregated by dis-
21 pensing channel identified in item
22 (cc);

23 “(jj) the average National
24 Average Drug Acquisition Cost
25 (NADAC); and

1 “(kk) total manufacturer-de-
2 rived revenue, inclusive of bona
3 fide service fees, attributable to
4 the drug and retained by the
5 pharmacy benefit manager and
6 any affiliate of such pharmacy
7 benefit manager.

8 “(II) In the case of a pharmacy
9 benefit manager that has an affiliate
10 that is a retail, mail order, or spe-
11 cialty pharmacy, with respect to drugs
12 covered by such plan that were dis-
13 pensed, the following information:

14 “(aa) The percentage of
15 total prescriptions that were dis-
16 pensed by pharmacies that are an
17 affiliate of the pharmacy benefit
18 manager for each drug.

19 “(bb) The interquartile
20 range of the total combined costs
21 paid by the plan and plan enroll-
22 ees, per dosage unit, per course
23 of treatment, per 30-day supply,
24 and per 90-day supply for each
25 drug dispensed by pharmacies

1 that are not an affiliate of the
2 pharmacy benefit manager and
3 that are included in the phar-
4 macy network of such plan.

5 “(cc) The interquartile
6 range of the total combined costs
7 paid by the plan and plan enroll-
8 ees, per dosage unit, per course
9 of treatment, per 30-day supply,
10 and per 90-day supply for each
11 drug dispensed by pharmacies
12 that are an affiliate of the phar-
13 macy benefit manager and that
14 are included in the pharmacy
15 network of such plan.

16 “(dd) The lowest total com-
17 bined cost paid by the plan and
18 plan enrollees, per dosage unit,
19 per course of treatment, per 30-
20 day supply, and per 90-day sup-
21 ply, for each drug that is avail-
22 able from any pharmacy included
23 in the pharmacy network of such
24 plan.

1 “(ee) The difference between
2 the average acquisition cost of
3 the affiliate, such as a pharmacy
4 or other entity that acquires pre-
5 scription drugs, that initially ac-
6 quires the drug and the amount
7 reported under subclause (I)(jj)
8 for each drug.

9 “(ff) A list inclusive of the
10 brand name, generic or non-pro-
11 prietary name, and National
12 Drug Code of covered part D
13 drugs subject to an agreement
14 with a covered entity under sec-
15 tion 340B of the Public Health
16 Service Act for which the phar-
17 macy benefit manager or an affil-
18 iate of the pharmacy benefit
19 manager had a contract or other
20 arrangement with such a covered
21 entity in the service area of such
22 plan.

23 “(III) Where a drug approved
24 under section 505(c) of the Federal
25 Food, Drug, and Cosmetic Act (re-

1 ferred to in this subclause as the ‘list-
2 ed drug’) is covered by the plan, the
3 following information:

4 “(aa) A list of currently
5 marketed generic drugs approved
6 under section 505(j) of the Fed-
7 eral Food, Drug, and Cosmetic
8 Act pursuant to an application
9 that references such listed drug
10 that are not covered by the plan,
11 are covered on the same for-
12 mulary tier or a formulary tier
13 typically associated with higher
14 cost-sharing than the listed drug,
15 or are subject to utilization man-
16 agement that the listed drug is
17 not subject to.

18 “(bb) The estimated average
19 beneficiary cost-sharing under
20 the plan for a 30-day supply of
21 the listed drug.

22 “(cc) Where a generic drug
23 listed under item (aa) is on a for-
24 mulary tier typically associated
25 with higher cost-sharing than the

1 listed drug, the estimated aver-
2 age cost-sharing that a bene-
3 ficiary would have paid for a 30-
4 day supply of each of the generic
5 drugs described in item (aa), had
6 the plan provided coverage for
7 such drugs on the same for-
8 mulary tier as the listed drug.

9 “(dd) A written justification
10 for providing more favorable cov-
11 erage of the listed drug than the
12 generic drugs described in item
13 (aa).

14 “(ee) The number of cur-
15 rently marketed generic drugs
16 approved under section 505(j) of
17 the Federal Food, Drug, and
18 Cosmetic Act pursuant to an ap-
19 plication that references such
20 listed drug.

21 “(IV) Where a reference product
22 (as defined in section 351(i) of the
23 Public Health Service Act) is covered
24 by the plan, the following information:

1 “(aa) A list of currently
2 marketed biosimilar biological
3 products licensed under section
4 351(k) of the Public Health
5 Service Act pursuant to an appli-
6 cation that refers to such ref-
7 erence product that are not cov-
8 ered by the plan, are covered on
9 the same formulary tier or a for-
10 mulary tier typically associated
11 with higher cost-sharing than the
12 reference product, or are subject
13 to utilization management that
14 the reference product is not sub-
15 ject to.

16 “(bb) The estimated average
17 beneficiary cost-sharing under
18 the plan for a 30-day supply of
19 the reference product.

20 “(cc) Where a biosimilar bi-
21 ological product listed under item
22 (aa) is on a formulary tier typi-
23 cally associated with higher cost-
24 sharing than the reference prod-
25 uct, the estimated average cost-

1 sharing that a beneficiary would
2 have paid for a 30-day supply of
3 each of the biosimilar biological
4 products described in item (aa),
5 had the plan provided coverage
6 for such products on the same
7 formulary tier as the reference
8 product.

9 “(dd) A written justification
10 for providing more favorable cov-
11 erage of the reference product
12 than the biosimilar biological
13 product described in item (aa).

14 “(ee) The number of cur-
15 rently marketed biosimilar bio-
16 logical products licensed under
17 section 351(k) of the Public
18 Health Service Act, pursuant to
19 an application that refers to such
20 reference product.

21 “(V) Total gross spending on
22 covered part D drugs by the plan, not
23 net of rebates, fees, discounts, or
24 other direct or indirect remuneration.

1 “(VI) The total amount retained
2 by the pharmacy benefit manager or
3 an affiliate of such pharmacy benefit
4 manager in revenue related to utiliza-
5 tion of covered part D drugs under
6 that plan, inclusive of bona fide serv-
7 ice fees.

8 “(VII) The total spending on cov-
9 ered part D drugs net of rebates, fees,
10 discounts, or other direct and indirect
11 remuneration by the plan.

12 “(VIII) An explanation of any
13 benefit design parameters under such
14 plan that encourage plan enrollees to
15 fill prescriptions at pharmacies that
16 are an affiliate of such pharmacy ben-
17 efit manager, such as mail and spe-
18 cialty home delivery programs, and re-
19 tail and mail auto-refill programs.

20 “(IX) The following information:

21 “(aa) A list of all brokers,
22 consultants, advisors, and audi-
23 tors that receive compensation
24 from the pharmacy benefit man-
25 ager or an affiliate of such phar-

1 macy benefit manager for refer-
2 rals, consulting, auditing, or
3 other services offered to PDP
4 sponsors related to pharmacy
5 benefit management services.

6 “(bb) The amount of com-
7 pensation provided by such phar-
8 macy benefit manager or affiliate
9 to each such broker, consultant,
10 advisor, and auditor.

11 “(cc) The methodology for
12 calculating the amount of com-
13 pensation provided by such phar-
14 macy benefit manager or affil-
15 iate, for each such broker, con-
16 sultant, advisor, and auditor.

17 “(X) A list of all affiliates of the
18 pharmacy benefit manager.

19 “(XI) A summary document sub-
20 mitted in a standardized template de-
21 veloped by the Secretary that includes
22 such information described in sub-
23 clauses (I) through (X).

1 “(ii) WRITTEN EXPLANATION OF CON-
2 TRACTS OR AGREEMENTS WITH DRUG
3 MANUFACTURERS.—

4 “(I) IN GENERAL.—The phar-
5 macy benefit manager shall, not later
6 than 30 days after the finalization of
7 any contract or agreement between
8 such pharmacy benefit manager or an
9 affiliate of such pharmacy benefit
10 manager and a drug manufacturer (or
11 subsidiary, agent, or entity affiliated
12 with such drug manufacturer) that
13 makes rebates, discounts, payments,
14 or other financial incentives related to
15 one or more covered part D drugs or
16 other prescription drugs, as applica-
17 ble, of the manufacturer directly or
18 indirectly contingent upon coverage,
19 formulary placement, or utilization
20 management conditions on any other
21 covered part D drugs or other pre-
22 scription drugs, as applicable, submit
23 to the PDP sponsor a written expla-
24 nation of such contract or agreement.

1 “(II) REQUIREMENTS.—A writ-
2 ten explanation under subclause (I)
3 shall—

4 “(aa) include the manufac-
5 turer subject to the contract or
6 agreement, all covered part D
7 drugs and other prescription
8 drugs, as applicable, subject to
9 the contract or agreement and
10 the manufacturers of such drugs,
11 and a high-level description of
12 the terms of such contract or
13 agreement and how such terms
14 apply to such drugs; and

15 “(bb) be certified by the
16 Chief Executive Officer, Chief Fi-
17 nancial Officer, or General Coun-
18 sel of such pharmacy benefit
19 manager, or affiliate of such
20 pharmacy benefit manager, as
21 applicable, or an individual dele-
22 gated with the authority to sign
23 on behalf of one of these officers,
24 who reports directly to the offi-
25 cer.

1 “(III) DEFINITION OF OTHER
2 PRESCRIPTION DRUGS.—For purposes
3 of this clause, the term ‘other pre-
4 scription drugs’ means prescription
5 drugs covered as supplemental bene-
6 fits under this part or prescription
7 drugs paid outside of this part.

8 “(D) AUDIT RIGHTS.—

9 “(i) IN GENERAL.—Not less than once
10 a year, at the request of the PDP sponsor,
11 the pharmacy benefit manager shall allow
12 for an audit of the pharmacy benefit man-
13 ager to ensure compliance with all terms
14 and conditions under the written agree-
15 ment described in this paragraph and the
16 accuracy of information reported under
17 subparagraph (C).

18 “(ii) AUDITOR.—The PDP sponsor
19 shall have the right to select an auditor.
20 The pharmacy benefit manager shall not
21 impose any limitations on the selection of
22 such auditor.

23 “(iii) PROVISION OF INFORMATION.—
24 The pharmacy benefit manager shall make
25 available to such auditor all records, data,

1 contracts, and other information necessary
2 to confirm the accuracy of information
3 provided under subparagraph (C), subject
4 to reasonable restrictions on how such in-
5 formation must be reported to prevent re-
6 disclosure of such information.

7 “(iv) TIMING.—The pharmacy benefit
8 manager must provide information under
9 clause (iii) and other information, data,
10 and records relevant to the audit to such
11 auditor within 6 months of the initiation of
12 the audit and respond to requests for addi-
13 tional information from such auditor with-
14 in 30 days after the request for additional
15 information.

16 “(v) INFORMATION FROM AFFILI-
17 ATES.—The pharmacy benefit manager
18 shall be responsible for providing to such
19 auditor information required to be reported
20 under subparagraph (C) or under clause
21 (iii) of this subparagraph that is owned or
22 held by an affiliate of such pharmacy ben-
23 efit manager.

24 “(2) ENFORCEMENT.—

1 “(A) IN GENERAL.—Each PDP sponsor
2 shall—

3 “(i) disgorge to the Secretary any
4 amounts disgorged to the PDP sponsor by
5 a pharmacy benefit manager under para-
6 graph (1)(A)(v);

7 “(ii) require, in a written agreement
8 with any pharmacy benefit manager acting
9 on behalf of such sponsor or affiliate of
10 such pharmacy benefit manager, that such
11 pharmacy benefit manager or affiliate re-
12 imburse the PDP sponsor for any civil
13 money penalty imposed on the PDP spon-
14 sor as a result of the failure of the phar-
15 macy benefit manager or affiliate to meet
16 the requirements of paragraph (1) that are
17 applicable to the pharmacy benefit man-
18 ager or affiliate under the agreement; and

19 “(iii) require, in a written agreement
20 with any such pharmacy benefit manager
21 acting on behalf of such sponsor or affil-
22 iate of such pharmacy benefit manager,
23 that such pharmacy benefit manager or af-
24 filiate be subject to punitive remedies for
25 breach of contract for failure to comply

1 with the requirements applicable under
2 paragraph (1).

3 “(B) REPORTING OF ALLEGED VIOLA-
4 TIONS.—The Secretary shall make available and
5 maintain a mechanism for manufacturers, PDP
6 sponsors, pharmacies, and other entities that
7 have contractual relationships with pharmacy
8 benefit managers or affiliates of such pharmacy
9 benefit managers to report, on a confidential
10 basis, alleged violations of paragraph (1)(A) or
11 subparagraph (C).

12 “(C) ANTI-RETALIATION AND ANTI-COER-
13 CION.—Consistent with applicable Federal or
14 State law, a PDP sponsor shall not—

15 “(i) retaliate against an individual or
16 entity for reporting an alleged violation
17 under subparagraph (B); or

18 “(ii) coerce, intimidate, threaten, or
19 interfere with the ability of an individual
20 or entity to report any such alleged viola-
21 tions.

22 “(3) CERTIFICATION OF COMPLIANCE.—

23 “(A) IN GENERAL.—Each PDP sponsor
24 shall furnish to the Secretary (at a time and in
25 a manner specified by the Secretary) an annual

1 certification of compliance with this subsection,
2 as well as such information as the Secretary de-
3 termines necessary to carry out this subsection.

4 “(B) IMPLEMENTATION.—The Secretary
5 may implement this paragraph by program in-
6 struction or otherwise.

7 “(4) RULE OF CONSTRUCTION.—Nothing in
8 this subsection shall be construed as—

9 “(A) prohibiting flat dispensing fees or re-
10 imbursement or payment for ingredient costs
11 (including customary, industry-standard dis-
12 counts directly related to drug acquisition that
13 are retained by pharmacies or wholesalers) to
14 entities that acquire or dispense prescription
15 drugs; or

16 “(B) modifying regulatory requirements or
17 sub-regulatory program instruction or guidance
18 related to pharmacy payment, reimbursement,
19 or dispensing fees.

20 “(5) STANDARD FORMATS.—

21 “(A) IN GENERAL.—Not later than June
22 1, 2027, the Secretary shall specify standard,
23 machine-readable formats for pharmacy benefit
24 managers to submit annual reports required
25 under paragraph (1)(C)(i).

1 “(B) IMPLEMENTATION.—The Secretary
2 may implement this paragraph by program in-
3 struction or otherwise.

4 “(6) CONFIDENTIALITY.—

5 “(A) IN GENERAL.—Information disclosed
6 by a pharmacy benefit manager, an affiliate of
7 a pharmacy benefit manager, a PDP sponsor,
8 or a pharmacy under this subsection that is not
9 otherwise publicly available or available for pur-
10 chase shall not be disclosed by the Secretary or
11 a PDP sponsor receiving the information, ex-
12 cept that the Secretary may disclose the infor-
13 mation for the following purposes:

14 “(i) As the Secretary determines nec-
15 essary to carry out this part.

16 “(ii) To permit the Comptroller Gen-
17 eral to review the information provided.

18 “(iii) To permit the Executive Direc-
19 tor of the Medicare Payment Advisory
20 Commission to review the information pro-
21 vided.

22 “(iv) To the Attorney General for the
23 purposes of conducting oversight and en-
24 forcement under this title.

1 “(v) To the Inspector General of the
2 Department of Health and Human Serv-
3 ices in accordance with its authorities
4 under the Inspector General Act of 1978
5 (section 406 of title 5, United States
6 Code), and other applicable statutes.

7 “(B) RESTRICTION ON USE OF INFORMA-
8 TION.—The Secretary, the Comptroller General,
9 and the Executive Director of the Medicare
10 Payment Advisory Commission shall not report
11 on or disclose information disclosed pursuant to
12 subparagraph (A) to the public in a manner
13 that would identify—

14 “(i) a specific pharmacy benefit man-
15 ager, affiliate, pharmacy, manufacturer,
16 wholesaler, PDP sponsor, or plan; or

17 “(ii) contract prices, rebates, dis-
18 counts, or other remuneration for specific
19 drugs in a manner that may allow the
20 identification of specific contracting parties
21 or of such specific drugs.

22 “(7) DEFINITIONS.—For purposes of this sub-
23 section:

24 “(A) AFFILIATE.—The term ‘affiliate’
25 means, with respect to any pharmacy benefit

1 manager or PDP sponsor, any entity that, di-
2 rectly or indirectly—

3 “(i) owns or is owned by, controls or
4 is controlled by, or is otherwise related in
5 any ownership structure to such pharmacy
6 benefit manager or PDP sponsor; or

7 “(ii) acts as a contractor, principal, or
8 agent to such pharmacy benefit manager
9 or PDP sponsor, insofar as such con-
10 tractor, principal, or agent performs any of
11 the functions described under subpara-
12 graph (C).

13 “(B) BONA FIDE SERVICE FEE.—The term
14 ‘bona fide service fee’ means a fee that is reflec-
15 tive of the fair market value (as specified by the
16 Secretary, through notice and comment rule-
17 making) for a bona fide, itemized service actu-
18 ally performed on behalf of an entity, that the
19 entity would otherwise perform (or contract for)
20 in the absence of the service arrangement and
21 that is not passed on in whole or in part to a
22 client or customer, whether or not the entity
23 takes title to the drug. Such fee must be a flat
24 dollar amount and shall not be directly or indi-
25 rectly based on, or contingent upon—

1 “(i) drug price, such as wholesale ac-
2 quisition cost or drug benchmark price
3 (such as average wholesale price);

4 “(ii) the amount of discounts, rebates,
5 fees, or other direct or indirect remunera-
6 tion with respect to covered part D drugs
7 dispensed to enrollees in a prescription
8 drug plan, except as permitted pursuant to
9 paragraph (1)(A)(ii);

10 “(iii) coverage or formulary placement
11 decisions or the volume or value of any re-
12 ferrals or business generated between the
13 parties to the arrangement; or

14 “(iv) any other amounts or meth-
15 odologies prohibited by the Secretary.

16 “(C) PHARMACY BENEFIT MANAGER.—The
17 term ‘pharmacy benefit manager’ means any
18 person or entity that, either directly or through
19 an intermediary, acts as a price negotiator or
20 group purchaser on behalf of a PDP sponsor or
21 prescription drug plan, or manages the pre-
22 scription drug benefits provided by such spon-
23 sor or plan, including the processing and pay-
24 ment of claims for prescription drugs, the per-
25 formance of drug utilization review, the proc-

1 essing of drug prior authorization requests, the
2 adjudication of appeals or grievances related to
3 the prescription drug benefit, contracting with
4 network pharmacies, controlling the cost of cov-
5 ered part D drugs, or the provision of related
6 services. Such term includes any person or enti-
7 ty that carries out one or more of the activities
8 described in the preceding sentence, irrespective
9 of whether such person or entity calls itself a
10 ‘pharmacy benefit manager’.”.

11 (2) MA–PD PLANS.—Section 1857(f)(3) of the
12 Social Security Act (42 U.S.C. 1395w–27(f)(3)) is
13 amended by adding at the end the following new
14 subparagraph:

15 “(F) REQUIREMENTS RELATING TO PHAR-
16 MACY BENEFIT MANAGERS.—For plan years be-
17 ginning on or after January 1, 2028, section
18 1860D–12(h).”.

19 (3) NONAPPLICATION OF PAPERWORK REDUC-
20 TION ACT.—Chapter 35 of title 44, United States
21 Code, shall not apply to the implementation of this
22 subsection.

23 (4) FUNDING.—

24 (A) SECRETARY.—In addition to amounts
25 otherwise available, there is appropriated to the

1 Centers for Medicare & Medicaid Services Pro-
2 gram Management Account, out of any money
3 in the Treasury not otherwise appropriated,
4 \$113,000,000 for fiscal year 2025, to remain
5 available until expended, to carry out this sub-
6 section.

7 (B) OIG.—In addition to amounts other-
8 wise available, there is appropriated to the In-
9 spector General of the Department of Health
10 and Human Services, out of any money in the
11 Treasury not otherwise appropriated,
12 \$20,000,000 for fiscal year 2025, to remain
13 available until expended, to carry out this sub-
14 section.

15 (b) MEDPAC REPORTS ON AGREEMENTS WITH
16 PHARMACY BENEFIT MANAGERS WITH RESPECT TO PRE-
17 SCRIPTIION DRUG PLANS AND MA-PD PLANS.—

18 (1) IN GENERAL.—The Medicare Payment Ad-
19 visory Commission shall submit to Congress the fol-
20 lowing reports:

21 (A) INITIAL REPORT.—Not later than the
22 first March 15 occurring after the date that is
23 2 years after the date on which the Secretary
24 makes the data available to the Commission, a
25 report regarding agreements with pharmacy

1 benefit managers with respect to prescription
2 drug plans and MA–PD plans. Such report
3 shall include, to the extent practicable—

4 (i) a description of trends and pat-
5 terns, including relevant averages, totals,
6 and other figures for the types of informa-
7 tion submitted;

8 (ii) an analysis of any differences in
9 agreements and their effects on plan en-
10 rollee out-of-pocket spending and average
11 pharmacy reimbursement, and other im-
12 pacts; and

13 (iii) any recommendations the Com-
14 mission determines appropriate.

15 (B) FINAL REPORT.—Not later than 2
16 years after the date on which the Commission
17 submits the initial report under subparagraph
18 (A), a report describing any changes with re-
19 spect to the information described in subpara-
20 graph (A) over time, together with any rec-
21 ommendations the Commission determines ap-
22 propriate.

23 (2) FUNDING.—In addition to amounts other-
24 wise available, there is appropriated to the Medicare
25 Payment Advisory Commission, out of any money in

1 the Treasury not otherwise appropriated,
2 \$1,000,000 for fiscal year 2026, to remain available
3 until expended, to carry out this subsection.

4 **TITLE V—COMMITTEE ON**
5 **FINANCIAL SERVICES**

6 **SEC. 50001. GREEN AND RESILIENT RETROFIT PROGRAM**
7 **FOR MULTIFAMILY FAMILY HOUSING.**

8 The unobligated balance of amounts made available
9 under section 30002(a) of Public Law 117-169 (commonly
10 referred to as the “Inflation Reduction Act”; 136 Stat.
11 2027) are rescinded.

12 **SEC. 50002. PUBLIC COMPANY ACCOUNTING OVERSIGHT**
13 **BOARD.**

14 (a) During the period beginning on the date of enact-
15 ment of this Act and ending on the transfer date—

16 (1) all intellectual property retained by the
17 Public Company Accounting Oversight Board
18 (“Board”) in support of its programs for registra-
19 tion, standard-setting, and inspection shall be shared
20 with the Securities and Exchange Commission
21 (“Commission”); and

22 (2) pending enforcement and disciplinary ac-
23 tions of the Board shall be referred to the Commis-
24 sion or another Federal functional regulator (as de-
25 fined in section 509 of the Gramm-Leach-Bliley Act

1 (15 U.S.C. 6809)) in accordance with section 105 of
2 the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215).

3 (b) Effective on the transfer date—

4 (1) all unobligated fees collected under section
5 109(d) of the Sarbanes-Oxley Act of 2002 shall be
6 transferred to the general fund of the Treasury, and
7 the Commission may not collect fees under such sec-
8 tion 109(d);

9 (2) the duties and powers of the Board in effect
10 as of the day before the transfer date, other than
11 those described in section 107 of the Sarbanes-Oxley
12 Act of 2002 (15 U.S.C. 7217), shall be transferred
13 to the Commission;

14 (3) the Commission may not use funds to carry
15 out section 107 of the Sarbanes-Oxley Act of 2002
16 (15 U.S.C. 7217) for activities related to overseeing
17 the Board;

18 (4) the Board shall transfer all intellectual
19 property described in subsection (a)(1) to the Com-
20 mission;

21 (5) existing processes and regulations of the
22 Board, including existing Board auditing standards,
23 shall continue in effect unless modified through rule
24 making by the Commission; and

1 (6) in connection with the duties and powers
2 transferred under paragraph (2), any reference to
3 the Board in any law implemented by a Federal
4 functional regulator (as defined in section 509 of the
5 Gramm-Leach-Bliley Act (15 U.S.C. 6809)), in any
6 rule or guidance issued by a Federal functional reg-
7 ulator (as defined in section 509 of the Gramm-
8 Leach-Bliley Act (15 U.S.C. 6809)), or in any
9 records or other documents in the possession of a
10 Federal functional regulator (as defined in section
11 509 of the Gramm-Leach-Bliley Act (15 U.S.C.
12 6809)), shall be deemed a reference to the Commis-
13 sion.

14 (c) Any employee of the Board as of the date of en-
15 actment of this Act may—

16 (1) be offered equivalent positions on the Com-
17 mission staff, as determined by the Commission, and
18 submit to the Commission’s standard employment
19 policies; and

20 (2) receive pay that is not higher than the high-
21 est paid employee of similarly situated employees of
22 the Commission.

23 (d) In this section, the term “transfer date” means
24 the date established by the Commission for purposes of
25 this section, except that such date may not be later than

1 the date that is 1 year after the date of enactment of this
2 Act.

3 **SEC. 50003. BUREAU OF CONSUMER FINANCIAL PROTEC-**
4 **TION.**

5 Section 1017(a)(2) of the Consumer Financial Pro-
6 tection Act of 2010 (12 U.S.C. 5497(a)(2)) is amended—

7 (1) in subparagraph (A)(iii)—

8 (A) by striking “12 percent” and inserting
9 “5 percent”; and

10 (B) by striking “2013” and inserting
11 “2025”; and

12 (2) by striking subparagraph (C) and inserting
13 the following:

14 “(C) LIMITATION ON UNOBLIGATED BAL-
15 ANCES.—With respect to a fiscal year, the
16 amount of unobligated balances of the Bureau
17 may not exceed 5 percent of the dollar amount
18 referred to in subparagraph (A)(iii), as adjusted
19 under subparagraph (B). The Director shall
20 transfer any excess amount of such unobligated
21 balances to the general fund of the Treasury.”.

22 **SEC. 50004. CONSUMER FINANCIAL CIVIL PENALTY FUND.**

23 Section 1017(d) of the Consumer Financial Protec-
24 tion Act of 2010 (12 U.S.C. 5497(d)) is amended—

25 (1) in paragraph (2)—

1 (A) in the first sentence, by inserting “di-
2 rect” before “victims”; and

3 (B) by striking the second sentence; and
4 (2) by adding at the end the following:

5 “(3) TREATMENT OF EXCESS AMOUNTS.—With
6 respect to a civil penalty described under paragraph
7 (1), if the Bureau makes payments to all of the di-
8 rect victims of activities for which that civil penalty
9 was imposed, the Bureau shall transfer all amounts
10 that remain in the Civil Penalty Fund with respect
11 to that civil penalty to the general fund of the
12 Treasury.”.

13 **SEC. 50005. FINANCIAL RESEARCH FUND.**

14 Section 155 of the Financial Stability Act of 2010
15 (12 U.S.C. 5345) is amended by adding at the end the
16 following:

17 “(e) LIMITATION ON ASSESSMENTS AND THE FINAN-
18 CIAL RESEARCH FUND.—

19 “(1) LIMITATION ON ASSESSMENTS.—Assess-
20 ments may not be collected under subsection (d) if
21 the assessments would result in—

22 “(A) the Financial Research Fund exceed-
23 ing the average annual budget amount; or

1 “(B) the total assessments collected during
2 a single fiscal year exceeding the average an-
3 nual budget amount.

4 “(2) TRANSFER OF EXCESS FUNDS.—Any
5 amounts in the Financial Research Fund exceeding
6 the average annual budget amount shall be deposited
7 into the general fund of the Treasury.

8 “(3) AVERAGE ANNUAL BUDGET AMOUNT DE-
9 FINED.—In this subsection the term ‘average annual
10 budget amount’ means the annual average, over the
11 3 most recently completed fiscal years, of the ex-
12 penses of the Council in carrying out the duties and
13 responsibilities of the Council that were paid by the
14 Office using amounts obtained through assessments
15 under subsection (d).”.

16 **TITLE VI—COMMITTEE ON**
17 **HOMELAND SECURITY**

18 **SEC. 60001. BORDER BARRIER SYSTEM CONSTRUCTION,**
19 **INVASIVE SPECIES, AND BORDER SECURITY**
20 **FACILITIES IMPROVEMENTS.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Commissioner of U.S. Customs and
23 Border Protection for fiscal year 2025, out of any money
24 in the Treasury not otherwise appropriated, to remain
25 available until September 30, 2029, the following:

1 (1) \$46,500,000,000 for necessary expenses re-
2 relating to the following:

3 (A) Construction, installation, or improve-
4 ment of primary, waterborne, and secondary
5 barriers.

6 (B) Access roads.

7 (C) Barrier system attributes, including
8 cameras, lights, sensors, roads, and other detec-
9 tion technology.

10 (2) \$50,000,000 for necessary expenses relating
11 to eradication and removal of the carrizo cane plant,
12 salt cedar, or any other invasive plant species that
13 impedes border security operations along the Rio
14 Grande River.

15 (3) \$5,000,000,000 for necessary expenses re-
16 lating to lease, acquisition, construction, or improve-
17 ment of U.S. Customs and Border Protection facili-
18 ties and checkpoints in the vicinity of the southwest,
19 northern, and maritime borders.

20 **SEC. 60002. U.S. CUSTOMS AND BORDER PROTECTION PER-**
21 **SONNEL AND FLEET VEHICLES.**

22 (a) CBP PERSONNEL.—In addition to amounts oth-
23 erwise available, there is appropriated to the Commis-
24 sioner of U.S. Customs and Border Protection for fiscal
25 year 2025, out of any money in the Treasury not otherwise

1 appropriated, \$4,100,000,000, to remain available until
2 September 30, 2029, to hire and train additional Border
3 Patrol agents, Office of Field Operations Officers, Air and
4 Marine agents, rehired annuitants, and U.S. Customs and
5 Border Protection support personnel.

6 (b) RESTRICTIONS.—None of the funds made avail-
7 able by subsection (a) may be used to recruit, hire, or train
8 personnel for the duties of processing coordinators.

9 (c) CBP RETENTION AND HIRING BONUSES.—In ad-
10 dition to amounts otherwise available, there is appro-
11 priated to the Commissioner of U.S. Customs and Border
12 Protection for fiscal year 2025, out of any money in the
13 Treasury not otherwise appropriated, \$2,052,630,000, to
14 remain available until September 30, 2029, to provide an-
15 nual retention bonuses or signing bonuses to eligible Bor-
16 der Patrol agents, Office of Field Operations Officers, and
17 Air and Marine agents.

18 (d) CBP VEHICLES.—In addition to amounts other-
19 wise available, there is appropriated to the Commissioner
20 of U.S. Customs and Border Protection for fiscal year
21 2025, out of any money in the Treasury not otherwise ap-
22 propriated, \$813,000,000, to remain available until Sep-
23 tember 30, 2029, for the lease or acquisition of additional
24 marked patrol units.

1 (e) FLETC.—In addition to amounts otherwise avail-
2 able, there is appropriated to the Director of the Federal
3 Law Enforcement Training Center for fiscal year 2025,
4 out of any money in the Treasury not otherwise appro-
5 priated—

6 (1) \$285,000,000, to remain available until
7 September 30, 2029, to support the training of
8 newly hired Federal law enforcement personnel em-
9 ployed by the Department of Homeland Security;
10 and

11 (2) \$465,000,000, to remain available until
12 September 30, 2029, for procurement and construc-
13 tion, improvements, and related expenses of the Fed-
14 eral Law Enforcement Training Centers facilities.

15 (f) BORDER SECURITY WORKFORCE RECRUITMENT
16 AND APPLICANT SOURCING.—In addition to amounts oth-
17 erwise available, there is appropriated to the Commis-
18 sioner of U.S. Customs and Border Protection for fiscal
19 year 2025, out of any money in the Treasury not otherwise
20 appropriated, \$600,000,000, to remain available until
21 September 30, 2029, for marketing, recruiting, applicant
22 sourcing and vetting, and operational mobility programs
23 for border security personnel.

1 **SEC. 60003. U.S. CUSTOMS AND BORDER PROTECTION**
2 **TECHNOLOGY, VETTING ACTIVITIES, AND**
3 **OTHER EFFORTS TO ENHANCE BORDER SE-**
4 **CURITY.**

5 (a) CBP TECHNOLOGY.—In addition to amounts oth-
6 erwise available, there is appropriated to the Commis-
7 sioner of U.S. Customs and Border Protection for fiscal
8 year 2025, out of any money in the Treasury not otherwise
9 appropriated, to remain available until September 30,
10 2029, the following:

11 (1) \$1,076,317,000 for necessary expenses re-
12 lating to procurement and integration of new non-in-
13 trusive inspection equipment and associated civil
14 works, artificial intelligence, integration, and ma-
15 chine learning, as well as other mission support, to
16 combat the entry of illicit narcotics along the south-
17 west, northern, and maritime borders.

18 (2) \$2,766,000,000 for necessary expenses re-
19 lating to upgrades and procurement of border sur-
20 veillance technologies along the southwest, northern,
21 and maritime borders.

22 (3) \$673,000,000 for necessary expenses, in-
23 cluding the deployment of technology, relating to the
24 biometric entry and exit system under section 7208
25 of the Intelligence Reform and Terrorism Prevention
26 Act of 2004 (8 U.S.C. 1365b).

1 (b) RESTRICTIONS.—None of the funds made avail-
2 able pursuant to subsection (a)(2) may be used for the
3 procurement or deployment of surveillance towers that
4 have not been—

5 (1) tested, and

6 (2) accepted,

7 by the Federal Government to deliver autonomous capa-
8 bilities.

9 (c) AIR AND MARINE OPERATIONS.—In addition to
10 amounts otherwise available, there is appropriated to the
11 Commissioner of U.S. Customs and Border Protection for
12 fiscal year 2025, out of any money in the Treasury not
13 otherwise appropriated, \$1,234,000,000, to remain avail-
14 able until September 30, 2029, for Air and Marine Oper-
15 ations’ upgrading and procurement of new platforms for
16 rapid air and marine response capabilities.

17 (d) CBP VETTING ACTIVITIES.—In addition to
18 amounts otherwise available, there is appropriated to the
19 Commissioner of U.S. Customs and Border Protection for
20 fiscal year 2025, out of any money in the Treasury not
21 otherwise appropriated, \$16,000,000, to remain available
22 until September 30, 2029, for necessary expenses to sup-
23 port screening, vetting activities, and expansion of U.S.
24 Customs and Border Protection’s criminal history data-
25 bases.

1 (e) OTHER EFFORTS TO COMBAT DRUG TRAF-
2 FICKING TO ENHANCE BORDER SECURITY.—In addition
3 to amounts otherwise available, there is appropriated to
4 the Secretary of Homeland Security for fiscal year 2025,
5 out of any money in the Treasury not otherwise appro-
6 priated, \$500,000,000, to remain available until Sep-
7 tember 30, 2029, for enhancing border security and com-
8 bating trafficking, including fentanyl and its precursor
9 chemicals, at the southwest, northern, and maritime bor-
10 ders.

11 (f) COMMEMORATIONS.—In addition to amounts oth-
12 erwise available, there is appropriated to the Secretary of
13 Homeland Security for fiscal year 2025, out of any money
14 in the Treasury not otherwise appropriated, \$1,000,000,
15 to remain available until September 30, 2029, for com-
16 memorating efforts and events related to border security.

17 (g) DEFINITION.—In this section, the term “autono-
18 mous” means integrated software and hardware systems
19 that utilize sensors, onboard computing, and artificial in-
20 telligence to identify items of interest that would otherwise
21 be manually identified by U.S. Customs and Border Pro-
22 tection personnel.

23 **SEC. 60004. STATE BORDER SECURITY REIMBURSEMENT.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the Secretary of Home-

1 land Security, for fiscal year 2025, out of any money in
2 the Treasury not otherwise appropriated,
3 \$12,000,000,000, to remain available until September 30,
4 2029, to carry out this section.

5 (b) USE OF FUNDS.—The Secretary of Homeland Se-
6 curity shall use amounts made available under subsection
7 (a) to make grants to States for costs associated with ac-
8 tions taken on or after January 21, 2021, to assist the
9 Federal border security missions to enforce the immigra-
10 tion laws, including through detention and removal, and
11 to combat the unlawful entry of persons and contraband.

12 (c) APPLICATION.—The Secretary of Homeland Se-
13 curity shall develop a process for States to submit a grant
14 application, together with satisfactory evidence of costs in-
15 curred, to seek reimbursement for any expenses described
16 in subsection (b).

17 (d) PROHIBITION.—The Secretary of Homeland Se-
18 curity may not make a grant for reimbursement under this
19 section to a State if such State has received such reim-
20 bursement under any other grant program of the Depart-
21 ment of Homeland Security.

22 **SEC. 60005. STATE AND LOCAL LAW ENFORCEMENT PRESI-**
23 **DENTIAL RESIDENCE PROTECTION.**

24 (a) PRESIDENTIAL RESIDENCE PROTECTION.—In
25 addition to amounts otherwise available, there is appro-

1 priated to the Administrator of the Federal Emergency
2 Management Agency, for fiscal year 2025, out of any
3 money in the Treasury not otherwise appropriated,
4 \$300,000,000, to remain available until September 30,
5 2029, for the reimbursement of extraordinary law enforce-
6 ment personnel costs for protection activities directly and
7 demonstrably associated with any residence of the Presi-
8 dent that is designated pursuant to section 3 of the Presi-
9 dential Protection Assistance Act of 1976 (Public Law
10 94–524) to be secured by the United States Secret Serv-
11 ice.

12 (b) AVAILABILITY.—Funds under subsection (a) shall
13 be available only for costs that a State or local agency—

14 (1) incurred or incurs on or after July 1, 2024;

15 (2) can demonstrate to the Administrator of the
16 Federal Emergency Management Agency as being—

17 (A) in excess of the costs of normal and
18 typical law enforcement operations;

19 (B) directly attributable to the provision of
20 protection described in such subsection; and

21 (C) associated with a non-governmental
22 property designated pursuant to section 3 of
23 the Presidential Protection Assistance Act of
24 1976 (Public Law 94–524) to be secured by the
25 United States Secret Service; and

1 (3) certifies to the Administrator as being for
2 protection activities requested by the Director of the
3 United States Secret Service.

4 **SEC. 60006. STATE HOMELAND SECURITY GRANT PRO-**
5 **GRAM.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Administrator of the Federal Emer-
8 gency Management Agency, for fiscal year 2025, out of
9 any money in the Treasury, not otherwise appropriated,
10 to be administered under the State Homeland Security
11 Grant Program authorized under section 2004 of the
12 Homeland Security Act of 2002 (6 U.S.C. 605), to en-
13 hance State, local, and Tribal security through grants,
14 contracts, cooperative agreements, and other activities, of
15 which—

16 (1) \$500,000,000, to remain available until
17 September 30, 2029, for State and local capabilities
18 to detect, identify, track, or monitor threats from
19 unmanned aircraft systems (as such term is defined
20 in section 44801 of title 49, United States Code);

21 (2) \$625,000,000, to remain available until
22 September 30, 2029, for security, planning, and
23 other costs related to the 2026 FIFA World Cup;

24 (3) \$1,000,000,000, to remain available until
25 September 30, 2029, for security, planning, and

1 other costs related to the 2028 Olympic Games and
2 2028 Paralympic Games; and

3 (4) \$450,000,000, to remain available until
4 September 30, 2029, for the Operation Stonegarden
5 Grant Program.

6 **TITLE VII—COMMITTEE ON THE**
7 **JUDICIARY**

8 **Subtitle A—Immigration Matters**

9 **PART 1—IMMIGRATION FEES**

10 **SEC. 70001. APPLICABILITY OF THE IMMIGRATION LAWS.**

11 (a) **APPLICABILITY.**—Notwithstanding any provision
12 of the immigration laws (as defined under section 101 of
13 the Immigration and Nationality Act), the fees under this
14 subtitle shall apply.

15 (b) **TERMS.**—The terms used under this subtitle shall
16 have the meanings given such terms in section 101 of the
17 Immigration and Nationality Act.

18 (c) **REFERENCES TO IMMIGRATION AND NATION-**
19 **ALITY ACT.**—Except as otherwise expressly provided,
20 whenever this subtitle references a section or other provi-
21 sion, the reference shall be considered to be to a section
22 or other provision of the Immigration and Nationality Act.

23 **SEC. 70002. ASYLUM FEE.**

24 (a) **IN GENERAL.**—In addition to any other fee au-
25 thorized by law, the Secretary of Homeland Security or

1 the Attorney General, as applicable, shall impose a fee in
2 the amount specified in this section for a fiscal year on
3 each alien who files an application for asylum under sec-
4 tion 208 of the Immigration and Nationality Act at the
5 time such application is filed.

6 (b) INITIAL AMOUNT.—The amount specified in this
7 section for fiscal year 2025 shall be such amount as the
8 Secretary or Attorney General, as applicable, may by rule
9 provide, but in any event not less than \$1,000.

10 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
11 year 2026 and each fiscal year thereafter, the amount
12 specified in this section for a fiscal year shall be equal
13 to the sum of—

14 (1) the amount imposed under this section for
15 the prior fiscal year; and

16 (2) rounded to the next lowest multiple of \$10,
17 the amount referred to in paragraph (1), multiplied
18 by the percentage (if any) by which the Consumer
19 Price Index for All Urban Consumers for the month
20 of July preceding the date on which such adjustment
21 takes effect exceeds the Consumer Price Index for
22 All Urban Consumers for the same month of the
23 preceding calendar year.

1 (d) CREDITING CERTAIN FUNDS.—During any fiscal
2 year, the total amount of fees received under this section
3 shall be subject to the following:

4 (1) 50 percent of fees received from applica-
5 tions filed with the Attorney General shall be cred-
6 ited to the Executive Office for Immigration Review
7 to retain and spend without further appropriation.

8 (2) 50 percent of fees received from applica-
9 tions filed with the Secretary of Homeland Security
10 shall be credited to U.S. Citizenship and Immigra-
11 tion Services and deposited into the Immigration
12 Examinations Fee Account established under section
13 286(m) of the Immigration and Nationality Act (8
14 U.S.C. 1356(m)) to retain and spend without fur-
15 ther appropriation.

16 (3) Any amounts not credited to the Executive
17 Office for Immigration Review or U.S. Citizenship
18 and Immigration Services shall be deposited into the
19 general fund of the Treasury.

20 (e) NO WAIVER.—A fee imposed under this section
21 shall not be waived or reduced.

22 **SEC. 70003. EMPLOYMENT AUTHORIZATION DOCUMENT**
23 **FEES.**

24 (a) ASYLUM APPLICANTS.—

1 (1) IN GENERAL.—In addition to any other fee
2 authorized by law, the Secretary of Homeland Secu-
3 rity shall impose on any alien who files an initial ap-
4 plication for employment authorization under section
5 208(d)(2) of the Immigration and Nationality Act a
6 fee in the amount specified in this subsection at the
7 time such initial employment authorization applica-
8 tion is filed. Each initial employment authorization
9 shall be valid for a period of not more than six
10 months.

11 (2) INITIAL AMOUNT.— For purposes of this
12 subsection, the amount specified in this subsection
13 for fiscal year 2025 shall be such amount as the
14 Secretary may by rule provide, but in any event not
15 less than \$550.

16 (3) SUBSEQUENT ADJUSTMENT.—Beginning in
17 fiscal year 2026 and each fiscal year thereafter, the
18 amount for a fiscal year shall be equal to the sum
19 of—

20 (A) the amount imposed under this section
21 for the prior fiscal year; and

22 (B) rounded to the next lowest multiple of
23 \$10, the amount referred to in subparagraph
24 (A), multiplied by the percentage (if any) by
25 which the Consumer Price Index for All Urban

1 Consumers for the month of July preceding the
2 date on which such adjustment takes effect ex-
3 ceeds the Consumer Price Index for All Urban
4 Consumers for the same month of the preceding
5 calendar year.

6 (4) CREDITING OF FUNDS.—25 percent of fees
7 received under this section shall be credited to U.S.
8 Citizenship and Immigration Services and deposited
9 into the Immigration Examinations Fee Account es-
10 tablished under section 286(m) of the Immigration
11 and Nationality Act (8 U.S.C. 1356(m)) to retain
12 and spend without further appropriation, of which
13 50 percent shall be used by U.S. Citizenship and Im-
14 migration Services to detect and prevent immigra-
15 tion benefit fraud. Any amounts not credited to U.S.
16 Citizenship and Immigration Services under this sec-
17 tion shall be deposited into the general fund of the
18 Treasury.

19 (5) NO WAIVER.—A fee imposed under this
20 subsection shall not be waived or reduced.

21 (b) PAROLE.—

22 (1) IN GENERAL.—In addition to any other fee
23 authorized by law, the Secretary of Homeland Secu-
24 rity shall impose on any alien paroled into the
25 United States a fee for any initial application for

1 employment authorization in an amount specified in
2 this subsection at the time such initial application is
3 filed. Each initial employment authorization shall be
4 valid for a period of not more than six months.

5 (2) INITIAL AMOUNT.—For purposes of this
6 subsection, the amount specified in this subsection
7 for fiscal year 2025 shall be such amount as the
8 Secretary may by rule provide, but in any event not
9 less than \$550.

10 (3) SUBSEQUENT ADJUSTMENT.—Beginning in
11 fiscal year 2026 and each fiscal year thereafter, the
12 amount specified in this subsection for a fiscal year
13 shall be equal to the sum of—

14 (A) the amount imposed under this sub-
15 section for the prior fiscal year; and

16 (B) rounded to the next lowest multiple of
17 \$10, the amount referred to in subparagraph
18 (A), multiplied by the percentage (if any) by
19 which the Consumer Price Index for All Urban
20 Consumers for the month of July preceding the
21 date on which such adjustment takes effect ex-
22 ceeds the Consumer Price Index for All Urban
23 Consumers for the same month of the preceding
24 calendar year.

1 (4) CREDITING OF FUNDS.—The fees received
2 under this section shall be deposited into the general
3 fund of the Treasury.

4 (5) NO WAIVER.—A fee imposed under this
5 subsection shall not be waived or reduced.

6 (c) TEMPORARY PROTECTED STATUS.—

7 (1) IN GENERAL.—In addition to any other fee
8 authorized by law, for any alien who files an initial
9 application for employment authorization under sec-
10 tion 244(a)(1)(B) of the Immigration and Nation-
11 ality Act, the Secretary of Homeland Security shall
12 impose a fee in an amount specified in this sub-
13 section at the time such initial application is filed.
14 Each initial employment authorization shall be valid
15 for a period of not more than six months.

16 (2) INITIAL AMOUNT.—For purposes of this
17 subsection, the amount specified in this subsection
18 for fiscal year 2025 shall be such amount as the
19 Secretary may by rule provide, but in any event not
20 less than \$550.

21 (3) SUBSEQUENT ADJUSTMENT.—Beginning in
22 fiscal year 2026 and each fiscal year thereafter, the
23 amount specified in this subsection for a fiscal year
24 shall be equal to the sum of—

1 (A) the amount imposed under this sub-
2 section for the prior fiscal year; and

3 (B) rounded to the next lowest multiple of
4 \$10, the amount referred to in subparagraph
5 (A), multiplied by the percentage (if any) by
6 which the Consumer Price Index for All Urban
7 Consumers for the month of July preceding the
8 date on which such adjustment takes effect ex-
9 ceeds the Consumer Price Index for All Urban
10 Consumers for the same month of the preceding
11 calendar year.

12 (4) CREDITING OF CERTAIN FUNDS.—The fees
13 received under this section shall be deposited into
14 the general fund of the Treasury.

15 (5) NO WAIVER.—A fee imposed under this
16 subsection shall not be waived or reduced.

17 **SEC. 70004. PAROLE FEE.**

18 (a) IN GENERAL.—In addition to any other fee au-
19 thorized by law, the Secretary of Homeland Security shall
20 impose a fee in an amount specified in this section on each
21 alien who is paroled into the United States, except if, as
22 established by the alien, the alien is paroled because—

23 (1) the alien has a medical emergency, and—

1 (A) the alien cannot obtain necessary
2 treatment in the foreign state in which the alien
3 is residing; or

4 (B) the medical emergency is life-threat-
5 ening and there is insufficient time for the alien
6 to be admitted to the United States through the
7 normal visa process;

8 (2) the alien is the parent or legal guardian of
9 an alien described in paragraph (1) and the alien de-
10 scribed in paragraph (1) is a minor;

11 (3) the alien is needed in the United States to
12 donate an organ or other tissue for transplant and
13 there is insufficient time for the alien to be admitted
14 to the United States through the normal visa pro-
15 cess;

16 (4) the alien has a close family member in the
17 United States whose death is imminent and the alien
18 could not arrive in the United States in time to see
19 such family member alive if the alien were to be ad-
20 mitted to the United States through the normal visa
21 process;

22 (5) the alien is seeking to attend the funeral of
23 a close family member and the alien could not arrive
24 in the United States in time to attend such funeral

1 if the alien were to be admitted to the United States
2 through the normal visa process;

3 (6) the alien is an adopted child with an urgent
4 medical condition who is in the legal custody of the
5 petitioner for a final adoption-related visa and whose
6 medical treatment is required before the expected
7 award of a final adoption-related visa;

8 (7) the alien is a lawful applicant for adjust-
9 ment of status under section 245 of the Immigration
10 and Nationality Act and is returning to the United
11 States after temporary travel abroad;

12 (8) the alien is returned to a contiguous coun-
13 try under section 235(b)(2)(C) of the Immigration
14 and Nationality Act and paroled into the United
15 States to allow the alien to attend the alien's immi-
16 gration hearing;

17 (9) the alien—

18 (A) is a national of the Republic of Cuba
19 and is living in the Republic of Cuba;

20 (B) is the beneficiary of an approved peti-
21 tion under section 203(a) of the Immigration
22 and Nationality Act;

23 (C) is an alien for whom an immigrant
24 visa is not immediately available;

1 (D) meets all eligibility requirements for
2 an immigrant visa;

3 (E) is not otherwise inadmissible; and

4 (F) is receiving a grant of parole in fur-
5 therance of the commitment of the United
6 States to the minimum level of annual legal mi-
7 gration of Cuban nationals to the United States
8 specified in the U.S.-Cuba Joint Communiqué
9 on Migration, done at New York September 9,
10 1994, and reaffirmed in the Cuba-United
11 States: Joint Statement on Normalization of
12 Migration, Building on the Agreement of Sep-
13 tember 9, 1994, done at New York May 2,
14 1995; or

15 (10) the Secretary of Homeland Security deter-
16 mines that a significant public benefit has resulted
17 or will result from the parole of an alien only if—

18 (A) the alien has assisted or will assist the
19 United States Government in a law enforcement
20 matter;

21 (B) the alien's presence is required by the
22 Government in furtherance of such law enforce-
23 ment matter; and

24 (C) the alien is inadmissible, does not sat-
25 isfy the eligibility requirements for admission as

1 a nonimmigrant, or there is insufficient time for
2 the alien to be admitted to the United States
3 through the normal visa process.

4 (b) INITIAL AMOUNT.—For purposes of this section,
5 the amount specified in this subsection for fiscal year
6 2025 shall be such amount as the Secretary may by rule
7 provide, but in any event not less than \$1,000.

8 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
9 year 2026 and each fiscal year thereafter, the amount
10 specified in this section for a fiscal year shall be equal
11 to the sum of—

12 (1) the amount imposed under this section for
13 the prior fiscal year; and

14 (2) rounded to the next lowest multiple of \$10,
15 the amount referred to in paragraph (1), multiplied
16 by the percentage (if any) by which the Consumer
17 Price Index for All Urban Consumers for the month
18 of July preceding the date on which such adjustment
19 takes effect exceeds the Consumer Price Index for
20 All Urban Consumers for the same month of the
21 preceding calendar year.

22 (d) CREDITING OF FUNDS.—Fees received under this
23 section shall be deposited in the general fund of the Treas-
24 ury.

1 (e) NO WAIVER.—A fee imposed under this section
2 shall not be waived or reduced.

3 **SEC. 70005. SPECIAL IMMIGRANT JUVENILE FEE.**

4 (a) IN GENERAL.—In addition to any other fee au-
5 thorized by law, the Secretary of Homeland Security shall
6 impose a fee in an amount specified in this section on any
7 alien applying for special immigrant juvenile status under
8 section 101(a)(27)(J) of the Immigration and Nationality
9 Act if reunification with 1 parent or legal guardian is via-
10 ble, notwithstanding abuse, neglect, abandonment, or a
11 similar basis found under State law making reunification
12 with the other parent or legal guardian not viable.

13 (b) INITIAL AMOUNT.—For purposes of this sub-
14 section, the amount specified in this section for fiscal year
15 2025 shall be such amount as the Secretary may by rule
16 provide, but in any event not less than \$500.

17 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
18 year 2026 and each fiscal year thereafter, the amount
19 specified in this section for a fiscal year shall be equal
20 to the sum of—

21 (1) the amount imposed under this section for
22 the prior fiscal year; and

23 (2) rounded to the next lowest multiple of \$10,
24 the amount referred to in paragraph (1), multiplied
25 by the percentage (if any) by which the Consumer

1 Price Index for All Urban Consumers for the month
2 of July preceding the date on which such adjustment
3 takes effect exceeds the Consumer Price Index for
4 All Urban Consumers for the same month of the
5 preceding calendar year.

6 (d) CREDITING OF FUNDS.—Fees received under this
7 section shall be deposited in the general fund of the Treas-
8 ury.

9 (e) NO WAIVER.—A fee imposed under this section
10 shall not be waived or reduced.

11 **SEC. 70006. TEMPORARY PROTECTED STATUS FEE.**

12 (a) IN GENERAL.—In addition to any other fee au-
13 thorized by law, the Secretary of Homeland Security shall
14 impose a fee in an amount specified in this section for
15 the consideration of an application for temporary pro-
16 tected status under section 244 of the Immigration and
17 Nationality Act on any alien who—

18 (1) has not been admitted into the United
19 States; or

20 (2) has been admitted to the United States as
21 a nonimmigrant but at the time of application for
22 temporary protected status has failed—

23 (A) to maintain or extend the non-
24 immigrant status in which the alien was admit-
25 ted or to which the status was changed under

1 section 248 of the Immigration and Nationality
2 Act, including complying with the period of stay
3 authorized by the Secretary of Homeland Security
4 in connection with such status; or

5 (B) to comply with the conditions of such
6 nonimmigrant status.

7 (b) INITIAL AMOUNT.—For purposes of this sub-
8 section, the amount specified in this section for fiscal year
9 2025 shall be such amount as the Secretary may by rule
10 provide, but in any event not less than \$500.

11 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
12 year 2026 and each fiscal year thereafter, the amount
13 specified in this section for a fiscal year shall be equal
14 to the sum of—

15 (1) the amount imposed under this section for
16 the prior fiscal year; and

17 (2) rounded to the next lowest multiple of \$10,
18 the amount referred to in paragraph (1), multiplied
19 by the percentage (if any) by which the Consumer
20 Price Index for All Urban Consumers for the month
21 of July preceding the date on which such adjustment
22 takes effect exceeds the Consumer Price Index for
23 All Urban Consumers for the same month of the
24 preceding calendar year.

1 (d) CREDITING OF FUNDS.—Fees received under this
2 section shall be deposited in the general fund of the Treas-
3 ury.

4 (e) NO WAIVER.—A fee imposed under this section
5 shall not be waived or reduced.

6 **SEC. 70007. UNACCOMPANIED ALIEN CHILD SPONSOR FEE.**

7 (a) IN GENERAL.—In addition to any other fee au-
8 thorized by law, before placing the child with an individual
9 under section 235(c) of the William Wilberforce Traf-
10 ficking Victims Protection Reauthorization Act of 2008,
11 the Secretary of Health and Human Services shall collect
12 from that individual a fee in an amount specified in this
13 section as partial reimbursement to the Federal Govern-
14 ment for the period during which the child was in the cus-
15 tody of the Government, for processing, housing, feeding,
16 educating, transporting, and otherwise providing for the
17 care of the child.

18 (b) INITIAL AMOUNT.—For purposes of this sub-
19 section, the amount specified in this section for fiscal year
20 2025 shall be such amount as the Secretary may by rule
21 provide, but in any event not less than \$3,500.

22 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
23 year 2026 and each fiscal year thereafter, the amount
24 specified in this section for a fiscal year shall be equal
25 to the sum of—

1 (1) the amount imposed under this section for
2 the prior fiscal year; and

3 (2) rounded to the next lowest multiple of \$10,
4 the amount referred to in paragraph (1), multiplied
5 by the percentage (if any) by which the Consumer
6 Price Index for All Urban Consumers for the month
7 of July preceding the date on which such adjustment
8 takes effect exceeds the Consumer Price Index for
9 All Urban Consumers for the same month of the
10 preceding calendar year.

11 (d) CREDITING OF FUNDS.—During any fiscal year,
12 the total amount of fees received under this section shall
13 be subject to the following:

14 (1) 25 percent of fees received under this sec-
15 tion shall be credited to the Department of Health
16 and Human Services to retain and spend without
17 further appropriation and shall be used for the pur-
18 pose of conducting background checks of potential
19 sponsors of unaccompanied alien children and of
20 adults residing in potential sponsors' households,
21 which shall include, at a minimum—

22 (A) the name of the individual and all
23 adult residents of the individual's household;

1 (B) the social security number of the indi-
2 vidual and all adult residents of the individual's
3 household;

4 (C) the date of birth of the individual and
5 all adult residents of the individual's household;

6 (D) the validated location of the individ-
7 ual's residence where the child will be placed;

8 (E) the immigration status of the indi-
9 vidual and all adult residents of the individual's
10 household;

11 (F) contact information for the individual
12 and all adult residents of the individual's house-
13 hold; and

14 (G) the results of all background and
15 criminal records checks for the individual and
16 all adult residents of the individual's household,
17 which shall include at a minimum an investiga-
18 tion of the public records sex offender registry,
19 a public records background check, and a na-
20 tional criminal history check based on finger-
21 prints.

22 (2) Any amounts not credited to the Depart-
23 ment of Health and Human Services shall be depos-
24 ited into the general fund of the Treasury.

1 (e) NO WAIVER.—A fee imposed under this section
2 shall not be waived or reduced.

3 **SEC. 70008. VISA INTEGRITY FEE.**

4 (a) VISA INTEGRITY FEE.—

5 (1) IN GENERAL.—In addition to any other fee
6 authorized by law, the Secretary of Homeland Secu-
7 rity shall impose a fee in an amount specified in this
8 subsection on each alien issued a nonimmigrant visa
9 upon the issuance of such alien’s nonimmigrant visa.

10 (2) INITIAL AMOUNT.—For purposes of this
11 subsection, the amount specified in this subsection
12 for fiscal year 2025 shall be such amount as the
13 Secretary may by rule provide, but in any event not
14 less than \$250.

15 (3) SUBSEQUENT ADJUSTMENT.—Beginning in
16 fiscal year 2026 and each fiscal year thereafter, the
17 amount specified in this subsection for a fiscal year
18 shall be equal to the sum of—

19 (A) the amount imposed under this section
20 for the prior fiscal year; and

21 (B) rounded to the next lowest multiple of
22 \$1, the amount referred to in subparagraph
23 (A), multiplied by the percentage (if any) by
24 which the Consumer Price Index for All Urban
25 Consumers for the month of July preceding the

1 date on which such adjustment takes effect ex-
2 ceeds the Consumer Price Index for All Urban
3 Consumers for the same month of the preceding
4 calendar year.

5 (4) CREDITING OF FUNDS.—The fees received
6 under this subsection that are not reimbursed in ac-
7 cordance with subsection (b) shall be deposited in
8 the general fund of the Treasury.

9 (5) NO WAIVER.—A fee imposed under this
10 subsection shall not be waived or reduced.

11 (b) FEE REIMBURSEMENT.—The Secretary of Home-
12 land Security may reimburse to an alien a fee imposed
13 under this section on that alien for the issuance of a non-
14 immigrant visa after the expiration of such nonimmigrant
15 visa's period of validity if the alien demonstrates that—

16 (1) the alien has not sought admission during
17 such period of validity;

18 (2) the alien, after admission to the United
19 States pursuant to such nonimmigrant visa, com-
20 plied with all conditions of such nonimmigrant visa,
21 including the condition that an alien shall not accept
22 unauthorized employment, and that the alien de-
23 parted the United States not later than 5 days after
24 the date on which the alien was authorized to re-
25 main in the United States; or

1 (3) the alien filed to extend, change, or adjust
2 such status within the nonimmigrant visa's period of
3 validity.

4 **SEC. 70009. FORM I-94 FEE.**

5 (a) FEE AUTHORIZED.—In addition to any other fee
6 authorized by law, the Secretary of Homeland Security
7 shall impose a fee in an amount specified in subsection
8 (b) on any alien upon the alien's application for a Form
9 I-94 Arrival/Departure Record.

10 (b) FEE SPECIFIED.—

11 (1) INITIAL AMOUNT.—The amount specified in
12 this subsection for fiscal year 2025 shall be such
13 amount as the Secretary may by rule provide, but in
14 any event not less than \$24.

15 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
16 fiscal year 2026 and each fiscal year thereafter, the
17 amount specified in this subsection for a fiscal year
18 shall be equal to the sum of—

19 (A) the amount imposed under this section
20 for the prior fiscal year; and

21 (B) the amount referred to in subpara-
22 graph (A), multiplied by the percentage (if any)
23 by which the Consumer Price Index for All
24 Urban Consumers for the month of July pre-
25 ceding the date on which such adjustment takes

1 effect exceeds the Consumer Price Index for All
2 Urban Consumers for the same month of the
3 preceding calendar year.

4 (c) CREDITING OF FUNDS.—During any fiscal year,
5 the total amount of fees received under this section shall
6 be subject to the following:

7 (1) 20 percent of the fee collected under this
8 section for each application shall be deposited pursu-
9 ant to section 286(q)(2) of the Immigration and Na-
10 tionality Act (8 U.S.C. 1356(q)(2)) and made avail-
11 able to U.S. Customs and Border Protection to re-
12 tain and spend without further appropriation for the
13 purpose of processing Form I-94.

14 (2) Any amounts not credited to U.S. Customs
15 and Border Protection shall be deposited in the gen-
16 eral fund of the Treasury.

17 (d) NO WAIVER.—A fee imposed under this section
18 shall not be waived or reduced.

19 **SEC. 70010. YEARLY ASYLUM FEE.**

20 (a) FEE AUTHORIZED.—In addition to any other fee
21 authorized by law, for each calendar year that an alien's
22 application for asylum remains pending, the Secretary of
23 Homeland Security or the Attorney General, as applicable,
24 shall impose a fee in an amount specified in subsection
25 (b) on that alien.

1 (b) FEE SPECIFIED.—

2 (1) INITIAL AMOUNT.—The amount specified in
3 this subsection for fiscal year 2025 shall be such
4 amount as the Secretary and the Attorney General
5 may by rule provide, but in any event not less than
6 \$100.

7 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
8 fiscal year 2026 and each fiscal year thereafter, the
9 amount specified in this subsection for a fiscal year
10 shall be equal to the sum of—

11 (A) the amount imposed under this section
12 for the prior fiscal year; and

13 (B) the amount referred to in subpara-
14 graph (A), multiplied by the percentage (if any)
15 by which the Consumer Price Index for All
16 Urban Consumers for the month of July pre-
17 ceeding the date on which such adjustment takes
18 effect exceeds the Consumer Price Index for All
19 Urban Consumers for the same month of the
20 preceding calendar year.

21 (c) CREDITING OF FUNDS.—The fees received under
22 this section shall be deposited in the general fund of the
23 Treasury.

24 (d) NO WAIVER.—A fee imposed under this section
25 shall not be waived or reduced.

1 **SEC. 70011. FEE FOR CONTINUANCES GRANTED IN IMMI-**
2 **GRATION COURT PROCEEDINGS.**

3 (a) IN GENERAL.—In addition to any other fee au-
4 thorized by law, the Attorney General shall impose a fee
5 in an amount specified in subsection (b) on any alien who
6 requests and is granted a continuance by an immigration
7 judge for each such continuance.

8 (b) FEE SPECIFIED.—

9 (1) INITIAL AMOUNT.—The amount specified in
10 this subsection for fiscal year 2025 shall be such
11 amount as the Attorney General may by rule pro-
12 vide, but in any event not less than \$100.

13 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
14 fiscal year 2026 and each fiscal year thereafter, the
15 amount specified in this subsection for a fiscal year
16 shall be equal to the sum of—

17 (A) the amount imposed under this section
18 for the prior fiscal year; and

19 (B) the amount referred to in subpara-
20 graph (A), multiplied by the percentage (if any)
21 by which the Consumer Price Index for All
22 Urban Consumers for the month of July pre-
23 ceding the date on which such adjustment takes
24 effect exceeds the Consumer Price Index for All
25 Urban Consumers for the same month of the
26 preceding calendar year.

1 (c) CREDITING OF CERTAIN FUNDS.—Amounts re-
2 ceived as fees under this section shall be deposited in the
3 general fund of the Treasury.

4 (d) NO WAIVER.—A fee imposed under this section
5 shall not be waived or reduced, except no fee shall be im-
6 posed on any alien whose request for a continuance is
7 granted based on exceptional circumstances (as such term
8 is defined in section 240 of the Immigration and Nation-
9 ality Act).

10 **SEC. 70012. FEE RELATING TO RENEWAL AND EXTENSION**
11 **OF EMPLOYMENT AUTHORIZATION FOR PA-**
12 **ROLEES.**

13 (a) FEE IMPOSED.—In addition to any other fee au-
14 thorized by law, for a parolee who seeks a renewal or ex-
15 tension of employment authorization based on a grant of
16 parole, the Secretary of Homeland Security shall impose
17 a fee in an amount specified in subsection (b).

18 (b) FEE SPECIFIED.—

19 (1) INITIAL AMOUNT.—The amount specified in
20 this subsection for fiscal year 2025 shall be such
21 amount as the Secretary may by rule provide, but in
22 any event not less than \$550.

23 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
24 fiscal year 2026 and each fiscal year thereafter, the

1 amount specified in this subsection for a fiscal year
2 shall be equal to the sum of—

3 (A) the amount imposed under this sub-
4 section for the prior fiscal year; and

5 (B) rounded to the next lowest multiple of
6 \$10, the amount referred to in subparagraph
7 (A), multiplied by the percentage (if any) by
8 which the Consumer Price Index for All Urban
9 Consumers for the month of July preceding the
10 date on which such adjustment takes effect ex-
11 ceeds the Consumer Price Index for All Urban
12 Consumers for the same month of the preceding
13 calendar year.

14 (c) IN GENERAL.—The employment authorization for
15 any alien paroled into the United States, or any renewal
16 or extension thereof, shall be valid for a period of not more
17 than six months.

18 (d) CREDITING OF FUNDS.—The fees received under
19 this section shall be deposited into the general fund of the
20 Treasury.

21 (e) NO WAIVER.—A fee imposed under this sub-
22 section shall not be waived or reduced.

1 **SEC. 70013. FEE RELATING TO TERMINATION, RENEWAL,**
2 **AND EXTENSION OF EMPLOYMENT AUTHOR-**
3 **IZATION FOR ASYLUM APPLICANTS.**

4 (a) **FEE IMPOSED.**—In addition to any other fee au-
5 thorized by law, for any alien who applies for asylum and
6 who seeks a renewal or extension of employment author-
7 ization based on such application, the Secretary of Home-
8 land Security shall impose a fee of not less than \$550 for
9 each such renewal or extension, in accordance with sub-
10 section (b).

11 (b) **EMPLOYMENT AUTHORIZATION.**—The Secretary
12 of Homeland Security may provide employment authoriza-
13 tion to an applicant for asylum for a period of not more
14 than six months. Each renewal or extension thereof shall
15 also be valid for a period of not more than six months.

16 (c) **TERMINATION.**—Each initial employment author-
17 ization, or renewal or extension of such authorization,
18 shall terminate as follows:

19 (1) Immediately following the denial of an asy-
20 lum application by an asylum officer, unless the case
21 is referred to an immigration judge.

22 (2) On the date that is 30 days after the date
23 on which an immigration judge denies an asylum ap-
24 plication, unless the alien makes a timely appeal to
25 the Board of Immigration Appeals.

1 Security shall impose a fee in an amount specified in sub-
2 section (b) at the time of each such renewal or extension.

3 (b) FEE SPECIFIED.—

4 (1) INITIAL AMOUNT.—The amount specified in
5 this subsection for fiscal year 2025 shall be such
6 amount as the Secretary may by rule provide, but in
7 any event not less than \$550.

8 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
9 fiscal year 2026 and each fiscal year thereafter, the
10 amount specified in this subsection for a fiscal year
11 shall be equal to the sum of—

12 (A) the amount imposed under this sub-
13 section for the prior fiscal year; and

14 (B) rounded to the next lowest multiple of
15 \$10, the amount referred to in subparagraph
16 (A), multiplied by the percentage (if any) by
17 which the Consumer Price Index for All Urban
18 Consumers for the month of July preceding the
19 date on which such adjustment takes effect ex-
20 ceeds the Consumer Price Index for All Urban
21 Consumers for the same month of the preceding
22 calendar year.

23 (c) EMPLOYMENT AUTHORIZATION.—Any employ-
24 ment authorization for an alien granted temporary pro-

1 tected status, or any renewal or extension thereof, shall
2 be valid for a period of not more than six months.

3 (d) CREDITING OF FUNDS.—The fees received under
4 this section shall be deposited into the general fund of the
5 Treasury.

6 (e) NO WAIVER.—A fee imposed under this sub-
7 section shall not be waived or reduced.

8 **SEC. 70015. DIVERSITY IMMIGRANT VISA FEES.**

9 (a) FEE FOR FILING A DIVERSITY IMMIGRANT VISA
10 APPLICATION.—

11 (1) IN GENERAL.—In addition to any other fee
12 authorized by law, the Secretary of Homeland Secu-
13 rity shall impose a fee on any alien who files an ap-
14 plication for a diversity immigrant visa as described
15 in section 203(c) of the Immigration and Nationality
16 Act (8 U.S.C. 1153(c)), in the amount specified in
17 this subsection at the time such application is filed.

18 (2) FEE SPECIFIED.—

19 (A) INITIAL AMOUNT.—The amount speci-
20 fied in this subsection for fiscal year 2025 shall
21 be such amount as the Secretary may by rule
22 provide, but in any event not less than \$400.

23 (B) SUBSEQUENT ADJUSTMENT.—Begin-
24 ning in fiscal year 2026 and each fiscal year
25 thereafter, the amount specified in this sub-

1 section for a fiscal year shall be equal to the
2 sum of—

3 (i) the amount imposed under this
4 subsection for the prior fiscal year; and

5 (ii) rounded to the next lowest mul-
6 tiple of \$10, the amount referred to in
7 clause (i), multiplied by the percentage (if
8 any) by which the Consumer Price Index
9 for All Urban Consumers for the month of
10 July preceding the date on which such ad-
11 justment takes effect exceeds the Con-
12 sumer Price Index for All Urban Con-
13 sumers for the same month of the pre-
14 ceding calendar year.

15 (b) FEE FOR ALIENS WHO REGISTER FOR THE DI-
16 VERSITY IMMIGRANT VISA PROGRAM.—

17 (1) IN GENERAL.—In addition to any other fee
18 authorized by law, the Secretary of Homeland Secu-
19 rity shall impose a fee on any alien who registers for
20 the diversity immigrant visa program, as described
21 in section 203(c) of the Immigration and Nationality
22 Act (8 U.S.C. 1153(c)), in the amount specified in
23 this subsection at the time of registration.

24 (2) FEE SPECIFIED.—

1 (A) INITIAL AMOUNT.—The amount speci-
2 fied in this subsection for fiscal year 2025 shall
3 be such amount as the Secretary may by rule
4 provide, but in any event not less than \$250.

5 (B) SUBSEQUENT ADJUSTMENT.—Begin-
6 ning in fiscal year 2026 and each fiscal year
7 thereafter, the amount specified in this sub-
8 section for a fiscal year shall be equal to the
9 sum of—

10 (i) the amount imposed under this
11 subsection for the prior fiscal year; and

12 (ii) the amount referred to in clause
13 (i), multiplied by the percentage (if any) by
14 which the Consumer Price Index for All
15 Urban Consumers for the month of July
16 preceding the date on which such adjust-
17 ment takes effect exceeds the Consumer
18 Price Index for All Urban Consumers for
19 the same month of the preceding calendar
20 year.

21 (c) FUNDS.—During any fiscal year, the total
22 amount of fees received under this section shall be subject
23 to the following:

24 (1) 10 percent of fees received shall be used to
25 detect and prevent fraud in the diversity immigrant

1 visa program and to offset costs associated with
2 such program.

3 (2) 10 percent of fees received shall be credited
4 to U.S. Immigration and Customs Enforcement to
5 retain and spend without further appropriation for
6 the purpose of detention and immigration enforce-
7 ment and removal operations.

8 (3) Any amounts not used or credited under
9 this subsection shall be deposited into the general
10 fund of the Treasury.

11 (d) NO WAIVER.—A fee imposed under this section
12 shall not be waived or reduced.

13 **SEC. 70016. EOIR FEES.**

14 (a) FEE FOR FILING AN APPLICATION TO ADJUST
15 STATUS TO THAT OF A LAWFUL PERMANENT RESI-
16 DENT.—

17 (1) IN GENERAL.—In addition to any other fees
18 authorized by law, the Attorney General shall impose
19 on any alien who files with an immigration court an
20 application to adjust the alien's status to that of a
21 lawful permanent resident, or whose application to
22 adjust status to that of a lawful permanent resident
23 is adjudicated in immigration court, a fee in the
24 amount specified in this subsection at the time such

1 application is filed, or, as applicable, prior to the ad-
2 judication of such application in immigration court.

3 (2) FEE SPECIFIED.—

4 (A) INITIAL AMOUNT.—The amount speci-
5 fied in this subsection for fiscal year 2025 shall
6 be such amount as the Attorney General may
7 by rule provide, but in any event not less than
8 \$1,500.

9 (B) SUBSEQUENT ADJUSTMENT.—Begin-
10 ning in fiscal year 2026 and each fiscal year
11 thereafter, the amount specified in this sub-
12 section for a fiscal year shall be equal to the
13 sum of—

14 (i) the amount imposed under this
15 subsection for the prior fiscal year; and

16 (ii) rounded to the next lowest mul-
17 tiple of \$10, the amount referred to in
18 clause (i), multiplied by the percentage (if
19 any) by which the Consumer Price Index
20 for All Urban Consumers for the month of
21 July preceding the date on which such ad-
22 justment takes effect exceeds the Con-
23 sumer Price Index for All Urban Con-
24 sumers for the same month of the pre-
25 ceding calendar year.

1 (3) CREDITING CERTAIN FUNDS.—During any
2 fiscal year, not more than 50 percent of the total
3 amount of fees received under this section shall be
4 derived by transfer from the Immigration Examina-
5 tions Fee Account under section 286(n) of the Im-
6 migration and Nationality Act and credited to the
7 Executive Office for Immigration Review to retain
8 and spend without further appropriation. Any
9 amounts not credited under the previous sentence
10 shall be deposited into the general fund of the
11 Treasury.

12 (b) FEE FOR FILING AN APPLICATION FOR WAIVER
13 OF GROUNDS OF INADMISSIBILITY.—

14 (1) IN GENERAL.—In addition to any other fees
15 authorized by law, the Attorney General shall impose
16 on any alien who files with an immigration court an
17 application for waiver of grounds of inadmissibility,
18 or whose application for waiver of grounds of inad-
19 missibility is adjudicated in immigration court, a fee
20 in the amount specified in this subsection at the
21 time such application is filed, or, as applicable, prior
22 to the adjudication of such application in immigra-
23 tion court.

24 (2) FEE SPECIFIED.—

1 (A) INITIAL AMOUNT.—The amount speci-
2 fied in this subsection for fiscal year 2025 shall
3 be such amount as the Attorney General may
4 by rule provide, but in any event not less than
5 \$1,050.

6 (B) SUBSEQUENT ADJUSTMENT.—Begin-
7 ning in fiscal year 2026 and each fiscal year
8 thereafter, the amount specified in this sub-
9 section for a fiscal year shall be equal to the
10 sum of—

11 (i) the amount imposed under this
12 subsection for the prior fiscal year; and

13 (ii) rounded to the next lowest mul-
14 tiple of \$10, the amount referred to in
15 clause (i), multiplied by the percentage (if
16 any) by which the Consumer Price Index
17 for All Urban Consumers for the month of
18 July preceding the date on which such ad-
19 justment takes effect exceeds the Con-
20 sumer Price Index for All Urban Con-
21 sumers for the same month of the pre-
22 ceding calendar year.

23 (3) CREDITING CERTAIN FUNDS.—During any
24 fiscal year, not more than 25 percent of the total
25 amount of fees received under this section shall be

1 derived by transfer from the Immigration Examina-
2 tions Fee Account under section 286(n) of the Im-
3 migration and Nationality Act and credited to the
4 Executive Office for Immigration Review to retain
5 and spend without further appropriation. Any
6 amounts not credited under the previous sentence
7 shall be deposited into the general fund of the
8 Treasury.

9 (c) FEE FOR FILING AN APPLICATION FOR TEM-
10 PORARY PROTECTED STATUS.—

11 (1) IN GENERAL.—In addition to any other fees
12 authorized by law, the Attorney General shall impose
13 on any alien who files with an immigration court an
14 application for temporary protected status, or whose
15 application for temporary protected status is adju-
16 dicated in immigration court, a fee in the amount
17 specified in this subsection at the time such applica-
18 tion is filed or, as applicable, prior to the adjudica-
19 tion of such application in immigration court.

20 (2) FEE SPECIFIED.—

21 (A) INITIAL AMOUNT.—The amount speci-
22 fied in this subsection for fiscal year 2025 shall
23 be such amount as the Attorney General may
24 by rule provide, but in any event not less than
25 \$500.

1 (B) SUBSEQUENT ADJUSTMENT.—Begin-
2 ning in fiscal year 2026 and each fiscal year
3 thereafter, the amount specified in this sub-
4 section for a fiscal year shall be equal to the
5 sum of—

6 (i) the amount imposed under this
7 subsection for the prior fiscal year; and

8 (ii) rounded to the next lowest mul-
9 tiple of \$10, the amount referred to in
10 clause (i), multiplied by the percentage (if
11 any) by which the Consumer Price Index
12 for All Urban Consumers for the month of
13 July preceding the date on which such ad-
14 justment takes effect exceeds the Con-
15 sumer Price Index for All Urban Con-
16 sumers for the same month of the pre-
17 ceding calendar year.

18 (3) CREDITING CERTAIN FUNDS.—During any
19 fiscal year, not more than 25 percent of the total
20 amount of fees received under this section shall be
21 derived by transfer from the Immigration Examina-
22 tions Fee Account under section 286(n) of the Im-
23 migration and Nationality Act and credited to the
24 Executive Office for Immigration Review to retain
25 and spend without further appropriation. Any

1 amounts not credited under the previous sentence
2 shall be deposited into the general fund of the
3 Treasury.

4 (d) FEE FOR FILING AN APPEAL FROM A DECISION
5 OF AN IMMIGRATION JUDGE.—

6 (1) IN GENERAL.—In addition to any other fees
7 authorized by law, the Attorney General shall impose
8 on any alien who files any appeal from a decision of
9 an immigration judge a fee in the amount specified
10 in this subsection at the time such appeal is filed.

11 (2) FEE SPECIFIED.—

12 (A) INITIAL AMOUNT.—The amount speci-
13 fied in this subsection for fiscal year 2025 shall
14 be such amount as the Attorney General may
15 by rule provide, but in any event not less than
16 \$900.

17 (B) SUBSEQUENT ADJUSTMENT.—Begin-
18 ning in fiscal year 2026 and each fiscal year
19 thereafter, the amount specified in this sub-
20 section for a fiscal year shall be equal to the
21 sum of—

22 (i) the amount imposed under this
23 subsection for the prior fiscal year; and

24 (ii) rounded to the next lowest mul-
25 tiple of \$10, the amount referred to in

1 clause (i), multiplied by the percentage (if
2 any) by which the Consumer Price Index
3 for All Urban Consumers for the month of
4 July preceding the date on which such ad-
5 justment takes effect exceeds the Con-
6 sumer Price Index for All Urban Con-
7 sumers for the same month of the pre-
8 ceding calendar year.

9 (3) EXCEPTION.—The fee described in this sec-
10 tion shall not apply to the appeal of a bond decision.

11 (4) CREDITING CERTAIN FUNDS.—During any
12 fiscal year, not more than 25 percent of the total
13 amount of fees received under this section shall be
14 derived by transfer from the Immigration Examina-
15 tions Fee Account under section 286(n) of the Im-
16 migration and Nationality Act and credited to the
17 Executive Office for Immigration Review to retain
18 and spend without further appropriation. Any
19 amounts not credited under the previous sentence
20 shall be deposited into the general fund of the
21 Treasury.

22 (e) FEE FOR FILING AN APPEAL FROM A DECISION
23 OF AN OFFICER OF THE DEPARTMENT OF HOMELAND
24 SECURITY.—

1 (1) IN GENERAL.—In addition to any other fees
2 authorized by law, the Attorney General shall impose
3 on any alien who files an appeal from a decision of
4 an officer of the Department of Homeland Security
5 a fee in the amount specified in this subsection at
6 the time such appeal is filed.

7 (2) FEE SPECIFIED.—

8 (A) INITIAL AMOUNT.—The amount speci-
9 fied in this subsection for fiscal year 2025 shall
10 be such amount as the Attorney General may
11 by rule provide, but in any event not less than
12 \$900.

13 (B) SUBSEQUENT ADJUSTMENT.—Begin-
14 ning in fiscal year 2026 and each fiscal year
15 thereafter, the amount specified in this sub-
16 section for a fiscal year shall be equal to the
17 sum of—

18 (i) the amount imposed under this
19 subsection for the prior fiscal year; and

20 (ii) rounded to the next lowest mul-
21 tiple of \$10, the amount referred to in
22 clause (i), multiplied by the percentage (if
23 any) by which the Consumer Price Index
24 for All Urban Consumers for the month of
25 July preceding the date on which such ad-

1 justment takes effect exceeds the Con-
2 sumer Price Index for All Urban Con-
3 sumers for the same month of the pre-
4 ceding calendar year.

5 (3) CREDITING CERTAIN FUNDS.—During any
6 fiscal year, not more than 25 percent of the total
7 amount of fees received under this section shall be
8 derived by transfer from the Immigration Examina-
9 tions Fee Account under section 286(n) of Immigra-
10 tion and Nationality and credited to the Executive
11 Office for Immigration Review to retain and spend
12 without further appropriation. Any amounts not
13 credited under the previous sentence shall be depos-
14 ited into the general fund of the Treasury.

15 (f) FEE FOR FILING AN APPEAL FROM A DECISION
16 OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DIS-
17 CIPLINARY CASE.—

18 (1) IN GENERAL.—In addition to any other fees
19 authorized by law, the Attorney General shall impose
20 on any practitioner who files an appeal from a deci-
21 sion of an adjudicating official in a practitioner dis-
22 ciplinary case a fee in the amount specified in this
23 subsection at the time such appeal is filed.

24 (2) FEE SPECIFIED.—

1 (A) INITIAL AMOUNT.—The amount speci-
2 fied in this subsection for fiscal year 2025 shall
3 be such amount as the Attorney General may
4 by rule provide, but in any event not less than
5 \$1,325.

6 (B) SUBSEQUENT ADJUSTMENT.—Begin-
7 ning in fiscal year 2026 and each fiscal year
8 thereafter, the amount specified in this sub-
9 section for a fiscal year shall be equal to the
10 sum of—

11 (i) the amount imposed under this
12 subsection for the prior fiscal year; and

13 (ii) rounded to the next lowest mul-
14 tiple of \$10, the amount referred to in
15 clause (i), multiplied by the percentage (if
16 any) by which the Consumer Price Index
17 for All Urban Consumers for the month of
18 July preceding the date on which such ad-
19 justment takes effect exceeds the Con-
20 sumer Price Index for All Urban Con-
21 sumers for the same month of the pre-
22 ceding calendar year.

23 (3) CREDITING CERTAIN FUNDS.—During any
24 fiscal year, not more than 25 percent of the total
25 amount of fees received under this section shall be

1 derived by transfer from the Immigration Examina-
2 tions Fee Account under section 286(n) of the Im-
3 migration and Nationality Act and credited to the
4 Executive Office for Immigration Review to retain
5 and spend without further appropriation. Any
6 amounts not credited under the previous sentence
7 shall be deposited into the general fund of the
8 Treasury.

9 (g) FEE FOR FILING A MOTION TO REOPEN OR A
10 MOTION TO RECONSIDER.—

11 (1) IN GENERAL.—In addition to any other fees
12 authorized by law, the Attorney General shall impose
13 on any alien who files a motion to reopen or motion
14 to reconsider a decision of an immigration judge or
15 the Board of Immigration Appeals a fee in the
16 amount specified in this subsection at the time such
17 motion is filed.

18 (2) FEE SPECIFIED.—

19 (A) INITIAL AMOUNT.—The amount speci-
20 fied in this subsection for fiscal year 2025 shall
21 be such amount as the Attorney General may
22 by rule provide, but in any event not less than
23 \$900.

24 (B) SUBSEQUENT ADJUSTMENT.—Begin-
25 ning in fiscal year 2026 and each fiscal year

1 thereafter, the amount specified in this sub-
2 section for a fiscal year shall be equal to the
3 sum of—

4 (i) the amount imposed under this
5 subsection for the prior fiscal year; and

6 (ii) rounded to the next lowest mul-
7 tiple of \$10, the amount referred to in
8 clause (i), multiplied by the percentage (if
9 any) by which the Consumer Price Index
10 for All Urban Consumers for the month of
11 July preceding the date on which such ad-
12 justment takes effect exceeds the Con-
13 sumer Price Index for All Urban Con-
14 sumers for the same month of the pre-
15 ceding calendar year.

16 (3) EXCEPTIONS.—The fee described in this
17 section shall not apply to any motion that is:

18 (A) a motion to reopen a removal order en-
19 tered in absentia if the motion is filed under
20 section 240(b)(5)(C)(ii) of the Immigration and
21 Nationality Act; or

22 (B) a motion to reopen a deportation order
23 entered in absentia if the motion is filed under
24 section 242B(c)(3)(B) of the Immigration and

1 Nationality Act, as the section existed prior to
2 April 1, 1997.

3 (4) CREDITING CERTAIN FUNDS.—During any
4 fiscal year, not more than 25 percent of the total
5 amount of fees received under this section shall be
6 derived by transfer from the Immigration Examina-
7 tions Fee Account under section 286(n) of the Im-
8 migration and Nationality Act and credited to the
9 Executive Office for Immigration Review to retain
10 and spend without further appropriation. Any
11 amounts not credited under the previous sentence
12 shall be deposited into the general fund of the
13 Treasury.

14 (h) FEE FOR FILING AN APPLICATION FOR SUSPEN-
15 SION OF DEPORTATION.—

16 (1) IN GENERAL.—In addition to any other fees
17 authorized by law, the Attorney General shall impose
18 on any alien who files with an immigration court an
19 application for suspension of deportation a fee in the
20 amount specified in this subsection at the time such
21 application is filed.

22 (2) FEE SPECIFIED.—

23 (A) INITIAL AMOUNT.—The amount speci-
24 fied in this subsection for fiscal year 2025 shall
25 be such amount as the Attorney General may

1 by rule provide, but in any event not less than
2 \$600.

3 (B) SUBSEQUENT ADJUSTMENT.—Begin-
4 ning in fiscal year 2026 and each fiscal year
5 thereafter, the amount specified in this sub-
6 section for a fiscal year shall be equal to the
7 sum of—

8 (i) the amount imposed under this
9 subsection for the prior fiscal year; and

10 (ii) rounded to the next lowest mul-
11 tiple of \$10, the amount referred to in
12 clause (i), multiplied by the percentage (if
13 any) by which the Consumer Price Index
14 for All Urban Consumers for the month of
15 July preceding the date on which such ad-
16 justment takes effect exceeds the Con-
17 sumer Price Index for All Urban Con-
18 sumers for the same month of the pre-
19 ceding calendar year.

20 (3) CREDITING CERTAIN FUNDS.—During any
21 fiscal year, not more than 25 percent of the total
22 amount of fees received under this section shall be
23 derived by transfer from the Immigration Examina-
24 tions Fee Account under section 286(n) of the Im-
25 migration and Nationality Act and credited to the

1 Executive Office for Immigration Review to retain
2 and spend without further appropriation. Any
3 amounts not credited under the previous sentence
4 shall be deposited into the general fund of the
5 Treasury.

6 (i) FEE FOR FILING AN APPLICATION FOR CAN-
7 CELLATION OF REMOVAL FOR CERTAIN PERMANENT
8 RESIDENTS.—

9 (1) IN GENERAL.—In addition to any other fees
10 authorized by law, the Attorney General shall impose
11 on any alien who files with an immigration court an
12 application for cancellation of removal for certain
13 permanent residents a fee in the amount specified in
14 this subsection at the time such application is filed.

15 (2) FEE SPECIFIED.—

16 (A) INITIAL AMOUNT.—The amount speci-
17 fied in this subsection for fiscal year 2025 shall
18 be such amount as the Attorney General may
19 by rule provide, but in any event not less than
20 \$600.

21 (B) SUBSEQUENT ADJUSTMENT.—Begin-
22 ning in fiscal year 2026 and each fiscal year
23 thereafter, the amount specified in this sub-
24 section for a fiscal year shall be equal to the
25 sum of—

1 (i) the amount imposed under this
2 subsection for the prior fiscal year; and

3 (ii) rounded to the next lowest mul-
4 tiple of \$10, the amount referred to in
5 clause (i), multiplied by the percentage (if
6 any) by which the Consumer Price Index
7 for All Urban Consumers for the month of
8 July preceding the date on which such ad-
9 justment takes effect exceeds the Con-
10 sumer Price Index for All Urban Con-
11 sumers for the same month of the pre-
12 ceding calendar year.

13 (3) CREDITING CERTAIN FUNDS.—During any
14 fiscal year, not more than 25 percent of the total
15 amount of fees received under this section shall be
16 derived by transfer from the Immigration Examina-
17 tions Fee Account under section 286(n) of the Im-
18 migration and Nationality Act and credited to the
19 Executive Office for Immigration Review to retain
20 and spend without further appropriation. Any
21 amounts not credited under the previous sentence
22 shall be deposited into the general fund of the
23 Treasury.

1 (j) FEE FOR FILING AN APPLICATION FOR CAN-
2 CELLATION OF REMOVAL AND ADJUSTMENT OF STATUS
3 FOR CERTAIN NONPERMANENT RESIDENTS.—

4 (1) IN GENERAL.—In addition to any other fees
5 authorized by law, the Attorney General shall impose
6 on any alien who files with an immigration court an
7 application for cancellation of removal and adjust-
8 ment of status for certain nonpermanent residents a
9 fee in the amount specified in this subsection at the
10 time such application is filed.

11 (2) FEE SPECIFIED.—

12 (A) INITIAL AMOUNT.—The amount speci-
13 fied in this subsection for fiscal year 2025 shall
14 be such amount as the Attorney General may
15 by rule provide, but in any event not less than
16 \$1,500.

17 (B) SUBSEQUENT ADJUSTMENT.—Begin-
18 ning in fiscal year 2026 and each fiscal year
19 thereafter, the amount specified in this sub-
20 section for a fiscal year shall be equal to the
21 sum of—

22 (i) the amount imposed under this
23 subsection for the prior fiscal year; and

24 (ii) rounded to the next lowest mul-
25 tiple of \$10, the amount referred to in

1 clause (i), multiplied by the percentage (if
2 any) by which the Consumer Price Index
3 for All Urban Consumers for the month of
4 July preceding the date on which such ad-
5 justment takes effect exceeds the Con-
6 sumer Price Index for All Urban Con-
7 sumers for the same month of the pre-
8 ceding calendar year.

9 (3) CREDITING CERTAIN FUNDS.—During any
10 fiscal year, not more than 25 percent of the total
11 amount of fees received under this section shall be
12 derived by transfer from the Immigration Examina-
13 tions Fee Account under section 286(n) of the Im-
14 migration and Nationality Act and credited to the
15 Executive Office for Immigration Review to retain
16 and spend without further appropriation. Any
17 amounts not credited under the previous sentence
18 shall be deposited into the general fund of the
19 Treasury.

20 (k) NO WAIVER.—Any fee imposed under this section
21 shall not be waived or reduced.

22 (l) CONDITION ON FUNDS.—No fees received under
23 this section shall be used to fund the Legal Orientation
24 Program or any successor program.

1 **SEC. 70017. ESTA FEE.**

2 Section 217(h)(3)(B) of the Immigration and Nation-
3 ality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

4 (1) in clause (i)—

5 (A) in subclause (I), by striking “and” at
6 the end;

7 (B) in subclause (II)—

8 (i) by inserting after “an amount” the
9 following “of not less than \$10”; and

10 (ii) by striking the period at the end
11 and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(III) not less than \$13.”;

14 (2) in clause (ii)—

15 (A) by striking “Amounts collected under
16 clause (i)(I)” and inserting the following:

17 “(I) IN GENERAL.—Of the
18 amounts collected under clause (i)(I)
19 during a fiscal year, not more than
20 \$20,000,000”;

21 (B) by inserting before the period at the
22 end of the first sentence the following: “, and
23 the remainder of the amounts collected under
24 clause (i)(I) shall be deposited in the general
25 fund of the Treasury”; and

1 (C) by inserting after “to pay the costs in-
2 curred to administer the System.” the fol-
3 lowing: “Amounts collected under clause (i)(III)
4 shall be deposited in the general fund of the
5 Treasury.”;

6 (3) in clause (iii), by striking “2028” and in-
7 serting “2034”; and

8 (4) by adding at the end the following:

9 “(iv) SUBSEQUENT ADJUSTMENT.—
10 Beginning in fiscal year 2026 and each fis-
11 cal year thereafter, the amount specified in
12 clause (i)(II) for a fiscal year shall be
13 equal to the sum of—

14 “(I) the amount imposed under
15 this subsection for the prior fiscal
16 year; and

17 “(II) the amount referred to in
18 subclause (I), multiplied by the per-
19 centage (if any) by which the Con-
20 sumer Price Index for All Urban Con-
21 sumers for the month of July pre-
22 ceding the date on which such adjust-
23 ment takes effect exceeds the Con-
24 sumer Price Index for All Urban Con-

1 sumers for the same month of the
2 preceding calendar year.”.

3 **SEC. 70018. IMMIGRATION USER FEES.**

4 Section 286 of the Immigration and Nationality Act
5 (8 U.S.C. 1356) is amended—

6 (1) in subsection (d)—

7 (A) by striking “In addition to any other
8 fee” and inserting the following:

9 “(1) IN GENERAL.—In addition to any other
10 fee”;

11 (B) by inserting “and except as provided
12 in subsection (e),” before “the Attorney General
13 shall charge and collect”;

14 (C) by striking “\$7” and inserting “a fee
15 in an amount specified in paragraph (2)”;

16 (D) by adding at the end the following:

17 “(2) INITIAL AMOUNT.—For purposes of this
18 section, the amount specified in this section for fis-
19 cal year 2025 shall be not less than \$10.

20 “(3) SUBSEQUENT ADJUSTMENT.—Beginning
21 in fiscal year 2026 and each fiscal year thereafter,
22 the amount specified in this subsection for a fiscal
23 year shall be equal to the sum of—

24 “(A) the amount imposed under this sub-
25 section for the prior fiscal year; and

1 “(B) rounded to the next lowest multiple
2 of \$0.25, the amount referred to in subpara-
3 graph (A), multiplied by the percentage (if any)
4 by which the Consumer Price Index for All
5 Urban Consumers for the month of July pre-
6 ceding the date on which such adjustment takes
7 effect exceeds the Consumer Price Index for All
8 Urban Consumers for the same month of the
9 preceding calendar year.

10 “(4) CREDITING OF AMOUNTS.—Of amounts
11 collected under this subsection \$1 per individual for
12 immigration inspection or preinspection as described
13 in this subsection shall be deposited in the general
14 fund of the Treasury.

15 “(5) NO WAIVER.—A fee imposed under this
16 subsection shall not be waived or reduced.”; and

17 (2) in subsection (e)—

18 (A) by striking paragraph (1);

19 (B) by redesignating paragraphs (2) and
20 (3) as paragraphs (1) and (2); and

21 (C) in paragraph (2) (as redesignated by
22 subparagraph (B) above), by striking “The At-
23 torney General shall charge” and all that fol-
24 lows through “this requirement shall not apply

1 to” and inserting the following: “No fee shall be
2 charged under subsection (d) for”.

3 **SEC. 70019. EVUS FEE.**

4 (a) **IN GENERAL.**— In addition to any other fee au-
5 thORIZED by law, the Secretary of Homeland Security shall
6 impose on any alien subject to the Electronic Visa Update
7 System a fee in the amount specified in this section at
8 the time of such alien’s enrollment in the Electronic Visa
9 Update System.

10 (b) **AMOUNT.**—For purposes of this section, the
11 amount specified in this section for fiscal year 2025 shall
12 be such amount as the Secretary may by rule provide, but
13 in any event not less than \$30.

14 (c) **SUBSEQUENT ADJUSTMENT.**—Beginning in fiscal
15 year 2026 and each fiscal year thereafter, the amount
16 specified in this section for a fiscal year shall be equal
17 to the sum of—

18 (1) the amount imposed under this section for
19 the prior fiscal year; and

20 (2) rounded to the next lowest multiple of
21 \$0.25, the amount referred to in paragraph (1),
22 multiplied by the percentage (if any) by which the
23 Consumer Price Index for All Urban Consumers for
24 the month of July preceding the date on which such
25 adjustment takes effect exceeds the Consumer Price

1 Index for All Urban Consumers for the same month
2 of the preceding calendar year.

3 (d) CREDITING OF FUNDS.—

4 (1) IN GENERAL.—The fees received under this
5 section shall be deposited into the CBP Electronic
6 Visa Update System Account, less \$5 per enrollment
7 which shall be deposited into the general fund of the
8 Treasury.

9 (2) ESTABLISHMENT.—There is hereby estab-
10 lished in the Treasury of the United States a sepa-
11 rate account which shall be known as the “CBP
12 Electronic Visa Update System Account”.

13 (3) APPROPRIATION.— Amounts deposited in
14 the CBP Electronic Visa Update System Account
15 are hereby appropriated to make payments and off-
16 set program costs as specified in this section without
17 further appropriation necessary and shall remain
18 available until expended for any U.S. Customs and
19 Border Protection costs associated with admin-
20 istering the Electronic Visa Update System.

21 (e) NO WAIVER.—A fee imposed under this section
22 shall not be waived or reduced.

1 **SEC. 70020. FEE FOR SPONSOR OF UNACCOMPANIED ALIEN**
2 **CHILD WHO FAILS TO APPEAR IN IMMIGRA-**
3 **TION COURT.**

4 (a) FEE IMPOSED.—In addition to any other fee au-
5 thorized by law, for the sponsor of an unaccompanied alien
6 child, the Secretary of Health and Human Services shall
7 impose a fee in an amount specified in subsection (b) prior
8 to the unaccompanied alien child’s release to such sponsor.

9 (b) FEE SPECIFIED.—

10 (1) INITIAL AMOUNT.—The amount specified in
11 this subsection for fiscal year 2025 shall be such
12 amount as the Secretary may by rule provide, but in
13 any event not less than \$5,000.

14 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
15 fiscal year 2026 and each fiscal year thereafter, the
16 amount specified in this subsection for a fiscal year
17 shall be equal to the sum of—

18 (A) the amount imposed under this sub-
19 section for the prior fiscal year; and

20 (B) rounded to the next lowest multiple of
21 \$10, the amount referred to in subparagraph
22 (A), multiplied by the percentage (if any) by
23 which the Consumer Price Index for All Urban
24 Consumers for the month of July preceding the
25 date on which such adjustment takes effect ex-
26 ceeds the Consumer Price Index for All Urban

1 Consumers for the same month of the preceding
2 calendar year.

3 (c) FEE REIMBURSEMENT.—At the conclusion of an
4 unaccompanied alien child’s immigration court pro-
5 ceedings as an unaccompanied alien child, or upon the
6 ending of such sponsor’s sponsorship of such unaccom-
7 panied alien child, the Secretary of Health and Human
8 Services may reimburse to a sponsor a fee imposed under
9 this section if such sponsor demonstrates that the unac-
10 companied alien child in the care of such sponsor was not
11 ordered removed in absentia under section 240(b)(5) of
12 the Immigration and Nationality Act. In the case of a
13 sponsor of an unaccompanied alien child who was ordered
14 removed in absentia and such order was rescinded under
15 section 240(b)(5)(C) of the Immigration and Nationality
16 Act, the sponsor may seek reimbursement of the fee under
17 this section.

18 (d) CREDITING OF FUNDS.—The fees received under
19 this section shall be deposited into the general fund of the
20 Treasury.

21 (e) NO WAIVER.—A fee imposed under this sub-
22 section shall not be waived or reduced.

1 **SEC. 70021. FEE FOR ALIENS ORDERED REMOVED IN**
2 **ABSENTIA.**

3 (a) **IN GENERAL.**—As partial reimbursement for the
4 cost of arresting an alien described in this section, the Sec-
5 retary of Homeland Security shall impose a fee in an
6 amount specified in this section on any alien who—

7 (1) is ordered removed in absentia under sec-
8 tion 240(b)(5) of the Immigration and Nationality
9 Act (8 U.S.C. 1229a(b)(5)); and

10 (2) is subsequently arrested by U.S. Immigra-
11 tion and Customs Enforcement.

12 (b) **INITIAL AMOUNT.**—For purposes of this sub-
13 section, the amount specified in this subsection for fiscal
14 year 2025 shall be such amount as the Secretary may by
15 rule provide, but in any event not less than \$5,000.

16 (c) **SUBSEQUENT ADJUSTMENT.**—Beginning in fiscal
17 year 2026 and each fiscal year thereafter, the amount for
18 a fiscal year shall be equal to the sum of—

19 (1) the amount imposed under this section for
20 the prior fiscal year; and

21 (2) rounded to the next lowest multiple of \$10,
22 the amount referred to in paragraph (1), multiplied
23 by the percentage (if any) by which the Consumer
24 Price Index for All Urban Consumers for the month
25 of July preceding the date on which such adjustment
26 takes effect exceeds the Consumer Price Index for

1 All Urban Consumers for the same month of the
2 preceding calendar year.

3 (d) CREDITING OF FUNDS.—The fees received under
4 this section shall be deposited into the general fund of the
5 Treasury.

6 (e) NO WAIVER.—A fee imposed under this sub-
7 section shall not be waived or reduced.

8 (f) EXCEPTION.—The fee described in this section
9 shall not apply to any alien who was ordered removed in
10 absentia if such order was rescinded under section
11 240(b)(5)(C) of the Immigration and Nationality Act.

12 **SEC. 70022. CUSTOMS AND BORDER PROTECTION INADMIS-**
13 **SIBLE ALIEN APPREHENSION FEE.**

14 (a) FEE IMPOSED.—In addition to any other fee au-
15 thorized by law, for any inadmissible alien who is appre-
16 hended between ports of entry by U.S. Customs and Bor-
17 der Protection, the Secretary of Homeland Security shall
18 impose a fee in an amount specified in subsection (b) at
19 the time of such apprehension.

20 (b) FEE SPECIFIED.—

21 (1) INITIAL AMOUNT.—The amount specified in
22 this subsection for fiscal year 2025 shall be such
23 amount as the Secretary may by rule provide, but in
24 any event not less than \$5,000.

1 (1) in the first sentence, by striking “may” and
2 inserting “shall”;

3 (2) by striking “Such fees shall not exceed” and
4 all that follows; and

5 (3) by inserting after the first sentence “Noth-
6 ing in this paragraph shall be construed to limit the
7 authority of the Attorney General to set additional
8 adjudication and naturalization fees in accordance
9 with section 286(m).”.

10 **PART 2—USE OF FUNDS**

11 **SEC. 70100. EXECUTIVE OFFICE FOR IMMIGRATION RE-**
12 **VIEW.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Executive Of-
15 fice for Immigration Review for fiscal year 2025, out of
16 any money in the Treasury not otherwise appropriated,
17 \$1,250,000,000 to remain available until September 30,
18 2029, for the purposes described in subsection (b).

19 (b) USE OF FUNDS.—Amounts made available under
20 subsection (a) shall only be used for purposes of—

21 (1) hiring the support staff necessary to sup-
22 port immigration judges;

23 (2) hiring immigration judges; and

24 (3) expanding courtroom capacity and infra-
25 structure.

1 **SEC. 70101. ADULT ALIEN DETENTION CAPACITY AND FAM-**
2 **ILY RESIDENTIAL CENTERS.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to U.S. Immigration
5 and Customs Enforcement for fiscal year 2025, out of any
6 money in the Treasury not otherwise appropriated,
7 \$45,000,000,000 to remain available until September 30,
8 2029, for the purposes described in subsection (b).

9 (b) USE OF FUNDS.—Amounts made available under
10 subsection (a) shall only be used for family residential cen-
11 ter capacity and single adult alien detention capacity.

12 (c) DURATION.—The Department of Homeland Secu-
13 rity may detain family units of aliens at family residential
14 centers, as described in subsections (b) and (d), pending
15 a decision on whether the aliens are to be removed from
16 the United States and, if such aliens are ordered removed
17 from the United States, until such aliens are removed.

18 (d) FAMILY RESIDENTIAL CENTER DEFINED.—In
19 this section, the term “family residential center” means
20 a facility used by the Department of Homeland Security
21 to detain family units of aliens (including alien children
22 who are not unaccompanied alien children) who are en-
23 countered or apprehended by the Department of Home-
24 land Security, regardless of whether the facility is licensed
25 by the State or a political subdivision of the State in which
26 the facility is located.

1 (e) DETENTION STANDARDS.—To efficiently utilize
2 the funding appropriated by this section, the detention
3 standards for the single adult detention capacity described
4 in subsection (b) shall be set in the sole discretion of the
5 Secretary of Homeland Security.

6 **SEC. 70102. RETENTION AND SIGNING BONUSES FOR U.S.**
7 **IMMIGRATION AND CUSTOMS ENFORCEMENT**
8 **PERSONNEL.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise available, there is appropriated to U.S. Immigration
11 and Customs Enforcement for fiscal year 2025, out of any
12 money in the Treasury not otherwise appropriated,
13 \$858,000,000 to remain available until September 30,
14 2029, for the purposes described in subsections (b) and
15 (c).

16 (b) RETENTION BONUSES.—U.S. Immigration and
17 Customs Enforcement may provide retention bonuses to
18 any U.S. Immigration and Customs Enforcement agent,
19 officer, or attorney who commits to two years of additional
20 service with U.S. Immigration and Customs Enforcement
21 to carry out immigration enforcement.

22 (c) SIGNING BONUSES.—U.S. Immigration and Cus-
23 toms Enforcement shall provide a signing bonus to each
24 U.S. Immigration and Customs Enforcement agent, offi-
25 cer, or attorney who is hired on or after the date of enact-

1 ment of this Act and who commits to five years of service
2 with U.S. Immigration and Customs Enforcement to carry
3 out immigration enforcement.

4 (d) RULES FOR BONUSES.—U.S. Customs and Immi-
5 gration Enforcement shall provide qualifying individuals
6 with written service agreements that include—

7 (1) the commencement and termination dates of
8 the required service period (or provisions for the de-
9 termination thereof);

10 (2) the amount of the bonus; and

11 (3) other terms and conditions under which the
12 bonus is payable, subject to the requirements of this
13 subsection, including—

14 (A) the conditions under which the agree-
15 ment may be terminated before the agreed-upon
16 service period has been completed; and

17 (B) the effect of a termination described in
18 subparagraph (A).

19 **SEC. 70103. HIRING OF ADDITIONAL U.S. IMMIGRATION AND**
20 **CUSTOMS ENFORCEMENT PERSONNEL.**

21 (a) APPROPRIATION.—In addition to amounts other-
22 wise available, there is appropriated to U.S. Immigration
23 and Customs Enforcement for fiscal year 2025, out of any
24 money in the Treasury not otherwise appropriated,

1 \$8,000,000,000, to remain available until September 30,
2 2029, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—Amounts made available under
4 subsection (a) shall only be used to hire additional per-
5 sonnel of U.S. Immigration and Customs Enforcement, in-
6 cluding officers, agents, and support staff, to carry out
7 immigration enforcement, and to prioritize and streamline
8 the hiring of retired U.S. Immigration and Customs En-
9 forcement personnel. There shall be a minimum of—

10 (1) 2,500 individuals hired in fiscal year 2025;

11 (2) 1,875 individuals hired in 2026;

12 (3) 1,875 individuals hired in 2027;

13 (4) 1,875 individuals hired in 2028; and

14 (5) 1,875 individuals hired in 2029.

15 **SEC. 70104. U.S. IMMIGRATION AND CUSTOMS ENFORCE-**
16 **MENT HIRING CAPABILITY.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise available, there is appropriated to U.S. Immigration
19 and Customs Enforcement for fiscal year 2025, out of any
20 money in the Treasury not otherwise appropriated,
21 \$600,000,000, to remain available until September 30,
22 2029, for the purpose described in subsection (b).

23 (b) USE OF FUNDS.—The funds made available
24 under subsection (a) shall only be used for the purpose
25 of facilitating the recruitment, hiring, and onboarding of

1 additional U.S. Immigration and Customs Enforcement
2 personnel to carry out immigration enforcement, including
3 by investments in information technology, recruitment,
4 marketing, and staff necessary for such activities.

5 **SEC. 70105. TRANSPORTATION AND REMOVAL OPERATIONS.**

6 (a) APPROPRIATION.—In addition to amounts other-
7 wise available, there is appropriated to U.S. Immigration
8 and Customs Enforcement for fiscal year 2025, out of any
9 money in the Treasury not otherwise appropriated,
10 \$14,400,000,000, to remain available until September 30,
11 2029, for the purposes described in subsection (b).

12 (b) USE OF FUNDS.—Amounts made available under
13 subsection (a) shall only be used for transportation and
14 removal operations and for ensuring the departure of
15 aliens.

16 **SEC. 70106. INFORMATION TECHNOLOGY INVESTMENTS.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise available, there is appropriated to U.S. Immigration
19 and Customs Enforcement for fiscal year 2025, out of any
20 money in the Treasury not otherwise appropriated,
21 \$700,000,000 to remain available until September 30,
22 2029, for the purposes described in subsection (b).

23 (b) USE OF FUNDS.—Amounts made available under
24 subsection (a) shall only be used for U.S. Immigration and
25 Customs Enforcement information technology investments

1 to support enforcement and removal operations, including
2 to streamline fine and penalty collections.

3 **SEC. 70107. FACILITIES UPGRADES.**

4 (a) APPROPRIATION.—In addition to amounts other-
5 wise available, there is appropriated to U.S. Immigration
6 and Customs Enforcement for fiscal year 2025, out of any
7 money in the Treasury not otherwise appropriated,
8 \$550,000,000 to remain available until September 30,
9 2029, for the purposes described in subsection (b).

10 (b) USE OF FUNDS.—Amounts made available under
11 subsection (a) shall only be used for U.S. Immigration and
12 Customs Enforcement facility upgrades to support en-
13 forcement and removal operations.

14 **SEC. 70108. FLEET MODERNIZATION.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to U.S. Immigration
17 and Customs Enforcement for fiscal year 2025, out of any
18 money in the Treasury not otherwise appropriated,
19 \$250,000,000 to remain available until September 30,
20 2029, for the purposes described in subsection (b).

21 (b) USE OF FUNDS.—Amounts made available under
22 subsection (a) shall only be used for U.S. Immigration and
23 Customs Enforcement fleet modernization to support en-
24 forcement and removal operations.

1 **SEC. 70109. PROMOTING FAMILY UNITY.**

2 (a) APPROPRIATION.—In addition to amounts other-
3 wise available, there is appropriated to U.S. Immigration
4 and Customs Enforcement for fiscal year 2025, out of any
5 money in the Treasury not otherwise appropriated,
6 \$20,000,000 to remain available until September 30,
7 2029, for the purposes described in subsection (b).

8 (b) USE OF FUNDS.—The funds made available
9 under subsection (a) shall only be used to—

10 (1) maintain the care and custody, during the
11 period in which the charges described in subpara-
12 graph (A) are pending, of an alien who—

13 (A) is charged only with a misdemeanor of-
14 fense under section 275(a) of the Immigration
15 and Nationality Act (8 U.S.C. 1325(a)); and

16 (B) entered the United States with the
17 alien's child who has not attained 18 years of
18 age; and

19 (2) detain the alien with the alien's child.

20 **SEC. 70110. FUNDING SECTION 287(G) OF THE IMMIGRA-**
21 **TION AND NATIONALITY ACT.**

22 (a) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated to the U.S. Immigra-
24 tion and Customs Enforcement for fiscal year 2025, out
25 of any money in the Treasury not otherwise appropriated,

1 \$650,000,000, to remain available until September 30,
2 2029, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—The amounts made available
4 under subsection (a) shall only be used for purposes of
5 facilitating and implementing agreements under section
6 287(g) of the Immigration and Nationality Act (8 U.S.C.
7 1357(g)).

8 **SEC. 70111. COMPENSATION FOR INCARCERATION OF**
9 **CRIMINAL ALIENS.**

10 (a) APPROPRIATION.—In addition to amounts other-
11 wise available, there is appropriated to the Department
12 of Justice for fiscal year 2025, out of any money in the
13 Treasury not otherwise appropriated, \$950,000,000, to re-
14 main available until September 30, 2029, for the purposes
15 described in subsection (b).

16 (b) USE OF FUNDS.—The amounts made available
17 under subsection (a) shall only be used to compensate a
18 State or political subdivision of a State, as may be appro-
19 priate, with respect to the incarceration of any alien
20 who—

21 (1) has been convicted of a felony or two or
22 more misdemeanors; and

23 (2)(A) entered the United States without in-
24 spection or at any time or place other than as des-
25 ignated by the Secretary of Homeland Security;

1 (B) was the subject of removal proceedings at
2 the time he or she was taken into custody by the
3 State or a political subdivision of the State; or

4 (C) was admitted as a nonimmigrant and, at
5 the time he or she was taken into custody by the
6 State or a political subdivision of the State, has
7 failed to maintain the nonimmigrant status in which
8 the alien was admitted, or to which it was changed,
9 or to comply with the conditions of any such status.

10 (c) LIMITATION.—The amounts made available under
11 subsection (a) shall not be used to compensate any State
12 or political subdivision of the State if the State or political
13 subdivision of the State prohibits or in any way restricts
14 a Federal, State, or local government entity, official, or
15 other personnel from any of the following:

16 (1) Complying with the immigration laws (as
17 defined in section 101(a)(17) of the Immigration
18 and Nationality Act (8 U.S.C. 1101(a)(17)).

19 (2) Assisting or cooperating with Federal law
20 enforcement entities, officials, or other personnel re-
21 garding the enforcement of the immigration laws.

22 (3) Undertaking any one of the following law
23 enforcement activities as they relate to information
24 regarding the citizenship or immigration status, law-

1 ful or unlawful, the inadmissibility or deportability,
2 and the custody status, of any individual:

3 (A) Making inquiries to any individual to
4 obtain such information regarding such indi-
5 vidual or any other individuals.

6 (B) Notifying the Federal Government re-
7 garding the presence of individuals who are en-
8 countered by law enforcement officials or other
9 personnel of a State or political subdivision of
10 a State.

11 (C) Complying with requests for such in-
12 formation from Federal law enforcement enti-
13 ties, officials, or other personnel.

14 **SEC. 70112. OFFICE OF THE PRINCIPAL LEGAL ADVISOR.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to U.S. Immigration
17 and Customs Enforcement for fiscal year 2025, out of any
18 money in the Treasury not otherwise appropriated,
19 \$1,320,000,000 to remain available until September 30,
20 2029, for the purposes described in subsection (b).

21 (b) USE OF FUNDS.—Amounts made available under
22 subsection (a) shall only be used for purposes of hiring
23 additional support staff and attorneys within the Office
24 of the Principal Legal Advisor to represent the Depart-
25 ment of Homeland Security in removal proceedings.

1 **SEC. 70113. RETURN OF ALIENS ARRIVING FROM CONTIG-**
2 **UOUS TERRITORY.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Department
5 of Homeland Security for fiscal year 2025, out of any
6 money in the Treasury not otherwise appropriated,
7 \$500,000,000 to remain available until September 30,
8 2029, for the purposes described in subsection (b).

9 (b) USE OF FUNDS.—The funds made available
10 under subsection (a) shall only be used for purposes of
11 return of aliens under section 235(b)(2)(C) of the Immi-
12 gration and Nationality Act (8 U.S.C. 1225(b)(2)(C)).

13 **SEC. 70114. STATE AND LOCAL PARTICIPATION IN HOME-**
14 **LAND SECURITY EFFORTS.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to U.S. Immigration
17 and Customs Enforcement for fiscal year 2025, out of any
18 money in the Treasury not otherwise appropriated,
19 \$787,000,000, to remain available until September 30,
20 2029, for the purpose described in subsection (b).

21 (b) USE OF FUNDS.—The funds made available
22 under subsection (a) shall only be used for the purpose
23 of ending the presence of criminal gangs and criminal or-
24 ganizations throughout the United States, combating do-
25 mestic human smuggling and trafficking networks, sup-
26 porting immigration enforcement activities, and providing

1 reimbursement for State and local participation in such
2 efforts.

3 **SEC. 70115. UNACCOMPANIED ALIEN CHILDREN CAPACITY.**

4 (a) APPROPRIATION.—In addition to amounts other-
5 wise available, there is appropriated to the Office of Ref-
6 ugee Resettlement for fiscal year 2025, out of any money
7 in the Treasury not otherwise appropriated,
8 \$3,000,000,000 to remain available until September 30,
9 2029, for the purposes described in subsection (b).

10 (b) USE OF FUNDS.—The funds made available
11 under subsection (a) shall only be used for the Office of
12 Refugee Resettlement to house, transport, and supervise
13 unaccompanied alien children in the custody of the Office
14 of Refugee Resettlement pursuant to section 235 of the
15 William Wilberforce Trafficking Victims Protection Reau-
16 thorization Act of 2008.

17 **SEC. 70116. DEPARTMENT OF HOMELAND SECURITY**

18 **CHECKS FOR UNACCOMPANIED ALIEN CHIL-**

19 **DREN.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to U.S. Customs and
22 Border Protection for fiscal year 2025, out of any money
23 in the Treasury not otherwise appropriated, \$20,000,000,
24 to remain available until September 30, 2029, for the pur-
25 poses described in subsection (b).

1 (b) USE OF FUNDS.—In the case of an unaccom-
2 panied alien child who has attained 12 years of age and
3 is encountered by U.S. Customs and Border Protection,
4 the funds made available under subsection (a) shall only
5 be used to conduct an examination of such unaccompanied
6 alien child for gang-related tattoos and other gang-related
7 markings.

8 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In
9 this section, the term “unaccompanied alien child” shall
10 have the meaning given such term in section 462(g) of
11 the Homeland Security Act of 2002.

12 **SEC. 70117. DEPARTMENT OF HEALTH AND HUMAN SERV-**
13 **ICES CHECKS FOR UNACCOMPANIED ALIEN**
14 **CHILDREN.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Office of Ref-
17 ugee Resettlement for fiscal year 2025, out of any money
18 in the Treasury not otherwise appropriated, \$20,000,000,
19 to remain available until September 30, 2029, for the pur-
20 poses described in subsection (b).

21 (b) USE OF FUNDS.—In the case of each unaccom-
22 panied alien child who has attained 12 years of age, the
23 funds made available under subsection (a) shall only be
24 used for the purpose of making a determination pursuant
25 to section 235(c)(2)(A) of the William Wilberforce Traf-

1 ficking Victims Protection Reauthorization Act of 2008
2 about whether an unaccompanied alien child poses a dan-
3 ger to self or others by conducting an examination of the
4 unaccompanied alien child for gang-related tattoos and
5 other gang-related markings.

6 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In
7 this section, the term “unaccompanied alien child” shall
8 have the meaning given such term in section 462(g) of
9 the Homeland Security Act of 2002.

10 **SEC. 70118. INFORMATION ABOUT SPONSORS AND ADULT**
11 **RESIDENTS OF SPONSOR HOUSEHOLDS.**

12 (a) APPROPRIATION.—In addition to amounts other-
13 wise available, there is appropriated to the Office of Ref-
14 ugee Resettlement for fiscal year 2025, out of any money
15 in the Treasury not otherwise appropriated, \$50,000,000,
16 to remain available until September 30, 2029, for the pur-
17 poses described in subsection (b).

18 (b) INFORMATION ABOUT INDIVIDUALS WITH WHOM
19 UNACCOMPANIED ALIEN CHILDREN ARE PLACED AND
20 RESIDE.—Before placing an unaccompanied alien child
21 with an individual pursuant to section 235(c) of the Wil-
22 liam Wilberforce Trafficking Victims Protection Reauthor-
23 ization Act of 2008, the Secretary of Health and Human
24 Services shall provide to the Secretary of Homeland Secu-
25 rity, regarding the individual with whom the child will be

1 placed and all adult residents of the individual’s house-
2 hold, information on—

3 (1) the name of the individual and all adult
4 residents of the individual’s household;

5 (2) the social security number of the individual
6 and all adult residents of the individual’s household;

7 (3) the date of birth of the individual and all
8 adult residents of the individual’s household;

9 (4) the validated location of the individual’s res-
10 idence where the child will be placed;

11 (5) the immigration status of the individual and
12 all adult residents of the individual’s household;

13 (6) contact information for the individual and
14 all adult residents of the individual’s household; and

15 (7) the results of all background and criminal
16 records checks for the individual and all adult resi-
17 dents of the individual’s household, which shall in-
18 clude at a minimum an investigation of the public
19 records sex offender registry, a public records back-
20 ground check, and a national criminal history check
21 based on fingerprints.

22 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In
23 this section, the term “unaccompanied alien child” shall
24 have the meaning given such term in section 462(g) of
25 the Homeland Security Act of 2002.

1 **SEC. 70119. REPATRIATION OF UNACCOMPANIED ALIEN**
2 **CHILDREN.**

3 (a) **APPROPRIATION.**—In addition to amounts other-
4 wise available, there is appropriated to the Department
5 of Homeland Security for fiscal year 2025, out of any
6 money in the Treasury not otherwise appropriated,
7 \$100,000,000, to remain available until September 30,
8 2029, for the purposes described in subsection (b).

9 (b) **USE OF FUNDS.**—The funds made available
10 under subsection (a) shall only be used to permit a speci-
11 fied unaccompanied alien child to withdraw the child’s ap-
12 plication for admission pursuant to section 235(a)(4) of
13 the Immigration and Nationality Act.

14 (c) **DEFINITIONS.**—In this section—

15 (1) **SPECIFIED UNACCOMPANIED ALIEN**
16 **CHILD.**—The term “specified unaccompanied alien
17 child” means an unaccompanied alien child (as de-
18 fined in section 462(g) of the Homeland Security
19 Act of 2002), regardless of whether such unaccom-
20 panied alien child is a national or habitual resident
21 of a country that is contiguous or non-contiguous
22 with the United States, who the Secretary of Home-
23 land Security determines on a case-by-case basis—

24 (A) has been found by an immigration offi-
25 cer at a land border or port of entry of the

1 United States and is inadmissible under the Im-
2 migration and Nationality Act;

3 (B) has not been a victim of severe forms
4 of trafficking in persons, and there is no cred-
5 ible evidence that such child is at risk of being
6 trafficked upon return to the child’s country of
7 nationality or of last habitual residence; and

8 (C) does not have a fear of returning to
9 the child’s country of nationality or of last ha-
10 bitual residence owing to a credible fear of per-
11 secution.

12 (2) SEVERE FORMS OF TRAFFICKING IN PER-
13 SONS.—The term “severe forms of trafficking in
14 persons” shall have the meaning given such term in
15 section 103 of the Trafficking Victims Protection
16 Act of 2000.

17 **SEC. 70120. UNITED STATES SECRET SERVICE.**

18 (a) APPROPRIATION.—In addition to amounts other-
19 wise available, there is appropriated to the Director of the
20 United States Secret Service for fiscal year 2025, out of
21 any money in the Treasury not otherwise appropriated,
22 \$1,170,000,000 to remain available until September 30,
23 2029, for the purposes described in subsection (b).

24 (b) USE OF FUNDS.—Amounts made available under
25 subsection (a) shall only be used for additional United

1 States Secret Service resources, including personnel, train-
2 ing facilities, and technology.

3 **SEC. 70121. COMBATING DRUG TRAFFICKING AND ILLEGAL**
4 **DRUG USE.**

5 (a) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Department
7 of Justice for fiscal year 2025, out of any money in the
8 Treasury not otherwise appropriated, \$500,000,000 to re-
9 main available until September 30, 2029, for the purposes
10 described in subsection (b).

11 (b) USE OF FUNDS.—Amounts made available under
12 subsection (a) shall only be used for efforts to combat
13 drug trafficking, including of fentanyl and its precursor
14 chemicals, and illegal drug use.

15 **SEC. 70122. INVESTIGATING AND PROSECUTING IMMIGRA-**
16 **TION RELATED MATTERS.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise available, there is appropriated to the Department
19 of Justice for fiscal year 2025, out of any money in the
20 Treasury not otherwise appropriated, \$600,000,000, to re-
21 main available until September 30, 2029, for the purposes
22 described in subsection (b).

23 (b) USE OF FUNDS.—Amounts made available under
24 subsection (a) shall only be used to investigate and pros-
25 ecute immigration matters, gang-related crimes involving

1 aliens, child trafficking and smuggling involving aliens,
2 voting by aliens, violations of the Alien Registration Act,
3 and violations of or fraud relating to title IV of the Per-
4 sonal Responsibility and Work Opportunity Act of 1996,
5 including through hiring Department of Justice personnel
6 to investigate and prosecute such matters.

7 **SEC. 70123. EXPEDITED REMOVAL FOR CRIMINAL ALIENS.**

8 (a) APPROPRIATION.—In addition to amounts other-
9 wise available, there is appropriated to the Department
10 of Homeland Security for fiscal year 2025, out of any
11 money in the Treasury not otherwise appropriated,
12 \$75,000,000, to remain available until September 30,
13 2029, for the purposes described in subsection (b).

14 (b) USE OF FUNDS.—The amounts made available
15 in subsection (a) shall only be used for applying the provi-
16 sions of section 235(b)(1) of the Immigration and Nation-
17 ality Act to any alien who is inadmissible under paragraph
18 (2) or (3) of section 212(a) of the Immigration and Na-
19 tionality Act, regardless of the period that such alien has
20 been physically present in the United States.

21 **SEC. 70124. REMOVAL OF CERTAIN CRIMINAL ALIENS WITH-**
22 **OUT FURTHER HEARING.**

23 (a) APPROPRIATION.—In addition to amounts other-
24 wise available, there is appropriated to the Department
25 of Homeland Security for fiscal year 2025, out of any

1 money in the Treasury not otherwise appropriated,
2 \$25,000,000, to remain available until September 30,
3 2029, for the purposes described in subsection (b).

4 (b) USE OF FUNDS.—The amounts made available
5 in subsection (a) shall only be used for applying the provi-
6 sions of section 235(c) of the Immigration and Nationality
7 Act to any arriving alien that an immigration officer or
8 an immigration judge suspects may be inadmissible under
9 paragraph (2) or (3) of section 212(a) of the Immigration
10 and Nationality Act.

11 **Subtitle B—Regulatory Matters**

12 **SEC. 70200. REVIEW OF AGENCY RULEMAKING.**

13 (a) DEREGULATION INITIATIVE.—

14 (1) APPROPRIATION.—In addition to amounts
15 otherwise available, there is appropriated to the Di-
16 rector of the Office of Management and Budget for
17 fiscal year 2025, out of any money in the Treasury
18 not otherwise appropriated, \$100,000,000 to remain
19 available through September 30, 2028, to carry out
20 this section.

21 (2) USE OF FUNDS.—The Director of the Office
22 of Management and Budget shall use amounts made
23 available under paragraph (1) to pay expenses asso-
24 ciated with improving regulatory processes and ana-

1 lyzing and reviewing rules issued by a covered agen-
2 cy.

3 (b) DEFINITIONS.—In this section:

4 (1) COVERED AGENCY.—The term “covered
5 agency”—

6 (A) means—

7 (i) the Department of Education;

8 (ii) the Department of Energy;

9 (iii) the Department of Health and
10 Human Services;

11 (iv) the Department of Homeland Se-
12 curity;

13 (v) the Department of Justice;

14 (vi) the Consumer Financial Protec-
15 tion Bureau; and

16 (vii) the Environmental Protection
17 Agency; and

18 (B) does not include the Social Security
19 Administration.

20 (2) RULE.—The term “rule” has the meaning
21 given the term in section 551 of title 5, United
22 States Code, only to the extent such rule has been
23 issued by a covered agency.

1 **Subtitle C—Other Matters**

2 **SEC. 70300. LIMITATION ON DONATIONS MADE PURSUANT** 3 **TO SETTLEMENT AGREEMENTS TO WHICH** 4 **THE UNITED STATES IS A PARTY.**

5 (a) **LIMITATION ON REQUIRED DONATIONS.**—An of-
6 ficial within the Department of Justice may not enter into
7 or enforce any settlement agreement on behalf of the
8 United States directing or providing for a payment to any
9 person or entity other than the United States, other than
10 a payment that provides restitution for or otherwise di-
11 rectly remedies actual harm (including to the environ-
12 ment) directly and proximately caused by the party mak-
13 ing the payment, or constitutes payment for services ren-
14 dered in connection with the case.

15 (b) **PENALTY.**—Any official within the Department
16 of Justice who violates subsection (a) shall be subject to
17 the same penalties that would apply in the case of a viola-
18 tion of section 3302 of title 31, United States Code.

19 (c) **EFFECTIVE DATE.**—Subsections (a) and (b)
20 apply only in the case of a settlement agreement entered
21 on or after the date of enactment of this Act.

22 (d) **DEFINITION.**—The term “settlement agreement”
23 means a settlement agreement resolving a civil action or
24 potential civil action.

25 (e) **ANNUAL AUDIT REQUIREMENT.**—

1 (1) IN GENERAL.—Not later than at the end of
2 the first fiscal year that begins after the date of en-
3 actment of this Act, and annually thereafter, the In-
4 spector General of the Department of Justice shall
5 submit, and make available on a publicly accessible
6 website, a report on any settlement agreement en-
7 tered into in violation of this section to—

8 (A) the Committee on the Judiciary of the
9 Senate; and

10 (B) the Committee on the Judiciary of the
11 House of Representatives.

12 (2) PROHIBITION ON ADDITIONAL FUNDING.—
13 No additional funds are authorized to be appro-
14 priated to carry out this subsection.

15 **SEC. 70301. SOLICITATION OF ORDERS DEFINED.**

16 Section 101(d) of Public Law 86—272 (73 Stat.
17 555) is amended—

18 (1) in paragraph (1) by striking “and” at the
19 end,

20 (2) in paragraph (2) by striking the period at
21 the end and inserting “; and”, and

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

23 “(3) the term ‘solicitation of orders’ means any
24 business activity that facilitates the solicitation of
25 orders even if that activity may also serve some

1 independently valuable business function apart from
2 solicitation.”.

3 **SEC. 70302. RESTRICTION ON ENFORCEMENT.**

4 No court of the United States may enforce a con-
5 tempt citation for failure to comply with an injunction or
6 temporary restraining order if no security was given when
7 the injunction or order was issued pursuant to Federal
8 Rule of Civil Procedure 65(c), whether issued prior to, on,
9 or subsequent to the date of enactment of this section.

10 **TITLE VIII—COMMITTEE ON**
11 **NATURAL RESOURCES**
12 **Subtitle A—Energy and Mineral**
13 **Resources**

14 **PART 1—OIL AND GAS**

15 **SEC. 80101. ONSHORE OIL AND GAS LEASE SALES.**

16 (a) REQUIREMENT TO IMMEDIATELY RESUME ON-
17 SHORE OIL AND GAS LEASE SALES.—

18 (1) IN GENERAL.—The Secretary of the Inte-
19 rior shall immediately resume quarterly onshore oil
20 and gas lease sales in compliance with the Mineral
21 Leasing Act.

22 (2) REQUIREMENT.—The Secretary of the Inte-
23 rior shall ensure—

24 (A) that any oil and gas lease sale pursu-
25 ant to paragraph (1) is conducted immediately

1 on completion of all requirements under the
2 Mineral Leasing Act; and

3 (B) that the processes described in sub-
4 paragraph (A) are conducted in a timely man-
5 ner to ensure compliance with subsection (b)(1).

6 (3) LEASE OF OIL AND GAS LANDS.—Section
7 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C.
8 226(b)(1)(A)) is amended by inserting “Eligible
9 lands comprise all lands subject to leasing under this
10 Act and not excluded from leasing by a statutory or
11 regulatory prohibition. Land shall be considered
12 available under the preceding sentence if the land
13 has been designated as open for leasing under a land
14 use plan developed or revised under section 202 of
15 the Federal Land Policy and Management Act of
16 1976 and has been nominated for leasing through
17 the submission of an expression of interest, is sub-
18 ject to drainage (as described in subsection (j)) in
19 the absence of leasing, or is otherwise designated as
20 available pursuant to regulations issued by the Sec-
21 retary.” after “sales are necessary.”.

22 (b) QUARTERLY LEASE SALES.—

23 (1) IN GENERAL.—In accordance with the Min-
24 eral Leasing Act, each fiscal year, the Secretary of

1 the Interior shall conduct a minimum of four oil and
2 gas lease sales in each of the following States:

3 (A) Wyoming.

4 (B) New Mexico.

5 (C) Colorado.

6 (D) Utah.

7 (E) Montana.

8 (F) North Dakota.

9 (G) Oklahoma.

10 (H) Nevada.

11 (I) Alaska.

12 (J) Any other State in which there is land
13 available for oil and gas leasing under the Min-
14 eral Leasing Act or any other mineral leasing
15 law.

16 (2) REQUIREMENT.—In conducting a lease sale
17 under paragraph (1) in a State described in that
18 paragraph, the Secretary of the Interior shall offer
19 not less than 50 percent of all parcels nominated
20 that are available and eligible pursuant to the re-
21 quirements of the Mineral Leasing Act.

22 (3) REPLACEMENT SALES.—The Secretary of
23 the Interior shall conduct a replacement sale during
24 the same fiscal year if—

1 (A) a lease sale under paragraph (1) is
2 canceled, delayed, or deferred, including for a
3 lack of eligible parcels; or

4 (B) during a lease sale under paragraph
5 (1) the percentage of acreage that does not re-
6 ceive a bid is equal to or greater than 25 per-
7 cent of the acreage offered.

8 (c) LEASING OF OIL AND GAS.—Section 17 of the
9 Mineral Leasing Act (30 U.S.C. 226) is amended—

10 (1) by striking the section designation and all
11 that follows through the end of subsection (a) and
12 inserting the following:

13 **“SEC. 17. LEASING OF OIL AND GAS.**

14 “(a) LEASING.—

15 “(1) IN GENERAL.—Not later than 18 months
16 after the date of receipt by the Secretary of an ex-
17 pression of interest in leasing land that is subject to
18 disposition under this Act and is known or believed
19 to contain oil or gas deposits, the Secretary shall,
20 subject to paragraph (2), offer such land for oil and
21 gas leasing if the Secretary determines that the land
22 is open to oil or gas leasing under a land use plan
23 developed or revised under section 202 of the Fed-
24 eral Land Policy and Management Act of 1976 (43
25 U.S.C. 1712) and such land use plan—

1 “(A) applies to the planning area in which
2 the land is located; and

3 “(B) is in effect on the date on which the
4 expression of interest was submitted to the Sec-
5 retary.

6 “(2) LAND USE PLANS.—

7 “(A) LEASE TERMS AND CONDITIONS.—A
8 lease issued by the Secretary under this sec-
9 tion—

10 “(i) shall include any terms and con-
11 ditions of the land use plan that apply to
12 the area of the lease; and

13 “(ii) shall not require any stipulations
14 or mitigation requirements not included in
15 such land use plan.

16 “(B) EFFECT OF REVISIONS.—The revi-
17 sion of a land use plan shall not prevent or
18 delay the Secretary from offering land for leas-
19 ing under this section if the other requirements
20 of this section have been met, as determined by
21 the Secretary.”;

22 (2) in subsection (p)—

23 (A) in paragraph (1), by inserting “con-
24 duct a complete review of the application with
25 all applicable agency staff required for the Sec-

1 retary to determine the application is complete
2 and” after “drill, the Secretary shall”; and

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

4 “(4) TERM.—A permit to drill approved under
5 this subsection shall be valid for a single, nonrenew-
6 able 4-year period beginning on the date that the
7 permit to drill is approved.

8 “(5) EFFECT OF PENDING CIVIL ACTION ON
9 PROCESSING APPLICATIONS FOR PERMITS TO
10 DRILL.—Pursuant to the requirements of paragraph
11 (2), notwithstanding the existence of any pending
12 civil actions affecting the application or a related
13 lease issued under this Act, the Secretary shall proc-
14 ess an application for a permit to drill or other au-
15 thorizations or approvals under a lease issued under
16 this Act.”; and

17 (3) by striking subsection (q) and inserting the
18 following:

19 “(q) OTHER REQUIREMENTS.—In utilizing the au-
20 thorities provided by section 390 of the Energy Policy Act
21 of 2005 with respect to an activity conducted pursuant
22 to this Act, the Secretary of the Interior shall not consider
23 whether there are any extraordinary circumstances.”.

1 **SEC. 80102. NONCOMPETITIVE LEASING.**

2 (a) NONCOMPETITIVE LEASING.—Section 17 of the
3 Mineral Leasing Act (30 U.S.C. 226) is further amend-
4 ed—

5 (1) in subsection (b)—

6 (A) in paragraph (1)(A)—

7 (i) in the first sentence, by striking
8 “paragraph (2)” and inserting “paragraph
9 (2) or (3)”; and

10 (ii) by adding at the end “Lands for
11 which no bids are received or for which the
12 highest bid is less than the national min-
13 imum acceptable bid shall be offered
14 promptly within 30 days for leasing under
15 subsection (c) of this section and shall re-
16 main available for leasing for a period of
17 2 years after the competitive lease sale.”;
18 and

19 (B) by adding at the end the following:

20 “(3)(A) If the United States held a vested future in-
21 terest in a mineral estate that, immediately prior to be-
22 coming a vested present interest, was subject to a lease
23 under which oil or gas was being produced, or had a well
24 capable of producing, in paying quantities at an annual
25 average production volume per well per day of either not
26 more than 15 barrels per day of oil or condensate, or not

1 more than 60,000 cubic feet of gas, the holder of the lease
2 may elect to continue the lease as a noncompetitive lease
3 under subsection (c)(1).

4 “(B) An election under this paragraph is effective—

5 “(i) in the case of an interest which vested after
6 January 1, 1990, and on or before October 24,
7 1992, if the election is made before the date that is
8 1 year after October 24, 1992;

9 “(ii) in the case of an interest which vests with-
10 in 1 year after October 24, 1992, if the election is
11 made before the date that is 2 years after October
12 24, 1992; and

13 “(iii) in any case other than those described in
14 clause (i) or (ii), if the election is made prior to the
15 interest becoming a vested present interest.”;

16 (2) by striking subsection (c) and inserting the
17 following:

18 “(c) LANDS SUBJECT TO LEASING UNDER SUB-
19 SECTION (B); FIRST QUALIFIED APPLICANT.—

20 “(1) If the lands to be leased are not leased
21 under subsection (b)(1) of this section or are not
22 subject to competitive leasing under subsection
23 (b)(2) of this section, the person first making appli-
24 cation for the lease who is qualified to hold a lease
25 under this chapter shall be entitled to a lease of

1 such lands without competitive bidding, upon pay-
2 ment of a nonrefundable application fee of at least
3 \$75. A lease under this subsection shall be condi-
4 tioned upon the payment of a royalty at a rate of
5 12.5 percent in amount or value of the production
6 removed or sold from the lease. Leases shall be
7 issued within 60 days of the date on which the Sec-
8 retary identifies the first responsible qualified appli-
9 cant.

10 “(2)(A) Lands (i) which were posted for sale
11 under subsection (b)(1) of this section but for which
12 no bids were received or for which the highest bid
13 was less than the national minimum acceptable bid
14 and (ii) for which, at the end of the period referred
15 to in subsection (b)(1) of this section no lease has
16 been issued and no lease application is pending
17 under paragraph (1) of this subsection, shall again
18 be available for leasing only in accordance with sub-
19 section (b)(1) of this section.

20 “(B) The land in any lease which is issued
21 under paragraph (1) of this subsection or under sub-
22 section (b)(1) of this section which lease terminates,
23 expires, is cancelled or is relinquished shall again be
24 available for leasing only in accordance with sub-
25 section (b)(1) of this section.”; and

1 (3) by striking subsection (e) and inserting the
2 following:

3 “(e) PRIMARY TERM.—Competitive and noncompeti-
4 tive leases issued under this section shall be for a primary
5 term of 10 years: *Provided, however,* That competitive
6 leases issued in special tar sand areas shall also be for
7 a primary term of 10 years. Each such lease shall continue
8 so long after its primary term as oil or gas is produced
9 in paying quantities. Any lease issued under this section
10 for land on which, or for which under an approved cooper-
11 ative or unit plan of development or operation, actual drill-
12 ing operations were commenced prior to the end of its pri-
13 mary term and are being diligently prosecuted at that time
14 shall be extended for two years and so long thereafter as
15 oil or gas is produced in paying quantities.”.

16 (b) FAILURE TO COMPLY WITH PROVISIONS OF
17 LEASE.—Section 31 of the Mineral Leasing Act (30
18 U.S.C. 188) is amended—

19 (1) in subsection (d)(1), by striking “section
20 17(b)” and inserting “subsection (b) or (c) of sec-
21 tion 17 of this Act”;

22 (2) in subsection (e)—

23 (A) in paragraph (2)—

24 (i) by inserting “either” after “rentals
25 and”; and

1 (ii) by inserting “or the inclusion in a
2 reinstated lease issued pursuant to the pro-
3 visions of section 17(c) of this Act of a re-
4 quirement that future rentals shall be at a
5 rate not less than \$5 per acre per year,
6 all” before “as determined by the Sec-
7 retary”; and

8 (B) by amending paragraph (3) to read as
9 follows:

10 “(3)(A) payment of back royalties and the in-
11 clusion in a reinstated lease issued pursuant to the
12 provisions of section 17(b) of this Act of a require-
13 ment for future royalties at a rate of not less than
14 $16\frac{2}{3}$ percent computed on a sliding scale based
15 upon the average production per well per day, at a
16 rate which shall be not less than 4 percentage points
17 greater than the competitive royalty schedule then in
18 force and used for royalty determination for com-
19 petitive leases issued pursuant to such section as de-
20 termined by the Secretary: *Provided*, That royalty on
21 such reinstated lease shall be paid on all production
22 removed or sold from such lease subsequent to the
23 termination of the original lease;

24 “(B) payment of back royalties and inclusion in
25 a reinstated lease issued pursuant to the provisions

1 of section 17(c) of this Act of a requirement for fu-
2 ture royalties at a rate not less than
3 16²/₃ percent: *Provided*, That royalty on such re-
4 instated lease shall be paid on all production re-
5 moved or sold from such lease subsequent to the
6 cancellation or termination of the original lease;
7 and”;

8 (3) in subsection (f)—

9 (A) in paragraph (1), by striking “in the
10 same manner as the original lease issued pursu-
11 ant to section 17” and inserting “as a competi-
12 tive or a noncompetitive oil and gas lease in the
13 same manner as the original lease issued pursu-
14 ant to subsection (b) or (c) of section 17 of this
15 Act”;

16 (B) by adding at the end the following:

17 “(4) Except as otherwise provided in this section, the
18 issuance of a lease in lieu of an abandoned patented oil
19 placer mining claim shall be treated as a noncompetitive
20 oil and gas lease issued pursuant to section 17(c) of this
21 Act.”;

22 (4) in subsection (g), by striking “subsection
23 (d)” and inserting “subsections (d) and (j)”;

24 (5) by amending subsection (h) to read as fol-
25 lows:

1 “(h) ROYALTY REDUCTIONS.—

2 “(1) In acting on a petition to issue a non-
3 competitive oil and gas lease, under subsection (j) of
4 this section or in response to a request filed after
5 issuance of such a lease, or both, the Secretary is
6 authorized to reduce the royalty on such lease if in
7 his judgment it is equitable to do so or the cir-
8 cumstances warrant such relief due to uneconomic
9 or other circumstances which could cause undue
10 hardship or premature termination of production.

11 “(2) In acting on a petition for reinstatement
12 pursuant to subsection (d) of this section or in re-
13 sponse to a request filed after reinstatement, or
14 both, the Secretary is authorized to reduce the roy-
15 alty in that reinstated lease on the entire leasehold
16 or any tract or portion thereof segregated for royalty
17 purposes if, in his judgment, there are uneconomic
18 or other circumstances which could cause undue
19 hardship or premature termination of production; or
20 because of any written action of the United States,
21 its agents or employees, which preceded, and was a
22 major consideration in, the lessee’s expenditure of
23 funds to develop the property under the lease after
24 the rent had become due and had not been paid; or

1 if in the judgment of the Secretary it is equitable to
2 do so for any reason.”; and

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

4 “(j) ISSUANCE OF NONCOMPETITIVE OIL AND GAS
5 LEASE; CONDITIONS.—Where an unpatented oil placer
6 mining claim validly located prior to February 24, 1920,
7 which has been or is currently producing or is capable of
8 producing oil or gas, has been or is hereafter deemed con-
9 clusively abandoned for failure to file timely the required
10 instruments or copies of instruments required by section
11 1744 of title 43, and it is shown to the satisfaction of
12 the Secretary that such failure was inadvertent, justifi-
13 able, or not due to lack of reasonable diligence on the part
14 of the owner, the Secretary may issue, for the lands cov-
15 ered by the abandoned unpatented oil placer mining claim,
16 a noncompetitive oil and gas lease, consistent with the pro-
17 visions of section 17(e) of this Act, to be effective from
18 the statutory date the claim was deemed conclusively
19 abandoned. Issuance of such a lease shall be conditioned
20 upon—

21 “(1) a petition for issuance of a noncompetitive
22 oil and gas lease, together with the required rental
23 and royalty, including back rental and royalty accru-
24 ing from the statutory date of abandonment of the

1 oil placer mining claim, being filed with the Sec-
2 retary—

3 “(A) with respect to any claim deemed
4 conclusively abandoned on or before January
5 12, 1983, on or before the one hundred and
6 twentieth day after January 12, 1983; or

7 “(B) with respect to any claim deemed
8 conclusively abandoned after January 12, 1983,
9 on or before the one hundred and twentieth day
10 after final notification by the Secretary or a
11 court of competent jurisdiction of the deter-
12 mination of the abandonment of the oil placer
13 mining claim;

14 “(2) a valid lease not having been issued affect-
15 ing any of the lands covered by the abandoned oil
16 placer mining claim prior to the filing of such peti-
17 tion: *Provided, however,* That after the filing of a pe-
18 tition for issuance of a lease under this subsection,
19 the Secretary shall not issue any new lease affecting
20 any of the lands covered by such abandoned oil plac-
21 er mining claim for a reasonable period, as deter-
22 mined in accordance with regulations issued by him;

23 “(3) a requirement in the lease for payment of
24 rental, including back rentals accruing from the

1 statutory date of abandonment of the oil placer min-
2 ing claim, of not less than \$5 per acre per year;

3 “(4) a requirement in the lease for payment of
4 royalty on production removed or sold from the oil
5 placer mining claim, including all royalty on produc-
6 tion made subsequent to the statutory date the claim
7 was deemed conclusively abandoned, of not less than
8 12½ percent; and

9 “(5) compliance with the notice and reimburse-
10 ment of costs provisions of paragraph (4) of sub-
11 section (e) but addressed to the petition covering the
12 conversion of an abandoned unpatented oil placer
13 mining claim to a noncompetitive oil and gas lease.”.

14 **SEC. 80103. PERMIT FEES.**

15 Section 17 of the Mineral Leasing Act (30 U.S.C.
16 226) is further amended by adding at the end the fol-
17 lowing:

18 “(r) FEE FOR COMMINGLING OF PRODUCTION.—

19 “(1) IN GENERAL.—The Secretary of the Inte-
20 rior shall approve applications allowing for the com-
21 mingling of production from two or more sources
22 (including the area of an oil and gas lease, the area
23 included in a drilling spacing unit, a unit partici-
24 pating area, a communitized area, or non-Federal
25 property) before production reaches the point of roy-

1 alty measurement regardless of ownership, the roy-
2 alty rates, and the number or percentage of acres
3 for each source if the applicant pays an application
4 fee of \$10,000 and agrees to install measurement
5 devices for each source, utilize an allocation method
6 that achieves volume measurement uncertainty levels
7 within plus or minus 2 percent during the produc-
8 tion phase reported on a monthly basis, or utilize an
9 approved periodic well testing methodology. Produc-
10 tion from multiple oil and gas leases, drilling spacing
11 units, communitized areas, or participating areas
12 from a single wellbore shall be considered a single
13 source. Nothing in this subsection shall prevent the
14 Secretary of the Interior from continuing the current
15 practice of exercising discretion to authorize higher
16 percentage volume measurement uncertainty levels if
17 appropriate technical and economic justifications
18 have been provided.

19 “(2) REVENUE ALLOCATION.—Fees received
20 under this subsection shall be deposited into the
21 Treasury as miscellaneous receipts.

22 “(s) FEES FOR PERMITS-BY-RULE.—

23 “(1) IN GENERAL.—The Secretary shall estab-
24 lish, by regulation not later than 2 years after the
25 date of enactment of this subsection, a permit-by-

1 rule process under which a leaseholder may receive
2 approval to drill for oil and gas if the leaseholder
3 certifies compliance with such regulations and pays
4 a fee of \$5,000. Such permit-by-rule process shall
5 allow drilling operations to commence no later than
6 45 days after the leaseholder has filed a registration
7 that certifies compliance with such regulations and
8 paid the fee required by this paragraph.

9 “(2) REVENUE ALLOCATION.—Fees received
10 under this subsection shall be deposited into the
11 Treasury as miscellaneous receipts.”.

12 **SEC. 80104. PERMITTING FEE FOR NON-FEDERAL LAND.**

13 (a) IN GENERAL.—Notwithstanding section 17 of the
14 Mineral Leasing Act (30 U.S.C. 226), but subject to any
15 applicable State requirements, the Secretary of the Inte-
16 rior shall not require a permit to drill for an oil and gas
17 lease under the Mineral Leasing Act for an action occur-
18 ring within an oil and gas drilling or spacing unit if the
19 leaseholder pays a fee of \$5,000 and—

20 (1) the Federal Government—

21 (A) owns less than 50 percent of the min-
22 erals within the oil and gas drilling or spacing
23 unit; and

1 (B) does not own or lease the surface es-
2 tate within the area directly impacted by the
3 action; or

4 (2) the well is located on non-Federal land over-
5 lying a non-Federal mineral estate, but some portion
6 of the wellbore traverses but does not produce from
7 the Federal mineral estate subject to the lease.

8 (b) NOTIFICATION.—For each State permit to drill
9 or drilling plan that would impact or extract oil and gas
10 owned by the Federal Government—

11 (1) each lessee of Federal minerals in the unit,
12 or designee of a lessee, shall—

13 (A) notify the Secretary of the Interior of
14 the submission of a State application for a per-
15 mit to drill or drilling plan on submission of the
16 application;

17 (B) provide a copy of the application de-
18 scribed in subparagraph (A) to the Secretary of
19 the Interior not later than 5 days after the date
20 on which the permit or plan is submitted; and

21 (C) pay to the Secretary of the Interior the
22 \$5,000 fee referenced in subsection (a) of this
23 section;

24 (2) each lessee, designee of a lessee, or applica-
25 ble State shall notify the Secretary of the Interior of

1 the approved State permit to drill or drilling plan
2 not later than 45 days after the date on which the
3 permit or plan is approved; and

4 (3) each lessee or designee of a lessee shall pro-
5 vide, prior to commencing drilling operations, agree-
6 ments authorizing the Secretary of the Interior to
7 enter non-Federal land, as necessary, for inspection
8 and enforcement of the terms of the Federal lease.

9 (c) EFFECT.—Nothing in this section affects the
10 amount of royalties due to the Federal Government from
11 the production of the Federal minerals within the oil and
12 gas drilling or spacing unit.

13 (d) REVENUE ALLOCATION.—Fees received under
14 this section shall be deposited into the Treasury as mis-
15 cellaneous receipts.

16 (e) AUTHORITY ON NON-FEDERAL LAND.—Section
17 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is
18 amended—

19 (1) by striking the subsection designation and
20 all that follows through “Secretary of the Interior,
21 or” in the first sentence and inserting the following:

22 “(g) REGULATION OF SURFACE DISTURBING ACTIVI-
23 TIES.—

24 “(1) IN GENERAL.—The Secretary of the Inte-
25 rior, or”; and

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

2 “(2) AUTHORITY ON NON-FEDERAL LAND.—

3 “(A) IN GENERAL.—In the case of an oil
4 and gas lease under this Act on land described
5 in subparagraph (B) located within an oil and
6 gas drilling or spacing unit, nothing in this Act
7 authorizes the Secretary of the Interior to—

8 “(i) require a bond to protect non-
9 Federal land;

10 “(ii) enter non-Federal land without
11 the consent of the applicable landowner;

12 “(iii) impose mitigation requirements;

13 or

14 “(iv) require approval for surface rec-
15 lamation.

16 “(B) LAND.—Land referred to in subpara-
17 graph (A) is land where—

18 “(i) the Federal Government—

19 “(I) owns less than 50 percent of
20 the minerals within the oil and gas
21 drilling or spacing unit; and

22 “(II) does not own or lease the
23 surface estate within the area directly
24 impacted by the action;

1 “(ii) the well is located on non-Fed-
2 eral land overlying a non-Federal mineral
3 estate, but some portion of the wellbore en-
4 ters and produces from the Federal min-
5 eral estate subject to the lease; or

6 “(iii) the well is located on non-Fed-
7 eral land overlying a non-Federal mineral
8 estate, but some portion of the wellbore
9 traverses but does not produce from the
10 Federal mineral estate subject to the lease.

11 “(C) NO FEDERAL ACTION.—An oil and
12 gas exploration or production activity carried
13 out under a lease described in subparagraph
14 (A)—

15 “(i) shall require no Federal action;
16 and

17 “(ii) may commence 30 days after the
18 leaseholder submits the State permit to the
19 Secretary.”.

20 **SEC. 80105. REINSTATE REASONABLE ROYALTY RATES.**

21 (a) OFFSHORE OIL AND GAS ROYALTY RATE.—Sec-
22 tion 8(a)(1) of the Outer Continental Shelf Lands Act (43
23 U.S.C. 1337(a)(1)) is amended—

24 (1) in subparagraph (A), by striking “not less
25 than 16²/₃ percent, but not more than 18³/₄ percent,

1 during the 10-year period beginning on the date of
2 enactment of the Act titled ‘An Act to provide for
3 reconciliation pursuant to title II of S. Con. Res.
4 14’, and not less than $16\frac{2}{3}$ percent thereafter,” and
5 inserting “not less than 12.5 percent, but not more
6 than $18\frac{3}{4}$ percent,”;

7 (2) in subparagraph (C), by striking “not less
8 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
9 during the 10-year period beginning on the date of
10 enactment of the Act titled ‘An Act to provide for
11 reconciliation pursuant to title II of S. Con. Res.
12 14’, and not less than $16\frac{2}{3}$ percent thereafter,” and
13 inserting “not less than 12.5 percent, but not more
14 than $18\frac{3}{4}$ percent,”;

15 (3) in subparagraph (F), by striking “not less
16 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
17 during the 10-year period beginning on the date of
18 enactment of the Act titled ‘An Act to provide for
19 reconciliation pursuant to title II of S. Con. Res.
20 14’, and not less than $16\frac{2}{3}$ percent thereafter,” and
21 inserting “not less than 12.5 percent, but not more
22 than $18\frac{3}{4}$ percent,”; and

23 (4) in subparagraph (H), by striking “not less
24 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
25 during the 10-year period beginning on the date of

1 enactment of the Act titled ‘An Act to provide for
2 reconciliation pursuant to title II of S. Con. Res.
3 14’, and not less than $16\frac{2}{3}$ percent thereafter,” and
4 inserting “not less than 12.5 percent, but not more
5 than $18\frac{3}{4}$ percent.”.

6 (b) ONSHORE OIL AND GAS ROYALTY RATES.—Sec-
7 tion 17 of the Mineral Leasing Act (30 U.S.C. 226) is
8 amended—

9 (1) in subsection (b)—

10 (A) in paragraph (1)(A), by striking “the
11 Act titled ‘An Act to provide for reconciliation
12 pursuant to title II of S. Con. Res. 14’, $16\frac{2}{3}$ ”
13 and inserting “subsection (s), 12.5”; and

14 (B) in paragraph (2)(A)(ii), by striking
15 “ $16\frac{2}{3}$ percent” and inserting “ $16\frac{2}{3}$ percent or,
16 in the case of a lease issued on or after the date
17 of enactment of subsection (s), 12.5 percent”;

18 (2) in subsection (l), by striking “ $16\frac{2}{3}$ percent”
19 each place it appears and inserting “ $16\frac{2}{3}$ percent
20 or, in the case of a lease issued on or after the date
21 of enactment of subsection (s), 12.5 percent”; and

22 (3) in subsection (n)(1)(C), by striking “ $16\frac{2}{3}$
23 percent” and inserting “ $16\frac{2}{3}$ percent or, in the case
24 of a lease issued on or after the date of enactment
25 of subsection (s), 12.5 percent”.

PART 2—GEOTHERMAL**2 SEC. 80111. GEOTHERMAL LEASING.**

3 Section 4(b) of the Geothermal Steam Act of 1970
4 (30 U.S.C. 1003(b)) is amended—

5 (1) in paragraph (2), by striking “2 years” and
6 inserting “year”; and

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

8 “(5) REPLACEMENT SALES.—If a lease sale
9 under paragraph (2) for a year is canceled or de-
10 layed, the Secretary of the Interior shall conduct a
11 replacement sale during the same year.

12 “(6) REQUIREMENT.—In conducting a lease
13 sale under paragraph (2) in a State described in
14 that paragraph, the Secretary of the Interior shall
15 offer all nominated parcels eligible for geothermal
16 development and utilization under a land use plan
17 developed or revised under section 202 of the Fed-
18 eral Land Policy and Management Act of 1976 that
19 is in effect for the State.”.

20 SEC. 80112. GEOTHERMAL ROYALTIES.

21 Section 5(a)(1) of the Geothermal Steam Act of 1970
22 (30 U.S.C. 1004(a)(1)) is amended—

23 (1) in subparagraph (A)—

24 (A) by inserting “with respect to each elec-
25 tric generating facility producing electricity,”
26 before “not less than”; and

1 (B) by inserting by “by such facility” after
2 “produced”; and

3 (2) in subparagraph (B)—

4 (A) by inserting “with respect to each elec-
5 tric generating facility producing electricity,”
6 before “not less than”; and

7 (B) by inserting by “by such facility” after
8 “produced”.

9 **PART 3—ALASKA**

10 **SEC. 80121. COASTAL PLAIN OIL AND GAS LEASING.**

11 (a) DEFINITIONS.—In this section:

12 (1) COASTAL PLAIN.—The term “Coastal
13 Plain” has the meaning given the term in section
14 20001(a) of Public Law 115–97 (16 U.S.C. 3143
15 note).

16 (2) OIL AND GAS PROGRAM.—The term “oil
17 and gas program” means the oil and gas program
18 established under section 20001(b)(2) of Public Law
19 115–97 (16 U.S.C. 3143 note).

20 (3) SECRETARY.—The term “Secretary” means
21 the Secretary of the Interior.

22 (b) ADMINISTRATION.—Not later than 30 days after
23 the date of enactment of this Act, the Secretary shall—

24 (1) withdraw—

1 (A) the supplemental environmental impact
2 statement described in the notice of availability
3 of the Bureau of Land Management entitled
4 “Notice of Availability of the Final Coastal
5 Plain Oil and Gas Leasing Program Supple-
6 mental Environmental Impact Statement, Alas-
7 ka” (89 Fed. Reg. 88805 (November 8, 2024));
8 and

9 (B) the record of decision described in the
10 notice of availability of the Bureau of Land
11 Management entitled “Notice of Availability of
12 the Record of Decision for the Final Supple-
13 mental Environmental Impact Statement for
14 the Coastal Plain Oil and Gas Leasing Pro-
15 gram, Alaska” (89 Fed. Reg. 101042 (Decem-
16 ber 13, 2024)); and

17 (2) reinstate—

18 (A) the environmental impact statement
19 described in the notice of availability of the Bu-
20 reau of Land Management entitled “Notice of
21 Availability of the Final Environmental Impact
22 Statement for the Coastal Plain Oil and Gas
23 Leasing Program, Alaska” (84 Fed. Reg.
24 50472 (September 25, 2019)); and

1 (B) the record of decision described in the
2 notice of availability of the Bureau of Land
3 Management entitled “Notice of Availability of
4 the Record of Decision for the Final Environ-
5 mental Impact Statement for the Coastal Plain
6 Oil and Gas Leasing Program, Alaska” (85
7 Fed. Reg. 51754 (August 21, 2020)).

8 (c) REISSUANCE OF CANCELLED LEASES.—

9 (1) ACCEPTANCE OF BIDS.—Not later than 30
10 days after the date of enactment of this Act, the
11 Secretary shall, without modification or delay—

12 (A) accept the highest valid bid for each
13 Coastal Plain lease tract for which a valid bid
14 was received on January 6, 2021, pursuant to
15 the requirement to hold the first lease sale
16 under section 20001(c)(1)(A) of Public Law
17 115–97 (16 U.S.C. 3143 note); and

18 (B) provide the appropriate lease form to
19 each successful bidder under subparagraph (A)
20 to execute and return to the Secretary.

21 (2) LEASE ISSUANCE.—On receipt of an exe-
22 cuted lease form under paragraph (1)(B) and pay-
23 ment in accordance with that lease of the rental for
24 the first year, the balance of the bonus bid (unless
25 deferred), and any required bond or security from

1 the successful bidder, the Secretary shall promptly
2 issue to the successful bidder a fully executed lease,
3 in accordance with—

4 (A) the applicable regulations, as in effect
5 on January 6, 2021; and

6 (B) the terms and conditions of the record
7 of decision described in subsection (b)(2)(B).

8 (3) TERMS AND CONDITIONS.—Leases reissued
9 pursuant to this subsection shall include the terms
10 and conditions from the record of decision described
11 in the notice of availability of the Bureau of Land
12 Management entitled “Notice of Availability of the
13 Record of Decision for the Final Environmental Im-
14 pact Statement for the Coastal Plain Oil and Gas
15 Leasing Program, Alaska” (85 Fed. Reg. 51754
16 (August 21, 2020)).

17 (4) EXCEPTION.—This subsection shall not
18 apply to any bid for which a lease was issued and
19 subsequently relinquished by the successful bidder
20 prior to the date of enactment of this Act.

21 (d) LEASE SALES REQUIRED.—

22 (1) IN GENERAL.—Subject to paragraph (2), in
23 addition to the lease sales required under section
24 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C.
25 3143 note), the Secretary shall conduct not fewer

1 than 4 lease sales area-wide under the oil and gas
2 program by not later than 10 years after the date
3 of the enactment of this Act.

4 (2) SALE ACREAGES; SCHEDULE.—The Sec-
5 retary shall offer—

6 (A) an initial lease sale under paragraph
7 (1) not later than 1 year after the date of the
8 enactment of this Act;

9 (B) a second lease sale under paragraph
10 (1) not later than 3 years after the date of the
11 enactment of this Act;

12 (C) a third lease sale under paragraph (1)
13 not later than 5 years after the date of the en-
14 actment of this Act;

15 (D) a fourth lease sale under paragraph
16 (1) not later than 7 years after the date of the
17 enactment of this Act; and

18 (E)(i) not fewer than 400,000 acres area-
19 wide in each lease sale, including those areas
20 that have the highest potential for the discovery
21 of hydrocarbons; or

22 (ii) the total number of unleased acres sub-
23 ject to the provisions of this section if that total
24 number of available acres is less than 400,000
25 acres.

1 (3) LEASING CERTAINTY.—The record of deci-
2 sion described in subsection (b)(2)(B) shall be con-
3 sidered to satisfy the requirements of—

4 (A) the Alaska National Interest Lands
5 Conservation Act;

6 (B) the National Environmental Policy Act
7 of 1969;

8 (C) Public Law 115–97;

9 (D) the Endangered Species Act of 1973;

10 (E) subchapter II of chapter 5 of title 5,
11 United States Code, and chapter 7 of title 5,
12 United States Code; and

13 (F) the Marine Mammal Protection Act of
14 1972.

15 (e) LEASE ISSUANCE.—Leases shall be reissued or
16 issued under subsections (c) and (d)—

17 (1) not later than 60 days after payment by the
18 successful bidder of the remainder of the bonus bid,
19 if any, and the annual rental for the first lease year;

20 (2) in accordance with the applicable regula-
21 tions, as in effect on January 6, 2021; and

22 (3) in accordance with the terms and conditions
23 from the record of decision described in the notice
24 of availability of the Bureau of Land Management
25 entitled “Notice of Availability of the Record of De-

1 cision for the Final Environmental Impact State-
2 ment for the Coastal Plain Oil and Gas Leasing
3 Program, Alaska” (85 Fed. Reg. 51754 (August 21,
4 2020)).

5 (f) GEOPHYSICAL SURVEYS.—Not later than 30 days
6 after the date on which the Secretary receives a complete
7 application pursuant to section 3152.1 of title 43, Code
8 of Federal Regulations (or any successor regulations), to
9 conduct oil and gas geophysical exploration operations in
10 the Coastal Plain, the Secretary shall approve such appli-
11 cation.

12 (g) RECEIPTS.—Notwithstanding section 35 of the
13 Mineral Leasing Act (30 U.S.C. 191) and section
14 20001(b)(5) of Public Law 115–97 (16 U.S.C. 668dd
15 note), of the amount of adjusted bonus, rental, and royalty
16 receipts derived from the oil and gas program and oper-
17 ations on the Coastal Plain pursuant to this section—

18 (1)(A) for fiscal years 2025 through 2034, 50
19 percent shall be paid to the State of Alaska; and

20 (B) for fiscal year 2035 and thereafter, 90 per-
21 cent shall be paid to the State of Alaska; and

22 (2) the balance shall be deposited into the
23 Treasury as miscellaneous receipts.

24 (h) JUDICIAL PRECLUSION.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), no court shall have jurisdiction to review
3 any action taken by the Secretary, the Administrator
4 of the Environmental Protection Agency, or a State
5 or municipal government administrative agency to—

6 (A) reissue a lease pursuant to subsection
7 (c) or issue a lease under a lease sale conducted
8 under subsection (d); or

9 (B) grant or issue a right-of-way, ease-
10 ment, authorization, permit, verification, bio-
11 logical opinion, incidental take statement, or
12 other approval for a lease reissued pursuant to
13 subsection (c) or issued under a lease sale con-
14 ducted under subsection (d), whether reissued
15 or issued prior to, on, or after the date of the
16 enactment of this Act, and including any law-
17 suit or any other action pending in a court as
18 of the date of enactment of this Act.

19 (2) PETITION BY LEASEHOLDER.—

20 (A) IN GENERAL.—A leaseholder or the
21 State of Alaska may obtain a review of an al-
22 leged failure by the Secretary to act in accord-
23 ance with this section or with any law per-
24 taining to granting or issuing a lease, right-of-
25 way, easement, authorization, permit,

1 verification, biological opinion, incidental take
2 statement, or other approval related to a lease
3 under this section by filing a written petition
4 with a court of competent jurisdiction seeking
5 an order.

6 (B) DEADLINES.—If a court of competent
7 jurisdiction finds pursuant to subparagraph (A)
8 that an agency has failed to act in accordance
9 with this section or with any law pertaining to
10 granting or issuing a lease, right-of-way, ease-
11 ment, authorization, permit, verification, bio-
12 logical opinion, incidental take statement, or
13 other approval related to a lease under this sec-
14 tion, the court shall set a schedule and deadline
15 for the agency to act as soon as practicable,
16 which shall not exceed 90 days from the date
17 on which the order of the court is issued, unless
18 the court determines a longer time period is
19 necessary to comply with applicable law.

20 **PART 4—MINING**

21 **SEC. 80131. SUPERIOR NATIONAL FOREST LANDS IN MIN-**
22 **NESOTA.**

23 (a) RESCISSION.—The Public Land Order of the Bu-
24 reau of Land Management titled “Public Land Order No.
25 7917 for Withdrawal of Federal Lands; Cook, Lake, and

1 Saint Louis Counties, MN” (88 Fed. Reg. 6308; published
2 January 31, 2023) is hereby rescinded and shall have no
3 force or effect.

4 (b) REINSTATEMENT, ISSUANCE, AND MODIFICATION
5 OF CERTAIN HARDROCK MINERAL LEASES.—

6 (1) REINSTATEMENT AND TERM MODIFICA-
7 TION.—

8 (A) REINSTATEMENT.—Notwithstanding
9 Reorganization Plan No. 3 of 1946 (5 U.S.C.
10 App.), section 2478 of the Revised Statutes (43
11 U.S.C. 1457c), the Act of June 30, 1950 (64
12 Stat. 311; 16 U.S.C. 508b), and the Act of
13 March 4, 1917 (39 Stat. 1150; 16 U.S.C. 520),
14 and not later than 5 calendar days after the
15 date of the enactment of this section, the Sec-
16 retary shall reinstate each covered lease.

17 (B) LEASE TERM.—Upon reinstatement of
18 each covered lease under subparagraph (A)—

19 (i) each covered lease shall have an
20 initial term of 20 years from the date of
21 such reinstatement and a right to succes-
22 sive renewals in accordance with paragraph
23 (4);

24 (ii) the Secretary shall toll the initial
25 term of a covered lease during any period

1 in which permitting activities of the cov-
2 ered lease are delayed by legal or adminis-
3 trative proceedings not initiated by the
4 holder of the covered lease; and

5 (iii) the Secretary shall extend the ini-
6 tial term of a covered lease by a period
7 equal to any tolling period under clause
8 (ii).

9 (C) APPLICABLE TERMS.—Except as modi-
10 fied by this section, all terms and conditions of
11 each covered lease shall be in accordance with
12 the original terms of the covered lease.

13 (2) REVENUE PROVISIONS.—

14 (A) REINSTATEMENT FEE.—Upon rein-
15 statement of each covered lease under para-
16 graph (1)(A), the holder of a covered lease shall
17 pay to the Secretary a one-time fee of \$100 per
18 acre of the covered lease.

19 (B) SUPPLEMENTAL RENTAL.—In addition
20 to the rental payment specified in the reinstated
21 covered lease, the holder of a covered lease shall
22 pay to the Secretary an annual supplemental
23 rental of \$10 per acre of the covered lease dur-
24 ing years 6 through 10 of the initial term of the
25 covered lease.

1 (C) REVENUE ALLOCATION.—All revenues
2 collected under this paragraph shall be depos-
3 ited in the Treasury as miscellaneous receipts.

4 (3) GRANT OF PREFERENCE RIGHT HARDROCK
5 MINERAL LEASE.—

6 (A) CONGRESSIONAL GRANT.—Notwith-
7 standing Reorganization Plan No. 3 of 1946 (5
8 U.S.C. App.), section 2478 of the Revised Stat-
9 utes (43 U.S.C. 1457c), the Act of June 30,
10 1950 (64 Stat. 311; 16 U.S.C. 508b), and the
11 Act of March 4, 1917 (39 Stat. 1150; 16
12 U.S.C. 520), and in recognition of the valid ex-
13 isting rights created through the finding of a
14 valuable mineral deposit as determined by the
15 issuance of a Notice of Preliminary Valuable
16 Deposit Determination from the Bureau of
17 Land Management, Congress hereby grants to
18 any holder of a Notice of Preliminary Valuable
19 Deposit Determination issued between January
20 20, 2017, and January 20, 2021, a preference
21 right hardrock mineral lease subject to the
22 terms described in this paragraph.

23 (B) LEASE TERMS.—Each preference right
24 hardrock mineral lease granted under subpara-
25 graph (A) shall—

1 (i) have an initial term of 20 years
2 from the date of such grant and a right to
3 successive renewals in accordance with
4 paragraph (4);

5 (ii) except as provided in clause (iv),
6 be subject to the same terms and condi-
7 tions as adjacent covered leases, as modi-
8 fied by this section;

9 (iii) be deemed part of the unified
10 mining operation with adjacent covered
11 leases for purposes of mine planning and
12 operations; and

13 (iv) not be required to meet the dili-
14 gence requirements of adjacent covered
15 leases until the date on which the first
16 term of the preference right hardrock min-
17 eral lease after the lease is renewed under
18 paragraph (4) begins.

19 (C) REVENUE PROVISIONS.—

20 (i) IN GENERAL.—Upon the grant of
21 each preference right hardrock mineral
22 lease under subparagraph (A), the holder
23 of each lease shall pay to the Secretary—

1 (I) a one-time issuance fee of
2 \$250 per acre of the preference right
3 hardrock mineral lease;

4 (II) an annual rental payment of
5 \$1 per acre of the preference right
6 hardrock mineral lease per year; and

7 (III) a production royalty in ac-
8 cordance with the terms and condi-
9 tions described in subparagraph
10 (B)(ii).

11 (ii) DEPOSIT OF AMOUNTS.—Amounts
12 collected under this subparagraph shall be
13 deposited in the Treasury as miscellaneous
14 receipts.

15 (4) RENEWAL PROVISIONS.—

16 (A) RENEWAL QUALIFICATION.—If, during
17 the last 2 years of each initial or renewal term
18 of a lease reinstated, granted, or renewed under
19 this subsection, the holder of the lease requests
20 renewal, the Secretary shall renew the lease in
21 accordance with this paragraph.

22 (B) RENEWAL PROCESS.—

23 (i) IN GENERAL.—Not later than 90
24 days before the date on which the term of
25 a lease for which the holder of the lease re-

1 quests renewal under subparagraph (A)
2 ends, the holder of the lease shall pay to
3 the Secretary a renewal fee of \$100 per
4 acre of the lease.

5 (ii) RENEWAL REQUIRED.—Upon re-
6 ceipt of a renewal request under subpara-
7 graph (A) and the renewal fee required
8 under clause (i) of this subparagraph, the
9 Secretary shall renew the lease that is the
10 subject of the renewal request for an addi-
11 tional 10-year term.

12 (C) RENEWAL CONDITIONS.—

13 (i) IN GENERAL.—

14 (I) MINE PLAN OF OPERATIONS
15 NOT REQUIRED DURING INITIAL
16 TERM.—Approval of a mine plan of
17 operations is not required during the
18 initial term of a lease reinstated or
19 granted under this subsection.

20 (II) MINIMUM PRODUCTION RE-
21 QUIREMENTS.—Minimum production
22 requirements as described in adjacent
23 covered leases shall begin with respect
24 to a lease reinstated or granted under
25 this subsection on the date that is 5

1 years after the approval of a mine
2 plan of operations for such lease.

3 (ii) ANNUAL RENTAL PAYMENTS.—

4 The annual rental payment for a lease re-
5 newed under this subsection shall be \$2
6 per acre more than the annual rental pay-
7 ment of such lease during the preceding
8 term of such lease.

9 (5) JUDICIAL REVIEW.—

10 (A) IN GENERAL.—The reinstatement,
11 modification, or grant of a lease, or a combina-
12 tion thereof, under this section is not subject to
13 judicial review.

14 (B) EXCEPTION.—Notwithstanding sub-
15 paragraph (A), the holder of a lease reinstated,
16 modified, or granted under this subsection may
17 seek review of an alleged failure by the Sec-
18 retary to act in accordance with this section.

19 (6) DEFINITIONS.—In this section:

20 (A) COVERED LEASE.—The term “covered
21 lease” means a hardrock mineral lease—

22 (i) located within the Superior Na-
23 tional Forest in the State of Minnesota;

24 (ii) issued or renewed in between Jan-
25 uary 20, 2017, and January 19, 2021; and

1 (iii) cancelled or otherwise rescinded
2 between January 20, 2021, and January
3 20, 2025.

4 (B) SECRETARY.—The term “Secretary”
5 means the Secretary of the Interior.

6 **PART 5—COAL**

7 **SEC. 80141. COAL LEASING.**

8 (a) MANDATORY LEASING AND OTHER REQUIRED
9 APPROVALS.—Not later than 90 days after the date of en-
10 actment of this Act in the case of a pending application,
11 or not later than 90 days after the date of submission in
12 the case of an application submitted after the date of the
13 enactment of this Act, the Secretary of the Interior shall—

14 (1) with respect to each qualified application—

15 (A) if not previously published for public
16 comment, publish any required environmental
17 review;

18 (B) finalize the fair market value of the
19 applicable coal tract;

20 (C) hold a lease sale with respect to the
21 applicable coal tract;

22 (D) take all other intermediate actions nec-
23 essary to grant the qualified application; and

24 (E) after completing the actions required
25 by subparagraphs (A) through (D), grant the

1 qualified application and issue the applicable
2 lease to the person that submitted the qualified
3 application if that person submitted the highest
4 bid in the lease sale held under subparagraph
5 (C); and

6 (2) with respect to previously issued coal leases,
7 grant any additional approvals of the Department of
8 the Interior required for mining activities to com-
9 mence.

10 (b) LEASES FOR KNOWN RECOVERABLE COAL RE-
11 SOURCES.—Notwithstanding section 2(a)(3)(A) of the
12 Mineral Leasing Act (30 U.S.C. 201(a)(3)(A)) and section
13 202(a) of the Federal Land Policy and Management Act
14 of 1976 (43 U.S.C. 1712(a)), not later than 90 days after
15 the date of enactment of this Act, the Secretary of the
16 Interior shall make available for lease known recoverable
17 coal resources of not less than 4,000,000 additional acres
18 on Federal land west of the 100th meridian located in the
19 48 contiguous States and Alaska, but which shall not in-
20 clude any Federal land within—

21 (1) a National Monument;

22 (2) a National Recreation Area;

23 (3) a component of the National Wilderness
24 Preservation System;

1 (4) a component of the National Wild and Sce-
2 nic Rivers System;

3 (5) a component of the National Trails System;

4 (6) a National Conservation Area;

5 (7) a unit of the National Wildlife Refuge Sys-
6 tem;

7 (8) a unit of the National Fish Hatchery Sys-
8 tem;

9 (9) a unit of the National Park System;

10 (10) a National Preserve;

11 (11) a National Seashore or National Lake-
12 shore;

13 (12) a National Historic Site;

14 (13) a National Memorial;

15 (14) a National Battlefield, National Battlefield
16 Park, National Battlefield Site, or National Military
17 Park; or

18 (15) a National Historical Park.

19 (c) DEFINITIONS.—In this section:

20 (1) COAL LEASE.—The term “coal lease”
21 means a lease entered into by the United States as
22 lessor, through the Bureau of Land Management,
23 and an applicant on Bureau of Land Management
24 Form 3400–012, or a successor form that contains
25 terms of a coal lease.

1 (2) QUALIFIED APPLICATION.—The term
2 “qualified application” means an application for a
3 coal lease pending as of the date of enactment of
4 this Act or submitted within 90 days thereafter
5 under the lease by application program administered
6 by the Bureau of Land Management pursuant to the
7 Mineral Leasing Act.

8 **SEC. 80142. FUTURE COAL LEASING.**

9 Secretarial Order 3338, issued by the Secretary of
10 the Interior on January 15, 2016, or any other actions
11 limiting the Federal coal leasing program, shall have no
12 force or effect.

13 **SEC. 80143. COAL ROYALTY.**

14 (a) RATE.—Section 7(a) of the Mineral Leasing Act
15 (30 U.S.C. 207(a)) is amended by striking “12½ per cen-
16 tum” and inserting “12½ percent, except such amount
17 shall be not more than 7 percent during the period that
18 begins on the date of enactment of subsection (s) of sec-
19 tion 17 and ends September 30, 2034.”.

20 (b) RETROACTIVITY.—The amendment made by sub-
21 section (a) shall apply to a coal lease—

22 (1) issued under section 2 of the Mineral Leas-
23 ing Act (30 U.S.C. 201) before, on, or after the date
24 of the enactment of this subtitle; and

25 (2) that has not been terminated.

1 (c) ADVANCE ROYALTIES.—

2 (1) IN GENERAL.—With respect to a lease
3 issued under section 2 of the Mineral Leasing Act
4 (30 U.S.C. 201) for which the lessee has paid ad-
5 vance royalties under section 7(b) of that Act (30
6 U.S.C. 207(b)), the Secretary of the Interior shall
7 provide to the lessee a credit for the difference be-
8 tween the amount paid by the lessee in advance roy-
9 alties for the lease before the date of the enactment
10 of this subtitle and the amount the lessee would
11 have been required to pay if the amendment made
12 by subsection (a) had been made before the lessee
13 paid advance royalties for the lease.

14 (2) REFUND OF EXCESS CREDITS.—If a credit
15 owed to a lessee pursuant to this subsection for prior
16 payment of advance royalties is in excess of royalties
17 owed at the conclusion of the term of the lease, the
18 Secretary shall reimburse the lessee an amount
19 equal to the credit less any royalties owed during
20 that term.

21 **SEC. 80144. AUTHORIZATION TO MINE FEDERAL MINERALS.**

22 (a) IN GENERAL.—All Federal coal reserves leased
23 under Federal Coal Lease MTM 97988 located within the
24 covered Federal land are authorized to be mined in accord-
25 ance with the Bull Mountains Mining Plan Modification.

1 (b) DEFINITIONS.—In this section:

2 (1) BULL MOUNTAINS MINING PLAN MODIFICA-
3 TION.—The term “Bull Mountains Mining Plan
4 Modification” means the Mine No. 1, Amendment 3
5 mining plan modification for Federal coal lease
6 MTM 97988 described in the memorandum of the
7 Department of the Interior titled “Recommendation
8 regarding the previously approved mining plan modi-
9 fication for Federal Lease MTM–97988 at Signal
10 Peak Energy, LLC’s Bull Mountains Mine No.1, lo-
11 cated in Musselshell and Yellowstone Counties, Mon-
12 tana” (November 18, 2020).

13 (2) COVERED FEDERAL LAND.—The term “cov-
14 ered Federal land” means the following land com-
15 prising approximately 800 acres:

16 (A) The NE $\frac{1}{4}$ of sec. 8, T. 6 N., R. 27
17 E., Montana Principal Meridian.

18 (B) The SW $\frac{1}{4}$ of sec. 10, T. 6 N., R. 27
19 E., Montana Principal Meridian.

20 (C) The W $\frac{1}{2}$, SE $\frac{1}{4}$ of sec. 22, T. 6 N.,
21 R. 27 E., Montana Principal Meridian.

PART 6—NEPA**SEC. 80151. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.**

The National Environmental Policy Act of 1969 is amended by inserting after section 111 (42 U.S.C. 4336e) the following:

“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRONMENTAL REVIEWS.

“(a) PROCESS.—

“(1) PROJECT SPONSOR.—A project sponsor who intends to pay a fee under this section for the preparation, or supervision of the preparation, of an environmental assessment or environmental impact statement with respect to the project of the project sponsor shall submit to the Council—

“(A) a description of the project; and

“(B) a declaration of whether the project sponsor intends to prepare the environmental assessment or environmental impact statement under section 107(f) of this title.

“(2) NOTICE OF AMOUNT OF FEE.—Not later than 15 days after the receipt of the information described in paragraph (1), the Council shall provide to the project sponsor that submitted such information notice of the amount of the fee, as determined under subsection (b).

1 “(3) PAYMENT OF FEE.—A project sponsor
2 may pay a fee under this section after receipt of the
3 notice described in paragraph (2).

4 “(4) DEADLINE FOR ENVIRONMENTAL REVIEWS
5 FOR WHICH A FEE IS PAID.—Notwithstanding sec-
6 tion 107(g)(1)—

7 “(A) an environmental assessment for
8 which a fee was paid under this section shall be
9 completed by not later than 6 months after the
10 sooner of, as applicable, the dates described in
11 clauses (i), (ii), and (iii) of section
12 107(g)(1)(B); and

13 “(B) an environmental impact statement
14 for which a fee was paid under this section shall
15 be completed by not later than 1 year after the
16 sooner of, as applicable, the dates described in
17 clauses (i), (ii), and (iii) of section
18 107(g)(1)(A).

19 “(b) FEE AMOUNT.—The amount of a fee under this
20 section shall be—

21 “(1) in the case of an environmental assessment
22 or environmental impact statement to be prepared
23 by the lead agency, 125 percent of the anticipated
24 costs to prepare the environmental assessment or en-
25 vironmental impact statement; and

1 “(2) in the case of an environmental assessment
2 or environmental impact statement to be prepared in
3 whole or in part by a project sponsor under section
4 107(f), 125 percent of the anticipated costs to su-
5 pervise preparation of, and (as applicable) prepare,
6 the environmental assessment or environmental im-
7 pact statement.

8 “(c) JUDICIAL REVIEW.—

9 “(1) EA; EIS.—There shall be no judicial re-
10 view of an environmental assessment or environ-
11 mental impact statement for which a fee is paid
12 under this section.

13 “(2) FONSI; ROD.—An action for judicial re-
14 view of a finding of no significant impact or record
15 of decision that is associated with an environmental
16 assessment or environmental impact statement de-
17 scribed in paragraph (1) may not challenge the find-
18 ing of no significant impact or record of decision
19 based on an alleged issue with the environmental as-
20 sessment or environmental impact statement.

21 “(d) REVENUE ALLOCATION.—Fees received under
22 this section shall be deposited into the Treasury as mis-
23 cellaneous receipts.”.

1 **SEC. 80152. RESCISSION RELATING TO ENVIRONMENTAL**
2 **AND CLIMATE DATA COLLECTION.**

3 The unobligated balance of any amounts made avail-
4 able under section 60401 of Public Law 117–169 is re-
5 scinded.

6 **PART 7—MISCELLANEOUS**

7 **SEC. 80161. PROTEST FEES.**

8 Section 17 of the Mineral Leasing Act (30 U.S.C.
9 226) is further amended by adding at the end the fol-
10 lowing:

11 “(t) **PROTEST FILING FEE.**—

12 “(1) **IN GENERAL.**—Before processing any pro-
13 test under this Act, the Secretary shall collect a fil-
14 ing fee in the amount described in paragraph (2)
15 from the protestor to recover the cost for processing
16 documents filed for the protest.

17 “(2) **AMOUNT.**—The amount described in this
18 paragraph is calculated as follows:

19 “(A) For each protest filed in a submission
20 not exceeding 10 pages in length, the base filing
21 fee shall be \$150.

22 “(B) For each protest filed in a submission
23 exceeding 10 pages in length, in addition to the
24 base filing fee, an assessment of \$5 per page in
25 excess of 10 pages shall apply.

1 “(C) For each protest filed in a submission
2 that includes more than one oil and gas lease
3 parcel, right-of-way, or application for permit to
4 drill, an additional assessment of \$10 per addi-
5 tional lease parcel, right-of-way, or application
6 for permit to drill shall apply.

7 “(3) ADJUSTMENT.—

8 “(A) IN GENERAL.—Beginning on January
9 1, 2026, and annually thereafter, the Secretary
10 shall adjust the filing fees established in this
11 subsection to whole dollar amounts to reflect
12 changes in the Producer Price Index, as pub-
13 lished by the Bureau of Labor Statistics, for
14 the previous 12 months.

15 “(B) PUBLICATION OF ADJUSTED FILING
16 FEES.—At least 30 days before an adjustment
17 to a filing fee under this paragraph takes effect,
18 the Secretary shall publish notification of the
19 adjustment in the Federal Register.

20 “(4) REVENUE ALLOCATION.—All revenues col-
21 lected under this paragraph shall be deposited in the
22 Treasury as miscellaneous receipts.”.

PART 8—OFFSHORE OIL AND GAS LEASING**SEC. 80171. MANDATORY OFFSHORE OIL AND GAS LEASE
SALES.**

(a) IN GENERAL.—

(1) GULF OF AMERICA.—

(A) IN GENERAL.—Notwithstanding the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program, the Secretary shall hold not fewer than 30 lease sales in the Gulf of America during the 15-year period beginning on the date of the enactment of this section.

(B) LOCATION REQUIREMENT.—For each lease sale held under this paragraph, the Secretary may offer for lease only an area identified as the Proposed Final Program Area in Figure S–1 of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program referenced in the notice of availability published by the Bureau of Ocean Energy Management titled “Notice of Availability of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program” (81 Fed. Reg. 84612; published November 23, 2016).

1 (C) ACREAGE REQUIREMENT.—For each
2 lease sale held under this paragraph, the Sec-
3 retary shall offer for lease—

4 (i) not fewer than 80,000,000 acres;

5 or

6 (ii) if there are fewer than 80,000,000
7 acres that are unleased, all such unleased
8 acres.

9 (D) TIMING REQUIREMENT.—Of the not
10 fewer than 30 lease sales required under this
11 paragraph, the Secretary shall hold not fewer
12 than 1 lease sale on or before each of the fol-
13 lowing dates:

14 (i) December 15, 2025.

15 (ii) March 15, 2026.

16 (iii) August 15, 2026.

17 (iv) March 15, 2027.

18 (v) August 15, 2027.

19 (vi) March 15, 2028.

20 (vii) August 15, 2028.

21 (viii) March 15, 2029.

22 (ix) August 15, 2029.

23 (x) March 15, 2030.

24 (xi) August 15, 2030.

25 (xii) March 15, 2031.

- 1 (xiii) August 15, 2031.
- 2 (xiv) March 15, 2032.
- 3 (xv) August 15, 2032.
- 4 (xvi) March 15, 2033.
- 5 (xvii) August 15, 2033.
- 6 (xviii) March 15, 2034.
- 7 (xix) August 15, 2034.
- 8 (xx) March 15, 2035.
- 9 (xxi) August 15, 2035.
- 10 (xxii) March 15, 2036.
- 11 (xxiii) August 15, 2036.
- 12 (xxiv) March 15, 2037.
- 13 (xxv) August 15, 2037.
- 14 (xxvi) March 15, 2038.
- 15 (xxvii) August 15, 2038.
- 16 (xxviii) March 15, 2039.
- 17 (xxix) August 15, 2039.
- 18 (xxx) March 15, 2040.

19 (E) LEASE TERMS AND CONDITIONS.—

20 (i) IN GENERAL.—For each lease sale
21 held under this paragraph, the Secretary
22 shall, except as provided in clause (iii),
23 offer the same lease form, lease terms, eco-
24 nomic conditions, and stipulations 4
25 through 10 as contained in the Bureau of

1 Ocean Energy Management final notice of
2 sale titled “Gulf of Mexico Outer Conti-
3 nental Shelf Region-Wide Oil and Gas
4 Lease Sale 254” (85 Fed. Reg. 8010; pub-
5 lished February 12, 2020).

6 (ii) UPDATE.—The Secretary is au-
7 thorized to update stipulations 1 through 3
8 of the final notice of sale titled “Gulf of
9 Mexico Outer Continental Shelf Region-
10 Wide Oil and Gas Lease Sale 254” (85
11 Fed. Reg. 8010; published February 12,
12 2020) to reflect current conditions for
13 lease sales held under this paragraph.

14 (iii) DEEPWATER TERM.—The pri-
15 mary term for a lease in water depths of
16 800 meters or deeper issued as a result of
17 a sale held under this paragraph shall be
18 10 years.

19 (2) COOK INLET PLANNING AREA.—

20 (A) IN GENERAL.—Notwithstanding the
21 2024–2029 National Outer Continental Shelf
22 Oil and Gas Leasing Program, the Secretary
23 shall hold not fewer than 6 lease sales in the
24 Cook Inlet Planning Area during the 10-year

1 period beginning on the date of the enactment
2 of this section.

3 (B) LOCATION REQUIREMENT.—For each
4 lease sale held under this paragraph, the Sec-
5 retary may offer for lease only an area identi-
6 fied in Figure S-2 of the 2017–2022 Outer
7 Continental Shelf Oil and Gas Leasing Pro-
8 posed Final Program referenced in the notice of
9 availability published by the Bureau of Ocean
10 Energy Management titled “Notice of Avail-
11 ability of the 2017–2022 Outer Continental
12 Shelf Oil and Gas Leasing Proposed Final Pro-
13 gram” (81 Fed. Reg. 84612; published Novem-
14 ber 23, 2016).

15 (C) ACREAGE REQUIREMENT.—For each
16 lease sale held under this paragraph, the Sec-
17 retary shall offer for lease—

- 18 (i) not fewer than 1,000,000 acres; or
19 (ii) if there are fewer than 1,000,000
20 acres that are unleased, all such unleased
21 acres.

22 (D) TIMING REQUIREMENT.—Of the not
23 fewer than 6 lease sales required under this
24 paragraph, the Secretary shall hold not fewer

1 than 1 lease sale on or before each of the fol-
2 lowing dates:

- 3 (i) March 15, 2026.
- 4 (ii) March 15, 2027.
- 5 (iii) August 15, 2028.
- 6 (iv) March 15, 2030.
- 7 (v) August 15, 2031.
- 8 (vi) March 15, 2032.

9 (E) LEASE TERMS AND CONDITIONS.—For
10 each lease sale held under this paragraph, the
11 Secretary shall offer the same lease form, lease
12 terms, economic conditions, and stipulations as
13 contained in the final notice of sale titled
14 “Outer Continental Shelf Cook Inlet, Alaska,
15 Oil and Gas Lease Sale 244” (82 Fed. Reg.
16 23163; published May 22, 2017).

17 (F) REVENUE SHARING.—Notwithstanding
18 section 8(g) and 9 of the Outer Continental
19 Shelf Lands Act (43 U.S.C. 1337(g) and 1338),
20 and beginning in fiscal year 2035, of the bo-
21 nuses, rents, royalties, and other revenues de-
22 rived from leases issued pursuant to this para-
23 graph—

- 24 (i) 90 percent shall be paid to the
25 State of Alaska; and

1 (ii) 10 percent shall be deposited in
2 the Treasury as miscellaneous receipts.

3 (b) LEASE SALES HELD UNDER PROPOSED FINAL
4 PROGRAM.—The lease sales held under this section shall
5 be in addition to the lease sales held under the Proposed
6 Final Program for the 2024–2029 National Outer Conti-
7 nental Shelf Oil and Gas Leasing Program referenced in
8 the notice of availability published by the Bureau of Ocean
9 Energy Management titled “Notice of Availability of the
10 2024–2029 National Outer Continental Shelf Oil and Gas
11 Leasing Proposed Final Program and Final Pro-
12 grammatic Environmental Impact Statement” (88 Fed.
13 Reg. 67798; published October 2, 2023).

14 (c) OTHER REQUIREMENTS.—During the period be-
15 ginning on the date of the enactment of this section and
16 ending on the date that is 2 years after the date on which
17 the last lease sale required to be held under this section
18 is held, with respect to each lease sale held, lease issued,
19 and any activity that requires a Federal authorization and
20 is associated with a lease issued pursuant to this title, the
21 Outer Continental Shelf Lands Act, or section 50264 of
22 Public Law 117–169 in the Gulf of America—

23 (1) adherence with the Biological Opinion shall
24 satisfy the Secretary’s obligations under the Endan-

1 gered Species Act of 1973 and the Marine Mammal
2 Protection Act of 1972;

3 (2) the final programmatic environmental im-
4 pact statement referenced in the notice of avail-
5 ability titled “Final Programmatic Environmental
6 Impact Statement for the 2017–2022 Outer Conti-
7 nental Shelf (OCS) Oil and Gas Leasing Program”
8 (81 Fed. Reg. 83870; published November 22,
9 2016), the Record of Decision related to such final
10 programmatic environmental impact statement, and
11 the final environmental impact statement referenced
12 in the notice of availability titled “Final Environ-
13 mental Impact Statement for Outer Continental
14 Shelf, Gulf of Mexico, 2017–2022 Oil and Gas Lease
15 Sales 249, 250, 251, 252, 253, 254, 256, 257, 259,
16 and 261” (82 Fed. Reg. 13363; published March 10,
17 2017) shall satisfy the Secretary’s obligations under
18 the National Environmental Policy Act of 1969 and
19 division A of subtitle III of title 54, United States
20 Code; and

21 (3) the consistency determinations prepared by
22 the Bureau of Ocean Energy Management under
23 section 307 of the Coastal Zone Management Act of
24 1972 (16 U.S.C. 1456) for Lease Sale 261 for the
25 States of Texas, Louisiana, Mississippi, Alabama,

1 and Florida shall satisfy the Secretary's obligations
2 under that section (16 U.S.C. 1456).

3 (d) ISSUANCE OF LEASES.—If the Secretary receives
4 an acceptable bid for an area offered in a lease sale held
5 under this section, the Secretary shall—

6 (1) in accordance with section 8 of the Outer
7 Continental Shelf Lands Act (43 U.S.C. 1337), ac-
8 cept the highest acceptable bid for such area; and

9 (2) not later than 90 days after the date on
10 which the applicable lease sale ends, issue a lease of
11 the area to the highest responsible qualified bidder.

12 (e) NOMINATION OF AREAS FOR INCLUSION IN
13 LEASE SALE BY GOVERNOR.—

14 (1) IN GENERAL.—The Secretary shall establish
15 a process through which the Governor of a State
16 may nominate for leasing under a lease sale held
17 under this section an area of the outer Continental
18 Shelf that is—

19 (A) adjacent to the waters of the State;
20 and

21 (B) unleased and available for leasing.

22 (2) INCLUSION OF NOMINATED AREA.—If under
23 paragraph (1) the Governor of a State nominates an
24 area described in that paragraph for leasing under
25 a lease sale held under this section, the Secretary

1 shall include the area in the next scheduled lease
2 sale under subsection (a)(1)(D).

3 (f) GEOLOGICAL AND GEOPHYSICAL SURVEYS.—Not
4 later than 30 days after the date on which the Secretary
5 receives a complete application pursuant to section 551.5
6 of title 30, Code of Federal Regulations (as in effect on
7 September 22, 2015), to conduct a geological or geo-
8 physical survey pursuant to oil and gas activities on the
9 outer Continental Shelf, the Secretary shall approve such
10 application.

11 (g) LEASE SALE 259 AND LEASE SALE 261
12 LEASES.—

13 (1) LEASING REVENUE CERTAINTY.—A lease
14 awarded under Lease Sale 259 or Lease Sale 261,
15 which has been fully executed by the Secretary, shall
16 not be set aside, vacated, enjoined, suspended, or
17 cancelled except in accordance with section 5 of the
18 Outer Continental Shelf Lands Act (43 U.S.C.
19 1334).

20 (2) NO ADDITIONAL TERMS OR CONDITIONS.—
21 The Secretary shall not impose any additional terms
22 or conditions on a lease awarded under Lease Sale
23 259 or Lease Sale 261, which has been fully exe-
24 cuted by the Secretary, that were not included in the
25 Bureau of Ocean Energy Management final notice of

1 sale titled “Gulf of Mexico Outer Continental Shelf
2 Oil and Gas Lease Sale 259” (88 Fed. Reg. 12404;
3 published Feb. 27, 2023) or the final notice of sale
4 titled “Gulf of Mexico Outer Continental Shelf Oil
5 and Gas Lease Sale 261” (88 Fed. Reg. 80750;
6 published on Nov. 20, 2023).

7 (h) JUDICIAL REVIEW.—Section 23(c)(2) of the
8 Outer Continental Shelf Lands Act (43 U.S.C.
9 1349(c)(2)) is amended to read as follows:

10 “(2) Any action of the Secretary to approve, require
11 modification of, or disapprove any exploration plan, devel-
12 opment and production plan, bidding procedure, lease sale,
13 lease issuance, or permit or authorization related to oil
14 and gas exploration, development, or production under
15 this Act, or any inaction by the Secretary resulting in the
16 failure to hold a lease sale under any Federal law requir-
17 ing oil and gas lease sales on the outer Continental Shelf,
18 shall be subject to judicial review only in a United States
19 court of appeals for a circuit in which an affected State
20 is located.”.

21 (i) DEFINITIONS.—In this section:

22 (1) ACCEPTABLE BID.—The term “acceptable
23 bid” means a bid that meets the requirements of the
24 document published by the Bureau of Ocean Energy
25 Management titled “Summary of Procedures for De-

1 termining Bid Adequacy at Offshore Oil and Gas
2 Lease Sales Effective March 2016, with Central
3 Gulf of Mexico Sale 241 and Eastern Gulf of Mexico
4 Sale 226”.

5 (2) BIOLOGICAL OPINION.—The term “Biologi-
6 cal Opinion”—

7 (A) means the biological opinion issued by
8 the National Marine Fisheries Service titled
9 “Biological Opinion on the Federally Regulated
10 Oil and Gas Program Activities in the Gulf of
11 Mexico” and the incidental take statement asso-
12 ciated with such biological opinion (published
13 March 12, 2020, and updated April 26, 2021);
14 and

15 (B) does not include sections 3.3.1 through
16 3.3.3 of such biological opinion.

17 (3) LEASE.—The term “lease” means an oil
18 and gas lease.

19 (4) LEASE SALE 259.—The term “Lease Sale
20 259” means the lease sale held by the Bureau of
21 Ocean Energy Management on March 29, 2023.

22 (5) LEASE SALE 261.—The term “Lease Sale
23 261” means the lease sale held by the Bureau of
24 Ocean Energy Management on December 20, 2023.

1 (6) OUTER CONTINENTAL SHELF.—The term
2 “outer Continental Shelf” has the meaning given
3 such term in section 2 of the Outer Continental
4 Shelf Lands Act (43 U.S.C. 1331).

5 (7) SECRETARY.—The term “Secretary” means
6 the Secretary of the Interior.

7 **SEC. 80172. OFFSHORE COMMINGLING.**

8 The Secretary of the Interior shall approve operator
9 requests to commingle production from multiple reservoirs
10 within a single wellbore completed on the Outer Conti-
11 nental Shelf of the Gulf of America unless conclusive evi-
12 dence establishes that such commingling—

13 (1) could not be conducted in a safe manner; or

14 (2) would result in the ultimate recovery from
15 such formations being reduced.

16 **SEC. 80173. LIMITATIONS ON AMOUNT OF DISTRIBUTED**
17 **QUALIFIED OUTER CONTINENTAL SHELF**
18 **REVENUES.**

19 Section 105(f)(1) of the Gulf of Mexico Energy Secu-
20 rity Act of 2006 (43 U.S.C. 1331 note) is amended—

21 (1) in subparagraph (B), by striking “and” at
22 the end;

23 (2) in subparagraph (C), by striking “2055.”
24 and inserting “2024;”; and

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

1 “(D) \$650,000,000 for each of fiscal years
2 2025 through 2034; and

3 “(E) \$500,000,000 for each of fiscal years
4 2035 through 2055.”.

5 **PART 9—RENEWABLE ENERGY**

6 **SEC. 80181. RENEWABLE ENERGY FEES ON FEDERAL**
7 **LANDS.**

8 (a) **ACREAGE RENT FOR WIND AND SOLAR RIGHTS-**
9 **OF-WAY.—**

10 (1) **IN GENERAL.—**Under the second sentence
11 of section 504(g) of the Federal Land Policy and
12 Management Act of 1976 (43 U.S.C. 1764(g)), the
13 Secretary shall, subject to paragraph (3) and not
14 later than January 1 of each calendar year, collect
15 from the holder of a right-of-way for a renewable en-
16 ergy project an acreage rent in an amount based on
17 the equation described in paragraph (2).

18 (2) **CALCULATION OF ACREAGE RENT RATE.—**

19 (A) **EQUATION.—**The amount of an acre-
20 age rent collected under paragraph (1) shall be
21 determined using the following equation: Acre-
22 age rent = $A \times B \times ((1 + C)^D)$.

23 (B) **DEFINITIONS.—**For purposes of sub-
24 paragraph (A):

1 (i) The letter “A” means the Per-Acre
2 Rate.

3 (ii) The letter “B” means the Encum-
4 brance Factor.

5 (iii) The letter “C” means the Annual
6 Adjustment Factor.

7 (iv) The letter “D” means the year in
8 the term of the right-of-way.

9 (3) PAYMENT UNTIL PRODUCTION.—The holder
10 of a right-of-way for a renewable energy project shall
11 pay an acreage rent collected under paragraph (1)
12 until the date on which energy generation begins.

13 (b) CAPACITY FEES.—

14 (1) IN GENERAL.—The Secretary shall, subject
15 to paragraph (2), annually collect a capacity fee
16 from the holder of a right-of-way for a renewable en-
17 ergy project based on the amount described in para-
18 graph (2).

19 (2) CALCULATION OF CAPACITY FEE.—The
20 amount of a capacity fee collected under paragraph
21 (1) shall be equal to the greater of—

22 (A) an amount equal to the acreage rent
23 described in subsection (a); and

1 (B) 4.58 percent of the gross proceeds
2 from the sale of electricity produced by the re-
3 newable energy project.

4 (3) MULTIPLE-USE REDUCTION FACTOR.—

5 (A) APPLICATION.—The holder of a right-
6 of-way for a wind energy generation project
7 may request that the Secretary apply a 10-per-
8 cent Multiple-Use Reduction Factor to the
9 amount of a capacity fee determined under
10 paragraph (2) by submitting to the Secretary
11 an application for approval.

12 (B) APPROVAL.—The Secretary may ap-
13 prove an application submitted under subpara-
14 graph (A) if not less than 25 percent of the
15 land within the area of the right-of-way is au-
16 thorized for use, occupancy, or development
17 with respect to an activity other than the gen-
18 eration of wind energy for the entirety of the
19 year in which the capacity fee is collected.

20 (C) LATE DETERMINATION.—If the Sec-
21 retary approves an application under subpara-
22 graph (B) for a wind energy generation project
23 after the date on which the holder of the right-
24 of-way for the project begins paying a capacity
25 fee, the Secretary shall apply the Multiple-Use

1 Reduction Factor to the capacity fee in the fol-
2 lowing years. Under this subparagraph, the
3 Secretary may not refund the holder of a right-
4 of-way for the difference in the amount of a ca-
5 pacity fee paid in a previous year.

6 (c) LATE PAYMENT FEE; TERMINATION.—

7 (1) IN GENERAL.—The Secretary may charge
8 the holder of a right-of-way for a renewable energy
9 project a late payment fee if the Secretary does not
10 receive payment for the acreage rent under sub-
11 section (a) or the capacity fee under subsection (b)
12 by the date that is 15 days after the date on which
13 the payment was due.

14 (2) TERMINATION OF RIGHT-OF-WAY.—The
15 Secretary may terminate a right-of-way for a renew-
16 able energy project if the Secretary does not receive
17 payment for the acreage rent under subsection (a)
18 or the capacity fee under subsection (b) by the date
19 that is 90 days after the date on which the payment
20 was due.

21 (d) REVENUE ACCURACY, TRANSPARENCY, AND AC-
22 COUNTABILITY.—The Secretary shall document, verify,
23 and make publicly available the respective amount of wind
24 and solar energy revenues collected under this section on

1 the Department of the Interior’s Natural Resources Rev-
2 enue Data website.

3 (e) ENSURING FEE CERTAINTY.—Section 3103 of
4 the Energy Act of 2020 (43 U.S.C. 3003) is repealed.

5 (f) DEFINITIONS.—In this section:

6 (1) ANNUAL ADJUSTMENT FACTOR.—The term
7 “Annual Adjustment Factor” means 3 percent.

8 (2) ENCUMBRANCE FACTOR.—The term “En-
9 cumbrance Factor” means—

10 (A) 100 percent for solar energy genera-
11 tion facilities; and

12 (B) an amount determined by the Sec-
13 retary not less than 10 percent for wind energy
14 generation facilities.

15 (3) PER-ACRE RATE.—The term “Per-Acre
16 Rate” means the average of per-acre pastureland
17 rental rates published in the Cash Rents Survey by
18 the National Agricultural Statistics Service for the
19 State in which the right-of-way is located over the
20 5 calendar-year period preceding the issuance or re-
21 newal of the right-of-way.

22 (4) PROJECT.—The term “project” means a
23 system described in section 2801.9(a)(4) of title 43,
24 Code of Federal Regulations (as such section is in
25 effect on the date of the enactment of this Act).

1 (5) PUBLIC LANDS.—The term “public lands”
2 means—

3 (A) public lands as such term is defined in
4 section 103 of the Federal Land Policy and
5 Management Act of 1976 (43 U.S.C. 1702);
6 and

7 (B) the lands of the National Forest Sys-
8 tem as described in section 11(a) of the Forest
9 and Rangeland Renewable Resources Planning
10 Act of 1974 (16 U.S.C. 1609(a)).

11 (6) RENEWABLE ENERGY PROJECT.—The term
12 “renewable energy project” means a project located
13 on public lands that uses wind or solar energy to
14 generate energy.

15 (7) RIGHT-OF-WAY.—The term “right-of-way”
16 has the meaning given such term in section 103 of
17 the Federal Land Policy and Management Act of
18 1976 (43 U.S.C. 1702).

19 (8) SECRETARY.—The term “Secretary”
20 means—

21 (A) the Secretary of the Interior with re-
22 spect to land controlled or administered by the
23 Secretary of the Interior; or

24 (B) the Secretary of Agriculture with re-
25 spect to the lands of the National Forest Sys-

1 tem controlled or administered by the Secretary
2 of Agriculture.

3 **SEC. 80182. RENEWABLE ENERGY REVENUE SHARING.**

4 (a) DISPOSITION OF REVENUE.—

5 (1) DISPOSITION OF REVENUES.—Beginning on
6 January 1, 2026, the amounts collected from a re-
7 newable energy project as bonus bids, rentals, fees,
8 or other payments under a right-of-way, permit,
9 lease, or other authorization shall be—

10 (A) deposited in the general fund of the
11 Treasury; and

12 (B) without further appropriation or fiscal
13 year limitation, allocated as follows:

14 (i) 25 percent shall be paid from
15 amounts in the general fund of the Treas-
16 ury to the State within the boundaries of
17 which the revenue is derived.

18 (ii) 25 percent shall be paid from
19 amounts in the general fund of the Treas-
20 ury to each county within the boundaries
21 of which the revenue is derived, to be allo-
22 cated among each such county based on
23 the percentage of land from which the rev-
24 enue is derived.

25 (2) PAYMENTS TO STATES AND COUNTIES.—

1 (A) IN GENERAL.—The amounts paid to
2 States and counties under paragraph (1) shall
3 be used consistent with section 35 of the Min-
4 eral Leasing Act (30 U.S.C. 191).

5 (B) PAYMENTS IN LIEU OF TAXES.—A
6 payment to a county under paragraph (1) shall
7 be in addition to a payment in lieu of taxes re-
8 ceived by the county under chapter 69 of title
9 31, United States Code.

10 (C) TIMING.—The amounts required to be
11 paid under paragraph (1)(B) for an applicable
12 fiscal year shall be made available not later
13 than the fiscal year that immediately follows
14 the fiscal year for which the amounts were col-
15 lected.

16 (b) DEFINITIONS.—In this section:

17 (1) COVERED LAND.—The term “covered land”
18 means land that is—

19 (A) public lands administered by the Sec-
20 retary; and

21 (B) not excluded from the development of
22 solar or wind energy under—

23 (i) a land use plan; or

24 (ii) other Federal law.

1 (2) PUBLIC LANDS.—The term “public lands”
2 means—

3 (A) public lands as such term is defined in
4 section 103 of the Federal Land Policy and
5 Management Act of 1976 (43 U.S.C. 1702);
6 and

7 (B) lands of the National Forest System
8 as described in section 11(a) of the Forest and
9 Rangeland Renewable Resources Planning Act
10 of 1974 (16 U.S.C. 1609(a)).

11 (3) RENEWABLE ENERGY PROJECT.—The term
12 “renewable energy project” means a system de-
13 scribed in section 2801.9(a)(4) of title 43, Code of
14 Federal Regulations (as such section is in effect on
15 the date of the enactment of this Act), located on
16 covered land that uses wind or solar energy to gen-
17 erate energy.

18 (4) SECRETARY.—The term “Secretary”
19 means—

20 (A) the Secretary of the Interior with re-
21 spect to land controlled or administered by the
22 Secretary of the Interior; or

23 (B) the Secretary of Agriculture with re-
24 spect to the lands of the National Forest Sys-

1 tem controlled or administered by the Secretary
2 of Agriculture.

3 **Subtitle B—Water, Wildlife, and**
4 **Fisheries**

5 **SEC. 80201. RESCISSION OF FUNDS FOR INVESTING IN**
6 **COASTAL COMMUNITIES AND CLIMATE RE-**
7 **SILIENCE.**

8 There is hereby rescinded the unobligated balance of
9 funds made available by section 40001 of Public Law
10 117–169.

11 **SEC. 80202. RESCISSION OF FUNDS FOR FACILITIES OF NA-**
12 **TIONAL OCEANIC AND ATMOSPHERIC ADMIN-**
13 **ISTRATION AND NATIONAL MARINE SANC-**
14 **TUARIES.**

15 There is hereby rescinded the unobligated balance of
16 funds made available by section 40002 of Public Law
17 117–169.

18 **SEC. 80203. SURFACE WATER STORAGE ENHANCEMENT.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Secretary of the Interior, acting
21 through the Commissioner of Reclamation, for fiscal year
22 2025, out of any money in the Treasury not otherwise ap-
23 propriated, \$2,000,000,000, to remain available through
24 September 30, 2034, for construction and associated ac-
25 tivities that increase the capacity of existing Bureau of

1 Reclamation surface water storage facilities, in a manner
2 as determined by the Secretary: *Provided*, That, for the
3 purposes of section 203 of the Reclamation Reform Act
4 of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Rec-
5 lamation Projects Authorization and Adjustment Act of
6 1992 (Public Law 102–575), a contract or agreement en-
7 tered into pursuant to this section shall not be treated as
8 a new or amended contract. None of the funds provided
9 under this section shall be reimbursable or subject to
10 matching or cost-share requirements.

11 **SEC. 80204. WATER CONVEYANCE ENHANCEMENT.**

12 In addition to amounts otherwise available, there is
13 appropriated to the Secretary of the Interior, acting
14 through the Commissioner of Reclamation, for fiscal year
15 2025, out of any money in the Treasury not otherwise ap-
16 propriated, \$500,000,000, to remain available through
17 September 30, 2034, for construction and associated ac-
18 tivities that restore or increase the capacity of existing Bu-
19 reau of Reclamation conveyance facilities, in a manner as
20 determined by the Secretary. None of the funds provided
21 under this section shall be reimbursable or subject to
22 matching or cost-share requirements.

1 **Subtitle C—Federal Lands**

2 **SEC. 80301. RESCISSION OF FOREST SERVICE FUNDS.**

3 Paragraph (4) of section 23001(a) of Public Law
4 117–169 is repealed and all unobligated balances of
5 amounts made available under such paragraph are hereby
6 rescinded.

7 **SEC. 80302. RESCISSION OF NATIONAL PARK SERVICE AND**
8 **BUREAU OF LAND MANAGEMENT FUNDS.**

9 There is hereby rescinded the unobligated balances
10 of amounts made available by section 50221 of Public Law
11 117–169.

12 **SEC. 80303. RESCISSION OF BUREAU OF LAND MANAGE-**
13 **MENT AND NATIONAL PARK SERVICE FUNDS.**

14 There is hereby rescinded the unobligated balances
15 of amounts made available by section 50222 of Public Law
16 117–169.

17 **SEC. 80304. RESCISSION OF NATIONAL PARK SERVICE**
18 **FUNDS.**

19 There is hereby rescinded the unobligated balances
20 of amounts made available by section 50223 of Public Law
21 117–169.

22 **SEC. 80305. CELEBRATING AMERICA'S 250TH ANNIVERSARY.**

23 In addition to amounts otherwise available, there is
24 appropriated to the Secretary of the Interior for fiscal year

1 2025, out of any money in the Treasury not otherwise ap-
2 propriated, to remain available through fiscal year 2028—

3 (1) \$150,000,000 for events, celebrations, and
4 activities related to the observance and commemora-
5 tion of the 250th anniversary of the founding of the
6 United States; and

7 (2) \$40,000,000 to carry out Executive Order
8 13934 of July 3, 2020 (85 Fed. Reg. 41165), Exec-
9 utive Order 13978 of January 18, 2021 (86 Fed.
10 Reg. 6809), and Executive Order 14189 of January
11 29, 2025 (90 Fed. Reg. 8849) to establish and
12 maintain a statuary park to be known as the Na-
13 tional Garden of American Heroes.

14 **SEC. 80306. LONG-TERM CONTRACTS FOR THE FOREST**
15 **SERVICE.**

16 (a) **IN GENERAL.**—For each of fiscal years 2025
17 through 2034, the Chief of the Forest Service (in this sec-
18 tion referred to as the “Chief”) shall enter into not less
19 than one long-term contract or agreement with private
20 persons or other public or private entities under section
21 14(a) of the National Forest Management Act (16 U.S.C.
22 472a(a)) with respect to covered National Forest System
23 lands in each region of the Forest Service that contains
24 covered National Forest System lands.

25 (b) **TERMS.**—

1 (1) IN GENERAL.—Except as provided in para-
2 graphs (2) and (3), the Chief shall enter into con-
3 tracts or agreements under subsection (a) in accord-
4 ance with section 3903 of title 41, United States
5 Code, and section 14 of the National Forest Man-
6 agement Act (16 U.S.C. 472a).

7 (2) CONTRACT LENGTH.—The period of a con-
8 tract or agreement under subsection (a) shall be for
9 at least 20 years, with options for extensions and re-
10 newals as determined by the Chief.

11 (3) CANCELLATION CEILINGS.—A contract or
12 agreement entered into under subsection (a) shall in-
13 clude provisions for a cancellation ceiling consistent
14 with section 604(d) of the Healthy Forests Restora-
15 tion Act of 2003 (16 U.S.C. 6591e(d)).

16 (c) RECEIPTS.—Any monies derived from an agree-
17 ment or contract under this section by the Chief shall be
18 deposited in the general fund of the Treasury.

19 (d) COVERED NATIONAL FOREST SYSTEM LANDS
20 DEFINED.—In this section, the term “covered National
21 Forest System lands” means the proclaimed National For-
22 est System lands reserved or withdrawn from the public
23 domain of the United States.

1 **SEC. 80307. LONG-TERM CONTRACTS FOR THE BUREAU OF**
2 **LAND MANAGEMENT.**

3 (a) IN GENERAL.—For each of fiscal years 2025
4 through 2034, the Director of the Bureau of Land Man-
5 agement (in this section referred to as the “Director”)
6 shall enter into not less than one long-term contract or
7 agreement with private persons or other public or private
8 entities under section 1 of the Materials Act of 1947 (30
9 U.S.C. 601) with respect to vegetative materials on cov-
10 ered public lands.

11 (b) TERMS.—

12 (1) IN GENERAL.—Except as provided in para-
13 graphs (2) and (3), the Director shall enter into con-
14 tracts or agreements under subsection (a) in accord-
15 ance with section 3903 of title 41, United States
16 Code, and section 2(a) of the Materials Act of 1947
17 (30 U.S.C. 602(a)).

18 (2) CONTRACT LENGTH.—The period of a con-
19 tract or agreement under subsection (a) shall be for
20 at least 20 years, with options for extensions and re-
21 newals as determined by the Director.

22 (3) CANCELLATION CEILINGS.—A contract or
23 agreement entered into under subsection (a) shall in-
24 clude provisions for a cancellation ceiling consistent
25 with section 604(d) of the Healthy Forests Restora-
26 tion Act of 2003 (16 U.S.C. 6591e(d)).

1 (c) LOCATION.—In selecting locations to enter into
2 long-term contracts or agreements under subsection (a),
3 the Director shall prioritize areas with no existing wood
4 processing infrastructure.

5 (d) RECEIPTS.—Any monies derived from an agree-
6 ment or contract under this section by the Director shall
7 be deposited in the general fund of the Treasury.

8 (e) COVERED PUBLIC LANDS DEFINED.—The term
9 “covered public lands” has the meaning given the term
10 “public lands” in section 103 of the Federal Land Policy
11 and Management Act of 1976 (43 U.S.C. 1702), except
12 that the term includes Coos Bay Wagon Road Grant lands
13 and Oregon and California Railroad Grant lands.

14 **SEC. 80308. TIMBER PRODUCTION FOR THE FOREST SERV-**
15 **ICE.**

16 (a) IN GENERAL.—Not later than 1 year after the
17 date of enactment of this title, the Secretary of Agri-
18 culture, acting through the Chief of the Forest Service or
19 their designee, shall direct timber harvest on covered Na-
20 tional Forest System lands in amounts that—

21 (1) in total, equal or exceed the volume that is
22 25 percent higher than the average of the total vol-
23 ume sold on such lands between fiscal years 2020
24 through 2024; and

1 (2) are in accordance with the applicable forest
2 plan, including the allowable sale quantity or prob-
3 able sale quantity, as applicable, of timber applicable
4 to such lands on the date of enactment of this title.

5 (b) DEFINITIONS.—In this section:

6 (1) COVERED NATIONAL FOREST SYSTEM
7 LANDS.—

8 (A) IN GENERAL.—Except as provided in
9 subparagraph (B), the term “covered National
10 Forest System lands” means the proclaimed
11 National Forest System lands reserved or with-
12 drawn from the public domain of the United
13 States.

14 (B) EXCLUSIONS.—The term “covered Na-
15 tional Forest System lands” does not include
16 lands—

17 (i) that are included in the National
18 Wilderness Preservation System;

19 (ii) that are located within a national
20 or State-specific inventoried roadless area
21 established by the Secretary of Agriculture
22 through regulation, unless—

23 (I) the forest management activ-
24 ity to be carried out under such au-

1 thority is consistent with the forest
2 plan applicable to the area; or

3 (II) the activity is allowed under
4 the applicable roadless rule governing
5 such lands, including—

6 (aa) the Idaho roadless rule
7 under subpart C of part 294 of
8 title 36, Code of Federal Regula-
9 tions;

10 (bb) the Colorado roadless
11 rule under subpart D of part 294
12 of title 36, Code of Federal Reg-
13 ulations; or

14 (cc) any other roadless rule
15 developed after the date of the
16 enactment of this section by the
17 Secretary with respect to a spe-
18 cific State; or

19 (iii) on which timber harvesting for
20 any purpose is prohibited by Federal stat-
21 ute.

22 (2) FOREST PLAN.—The term “forest plan”
23 means a land and resource management plan pre-
24 pared by the Forest Service for a unit of the Na-
25 tional Forest System pursuant to section 6 of the

1 Forest and Rangeland Renewable Resources Plan-
2 ning Act of 1974 (16 U.S.C. 1604).

3 **SEC. 80309. TIMBER PRODUCTION FOR THE BUREAU OF**
4 **LAND MANAGEMENT.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this title, the Secretary of the Inte-
7 rior, acting through the Director of the Bureau of Land
8 Management or their designee, shall direct timber harvest
9 on covered public lands in amounts that—

10 (1) in total, equal or exceed the volume that is
11 25 percent higher than the average of the total vol-
12 ume sold on such lands between fiscal years 2020
13 through 2024; and

14 (2) are in accordance with the applicable forest
15 plan.

16 (b) DEFINITIONS.—In this section:

17 (1) COVERED PUBLIC LANDS.—

18 (A) IN GENERAL.—Except as provided in
19 subparagraph (B), the term “covered public
20 lands” has the meaning given the term “public
21 lands” in section 103 of the Federal Land Pol-
22 icy and Management Act of 1976 (43 U.S.C.
23 1702), except that the term includes Coos Bay
24 Wagon Road Grant lands and Oregon and Cali-
25 fornia Railroad Grant lands.

1 (B) EXCLUSIONS.—The term “covered
2 public lands” does not include lands—

3 (i) that are included in the National
4 Wilderness Preservation System; or

5 (ii) on which timber harvesting for
6 any purpose is prohibited by Federal stat-
7 ute.

8 (2) FOREST PLAN.—The term “forest plan”
9 means a land use plan prepared by the Bureau of
10 Land Management for public lands pursuant to sec-
11 tion 202 of the Federal Land Policy and Manage-
12 ment Act of 1976 (43 U.S.C. 1712).

13 **TITLE IX—COMMITTEE ON OVER-**
14 **SIGHT AND GOVERNMENT RE-**
15 **FORM**

16 **SEC. 90001. ELIMINATION OF THE FERS ANNUITY SUPPLE-**
17 **MENT FOR CERTAIN EMPLOYEES.**

18 (a) IN GENERAL.—Section 8421(a) of title 5, United
19 States Code, is amended—

20 (1) in paragraph (1), by inserting “separated
21 from service under section 8425 or entitled to an an-
22 nuity under subsection (d) or (e) of section 8412 of
23 this title” after “individual”; and

24 (2) in paragraph (2), by inserting “separated
25 from service under section 8425 or entitled to an an-

1 nuity under subsection (d) or (e) of section 8412 of
2 this title” after “an individual”.

3 (b) APPLICABILITY.—The amendments made by this
4 section shall begin to apply on January 1, 2028, and shall
5 not apply with respect to any individual entitled to an an-
6 nuity supplement under section 8421 of title 5, United
7 States Code, prior to such date.

8 **SEC. 90002. ELECTION FOR AT-WILL EMPLOYMENT AND**
9 **LOWER FERS CONTRIBUTIONS FOR NEW FED-**
10 **ERAL CIVIL SERVICE HIRES.**

11 (a) ELECTION.—

12 (1) IN GENERAL.—Subchapter I of chapter 33
13 of title 5, United States Code, is amended by adding
14 at the end the following:

15 **“§ 3330g. Election for at-will employment and lower**
16 **FERS contributions**

17 “(a) ELECTION.—

18 “(1) IN GENERAL.—Not later than the last day
19 of the probationary period (if any) for an individual
20 initially appointed to a covered position after the
21 date of the enactment of this section, such individual
22 may make an irrevocable election to be employed on
23 an at-will basis, subject to the requirements of this
24 section.

1 “(2) FAILURE TO MAKE ELECTION.—An indi-
2 vidual who does not make the election under para-
3 graph (1) shall be subject to the requirements of
4 section 8422(a)(3)(D).

5 “(b) AT-WILL EMPLOYMENT.—Notwithstanding
6 chapter 43, 71, or 75 of this title, any individual who
7 makes an affirmative election under subsection (a)(1)
8 shall—

9 “(1) be considered an at-will employee; and

10 “(2) may be subject to an adverse action up to
11 and including removal, without notice or right to ap-
12 peal, by the head of the agency at which the indi-
13 vidual is employed for good cause, bad cause, or no
14 cause at all.

15 “(c) APPLICATION OF OTHER LAWS.—Notwith-
16 standing any other requirement of this section, this section
17 shall not be construed to reduce, extinguish, or otherwise
18 effect any right or remedy available to any individual who
19 elects to be an at-will employee under subsection (a)(1)
20 under any of the following provisions of law:

21 “(1) The protections relating to prohibited per-
22 sonnel practices (as that term is defined in section
23 2302).

1 “(2) The Congressional Accountability Act of
2 1995, in the case of employees of the legislative
3 branch who are subject to this section.

4 “(d) COVERED POSITION.—In this section, the term
5 ‘covered position’—

6 “(1) means—

7 “(A) any position in the competitive serv-
8 ice;

9 “(B) a career appointee position in the
10 Senior Executive Service;

11 “(C) a position in the excepted service; and

12 “(2) does not include—

13 “(A) any position excepted from the com-
14 petitive service because of its confidential, pol-
15 icy-determining, policy-making, or policy-advo-
16 cating character;

17 “(B) any position excluded from the cov-
18 erage of section 2302 (by operation of sub-
19 section (a)(2)(B) of such section) or chapter 75;
20 or

21 “(C) any position subject to mandatory
22 separation under section 8335 or 8425.”.

23 (2) CLERICAL AMENDMENT.—The table of sec-
24 tions for such subchapter is amended by adding

1 after the item relating to section 3330f the fol-
2 lowing:

“3330g. Election for at-will employment and lower FERS contributions.”.

3 (b) INCREASE IN FERS CONTRIBUTIONS.—Section
4 8422(a) of title 5, United States Code, is amended by add-
5 ing at the end the following:

6 “(D) The applicable percentage under this
7 paragraph for civilian service by any individual
8 who elects not to be employed on an at-will
9 basis under section 3330g shall be equal to the
10 percentage required under subparagraph (C),
11 increased by 5 percentage points.”.

12 (c) APPLICATION.—This section and the amendments
13 made by this section shall apply to individuals initially ap-
14 pointed to positions in the civil service subject to such sec-
15 tion and amendments appointed on or after the date of
16 the enactment of this Act.

17 **SEC. 90003. FILING FEE FOR MERIT SYSTEMS PROTECTION**
18 **BOARD CLAIMS AND APPEALS.**

19 (a) IN GENERAL.—Section 7701 of title 5, United
20 States Code, is amended—

21 (1) in redesignating subsection (k) as sub-
22 section (l); and

23 (2) by inserting after subsection (j) the fol-
24 lowing:

1 “(k)(1) The Board shall establish and collect a filing
2 fee to be paid by any employee, former employee, or appli-
3 cant for employment filing a claim or appeal with the
4 Board under this title, or under any other law, rule, or
5 regulation, consistent with the requirements of this sub-
6 section.

7 “(2) The filing fee under paragraph (1) shall—

8 “(A) be in an amount equal to the filing fee for
9 a civil action, suit, or proceeding under section
10 1914(a) of title 28;

11 “(B) be paid on the date the individual submits
12 a claim or appeal to the Board; and

13 “(C) if the individual is the prevailing party
14 under such claim or appeal, be returned to such in-
15 dividual.

16 “(3) The filing fee under this subsection shall not be
17 required for any—

18 “(A) action brought by the Special Counsel
19 under section 1214, 1215, or 1216; or

20 “(B) any claim or appeal of a prohibited per-
21 sonnel practice described in section 2302(b)(8) or
22 2302(b)(9)(A)(i), (B), (C), or (D) or in section
23 1221.

24 “(4) On the date that a claim or appeal with respect
25 to which the individual is not the prevailing party has not

1 been appealed and is no longer appealable because the
2 time for taking an appeal has expired, or which has been
3 appealed under section 7703 and the appeals process for
4 which is completed, the fee collected under paragraph (1)
5 shall, except as provided in paragraph (2)(C), be deposited
6 into the miscellaneous receipts of the Treasury.”.

7 (b) APPLICATION.—The fee required under the
8 amendment made by subsection (a) shall apply to any
9 claim or appeal filed with the Merit Systems Protection
10 Board after the date that is 3 months after the date of
11 the enactment of this section.

12 **SEC. 90004. FEHB PROTECTION.**

13 (a) FEHB IMPROVEMENTS.—

14 (1) DEFINITIONS.—In this subsection:

15 (A) DIRECTOR.—The term “Director”
16 means the Director of the Office of Personnel
17 Management.

18 (B) EMPLOYING OFFICE.—The term “em-
19 ploying office” has the meaning given the term
20 in section 890.101(a) of title 5, Code of Federal
21 Regulations, or any successor regulation.

22 (C) HEALTH BENEFITS PLAN; MEMBER OF
23 FAMILY.—The terms “health benefits plan” and
24 “member of family” have the meanings given

1 those terms in section 8901 of title 5, United
2 States Code.

3 (D) INSPECTOR GENERAL.—The term “In-
4 specter General” means the Inspector General
5 of the Office of Personnel Management.

6 (E) OPEN SEASON.—The term “open sea-
7 son” means an open season described in section
8 890.301(f) of title 5, Code of Federal Regula-
9 tions, or any successor regulation.

10 (F) PROGRAM.—The term “Program”
11 means the health insurance programs carried
12 out under chapter 89 of title 5, United States
13 Code, including the program carried out under
14 section 8903c of that title.

15 (G) QUALIFYING LIFE EVENT.—The term
16 “qualifying life event” has the meaning given
17 the term in section 892.101 of title 5, Code of
18 Federal Regulations, or any successor regula-
19 tion.

20 (2) VERIFICATION REQUIREMENTS.—

21 (A) IN GENERAL.—Not later than 1 year
22 after the date of the enactment of this Act, the
23 Director shall issue regulations and implement
24 a process to verify—

1 (i) the veracity of any qualifying life
2 event through which an enrollee in the
3 Program seeks to add a member of family
4 with respect to the enrollee to a health
5 benefits plan under the Program; and

6 (ii) that, when an enrollee in the Pro-
7 gram seeks to add a member of family
8 with respect to the enrollee to the health
9 benefits plan of the enrollee under the Pro-
10 gram, including during any open season,
11 the individual so added is a qualifying
12 member of family with respect to the en-
13 rollee.

14 (B) RECORD RETENTION.—The process
15 implemented under subparagraph (A) shall re-
16 quire the records used for a verification de-
17 scribed in such subparagraph under such proc-
18 ess with respect to an individual enrolled in a
19 health benefits plan under the Program to be
20 provided to the Office of Personnel Manage-
21 ment and retained by the Office of Personnel
22 Management until the expiration of a six-year
23 period beginning after the date of such
24 verification in which such individual is not en-

1 rolled in a health benefits plan under the Pro-
2 gram.

3 (3) FRAUD RISK ASSESSMENT.—In any fraud
4 risk assessment conducted with respect to the Pro-
5 gram on or after the date of the enactment of this
6 Act, the Director shall include an assessment of in-
7 dividuals who are enrolled in, or covered under, a
8 health benefits plan under the Program even though
9 those individuals are not eligible to be so enrolled or
10 covered.

11 (4) FAMILY MEMBER ELIGIBILITY
12 VERIFICATION AUDIT.—

13 (A) IN GENERAL.—During the 5-year pe-
14 riod beginning 1 year after the date of the en-
15 actment of this Act, the Director shall conduct
16 a comprehensive audit regarding members of
17 family who are covered under an enrollment in
18 a health benefits plan under the Program.

19 (B) CONTENTS.—In conducting an audit
20 required by subparagraph (A), the Director
21 shall review marriage certificates, birth certifi-
22 cates, and other appropriate documents that
23 are necessary to determine eligibility to enroll in
24 a health benefits plan under the Program.

1 (C) RECORD RETENTION.—All records per-
2 taining to the eligibility of an individual to be
3 enrolled in, or covered under, a health benefits
4 plan under the Program obtained by the Direc-
5 tor in the audit required by subparagraph (A)
6 shall be retained by the Office of Personnel
7 Management until the expiration of a six-year
8 period beginning after the date of such audit in
9 which such individual is not enrolled in, or cov-
10 ered under, a health benefits plan under the
11 Program.

12 (D) REFERRAL TO INSPECTOR GEN-
13 ERAL.—The Director shall refer any instances
14 of individuals enrolled in, or covered under, a
15 health benefits plan under the Program who are
16 not eligible to be so enrolled or covered that are
17 identified in the audit required by subparagraph
18 (A) to the Inspector General.

19 (5) DISENROLLMENT OR REMOVAL.—

20 (A) IN GENERAL.—Not later than 6
21 months after the date of the enactment of this
22 Act, the Director shall develop a process by
23 which any individual enrolled in, or covered
24 under, a health benefits plan under the Pro-
25 gram who is not eligible to be so enrolled or

1 covered shall be disenrolled or removed from en-
2 rollment in a health benefits plan under the
3 Program.

4 (B) NOTIFY INSPECTOR GENERAL.—The
5 Director shall notify the Inspector General of
6 each individual disenrolled or removed from en-
7 rollment in a health benefits plan under the
8 Program under the process developed under
9 subparagraph (A).

10 (b) EARNED BENEFITS AND HEALTHCARE ADMINIS-
11 TRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT
12 FUNDING.—

13 (1) IN GENERAL.—Section 8909(a)(2) of title
14 5, United States Code, is amended by striking “Con-
15 gress.” and inserting “Congress, except that the
16 amounts authorized under subsection (b)(2) for the
17 Office shall not be subject to the limitations that
18 may be specified annually by Congress.”.

19 (2) OVERSIGHT.—Section 8909(b) of title 5,
20 United States Code, is amended—

21 (A) by redesignating paragraph (2) as
22 paragraph (5); and

23 (B) by inserting after paragraph (1) the
24 following:

1 “(2) In addition to the funds provided under
2 paragraph (1), amounts of all contributions shall be
3 available for the Office to develop, maintain, and
4 conduct ongoing eligibility verification and oversight
5 over the enrollment and eligibility systems with re-
6 spect to benefits under this chapter, including the
7 Postal Service Health Benefits Program under sec-
8 tion 8903c. Amounts for the Office under this para-
9 graph shall not be available in excess of the fol-
10 lowing amounts in the following fiscal years:

11 “(A) In fiscal year 2026, \$36,792,000.

12 “(B) In fiscal year 2027, \$44,733,161.

13 “(C) In fiscal year 2028, \$50,930,778.

14 “(D) In fiscal year 2029, \$54,198,238.

15 “(E) In fiscal year 2030, \$54,855,425.

16 “(F) In fiscal year 2031, \$56,062,244.

17 “(G) In fiscal year 2032, \$57,295,613.

18 “(H) In fiscal year 2033, \$58,556,117.

19 “(I) In fiscal year 2034, \$59,844,351.

20 “(J) In fiscal year 2035 and each fiscal
21 year thereafter, the amount equal to the dollar
22 limit for the immediately preceding fiscal year,
23 increased by 2.2. percent.

24 “(3) In fiscal year 2026, \$80,000,000, to be de-
25 rived from all contributions and to remain available

1 until expended, shall be available for the Office to
2 conduct the audit required under section
3 90004(a)(4) of the Act titled ‘An Act to provide for
4 reconciliation pursuant to title II of H. Con. Res.
5 14’.

6 “(4) Amounts of all contributions shall be avail-
7 able for the Office of Personnel Management Office
8 of the Inspector General to conduct oversight associ-
9 ated with activities under this chapter (including the
10 Postal Service Health Benefits Program under sec-
11 tion 8903e), including activities associated with en-
12 rollment and eligibility in these programs and any
13 associated audit activities as required under section
14 90004 of the Act titled ‘An Act to provide for rec-
15 onciliation pursuant to title II of H. Con. Res. 14’.
16 Amounts for the Office of the Inspector General
17 under this paragraph shall not be available in excess
18 of the following amounts in the following fiscal
19 years:

20 “(A) In fiscal year 2026, \$5,090,278.

21 “(B) In fiscal year 2027 and each fiscal
22 year thereafter, the amount equal to the dollar
23 limit for the immediately preceding fiscal year,
24 increased by 2.2 percent.”.

1 **TITLE X—COMMITTEE ON**
2 **TRANSPORTATION AND IN-**
3 **FRASTRUCTURE**

4 **SEC. 100001. COAST GUARD ASSETS NECESSARY TO SECURE**
5 **THE MARITIME BORDER AND INTERDICT MI-**
6 **GRANTS AND DRUGS.**

7 (a) IN GENERAL.—For the purpose of the acquisi-
8 tion, sustainment, improvement, and operation of United
9 States Coast Guard assets, in addition to amounts other-
10 wise made available, there is appropriated to the Com-
11 mandant of the Coast Guard for fiscal year 2025, out of
12 any money in the Treasury not otherwise appropriated,
13 to remain available until September 30, 2029—

14 (1) \$571,500,000 for fixed wing aircraft and
15 spare parts, training simulators, support equipment,
16 and program management for such aircraft;

17 (2) \$1,283,000,000 for rotary wing aircraft and
18 spare parts, training simulators, support equipment,
19 and program management for such aircraft;

20 (3) \$140,000,000 for long-range unmanned air-
21 craft systems and base stations, support equipment,
22 and program management for such systems;

23 (4) \$4,300,000,000 for Offshore Patrol Cutters
24 and spare parts and program management for such
25 Cutters;

1 (5) \$1,000,000,000 for Fast Response Cutters
2 and spare parts and program management for such
3 Cutters;

4 (6) \$4,300,000,000 for Polar Security Cutters
5 and spare parts and program management for such
6 Cutters;

7 (7) \$4,978,000,000 for Arctic Security Cutters
8 and domestic icebreakers and spare parts and pro-
9 gram management for such Cutters and icebreakers;

10 (8) \$3,154,500,000 for design, planning, engi-
11 neering, construction of, and program management
12 for shoreside infrastructure, of which—

13 (A) \$400,000,000 is provided for hangers
14 and maintenance and crew facilities for the
15 fixed wing aircraft for which funds are appro-
16 priated under paragraph (1) and rotary wing
17 aircraft for which funds are appropriated under
18 paragraph (2);

19 (B) \$2,329,500,000 is provided for
20 homeports for the Cutters for which funds are
21 appropriated under paragraphs (4), (5), (6),
22 and (7), National Security Cutters, and other
23 Fast Response Cutters; and

24 (C) \$425,000,000 is provided for design,
25 planning, engineering, construction of, and pro-

1 gram management for enlisted boot camp bar-
2 racks, multi-use training centers, and other re-
3 lated facilities;

4 (9) \$1,300,000,000 for aviation, cutter, shore-
5 side facility depot maintenance, and C5I service
6 maintenance, of which \$500,000,000 is provided to
7 acquire, procure, or construct a floating dry dock
8 under subsection (b) and conduct channel dredging
9 necessary to allow Cutters for which funds are ap-
10 propriated under paragraph (4) and National Secu-
11 rity Cutters to be maintained and repaired in such
12 dry dock; and

13 (10) \$180,000,000 for equipment and services
14 for maritime domain awareness, of which
15 \$75,000,000 is provided to contract the services of,
16 acquire, or procure autonomous maritime systems.

17 (b) REQUIREMENTS.—

18 (1) IN GENERAL.—Except as provided in para-
19 graph (2), the Commandant may not acquire, pro-
20 cure, or construct a floating dry dock for the Coast
21 Guard Yard with amounts appropriated under sub-
22 section (a).

23 (2) PERMISSIBLE ACQUISITION, PROCUREMENT,
24 OR CONSTRUCTION METHODS.—Notwithstanding
25 paragraph (1) of this subsection and section 1105(a)

1 of title 14, United States Code, the Commandant
2 may, through September 30, 2030—

3 (A) provide for an entity other than the
4 Coast Guard to contract for the acquisition,
5 procurement, or construction of a floating dry
6 dock by contract, purchase, or other agreement;

7 (B) construct a floating dry dock at the
8 Coast Guard Yard; or

9 (C) acquire or procure a commercially
10 available floating dry dock.

11 (3) FLOATING DRY DOCK DEFINED.—In this
12 section, the term “floating dry dock” means equip-
13 ment that is—

14 (A) documented under chapter 121 of title
15 46, United States Code; and

16 (B) capable of meeting the lifting and
17 maintenance requirements of an Offshore Pa-
18 trol Cutter or a National Security Cutter.

19 (c) LIMITATION.—Not more than 15 percent of the
20 amounts provided in paragraph (9) of subsection (a) shall
21 be available for design, planning, and engineering of the
22 facilities described in such paragraph.

23 (d) APPLICATION.—In carrying out acquisitions or
24 procurements for which funds are appropriated under sub-

1 section (a), sections 1131, 1132, and 1133 of title 14,
2 United States Code, shall not apply.

3 (e) ENTITY OTHER THAN THE COAST GUARD.—Not-
4 withstanding section 1105(a) of title 14, United States
5 Code, in carrying out acquisition, procurement, or con-
6 struction of Arctic Security Cutters or domestic ice-
7 breakers for which funds are appropriated under sub-
8 section (a)(7), the Commandant may provide for an entity
9 other than the Coast Guard to contract for such acquisi-
10 tion, procurement, or construction.

11 (f) COMPLIANCE WITH APPLICABLE REPORTING RE-
12 QUIREMENTS.—None of the amounts provided in—

13 (1) this section may be obligated or expended
14 during any fiscal year in which the Commandant is
15 not compliant with sections 5102 and 5103 (exclud-
16 ing section 5103(e)) of title 14, United States Code;
17 and

18 (2) paragraphs (1) and (2) of subsection (a)
19 may be obligated or expended until the Commandant
20 provides the report required under section 11217 of
21 the James M. Inhofe National Defense Authoriza-
22 tion Act for Fiscal Year 2023 (Public Law 117-263)
23 to the Committee on Transportation and Infrastruc-
24 ture of the House of Representatives and the Com-

1 mittee on Commerce, Science, and Transportation of
2 the Senate.

3 (g) NOTIFICATION REQUIREMENT.—The Com-
4 mandant shall notify the Committee on Transportation
5 and Infrastructure of the House of Representatives and
6 the Committee on Commerce, Science, and Transportation
7 of the Senate not less than 1 week prior to taking any
8 procurement actions impacting estimated costs or
9 timelines for acquisitions or procurements funded with
10 amounts appropriated under this section.

11 (h) EXPENDITURE PLAN.—Not later than 90 days
12 after the date of enactment of this Act, the Commandant
13 shall submit to the Committee on Transportation and In-
14 frastructure of the House of Representatives and the Com-
15 mittee on Commerce, Science, and Transportation of the
16 Senate a detailed expenditure plan, including projected
17 project timelines for each acquisition and procurement
18 funded under this section and a list of project locations
19 to be funded under paragraphs (8) and (9) of subsection
20 (a).

21 (i) EXCEPTION.—If the President authorizes an ex-
22 ception under section 1151(b) of title 14, United States
23 Code, for any Coast Guard vessel, or the hull or super-
24 structure of such vessel for which funds are appropriated
25 under paragraphs (4) through (7) of subsection (a), no

1 such funds shall be obligated until the President submits
2 to the Committee on Transportation and Infrastructure
3 of the House of Representatives and the Committee on
4 Commerce, Science, and Transportation of the Senate a
5 written explanation of the circumstances requiring such
6 an exception in the national security interest, including—

7 (1) a confirmation that there are insufficient
8 qualified United States shipyards to meet the na-
9 tional security interest without such exception; and

10 (2) actions taken by the President to enable
11 qualified United States shipyards to meet national
12 security requirements prior to the issuance of such
13 an exception.

14 **SEC. 100002. VESSEL TONNAGE DUTIES.**

15 Section 60301 of title 46, United States Code, is
16 amended—

17 (1) in subsection (a) by striking “, for fiscal
18 years 2006 through 2010, and 2 cents per ton, not
19 to exceed a total of 10 cents per ton per year, for
20 each fiscal year thereafter,”; and

21 (2) in subsection (b) by striking “, for fiscal
22 years 2006 through 2010, and 6 cents per ton, not
23 to exceed a total of 30 cents per ton per year, for
24 each fiscal year thereafter,”.

1 **SEC. 100003. REGISTRATION FEE ON MOTOR VEHICLES.**

2 (a) IN GENERAL.—Chapter 1 of title 23, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 **“§ 180. Registration fee on motor vehicles.**

6 “(a) IN GENERAL.—The Administrator of the Fed-
7 eral Highway Administration shall impose for each year
8 the following registration fee amounts on the owner of a
9 vehicle registered for operation by a State motor vehicle
10 department:

11 “(1) \$250 for a covered electric vehicle.

12 “(2) \$100 for a covered hybrid vehicle.

13 “(b) WITHHOLDING OF FUNDS FOR NONCOMPLI-
14 ANCE.—The Administrator shall withhold, from amounts
15 required to be apportioned to any State under section
16 104(b), an amount equal to 125 percent to the amount
17 required to be remitted under subsection (c)(2). The Ad-
18 ministrator shall withhold the amount on the first day of
19 each fiscal year beginning after September 30, 2026, in
20 which the State does not meet the requirements of sub-
21 section (c).

22 “(c) COLLECTION AND REMITTANCE OF FEE.—

23 “(1) COLLECTION OF FEE.—A State motor ve-
24 hicle department shall—

25 “(A) incorporate the collection of the fees
26 established under subsection (a) into the vehicle

1 registration and renewal processes administered
2 by such department, so long as such fees are
3 imposed for each year in which the fees are re-
4 quired; or

5 “(B) obtain approval from the Adminis-
6 trator to establish an alternate means of com-
7 pliance for the collection of such fees that is ac-
8 ceptable to the Administrator.

9 “(2) REMITTANCE OF FEE.—Not later than 30
10 days after the last day of each month, a State motor
11 vehicle department shall remit to the Administrator
12 the balance of the total fee amounts collected under
13 this section in the preceding month less the portion
14 reserved for administrative expenses under sub-
15 section (e).

16 “(d) FEE ASSESSMENT.—The amounts specified in
17 subsection (a) shall be increased on an annual basis to
18 account for the rate of inflation each fiscal year in accord-
19 ance with the Consumer Price Index for All Urban Con-
20 sumers of the Bureau of Labor Statistics.

21 “(e) ADMINISTRATIVE EXPENSES.—In any fiscal
22 year in which a State is in compliance with this section,
23 such State may retain an amount not to exceed 1 percent
24 of the total fees collected under this section for adminis-
25 trative expenses.

1 “(f) APPLICABILITY OF FEES.—The fees imposed
2 under paragraphs (1) and (2) of subsection (a) shall ter-
3minate on October 1, 2035.

4 “(g) DEFINITIONS.—In this section:

5 “(1) COVERED ELECTRIC VEHICLE.—The term
6 ‘covered electric vehicle’ means a covered motor vehi-
7 cle with an electric motor as the sole means of pro-
8pulsion of such vehicle.

9 “(2) COVERED MOTOR VEHICLE.—The term
10 ‘covered motor vehicle’ has the meaning given the
11 term ‘motor vehicle’ under section 154(a) but ex-
12cludes a motor vehicle that is a covered farm vehicle
13 or commercial motor vehicle (as such terms are de-
14fined in section 390.5 of title 49, Code of Federal
15 Regulations).

16 “(3) COVERED HYBRID VEHICLE.—The term
17 ‘covered hybrid vehicle’ means a covered motor vehi-
18 cle propelled by a combination of an electric motor
19 and an internal combustion engine or other power
20 source and components thereof.”.

21 (b) IMPLEMENTATION OF CERTAIN PROCESSES.—

22 (1) IMPLEMENTATION.—The Administrator of
23 the Federal Highway Administration shall provide
24 grants to State motor vehicle departments to imple-

1 ment a process to carry out section 180 of title 23,
2 United States Code.

3 (2) FUNDING.—Out of any money in the Treas-
4 ury not otherwise appropriated, \$104,000,000 is to
5 remain available until September 30, 2029, begin-
6 ning in the first fiscal year following the date of en-
7 actment of this Act, for grants under paragraph (1).

8 (3) ELIGIBLE AMOUNTS.—Each State motor ve-
9 hicle department may receive not more than
10 \$2,000,000 under this subsection.

11 (c) REGULATIONS.—The Administrator shall issue
12 such regulations and guidance as are necessary to—

13 (1) carry out section 180 of title 23, United
14 States Code (as added by this Act); and

15 (2) establish a process for the timely and accu-
16 rate remittance of fees collected under such section
17 through an electronic method.

18 (d) REPORT.—Not later than 2 years after the date
19 of enactment of this Act, the Administrator shall submit
20 to the Committee on Transportation and Infrastructure
21 of the House of Representatives and the Committee on
22 Environment and Public Works of the Senate a report on
23 the status of the implementation of section 180 of title
24 23, United States Code (as added by this Act).

1 (e) CLERICAL AMENDMENT.—The analysis for chap-
2 ter 1 of title 23, United States Code, is amended by add-
3 ing at the end the following:

“180. Registration fee on motor vehicles.”.

4 **SEC. 100004. DEPOSIT OF REGISTRATION FEE ON MOTOR**
5 **VEHICLES.**

6 Any amounts accrued pursuant to section 180 of title
7 23, United States Code (as added by this Act), shall be
8 deposited into the Highway Trust Fund.

9 **SEC. 100005. MOTOR CARRIER DATA.**

10 (a) PUBLIC CONFIRMATION OF AUTHORIZED MOTOR
11 CARRIERS.—There is appropriated \$5,000,000 to the Ad-
12 ministrator of the Federal Motor Carrier Safety Adminis-
13 tration to establish a public website to present data on
14 motor carriers, as such term is defined in section 13102
15 of title 49, United States Code, in a manner that indicates
16 whether each motor carrier meets or does not meet all Ad-
17 ministration operating requirements, including by dis-
18 playing 1 of the following statements for each motor car-
19 rier:

20 (1) “This motor carrier meets Federal Motor
21 Carrier Safety Administration operating require-
22 ments and is authorized to operate on the nation’s
23 roadways.”.

24 (2) “This motor carrier does not meet Federal
25 Motor Carrier Safety Administration operating re-

1 requirements and is not authorized to operate on the
2 nation’s roadways.”.

3 (b) USAGE FEE.—The Administrator shall assess an
4 annual fee of \$100 on each person seeking access to the
5 website established under subsection (a). In each fiscal
6 year through fiscal year 2033, monies collected under this
7 subsection shall be—

8 (1) credited to the account in the Treasury
9 from which the Administrator incurs expenses for
10 establishing, maintaining, and updating the website
11 required to be established under subsection (a); and

12 (2) available for establishing, maintaining, and
13 updating such website without further appropriation.

14 (c) DETERMINATION.—A broker, freight forwarder,
15 or household goods freight forwarder, as such terms are
16 defined in section 13102 of title 49, United States Code,
17 that uses the website established under subsection (a) to
18 ensure that a motor carrier engaged by such broker,
19 freight forwarder, or household goods freight forwarder
20 meets Federal Motor Carrier Safety Administration oper-
21 ating requirements shall be considered to have taken rea-
22 sonable and prudent determinations in engaging such
23 motor carrier.

1 **SEC. 100006. IRA RESCISSIONS.**

2 (a) REPEAL OF FUNDING FOR ALTERNATIVE FUEL
3 AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.—
4 The unobligated balances of amounts made available to
5 carry out section 40007 of Public Law 117–169 (49
6 U.S.C. 44504 note) (as in effect on the day before the
7 date of enactment of this Act) are permanently rescinded.

8 (b) REPEAL OF FUNDING FOR NEIGHBORHOOD AC-
9 CESS AND EQUITY GRANT PROGRAM.—The unobligated
10 balances of amounts made available to carry out section
11 177 of title 23, United States Code, (as in effect on the
12 day before the date of enactment of this Act) are perma-
13 nently rescinded.

14 (c) REPEAL OF FUNDING FOR FEDERAL BUILDING
15 ASSISTANCE.—The unobligated balances of amounts made
16 available to carry out section 60502 of Public Law 117–
17 169 (136 Stat. 2083) (as in effect on the day before the
18 date of enactment of this Act) are permanently rescinded.

19 (d) REPEAL OF FUNDING FOR USE OF LOW-CARBON
20 MATERIALS FOR FEDERAL BUILDING ASSISTANCE.— The
21 unobligated balances of amounts made available to carry
22 out section 60503 of Public Law 117–169 (136 Stat.
23 2083) (as in effect on the day before the date of enactment
24 of this Act) are permanently rescinded.

25 (e) REPEAL OF FUNDING FOR GENERAL SERVICES
26 ADMINISTRATION EMERGING TECHNOLOGIES.—The un-

1 obligated balances of amounts made available to carry out
2 section 60504 of Public Law 117–169 (136 Stat. 2083)
3 (as in effect on the day before the date of enactment of
4 this Act) are permanently rescinded.

5 (f) REPEAL OF ENVIRONMENTAL REVIEW IMPLE-
6 MENTATION FUNDS.—The unobligated balances of
7 amounts made available to carry out section 178 of title
8 23, United States Code, (as in effect on the day before
9 the date of enactment of this Act) are permanently re-
10 scinded.

11 (g) REPEAL OF FUNDING FOR LOW-CARBON TRANS-
12 PORTATION MATERIALS GRANTS.— The unobligated bal-
13 ances of amounts made available to carry out section 179
14 of title 23, United States Code, (as in effect on the day
15 before the date of enactment of this Act) are permanently
16 rescinded.

17 **SEC. 100007. AIR TRAFFIC CONTROL STAFFING AND MOD-**
18 **ERNIZATION.**

19 (a) IN GENERAL.—For the purpose of the acquisi-
20 tion, construction, sustainment, improvement, and oper-
21 ation of facilities and equipment necessary to improve or
22 maintain aviation safety, and for personnel expenses re-
23 lated to such facilities and equipment, in addition to
24 amounts otherwise made available, there is appropriated
25 to the Administrator of the Federal Aviation Administra-

1 tion for fiscal year 2025, out of any money in the Treasury
2 not otherwise appropriated, to remain available until Sep-
3 tember 30, 2029—

4 (1) \$2,160,000,000 for air traffic control tower
5 and terminal radar approach control facility replace-
6 ment, of which not less than \$240,000,000 shall be
7 available for Contract Tower Program air traffic
8 control tower replacement and airport sponsor-
9 owned air traffic control tower replacement;

10 (2) \$3,000,000,000 for radar systems replace-
11 ment;

12 (3) \$4,750,000,000 for telecommunications in-
13 frastructure and systems replacement;

14 (4) \$500,000,000 for runway safety projects,
15 airport surface surveillance projects, and to carry
16 out section 347 of the FAA Reauthorization Act of
17 2024;

18 (5) \$550,000,000 for unstaffed infrastructure
19 sustainment and replacement;

20 (6) \$300,000,000 to carry out section 619 of
21 the FAA Reauthorization Act of 2024;

22 (7) \$260,000,000 to carry out section 44745 of
23 title 49, United States Code; and

1 (8) \$1,000,000,000 for air traffic controller re-
2 recruitment, retention, training, and advanced training
3 technologies.

4 (b) QUARTERLY REPORTING.—Not later than 180
5 days after the date of enactment of this Act, and every
6 90 days thereafter, the Administrator shall submit to Con-
7 gress a report that describes any expenditures under this
8 section.

9 **SEC. 100008. JOHN F. KENNEDY CENTER FOR THE PER-**
10 **FORMING ARTS.**

11 (a) IN GENERAL.—In addition to amounts otherwise
12 available, there is appropriated for fiscal year 2025, out
13 of any money in the Treasury not otherwise appropriated,
14 \$256,657,000, to remain available until September 30,
15 2029, for necessary expenses for capital repair, restora-
16 tion, maintenance backlog, and security structures of the
17 building and site of the John F. Kennedy Center for the
18 Performing Arts.

19 (b) ADMINISTRATIVE COSTS.—Of the amounts made
20 available under subsection (a), not more than 3 percent
21 may be used for administrative costs necessary to carry
22 out this section.

1 **TITLE XI—COMMITTEE ON WAYS**
2 **AND MEANS, “THE ONE, BIG,**
3 **BEAUTIFUL BILL”**

4 **SEC. 110000. REFERENCES TO THE INTERNAL REVENUE**
5 **CODE OF 1986, ETC.**

6 (a) REFERENCES.—Except as otherwise expressly
7 provided, whenever in this title, an amendment or repeal
8 is expressed in terms of an amendment to, or repeal of,
9 a section or other provision, the reference shall be consid-
10 ered to be made to a section or other provision of the In-
11 ternal Revenue Code of 1986.

12 (b) CERTAIN RULES REGARDING EFFECT OF RATE
13 CHANGES NOT APPLICABLE.—Section 15 of the Internal
14 Revenue Code of 1986 shall not apply to any change in
15 rate of tax by reason of any provision of, or amendment
16 made by, this title.

17 **Subtitle A—Make American**
18 **Families and Workers Thrive Again**

19 **PART 1—PERMANENTLY PREVENTING TAX HIKES**
20 **ON AMERICAN FAMILIES AND WORKERS**

21 **SEC. 110001. EXTENSION OF MODIFICATION OF RATES.**

22 (a) IN GENERAL.—Section 1(j) is amended—

23 (1) in paragraph (1), by striking “, and before
24 January 1, 2026”, and

1 (2) by striking “2018 THROUGH 2025” in the
2 heading and inserting “BEGINNING AFTER 2017”.

3 (b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i)
4 is amended by inserting “in the case of any taxable year
5 beginning after December 31, 2025, solely for purposes
6 of determining the dollar amounts at which the 35-percent
7 rate bracket ends and the 37-percent rate bracket begins,”
8 before “subsection (f)(3)”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2025.

12 **SEC. 110002. EXTENSION OF INCREASED STANDARD DEDUC-**
13 **TION AND TEMPORARY ENHANCEMENT.**

14 (a) IN GENERAL.—Section 63(c)(7) is amended—

15 (1) by striking “, and before January 1, 2026”
16 in the matter preceding subparagraph (A), and

17 (2) by striking “2018 THROUGH 2025” in the
18 heading and inserting “BEGINNING AFTER 2017”.

19 (b) TEMPORARY ADDITIONAL INCREASE IN STAND-
20 ARD DEDUCTION.—Section 63(c)(7) is amended by adding
21 at the end the following new subparagraph:

22 “(C) TEMPORARY ADDITIONAL INCREASE
23 IN STANDARD DEDUCTION.—In the case of any
24 taxable year beginning after December 31,
25 2024, and before January 1, 2029—

1 “(i) the dollar amount otherwise in ef-
2 fect under paragraph (2)(B) shall be in-
3 creased by \$1,500, and

4 “(ii) the dollar amount otherwise in
5 effect under paragraph (2)(C) shall be in-
6 creased by \$1,000.”.

7 (c) RECALCULATION OF INFLATION ADJUSTMENT.—
8 Section 63(c)(7)(B)(ii)(II) is amended by striking “, de-
9 termined by substituting ‘2017’ for ‘2016’ in subpara-
10 graph (A)(ii) thereof”.

11 (d) EFFECTIVE DATE.—

12 (1) IN GENERAL.—The amendments made by
13 subsection (a) shall apply to taxable years beginning
14 after December 31, 2025.

15 (2) TEMPORARY ADDITIONAL INCREASE IN
16 STANDARD DEDUCTION.—The amendment made by
17 subsection (b) shall apply to taxable years beginning
18 after December 31, 2024.

19 **SEC. 110003. TERMINATION OF DEDUCTION FOR PERSONAL**
20 **EXEMPTIONS.**

21 (a) IN GENERAL.—Section 151(d)(5) is amended—

22 (1) by striking “and before January 1, 2026”,
23 and

24 (2) by striking “2018 THROUGH 2025” in the
25 heading and inserting “BEGINNING AFTER 2017”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2025.

4 **SEC. 110004. EXTENSION OF INCREASED CHILD TAX CREDIT**
5 **AND TEMPORARY ENHANCEMENT.**

6 (a) EXTENSION OF EXPANDED CHILD TAX CRED-
7 IT.—Section 24(h) is amended—

8 (1) in paragraph (1), by striking “and before
9 January 1, 2026,” and

10 (2) by striking “2018 THROUGH 2025” in the
11 heading and inserting “BEGINNING AFTER 2017”.

12 (b) INCREASE IN CHILD TAX CREDIT.—Section
13 24(h)(2) is amended to read as follows:

14 “(2) CREDIT AMOUNT.—Subsection (a) shall be
15 applied by substituting—

16 “(A) in the case of taxable years beginning
17 after December 31, 2024, and before December
18 31, 2028, ‘\$2,500’ for ‘\$1,000’, or

19 “(B) in the case of any subsequent taxable
20 year, ‘\$2,000’ for ‘\$1,000’.”

21 (c) SOCIAL SECURITY NUMBER REQUIRED.—Section
22 24(h)(7) is amended to read as follows:

23 “(7) SOCIAL SECURITY NUMBER REQUIRED.—

24 “(A) IN GENERAL.—No credit shall be al-
25 lowed under this section to a taxpayer with re-

1 spect to any qualifying child unless the taxpayer
2 includes on the return of tax for the taxable
3 year—

4 “(i) such individual’s social security
5 number,

6 “(ii) the social security number of
7 such qualifying child, and

8 “(iii) if the individual is married, the
9 social security number of such individual’s
10 spouse.

11 “(B) SOCIAL SECURITY NUMBER.—For
12 purposes of this paragraph, the term ‘social se-
13 curity number’ means a social security number
14 issued to an individual by the Social Security
15 Administration, but only if the social security
16 number is issued—

17 “(i) to a citizen of the United States
18 or pursuant to subclause (I) (or that por-
19 tion of subclause (III) that relates to sub-
20 clause (I)) of section 205(c)(2)(B)(i) of the
21 Social Security Act, and

22 “(ii) before the due date for such re-
23 turn.

1 “(C) MARRIED INDIVIDUALS.—Rules simi-
2 lar to the rules of section 32(d) shall apply to
3 this section.”.

4 (d) INFLATION ADJUSTMENTS.—

5 (1) IN GENERAL.—Section 24(i) is amended to
6 read as follows:

7 “(i) INFLATION ADJUSTMENTS.—

8 “(1) MAXIMUM AMOUNT OF REFUNDABLE
9 CREDIT.—In the case of a taxable year beginning
10 after 2024, the \$1,400 amount in subsection (h)(5)
11 shall be increased by an amount equal to—

12 “(A) such dollar amount, multiplied by

13 “(B) the cost-of-living adjustment deter-
14 mined under section 1(f)(3) for the calendar
15 year in which the taxable year begins, deter-
16 mined by substituting ‘2017’ for ‘2016’ in sub-
17 paragraph (A)(ii) thereof.

18 “(2) SPECIAL RULE FOR ADJUSTMENT OF
19 CREDIT AMOUNT.—In the case of a taxable year be-
20 ginning after 2028, the \$2,000 amount in subsection
21 (h)(2)(B), shall be increased by an amount equal
22 to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins, deter-
2 mined by substituting ‘2024’ for ‘2016’ in sub-
3 paragraph (A)(ii) thereof.

4 “(3) ROUNDING.—If any increase under this
5 subsection is not a multiple of \$100, such increase
6 shall be rounded to the next lowest multiple of
7 \$100.”.

8 (e) CONFORMING AMENDMENT.—Section 24(h)(5) is
9 amended to read as follows:

10 “(5) MAXIMUM AMOUNT OF REFUNDABLE
11 CREDIT.—The amount determined under subsection
12 (d)(1)(A) with respect to any qualifying child shall
13 not exceed \$1,400, and such subsection shall be ap-
14 plied without regard to paragraph (4) of this sub-
15 section.”.

16 (f) TREATMENT OF CERTAIN BENEFITS OF MEM-
17 BERS OF RELIGIOUS AND APOSTOLIC ASSOCIATIONS AS
18 EARNED INCOME.—Section 24(d)(1) is amended by add-
19 ing at the end the following: “For purposes of subpara-
20 graph (B), any amount treated as a dividend received
21 under the last sentence of section 501(d) shall be treated
22 as earned income which is taken into account in com-
23 puting taxable income for the taxable year.”.

24 (g) OMISSION OF CORRECT SOCIAL SECURITY NUM-
25 BER TREATED AS MATHEMATICAL OR CLERICAL

1 ERROR.—Section 6213(g)(2)(I) is amended by striking
2 “section 24(e)” and inserting “section 24”.

3 (h) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2024.

6 **SEC. 110005. EXTENSION OF DEDUCTION FOR QUALIFIED**
7 **BUSINESS INCOME AND PERMANENT EN-**
8 **HANCEMENT.**

9 (a) MADE PERMANENT.—Section 199A is amended
10 by striking subsection (i).

11 (b) INCREASE IN DEDUCTION.—Subsections (a)(2),
12 (b)(1)(B), and (b)(2)(A) of section 199A are each amend-
13 ed by striking “20 percent” and inserting “23 percent”.

14 (c) MODIFICATION OF LIMITATIONS BASED ON TAX-
15 ABLE INCOME.—

16 (1) IN GENERAL.—Section 199A(b)(3) is
17 amended to read as follows:

18 “(3) MODIFICATION OF DETERMINATION OF
19 COMBINED QUALIFIED BUSINESS INCOME AMOUNT
20 BASED ON TAXABLE INCOME.—

21 “(A) EXCEPTION FROM LIMITATIONS.—In
22 the case of any taxpayer whose taxable income
23 for the taxable year does not exceed the thresh-
24 old amount—

1 “(i) paragraph (2) shall be applied
2 without regard to subparagraph (B), and

3 “(ii) a specified service trade or busi-
4 ness shall not fail to be treated as a quali-
5 fied trade or business solely by reason of
6 subsection (d)(1)(A).

7 “(B) PHASE-IN OF LIMITATIONS.—In the
8 case of any taxpayer whose taxable income for
9 the taxable year exceeds the threshold amount,
10 the sum described in paragraph (1)(A) (deter-
11 mined without regard to this subparagraph)
12 shall instead be an amount (if greater) equal to
13 the excess (if any) of—

14 “(i) the sum described in paragraph
15 (1)(A) (determined by applying the rules of
16 clauses (i) and (ii) of subparagraph (A)),
17 over

18 “(ii) the limitation phase-in amount.

19 “(C) LIMITATION PHASE-IN AMOUNT.—
20 For purposes of subparagraph (B), the limita-
21 tion phase-in amount shall be an amount equal
22 to 75 percent of the excess (if any) of—

23 “(i) the taxable income of the tax-
24 payer for the taxable year, over

25 “(ii) the threshold amount.”.

1 (2) CONFORMING AMENDMENT.—Section
2 199A(d) is amended by striking paragraph (3).

3 (d) DEDUCTION FOR QUALIFIED BUSINESS INCOME
4 TO APPLY TO CERTAIN INTEREST DIVIDENDS OF QUALI-
5 FIED BUSINESS DEVELOPMENT COMPANIES.—

6 (1) IN GENERAL.—Subsections (b)(1)(B) and
7 (c)(1) of section 199A are each amended by insert-
8 ing “, qualified BDC interest dividends,” after
9 “qualified REIT dividends”.

10 (2) QUALIFIED BDC INTEREST DIVIDEND DE-
11 FINED.—Section 199A(e) is amended by adding at
12 the end the following new paragraph:

13 “(5) QUALIFIED BDC INTEREST DIVIDEND.—

14 “(A) IN GENERAL.—The term ‘qualified
15 BDC interest dividend’ means any dividend
16 from an electing business development company
17 received during the taxable year which is attrib-
18 utable to net interest income of such company
19 which is properly allocable to a qualified trade
20 or business of such company.

21 “(B) ELECTING BUSINESS DEVELOPMENT
22 COMPANY.—For purposes of this paragraph, the
23 term ‘electing business development company’
24 means a business development company (as de-
25 fined in section 2(a) of the Investment Com-

1 pany Act of 1940) which has an election in ef-
2 fect under section 851 to be treated as a regu-
3 lated investment company.”.

4 (e) MODIFIED INFLATION ADJUSTMENT.—Section
5 199A(e)(2)(B) is amended—

6 (1) by striking “2018” and inserting “2025”,
7 and

8 (2) in clause (ii), by striking “, determined by
9 substituting ‘calendar year 2017’ for ‘calendar year
10 2016’ in subparagraph (A)(ii) thereof”.

11 (f) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2025.

14 **SEC. 110006. EXTENSION OF INCREASED ESTATE AND GIFT**
15 **TAX EXEMPTION AMOUNTS AND PERMANENT**
16 **ENHANCEMENT.**

17 (a) IN GENERAL.—Section 2010(c)(3) is amended—

18 (1) in subparagraph (A) by striking
19 “\$5,000,000” and inserting “\$15,000,000”,

20 (2) in subparagraph (B)—

21 (A) in the matter preceding clause (i), by
22 striking “2011” and inserting “2026”, and

23 (B) in clause (ii), by striking “calendar
24 year 2010” and inserting “calendar year
25 2025”, and

1 (3) by striking subparagraph (C).

2 (b) EFFECTIVE DATE.—The amendments made by
3 this section shall apply to taxable years beginning after
4 December 31, 2025.

5 **SEC. 110007. EXTENSION OF INCREASED ALTERNATIVE MIN-**
6 **IMUM TAX EXEMPTION AND PHASE-OUT**
7 **THRESHOLDS.**

8 (a) IN GENERAL.—Section 55(d)(4) is amended—

9 (1) in subparagraph (A), by striking “, and be-
10 fore January 1, 2026”, and

11 (2) by striking “AND BEFORE 2026” in the
12 heading.

13 (b) MODIFICATION OF INFLATION ADJUSTMENT.—
14 Section 55(d)(4)(B) is amended—

15 (1) by striking “2018” in clause (i) and insert-
16 ing “2026”, and

17 (2) by striking “2017” in clause (i)(II) and in-
18 serting “2025”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

22 **SEC. 110008. EXTENSION OF LIMITATION ON DEDUCTION**
23 **FOR QUALIFIED RESIDENCE INTEREST.**

24 (a) IN GENERAL.—Section 163(h)(3)(F) is amend-
25 ed—

1 (1) in clause (i), by striking “, and before Jan-
2 uary 1, 2026”,

3 (2) by striking clause (ii) and redesignating
4 clauses (iii) and (iv) as clauses (ii) and (iii), respec-
5 tively, and

6 (3) by striking “2018 THROUGH 2025” in the
7 heading and inserting “BEGINNING AFTER 2017”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 **SEC. 110009. EXTENSION OF LIMITATION ON CASUALTY**
12 **LOSS DEDUCTION.**

13 (a) IN GENERAL.—Section 165(h)(5) is amended—

14 (1) in subparagraph (A), by striking “and be-
15 fore January 1, 2026,” and

16 (2) by striking “2018 THROUGH 2025” in the
17 heading and inserting “BEGINNING AFTER 2017”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2025.

21 **SEC. 110010. TERMINATION OF MISCELLANEOUS ITEMIZED**
22 **DEDUCTION.**

23 (a) IN GENERAL.—Section 67(g) is amended—

24 (1) by striking “, and before January 1, 2026”,
25 and

1 (2) by striking “2018 THROUGH 2025” in the
2 heading and inserting “BEGINNING AFTER 2017”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 110011. LIMITATION ON TAX BENEFIT OF ITEMIZED**
7 **DEDUCTIONS.**

8 (a) IN GENERAL.—Section 68 is amended to read as
9 follows:

10 “(a) IN GENERAL.—In the case of an individual, the
11 amount of the taxpayer’s itemized deductions shall be re-
12 duced by the sum of—

13 “(1) $\frac{5}{37}$ of the lesser of—

14 “(A) the amount of the deduction allowable
15 to the taxpayer under section 164 for such tax-
16 able year (determined without regard to this
17 section), or

18 “(B) the excess (if any) of—

19 “(i) the taxpayer’s taxable income for
20 such taxable year (determined without re-
21 gard to this section and increased by the
22 amount of the taxpayer’s itemized deduc-
23 tions), over

1 “(ii) the dollar amount at which the
2 37 percent rate bracket under section 1 be-
3 gins with respect to the taxpayer, plus

4 “(2) $\frac{2}{37}$ of the lesser of—

5 “(A) so much (if any) of the taxpayer’s
6 itemized deductions as exceed the amount de-
7 scribed in paragraph (1)(A), or

8 “(B) the excess (if any) of—

9 “(i) the amount described in subpara-
10 graph (1)(B)(i), over

11 “(ii) the sum of the amounts de-
12 scribed in paragraphs (1)(A) and
13 (1)(B)(ii).

14 “(b) ITEMIZED DEDUCTIONS.—For purposes of sub-
15 section (a), any reference to the taxpayer’s itemized de-
16 ductions shall be treated as reference to such deductions
17 determined without regard to this section.

18 “(c) COORDINATION WITH OTHER LIMITATIONS.—
19 This section shall be applied after the application of any
20 other limitation on the allowance of any itemized deduc-
21 tion.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to taxable years beginning after
24 December 31, 2025.

1 **SEC. 110012. TERMINATION OF QUALIFIED BICYCLE COM-**
2 **MUTING REIMBURSEMENT EXCLUSION.**

3 (a) **IN GENERAL.**—Section 132(f)(8) is amended by
4 striking “, and before January 1, 2026”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 this section shall apply to taxable years beginning after
7 December 31, 2025.

8 **SEC. 110013. EXTENSION OF LIMITATION ON EXCLUSION**
9 **AND DEDUCTION FOR MOVING EXPENSES.**

10 (a) **TERMINATION OF DEDUCTION.**—Section 217(k)
11 is amended—

12 (1) by striking “, and before January 1, 2026”,

13 and

14 (2) by striking “2018 THROUGH 2025” in the
15 heading and inserting “BEGINNING AFTER 2017”.

16 (b) **TERMINATION OF REIMBURSEMENT.**—Section
17 132(g)(2) is amended—

18 (1) by striking “, and before January 1, 2026”,

19 and

20 (2) by striking “2018 THROUGH 2025” in the
21 heading and inserting “BEGINNING AFTER 2017”.

22 (c) **EFFECTIVE DATE.**—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2025.

1 **SEC. 110014. EXTENSION OF LIMITATION ON WAGERING**
2 **LOSSES.**

3 (a) **IN GENERAL.**—Section 165(d) is amended by
4 striking “and before January 1, 2026,”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 this section shall apply to taxable years beginning after
7 December 31, 2025.

8 **SEC. 110015. EXTENSION OF INCREASED LIMITATION ON**
9 **CONTRIBUTIONS TO ABLE ACCOUNTS AND**
10 **PERMANENT ENHANCEMENT.**

11 (a) **IN GENERAL.**—Section 529A(b)(2)(B) is amend-
12 ed—

13 (1) in clause (i), by inserting “(determined by
14 substituting ‘1996’ for ‘1997’ in paragraph (2)(B)
15 thereof)” after “section 2503(b)”, and

16 (2) in clause (ii), by striking “before January
17 1, 2026”.

18 (b) **EFFECTIVE DATE.**—

19 (1) **IN GENERAL.**—Except as otherwise pro-
20 vided in this subsection, the amendments made by
21 this section shall apply to contributions made after
22 December 31, 2025.

23 (2) **MODIFIED INFLATION ADJUSTMENT.**—The
24 amendment made by subsection (a)(1) shall apply to
25 taxable years beginning after December 31, 2025.

1 **SEC. 110016. EXTENSION OF SAVERS CREDIT ALLOWED FOR**
2 **ABLE CONTRIBUTIONS.**

3 (a) IN GENERAL.—Section 25B(d)(1) is amended to
4 read as follows:

5 “(1) IN GENERAL.—The term ‘qualified retire-
6 ment savings contributions’ means, with respect to
7 any taxable year, the sum of—

8 “(A) the amount of contributions made by
9 the eligible individual during such taxable year
10 to the ABLE account (within the meaning of
11 section 529A) of which such individual is the
12 designated beneficiary, and

13 “(B) in the case of any taxable year begin-
14 ning before January 1, 2027—

15 “(i) the amount of the qualified retire-
16 ment contributions (as defined in section
17 219(e)) made by the eligible individual,

18 “(ii) the amount of—

19 “(I) any elective deferrals (as de-
20 fined in section 402(g)(3)) of such in-
21 dividual, and

22 “(II) any elective deferral of com-
23 pensation by such individual under an
24 eligible deferred compensation plan
25 (as defined in section 457(b)) of an

1 eligible employer described in section
2 457(e)(1)(A), and
3 “(iii) the amount of voluntary em-
4 ployee contributions by such individual to
5 any qualified retirement plan (as defined
6 in section 4974(c)).”.

7 (b) COORDINATION WITH SECURE 2.0 ACT OF
8 2022 AMENDMENT.—Paragraph (1) of section 103(e) of
9 the SECURE 2.0 Act of 2022 is repealed, and the Inter-
10 nal Revenue Code of 1986 shall be applied and adminis-
11 tered as though such paragraph were never enacted.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years ending after De-
14 cember 31, 2025.

15 **SEC. 110017. EXTENSION OF ROLLOVERS FROM QUALIFIED**
16 **TUITION PROGRAMS TO ABLE ACCOUNTS**
17 **PERMITTED.**

18 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is
19 amended by striking “before January 1, 2026,”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2025.

1 **SEC. 110018. EXTENSION OF TREATMENT OF CERTAIN INDI-**
2 **VIDUALS PERFORMING SERVICES IN THE**
3 **SINAI PENINSULA AND ENHANCEMENT TO IN-**
4 **CLUDE ADDITIONAL AREAS.**

5 (a) TREATMENT MADE PERMANENT.—Section
6 11026(a) of Public Law 115–97 is amended by striking
7 “with respect to the applicable period,”.

8 (b) KENYA, MALI, BURKINA FASO, AND CHAD IN-
9 CLUDED AS HAZARDOUS DUTY AREAS.—Section
10 11026(b) of Public Law 115–97 is amended to read as
11 follows:

12 “(b) QUALIFIED HAZARDOUS DUTY AREA.—For
13 purposes of this section, the term ‘qualified hazardous
14 duty area’ means—

15 “(1) the Sinai Peninsula of Egypt, if as of De-
16 cember, 22, 2017, any member of the Armed Forces
17 of the United States is entitled to special pay under
18 section 310 of title 37, United States Code (relating
19 to special pay; duty subject to hostile fire or immi-
20 nent danger), for services performed in such loca-
21 tion, and

22 “(2) Kenya, Mali, Burkina Faso, and Chad if,
23 as of the date of the enactment of this paragraph,
24 any member of the Armed Forces of the United
25 States is entitled to special pay under such section,
26 for services performed in such location.

1 Such term includes any such location only during the pe-
2 riod such entitlement is in effect with respect to such loca-
3 tion.”.

4 (c) CONFORMING AMENDMENT.—Section 11026 of
5 Public Law 115–97 is amended by striking subsections (c)
6 and (d).

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect on January 1, 2026.

9 **SEC. 110019. EXTENSION OF EXCLUSION FROM GROSS IN-**
10 **COME OF STUDENT LOANS DISCHARGED ON**
11 **ACCOUNT OF DEATH OR DISABILITY.**

12 (a) IN GENERAL.—Section 108(f)(5) is amended to
13 read as follows:

14 “(5) DISCHARGES ON ACCOUNT OF DEATH OR
15 DISABILITY.—

16 “(A) IN GENERAL.—In the case of an indi-
17 vidual, gross income does not include any
18 amount which (but for this subsection) would
19 be includible in gross income for such taxable
20 year by reason of the discharge (in whole or in
21 part) of any loan described in subparagraph
22 (B), if such discharge was—

23 “(i) pursuant to subsection (a) or (d)
24 of section 437 of the Higher Education
25 Act of 1965 or the parallel benefit under

1 part D of title IV of such Act (relating to
2 the repayment of loan liability),

3 “(ii) pursuant to section 464(c)(1)(F)
4 of such Act, or

5 “(iii) otherwise discharged on account
6 of death or total and permanent disability
7 of the student.

8 “(B) LOANS DISCHARGED.—A loan is de-
9 scribed in this subparagraph if such loan is—

10 “(i) a student loan (as defined in
11 paragraph (2)), or

12 “(ii) a private education loan (as de-
13 fined in section 140(a) of the Consumer
14 Credit Protection Act (15 U.S.C. 1650(a)).

15 “(C) SOCIAL SECURITY NUMBER REQUIRE-
16 MENT.—

17 “(i) IN GENERAL.—Subparagraph (A)
18 shall not apply with respect to any dis-
19 charge during any taxable year unless the
20 taxpayer includes on the return of tax for
21 such taxable year—

22 “(I) the taxpayer’s social security
23 number, and

1 “(II) if the taxpayer is married,
2 the social security number of such
3 taxpayers’s spouse.

4 “(ii) SOCIAL SECURITY NUMBER.—
5 For purposes of this subparagraph, the
6 term ‘social security number’ has the
7 meaning given such term in section
8 24(h)(7).

9 “(iii) MARRIED INDIVIDUALS.—Rules
10 similar to the rules of section 32(d) shall
11 apply to this subparagraph.”.

12 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-
13 BER TREATED AS MATHEMATICAL OR CLERICAL
14 ERROR.—Section 6213(g)(2) is amended by striking
15 “and” at the end of subparagraph (U), by striking the
16 period at the end of subparagraph (V) and inserting “,
17 and”, and by inserting after subparagraph (V) the fol-
18 lowing new subparagraph:

19 “(W) an omission of a correct social secu-
20 rity number required under section
21 108(f)(5)(C) (relating to discharges on account
22 of death or disability).”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to discharges after December 31,
25 2025.

1 **PART 2—ADDITIONAL TAX RELIEF FOR**
2 **AMERICAN FAMILIES AND WORKERS**

3 **SEC. 110101. NO TAX ON TIPS.**

4 (a) DEDUCTION ALLOWED.—Part VII of subchapter
5 B of chapter 1 is amended by redesignating section 224
6 as section 225 and by inserting after section 223 the fol-
7 lowing new section:

8 **“SEC. 224. QUALIFIED TIPS.**

9 “(a) IN GENERAL.—There shall be allowed as a de-
10 duction an amount equal to the qualified tips received dur-
11 ing the taxable year that are included on statements fur-
12 nished to the individual pursuant to section 6041(d)(3),
13 6041A(e)(3), 6050W(f)(2), 6051(a)(18), or reported by
14 the taxpayer on Form 4137 (or successor).

15 “(b) TIPS RECEIVED IN COURSE OF TRADE OR BUSI-
16 NESS.—In the case of qualified tips received by an indi-
17 vidual during any taxable year in the course of any trade
18 or business of such individual, such qualified tips shall be
19 taken into account under subsection (a) only to the extent
20 that the gross receipts of the taxpayer from such trade
21 or business for such taxable year (including such qualified
22 tips) exceeds the sum of—

23 “(1) cost of goods sold that are allocable to
24 such receipts, plus

1 “(2) other expenses, losses, or deductions (other
2 than the deduction allowed under this section),
3 which are properly allocable to such receipts.

4 “(c) QUALIFIED TIPS.—For purposes of this sec-
5 tion—

6 “(1) IN GENERAL.—The term ‘qualified tip’
7 means any cash tip received by an individual in an
8 occupation which traditionally and customarily re-
9 ceived tips on or before December 31, 2024, as pro-
10 vided by the Secretary.

11 “(2) EXCLUSIONS.—Such term shall not in-
12 clude any amount received by an individual unless—

13 “(A) such amount is paid voluntarily with-
14 out any consequence in the event of non-
15 payment, is not the subject of negotiation, and
16 is determined by the payor,

17 “(B) the trade or business in the course of
18 which the individual receives such amount is
19 not a specified service trade or business (as de-
20 fined in section 199A(d)(2)),

21 “(C) such individual does not receive
22 earned income (within the meaning of section
23 32) in excess of the dollar amount in effect
24 under section 414(q)(1)(B)(i) for the calendar
25 year in which the taxable year begins, and

1 “(D) such other requirements as may be
2 established by the Secretary in regulations or
3 other guidance are satisfied.

4 “(d) SOCIAL SECURITY NUMBER REQUIRED.—

5 “(1) IN GENERAL.—No deduction shall be al-
6 lowed under this section unless the taxpayer includes
7 on the return of tax for the taxable year—

8 “(A) such individual’s social security num-
9 ber, and

10 “(B) if the individual is married, the social
11 security number of such individual’s spouse.

12 “(2) MARRIED INDIVIDUALS.—Rules similar to
13 the rules of section 32(d) shall apply to this section.

14 “(3) SOCIAL SECURITY NUMBER DEFINED.—
15 For purposes of paragraph (1), the term ‘social se-
16 curity number’ shall have the meaning given such
17 term in section 24(h)(7).

18 “(e) REGULATIONS.—The Secretary shall prescribe
19 such regulations or other guidance as may be necessary
20 to prevent reclassification of income as qualified tips, in-
21 cluding regulations or other guidance to prevent abuse of
22 the deduction allowed by this section.

23 “(f) TERMINATION.—No deduction shall be allowed
24 under this section for any taxable year beginning after De-
25 cember 31, 2028.”.

1 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—
2 Section 63(b) is amended by striking “and” at the end
3 of paragraph (3), by striking the period at the end of para-
4 graph (4) and inserting “and”, and by adding at the end
5 the following new paragraph:

6 “(5) the deduction provided in section 224.”.

7 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-
8 BER TREATED AS MATHEMATICAL OR CLERICAL
9 ERROR.—Section 6213(g)(2), as amended by the pre-
10 ceding provisions of this Act, is amended by striking
11 “and” at the end of subparagraph (V), by striking the
12 period at the end of subparagraph (W) and inserting “,
13 and”, and by inserting after subparagraph (W) the fol-
14 lowing new subparagraph:

15 “(X) an omission of a correct social secu-
16 rity number required under section 224(d) (re-
17 lating to deduction for qualified tips).”.

18 (d) EXCLUSION FROM QUALIFIED BUSINESS IN-
19 COME.—Section 199A(c)(4) is amended by striking “and”
20 at the end of subparagraph (B), by striking the period
21 at the end of subparagraph (C) and inserting “, and”, and
22 by adding at the end the following new subparagraph:

23 “(D) any amount with respect to which a
24 deduction is allowable to the taxpayer under
25 section 224(a) for the taxable year.”.

1 (e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE
2 BUSINESS.—

3 (1) IN GENERAL.—Section 45B(b)(2) is amend-
4 ed to read as follows:

5 “(2) APPLICATION ONLY TO CERTAIN LINES OF
6 BUSINESS.—In applying paragraph (1) there shall
7 be taken into account only tips received from cus-
8 tomers or clients in connection with the following
9 services:

10 “(A) The providing, delivering, or serving
11 of food or beverages for consumption, if the tip-
12 ping of employees delivering or serving food or
13 beverages by customers is customary.

14 “(B) The providing of any of the following
15 services to a customer or client if the tipping of
16 employees providing such services is customary:

17 “(i) Barbering and hair care.

18 “(ii) Nail care.

19 “(iii) Esthetics.

20 “(iv) Body and spa treatments.”.

21 (2) CREDIT DETERMINED WITH RESPECT TO
22 MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B)
23 is amended—

24 (A) by striking “as in effect on January 1,
25 2007, and”, and

1 (B) by inserting “, and in the case of food
2 or beverage establishments, as in effect on Jan-
3 uary 1, 2007” after “without regard to section
4 3(m) of such Act”.

5 (f) REPORTING REQUIREMENTS.—

6 (1) RETURNS FOR PAYMENTS MADE IN THE
7 COURSE OF A TRADE OR BUSINESS.—

8 (A) STATEMENT FURNISHED TO SEC-
9 RETARY.— Section 6041(a) is amended by in-
10 sserting “(including a separate accounting of
11 any such amounts properly designated as tips
12 and whether such tips are received in an occu-
13 pation described in section 224(c)(1))” after
14 “such gains, profits, and income”.

15 (B) STATEMENT FURNISHED TO PAYEE.—
16 Section 6041(d) is amended by striking “and”
17 at the end of paragraph (1), by striking the pe-
18 riod at the end of paragraph (2) and inserting
19 “, and”, and by inserting after paragraph (2)
20 the following new paragraph:

21 “(3) in the case of compensation to non-employ-
22 ees, the portion of payments that have been properly
23 designated as tips and whether such tips are re-
24 ceived in an occupation described in section
25 224(c)(1).”.

1 (2) RETURNS FOR PAYMENTS MADE FOR SERV-
2 ICES AND DIRECT SALES.—

3 (A) STATEMENT FURNISHED TO SEC-
4 RETARY.— Section 6041A(a) is amended by in-
5 serting “(including a separate accounting of
6 any such amounts properly designated as tips
7 and whether such tips are received in an occu-
8 pation described in section 224(c)(1))” after
9 “amount of such payments”.

10 (B) STATEMENT FURNISHED TO PAYEE.—
11 Section 6041A(e) is amended by striking “and”
12 at the end of paragraph (1), by striking the pe-
13 riod at the end of paragraph (2) and inserting
14 “, and”, and by inserting after paragraph (2)
15 the following new paragraph:

16 “(3) the portion of payments that have been
17 properly designated as tips and whether such tips
18 are received in an occupation described in section
19 224(c)(1).”.

20 (3) RETURNS RELATING TO THIRD PARTY SET-
21 TLEMENT ORGANIZATIONS.—

22 (A) STATEMENT FURNISHED TO SEC-
23 RETARY.—Section 6050W(a) is amended by
24 striking “and” at the end of paragraph (1), by
25 striking the period at the end of paragraph (2)

1 and inserting “and”, and by adding at the end
2 the following new paragraph:

3 “(3) in the case of a third party settlement or-
4 ganization, the portion of reportable payment trans-
5 actions that have been properly designated by payors
6 as tips and whether such tips are received in an oc-
7 cupation described in section 224(c)(1).”.

8 (B) STATEMENT FURNISHED TO PAYEE.—

9 Section 6050W(f)(2) is amended by inserting
10 “(including a separate accounting of any such
11 amounts that have been properly designated by
12 payors as tips and whether such tips are re-
13 ceived in an occupation described in section
14 224(c)(1))” after “reportable payment trans-
15 actions”.

16 (4) RETURNS RELATED TO WAGES.—Section
17 6051(a) is amended by striking “and” at the end of
18 paragraph (16), by striking the period at the end of
19 paragraph (17) and inserting “, and”, and by insert-
20 ing after paragraph (17) the following new para-
21 graph:

22 “(18) the total amount of tips reported by the
23 employee under section 6053(a).”.

24 (g) CLERICAL AMENDMENT.—The table of sections
25 for part VII of subchapter B of chapter 1 is amended by

1 redesignating the item relating to section 224 as relating
2 to section 225 and by inserting after the item relating to
3 section 223 the following new item:

“Sec. 224. Qualified tips.”.

4 (h) PUBLISHED LIST OF OCCUPATIONS TRADITION-
5 ALLY RECEIVING TIPS.—Not later than 90 days after the
6 date of the enactment of this Act, the Secretary of the
7 Treasury (or the Secretary’s delegate) shall publish a list
8 of occupations which traditionally and customarily re-
9 ceived tips on or before December 31, 2024, for purposes
10 of section 224(c)(1) (as added by subsection (a)).

11 (i) WITHHOLDING.—The Secretary of the Treasury
12 (or the Secretary’s delegate) shall modify the tables and
13 procedures prescribed under section 3402(a) to take into
14 account the deduction allowed under section 224 (as added
15 by this Act).

16 (j) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2024.

19 **SEC. 110102. NO TAX ON OVERTIME.**

20 (a) DEDUCTION ALLOWED.—Part VII of subchapter
21 B of chapter 1, as amended by the preceding provisions
22 of this Act, is amended by redesignating section 225 as
23 section 226 and by inserting after section 224 the fol-
24 lowing new section:

1 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

2 “(a) IN GENERAL.—There shall be allowed as a de-
3 duction an amount equal to the qualified overtime com-
4 pensation received during the taxable year.

5 “(b) QUALIFIED OVERTIME COMPENSATION.—

6 “(1) IN GENERAL.—For purposes of this sec-
7 tion, the term ‘qualified overtime compensation’
8 means overtime compensation paid to an individual
9 required under section 7 of the Fair Labor Stand-
10 ards Act of 1938 that is in excess of the regular rate
11 (as used in such section) at which such individual is
12 employed.

13 “(2) EXCLUSIONS.—Such term shall not in-
14 clude—

15 “(A) any qualified tip (as defined in sec-
16 tion 224(c)), or

17 “(B) any amount received by an individual
18 during a taxable year if such individual is a
19 highly compensated employee (as defined in sec-
20 tion 414(q)(1)) of any employer for the cal-
21 endar year in which the taxable year begins, or
22 receives earned income in excess of the dollar
23 amount in effect under section 414(q)(1)(B)(i)
24 for such calendar year.

25 “(c) SOCIAL SECURITY NUMBER REQUIRED.—

1 “(1) IN GENERAL.—No deduction shall be al-
2 lowed under this section unless the taxpayer includes
3 on the return of tax for the taxable year—

4 “(A) such individual’s social security num-
5 ber, and

6 “(B) if the individual is married, the social
7 security number of such individual’s spouse.

8 “(2) MARRIED INDIVIDUALS.—Rules similar to
9 the rules of section 32(d) shall apply to this section.

10 “(3) SOCIAL SECURITY NUMBER DEFINED.—
11 For purposes of paragraph (1), the term ‘social se-
12 curity number’ shall have the meaning given such
13 term in section 24(h)(7).

14 “(d) REGULATIONS.—The Secretary shall issue such
15 regulations or other guidance as may be necessary or ap-
16 propriate to carry out the purposes of this section.

17 “(e) TERMINATION.—No deduction shall be allowed
18 under this section for any taxable year beginning after De-
19 cember 31, 2028.”.

20 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—
21 Section 63(b), as amended by the preceding provisions of
22 this Act, is amended by striking “and” at the end of para-
23 graph (4), by striking the period at the end of paragraph
24 (5) and inserting “and”, and by adding at the end the
25 following new paragraph:

1 “(6) the deduction provided in section 225.”.

2 (c) REQUIREMENT TO INCLUDE OVERTIME COM-
3 PENSATION ON W-2.—Section 6051(a), as amended by the
4 preceding provision of this Act, is amended by striking
5 “and” at the end of paragraph (17), by striking the period
6 at the end of paragraph (18) and inserting “, and”, and
7 by inserting after paragraph (18) the following new para-
8 graph:

9 “(19) the total amount of qualified overtime
10 compensation (as defined in section 225(b)).”.

11 (d) OMISSION OF CORRECT SOCIAL SECURITY NUM-
12 BER TREATED AS MATHEMATICAL OR CLERICAL
13 ERROR.—Section 6213(g)(2), as amended by the pre-
14 ceding provisions of this Act, is amended by striking
15 “and” at the end of subparagraph (W), by striking the
16 period at the end of subparagraph (X) and inserting “,
17 and”, and by inserting after subparagraph (X) the fol-
18 lowing new subparagraph:

19 “(Y) an omission of a correct social secu-
20 rity number required under section 225(c) (re-
21 lating to deduction for qualified overtime).”.

22 (e) CLERICAL AMENDMENT.—The table of sections
23 for part VII of subchapter B of chapter 1, as amended
24 by the preceding provisions of this Act, is amended by re-
25 designating the item relating to section 225 as an item

1 relating to section 226 and by inserting after the item re-
2 lating to section 224 the following new item:

“Sec. 225. Qualified overtime compensation.”.

3 (f) WITHHOLDING.—The Secretary of the Treasury
4 (or the Secretary’s delegate) shall modify the tables and
5 procedures prescribed under section 3402(a) to take into
6 account the deduction allowed under section 225 (as added
7 by this Act).

8 (g) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2024.

11 **SEC. 110103. ENHANCED DEDUCTION FOR SENIORS.**

12 (a) IN GENERAL.—Section 63(f) is amended by add-
13 ing at the end the following new paragraph:

14 “(5) BONUS ADDITIONAL AMOUNT FOR SEN-
15 IORS.—

16 “(A) IN GENERAL.—In the case of any
17 taxable year beginning after December 31,
18 2024, and before January 1, 2029, the dollar
19 amount in effect under paragraph (1) shall be
20 increased by \$4,000.

21 “(B) LIMITATION BASED ON MODIFIED
22 ADJUSTED GROSS INCOME.—In the case of any
23 taxpayer for any taxable year, the \$4,000
24 amount in subparagraph(A) shall be reduced
25 (but not below zero) by 4 percent of so much

1 of the taxpayer's modified adjusted gross in-
2 come as exceeds \$75,000 (\$150,000 in the case
3 of a joint return).

4 “(C) MODIFIED ADJUSTED GROSS IN-
5 COME.—For purposes of this paragraph, the
6 term ‘modified adjusted gross income’ means
7 the adjusted gross income of the taxpayer for
8 the taxable year increased by any amount ex-
9 cluded from gross income under section 911,
10 931, or 933.

11 “(D) SOCIAL SECURITY NUMBER RE-
12 QUIRED.—

13 “(i) IN GENERAL.—Subparagraph (A)
14 shall not apply unless the taxpayer in-
15 cludes on the return of tax for the taxable
16 year—

17 “(I) such individual's social secu-
18 rity number, and

19 “(II) if the individual is married,
20 the social security number of such in-
21 dividual's spouse.

22 “(ii) MARRIED INDIVIDUALS.—Rules
23 similar to the rules of section 32(d) shall
24 apply to this section.

1 “(iii) SOCIAL SECURITY NUMBER DE-
2 FINED.—For purposes of clause (i), the
3 term ‘social security number’ shall have
4 the meaning given such term in section
5 24(h)(7).

6 “(E) COORDINATION WITH INFLATION AD-
7 JUSTMENT.—Subsection (c)(4) shall not apply
8 to any dollar amount contained in this para-
9 graph.

10 “(F) ALLOWANCE TO SENIORS WHO ELECT
11 TO ITEMIZE.—In the case of a taxpayer who
12 elects to itemize deductions for any taxable year
13 beginning after December 31, 2024, and before
14 January 1, 2029, there shall be allowed as a de-
15 duction the aggregate increase which would be
16 determined under subparagraph (A) (deter-
17 mined after the application of subparagraphs
18 (B), (D), and (E)) with respect to such tax-
19 payer for such taxable year if such taxpayer did
20 not so elect to itemize deductions for such tax-
21 able year.”.

22 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-
23 BER TREATED AS MATHEMATICAL OR CLERICAL
24 ERROR.—Section 6213(g)(2), as amended by the pre-
25 ceding provisions of this Act, is amended by striking

1 “and” at the end of subparagraph (X), by striking the
2 period at the end of subparagraph (Y) and inserting “,
3 and”, and by inserting after subparagraph (Y) the fol-
4 lowing new subparagraph:

5 “(Z) an omission of a correct social secu-
6 rity number required under section 63(f)(5)(D)
7 (relating to bonus additional amount for sen-
8 iors).”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2024.

12 **SEC. 110104. NO TAX ON CAR LOAN INTEREST.**

13 (a) IN GENERAL.—Section 163(h) is amended by re-
14 designating paragraph (4) as paragraph (5) and by insert-
15 ing after paragraph (3) the following new paragraph:

16 “(4) SPECIAL RULES FOR TAXABLE YEARS
17 2025 THROUGH 2028 RELATING TO QUALIFIED PAS-
18 SSENGER VEHICLE LOAN INTEREST.—

19 “(A) IN GENERAL.—In the case of taxable
20 years beginning after December 31, 2024, and
21 before January 1, 2029, for purposes of this
22 subsection the term ‘personal interest’ shall not
23 include qualified passenger vehicle loan interest.

24 “(B) QUALIFIED PASSENGER VEHICLE
25 LOAN INTEREST DEFINED.—

1 “(i) IN GENERAL.—For purposes of
2 this paragraph, the term ‘qualified pas-
3 senger vehicle loan interest’ means any in-
4 terest which is paid or accrued during the
5 taxable year on indebtedness incurred by
6 the taxpayer after December 31, 2024, for
7 the purchase of, and that is secured by a
8 first lien on, an applicable passenger vehi-
9 cle for personal use.

10 “(ii) EXCEPTIONS.—Such term shall
11 not include any amount paid or incurred
12 on any of the following:

13 “(I) A loan to finance fleet sales.

14 “(II) A personal cash loan se-
15 cured by a vehicle previously pur-
16 chased by the taxpayer.

17 “(III) A loan incurred for the
18 purchase of a commercial vehicle that
19 is not used for personal purposes.

20 “(IV) Any lease financing.

21 “(V) A loan to finance the pur-
22 chase of a vehicle with a salvage title.

23 “(VI) A loan to finance the pur-
24 chase of a vehicle intended to be used
25 for scrap or parts.

1 “(C) LIMITATIONS.—

2 “(i) DOLLAR LIMIT.—The amount of
3 interest taken into account by a taxpayer
4 under subparagraph (B) for any taxable
5 year shall not exceed \$10,000.

6 “(ii) LIMITATION BASED ON MODI-
7 FIED ADJUSTED GROSS INCOME.—

8 “(I) IN GENERAL.—The amount
9 which is otherwise allowable as a de-
10 duction under subsection (a) as quali-
11 fied passenger vehicle loan interest
12 (determined without regard to this
13 clause and after the application of
14 clause (i)) shall be reduced (but not
15 below zero) by \$200 for each \$1,000
16 (or portion thereof) by which the
17 modified adjusted gross income of the
18 taxpayer for the taxable year exceeds
19 \$100,000 (\$200,000 in the case of a
20 joint return).

21 “(II) MODIFIED ADJUSTED
22 GROSS INCOME.—For purposes of this
23 clause, the term ‘modified adjusted
24 gross income’ means the adjusted
25 gross income of the taxpayer for the

1 taxable year determined after applica-
2 tion of sections 86, 135, 137, 219,
3 221, and 469, and without regard to
4 this paragraph and sections 911, 931,
5 and 933.

6 “(D) APPLICABLE PASSENGER VEHICLE.—
7 The term ‘applicable passenger vehicle’ means
8 any vehicle—

9 “(i)(I) which is manufactured pri-
10 marily for use on public streets, roads, and
11 highways,

12 “(II) which has at least 2 wheels, and

13 “(III) which is a car, minivan, van,
14 sport utility vehicle, pickup truck, or mo-
15 torcycle,

16 “(ii) which is an all-terrain vehicle
17 (designed for use on land), or

18 “(iii) any trailer, camper, or vehicle
19 (designed for use on land) which—

20 “(I) is designed to provide tem-
21 porary living quarters for recreational,
22 camping, or seasonal use, and

23 “(II) is a motor vehicle or is de-
24 signed to be towed by, or affixed to,
25 a motor vehicle.

1 Such term shall not include any vehicle the
2 final assembly of which did not occur within the
3 United States.

4 “(E) OTHER DEFINITIONS AND SPECIAL
5 RULES.—For purposes of this paragraph—

6 “(i) ALL-TERRAIN VEHICLE.—The
7 term ‘all-terrain vehicle’ means any motor-
8 ized vehicle which has 3 or 4 wheels, a seat
9 designed to be straddled by the operator,
10 and handlebars for steering control.

11 “(ii) FINAL ASSEMBLY.—For pur-
12 poses of subparagraph (D), the term ‘final
13 assembly’ means the process by which a
14 manufacturer produces a vehicle at, or
15 through the use of, a plant, factory, or
16 other place from which the vehicle is deliv-
17 ered to a dealer or importer with all com-
18 ponent parts necessary for the mechanical
19 operation of the vehicle included with the
20 vehicle, whether or not the component
21 parts are permanently installed in or on
22 the vehicle.

23 “(iii) TREATMENT OF REFI-
24 NANCING.—Indebtedness described in sub-
25 paragraph (B) shall include indebtedness

1 that results from refinancing any indebted-
2 ness described in such subparagraph, and
3 that is secured by a first lien on the appli-
4 cable passenger vehicle with respect to
5 which the refinanced indebtedness was in-
6 curred, but only to the extent the amount
7 of such resulting indebtedness does not ex-
8 ceed the amount of such refinanced indebt-
9 edness.

10 “(iv) RELATED PARTIES.—Indebted-
11 ness described in subparagraph (B) shall
12 not include any indebtedness owed to a
13 person who is related (within the meaning
14 of section 267(b) or 707(b)(1)) to the tax-
15 payer.”.

16 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
17 PAYER ITEMIZES.—Section 62(a) is amended by inserting
18 after paragraph (21) the following new paragraph:

19 “(22) QUALIFIED PASSENGER VEHICLE LOAN
20 INTEREST.—So much of the deduction allowed by
21 section 163(a) as is attributable to the exception
22 under section 163(h)(4)(A).”.

23 (c) REPORTING.—

1 (1) IN GENERAL.—Subpart B of part III of
2 subchapter A of chapter 61 is amended by adding at
3 the end the following new section:

4 **“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PAS-**
5 **SENGER VEHICLE LOAN INTEREST RECEIVED**
6 **IN TRADE OR BUSINESS FROM INDIVIDUALS.**

7 “(a) IN GENERAL.—Any person—

8 “(1) who is engaged in a trade or business, and

9 “(2) who, in the course of such trade or busi-
10 ness, receives from any individual interest aggre-
11 gating \$600 or more for any calendar year on a
12 specified passenger vehicle loan,

13 shall make the return described in subsection (b) with re-
14 spect to each individual from whom such interest was re-
15 ceived at such time as the Secretary may provide.

16 “(b) FORM AND MANNER OF RETURNS.—A return
17 is described in this subsection if such return—

18 “(1) is in such form as the Secretary may pre-
19 scribe, and

20 “(2) contains—

21 “(A) the name and address of the indi-
22 vidual from whom the interest described in sub-
23 section (a)(2) was received,

24 “(B) the amount of such interest received
25 for the calendar year,

1 “(C) the amount of outstanding principal
2 on the specified passenger vehicle loan as of the
3 beginning of such calendar year,

4 “(D) the date of the origination of such
5 loan,

6 “(E) the year, make, and model of the ap-
7 plicable passenger vehicle which secures such
8 loan (or such other description of such vehicle
9 as the Secretary may prescribe), and

10 “(F) such other information as the Sec-
11 retary may prescribe.

12 “(c) STATEMENTS TO BE FURNISHED TO INDIVID-
13 UALS WITH RESPECT TO WHOM INFORMATION IS RE-
14 QUIRED.—Every person required to make a return under
15 subsection (a) shall furnish to each individual whose name
16 is required to be set forth in such return a written state-
17 ment showing—

18 “(1) the name, address, and phone number of
19 the information contact of the person required to
20 make such return, and

21 “(2) the information described in subpara-
22 graphs (B), (C), (D), and (E) of subsection (b)(2)
23 with respect to such individual (and such informa-
24 tion as is described in subsection (b)(2)(F) with re-

1 spect to such individual as the Secretary may pro-
2 vide for purposes of this subsection).

3 The written statement required under the preceding sen-
4 tence shall be furnished on or before January 31 of the
5 year following the calendar year for which the return
6 under subsection (a) was required to be made.

7 “(d) DEFINITIONS.—For purposes of this section—

8 “(1) IN GENERAL.—Terms used in this section
9 which are also used in paragraph (4) of section
10 163(h) shall have the same meaning as when used
11 in such paragraph.

12 “(2) SPECIFIED PASSENGER VEHICLE LOAN.—

13 The term ‘specified passenger vehicle loan’ means
14 the indebtedness described in section 163(h)(4)(B)
15 with respect to any applicable passenger vehicle.

16 “(e) REGULATIONS.—The Secretary shall issue such
17 regulations or other guidance as may be necessary or ap-
18 propriate to carry out the purposes of this section, includ-
19 ing regulations or other guidance to prevent the duplicate
20 reporting of information under this section.”.

21 (2) PENALTIES.—Section 6724(d) is amend-
22 ed—

23 (A) in paragraph (1)(B), by striking “or”
24 at the end of clause (xxvii), by striking “and”
25 at the end of clause (xxviii) and inserting “or”,

1 and by adding at the end the following new
2 clause:

3 “(xxix) section 6050AA(a) (relating to
4 returns relating to applicable passenger ve-
5 hicle loan interest received in trade or
6 business from individuals), and”, and

7 (B) in paragraph (2), by striking “or” at
8 the end of subparagraph (KK), by striking the
9 period at the end of subparagraph (LL) and in-
10 sserting “, or”, and by inserting after subpara-
11 graph (LL) the following new subparagraph:

12 “(MM) section 6050AA(b) (relating to
13 statements relating to applicable passenger ve-
14 hicle loan interest received in trade or business
15 from individuals).”.

16 (d) CONFORMING AMENDMENTS.—

17 (1) Section 56(e)(1)(B) is amended by striking
18 “section 163(h)(4)” and inserting “section
19 163(h)(5)”.

20 (2) Section 85 is amended by striking sub-
21 section (c).

22 (3) Section 86(b)(2)(A) is amended by inserting
23 “163(h)(4),” after “137,”.

24 (4) Section 135(c)(4)(A) is amended by insert-
25 ing “163(h)(4),” after “137,”.

1 (5) Section 137(b)(3)(A) is amended by insert-
2 ing “, 163(h)(4),” after “85(c)”.

3 (6) Section 219(g)(3)(A)(ii) is amended by in-
4 serting “163(h)(4),” after “137,”.

5 (7) Section 221(b)(1)(C)(i) is amended by in-
6 serting “, 163(h)(4),” after “85(c)”.

7 (8) Section 469(i)(3)(E)(iii) is amended by in-
8 serting “163(h)(4),” after “sections”.

9 (9) The table of sections for subpart B of part
10 III of subchapter A of chapter 61 is amended by
11 adding at the end the following new item:

“Sec. 6050AA. Returns relating to applicable passenger vehicle loan interest re-
ceived in trade or business from individuals.”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to indebtedness incurred after De-
14 cember 31, 2024.

15 **SEC. 110105. ENHANCEMENT OF EMPLOYER-PROVIDED**
16 **CHILD CARE CREDIT.**

17 (a) INCREASE OF AMOUNT OF QUALIFIED CHILD
18 CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section
19 45F(a)(1) is amended by striking “25 percent” and in-
20 serting “40 percent (50 percent in the case of an eligible
21 small business)”.

22 (b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Sub-
23 section (b) of section 45F is amended to read as follows:

24 “(b) DOLLAR LIMITATION.—

1 “(1) IN GENERAL.—The credit allowable under
2 subsection (a) for any taxable year shall not exceed
3 \$500,000 (\$600,000 in the case of an eligible small
4 business).

5 “(2) INFLATION ADJUSTMENT.—In the case of
6 any taxable year beginning after 2026, the
7 \$500,000 and \$600,000 amounts in paragraph (1)
8 shall be increased by an amount equal to—

9 “(A) such dollar amount, multiplied by

10 “(B) the cost-of-living adjustment deter-
11 mined under section 1(f)(3) for the calendar
12 year in which the taxable year begins, deter-
13 mined by substituting ‘calendar year 2025’ for
14 ‘calendar year 2016’ in subparagraph (A)(ii)
15 thereof.”.

16 (c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is
17 amended by adding at the end the following new para-
18 graph:

19 “(4) ELIGIBLE SMALL BUSINESS.—The term
20 ‘eligible small business’ means a business that meets
21 the gross receipts test of section 448(c), deter-
22 mined—

23 “(A) by substituting ‘5-taxable-year’ for ‘3-
24 taxable-year’ in paragraph (1) thereof, and

1 “(B) by substituting ‘5-year’ for ‘3-year’
2 each place such term appears in paragraph
3 (3)(A) thereof.”.

4 (d) CREDIT ALLOWED FOR THIRD-PARTY INTER-
5 MEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by in-
6 serting “, or under a contract with an intermediate entity
7 that contracts with one or more qualified child care facili-
8 ties to provide such child care services” before the period
9 at the end.

10 (e) TREATMENT OF JOINTLY OWNED OR OPERATED
11 CHILD CARE FACILITY.—Section 45F(c)(2) is amended
12 by adding at the end the following new subparagraph:

13 “(C) TREATMENT OF JOINTLY OWNED OR
14 OPERATED CHILD CARE FACILITY.—A facility
15 shall not fail to be treated as a qualified child
16 care facility of the taxpayer merely because
17 such facility is jointly owned or operated by the
18 taxpayer and other persons.”.

19 (f) REGULATIONS AND GUIDANCE.—Section 45F is
20 amended by adding at the end the following new sub-
21 section:

22 “(g) REGULATIONS AND GUIDANCE.—The Secretary
23 shall issue such regulations or other guidance as may be
24 necessary to carry out the purposes of this section, includ-

1 ing guidance to carry out the purposes of paragraphs
2 (1)(A)(iii) and (2)(C) of subsection (c).”.

3 (g) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to amounts paid or incurred after
5 December 31, 2025.

6 **SEC. 110106. EXTENSION AND ENHANCEMENT OF PAID FAM-**
7 **ILY AND MEDICAL LEAVE CREDIT.**

8 (a) IN GENERAL.—Section 45S is amended—

9 (1) in subsection (a)—

10 (A) by striking paragraph (1) and insert-
11 ing the following:

12 “(1) IN GENERAL.—For purposes of section 38,
13 in the case of an eligible employer, the paid family
14 and medical leave credit is an amount equal to ei-
15 ther of the following (as elected by such employer):

16 “(A) The applicable percentage of the
17 amount of wages paid to qualifying employees
18 with respect to any period in which such em-
19 ployees are on family and medical leave.

20 “(B) If such employer has an insurance
21 policy with regards to the provision of paid
22 family and medical leave which is in force dur-
23 ing the taxable year, the applicable percentage
24 of the total amount of premiums paid or in-
25 curred by such employer during such taxable

1 year with respect to such insurance policy.”,
2 and

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

4 “(3) RATE OF PAYMENT DETERMINED WITH-
5 OUT REGARD TO WHETHER LEAVE IS TAKEN.—For
6 purposes of determining the applicable percentage
7 with respect to paragraph (1)(B), the rate of pay-
8 ment under the insurance policy shall be determined
9 without regard to whether any qualifying employees
10 were on family and medical leave during the taxable
11 year.”,

12 (2) in subsection (b)(1), by striking “credit al-
13 lowed” and inserting “wages taken into account”,

14 (3) in subsection (c), by striking paragraphs (3)
15 and (4) and inserting the following:

16 “(3) AGGREGATION RULE.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), all persons which are treated
19 as a single employer under subsections (b) and
20 (c) of section 414 shall be treated as a single
21 employer.

22 “(B) EXCEPTION.—

23 “(i) IN GENERAL.—Subparagraph (A)
24 shall not apply to any person who estab-
25 lishes to the satisfaction of the Secretary

1 that such person has a substantial and le-
2 gitimate business reason for failing to pro-
3 vide a written policy described in para-
4 graph (1) or (2).

5 “(ii) SUBSTANTIAL AND LEGITIMATE
6 BUSINESS REASON.—For purposes of
7 clause (i), the term ‘substantial and legiti-
8 mate business reason’ shall not include the
9 operation of a separate line of business,
10 the rate of wages or category of jobs for
11 employees (or any similar basis), or the ap-
12 plication of State or local laws relating to
13 family and medical leave, but may include
14 the grouping of employees of a common
15 law employer.

16 “(4) TREATMENT OF BENEFITS MANDATED OR
17 PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For
18 purposes of this section, any leave which is paid by
19 a State or local government or required by State or
20 local law—

21 “(A) except as provided in subparagraph
22 (B), shall be taken into account in determining
23 the amount of paid family and medical leave
24 provided by the employer, and

1 “(B) shall not be taken into account in de-
2 termining the amount of the paid family and
3 medical leave credit under subsection (a).”,
4 (4) in subsection (d)—

5 (A) in paragraph (1), by inserting “(or, at
6 the election of the employer, for not less than
7 6 months)” after “1 year or more”, and

8 (B) in paragraph (2)—

9 (i) by inserting “, as determined on
10 an annualized basis (pro-rata for part-time
11 employees),” after “compensation”, and

12 (ii) by striking the period at the end
13 and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(3) is customarily employed for not less than
16 20 hours per week.”, and

17 (5) by striking subsection (i).

18 (b) NO DOUBLE BENEFIT.—Section 280C(a) is
19 amended—

20 (1) by striking “45S(a)” and inserting
21 “45S(a)(1)(A)”, and

22 (2) by inserting after the first sentence the fol-
23 lowing: “No deduction shall be allowed for that por-
24 tion of the premiums paid or incurred for the tax-
25 able year which is equal to that portion of the paid

1 family and medical leave credit which is determined
2 for the taxable year under section 45S(a)(1)(B).”

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 110107. ENHANCEMENT OF ADOPTION CREDIT.**

7 (a) IN GENERAL.—Section 23(a) is amended by add-
8 ing at the end the following new paragraph:

9 “(4) PORTION OF CREDIT REFUNDABLE.—So
10 much of the credit allowed under paragraph (1) as
11 does not exceed \$5,000 shall be treated as a credit
12 allowed under subpart C and not as a credit allowed
13 under this subpart.”.

14 (b) ADJUSTMENTS FOR INFLATION.—Section 23(h)
15 is amended to read as follows:

16 “(h) ADJUSTMENTS FOR INFLATION.—

17 “(1) IN GENERAL.—In the case of a taxable
18 year beginning after December 31, 2002, each of the
19 dollar amounts in paragraphs (3) and (4) of sub-
20 section (a) and paragraphs (1) and (2)(A)(i) of sub-
21 section (b) shall be increased by an amount equal
22 to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins, deter-
2 mined by substituting ‘calendar year 2001’ for
3 ‘calendar year 2016’ in subparagraph (A)(ii)
4 thereof.

5 “(2) ROUNDING.—If any amount as increased
6 under paragraph (1) is not a multiple of \$10, such
7 amount shall be rounded to the nearest multiple of
8 \$10.

9 “(3) SPECIAL RULE FOR REFUNDABLE POR-
10 TION.—In the case of the dollar amount in sub-
11 section (a)(4), paragraph (1) shall be applied—

12 “(A) by substituting ‘2025’ for ‘2002’ in
13 the matter preceding subparagraph (A), and

14 “(B) by substituting ‘calendar year 2024’
15 for ‘calendar year 2001’ in subparagraph (B)
16 thereof.”.

17 (c) EXCLUSION OF REFUNDABLE PORTION OF CRED-
18 IT FROM CARRYFORWARD.—Section 23(c)(1) is amended
19 by striking “credit allowable under subsection (a)” and in-
20 serting “portion of the credit allowable under subsection
21 (a) which is allowed under this subpart”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2024.

1 **SEC. 110108. RECOGNIZING INDIAN TRIBAL GOVERNMENTS**
2 **FOR PURPOSES OF DETERMINING WHETHER**
3 **A CHILD HAS SPECIAL NEEDS FOR PURPOSES**
4 **OF THE ADOPTION CREDIT.**

5 (a) IN GENERAL.—Section 23(d)(3) is amended—

6 (1) in subparagraph (A), by inserting “or In-
7 dian tribal government” after “a State”, and

8 (2) in subparagraph (B), by inserting “or In-
9 dian tribal government” after “such State”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2024.

13 **SEC. 110109. SCHOLARSHIP GRANTING ORGANIZATIONS.**

14 (a) ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF
15 INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZA-
16 TIONS.—

17 (1) IN GENERAL.—Subpart A of part IV of sub-
18 chapter A of chapter 1 is amended by inserting after
19 section 25E the following new section:

20 **“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDU-
21 CATION SCHOLARSHIPS.**

22 **“(a) ALLOWANCE OF CREDIT.—**In the case of an in-
23 dividual, there shall be allowed as a credit against the tax
24 imposed by this chapter for the taxable year an amount
25 equal to the aggregate amount of qualified contributions
26 made by the taxpayer during the taxable year.

1 “(b) LIMITATIONS.—

2 “(1) IN GENERAL.—The credit allowed under
3 subsection (a) to any taxpayer for any taxable year
4 shall not exceed an amount equal to the greater of—

5 “(A) 10 percent of the adjusted gross in-
6 come of the taxpayer for the taxable year, or

7 “(B) \$5,000.

8 “(2) ALLOCATION OF VOLUME CAP.—The credit
9 allowed under subsection (a) to any taxpayer for any
10 taxable year shall not exceed the amount of the vol-
11 ume cap allocated by the Secretary to such taxpayer
12 under subsection (g) with respect to qualified con-
13 tributions made by the taxpayer during the taxable
14 year.

15 “(3) REDUCTION BASED ON STATE CREDIT.—
16 The amount allowed as a credit under subsection (a)
17 for a taxable year shall be reduced by the amount
18 allowed as a credit on any State tax return of the
19 taxpayer for qualified contributions made by the tax-
20 payer during the taxable year.

21 “(c) DEFINITIONS.—For purposes of this section—

22 “(1) ELIGIBLE STUDENT.—The term ‘eligible
23 student’ means an individual who—

24 “(A) is a member of a household with an
25 income which is not greater than 300 percent

1 of the area median gross income (as such term
2 is used in section 42), and

3 “(B) is eligible to enroll in a public ele-
4 mentary or secondary school.

5 “(2) QUALIFIED CONTRIBUTION.—The term
6 ‘qualified contribution’ means a charitable contribu-
7 tion (as defined by section 170(c)) to a scholarship
8 granting organization in the form of cash or market-
9 able securities.

10 “(3) QUALIFIED ELEMENTARY OR SECONDARY
11 EDUCATION EXPENSE.—The term ‘qualified elemen-
12 tary or secondary education expense’ means the fol-
13 lowing expenses in connection with enrollment or at-
14 tendance at, or for students enrolled at or attending,
15 an elementary or secondary public, private, or reli-
16 gious school:

17 “(A) Tuition.

18 “(B) Curriculum and curricular materials.

19 “(C) Books or other instructional mate-
20 rials.

21 “(D) Online educational materials.

22 “(E) Tuition for tutoring or educational
23 classes outside of the home, including at a tu-
24 toring facility, but only if the tutor or instruc-
25 tor is not related to the student and—

1 “(i) is licensed as a teacher in any
2 State,

3 “(ii) has taught at an eligible edu-
4 cational institution, or

5 “(iii) is a subject matter expert in the
6 relevant subject.

7 “(F) Fees for a nationally standardized
8 norm-referenced achievement test, an advanced
9 placement examination, or any examinations re-
10 lated to college or university admission.

11 “(G) Fees for dual enrollment in an insti-
12 tution of higher education.

13 “(H) Educational therapies for students
14 with disabilities provided by a licensed or ac-
15 credited practitioner or provider, including oc-
16 cupational, behavioral, physical, and speech-lan-
17 guage therapies.

18 Such term shall include expenses for the purposes
19 described in subparagraphs (A) through (H) in con-
20 nection with a homeschool (whether treated as a
21 homeschool or a private school for purposes of appli-
22 cable State law). No amount paid to an elementary
23 or secondary school shall be considered a qualified
24 elementary or secondary education expense for the
25 purposes of this section unless such school dem-

1 onstrates that it maintains a policy whereby its ad-
2 missions standards do not take into account whether
3 the student seeking enrollment has a current individ-
4 ualized education plan, nor takes into account that
5 the student requires equitable services for a learning
6 disability, and if a student does have such an indi-
7 vidualized education plan, the school abides by the
8 plan’s terms and provides services outlined therein.

9 “(4) SCHOLARSHIP GRANTING ORGANIZA-
10 TION.—The term ‘scholarship granting organization’
11 means any organization—

12 “(A) which—

13 “(i) is described in section 501(c)(3)
14 and exempt from tax under section 501(a),
15 and

16 “(ii) is not a private foundation,

17 “(B) substantially all of the activities of
18 which are providing scholarships for qualified
19 elementary or secondary education expenses of
20 eligible students,

21 “(C) which prevents the co-mingling of
22 qualified contributions with other amounts by
23 maintaining one or more separate accounts ex-
24 clusively for qualified contributions, and

25 “(D) which either—

1 “(i) meets the requirements of sub-
2 section (d), or

3 “(ii) pursuant to State law, was able
4 (as of the date of the enactment of this
5 section) to receive contributions that are
6 eligible for a State tax credit if such con-
7 tributions are used by the organization to
8 provide scholarships to individual elemen-
9 tary and secondary students, including
10 scholarships for attending private schools.

11 “(d) REQUIREMENTS FOR SCHOLARSHIP GRANTING
12 ORGANIZATIONS.—

13 “(1) IN GENERAL.—An organization meets the
14 requirements of this subsection if—

15 “(A) such organization provides scholar-
16 ships to 2 or more students, provided that not
17 all such students attend the same school,

18 “(B) such organization does not provide
19 scholarships for any expenses other than quali-
20 fied elementary or secondary education ex-
21 penses,

22 “(C) such organization provides a scholar-
23 ship to eligible students with a priority for—

24 “(i) students awarded a scholarship
25 the previous school year, and

1 “(ii) after application of clause (i),
2 any such students who have a sibling who
3 was awarded a scholarship from such orga-
4 nization,

5 “(D) such organization does not earmark
6 or set aside contributions for scholarships on
7 behalf of any particular student,

8 “(E) such organization takes appropriate
9 steps to verify the annual household income and
10 family size of eligible students to whom it
11 awards scholarships, and limits them to a mem-
12 ber of a household for which the income does
13 not exceed the amount established under sub-
14 section (c)(1)(A),

15 “(F) such organization—

16 “(i) obtains from an independent cer-
17 tified public accountant annual financial
18 and compliance audits, and

19 “(ii) certifies to the Secretary (at such
20 time, and in such form and manner, as the
21 Secretary may prescribe) that the audit de-
22 scribed in clause (i) has been completed,
23 and

24 “(G) no officer or board member of such
25 organization has been convicted of a felony.

1 “(2) INCOME VERIFICATION.—For purposes of
2 paragraph (1)(E), review of all of the following (as
3 applicable) shall be treated as satisfying the require-
4 ment to take appropriate steps to verify annual
5 household income:

6 “(A) Federal and State income tax returns
7 or tax return transcripts with applicable sched-
8 ules for the taxable year prior to application.

9 “(B) Income reporting statements for tax
10 purposes or wage and income transcripts from
11 the Internal Revenue Service.

12 “(C) Notarized income verification letter
13 from employers.

14 “(D) Unemployment or workers compensa-
15 tion statements.

16 “(E) Budget letters regarding public as-
17 sistance payments and Supplemental Nutrition
18 Assistance Program (SNAP) payments includ-
19 ing a list of household members.

20 “(3) INDEPENDENT CERTIFIED PUBLIC AC-
21 COUNTANT.—For purposes of paragraph (1)(F), the
22 term ‘independent certified public accountant’
23 means, with respect to an organization, a certified
24 public accountant who is not a person described in

1 section 465(b)(3)(A) with respect to such organiza-
2 tion or any employee of such organization.

3 “(4) PROHIBITION ON SELF-DEALING.—

4 “(A) IN GENERAL.—A scholarship grant-
5 ing organization may not award a scholarship
6 to any disqualified person.

7 “(B) DISQUALIFIED PERSON.—For pur-
8 poses of this paragraph, a disqualified person
9 shall be determined pursuant to rules similar to
10 the rules of section 4946.

11 “(e) DENIAL OF DOUBLE BENEFIT.—Any qualified
12 contribution for which a credit is allowed under this sec-
13 tion shall not be taken into account as a charitable con-
14 tribution for purposes of section 170.

15 “(f) CARRYFORWARD OF UNUSED CREDIT.—

16 “(1) IN GENERAL.—If the credit allowable
17 under subsection (a) for any taxable year exceeds
18 the limitation imposed by section 26(a) for such tax-
19 able year reduced by the sum of the credits allowable
20 under this subpart (other than this section, section
21 23, and section 25D), such excess shall be carried to
22 the succeeding taxable year and added to the credit
23 allowable under subsection (a) for such taxable year.

24 “(2) LIMITATION.—No credit may be carried
25 forward under this subsection to any taxable year

1 following the fifth taxable year after the taxable year
2 in which the credit arose. For purposes of the pre-
3 ceding sentence, credits shall be treated as used on
4 a first-in first-out basis.

5 “(g) VOLUME CAP.—

6 “(1) IN GENERAL.—The volume cap applicable
7 under this section shall be \$5,000,000,000 for each
8 of calendar years 2026 through 2029, and zero for
9 calendar years thereafter. Such amount shall be allo-
10 cated by the Secretary as provided in paragraph (2)
11 to taxpayers with respect to qualified contributions
12 made by such taxpayers, except that 10 percent of
13 such amount shall be divided evenly among the
14 States, and shall be available with respect to individ-
15 uals residing in such States.

16 “(2) FIRST-COME, FIRST-SERVE.—For purposes
17 of applying the volume cap under this section, such
18 volume cap for any calendar year shall be allocated
19 by the Secretary on a first-come, first-serve basis, as
20 determined based on the time (during such calendar
21 year) at which the taxpayer made the qualified con-
22 tribution with respect to which the allocation is
23 made. The Secretary shall not make any allocation
24 of volume cap for any calendar year after December
25 31 of such calendar year.

1 “(3) REAL-TIME INFORMATION.—For purposes
2 of this section, the Secretary shall develop a system
3 to track the amount of qualified contributions made
4 during the calendar year for which a credit may be
5 claimed under this section, with such information to
6 be updated in real time.

7 “(4) ANNUAL INCREASES.—

8 “(A) IN GENERAL.—In the case of the cal-
9 endar year after a high-use calendar year, the
10 dollar amount otherwise in effect under para-
11 graph (1) for such calendar year shall be equal
12 to 105 percent of the dollar amount in effect
13 for such high-use calendar year.

14 “(B) HIGH-USE CALENDAR YEAR.—For
15 purposes of this subsection, the term ‘high-use
16 calendar year’ means any calendar year for
17 which 90 percent or more of the volume cap in
18 effect for such calendar year under paragraph
19 (1) is allocated to taxpayers.

20 “(C) PREVENTION OF DECREASES IN AN-
21 NUAL VOLUME CAP.—The volume cap in effect
22 under paragraph (1) for any calendar year shall
23 not be less than the volume cap in effect under
24 such paragraph for the preceding calendar year.

1 “(D) PUBLICATION OF ANNUAL VOLUME
2 CAP.—The Secretary shall make publicly avail-
3 able the dollar amount of the volume cap in ef-
4 fect under paragraph (1) for each calendar
5 year.

6 “(5) STATES.—For purposes of this subsection,
7 the term ‘State’ includes the District of Columbia.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 25(e)(1)(C) is amended by
10 striking “and 25D” and inserting “25D, and
11 25F”.

12 (B) The table of sections for subpart A of
13 part IV of subchapter A of chapter 1 is amend-
14 ed by inserting after the item relating to section
15 25E the following new item:

 “Sec. 25F. Qualified elementary and secondary education scholarships.”.

16 (b) EXEMPTION FROM GROSS INCOME FOR SCHOL-
17 ARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY
18 EDUCATION EXPENSES OF ELIGIBLE STUDENTS.—

19 (1) IN GENERAL.—Part III of subchapter B of
20 chapter 1 is amended by inserting before section 140
21 the following new section:

1 **“SEC. 139J. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY**
2 **OR SECONDARY EDUCATION EXPENSES OF**
3 **ELIGIBLE STUDENTS.**

4 “(a) IN GENERAL.—In the case of an individual,
5 gross income shall not include any amounts provided to
6 any dependent of such individual pursuant to a scholar-
7 ship for qualified elementary or secondary education ex-
8 penses of an eligible student which is provided by a schol-
9 arship granting organization.

10 “(b) DEFINITIONS.—In this section, the terms ‘quali-
11 fied elementary or secondary education expense’, ‘eligible
12 student’, and ‘scholarship granting organization’ have the
13 same meaning given such terms under section 25F(c).

14 “(c) TERMINATION.—Subsection (a) shall not apply
15 to amounts received after December 31, 2029.”.

16 (2) CONFORMING AMENDMENT.—The table of
17 sections for part III of subchapter B of chapter 1
18 is amended by inserting before the item relating to
19 section 140 the following new item:

“Sec. 139J. Scholarships for qualified elementary or secondary education ex-
penses of eligible students.”.

20 (c) FAILURE OF SCHOLARSHIP GRANTING ORGANI-
21 ZATIONS TO MAKE DISTRIBUTIONS.—

22 (1) IN GENERAL.—Chapter 42 is amended by
23 adding at the end the following new subchapter:

1 **“Subchapter I—Scholarship Granting**
2 **Organizations**

“Sec. 4969. Failure to distribute receipts.

3 **“SEC. 4969. FAILURE TO DISTRIBUTE RECEIPTS.**

4 “(a) IN GENERAL.—In the case of any scholarship
5 granting organization (as defined in section 25F) which
6 has been determined by the Secretary to have failed to
7 satisfy the requirement under subsection (b) for any tax-
8 able year, any contribution made to such organization dur-
9 ing the first taxable year beginning after the date of such
10 determination shall not be treated as a qualified contribu-
11 tion (as defined in section 25F(c)(2)) for purposes of sec-
12 tion 25F.

13 “(b) REQUIREMENT.—The requirement described in
14 this subsection is that the amount of receipts of the schol-
15 arship granting organization for the taxable year which
16 are distributed before the distribution deadline with re-
17 spect to such receipts shall not be less than the required
18 distribution amount with respect to such taxable year.

19 “(c) DEFINITIONS.—For purposes of this section—

20 “(1) REQUIRED DISTRIBUTION AMOUNT.—

21 “(A) IN GENERAL.—The required distribu-
22 tion amount with respect to a taxable year is
23 the amount equal to 100 percent of the total re-

1 receipts of the scholarship granting organization
2 for such taxable year—

3 “(i) reduced by the sum of such re-
4 cepts that are retained for reasonable ad-
5 ministrative expenses for the taxable year
6 or are carried to the succeeding taxable
7 year under subparagraph (C), and

8 “(ii) increased by the amount of the
9 carryover under subparagraph (C) from
10 the preceding taxable year.

11 “(B) SAFE HARBOR FOR REASONABLE AD-
12 MINISTRATIVE EXPENSES.—For purposes of
13 subparagraph (A)(i), if the percentage of total
14 receipts of a scholarship granting organization
15 for a taxable year which are used for adminis-
16 trative purposes is equal to or less than 10 per-
17 cent, such expenses shall be deemed to be rea-
18 sonable for purposes of such subparagraph.

19 “(C) CARRYOVER.—With respect to the
20 amount of the total receipts of a scholarship
21 granting organization with respect to any tax-
22 able year, an amount not greater than 15 per-
23 cent of such amount may, at the election of
24 such organization, be carried to the succeeding
25 taxable year.

1 “(2) DISTRIBUTIONS.—The term ‘distribution’
2 includes amounts which are formally committed but
3 not distributed. A formal commitment described in
4 the preceding sentence may include contributions set
5 aside for eligible students for more than one year.

6 “(3) DISTRIBUTION DEADLINE.—The distribu-
7 tion deadline with respect to receipts for a taxable
8 year is the first day of the third taxable year fol-
9 lowing the taxable year in which such receipts are
10 received by the scholarship granting organization.”.

11 (2) CLERICAL AMENDMENT.—The table of sub-
12 chapters for chapter 42 is amended by adding at the
13 end the following new item:

“SUBCHAPTER I—SCHOLARSHIP GRANTING ORGANIZATIONS”.

14 (d) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendments made by
17 this section shall apply to taxable years ending after
18 December 31, 2025.

19 (2) EXEMPTION FROM GROSS INCOME.—The
20 amendments made by subsection (b) shall apply to
21 amounts received after December 31, 2025, in tax-
22 able years ending after such date.

23 (e) ORGANIZATIONAL AND PARENTAL AUTONOMY.—

24 (1) PROHIBITION OF CONTROL OVER SCHOLAR-
25 SHIP ORGANIZATIONS.—

1 (A) IN GENERAL.—

2 (i) TREATMENT.—A scholarship
3 granting organization shall not, by virtue
4 of participation under any provision of this
5 section or any amendment made by this
6 section, be regarded as acting on behalf of
7 any governmental entity.

8 (ii) NO GOVERNMENTAL CONTROL.—
9 Nothing in this section, or any amendment
10 made by this section, shall be construed to
11 permit, allow, encourage, or authorize any
12 Federal, State, or local government entity,
13 or officer or employee thereof, to mandate,
14 direct, or control any aspect of any schol-
15 arship granting organization.

16 (iii) MAXIMUM FREEDOM.—To the ex-
17 tent permissible by law, this section, and
18 any amendment made by this section, shall
19 be construed to allow scholarship granting
20 organizations maximum freedom to provide
21 for the needs of the participants without
22 governmental control.

23 (B) PROHIBITION OF CONTROL OVER NON-
24 PUBLIC SCHOOLS.—

1 (i) NO GOVERNMENTAL CONTROL.—
2 Nothing in this section, or any amendment
3 made by this section, shall be construed to
4 permit, allow, encourage, or authorize any
5 Federal, State, or local government entity,
6 or officer or employee thereof, to mandate,
7 direct, or control any aspect of any private
8 or religious elementary or secondary edu-
9 cation institution.

10 (ii) NO EXCLUSION OF PRIVATE OR
11 RELIGIOUS SCHOOLS.—No Federal, State,
12 or local government entity, or officer or
13 employee thereof, shall impose or permit
14 the imposition of any conditions or require-
15 ments that would exclude or operate to ex-
16 clude educational expenses at private or re-
17 ligious elementary and secondary education
18 institutions from being considered qualified
19 elementary or secondary education ex-
20 penses.

21 (iii) NO EXCLUSION OF QUALIFIED
22 EXPENSES DUE TO INSTITUTION'S RELI-
23 GIOUS CHARACTER OR AFFILIATION.—No
24 Federal, State, or local government entity,
25 or officer or employee thereof, shall ex-

1 clude, discriminate against, or otherwise
2 disadvantage any elementary or secondary
3 education institution with respect to quali-
4 fied elementary or secondary education ex-
5 penses at that institution based in whole or
6 in part on the institution’s religious char-
7 acter or affiliation, including religiously
8 based or mission-based policies or prac-
9 tices.

10 (C) PARENTAL RIGHTS TO USE SCHOLAR-
11 SHIPS.—No Federal, State, or local government
12 entity, or officer or employee thereof, shall dis-
13 favor or discourage the use of scholarships
14 granted by participating scholarship granting
15 organizations for qualified elementary or sec-
16 ondary education expenses at private or non-
17 profit elementary and secondary education in-
18 stitutions, including faith-based schools.

19 (D) PARENTAL RIGHT TO INTERVENE.—In
20 any action filed in any State or Federal court
21 which challenges the constitutionality (under
22 the constitution of such State or the Constitu-
23 tion of the United States) of any provision of
24 this section (or any amendment made by this
25 section), any parent of an eligible student who

1 has received a scholarship from a scholarship
2 granting organization shall have the right to in-
3 tervene in support of the constitutionality of
4 such provision or amendment. To avoid duplica-
5 tion of efforts and reduce the burdens placed on
6 the parties to the action, the court in any such
7 action may require interveners taking similar
8 positions to file joint papers or to be rep-
9 resented by a single attorney at oral argument,
10 provided that the court does not require such
11 interveners to join any brief filed on behalf of
12 any State which is a defendant in such action.

13 (2) DEFINITIONS.—For purposes of this sub-
14 section, the terms “eligible student”, “scholarship
15 granting organization”, and “qualified elementary or
16 secondary education expense” shall have the same
17 meanings given such terms under section 25F(e) of
18 the Internal Revenue Code of 1986 (as added by
19 this Act).

20 **SEC. 110110. ADDITIONAL ELEMENTARY, SECONDARY, AND**
21 **HOME SCHOOL EXPENSES TREATED AS**
22 **QUALIFIED HIGHER EDUCATION EXPENSES**
23 **FOR PURPOSES OF 529 ACCOUNTS.**

24 (a) IN GENERAL.—Section 529(e)(7) is amended to
25 read as follows:

1 “(7) TREATMENT OF ELEMENTARY AND SEC-
2 ONDARY TUITION.—Any reference in this section to
3 the term ‘qualified higher education expense’ shall
4 include a reference to the following expenses in con-
5 nection with enrollment or attendance at, or for stu-
6 dents enrolled at or attending, an elementary or sec-
7 ondary public, private, or religious school:

8 “(A) Tuition.

9 “(B) Curriculum and curricular materials.

10 “(C) Books or other instructional mate-
11 rials.

12 “(D) Online educational materials.

13 “(E) Tuition for tutoring or educational
14 classes outside of the home, including at a tu-
15 toring facility, but only if the tutor or instruc-
16 tor is not related to the student and—

17 “(i) is licensed as a teacher in any
18 State,

19 “(ii) has taught at an eligible edu-
20 cational institution, or

21 “(iii) is a subject matter expert in the
22 relevant subject.

23 “(F) Fees for a nationally standardized
24 norm-referenced achievement test, an advanced

1 placement examination, or any examinations re-
 2 lated to college or university admission.

3 “(G) Fees for dual enrollment in an insti-
 4 tution of higher education.

5 “(H) Educational therapies for students
 6 with disabilities provided by a licensed or ac-
 7 credited practitioner or provider, including oc-
 8 cupational, behavioral, physical, and speech-lan-
 9 guage therapies.

10 Such term shall include expenses for the purposes
 11 described in subparagraphs (A) through (H) in con-
 12 nection with a homeschool (whether treated as a
 13 homeschool or a private school for purposes of appli-
 14 cable State law).”.

15 (b) EFFECTIVE DATE.—The amendment made by
 16 this section shall apply to distributions made after the
 17 date of the enactment of this Act.

18 **SEC. 110111. CERTAIN POSTSECONDARY CREDENTIALING**
 19 **EXPENSES TREATED AS QUALIFIED HIGHER**
 20 **EDUCATION EXPENSES FOR PURPOSES OF**
 21 **529 ACCOUNTS.**

22 (a) IN GENERAL.—Section 529(e)(3) is amended by
 23 adding at the end the following new subparagraph:

24 “(C) CERTAIN POSTSECONDARY
 25 CREDENTIALING EXPENSES.—The term ‘quali-

1 fied higher education expenses’ includes quali-
2 fied postsecondary credentialing expenses (as
3 defined in subsection (f)).”.

4 (b) QUALIFIED POSTSECONDARY CREDENTIALING
5 EXPENSES.—Section 529 is amended by redesignating
6 subsection (f) as subsection (g) and by inserting after sub-
7 section (e) the following new subsection:

8 “(f) QUALIFIED POSTSECONDARY CREDENTIALING
9 EXPENSES.—For purposes of this section—

10 “(1) IN GENERAL.—The term ‘qualified post-
11 secondary credentialing expenses’ means—

12 “(A) tuition, fees, books, supplies, and
13 equipment required for the enrollment or at-
14 tendance of a designated beneficiary in a recog-
15 nized postsecondary credential program, or any
16 other expense incurred in connection with en-
17 rollment in or attendance at a recognized post-
18 secondary credential program if such expense
19 would, if incurred in connection with enrollment
20 or attendance at an eligible educational institu-
21 tion, be covered under subsection (e)(3)(A),

22 “(B) fees for testing if such testing is re-
23 quired to obtain or maintain a recognized post-
24 secondary credential, and

1 “(C) fees for continuing education if such
2 education is required to maintain a recognized
3 postsecondary credential.

4 “(2) RECOGNIZED POSTSECONDARY CREDEN-
5 TIAL PROGRAM.—The term ‘recognized postsec-
6 ondary credential program’ means any program to
7 obtain a recognized postsecondary credential if—

8 “(A) such program is included on a State
9 list prepared under section 122(d) of the Work-
10 force Innovation and Opportunity Act (29
11 U.S.C. 3152(d)),

12 “(B) such program is listed in the
13 WEAMS Public directory (or successor direc-
14 tory) maintained by the Department of Vet-
15 erans Affairs,

16 “(C) an examination (developed or admin-
17 istered by an organization widely recognized as
18 providing reputable credentials in the occupa-
19 tion) is required to obtain or maintain such cre-
20 dential and such organization recognizes such
21 program as providing training or education
22 which prepares individuals to take such exam-
23 ination, or

24 “(D) such program is identified by the
25 Secretary, after consultation with the Secretary

1 of Labor, as being a reputable program for ob-
2 taining a recognized postsecondary credential
3 for purposes of this subsection.

4 “(3) RECOGNIZED POSTSECONDARY CREDEN-
5 TIAL.—The term ‘recognized postsecondary creden-
6 tial’ means—

7 “(A) any postsecondary employment cre-
8 dential that is industry recognized, including—

9 “(i) any postsecondary employment
10 credential issued by a program that is ac-
11 credited by the Institute for Credentialing
12 Excellence, the National Commission on
13 Certifying Agencies, or the American Na-
14 tional Standards Institute,

15 “(ii) any postsecondary employment
16 credential that is included in the
17 Credentialing Opportunities On-Line
18 (COOL) directory of credentialing pro-
19 grams (or successor directory) maintained
20 by the Department of Defense or by any
21 branch of the Armed Services, and

22 “(iii) any postsecondary employment
23 credential identified for purposes of this
24 clause by the Secretary, after consultation

1 with the Secretary of Labor, as being in-
2 dustry recognized,

3 “(B) any certificate of completion of an
4 apprenticeship that is registered and certified
5 with the Secretary of Labor under the National
6 Apprenticeship Act (29 U.S.C. 50),

7 “(C) any occupational or professional li-
8 cense issued or recognized by a State or the
9 Federal Government (and any certification that
10 satisfies a condition for obtaining such a li-
11 cense), and

12 “(D) any recognized postsecondary creden-
13 tial as defined in section 3 of the Workforce In-
14 novation and Opportunity Act (29 U.S.C.
15 3102).”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to distributions made after the
18 date of the enactment of this Act.

19 **SEC. 110112. REINSTATEMENT OF PARTIAL DEDUCTION**
20 **FOR CHARITABLE CONTRIBUTIONS OF INDI-**
21 **VIDUALS WHO DO NOT ELECT TO ITEMIZE.**

22 (a) IN GENERAL.—Section 170(p) is amended—

23 (1) by striking “\$300 (\$600” and inserting
24 “\$150 (\$300”, and

1 (2) by striking “in 2021” and inserting “after
2 December 31, 2024, and before January 1, 2029”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2024.

6 **SEC. 110113. EXCLUSION FOR CERTAIN EMPLOYER PAY-**
7 **MENTS OF STUDENT LOANS UNDER EDU-**
8 **CATIONAL ASSISTANCE PROGRAMS MADE**
9 **PERMANENT AND ADJUSTED FOR INFLATION.**

10 (a) IN GENERAL.—Section 127(c)(1)(B) is amended
11 by striking “in the case of payments made before January
12 1, 2026,”.

13 (b) INFLATION ADJUSTMENT.—Section 127 is
14 amended—

15 (1) by redesignating subsection (d) as sub-
16 section (e), and

17 (2) by inserting after subsection (e) the fol-
18 lowing new subsection:

19 “(d) INFLATION ADJUSTMENT.—

20 “(1) IN GENERAL.—In the case of any taxable
21 year beginning after 2026, both of the \$5,250
22 amounts in subsection (a)(2) shall be increased by
23 an amount equal to—

24 “(A) such dollar amount, multiplied by

1 “(B) the cost-of-living adjustment deter-
2 mined under section 1(f)(3) for the calendar
3 year in which the taxable year begins, deter-
4 mined by substituting ‘calendar year 2025’ for
5 ‘calendar year 2016’ in subparagraph (A)(ii)
6 thereof.

7 “(2) ROUNDING.—If any increase under para-
8 graph (1) is not a multiple of \$50, such increase
9 shall be rounded to the nearest multiple of \$50.”.

10 (c) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to payments made after December
12 31, 2025.

13 **SEC. 110114. EXTENSION OF RULES FOR TREATMENT OF**
14 **CERTAIN DISASTER-RELATED PERSONAL**
15 **CASUALTY LOSSES.**

16 For purposes of applying section 304(b) of the Tax-
17 payer Certainty and Disaster Tax Relief Act of 2020 (divi-
18 sion EE of Public Law 116–260), section 301 of such Act
19 shall be applied by substituting the date of the enactment
20 of this section for “the date of the enactment of this Act”
21 each place it appears.

22 **SEC. 110115. TRUMP ACCOUNTS.**

23 (a) IN GENERAL.—Subchapter F of chapter 1 is
24 amended by adding at the end the following new part:

“PART IX—TRUMP ACCOUNTS**2 “SEC. 530A. TRUMP ACCOUNTS.**

3 “(a) GENERAL RULE.—A Trump account shall be ex-
4 empt from taxation under this subtitle. Notwithstanding
5 the preceding sentence, such account shall be subject to
6 the taxes imposed by section 511 (relating to imposition
7 of tax on unrelated business income of charitable organiza-
8 tions).

9 “(b) TRUMP ACCOUNT.—For purposes of this sec-
10 tion—

11 “(1) IN GENERAL.—The term ‘Trump account’
12 means a trust created or organized in the United
13 States for the exclusive benefit of an individual and
14 which is designated (in such manner as the Sec-
15 retary shall prescribe) at the time of the establish-
16 ment of the trust as a Trump account, but only if
17 the written governing instrument creating the trust
18 meets the following requirements:

19 “(A) The individual establishing the ac-
20 count shall provide to the trustee the social se-
21 curity number of such individual and of the ac-
22 count beneficiary.

23 “(B) Except in the case of a qualified roll-
24 over contribution described in subsection (e), no
25 contribution will be accepted—

26 “(i) before January 1, 2026,

1 “(ii) unless it is in cash,

2 “(iii) unless the account beneficiary
3 has not attained age 18, and

4 “(iv) if such contribution would result
5 in aggregate contributions for the taxable
6 year exceeding the contribution limit speci-
7 fied in subsection (e)(1).

8 “(C) No distribution (other than a dis-
9 tribution of a qualified rollover contribution)
10 will be allowed—

11 “(i) before the date on which the ac-
12 count beneficiary attains age 18, or

13 “(ii) in the case of such an account
14 the account beneficiary of which has not
15 attained age 25, if the aggregate distribu-
16 tions from such account exceeds the
17 amount that is $\frac{1}{2}$ the cash equivalent
18 value of the account on the date on which
19 the account beneficiary attains age 18.

20 “(D) The account beneficiary has not at-
21 tained age 8 on the date of the establishment
22 of the account.

23 “(E) The trustee is a bank (as defined in
24 section 408(n)) or another person who dem-
25 onstrates to the satisfaction of the Secretary

1 that the manner in which that person will ad-
2 minister the trust will be consistent with the re-
3 quirements of this section or who has so dem-
4 onstrated with respect to any individual retire-
5 ment plan.

6 “(F) The interest of an individual in the
7 balance of his account is nonforfeitable.

8 “(G) The assets of the trust shall not be
9 commingled with other property except in a
10 common trust fund or common investment
11 fund.

12 “(H) No part of the trust funds will be in-
13 vested in any asset other than eligible invest-
14 ments.

15 “(2) ELIGIBLE INVESTMENTS.—The term ‘eligi-
16 ble investments’ means stock of a regulated invest-
17 ment company (within the meaning of section 851)
18 which—

19 “(A) tracks a well-established index of
20 United States equities (or which invests in an
21 equivalent diversified portfolio of United States
22 equities),

23 “(B) does not use leverage,

24 “(C) minimizes fees and expenses, and

1 “(D) meets such other criteria as the Sec-
2 retary determines appropriate for purposes of
3 this section.

4 “(3) ACCOUNT BENEFICIARY.—The term ‘ac-
5 count beneficiary’ means the individual on whose be-
6 half the Trump account was established.

7 “(c) TREATMENT OF CONTRIBUTIONS.—

8 “(1) CONTRIBUTION LIMIT.—The contribution
9 limit for any taxable year is \$5,000.

10 “(2) CONTRIBUTIONS FROM TAX EXEMPT
11 SOURCES AND ROLLOVER CONTRIBUTIONS.—The
12 amount contributed to a Trump account for pur-
13 poses of paragraph (1) shall be determined without
14 regard to—

15 “(A) a qualified rollover contribution,

16 “(B) any contribution from the Federal
17 Government or any State, local, or tribal gov-
18 ernment, or

19 “(C) any contribution made through the
20 program established under subsection (l).

21 “(3) COST-OF-LIVING ADJUSTMENT.—

22 “(A) IN GENERAL.—In the case of any
23 taxable year beginning in a calendar year after
24 2026, the \$5,000 amount under paragraph (1)
25 shall be increased by an amount equal to—

1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-
3 termined under section 1(f)(3) for the cal-
4 endar year, determined by substituting
5 ‘calendar year 2025’ for ‘calendar year
6 2016’ in subparagraph (A)(ii) thereof.

7 “(B) ROUNDING.—If any increase under
8 subparagraph (A) is not a multiple of \$100,
9 such amount shall be rounded to the next lower
10 multiple of \$100.

11 “(d) DISTRIBUTIONS.—

12 “(1) AMOUNTS ALLOCABLE TO INVESTMENT IN
13 THE CONTRACT.—A distribution from a Trump ac-
14 count of an amount allocable to the investment in
15 the contract shall not be includible in the gross in-
16 come of the distributee.

17 “(2) AMOUNTS ALLOCABLE TO INCOME ON THE
18 CONTRACT USED FOR QUALIFIED EXPENSES.—A
19 distribution from a Trump account of an amount al-
20 locable to income on the contract and which is used
21 exclusively to pay for qualified expenses shall be in-
22 cludible in net capital gain of the distributee under
23 section 1(h)(12).

24 “(3) AMOUNTS INCLUDIBLE IN GROSS IN-
25 COME.—Any distribution from a Trump account

1 which is not described in paragraph (1) or (2) shall
2 be includible in the gross income of the distributee.

3 “(4) QUALIFIED EXPENSES.—For purposes of
4 this subsection, the term ‘qualified expenses’ means
5 any of the following expenses paid or incurred for
6 the benefit of the account beneficiary:

7 “(A) Qualified higher education expenses
8 (as defined in section 529(e)(3)) determined
9 without regard to section 529(c)(7).

10 “(B) Qualified post-secondary credentialing
11 expenses (as defined in section 529(f)).

12 “(C) Under regulations provided by the
13 Secretary, amounts paid or incurred with re-
14 spect to any small businesses for which the ben-
15 eficiary has obtained any small business loan,
16 small farm loan, or similar loan.

17 “(D) Any amount used for the purchase
18 (as defined in section 36(c)(3)) of the principal
19 residence (as used in section 121) of the ac-
20 count beneficiary if such account beneficiary is
21 a first-time homebuyer (as defined in section
22 36(c)(1)) with respect to such purchase.

23 “(5) EXCEPTIONS.—Paragraphs (2) and (3)
24 shall not apply to any distribution which is a quali-
25 fied rollover contribution.

1 “(6) ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS.—In the case of a distributee who has not attained age 30, the tax imposed by this chapter on the account beneficiary for any taxable year in which there is a distribution from a Trump account of such beneficiary which is includible in gross income under paragraph (3) shall be increased by 10 percent of the amount which is so includible.

9 “(e) QUALIFIED ROLLOVER CONTRIBUTION.—For purposes of this section, the term ‘qualified rollover contribution’ means an amount which is paid in a direct trustee-to-trustee transfer from a Trump account maintained for the benefit of the account beneficiary to a Trump account maintained for such beneficiary.

15 “(f) TREATMENT AFTER DEATH OF ACCOUNT BENEFICIARY.—Rules similar to the rules of section 223(f)(8) shall apply for purposes of this section.

18 “(g) DETERMINATIONS OF AGGREGATE DISTRIBUTIONS AND INVESTMENT IN CONTRACT IN THE CASE OF CERTAIN ROLLOVER CONTRIBUTIONS.—In the case of a qualified rollover contribution which is described in subsection (e)(2), any determination required under this section of the amount of the investment of the contract or of aggregate distributions from the Trump account shall be determined with respect to the aggregate of such

1 amounts for all Trump accounts of the same account bene-
2 ficiary.

3 “(h) CUSTODIAL ACCOUNTS.—For purposes of this
4 section, a custodial account shall be treated as a trust
5 under this section if—

6 “(1) the custodial account would, except for the
7 fact that it is not a trust, constitute a trust which
8 meets the requirements of subsection (b)(1), and

9 “(2) the assets of such account are held by a
10 bank (as defined in section 408(n)) or another per-
11 son who demonstrates, to the satisfaction of the Sec-
12 retary, that the manner in which he will administer
13 the account will be consistent with the requirements
14 of this section.

15 For purposes of this title, in the case of a custodial ac-
16 count treated as a trust by reason of the preceding sen-
17 tence, the person holding the assets of such account shall
18 be treated as the trustee thereof.

19 “(i) TERMINATION.—

20 “(1) AGE 31.—Upon the date on which the ac-
21 count beneficiary attains age 31, a Trump account
22 shall cease to be a Trump account and the amount
23 in such account shall be treated as distributed for
24 purposes of subsection (d).

1 “(2) MULTIPLE ACCOUNTS OF ONE BENE-
2 FICIARY.—

3 “(A) IN GENERAL.—In the case of any du-
4 plicate Trump account of any account bene-
5 ficiary other than a Trump account which is es-
6 tablished by the deposit through a qualified roll-
7 over contribution of the entire amount of an-
8 other Trump account of the account bene-
9 ficiary—

10 “(i) such duplicate Trump account
11 shall cease to be a Trump account and the
12 amount in such account shall be treated as
13 distributed for purposes of subsection (d),
14 and

15 “(ii) there is imposed an excise tax on
16 the account beneficiary in an amount equal
17 to so much of cash value of the account as
18 is allocable to income on the contract.

19 “(B) WITHHOLDING REQUIREMENT.—In
20 the case of an account terminated under sub-
21 paragraph (A), the trustee shall deduct and
22 withhold upon the amount to be distributed the
23 amount in excess described in subparagraph
24 (A)(ii).

1 “(C) NOTIFICATION.—The Secretary, upon
2 determining that a duplicate account exists,
3 shall provide a notice to the account beneficiary
4 of such duplicate account (and the account cus-
5 todian, in the case of a custodial account) and
6 to each trustee of any Trump account of the ac-
7 count beneficiary of such duplicate account
8 which identifies each Trump account of such
9 beneficiary and the trustee of each such ac-
10 count.

11 “(D) DUPLICATE ACCOUNT.—For purposes
12 of this paragraph, the term ‘duplicate account’
13 means—

14 “(i) in the case of an account bene-
15 ficiary for the benefit of whom an account
16 was established by the Secretary under
17 section 6434, any other Trump account of
18 such account beneficiary, or

19 “(ii) in the case of any other account
20 beneficiary, any Trump account established
21 after the first Trump account established
22 for the benefit of such account beneficiary.

23 “(j) INVESTMENT IN THE CONTRACT.—For purposes
24 of this section, rules similar to the rules applied to a quali-
25 fied tuition program (as defined in section 529(b)) under

1 section 72(e)(9) shall apply for purposes of determining
2 the investment in the contract, except that such amount
3 shall be determined without regard to any contribution
4 which is described in subsection (c)(2).

5 “(k) REPORTS.—The trustee of a Trump account
6 shall make such reports regarding such account to the
7 Secretary and to the beneficiary of the account with re-
8 spect to contributions, distributions, the amount of invest-
9 ment in the contract, and such other matters as the Sec-
10 retary may require. The reports required by this sub-
11 section shall be filed at such time and in such manner
12 and furnished to such individuals at such time and in such
13 manner as may be required.

14 “(l) CONTRIBUTIONS TO PREDOMINATELY UNRE-
15 LATED CHILDREN.—The Secretary shall establish a pro-
16 gram through which contributions may be made to the
17 Trump accounts of a large group of account beneficiaries
18 if—

19 “(1) the contribution is made by any person de-
20 scribed in any paragraph of section 501(c) and ex-
21 empt from taxation under section 501(a),

22 “(2) such accounts are selected on the basis of
23 the location of the residence of the account bene-
24 ficiaries, the school district in which such bene-

1 ficiaries attend school, or another basis the Sec-
2 retary determines appropriate, and

3 “(3) all individuals who are account bene-
4 ficiaries of such an account who meet the selected
5 criteria receive an equal portion of the contribu-
6 tion.”.

7 (b) DISTRIBUTION TAXED AT SAME RATE AS NET
8 CAPITAL GAINS.—Section 1(h) is amended by adding at
9 the end the following new paragraph:

10 “(12) DISTRIBUTIONS FROM TRUMP ACCOUNT
11 TAXED AS NET CAPITAL GAIN.—For purposes of this
12 subsection, the term ‘net capital gain’ means the net
13 capital gain (determined without regard to this para-
14 graph) increased by the amount includible in net
15 capital gain under this paragraph by reason of sec-
16 tion 530A(d)(2).”.

17 (c) TAX ON EXCESS CONTRIBUTIONS.—

18 (1) IN GENERAL.—Section 4973(a) is amended
19 by striking “or” at the end of paragraph (5), by in-
20 serting “or” at the end of paragraph (6), and by in-
21 serting after paragraph (6) the following new para-
22 graph:

23 “(7) a Trump account (as defined in section
24 530A(b)),”.

1 (2) EXCESS CONTRIBUTION.—Section 4973 is
2 amended by adding at the end the following new
3 subsection:

4 “(i) EXCESS CONTRIBUTIONS TO A TRUMP AC-
5 COUNT.—For purposes of this section, in the case of
6 Trump accounts (within the meaning of section 530A), the
7 term ‘excess contributions’ means the sum of—

8 “(1) the amount by which the amount contrib-
9 uted for the calendar year to such account (other
10 than qualified rollover contributions (as defined in
11 section 530A(e))) exceeds the contribution limit
12 under section 530A(c)(1) (determined without re-
13 gard to contributions described in section
14 530A(c)(2)), and

15 “(2) the amount determined under this sub-
16 section for the preceding calendar year, reduced by
17 the excess (if any) of the maximum amount allow-
18 able as a contribution under section 530A(c)(1) (as
19 so determined) for the calendar year over the
20 amount contributed to the account for the calendar
21 year (other than qualified rollover contributions (as
22 so defined)).”.

23 (d) DISCLOSURE OF RETURN INFORMATION TO FA-
24 CILITATE CERTAIN CONTRIBUTIONS.—Section 6103(l) is

1 amended by adding at the end the following new para-
2 graph:

3 “(23) DISCLOSURE OF RETURN INFORMATION
4 TO ENABLE CERTAIN CONTRIBUTIONS TO TRUMP AC-
5 COUNTS.—Upon written request signed by the head
6 of the bureau or office of the Department of the
7 Treasury requesting the inspection or disclosure, the
8 Secretary may disclose the following return informa-
9 tion with respect to a Trump account (as defined in
10 section 503A(b)) to officers and employees of such
11 bureau or office to the extent that such disclosure is
12 necessary to carry out section 530A(l):

13 “(A) Information necessary to identify the
14 account holders in a particular class of bene-
15 ficiaries identified by a donor as the intended
16 recipients.

17 “(B) The name, address, and social secu-
18 rity number of a beneficiary.

19 “(C) The account custodian and the ad-
20 dress of such custodian.

21 “(D) The account number.

22 “(E) The routing number.

23 “(F) To the extent determined by the Sec-
24 retary in regulations, such other return infor-

1 mation as the Secretary determines necessary
2 to ensure proper routing of funds
3 Return information disclosed under this paragraph
4 may only be used to identify account holders in a
5 particular class of beneficiaries or for the proper
6 routing of funds and may not be redisclosed by the
7 Secretary.”.

8 (e) FAILURE TO PROVIDE REPORTS ON TRUMP AC-
9 COUNTS.—Section 6693(a)(2) is amended by striking
10 “and” at the end of subparagraph (E), by striking the
11 period at the end of subparagraph (F) and inserting “,
12 and”, and by adding at the end the following new subpara-
13 graph:

14 “(G) section 530A(h) (relating to Trump
15 accounts).”.

16 (f) CONFORMING AMENDMENT.—The table of parts
17 for subchapter F of chapter 1 is amended by adding at
18 the end the following new item:

 “PART IX. TRUMP ACCOUNTS”.

19 (g) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2024.

22 **SEC. 110116. TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-**
23 **GRAM.**

24 (a) IN GENERAL.—Subchapter B of chapter 65 is
25 amended by adding at the end the following new section:

1 **“SEC. 6434. TRUMP ACCOUNTS CONTRIBUTION PILOT PRO-**
2 **GRAM.**

3 “(a) IN GENERAL.—In the case of any taxpayer with
4 respect to whom an eligible individual is a qualifying child,
5 there shall be allowed a one-time credit of \$1,000 with
6 respect to each such eligible individual who is a qualifying
7 child of such taxpayer which shall be payable by the Sec-
8 retary only to the Trump account with respect to which
9 such eligible individual is the account beneficiary.

10 “(b) ACCOUNT ESTABLISHED BY SECRETARY.—

11 “(1) IN GENERAL.—In the case of any eligible
12 individual that the Secretary determines is not the
13 account beneficiary of any Trump account as of the
14 qualifying date of such eligible individual, the Sec-
15 retary shall establish an account for the benefit of
16 such eligible individual.

17 “(2) QUALIFYING DATE.—For purposes of
18 paragraph (1), the term ‘qualifying date’ means,
19 with respect to an eligible individual, the first date
20 on which a return of tax is filed by an individual
21 with respect to whom such eligible individual is a
22 qualifying child with respect to the taxable year to
23 which such return relates.

24 “(3) NOTIFICATION.—In the case of any eligible
25 individual for the benefit of whom the Secretary es-

1 establishes an account under paragraph (1), the Sec-
2 retary shall—

3 “(A) notify any individual with respect to
4 whom such eligible individual is a qualifying
5 child for the taxable year described in para-
6 graph (2) of the establishment of such account,
7 and

8 “(B) shall provide an opportunity to such
9 individual to elect to decline the application of
10 this subsection to such qualifying child.

11 “(4) DETERMINATION OF DEFAULT TRUST-
12 EE.—For purposes of selecting a trustee for an ac-
13 count established under paragraph (1), the Sec-
14 retary shall take into account—

15 “(A) the history of reliability and regu-
16 latory compliance of such trustee,

17 “(B) the customer service experience of
18 such trustee,

19 “(C) the costs imposed by such trustee on
20 the account or account beneficiary, and

21 “(D) to the extent practicable, the pref-
22 erences of any individual described in para-
23 graph (3)(A) with respect to such eligible indi-
24 vidual.

1 “(c) ELIGIBLE INDIVIDUAL.—For purposes of sub-
2 section (a), the term eligible individual means an indi-
3 vidual—

4 “(1) who is born after December 31, 2024, and
5 before January 1, 2029, and

6 “(2) who is a United States citizen at birth.

7 “(d) SOCIAL SECURITY NUMBER REQUIRED.—

8 “(1) IN GENERAL.—No credit shall be allowed
9 under subsection (a) to a taxpayer unless such tax-
10 payer includes on the return of tax for the taxable
11 year—

12 “(A) such individual’s social security num-
13 ber,

14 “(B) if such individual is married, the so-
15 cial security number of such individual’s spouse,
16 and

17 “(C) the social security number of the eli-
18 gible individual with respect to whom such cred-
19 it is allowed.

20 “(2) SOCIAL SECURITY NUMBER DEFINED.—

21 For purposes of paragraph (1), the term ‘social se-
22 curity number’ shall have the meaning given such
23 term in section 24(h)(7).

24 “(e) DEFINITIONS.—For purposes of this section—

1 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-
2 BER TREATED MATHEMATICAL OR CLERICAL ERROR.—
3 Section 6213(g)(2), as amended by the preceding provi-
4 sions of this Act, is amended by striking “and” at the
5 end of subparagraph (Y), by striking the period at the
6 end of subparagraph (Z) and inserting “, and”, and by
7 inserting after subparagraph (Z) the following new sub-
8 paragraph:

9 “(AA) an omission of a correct social secu-
10 rity number required under section 6434(d)(1)
11 (relating to the Trump accounts contribution
12 pilot program).”.

13 (d) CLERICAL AMENDMENTS.—

14 (1) The table of sections for subchapter B of
15 chapter 65 is amended by adding at the end the fol-
16 lowing new item:

“Sec. 6434. Trump accounts contribution pilot program.”.

17 (2) The table of sections for part I of sub-
18 chapter A of chapter 68 of subtitle F is amended by
19 inserting after the item relating to section 6658 the
20 following new item:

“Sec. 6659. Improper claim for Trump account contribution pilot program
credit.”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2024.

1 **PART 3—INVESTING IN HEALTH OF AMERICAN**
2 **FAMILIES AND WORKERS**
3 **SEC. 110201. TREATMENT OF HEALTH REIMBURSEMENT AR-**
4 **RANGEMENTS INTEGRATED WITH INDI-**
5 **VIDUAL MARKET COVERAGE.**

6 (a) IN GENERAL.—Section 9815(b) is amended—

7 (1) by striking “EXCEPTION.—Notwithstanding
8 subsection (a)” and inserting the following: “EXCEP-
9 TIONS.—

10 “(1) SELF-INSURED GROUP HEALTH PLANS.—
11 Notwithstanding subsection (a)”, and

12 (2) by adding at the end the following new
13 paragraph:

14 “(2) CUSTOM HEALTH OPTION AND INDIVIDUAL
15 CARE EXPENSE ARRANGEMENTS.—

16 “(A) IN GENERAL.—For purposes of this
17 subchapter, a custom health option and indi-
18 vidual care expense arrangement shall be treat-
19 ed as meeting the requirements of section 9802
20 and sections 2705, 2711, 2713, and 2715 of
21 title XXVII of the Public Health Service Act.

22 “(B) CUSTOM HEALTH OPTION AND INDI-
23 VIDUAL CARE EXPENSE ARRANGEMENTS DE-
24 FINED.—For purposes of this section, the term
25 ‘custom health option and individual care ex-

1 pense arrangement’ means a health reimburse-
2 ment arrangement—

3 “(i) which is an employer-provided
4 group health plan funded solely by em-
5 ployer contributions to provide payments
6 or reimbursements for medical care subject
7 to a maximum fixed dollar amount for a
8 period,

9 “(ii) under which such payments or
10 reimbursements may only be made for
11 medical care provided during periods dur-
12 ing which the individual is covered—

13 “(I) under individual health in-
14 surance coverage (other than coverage
15 that consists solely of excepted bene-
16 fits), or

17 “(II) under part A and B of title
18 XVIII of the Social Security Act or
19 part C of such title,

20 “(iii) which meets the nondiscrimina-
21 tion requirements of subparagraph (C),

22 “(iv) which meets the substantiation
23 requirements of subparagraph (D), and

24 “(v) which meets the notice require-
25 ments of subparagraph (E).

1 “(C) NONDISCRIMINATION.—

2 “(i) IN GENERAL.—An arrangement
3 meets the requirements of this subpara-
4 graph if an employer offering such ar-
5 rangement to an employee within a speci-
6 fied class of employee—

7 “(I) offers such arrangement to
8 all employees within such specified
9 class on the same terms, and

10 “(II) does not offer any other
11 group health plan (other than an ac-
12 count-based group health plan or a
13 group health plan that consists solely
14 of excepted benefits) to any employees
15 within such specified class.

16 In the case of an employer who offers a
17 group health plan provided through health
18 insurance coverage in the small group mar-
19 ket (that is subject to section 2701 of the
20 Public Health Service Act) to all employees
21 within such specified class, subclause (II)
22 shall not apply to such group health plan.

23 “(ii) SPECIFIED CLASS OF EM-
24 PLOYEE.—For purposes of this subpara-

1 graph, any of the following may be des-
2 ignated as a specified class of employee:

3 “(I) Full-time employees.

4 “(II) Part-time employees.

5 “(III) Salaried employees.

6 “(IV) Non-salaried employees.

7 “(V) Employees whose primary
8 site of employment is in the same rat-
9 ing area.

10 “(VI) Employees who are in-
11 cluded in a unit of employees covered
12 under a collective bargaining agree-
13 ment to which the employer is subject
14 (determined under rules similar to the
15 rules of section 105(h)).

16 “(VII) Employees who have not
17 met a group health plan, or health in-
18 surance issuer offering group health
19 insurance coverage, waiting period re-
20 quirement that satisfies section 2708
21 of the Public Health Service Act.

22 “(VIII) Seasonal employees.

23 “(IX) Employees who are non-
24 resident aliens and who receive no
25 earned income (within the meaning of

1 section 911(d)(2)) from the employer
2 which constitutes income from sources
3 within the United States (within the
4 meaning of section 861(a)(3)).

5 “(X) Such other classes of em-
6 ployees as the Secretary may des-
7 ignate.

8 An employer may designate (in such man-
9 ner as is prescribed by the Secretary) two
10 or more of the classes described in the pre-
11 ceding subclauses as the specified class of
12 employees to which the arrangement is of-
13 fered for purposes of applying this sub-
14 paragraph.

15 “(iii) SPECIAL RULE FOR NEW
16 HIRES.—An employer may designate pro-
17 spectively so much of a specified class of
18 employees as are hired after a date set by
19 the employer. Such subclass of employees
20 shall be treated as the specified class for
21 purposes of applying clause (i).

22 “(iv) RULES FOR DETERMINING TYPE
23 OF EMPLOYEE.—For purposes for clause
24 (ii), any determination of full-time, part-
25 time, or seasonal employment status shall

1 be made under rules similar to the rules of
2 section 105(h) or 4980H, whichever the
3 employer elects for the plan year. Such
4 election shall apply with respect to all em-
5 ployees of the employer for the plan year.

6 “(v) PERMITTED VARIATION.—For
7 purposes of clause (i)(I), an arrangement
8 shall not fail to be treated as provided on
9 the same terms within a specified class
10 merely because the maximum dollar
11 amount of payments and reimbursements
12 which may be made under the terms of the
13 arrangement for the year with respect to
14 each employee within such class—

15 “(I) increases as additional de-
16 pendants of the employee are covered
17 under the arrangement, and

18 “(II) increases with respect to a
19 participant as the age of the partici-
20 pant increases, but not in excess of an
21 amount equal to 300 percent of the
22 lowest maximum dollar amount with
23 respect to such a participant deter-
24 mined without regard to age.

1 “(D) SUBSTANTIATION REQUIREMENTS.—

2 An arrangement meets the requirements of this
3 subparagraph if the arrangement has reason-
4 able procedures to substantiate—

5 “(i) that the participant and any de-
6 pendents are, or will be, enrolled in cov-
7 erage described in subparagraph (B)(ii) as
8 of the beginning of the plan year of the ar-
9 rangement (or as of the beginning of cov-
10 erage under the arrangement in the case of
11 an employee who first becomes eligible to
12 participate in the arrangement after the
13 date notice is given with respect to the
14 plan under subparagraph (E) (determined
15 without regard to clause (iii) thereof), and

16 “(ii) any requests made for payment
17 or reimbursement of medical care under
18 the arrangement and that the participant
19 and any dependents remain so enrolled.

20 “(E) NOTICE.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in clause (iii), an arrangement meets
23 the requirements of this subparagraph if,
24 under the arrangement, each employee eli-
25 gible to participate is, not later than 60

1 days before the beginning of the plan year,
2 given written notice of the employee's
3 rights and obligations under the arrange-
4 ment which—

5 “(I) is sufficiently accurate and
6 comprehensive to apprise the employee
7 of such rights and obligations, and

8 “(II) is written in a manner cal-
9 culated to be understood by the aver-
10 age employee eligible to participate.

11 “(ii) NOTICE REQUIREMENTS.—Such
12 notice shall include such information as the
13 Secretary may by regulation prescribe.

14 “(iii) NOTICE DEADLINE FOR CER-
15 TAIN EMPLOYEES.—In the case of an em-
16 ployee—

17 “(I) who first becomes eligible to
18 participate in the arrangement after
19 the date notice is given with respect
20 to the plan under clause (i) (deter-
21 mined without regard to this clause),
22 or

23 “(II) whose employer is first es-
24 tablished fewer than 120 days before

1 the beginning of the first plan year of
2 the arrangement,
3 the requirements of this subparagraph
4 shall be treated as met if the notice re-
5 quired under clause (i) is provided not
6 later than the date the arrangement may
7 take effect with respect to such em-
8 ployee.”.

9 (b) INCLUSION OF CHOICE ARRANGEMENT PER-
10 MITTED BENEFITS ON W-2.—

11 (1) IN GENERAL.—Section 6051(a), as amend-
12 ed by the preceding provisions of this Act, is amend-
13 ed by striking “and” at the end of paragraph (18),
14 by striking the period at the end of paragraph (19)
15 and inserting “, and”, and by inserting after para-
16 graph (19) the following new paragraph:

17 “(20) the total amount of permitted benefits for
18 enrolled individuals under a custom health option
19 and individual care expense arrangement (as defined
20 in section 9815(b)(2)) with respect to such em-
21 ployee.”.

22 (c) TREATMENT OF CURRENT RULES RELATING TO
23 CERTAIN ARRANGEMENTS.—

24 (1) NO INFERENCE.—To the extent not incon-
25 sistent with the amendments made by this section—

1 (A) no inference shall be made from such
2 amendments with respect to the rules pre-
3 scribed in the Federal Register on June 20,
4 2019, (84 Fed. Reg. 28888) relating to health
5 reimbursement arrangements and other ac-
6 count-based group health plans, and

7 (B) any reference to custom health option
8 and individual care expense arrangements shall
9 for purposes of such rules be treated as includ-
10 ing a reference to individual coverage health re-
11 imbursement arrangements.

12 (2) OTHER CONFORMING OF RULES.—The Sec-
13 retary of the Treasury, the Secretary of Health and
14 Human Services, and the Secretary of Labor shall
15 modify such rules as may be necessary to conform
16 to the amendments made by this section.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to plan years beginning after De-
19 cember 31, 2025.

20 **SEC. 110202. PARTICIPANTS IN CHOICE ARRANGEMENT ELI-**
21 **GIBLE FOR PURCHASE OF EXCHANGE INSUR-**
22 **ANCE UNDER CAFETERIA PLAN.**

23 (a) IN GENERAL.—Section 125(f)(3) is amended by
24 adding at the end the following new subparagraph:

1 “(C) EXCEPTION FOR PARTICIPANTS IN
2 CHOICE ARRANGEMENT.—Subparagraph (A)
3 shall not apply in the case of an employee par-
4 ticipating in a custom health option and indi-
5 vidual care expense arrangement (within the
6 meaning of section 9815(b)(2)) offered by the
7 employee’s employer.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 **SEC. 110203. EMPLOYER CREDIT FOR CHOICE ARRANGE-**
12 **MENT.**

13 (a) IN GENERAL.—Subpart D of part IV of sub-
14 chapter A of chapter 1 is amended by adding at the end
15 the following new section:

16 **“SEC. 45BB. EMPLOYER CREDIT FOR CHOICE ARRANGE-**
17 **MENT.**

18 “(a) IN GENERAL.—For purposes of section 38, in
19 the case of an eligible employer, the CHOICE arrange-
20 ment credit determined under this section for any taxable
21 year is an amount, with respect to each employee enrolled
22 during the credit period in a CHOICE arrangement main-
23 tained by the employer, equal to—

1 “(1) \$100 multiplied by the number of months
2 for which the employee is so enrolled during the first
3 year in the credit period, and

4 “(2) one-half of the dollar amount in effect
5 under paragraph (1) for the taxable year, multiplied
6 by the number of months for which the employee is
7 so enrolled during the second year of the credit pe-
8 riod.

9 “(b) ARRANGEMENT MUST CONSTITUTE MINIMUM
10 ESSENTIAL COVERAGE.—An employee shall not be taken
11 into account under subsection (a) unless such employee’s
12 eligibility for the CHOICE arrangement (determined with-
13 out regard to the employee being enrolled) would cause
14 the employee to be treated under section 36B(c)(2) as
15 being eligible for minimum essential coverage consisting
16 of an eligible employer-sponsored plan (as defined in sec-
17 tion 5000A(f)(2)).

18 “(c) DEFINITIONS.—For purposes of this section—

19 “(1) CHOICE ARRANGEMENT.—The term
20 ‘CHOICE arrangement’ means a custom health op-
21 tion and individual care expense arrangement (as de-
22 fined in section 9815(b)(2)(B)).

23 “(2) CREDIT PERIOD.—The credit period with
24 respect to an eligible employer is the first 2 one-year
25 periods beginning with the month during which the

1 employer first establishes a CHOICE arrangement
2 on behalf of employees of the employer.

3 “(3) ELIGIBLE EMPLOYER.—The term ‘eligible
4 employer’ means, with respect to any taxable year
5 beginning in a calendar year, an employer who is not
6 an applicable large employer for the calendar year
7 under section 4980H.

8 “(d) INFLATION ADJUSTMENT.—

9 “(1) IN GENERAL.—In the case of any taxable
10 year beginning in a calendar year after 2026, the
11 dollar amount in subsection (a) shall be increased by
12 an amount equal to—

13 “(A) such dollar amount, multiplied by

14 “(B) the cost-of-living adjustment deter-
15 mined under section 1(f)(3) for the calendar
16 year in which such taxable year begins by sub-
17 stituting ‘calendar year 2025’ for ‘calendar year
18 2016’ in subparagraph (A)(ii) thereof.

19 “(2) ROUNDING.—If any amount after adjust-
20 ment under paragraph (1) is not a multiple of \$10,
21 such amount shall be rounded to the next lower mul-
22 tiple of \$10.”.

23 (b) CREDIT MADE PART OF GENERAL BUSINESS
24 CREDIT.—Section 38(b) is amended by striking “plus” at
25 the end of paragraph (40), by striking the period at the

1 end of paragraph (41) and inserting “, plus”, and by add-
 2 ing at the end the following new paragraph:

3 “(42) the CHOICE arrangement credit deter-
 4 mined under section 45BB(a).”.

5 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
 6 IMUM TAX.—Section 38(c)(4)(B) is amended—

7 (1) by redesignating clauses (x), (xi), and (xii)
 8 as clauses (xi), (xii), and (xiii), respectively, and

9 (2) by inserting after clause (ix) the following
 10 new clause:

11 “(x) the credit determined under sec-
 12 tion 45BB,”.

13 (d) CLERICAL AMENDMENT.—The table of sections
 14 for subpart D of part IV of subchapter A of chapter 1
 15 is amended by adding at the end the following new item:

“Sec. 45BB. Employer credit for CHOICE arrangement.”.

16 (e) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2025.

19 **SEC. 110204. INDIVIDUALS ENTITLED TO PART A OF MEDI-**
 20 **CARE BY REASON OF AGE ALLOWED TO CON-**
 21 **TRIBUTE TO HEALTH SAVINGS ACCOUNTS.**

22 (a) IN GENERAL.—Section 223(c)(1)(B) is amended
 23 by striking “and” at the end of clause (ii), by striking
 24 the period at the end of clause (iii) and inserting “, and”,
 25 and by adding at the end the following new clause:

1 “(iv) entitlement to hospital insurance
2 benefits under part A of title XVIII of the
3 Social Security Act by reason of section
4 226(a) of such Act.”.

5 (b) TREATMENT OF HEALTH INSURANCE PUR-
6 CHASED FROM ACCOUNT.—Section 223(d)(2)(C)(iv) is
7 amended by inserting “and who is not an eligible indi-
8 vidual” after “who has attained the age specified in sec-
9 tion 1811 of the Social Security Act”.

10 (c) COORDINATION WITH PENALTY ON DISTRIBU-
11 TIONS NOT USED FOR QUALIFIED MEDICAL EX-
12 PENSES.—Section 223(f)(4)(C) is amended by striking
13 “Subparagraph (A)” and inserting “Except in the case of
14 an eligible individual, subparagraph (A)”

15 (d) CONFORMING AMENDMENT.—Section 223(b)(7)
16 is amended by inserting “(other than an entitlement to
17 benefits described in subsection (c)(1)(B)(iv))” after “So-
18 cial Security Act”.

19 (e) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to months beginning after Decem-
21 ber 31, 2025.

22 **SEC. 110205. TREATMENT OF DIRECT PRIMARY CARE SERV-**
23 **ICE ARRANGEMENTS.**

24 (a) IN GENERAL.—Section 223(c)(1) is amended by
25 adding at the end the following new subparagraph:

1 “(E) TREATMENT OF DIRECT PRIMARY
2 CARE SERVICE ARRANGEMENTS.—

3 “(i) IN GENERAL.—A direct primary
4 care service arrangement shall not be
5 treated as a health plan for purposes of
6 subparagraph (A)(ii).

7 “(ii) DIRECT PRIMARY CARE SERVICE
8 ARRANGEMENT.—For purposes of this sub-
9 paragraph—

10 “(I) IN GENERAL.—The term ‘di-
11 rect primary care service arrange-
12 ment’ means, with respect to any indi-
13 vidual, an arrangement under which
14 such individual is provided medical
15 care (as defined in section 213(d))
16 consisting solely of primary care serv-
17 ices provided by primary care practi-
18 tioners (as defined in section
19 1833(x)(2)(A) of the Social Security
20 Act, determined without regard to
21 clause (ii) thereof), if the sole com-
22 pensation for such care is a fixed peri-
23 odic fee.

24 “(II) LIMITATION.—With respect
25 to any individual for any month, such

1 term shall not include any arrange-
2 ment if the aggregate fees for all di-
3 rect primary care service arrange-
4 ments (determined without regard to
5 this subclause) with respect to such
6 individual for such month exceed
7 \$150 (twice such dollar amount in the
8 case of an individual with any direct
9 primary care service arrangement (as
10 so determined) that covers more than
11 one individual).

12 “(iii) CERTAIN SERVICES SPECIFI-
13 CALLY EXCLUDED FROM TREATMENT AS
14 PRIMARY CARE SERVICES.—For purposes
15 of this subparagraph, the term ‘primary
16 care services’ shall not include—

17 “(I) procedures that require the
18 use of general anesthesia,

19 “(II) prescription drugs (other
20 than vaccines), and

21 “(III) laboratory services not
22 typically administered in an ambula-
23 tory primary care setting.

24 The Secretary, after consultation with the
25 Secretary of Health and Human Services,

1 shall issue regulations or other guidance
2 regarding the application of this clause.”.

3 (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT
4 FEES TREATED AS MEDICAL EXPENSES.—Section
5 223(d)(2)(C) is amended by striking “or” at the end of
6 clause (iii), by striking the period at the end of clause (iv)
7 and inserting “, or”, and by adding at the end the fol-
8 lowing new clause:

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

11 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) is
12 amended—

13 (1) by inserting “, (e)(1)(E)(ii)(II),” after
14 “(b)(2)” each place it appears, and

15 (2) in subparagraph (B), by striking “clause
16 (ii)” in clause (i) and inserting “clauses (ii) and
17 (iii)”, by striking “and” at the end of clause (i), by
18 striking the period at the end of clause (ii) and in-
19 serting “, and”, and by inserting after clause (ii) the
20 following new clause:

21 “(iii) in the case of the dollar amount
22 in subsection (e)(1)(E)(ii)(II) for taxable
23 years beginning in calendar years after
24 2026, ‘calendar year 2025’.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to months beginning after Decem-
3 ber 31, 2025.

4 **SEC. 110206. ALLOWANCE OF BRONZE AND CATASTROPHIC**
5 **PLANS IN CONNECTION WITH HEALTH SAV-**
6 **INGS ACCOUNTS.**

7 (a) IN GENERAL.—Section 223(c)(2) is amended by
8 adding at the end the following new subparagraph:

9 “(H) BRONZE AND CATASTROPHIC PLANS
10 TREATED AS HIGH DEDUCTIBLE HEALTH
11 PLANS.—The term ‘high deductible health plan’
12 shall include any plan—

13 “(i) available as individual coverage
14 through an Exchange established under
15 section 1311 or 1321 of the Patient Pro-
16 tection and Affordable Care Act, and

17 “(ii) described in subsection (d)(1)(A)
18 or (e) of section 1302 of such Act.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to months beginning after Decem-
21 ber 31, 2025.

22 **SEC. 110207. ON-SITE EMPLOYEE CLINICS.**

23 (a) IN GENERAL.—Section 223(c)(1), as amended by
24 the preceding provisions of this Act, is amended by adding
25 at the end the following new subparagraph:

1 “(F) SPECIAL RULE FOR QUALIFIED ITEMS
2 AND SERVICES.—

3 “(i) IN GENERAL.—For purposes of
4 subparagraph (A)(ii), an individual shall
5 not be treated as covered under a health
6 plan described in subclauses (I) and (II) of
7 such subparagraph merely because the in-
8 dividual is eligible to receive, or receives,
9 qualified items and services—

10 “(I) at a healthcare facility lo-
11 cated at a facility owned or leased by
12 the employer of the individual (or of
13 the individual’s spouse), or

14 “(II) at a healthcare facility op-
15 erated primarily for the benefit of em-
16 ployees of the employer of the indi-
17 vidual (or of the individual’s spouse).

18 “(ii) QUALIFIED ITEMS AND SERVICES
19 DEFINED.—For purposes of this subpara-
20 graph, the term ‘qualified items and serv-
21 ices’ means the following:

22 “(I) Physical examination.

23 “(II) Immunizations, including
24 injections of antigens provided by em-
25 ployees.

1 “(III) Drugs or biologicals other
2 than a prescribed drug (as such term
3 is defined in section 213(d)(3)).

4 “(IV) Treatment for injuries oc-
5 curring in the course of employment.

6 “(V) Preventive care for chronic
7 conditions (as defined in clause (iv)).

8 “(VI) Drug testing.

9 “(VII) Hearing or vision
10 screenings and related services.

11 “(iii) AGGREGATION.—For purposes
12 of clause (i), all persons treated as a single
13 employer under subsection (b), (c), (m), or
14 (o) of section 414 shall be treated as a sin-
15 gle employer.

16 “(iv) PREVENTIVE CARE FOR CHRON-
17 IC CONDITIONS.—For purposes of this sub-
18 paragraph, the term ‘preventive care for
19 chronic conditions’ means any item or
20 service specified in the Appendix of Inter-
21 nal Revenue Service Notice 2019–45 which
22 is prescribed to treat an individual diag-
23 nosed with the associated chronic condition
24 specified in such Appendix for the purpose
25 of preventing the exacerbation of such

1 chronic condition or the development of a
2 secondary condition, including any amend-
3 ment, addition, removal, or other modifica-
4 tion made by the Secretary (pursuant to
5 the authority granted to the Secretary
6 under paragraph (2)(C)) to the items or
7 services specified in such Appendix subse-
8 quent to the date of publication of such
9 Notice.”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to months in taxable years begin-
12 ning after December 31, 2025.

13 **SEC. 110208. CERTAIN AMOUNTS PAID FOR PHYSICAL AC-**
14 **TIVITY, FITNESS, AND EXERCISE TREATED AS**
15 **AMOUNTS PAID FOR MEDICAL CARE.**

16 (a) IN GENERAL.—Section 223(d)(2)(A) is amended
17 by adding at the end the following: “For purposes of this
18 subparagraph, amounts paid for qualified sports and fit-
19 ness expenses shall be treated as paid for medical care.”.

20 (b) QUALIFIED SPORTS AND FITNESS EXPENSES.—
21 Section 223(d)(2) is amended by adding at the end the
22 following new subparagraph:

23 “(E) QUALIFIED SPORTS AND FITNESS EX-
24 PENSES.—For purposes of this paragraph—

1 “(i) IN GENERAL.—The term ‘quali-
2 fied sports and fitness expenses’ means
3 amounts paid exclusively for the sole pur-
4 pose of participating in a physical activity
5 including—

6 “(I) for membership at a fitness
7 facility, or

8 “(II) for participation or instruc-
9 tion in physical exercise or physical
10 activity.

11 “(ii) OVERALL DOLLAR LIMITA-
12 TION.—

13 “(I) IN GENERAL.—The aggre-
14 gate amount treated as qualified
15 sports and fitness expenses with re-
16 spect to any taxpayer for any taxable
17 year shall not exceed \$500 (\$1,000 in
18 the case of a joint return or a head of
19 household (as defined in section
20 2(b))).

21 “(II) MONTHLY LIMIT.—The
22 amount taken into account under sub-
23 paragraph (A) as paid for partici-
24 pating in a physical activity during a
25 month beginning during the taxable

1 year shall not exceed an amount equal
2 to 1/12 of the amount in effect with
3 respect to the taxpayer for the taxable
4 year under subclause (I).

5 “(iii) FITNESS FACILITY.—For pur-
6 poses of clause (i)(I), the term ‘fitness fa-
7 cility’ means a facility—

8 “(I) which provides instruction in
9 a program of physical exercise, offers
10 facilities for the preservation, mainte-
11 nance, encouragement, or development
12 of physical fitness, or serves as the
13 site of such a program of a State or
14 local government,

15 “(II) which is not a private club
16 owned and operated by its members,

17 “(III) which does not offer golf,
18 hunting, sailing, or riding facilities,

19 “(IV) the health or fitness com-
20 ponent of which is not incidental to its
21 overall function and purpose, and

22 “(V) which is fully compliant
23 with the State of jurisdiction and
24 Federal anti-discrimination laws.

1 “(iv) TREATMENT OF PERSONAL
2 TRAINERS, EXERCISE VIDEOS, ETC.—The
3 term ‘qualified sports and fitness expenses’
4 shall not include any amount paid for—

5 “(I) videos, books, or similar ma-
6 terials,

7 “(II) remote or virtual instruc-
8 tion in a physical exercise or physical
9 activity, unless such instruction is live,
10 or

11 “(III) one-on-one personal train-
12 ing.

13 “(v) PROGRAMS WHICH INCLUDE
14 COMPONENTS OTHER THAN PHYSICAL EX-
15 ERCEISE AND PHYSICAL ACTIVITY.—Rules
16 similar to the rules of section 213(d)(6)
17 shall apply in the case of any program that
18 includes physical exercise or physical activ-
19 ity and also other components. For pur-
20 poses of the preceding sentence, travel and
21 accommodations shall be treated as a sepa-
22 rate component.

23 “(vi) MEMBERSHIP, PARTICIPATION,
24 AND INSTRUCTION MUST BE CON-
25 TINUING.—An amount shall not be treated

1 as paid for the purpose of participating in
2 a physical activity unless—

3 “(I) in the case of a membership
4 at a fitness facility, such membership
5 is for more than 1 day, and

6 “(II) in the case of participation
7 or instruction in physical exercise or
8 physical activity, the amount paid
9 constitutes payment for more than 1
10 occasion of such participation or in-
11 struction.

12 “(vii) COST-OF-LIVING ADJUST-
13 MENT.—In the case of any taxable year be-
14 ginning in a calendar year after 2026, each
15 dollar amount in clause (ii)(I) shall be in-
16 creased by an amount equal to—

17 “(I) such dollar amount, multi-
18 plied by

19 “(II) the cost-of-living adjust-
20 ment determined under section 1(f)(3)
21 for the calendar year in which such
22 taxable year begins by substituting
23 ‘calendar year 2025’ for ‘calendar
24 year 2016’ in subparagraph (A)(ii)
25 thereof.

1 If any increase under the preceding sen-
2 tence is not a multiple of \$50, such in-
3 crease shall be rounded to the nearest mul-
4 tiple of \$50.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2025.

8 **SEC. 110209. ALLOW BOTH SPOUSES TO MAKE CATCH-UP**
9 **CONTRIBUTIONS TO THE SAME HEALTH SAV-**
10 **INGS ACCOUNT.**

11 (a) IN GENERAL.—Section 223(b)(5) is amended to
12 read as follows:

13 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS
14 WITH FAMILY COVERAGE.—

15 “(A) IN GENERAL.—In the case of individ-
16 uals who are married to each other, if both
17 spouses are eligible individuals and either
18 spouse has family coverage under a high de-
19 ductible health plan as of the first day of any
20 month—

21 “(i) the limitation under paragraph
22 (1) shall be applied by not taking into ac-
23 count any other high deductible health
24 plan coverage of either spouse (and if such
25 spouses both have family coverage under

1 separate high deductible health plans, only
2 one such coverage shall be taken into ac-
3 count),

4 “(ii) such limitation (after application
5 of clause (i)) shall be reduced by the ag-
6 gregate amount paid to Archer MSAs of
7 such spouses for the taxable year, and

8 “(iii) such limitation (after application
9 of clauses (i) and (ii)) shall be divided
10 equally between such spouses unless they
11 agree on a different division.

12 “(B) TREATMENT OF ADDITIONAL CON-
13 TRIBUTION AMOUNTS.—If both spouses referred
14 to in subparagraph (A) have attained age 55
15 before the close of the taxable year, the limita-
16 tion referred to in subparagraph (A)(iii) which
17 is subject to division between the spouses shall
18 include the additional contribution amounts de-
19 termined under paragraph (3) for both spouses.
20 In any other case, any additional contribution
21 amount determined under paragraph (3) shall
22 not be taken into account under subparagraph
23 (A)(iii) and shall not be subject to division be-
24 tween the spouses.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2025.

4 **SEC. 110210. FSA AND HRA TERMINATIONS OR CONVER-**
5 **SIONS TO FUND HSAs.**

6 (a) IN GENERAL.—Section 106(e)(2) is amended to
7 read as follows:

8 “(2) QUALIFIED HSA DISTRIBUTION.—For
9 purposes of this subsection—

10 “(A) IN GENERAL.—The term ‘qualified
11 HSA distribution’ means, with respect to any
12 employee, a distribution from a health flexible
13 spending arrangement or health reimbursement
14 arrangement of such employee contributed di-
15 rectly to a health savings account of such em-
16 ployee if—

17 “(i) such distribution is made in con-
18 nection with such employee establishing
19 coverage under a high deductible health
20 plan (as defined in section 223(c)(2)) if
21 during the 4-year period preceding the
22 date the employee so establishes coverage
23 the employee was not covered under such
24 a high deductible health plan, and

1 “(ii) such arrangement is described in
2 section 223(c)(1)(B)(v) with respect to any
3 portion of the plan year remaining after
4 such distribution is made, if such employee
5 remains enrolled in such arrangement.

6 “(B) DOLLAR LIMITATION.—The aggre-
7 gate amount of distributions from health flexi-
8 ble spending arrangements and health reim-
9 bursement arrangements of any employee which
10 may be treated as qualified HSA distributions
11 in connection with an establishment of coverage
12 described in subparagraph (A)(i) shall not ex-
13 ceed the dollar amount in effect under section
14 125(i)(1) (twice such amount in the case of cov-
15 erage which is described in section
16 223(b)(2)(B)).”.

17 (b) PARTIAL REDUCTION OF LIMITATION ON DE-
18 DUCTIBLE HSA CONTRIBUTIONS.—Section 223(b)(4) is
19 amended by striking “and” at the end of subparagraph
20 (B), by striking the period at the end of subparagraph
21 (C) and inserting “, and”, and by inserting after subpara-
22 graph (C) the following new subparagraph:

23 “(D) so much of any qualified HSA dis-
24 tribution (as defined in section 106(e)(2)) made
25 to a health savings account of such individual

1 during the taxable year as does not exceed the
2 aggregate increases in the balance of the ar-
3 rangement from which such distribution is
4 made which occur during the portion of the
5 plan year which precedes such distribution
6 (other than any balance carried over to such
7 plan year and determined without regard to any
8 decrease in such balance during such portion of
9 the plan year).”.

10 (c) CONVERSION TO HSA-COMPATIBLE ARRANGE-
11 MENT FOR REMAINDER OF PLAN YEAR.—Section
12 223(c)(1)(B), as amended by this preceding provisions of
13 this Act, is amended by striking “and” at the end of clause
14 (iii), by striking the period at the end of clause (iv) and
15 inserting “, and”, and by adding at the end the following
16 new clause:

17 “(v) coverage under a health flexible
18 spending arrangement or health reimburse-
19 ment arrangement for the portion of the
20 plan year after a qualified HSA distribu-
21 tion (as defined in section 106(e)(2) deter-
22 mined without regard to subparagraph
23 (A)(ii) thereof) is made, if the terms of
24 such arrangement which apply for such
25 portion of the plan year are such that, if

1 such terms applied for the entire plan
2 year, then such arrangement would not be
3 taken into account under subparagraph
4 (A)(ii) of this paragraph for such plan
5 year.”.

6 (d) INCLUSION OF QUALIFIED HSA DISTRIBUTIONS
7 ON W-2.—

8 (1) IN GENERAL.—Section 6051(a), as amend-
9 ed by the preceding provisions of this Act, is amend-
10 ed by striking “and” at the end of paragraph (19),
11 by striking the period at the end of paragraph (20)
12 and inserting “, and”, and by inserting after para-
13 graph (20) the following new paragraph:

14 “(21) the amount of any qualified HSA dis-
15 tribution (as defined in section 106(e)(2)) with re-
16 spect to such employee.”.

17 (2) CONFORMING AMENDMENT.—Section
18 6051(a)(12) is amended by inserting “(other than
19 any qualified HSA distribution, as defined in section
20 106(e)(2))” before the comma at the end.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to distributions made after Decem-
23 ber 31, 2025.

1 **SEC. 110211. SPECIAL RULE FOR CERTAIN MEDICAL EX-**
2 **PENSES INCURRED BEFORE ESTABLISHMENT**
3 **OF HEALTH SAVINGS ACCOUNT.**

4 (a) IN GENERAL.—Section 223(d)(2), as amended by
5 the preceding provisions of this Act, is amended by adding
6 at the end the following new subparagraph:

7 “(F) TREATMENT OF CERTAIN MEDICAL
8 EXPENSES INCURRED BEFORE ESTABLISHMENT
9 OF ACCOUNT.—If a health savings account is
10 established during the 60-day period beginning
11 on the date that coverage of the account bene-
12 ficiary under a high deductible health plan be-
13 gins, then, solely for purposes of determining
14 whether an amount paid is used for a qualified
15 medical expense, such account shall be treated
16 as having been established on the date that
17 such coverage begins.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply with respect to coverage beginning
20 after December 31, 2025.

21 **SEC. 110212. CONTRIBUTIONS PERMITTED IF SPOUSE HAS**
22 **HEALTH FLEXIBLE SPENDING ARRANGE-**
23 **MENT.**

24 (a) CONTRIBUTIONS PERMITTED IF SPOUSE HAS A
25 HEALTH FLEXIBLE SPENDING ARRANGEMENT.—Section
26 223(c)(1)(B), as amended by this preceding provisions of

1 this Act, is amended by striking “and” at the end of clause
2 (iv), by striking the period at the end of clause (v) and
3 inserting “, and”, and by adding at the end the following
4 new clause:

5 “(vi) coverage under a health flexible
6 spending arrangement of the spouse of the
7 individual for any plan year of such ar-
8 rangement if the aggregate reimburse-
9 ments under such arrangement for such
10 year do not exceed the aggregate expenses
11 which would be eligible for reimbursement
12 under such arrangement if such expenses
13 were determined without regard to any ex-
14 penses paid or incurred with respect to
15 such individual.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to plan years beginning after De-
18 cember 31, 2025.

19 **SEC. 110213. INCREASE IN HEALTH SAVINGS ACCOUNT CON-**
20 **TRIBUTION LIMITATION FOR CERTAIN INDI-**
21 **VIDUALS.**

22 (a) INCREASE.—

23 (1) IN GENERAL.—Section 223(b) is amended
24 by adding at the end the following new paragraph:

1 “(9) INCREASE IN LIMITATION FOR CERTAIN
2 TAXPAYERS.—

3 “(A) IN GENERAL.—The applicable limita-
4 tion under subparagraphs (A) and (B) of para-
5 graph (2) shall be increased by \$4,300 and
6 \$8,550, respectively.

7 “(B) LIMITATION BASED ON MODIFIED
8 ADJUSTED GROSS INCOME.—The amount of the
9 increase under subparagraph (A) (determined
10 without regard to this subparagraph) shall be
11 reduced (but not below zero) by the amount
12 which bears the same ratio to the amount of
13 such increase (as so determined) as—

14 “(i) the excess (if any) of—

15 “(I) the taxpayer’s adjusted
16 gross income for such taxable year,
17 over

18 “(II) \$75,000 (\$150,000 in the
19 case of a joint return, if the eligible
20 individual has family coverage), bears
21 to

22 “(ii) \$25,000 (\$50,000 in the case of
23 a joint return, if the eligible individual has
24 family coverage).

1 For purposes of the preceding sentence, ad-
2 justed gross income shall be determined in the
3 same manner as under section 219(g)(3)(A),
4 except determined without regard to any deduc-
5 tion allowed under this section.”.

6 (2) ONLY TO APPLY TO EMPLOYEE CONTRIBU-
7 TIONS.—Section 106(d)(1) is amended by inserting
8 “and section 223(b)(9)” after “determined without
9 regard to this subsection”.

10 (b) INFLATION ADJUSTMENT.—Section 223(g), as
11 amended by the preceding provisions of this Act, is amend-
12 ed—

13 (1) by inserting “, (b)(9)(A), (b)(9)(B)(i)(II),”
14 before “and (c)(2)(A)” each place it appears,

15 (2) by striking “clauses (ii) and (ii)” in para-
16 graph (1)(B)(i) and inserting “clauses (ii), (iii), and
17 (iv)”,

18 (3) by striking “and” at the end of paragraph
19 (1)(B)(ii),

20 (4) by striking the period at the end of para-
21 graph (1)(B)(iii) and inserting “, and”, and

22 (5) by inserting after paragraph (1)(B)(iii) the
23 following new clause:

1 “(iv) in the case of the dollar amounts
2 in subsections (b)(9)(A) and
3 (b)(9)(B)(i)(II), ‘calendar year 2025.’”.

4 (c) EFFECTIVE DATE.—

5 (1) SUBSECTION (a).—The amendments made
6 by subsection (a) shall apply to taxable years begin-
7 ning after December 31, 2025.

8 (2) SUBSECTION (b).—The amendments made
9 by subsection (b) shall apply to taxable years begin-
10 ning after December 31, 2026.

11 **SEC. 110214. REGULATIONS.**

12 The Secretary of the Treasury and the Secretary of
13 Health and Human Services may each prescribe such rules
14 and other guidance as may be necessary or appropriate
15 to carry out the amendments made by this part.

16 **Subtitle B—Make Rural America**
17 **and Main Street Grow Again**

18 **PART 1—EXTENSION OF TAX CUTS AND JOBS ACT**
19 **REFORMS FOR RURAL AMERICA AND MAIN**
20 **STREET**

21 **SEC. 111001. EXTENSION OF SPECIAL DEPRECIATION AL-**
22 **LOWANCE FOR CERTAIN PROPERTY.**

23 (a) IN GENERAL.—Section 168(k) is amended—

24 (1) in paragraph (2)—

1 (A) by striking “January 1, 2027” each
2 place it appears and inserting “January 1,
3 2030”, and

4 (B) in subparagraph (B)—

5 (i) in clause (i)(II), by striking “Janu-
6 ary 1, 2028” and inserting “January 1,
7 2031”, and

8 (ii) in the heading of clause (ii), by
9 striking “PRE-JANUARY 1, 2027 BASIS” and
10 inserting “PRE-JANUARY 1, 2030 BASIS”,

11 (2) in paragraph (5)(A), by striking “January
12 1, 2027” and inserting “January 1, 2030”, and

13 (3) in paragraph (6)—

14 (A) in subparagraph (A)—

15 (i) by inserting “in the case of prop-
16 erty acquired by the taxpayer before Janu-
17 ary 20, 2025,” after “Except as otherwise
18 provided in this paragraph,” and

19 (ii) by striking “and” at the end of
20 clause (iv), by striking the period at the
21 end of clause (v) and inserting “, and”,
22 and by adding at the end the following new
23 clause:

1 “(vi) in the case of property placed in
2 service after December 31, 2026, 0 per-
3 cent.”,

4 (B) in subparagraph (B)—

5 (i) by striking “In the case of prop-
6 erty described” and inserting “In the case
7 of property acquired by the taxpayer before
8 January 20, 2025 and described”, and

9 (ii) by striking “and” at the end of
10 clause (iv), by striking the period at the
11 end of clause (v) and inserting “, and”,
12 and by adding at the end the following new
13 clause:

14 “(vi) in the case of property placed in
15 service after December 31, 2027, 0 per-
16 cent.”,

17 (C) in subparagraph (C), by inserting
18 “and” at the end of clause (iii), by striking
19 clauses (iv) and (v), and by adding at the end
20 the following new clause:

21 “(iv) in the case of a plant which is
22 planted or grafted after January 19, 2025,
23 and before January 1, 2030, 100 per-
24 cent.”, and

1 (D) by adding at the end the following new
2 subparagraph:

3 “(D) RULE FOR PROPERTY ACQUIRED
4 AFTER JANUARY 19, 2025.—

5 “(i) IN GENERAL.—In the case of
6 property acquired by the taxpayer after
7 January 19, 2025 and placed in service
8 after such date and before January 1,
9 2030 (January 1, 2031, in the case of
10 property described in subparagraph (B) or
11 (C) of paragraph (2)), the term ‘applicable
12 percentage’ means 100 percent.

13 “(ii) ACQUISITION DATE DETERMINA-
14 TION.—For purposes of clause (i), property
15 shall not be treated as acquired after the
16 date on which a written binding contract is
17 entered into for such acquisition.”.

18 (b) CONFORMING AMENDMENT.—Section
19 460(c)(6)(B) is amended by striking “which” and all that
20 follows through the period and inserting “which has a re-
21 covery period of 7 years or less.”.

22 (c) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as provided by para-
24 graph (2), the amendments made by this section

1 shall apply to property acquired after January 19,
2 2025 and placed in service after such date.

3 (2) SPECIFIED PLANTS.—The amendments
4 made by this section shall apply to specified plants
5 planted or grafted after January 19, 2025.

6 **SEC. 111002. DEDUCTION OF DOMESTIC RESEARCH AND EX-**
7 **PERIMENTAL EXPENDITURES.**

8 (a) SUSPENSION OF AMORTIZATION FOR DOMESTIC
9 RESEARCH AND EXPERIMENTAL EXPENDITURES.—Sec-
10 tion 174 is amended by adding at the end the following
11 new subsection:

12 “(e) SUSPENSION OF APPLICATION TO DOMESTIC
13 RESEARCH AND EXPERIMENTAL EXPENDITURES.—In the
14 case of any domestic research or experimental expendi-
15 tures (as defined in section 174A(b)), this section shall
16 not apply to such expenditures paid or incurred in taxable
17 years beginning after December 31, 2024, and before Jan-
18 uary 1, 2030.”.

19 (b) REINSTATEMENT OF EXPENSING FOR DOMESTIC
20 RESEARCH AND EXPERIMENTAL EXPENDITURES.—Part
21 VI of subchapter B of chapter 1 is amended by inserting
22 after section 174 the following new section:

1 **“SEC. 174A. TEMPORARY RULES FOR DOMESTIC RESEARCH**
2 **AND EXPERIMENTAL EXPENDITURES.**

3 “(a) TREATMENT AS EXPENSES.—Notwithstanding
4 section 263, there shall be allowed as a deduction any do-
5 mestic research or experimental expenditures which are
6 paid or incurred by the taxpayer during the taxable year.

7 “(b) DOMESTIC RESEARCH OR EXPERIMENTAL EX-
8 PENDITURES.—For purposes of this section, the term ‘do-
9 mestic research or experimental expenditures’ means re-
10 search or experimental expenditures paid or incurred by
11 the taxpayer in connection with the taxpayer’s trade or
12 business other than such expenditures which are attrib-
13 utable to foreign research (within the meaning of section
14 41(d)(4)(F)).

15 “(c) AMORTIZATION OF CERTAIN DOMESTIC RE-
16 SEARCH AND EXPERIMENTAL EXPENDITURES.—

17 “(1) IN GENERAL.—At the election of the tax-
18 payer, made in accordance with regulations or other
19 guidance provided by the Secretary, in the case of
20 domestic research or experimental expenditures
21 which would (but for subsection (a)) be chargeable
22 to capital account but not chargeable to property of
23 a character which is subject to the allowance under
24 section 167 (relating to allowance for depreciation,
25 etc.) or section 611 (relating to allowance for deple-

1 tion), subsection (a) shall not apply and the tax-
2 payer shall—

3 “(A) charge such expenditures to capital
4 account, and

5 “(B) be allowed an amortization deduction
6 of such expenditures ratably over such period of
7 not less than 60 months as may be selected by
8 the taxpayer (beginning with the midpoint of
9 the taxable year in which such expenditures are
10 paid or incurred).

11 “(2) TIME FOR AND SCOPE OF ELECTION.—The
12 election provided by paragraph (1) may be made for
13 any taxable year, but only if made not later than the
14 time prescribed by law for filing the return for such
15 taxable year (including extensions thereof). The
16 method so elected, and the period selected by the
17 taxpayer, shall be adhered to in computing taxable
18 income for the taxable year for which the election is
19 made and for all subsequent taxable years unless,
20 with the approval of the Secretary, a change to a
21 different method (or to a different period) is author-
22 ized with respect to part or all of such expenditures.
23 The election shall not apply to any expenditure paid
24 or incurred during any taxable year before the tax-
25 able year for which the taxpayer makes the election.

1 “(d) SPECIAL RULES.—

2 “(1) LAND AND OTHER PROPERTY.—This sec-
3 tion shall not apply to any expenditure for the acqui-
4 sition or improvement of land, or for the acquisition
5 or improvement of property to be used in connection
6 with the research or experimentation and of a char-
7 acter which is subject to the allowance under section
8 167 (relating to allowance for depreciation, etc.) or
9 section 611 (relating to allowance for depletion); but
10 for purposes of this section allowances under section
11 167, and allowances under section 611, shall be con-
12 sidered as expenditures.

13 “(2) EXPLORATION EXPENDITURES.—This sec-
14 tion shall not apply to any expenditure paid or in-
15 curred for the purpose of ascertaining the existence,
16 location, extent, or quality of any deposit of ore or
17 other mineral (including oil and gas).

18 “(3) SOFTWARE DEVELOPMENT.—For purposes
19 of this section, any amount paid or incurred in con-
20 nection with the development of any software shall
21 be treated as a research or experimental expendi-
22 ture.

23 “(e) TERMINATION.—

1 “(1) IN GENERAL.—This section shall not apply
2 to amounts paid or incurred in taxable years begin-
3 ning after December 31, 2029.

4 “(2) CHANGE IN METHOD OF ACCOUNTING.—In
5 the case of a taxpayer’s first taxable year beginning
6 after December 31, 2029, paragraph (1) (and the
7 corresponding application of section 174) shall be
8 treated as a change in method of accounting for pur-
9 poses of section 481 and—

10 “(A) such change shall be treated as initi-
11 ated by the taxpayer,

12 “(B) such change shall be treated as made
13 with the consent of the Secretary, and

14 “(C) such change shall be applied only on
15 a cut-off basis for any domestic research or ex-
16 perimental expenditures paid or incurred in tax-
17 able years beginning after December 31, 2029,
18 and no adjustment under section 481(a) shall
19 be made.”.

20 (c) TREATMENT OF FOREIGN RESEARCH OR EXPERI-
21 MENTAL EXPENDITURES UPON DISPOSITION.—Section
22 174(d) is amended by inserting “or reduction to amount
23 realized” after “no deduction”.

24 (d) COORDINATION WITH CERTAIN OTHER PROVI-
25 SIONS.—

1 (1) RESEARCH CREDIT.—

2 (A) Section 41(d)(1)(A) is amended by in-
3 serting “or domestic research or experimental
4 expenditures under section 174A” after “sec-
5 tion 174”.

6 (B) Section 280C(c) is amended by adding
7 at the end the following new paragraph:

8 “(4) DOMESTIC RESEARCH OR EXPERIMENTAL
9 EXPENDITURES.—The domestic research or experi-
10 mental expenditures otherwise taken into account
11 under section 174A shall be reduced by the amount
12 of the credit allowed under section 41(a).”.

13 (C) Section 280C(c) is amended—

14 (i) in paragraph (1)(B)—

15 (I) by striking “a deduction” and
16 inserting “an amortization deduc-
17 tion”, and

18 (II) by inserting “under section
19 174” after “basic research expenses”,
20 and

21 (ii) in paragraph (2)(A)(i), by striking
22 “paragraph (1)” and inserting “para-
23 graphs (1) and (4)”.

24 (2) AMT ADJUSTMENT.—Section 56(b)(2) is
25 amended—

1 (A) by striking “174(a)” each place it ap-
2 pears and inserting “174A(a)”, and

3 (B) by adding at the end of subparagraph
4 (A) the following new flush sentence:

5 “In the case of research and experimental ex-
6 penditures charged to capital account and am-
7 ortized under section 174 or 174A, such
8 amounts shall be amortized for purposes of this
9 subsection as provided in clause (ii).”.

10 (3) OPTIONAL 10-YEAR WRITEOFF.—Section
11 59(e)(2)(B) is amended by striking “section 174(a)
12 (relating to research and experimental expendi-
13 tures)” and inserting “section 174A(a) (relating to
14 temporary rules for domestic research and experi-
15 mental expenditures)”.

16 (4) QUALIFIED SMALL ISSUE BONDS.—Section
17 144(a)(4)(C)(iv) is amended by inserting “or
18 174A(a)” after “174(a)”.

19 (5) START-UP EXPENDITURES.—Section
20 195(c)(1) is amended by striking “or 174” in the
21 last sentence and inserting “174, or 174A”.

22 (6) CAPITAL EXPENDITURES.—

23 (A) Section 263(a)(1)(B) is amended by
24 inserting “ or 174A” after “174”.

1 (B) Section 263A(e)(2) is amended by in-
2 serting “or 174A” after “174”.

3 (7) ACTIVE BUSINESS COMPUTER SOFTWARE
4 ROYALTIES.—Section 543(d)(4)(A)(i) is amended by
5 inserting “174A,” after “174,”.

6 (8) SOURCE RULES.—Section 864(g)(2) is
7 amended in the last sentence—

8 (A) by striking “treated as deferred ex-
9 penses under subsection (b) of section 174” and
10 inserting “allowed as an amortization deduction
11 under section 174(a) or section 174A(c),” and

12 (B) by striking “such subsection” and in-
13 serting “such section (as the case may be)”.

14 (9) BASIS ADJUSTMENT.—Section 1016(a)(14)
15 is amended by striking “deductions as deferred ex-
16 penses under section 174(b)(1) (relating to research
17 and experimental expenditures)” and inserting “de-
18 ductions under section 174 or 174A(c)”.

19 (10) SMALL BUSINESS STOCK.—Section
20 1202(e)(2)(B) is amended by striking “research and
21 experimental expenditures under section 174” and
22 inserting “specified research or experimental expend-
23 itures under section 174 or domestic research or ex-
24 perimental expenditures under section 174A”.

1 (e) CLERICAL AMENDMENT.—The table of sections
2 for part VI of subchapter B of chapter 1 is amended by
3 inserting after the item relating to section 174 the fol-
4 lowing new item:

“Sec. 174A. Temporary rules for domestic research and experimental expendi-
tures.”.

5 (f) EFFECTIVE DATE AND SPECIAL RULE.—

6 (1) IN GENERAL.—Except as otherwise pro-
7 vided in this subsection, the amendments made by
8 this section shall apply to amounts paid or incurred
9 in taxable years beginning after December 31, 2024.

10 (2) TREATMENT OF FOREIGN RESEARCH OR
11 EXPERIMENTAL EXPENDITURES UPON DISPOSI-
12 TION.—The amendment made by subsection (c) shall
13 apply to property disposed, retired, or abandoned
14 after May 12, 2025.

15 (3) COORDINATION WITH RESEARCH CREDIT.—
16 The amendments made by subparagraphs (B) and
17 (C) of subsection (d)(1) shall apply to taxable years
18 beginning after December 31, 2024.

19 (4) SPECIAL RULE FOR SHORT TAXABLE
20 YEARS.—The Secretary of the Treasury may pre-
21 scribe such rules as are necessary or appropriate to
22 provide for the application of the amendments made
23 by this section in the case of any taxable year of less
24 than 12 months that begins after December 31,

1 2024, and ends before the date of the enactment of
2 this Act.

3 (5) CHANGE IN METHOD OF ACCOUNTING.—

4 The amendments made by this section shall be treat-
5 ed as a change in method of accounting for purposes
6 of section 481 of the Internal Revenue Code of 1986
7 and—

8 (A) such change shall be treated as initi-
9 ated by the taxpayer,

10 (B) such change shall be treated as made
11 with the consent of the Secretary, and

12 (C) such change shall be applied only on a
13 cut-off basis for any research or experimental
14 expenditures paid or incurred in taxable years
15 beginning after December 31, 2024, and no ad-
16 justments under section 481(a) shall be made.

17 (6) NO INFERENCE.—The amendments made
18 by subparagraphs (B) and (C) of subsection (d)(1)
19 shall not be construed to create any inference with
20 respect to the proper application of section 280C(e)
21 of the Internal Revenue Code of 1986 with respect
22 to taxable years beginning before January 1, 2025.

1 **SEC. 111003. MODIFIED CALCULATION OF ADJUSTED TAX-**
2 **ABLE INCOME FOR PURPOSES OF BUSINESS**
3 **INTEREST DEDUCTION.**

4 (a) IN GENERAL.—Section 163(j)(8)(A)(v) is amend-
5 ed by striking “beginning before January 1, 2022” and
6 inserting “beginning after December 31, 2024 and before
7 January 1, 2030”.

8 (b) FLOOR PLAN FINANCING APPLICABLE TO CER-
9 TAIN TRAILERS AND CAMPERS.—Section 163(j)(9)(C) is
10 amended by adding at the end the following new flush sen-
11 tence:

12 “Such term shall also include any trailer or
13 camper which is designed to provide temporary
14 living quarters for recreational, camping, or
15 seasonal use and is designed to be towed by, or
16 affixed to, a motor vehicle.”.

17 (c) EFFECTIVE DATE AND SPECIAL RULE.—

18 (1) IN GENERAL.—The amendments made by
19 this section shall apply to taxable years beginning
20 after December 31, 2024.

21 (2) SPECIAL RULE FOR SHORT TAXABLE
22 YEARS.—The Secretary of the Treasury may pre-
23 scribe such rules as are necessary or appropriate to
24 provide for the application of the amendments made
25 by this section in the case of any taxable year of less
26 than 12 months that begins after December 31,

1 2024, and ends before the date of the enactment of
2 this Act.

3 **SEC. 111004. EXTENSION OF DEDUCTION FOR FOREIGN-DE-**
4 **RIVED INTANGIBLE INCOME AND GLOBAL IN-**
5 **TANGIBLE LOW-TAXED INCOME.**

6 (a) IN GENERAL.—Section 250(a) is amended—

7 (1) by striking “37.5 percent” in paragraph
8 (1)(A) and inserting “36.5 percent”,

9 (2) by striking “50 percent” in paragraph
10 (1)(B) and inserting “49.2 percent”, and

11 (3) by striking paragraph (3).

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

15 **SEC. 111005. EXTENSION OF BASE EROSION MINIMUM TAX**
16 **AMOUNT.**

17 (a) IN GENERAL.—Section 59A(b) is amended—

18 (1) by striking “10 percent” in paragraph (1)
19 and inserting “10.1 percent”, and

20 (2) by striking paragraph (2) and by redesignig-
21 nating paragraphs (3) and (4) as paragraphs (2)
22 and (3), respectively.

23 (b) CONFORMING AMENDMENTS.—

1 **PART 2—ADDITIONAL TAX RELIEF FOR RURAL**
2 **AMERICA AND MAIN STREET**
3 **SEC. 111101. SPECIAL DEPRECIATION ALLOWANCE FOR**
4 **QUALIFIED PRODUCTION PROPERTY.**

5 (a) IN GENERAL.—Section 168 is amended by adding
6 at the end the following new subsection:

7 “(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUC-
8 TION PROPERTY.—

9 “(1) IN GENERAL.—In the case of any qualified
10 production property—

11 “(A) the depreciation deduction provided
12 by section 167(a) for the taxable year in which
13 such property is placed in service shall include
14 an allowance equal to 100 percent of the ad-
15 justed basis of the qualified production prop-
16 erty, and

17 “(B) the adjusted basis of the qualified
18 production property shall be reduced by the
19 amount of such deduction before computing the
20 amount otherwise allowable as a depreciation
21 deduction under this chapter for such taxable
22 year and any subsequent taxable year.

23 “(2) QUALIFIED PRODUCTION PROPERTY.—For
24 purposes of this subsection—

1 “(A) IN GENERAL.—The term ‘qualified
2 production property’ means that portion of any
3 nonresidential real property—

4 “(i) to which this section applies,

5 “(ii) which is used by the taxpayer as
6 an integral part of a qualified production
7 activity,

8 “(iii) which is placed in service in the
9 United States or any possession of the
10 United States,

11 “(iv) the original use of which com-
12 mences with the taxpayer,

13 “(v) the construction of which begins
14 after January 19, 2025, and before Janu-
15 ary 1, 2029,

16 “(vi) with respect to which the tax-
17 payer has elected the application of this
18 subsection, and

19 “(vii) which is placed in service before
20 January 1, 2033.

21 “(B) SPECIAL RULE FOR CERTAIN PROP-
22 ERTY NOT PREVIOUSLY USED IN QUALIFIED
23 PRODUCTION ACTIVITIES.—

24 “(i) IN GENERAL.—In the case of
25 property acquired by the taxpayer during

1 the period described in subparagraph
2 (A)(v), the requirements of clauses (iv) and
3 (v) of subparagraph (A) shall be treated as
4 satisfied if such property was not used in
5 a qualified production activity (determined
6 without regard to the second sentence of
7 subparagraph (D)) by any person at any
8 time during the period beginning on Janu-
9 ary 1, 2021, and ending on May 12, 2025.

10 “(ii) WRITTEN BINDING CON-
11 TRACTS.—For purposes of determining
12 under clause (i)—

13 “(I) whether such property is ac-
14 quired before the period described in
15 subparagraph (A)(v), such property
16 shall be treated as acquired not later
17 than the date on which the taxpayer
18 enters into a written binding contract
19 for such acquisition, and

20 “(II) whether such property is
21 acquired after such period, such prop-
22 erty shall be treated as acquired not
23 earlier than such date.

24 “(C) EXCLUSION OF OFFICE SPACE,
25 ETC.—The term ‘qualified production property’

1 shall not include that portion of any nonresi-
2 dential real property which is used for offices,
3 administrative services, lodging, parking, sales
4 activities, research activities, software engineer-
5 ing activities, or other functions unrelated to
6 manufacturing, production, or refining of tan-
7 gible personal property.

8 “(D) QUALIFIED PRODUCTION ACTIVITY.—

9 The term ‘qualified production activity’ means
10 the manufacturing, production, or refining of a
11 qualified product. The activities of any taxpayer
12 do not constitute manufacturing, production, or
13 refining of a qualified product unless the activi-
14 ties of such taxpayer result in a substantial
15 transformation of the property comprising the
16 product.

17 “(E) PRODUCTION.—The term ‘produc-

18 tion’ shall not include activities other than agri-
19 cultural production and chemical production.

20 “(F) QUALIFIED PRODUCT.—The term

21 ‘qualified product’ means any tangible personal
22 property.

23 “(G) SYNDICATION.—For purposes of sub-

24 paragraph (A)(iv), rules similar to the rules of
25 subsection (k)(2)(E)(iii) shall apply.

1 “(3) DEDUCTION ALLOWED IN COMPUTING
2 MINIMUM TAX.—For purposes of determining alter-
3 native minimum taxable income under section 55,
4 the deduction under section 167 for qualified pro-
5 duction property shall be determined under this sec-
6 tion without regard to any adjustment under section
7 56.

8 “(4) COORDINATION WITH CERTAIN OTHER
9 PROVISIONS.—

10 “(A) OTHER SPECIAL DEPRECIATION AL-
11 LOWANCES.—The term ‘qualified production
12 property’ shall not include any property to
13 which subsection (k), (l), or (m) applies. For
14 purposes of subsections (k)(7), (l)(3)(D), and
15 (m)(2)(B)(iii), qualified production property to
16 which this subsection applies shall be treated as
17 a separate class of property.

18 “(B) ALTERNATIVE DEPRECIATION PROP-
19 ERTY.—The term ‘qualified production prop-
20 erty’ shall not include any property to which the
21 alternative depreciation system under sub-
22 section (g) applies. For purposes of subsection
23 (g)(7)(A), qualified production property to
24 which this subsection applies shall be treated as
25 separate nonresidential real property.

1 “(5) RECAPTURE.—If, at any time during the
2 10-year period beginning on the date that any quali-
3 fied production property is placed in service by the
4 taxpayer, such property ceases to be used as de-
5 scribed in paragraph (2)(A)(ii) and is used by the
6 taxpayer in a productive use not described in para-
7 graph (2)(A)(ii)—

8 “(A) section 1245 shall be applied—

9 “(i) by treating such property as hav-
10 ing been disposed of by the taxpayer as of
11 the first time such property is so used in
12 a productive use not described in para-
13 graph (2)(A)(ii), and

14 “(ii) by treating the amount described
15 in subparagraph (B) of section 1245(a)(1)
16 with respect to such disposition as being
17 not less than the amount described in sub-
18 paragraph (A) of such section, and

19 “(B) the basis of the taxpayer in such
20 property, and the taxpayer’s allowance for de-
21 preciation with respect to such property, shall
22 be appropriately adjusted to take into account
23 amounts recognized by reason of subparagraph
24 (A).

1 “(6) REGULATIONS.—The Secretary shall issue
2 such regulations or other guidance as may be nec-
3 essary or appropriate to carry out the purposes of
4 this subsection, including regulations or other guid-
5 ance—

6 “(A) regarding what constitutes a substan-
7 tial transformation of property, and

8 “(B) providing for the application of para-
9 graph (5) with respect to a change in use de-
10 scribed in such paragraph by a transferee fol-
11 lowing a fully or partially tax free transfer of
12 qualified production property.”.

13 (b) TREATMENT OF QUALIFIED PRODUCTION PROP-
14 ERTY AS SECTION 1245 PROPERTY.—Section 1245(a)(3)
15 is amended by striking “or” at the end of subparagraph
16 (E), by striking the period at the end of subparagraph
17 (F) and inserting “, or”, and by adding at the end the
18 following new subparagraph:

19 “(G) any qualified production property (as
20 defined in section 168(n)(2)).”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to property placed in service after
23 the date of the enactment of this Act.

1 **SEC. 111102. RENEWAL AND ENHANCEMENT OF OPPOR-**
2 **TUNITY ZONES.**

3 (a) **MODIFICATION OF LOW-INCOME COMMUNITY**
4 **DEFINITION.**—Section 1400Z-1(c)(1) is amended—

5 (1) by striking “COMMUNITIES.—The term”
6 and inserting the following: “COMMUNITIES.—

7 “(A) **IN GENERAL.**—The term”, and

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

9 “(B) **MODIFICATIONS.**—For purposes of
10 subparagraph (A), section 45D(e)(1) shall be
11 applied in subparagraph (B) thereof, by sub-
12 stituting ‘70 percent’ for ‘80 percent’ each
13 place it appears.

14 “(C) **CERTAIN CENSUS TRACTS DIS-**
15 **ALLOWED.**—The term ‘low-income community’
16 shall not include any population census tract
17 if—

18 “(i) in the case of a tract not located
19 within a metropolitan area, the median
20 family income for such tract is at least 125
21 percent of statewide median family income,
22 or

23 “(ii) in the case of a tract located
24 within a metropolitan area, the median
25 family income for such tract is at least 125

1 percent of the metropolitan area median
2 family income.”.

3 (b) NEW ROUND OF QUALIFIED OPPORTUNITY ZONE
4 DESIGNATIONS.—

5 (1) IN GENERAL.—Section 1400Z–1 is amended
6 by adding at the end the following new subsection:

7 “(g) NEW ROUND OF QUALIFIED OPPORTUNITY
8 ZONE DESIGNATIONS.—

9 “(1) IN GENERAL.—In addition to designations
10 under subsection (b), and under rules similar to the
11 rules of such subsection, the Secretary shall des-
12 ignate tracts nominated by the chief executive offi-
13 cers of States for purposes of this section.

14 “(2) NUMBER OF DESIGNATIONS; PROPORTION
15 OF RURAL AREAS DESIGNATED.—

16 “(A) IN GENERAL.—Of the low-income
17 communities within a State, the Secretary may
18 designate under this subsection not more than
19 25 percent as qualified opportunity zones, of
20 which at least the lesser of the following shall
21 be qualified opportunity zones which are com-
22 prised entirely of a rural area:

23 “(i) The applicable percentage of the
24 total number of qualified opportunity zone

1 designations which may be made within
2 the State under this subsection.

3 “(ii) All low-income communities with-
4 in the State which are comprised entirely
5 of a rural area.

6 “(B) APPLICABLE PERCENTAGE.—For
7 purposes of this paragraph, the applicable per-
8 centage shall be, for any calendar year during
9 which a designation is made, the greater of—

10 “(i) 33 percent, or

11 “(ii) the percentage of the United
12 States population living within a rural area
13 for the preceding calendar year.

14 “(3) RURAL AREA.—Whether a low-income
15 community is comprised entirely of a rural area shall
16 be determined by the Secretary in consultation with
17 the Secretary of Agriculture. For purposes of this
18 subsection, the term ‘rural area’ has the meaning
19 given such term by section 343(a)(13)(A) of the
20 Consolidated Farm and Rural Development Act.

21 “(4) PERIOD FOR WHICH DESIGNATION IS IN
22 EFFECT.—A designation as a qualified opportunity
23 zone under this subsection shall remain in effect for
24 the period beginning on January 1, 2027, and end-
25 ing on December 31, 2033.

1 “(5) CONTIGUOUS TRACTS NOT ELIGIBLE.—
2 Subsection (e) shall not apply to designations made
3 under this subsection.”.

4 (2) ELECTION WITH RESPECT TO NEW ROUND
5 OF ZONES.—Section 1400Z–2(a)(2)(B) is amended
6 by striking “December 31, 2026” and inserting
7 “December 31, 2033”.

8 (3) YEAR OF INCLUSION.—Section 1400Z–
9 2(b)(1)(B) is amended to read as follows:

10 “(B)(i) December 31, 2026, in the case of
11 an amount invested before January 1, 2027,
12 and

13 “(ii) December 31, 2033, in the case of an
14 amount invested after December 31, 2026, and
15 before January 1, 2034.”.

16 (4) WINDING DOWN INITIAL ZONE DESIGNA-
17 TIONS.—Section 1400Z–1(f) is amended—

18 (A) by striking “and ending” and all that
19 follows and inserting the following: “and ending
20 on December 31, 2026.”, and

21 (B) by striking “A designation” and in-
22 serting “Except as provided in subsection
23 (g)(4), a designation”.

24 (c) MODIFICATION OF OPPORTUNITY ZONE INVEST-
25 MENT INCENTIVES.—

1 (1) CONSOLIDATED BASIS INCREASES; RURAL
2 ZONE BASIS INCREASE.—Section 1400Z-2(b)(2)(B)
3 is amended by adding at the end the following new
4 clauses:

5 “(v) CONSOLIDATED BASIS INCREASE
6 FOR INVESTMENTS AFTER 2026.—In the
7 case of investments made after December
8 31, 2026—

9 “(I) clauses (iii) and (iv) shall
10 not apply, and

11 “(II) for any such investment
12 held by the taxpayer for at least 5
13 years, the basis of such adjustment
14 shall be increased by an amount equal
15 to 10 percent of the amount of gain
16 deferred by reason of subsection
17 (a)(1)(A).

18 “(vi) SPECIAL RULE FOR RURAL OP-
19 PORTUNITY FUNDS.—Clause (v) shall be
20 applied by substituting ‘30 percent’ for ‘10
21 percent’ in the case of an investment in a
22 qualified rural opportunity fund.

23 “(vii) QUALIFIED RURAL OPPOR-
24 TUNITY FUND.—For purposes of clause
25 (vi), a ‘qualified rural opportunity fund’

1 means a qualified opportunity fund that
2 holds at least 90 percent of its assets in
3 qualified opportunity zone property
4 which—

5 “(I) is qualified opportunity zone
6 business property substantially all of
7 the use of which, during substantially
8 all of the fund’s holding period for
9 such property, was in a qualified op-
10 portunity zone comprised entirely of a
11 rural area, or

12 “(II) is qualified opportunity
13 zone stock, or a qualified opportunity
14 zone partnership interest, in a quali-
15 fied opportunity zone business in
16 which substantially all of the tangible
17 property owned or leased is qualified
18 opportunity zone business property
19 described in subsection (d)(3)(A)(i)
20 and substantially all the use of which
21 is in a qualified opportunity zone com-
22 prised entirely of a rural area.

23 For purposes of the preceding sentence,
24 property held in the fund shall be meas-

1 ured under rules similar to the rules of
2 subsection (d)(1).”.

3 (2) LIMITED TREATMENT OF ORDINARY IN-
4 COME.—Section 1400Z–2(a) is amended by adding
5 at the end the following new paragraph:

6 “(3) SPECIAL RULE FOR ORDINARY INCOME.—
7 In the case of any ordinary income of the taxpayer
8 for the taxable year—

9 “(A) the taxpayer may elect the applica-
10 tion of paragraph (1) with respect to so much
11 of ordinary income as does not exceed \$10,000
12 (reduced by the amount of any income with re-
13 spect to which an election pursuant to this
14 paragraph has previously been made), and

15 “(B) subsection (b)(2)(B) shall not apply
16 to the investment with respect to such elec-
17 tion.”.

18 (3) SPECIAL RULE FOR IMPROVEMENT OF EX-
19 ISTING STRUCTURES IN RURAL AREAS, INCLUDING
20 FOR DATA CENTERS.—Section 1400Z–2(d)(2)(D)(ii)
21 is amended by inserting “(50 percent of such ad-
22 justed basis in the case of property in a qualified op-
23 portunity zone comprised entirely of a rural area)”
24 after “the adjusted basis of such property”.

1 (d) INFORMATION REPORTING ON QUALIFIED OP-
2 PORTUNITY FUNDS AND QUALIFIED RURAL OPPOR-
3 TUNITY FUNDS.—

4 (1) FILING REQUIREMENTS FOR FUNDS AND
5 INVESTORS.—Subpart A of part III of subchapter A
6 of chapter 61 is amended by inserting after section
7 6039J the following new sections:

8 **“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OP-
9 PORTUNITY FUNDS AND QUALIFIED RURAL
10 OPPORTUNITY FUNDS.**

11 “(a) IN GENERAL.—Every qualified opportunity fund
12 shall file an annual return (at such time and in such man-
13 ner as the Secretary may prescribe) containing the infor-
14 mation described in subsection (b).

15 “(b) INFORMATION FROM QUALIFIED OPPORTUNITY
16 FUNDS.—The information described in this subsection
17 is—

18 “(1) the name, address, and taxpayer identifica-
19 tion number of the qualified opportunity fund,

20 “(2) whether the qualified opportunity fund is
21 organized as a corporation or a partnership,

22 “(3) the value of the total assets held by the
23 qualified opportunity fund as of each date described
24 in section 1400Z–2(d)(1),

1 “(4) the value of all qualified opportunity zone
2 property held by the qualified opportunity fund on
3 each such date,

4 “(5) with respect to each investment held by
5 the qualified opportunity fund in qualified oppor-
6 tunity zone stock or a qualified opportunity zone
7 partnership interest—

8 “(A) the name, address, and taxpayer
9 identification number of the corporation in
10 which such stock is held or the partnership in
11 which such interest is held, as the case may be,

12 “(B) each North American Industry Clas-
13 sification System (NAICS) code that applies to
14 the trades or businesses conducted by such cor-
15 poration or partnership,

16 “(C) the population census tracts in which
17 the qualified opportunity zone business property
18 of such corporation or partnership is located,

19 “(D) the amount of the investment in such
20 stock or partnership interest as of each date de-
21 scribed in section 1400Z-2(d)(1),

22 “(E) the value of tangible property held by
23 such corporation or partnership on each such
24 date which is owned by such corporation or
25 partnership,

1 “(F) the value of tangible property held by
2 such corporation or partnership on each such
3 date which is leased by such corporation or
4 partnership,

5 “(G) the approximate number of residen-
6 tial units (if any) for any real property held by
7 such corporation or partnership, and

8 “(H) the approximate average monthly
9 number of full-time equivalent employees of
10 such corporation or partnership for the year
11 (within numerical ranges identified by the Sec-
12 retary) or such other indication of the employ-
13 ment impact of such corporation or partnership
14 as determined appropriate by the Secretary,

15 “(6) with respect to the items of qualified op-
16 portunity zone business property held by the quali-
17 fied opportunity fund—

18 “(A) the North American Industry Classi-
19 fication System (NAICS) code that applies to
20 the trades or businesses in which such property
21 is held,

22 “(B) the population census tract in which
23 the property is located,

24 “(C) whether the property is owned or
25 leased,

1 “(D) the aggregate value of the items of
2 qualified opportunity zone property held by the
3 qualified opportunity fund as of each date de-
4 scribed in section 1400Z–2(d)(1), and

5 “(E) in the case of real property, number
6 of residential units (if any),

7 “(7) the approximate average monthly number
8 of full-time equivalent employees for the year of the
9 trades or businesses of the qualified opportunity
10 fund in which qualified opportunity zone business
11 property is held (within numerical ranges identified
12 by the Secretary) or such other indication of the em-
13 ployment impact of such trades or businesses as de-
14 termined appropriate by the Secretary,

15 “(8) with respect to each person who disposed
16 of an investment in the qualified opportunity fund
17 during the year—

18 “(A) the name and taxpayer identification
19 number of such person,

20 “(B) the date or dates on which the invest-
21 ment disposed was acquired, and

22 “(C) the date or dates on which any such
23 investment was disposed and the amount of the
24 investment disposed, and

1 “(9) such other information as the Secretary
2 may require.

3 “(c) STATEMENT REQUIRED TO BE FURNISHED TO
4 INVESTORS.—Every person required to make a return
5 under subsection (a) shall furnish to each person whose
6 name is required to be set forth in such return by reason
7 of subsection (b)(8) a written statement showing—

8 “(1) the name, address and phone number of
9 the information contact of the person required to
10 make such return, and

11 “(2) the information required to be shown on
12 such return by reason of subsection (b)(8) with re-
13 spect to the person whose name is required to be so
14 set forth.

15 “(d) DEFINITIONS.—For purposes of this section—

16 “(1) IN GENERAL.—Any term used in this sec-
17 tion which is also used in subchapter Z of chapter
18 1 shall have the meaning given such term under
19 such subchapter.

20 “(2) FULL-TIME EQUIVALENT EMPLOYEES.—

21 The term ‘full-time equivalent employees’ means,
22 with respect to any month, the sum of—

23 “(A) the number of full-time employees (as
24 defined in section 4980H(c)(4)) for the month,
25 plus

1 “(B) the number of employees determined
2 (under rules similar to the rules of section
3 4980H(c)(2)(E)) by dividing the aggregate
4 number of hours of service of employees who
5 are not full-time employees for the month by
6 120.

7 “(e) APPLICATION TO QUALIFIED RURAL OPPOR-
8 TUNITY FUNDS.—Every qualified rural opportunity fund
9 (as defined in section 1400Z–2(b)(2)(B)(vii)) shall file the
10 annual return required under subsection (a), and the
11 statements required under subsection (c), applied—

12 “(1) by substituting ‘qualified rural oppor-
13 tunity’ for ‘qualified opportunity’ each place it ap-
14 pears,

15 “(2) by substituting ‘section 1400Z–
16 2(b)(2)(B)(vii)’ for ‘section 1400Z–2(d)(1)’ each
17 place it appears, and

18 “(3) by treating any reference (after the appli-
19 cation of paragraph (1)) to qualified rural oppor-
20 tunity zone stock, a qualified rural opportunity zone
21 partnership interest, a qualified rural opportunity
22 zone business, or qualified opportunity zone business
23 property as stock, an interest, a business, or prop-
24 erty, respectively, described in subelause (I) or (II),

1 as the case may be, of section 1400Z–
2 2(b)(2)(B)(vii).

3 **“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED**
4 **OPPORTUNITY ZONE BUSINESSES AND**
5 **QUALIFIED RURAL OPPORTUNITY ZONE**
6 **BUSINESSES.**

7 “(a) IN GENERAL.—Every applicable qualified oppor-
8 tunity zone business shall furnish to the qualified oppor-
9 tunity fund described in subsection (b) a written state-
10 ment in such manner and setting forth such information
11 as the Secretary may by regulations prescribe for purposes
12 of enabling such qualified opportunity fund to meet the
13 requirements of section 6039K(b)(5).

14 “(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE
15 BUSINESS.—For purposes of subsection (a), the term ‘ap-
16 plicable qualified opportunity zone business’ means any
17 qualified opportunity zone business—

18 “(1) which is a trade or business of a qualified
19 opportunity fund,

20 “(2) in which a qualified opportunity fund holds
21 qualified opportunity zone stock, or

22 “(3) in which a qualified opportunity fund holds
23 a qualified opportunity zone partnership interest.

1 “(c) OTHER TERMS.—Any term used in this section
2 which is also used in subchapter Z of chapter 1 shall have
3 the meaning given such term under such subchapter.

4 “(d) APPLICATION TO QUALIFIED RURAL OPPOR-
5 TUNITY BUSINESSES.—Every applicable qualified rural
6 opportunity zone business (as defined in subsection (b) de-
7 termined after application of the substitutions described
8 in this sentence) shall furnish the written statement re-
9 quired under subsection (a), applied—

10 “(1) by substituting ‘qualified rural oppor-
11 tunity’ for ‘qualified opportunity’ each place it ap-
12 pears, and

13 “(2) by treating any reference (after the appli-
14 cation of paragraph (1)) to qualified rural oppor-
15 tunity zone stock, a qualified rural opportunity zone
16 partnership interest, or a qualified rural opportunity
17 zone business as stock, an interest, or a business, re-
18 spectively, described in subclause (I) or (II), as the
19 case may be, of section 1400Z–2(b)(2)(B)(vii).”.

20 (2) PENALTIES.—

21 (A) IN GENERAL.—Part II of subchapter
22 B of chapter 68 is amended by inserting after
23 section 6725 the following new section:

1 **“SEC. 6726. FAILURE TO COMPLY WITH INFORMATION RE-**
2 **PORTING REQUIREMENTS RELATING TO**
3 **QUALIFIED OPPORTUNITY FUNDS AND**
4 **QUALIFIED RURAL OPPORTUNITY FUNDS.**

5 “(a) IN GENERAL.—In the case of any person re-
6 quired to file a return under section 6039K fails to file
7 a complete and correct return under such section in the
8 time and in the manner prescribed therefor, such person
9 shall pay a penalty of \$500 for each day during which
10 such failure continues.

11 “(b) LIMITATION.—

12 “(1) IN GENERAL.—The maximum penalty
13 under this section on failures with respect to any 1
14 return shall not exceed \$10,000.

15 “(2) LARGE QUALIFIED OPPORTUNITY
16 FUNDS.—In the case of any failure described in sub-
17 section (a) with respect to a fund the gross assets
18 of which (determined on the last day of the taxable
19 year) are in excess of \$10,000,000, paragraph (1)
20 shall be applied by substituting ‘\$50,000’ for
21 ‘\$10,000’.

22 “(c) PENALTY IN CASES OF INTENTIONAL DIS-
23 REGARD.—If a failure described in subsection (a) is due
24 to intentional disregard, then—

25 “(1) subsection (a) shall be applied by sub-
26 stituting ‘\$2,500’ for ‘\$500’,

1 “(2) subsection (b)(1) shall be applied by sub-
2 stituting ‘\$50,000’ for ‘\$10,000’, and

3 “(3) subsection (b)(2) shall be applied by sub-
4 stituting ‘\$250,000’ for ‘\$50,000’.

5 “(d) INFLATION ADJUSTMENT.—

6 “(1) IN GENERAL.—In the case of any failure
7 relating to a return required to be filed in a calendar
8 year beginning after 2025, each of the dollar
9 amounts in subsections (a), (b), and (c) shall be in-
10 creased by an amount equal to such dollar amount
11 multiplied by the cost-of-living adjustment deter-
12 mined under section 1(f)(3) for the calendar year
13 determined by substituting ‘calendar year 2024’ for
14 ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

15 “(2) ROUNDING.—

16 “(A) IN GENERAL.—If the \$500 dollar
17 amount in subsection (a) and (c)(1) or the
18 \$2,500 amount in subsection (c)(1), after being
19 increased under paragraph (1), is not a mul-
20 tiple of \$10, such dollar amount shall be round-
21 ed to the next lowest multiple of \$10.

22 “(B) ASSET THRESHOLD.—If the
23 \$10,000,000 dollar amount in subsection (b)(2),
24 after being increased under paragraph (1), is
25 not a multiple of \$10,000, such dollar amount

1 shall be rounded to the next lowest multiple of
2 \$10,000.

3 “(C) OTHER DOLLAR AMOUNTS.—If any
4 dollar amount in subsection (b) or (c) (other
5 than any amount to which subparagraph (A) or
6 (B) applies), after being increased under para-
7 graph (1), is not a multiple of \$1,000, such dol-
8 lar amount shall be rounded to the next lowest
9 multiple of \$1,000.”.

10 (B) INFORMATION REQUIRED TO BE SENT
11 TO OTHER TAXPAYERS.—Section 6724(d)(2), as
12 amended by the preceding provisions of this
13 Act, is amended—

14 (i) by striking “or” at the end of sub-
15 paragraph (LL),

16 (ii) by striking the period at the end
17 of the subparagraph (MM) and inserting a
18 comma, and

19 (iii) by inserting after subparagraph
20 (MM) the following new subparagraphs:

21 “(NN) section 6039K(c) (relating to dis-
22 position of qualified opportunity fund invest-
23 ments), or

24 “(OO) section 6039L (relating to informa-
25 tion required from certain qualified opportunity

1 zone businesses and qualified rural opportunity
2 zone businesses).”.

3 (3) ELECTRONIC FILING.—Section 6011(e) is
4 amended by adding at the end the following new
5 paragraph:

6 “(8) QUALIFIED OPPORTUNITY FUNDS AND
7 QUALIFIED RURAL OPPORTUNITY FUNDS.—Notwith-
8 standing paragraphs (1) and (2), any return filed by
9 a qualified opportunity fund or qualified rural oppor-
10 tunity fund shall be filed on magnetic media or other
11 machine-readable form.”.

12 (4) CLERICAL AMENDMENTS.—

13 (A) The table of sections for subpart A of
14 part III of subchapter A of chapter 61 is
15 amended by inserting after the item relating to
16 section 6039J the following new items:

“Sec. 6039K. Returns with respect to qualified opportunity funds and qualified
rural opportunity funds.

“Sec. 6039L. Information required from qualified opportunity zone businesses
and qualified rural opportunity zone businesses.”.

17 (B) The table of sections for part II of
18 subchapter B of chapter 68 is amended by in-
19 serting after the item relating to section 6725
20 the following new item:

“Sec. 6726. Failure to comply with information reporting requirements relating
to qualified opportunity funds and qualified rural opportunity
funds.”.

1 (5) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to taxable years begin-
3 ning after the date of the enactment of this Act.

4 (e) SECRETARY REPORTING OF DATA ON OPPOR-
5 TUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX IN-
6 CENTIVES.—

7 (1) IN GENERAL.—As soon as practical after
8 the date of the enactment of this Act, and annually
9 thereafter, the Secretary of the Treasury, or the
10 Secretary’s delegate (referred to in this section as
11 the “Secretary”) shall make publicly available a re-
12 port on qualified opportunity funds.

13 (2) INFORMATION INCLUDED.—The report re-
14 quired under paragraph (1) shall include, to the ex-
15 tent available, the following information:

16 (A) The number of qualified opportunity
17 funds.

18 (B) The aggregate dollar amount of assets
19 held in qualified opportunity funds.

20 (C) The aggregate dollar amount of invest-
21 ments made by qualified opportunity funds in
22 qualified opportunity fund property, stated sep-
23 arately for each North American Industry Clas-
24 sification System (NAICS) code.

1 (D) The percentage of population census
2 tracts designated as qualified opportunity zones
3 that have received qualified opportunity fund
4 investments.

5 (E) For each population census tract des-
6 igned as a qualified opportunity zone, the ap-
7 proximate average monthly number of full-time
8 equivalent employees of the qualified oppor-
9 tunity zone businesses in such qualified oppor-
10 tunity zone for the preceding 12-month period
11 (within numerical ranges identified by the Sec-
12 retary) or such other indication of the employ-
13 ment impact of such qualified opportunity fund
14 businesses as determined appropriate by the
15 Secretary.

16 (F) The percentage of the total amount of
17 investments made by qualified opportunity
18 funds in—

19 (i) qualified opportunity zone property
20 which is real property; and

21 (ii) other qualified opportunity zone
22 property.

23 (G) For each population census tract, the
24 aggregate approximate number of residential

1 units resulting from investments made by quali-
2 fied opportunity funds in real property.

3 (H) The aggregate dollar amount of in-
4 vestments made by qualified opportunity funds
5 in each population census tract.

6 (3) ADDITIONAL INFORMATION.—

7 (A) IN GENERAL.—Beginning with the re-
8 port submitted under paragraph (1) for the 6th
9 year after the date of the enactment of this Act,
10 the Secretary shall include in such report the
11 impacts and outcomes of a designation of a
12 population census tract as a qualified oppor-
13 tunity zone as measured by economic indicators,
14 such as job creation, poverty reduction, new
15 business starts, and other metrics as deter-
16 mined by the Secretary.

17 (B) SEMI-DECENNIAL INFORMATION.—

18 (i) IN GENERAL.—In the case of any
19 report submitted under paragraph (1) in
20 the 6th year or the 11th year after the
21 date of the enactment of this Act, the Sec-
22 retary shall include the following informa-
23 tion:

24 (I) For population census tracts
25 designated as a qualified opportunity

1 zone, a comparison (based on aggregate
2 information) of the factors listed
3 in clause (iii) between the 5-year pe-
4 riod ending on the date of the enact-
5 ment of Public Law 115–97 and the
6 most recent 5-year period for which
7 data is available.

8 (II) For population census tracts
9 designated as a qualified opportunity
10 zone, a comparison (based on aggregate
11 information) of the factors listed
12 in clause (iii) for the most recent 5-
13 year period for which data is available
14 between such population census tracts
15 and a similar population census tracts
16 that were not designated as a quali-
17 fied opportunity zone.

18 (ii) CONTROL GROUPS.—For purposes
19 of clause (i), the Secretary may combine
20 population census tracts into such groups
21 as the Secretary determines appropriate
22 for purposes of making comparisons.

23 (iii) FACTORS LISTED.—The factors
24 listed in this clause are the following:

25 (I) The unemployment rate.

1 (II) The number of persons
2 working in the population census
3 tract, including the percentage of such
4 persons who were not residents in the
5 population census tract in the pre-
6 ceding year.

7 (III) Individual, family, and
8 household poverty rates.

9 (IV) Median family income of
10 residents of the population census
11 tract.

12 (V) Demographic information on
13 residents of the population census
14 tract, including age, income, edu-
15 cation, race, and employment.

16 (VI) The average percentage of
17 income of residents of the population
18 census tract spent on rent annually.

19 (VII) The number of residences
20 in the population census tract.

21 (VIII) The rate of home owner-
22 ship in the population census tract.

23 (IX) The average value of resi-
24 dential property in the population cen-
25 sus tract.

1 (X) The number of affordable
2 housing units in the population census
3 tract.

4 (XI) The number and percentage
5 of residents in the population census
6 tract that were not employed for the
7 preceding year.

8 (XII) The number of new busi-
9 ness starts in the population census
10 tract.

11 (XIII) The distribution of em-
12 ployees in the population census tract
13 by North American Industry Classi-
14 fication System (NAICS) code.

15 (4) PROTECTION OF IDENTIFIABLE RETURN IN-
16 FORMATION.—In making reports required under this
17 subsection, the Secretary—

18 (A) shall establish appropriate procedures
19 to ensure that any amounts reported do not dis-
20 close taxpayer return information that can be
21 associated with any particular taxpayer or com-
22 petitive or proprietary information, and

23 (B) if necessary to protect taxpayer return
24 information, may combine information required

1 with respect to individual population census
2 tracts into larger geographic areas.

3 (5) DEFINITIONS.—Any term used in this sub-
4 section which is also used in subchapter Z of chapter
5 1 of the Internal Revenue Code of 1986 shall have
6 the meaning given such term under such subchapter.

7 (6) REPORTS ON QUALIFIED RURAL OPPOR-
8 TUNITY FUNDS.—The Secretary shall make publicly
9 available, with respect to qualified rural opportunity
10 funds, separate reports as required under this sub-
11 section, applied—

12 (A) by substituting “qualified rural oppor-
13 tunity” for “qualified opportunity” each place it
14 appears,

15 (B) by substituting a reference to this Act
16 for “Public Law 115–97”, and

17 (C) by treating any reference (after the ap-
18 plication of subparagraph (A)) to qualified rural
19 opportunity zone stock, qualified rural oppor-
20 tunity zone partnership interest, qualified rural
21 opportunity zone business, or qualified oppor-
22 tunity zone business property as stock, interest,
23 business, or property, respectively, described in
24 subclause (I) or (II), as the case may be, of sec-

1 tion 1400Z–2(b)(2)(B)(vii) of the Internal Rev-
2 enue Code of 1986.

3 **SEC. 111103. INCREASED DOLLAR LIMITATIONS FOR EX-**
4 **PENSING OF CERTAIN DEPRECIABLE BUSI-**
5 **NESS ASSETS.**

6 (a) IN GENERAL.—Section 179(b) is amended—

7 (1) in paragraph (1), by striking “\$1,000,000”
8 and inserting “\$2,500,000”, and

9 (2) in paragraph (2), by striking “\$2,500,000”
10 and inserting “\$4,000,000”.

11 (b) CONFORMING AMENDMENTS.—Section
12 179(b)(6)(A) is amended—

13 (1) by inserting “(2025 in the case of the dollar
14 amounts in paragraphs (1) and (2))” after “In the
15 case of any taxable year beginning after 2018”, and

16 (2) in clause (ii), by striking “determined by
17 substituting ‘calendar year 2017’ for ‘calendar year
18 2016’ in subparagraph (A)(ii) thereof.” and insert-
19 ing “determined by substituting in subparagraph
20 (A)(ii) thereof—

21 “(I) in the case of amounts in
22 paragraphs (1) and (2), ‘calendar year
23 2024’ for ‘calendar year 2016’, and

1 “(II) in the case of the amount
2 in paragraph (5)(A), ‘calendar year
3 2017’ for ‘calendar year 2016’.”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service in
6 taxable years beginning after December 31, 2024.

7 **SEC. 111104. REPEAL OF REVISION TO DE MINIMIS RULES**
8 **FOR THIRD PARTY NETWORK TRANS-**
9 **ACTIONS.**

10 (a) REINSTATEMENT OF EXCEPTION FOR DE MINI-
11 MIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF
12 AMERICAN RESCUE PLAN ACT OF 2021.—

13 (1) IN GENERAL.—Section 6050W(e) is amend-
14 ed to read as follows:

15 “(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY
16 THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third
17 party settlement organization shall be required to report
18 any information under subsection (a) with respect to third
19 party network transactions of any participating payee only
20 if—

21 “(1) the amount which would otherwise be re-
22 ported under subsection (a)(2) with respect to such
23 transactions exceeds \$20,000, and

24 “(2) the aggregate number of such transactions
25 exceeds 200.”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by this subsection shall take effect as if included in
3 section 9674 of the American Rescue Plan Act.

4 (b) APPLICATION OF DE MINIMIS RULE FOR THIRD
5 PARTY NETWORK TRANSACTIONS TO BACKUP WITH-
6 HOLDING.—

7 (1) IN GENERAL.—Section 3406(b) is amended
8 by adding at the end the following new paragraph:

9 “(8) OTHER REPORTABLE PAYMENTS INCLUDE
10 PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-
11 WORK TRANSACTIONS ONLY WHERE AGGREGATE
12 TRANSACTIONS EXCEED REPORTING THRESHOLD
13 FOR THE CALENDAR YEAR.—

14 “(A) IN GENERAL.—Any payment in set-
15 tlement of a third party network transaction re-
16 quired to be shown on a return required under
17 section 6050W which is made during any cal-
18 endar year shall be treated as a reportable pay-
19 ment only if—

20 “(i) the aggregate number of trans-
21 actions with respect to the participating
22 payee during such calendar year exceeds
23 the number of transactions specified in
24 section 6050W(e)(2), and

1 “(ii) the aggregate amount of trans-
2 actions with respect to the participating
3 payee during such calendar year exceeds
4 the dollar amount specified in section
5 6050W(e)(1) at the time of such payment.

6 “(B) EXCEPTION IF THIRD PARTY NET-
7 WORK TRANSACTIONS MADE IN PRIOR YEAR
8 WERE REPORTABLE.—Subparagraph (A) shall
9 not apply with respect to payments to any par-
10 ticipating payee during any calendar year if one
11 or more payments in settlement of third party
12 network transactions made by the payor to the
13 participating payee during the preceding cal-
14 endar year were reportable payments.”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by this subsection shall apply to calendar years be-
17 ginning after December 31, 2024.

18 **SEC. 111105. INCREASE IN THRESHOLD FOR REQUIRING IN-**
19 **FORMATION REPORTING WITH RESPECT TO**
20 **CERTAIN PAYEES.**

21 (a) IN GENERAL.—Section 6041(a) is amended by
22 striking “\$600” and inserting “\$2,000”.

23 (b) INFLATION ADJUSTMENT.—Section 6041 is
24 amended by adding at the end the following new sub-
25 section:

1 “(h) INFLATION ADJUSTMENT.—In the case of any
2 calendar year after 2026, the dollar amount in subsection
3 (a) shall be increased by an amount equal to—

4 “(1) such dollar amount, multiplied by

5 “(2) the cost-of-living adjustment determined
6 under section 1(f)(3) for such calendar year, deter-
7 mined by substituting ‘calendar year 2025’ for ‘cal-
8 endar year 2016’ in subparagraph (A)(ii) thereof.

9 If any increase under the preceding sentence is not a mul-
10 tiple of \$100, such increase shall be rounded to the nearest
11 multiple of \$100.”.

12 (c) APPLICATION TO REPORTING ON REMUNERATION
13 FOR SERVICES.—Section 6041A(a)(2) is amended by
14 striking “is \$600 or more” and inserting “equals or ex-
15 ceeds the dollar amount in effect for such calendar year
16 under section 6041(a)”.

17 (d) APPLICATION TO BACKUP WITHHOLDING.—Sec-
18 tion 3406(b)(6) is amended—

19 (1) by striking “\$600” in subparagraph (A)
20 and inserting “the dollar amount in effect for such
21 calendar year under section 6041(a)”, and

22 (2) by striking “ONLY WHERE AGGREGATE FOR
23 CALENDAR YEAR IS \$600 OR MORE” in the heading
24 and inserting “ONLY IF IN EXCESS OF THRESHOLD”.

25 (e) CONFORMING AMENDMENTS.—

1 (1) The heading of section 6041(a) is amended
2 by striking “OF \$600 OR MORE” and inserting “EX-
3 CEEDING THRESHOLD”.

4 (2) Section 6041(a) is amended by striking
5 “taxable year” and inserting “calendar year”.

6 (f) EFFECTIVE DATE.—The amendments made by
7 this section shall apply with respect to payments made
8 after December 31, 2025.

9 **SEC. 111106. EXCLUSION OF INTEREST ON LOANS SECURED**
10 **BY RURAL OR AGRICULTURAL REAL PROP-**
11 **ERTY.**

12 (a) IN GENERAL.—Part III of subchapter B of chap-
13 ter 1, as amended by the preceding provisions of this Act,
14 is amended by inserting after section 139J the following
15 new section:

16 **“SEC. 139K. INTEREST ON LOANS SECURED BY RURAL OR**
17 **AGRICULTURAL REAL PROPERTY.**

18 “(a) IN GENERAL.—Gross income shall not include
19 25 percent of the interest received by a qualified lender
20 on any qualified real estate loan.

21 “(b) QUALIFIED LENDER.—For purposes of this sec-
22 tion, the term ‘qualified lender’ means—

23 “(1) any bank or savings association the depos-
24 its of which are insured under the Federal Deposit
25 Insurance Act (12 U.S.C. 1811 et seq.),

1 “(2) any State- or federally-regulated insurance
2 company,

3 “(3) any entity wholly owned, directly or indi-
4 rectly, by a company that is treated as a bank hold-
5 ing company for purposes of section 8 of the Inter-
6 national Banking Act of 1978 (12 U.S.C. 3106) if—

7 “(A) such entity is organized, incor-
8 porated, or established under the laws of the
9 United States or any State of the United
10 States, and

11 “(B) the principal place of business of
12 such entity is in the United States (including
13 any territory of the United States),

14 “(4) any entity wholly owned, directly or indi-
15 rectly, by a company that is considered an insurance
16 holding company under the laws of any State if such
17 entity satisfies the requirements described in sub-
18 paragraphs (A) and (B) of paragraph (3), and

19 “(5) with respect to interest received on a quali-
20 fied real estate loan secured by real estate described
21 in subsection (c)(3)(A), any federally chartered in-
22 strumentality of the United States established under
23 section 8.1(a) of the Farm Credit Act of 1971 (12
24 U.S.C. 2279aa-1(a)).

1 “(c) QUALIFIED REAL ESTATE LOAN.—For purposes
2 of this section—

3 “(1) IN GENERAL.—The term ‘qualified real es-
4 tate loan’ means any loan—

5 “(A) secured by—

6 “(i) rural or agricultural real estate,
7 or

8 “(ii) a leasehold mortgage (with a sta-
9 tus as a lien) on rural or agricultural real
10 estate,

11 “(B) made to a person other than a speci-
12 fied foreign entity (as defined in section
13 7701(a)(51)), and

14 “(C) made after the date of the enactment
15 of this section and before January 1, 2029.

16 For purposes of the preceding sentence, the deter-
17 mination of whether property securing such loan is
18 rural or agricultural real estate shall be made as of
19 the time the interest income on such loan is accrued.

20 “(2) REFINANCINGS.—For purposes of sub-
21 paragraphs (A) and (C) of paragraph (1), a loan
22 shall not be treated as made after the date of the
23 enactment of this section to the extent that the pro-
24 ceeds of such loan are used to refinance a loan
25 which was made on or before the date of the enact-

1 ment of this section (or, in the case of any series of
2 refinancings, the original loan was made on or be-
3 fore such date).

4 “(3) RURAL OR AGRICULTURAL REAL ES-
5 TATE.—The term ‘rural or agricultural real estate’
6 means—

7 “(A) any real property which is substan-
8 tially used for the production of one or more
9 agricultural products,

10 “(B) any real property which is substan-
11 tially used in the trade or business of fishing or
12 seafood processing, and

13 “(C) any aquaculture facility.

14 Such term shall not include any property which is
15 not located in a State or a possession of the United
16 States.

17 “(4) AQUACULTURE FACILITY.—The term
18 ‘aquaculture facility’ means any land, structure, or
19 other appurtenance that is used for aquaculture (in-
20 cluding any hatchery, rearing pond, raceway, pen, or
21 incubator).

22 “(d) COORDINATION WITH SECTION 265.—Qualified
23 real estate loans shall be treated as obligations described
24 in section 265(a)(2) the interest on which is wholly exempt
25 from the taxes imposed by this subtitle.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for part III of subchapter B of chapter 1, as amended
 3 by the preceding provisions of this Act, is amended by in-
 4 serting after the item relating to section 139J the fol-
 5 lowing new item:

“Sec. 139K. Interest on loans secured by rural or agricultural real property.”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years ending after the
 8 date of the enactment of this Act.

9 **SEC. 111107. TREATMENT OF CERTAIN QUALIFIED SOUND**
 10 **RECORDING PRODUCTIONS.**

11 (a) ELECTION TO TREAT COSTS AS EXPENSES.—
 12 Section 181(a)(1) is amended by striking “qualified film
 13 or television production, and any qualified live theatrical
 14 production,” and inserting “qualified film or television
 15 production, any qualified live theatrical production, and
 16 any qualified sound recording production”.

17 (b) DOLLAR LIMITATION.—Section 181(a)(2) is
 18 amended by adding at the end the following new subpara-
 19 graph:

20 “(C) QUALIFIED SOUND RECORDING PRO-
 21 Duction.—Paragraph (1) shall not apply to so
 22 much of the aggregate cost of any qualified
 23 sound recording production, or to so much of
 24 the aggregate, cumulative cost of all such quali-

1 fied sound recording productions in the taxable
2 year, as exceeds \$150,000.”.

3 (c) NO OTHER DEDUCTION OR AMORTIZATION DE-
4 DEDUCTION ALLOWABLE.—Section 181(b) is amended by
5 striking “qualified film or television production or any
6 qualified live theatrical production” and inserting “quali-
7 fied film or television production, any qualified live theat-
8 rical production, or any qualified sound recording produc-
9 tion”.

10 (d) ELECTION.—Section 181(c)(1) is amended by
11 striking “qualified film or television production or any
12 qualified live theatrical production” and inserting “quali-
13 fied film or television production, any qualified live theat-
14 rical production, or any qualified sound recording produc-
15 tion”.

16 (e) QUALIFIED SOUND RECORDING PRODUCTION
17 DEFINED.—Section 181 is amended by redesignating sub-
18 sections (f) and (g) as subsections (g) and (h), respec-
19 tively, and by inserting after subsection (e) the following
20 new subsection:

21 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—
22 For purposes of this section, the term ‘qualified sound re-
23 cording production’ means a sound recording (as defined
24 in section 101 of title 17, United States Code) produced
25 and recorded in the United States.”.

1 (f) APPLICATION OF TERMINATION.—Section 181(g)
2 is amended by striking “qualified film and television pro-
3 ductions or qualified live theatrical productions” and in-
4 serting “qualified film and television productions, qualified
5 live theatrical productions, and qualified sound recording
6 productions”.

7 (g) BONUS DEPRECIATION.—

8 (1) QUALIFIED SOUND RECORDING PRODUC-
9 TION AS QUALIFIED PROPERTY.—Section
10 168(k)(2)(A)(i) is amended—

11 (A) by striking “or” at the end of sub-
12 clause (IV), by inserting “or” at the end of sub-
13 clause (V), and by inserting after subclause (V)
14 the following:

15 “(VI) which is a qualified sound
16 recording production (as defined in
17 subsection (f) of section 181) which is
18 placed in service before January 1,
19 2029, for which a deduction would
20 have been allowable under section 181
21 without regard to subsections (a)(2)
22 and (h) of such section or this sub-
23 section, and”’, and

24 (B) in subclauses (IV) and (V) (as so
25 amended) by striking “without regard to sub-

1 sections (a)(2) and (g)” both places it appears
2 and inserting “without regard to subsections
3 (a)(2) and (h)”.

4 (2) PRODUCTION PLACED IN SERVICE.—Section
5 168(k)(2)(H) is amended by striking “and” at the
6 end of clause (i), by striking the period at the end
7 of clause (ii) and inserting “, and”, and by adding
8 after clause (ii) the following:

9 “(iii) a qualified sound recording pro-
10 duction shall be considered to be placed in
11 service at the time of initial release or
12 broadcast.”.

13 (h) CONFORMING AMENDMENTS.—

14 (1) The heading for section 181 is amended to
15 read as follows: “**TREATMENT OF CERTAIN**
16 **QUALIFIED PRODUCTIONS.**”.

17 (2) The table of sections for part VI of sub-
18 chapter B of chapter 1 is amended by striking the
19 item relating to section 181 and inserting the fol-
20 lowing new item:

“Sec. 181. Treatment of certain qualified productions.”.

21 (i) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to productions commencing in tax-
23 able years ending after the date of the enactment of this
24 Act.

1 **SEC. 111108. MODIFICATIONS TO LOW-INCOME HOUSING**
2 **CREDIT.**

3 (a) STATE HOUSING CREDIT CEILING INCREASE FOR
4 LOW-INCOME HOUSING CREDIT.—

5 (1) IN GENERAL.—Section 42(h)(3)(I) is
6 amended—

7 (A) by striking “and 2021,” and inserting
8 “2021, 2026, 2027, 2028, and 2029,” and

9 (B) by striking “2018, 2019, 2020, AND
10 2021” in the heading and inserting “CERTAIN
11 CALENDAR YEARS”.

12 (2) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply to calendar years after
14 2025.

15 (b) TAX-EXEMPT BOND FINANCING REQUIRE-
16 MENT.—

17 (1) IN GENERAL.—Section 42(h)(4) is amended
18 by striking subparagraph (B) and inserting the fol-
19 lowing:

20 “(B) SPECIAL RULE WHERE MINIMUM
21 PERCENT OF BUILDINGS IS FINANCED WITH
22 TAX-EXEMPT BONDS SUBJECT TO VOLUME
23 CAP.—For purposes of subparagraph (A), para-
24 graph (1) shall not apply to any portion of the
25 credit allowable under subsection (a) with re-
26 spect to a building if—

1 “(i) 50 percent or more of the aggre-
2 gate basis of such building and the land on
3 which the building is located is financed by
4 1 or more obligations described in subpara-
5 graph (A), or

6 “(ii)(I) 25 percent or more of the ag-
7 gregate basis of such building and the land
8 on which the building is located is financed
9 by 1 or more qualified obligations, and

10 “(II) 1 or more of such qualified obli-
11 gations—

12 “(aa) are part of an issue the
13 issue date of which is after December
14 31, 2025, and

15 “(bb) provide the financing for
16 not less than 5 percent of the aggre-
17 gate basis of such building and the
18 land on which the building is located.

19 “(C) QUALIFIED OBLIGATION.—For pur-
20 poses of subparagraph (B)(ii), the term ‘quali-
21 fied obligation’ means an obligation which is de-
22 scribed in subparagraph (A) and which is part
23 of an issue the issue date of which is before
24 January 1, 2030.”.

25 (2) EFFECTIVE DATE.—

1 (A) IN GENERAL.—The amendment made
2 by this subsection shall apply to buildings
3 placed in service in taxable years beginning
4 after December 31, 2025.

5 (B) REHABILITATION EXPENDITURES
6 TREATED AS SEPARATE NEW BUILDING.—In
7 the case of any building with respect to which
8 any expenditures are treated as a separate new
9 building under section 42(e) of the Internal
10 Revenue Code of 1986, for purposes of sub-
11 paragraph (A), both the existing building and
12 the separate new building shall be treated as
13 having been placed in service on the date such
14 expenditures are treated as placed in service
15 under section 42(e)(4) of such Code.

16 (c) TEMPORARY INCLUSION OF INDIAN AREAS AND
17 RURAL AREAS AS DIFFICULT DEVELOPMENT AREAS FOR
18 PURPOSES OF CERTAIN BUILDINGS.—

19 (1) IN GENERAL.—Section 42(d)(5)(B)(iii)(I) is
20 amended by inserting before the period the fol-
21 lowing: “, and, in the case of buildings placed in
22 service after December 31, 2025 and before January
23 1, 2030, any Indian area or rural area”.

24 (2) INDIAN AREA; RURAL AREA.—Section
25 42(d)(5)(B)(iii) is amended by redesignating sub-

1 clause (II) as subclause (IV) and by inserting after
2 subclause (I) the following new subclauses:

3 “(II) INDIAN AREA.—For pur-
4 poses of subclause (I), the term ‘In-
5 dian area’ means any Indian area (as
6 defined in section 4(11) of the Native
7 American Housing Assistance and
8 Self Determination Act of 1996 (25
9 U.S.C. 4103(11))) and any housing
10 area (as defined in section 801(5) of
11 such Act (25 U.S.C. 4221(5))).

12 “(III) RURAL AREA.—For pur-
13 poses of subclause (I), the term ‘rural
14 area’ means any non-metropolitan
15 area, or any rural area as defined by
16 section 520 of the Housing Act of
17 1949, which is identified by the quali-
18 fied allocation plan under subsection
19 (m)(1)(B).”.

20 (3) ELIGIBLE BUILDINGS.—Section
21 42(d)(5)(B)(iii), as amended by paragraph (2), is
22 further amended by adding at the end the following
23 new subclause:

24 “(V) SPECIAL RULE FOR BUILD-
25 INGS IN INDIAN AREAS.—In the case

1 of an area which is a difficult develop-
2 ment area solely because it is an In-
3 dian area under this section, a build-
4 ing shall not be treated as located in
5 such area unless such building is as-
6 sisted or financed under the Native
7 American Housing Assistance and
8 Self Determination Act of 1996 (25
9 U.S.C. 4101 et seq.) or the project
10 sponsor is an Indian tribe (as defined
11 in section 45A(e)(6)), a tribally des-
12 ignated housing entity (as defined in
13 section 4(22) of such Act (25 U.S.C.
14 4103(22))), or wholly owned or con-
15 trolled by such an Indian tribe or trib-
16 ally designated housing entity.”.

17 (4) EFFECTIVE DATE.—The amendments made
18 by this subsection shall apply to buildings placed in
19 service after December 31, 2025.

20 **SEC. 111109. INCREASED GROSS RECEIPTS THRESHOLD**
21 **FOR SMALL MANUFACTURING BUSINESSES.**

22 (a) IN GENERAL.—Section 448(c) is amended by re-
23 designating paragraph (4) as paragraph (5) and by insert-
24 ing after paragraph (3) the following new paragraph:

1 “(4) GROSS RECEIPTS TEST FOR MANUFAC-
2 TURING TAXPAYERS.—In the case of a manufac-
3 turing taxpayer, paragraph (1) shall be applied by
4 substituting ‘\$80,000,000’ for ‘\$25,000,000’.”.

5 (b) INFLATION ADJUSTMENT.—Section 448(c)(5) (as
6 so redesignated) is amended by striking “the dollar
7 amount in paragraph (1) shall be increased” and inserting
8 “the dollar amounts in paragraphs (1) and (4) shall each
9 be increased”.

10 (c) MANUFACTURING TAXPAYER DEFINED.—Section
11 448(d) is amended by redesignating paragraph (8) as
12 paragraph (9) and by inserting after paragraph (7) the
13 following new paragraph:

14 “(8) MANUFACTURING TAXPAYER.—

15 “(A) IN GENERAL.—The term ‘manufac-
16 turing taxpayer’ means a corporation or part-
17 nership substantially all the gross receipts of
18 which during the 3-taxable-year period de-
19 scribed in subsection (c)(1) are derived from
20 the lease, rental, license, sale, exchange, or
21 other disposition of qualified products.

22 “(B) QUALIFIED PRODUCT.—For purposes
23 of subparagraph (A), the term ‘qualified prod-
24 uct’ means a product that is both—

1 “(i) tangible personal property which
2 is not a food or beverage prepared in the
3 same building as a retail establishment in
4 which substantially similar property is sold
5 to the public, and

6 “(ii) produced or manufactured by the
7 taxpayer in a manner which results in a
8 substantial transformation (within the
9 meaning of section 168(n)(2)(D)) of the
10 property comprising the product.

11 “(C) AGGREGATION RULE.—Solely for pur-
12 poses of determining whether a taxpayer is a
13 manufacturing taxpayer under subparagraph
14 (A)—

15 “(i) gross receipts shall be determined
16 under the rules of paragraphs (2) and (3)
17 of subsection (c), and

18 “(ii) for purposes of subsection (c)(2),
19 in applying section 52(b), the term ‘trade
20 or business’ shall include any activity
21 treated as a trade or business under para-
22 graph (5) or (6) of section 469(c) (deter-
23 mined without regard to the phrase ‘To
24 the extent provided in regulations’ in such
25 paragraph (6)).”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2025.

4 **SEC. 111110. GLOBAL INTANGIBLE LOW-TAXED INCOME DE-**
5 **TERMINED WITHOUT REGARD TO CERTAIN**
6 **INCOME DERIVED FROM SERVICES PER-**
7 **FORMED IN THE VIRGIN ISLANDS.**

8 (a) IN GENERAL.—Section 951A(c)(2)(A)(i) is
9 amended by striking “and” at the end of subclause (IV),
10 by striking “, over” at the end of subclause (V) and insert-
11 ing “, and”, and by adding at the end the following new
12 subclause:

13 “(VI) in the case of any specified
14 United States shareholder, any quali-
15 fied Virgin Islands services income,
16 over”.

17 (b) DEFINITIONS AND SPECIAL RULES.—Section
18 951A(c)(2) is amended by adding at the end the following
19 new subparagraph:

20 “(C) PROVISIONS RELATED TO QUALIFIED
21 VIRGIN ISLANDS SERVICES INCOME.—For pur-
22 poses of subparagraph (A)(i)(VI)—

23 “(i) QUALIFIED VIRGIN ISLANDS
24 SERVICES INCOME.—The term ‘qualified
25 Virgin Islands services income’ means any

1 gross income which satisfies all of the fol-
2 lowing requirements:

3 “(I) Such gross income is com-
4 pensation for labor or personal serv-
5 ices performed in the Virgin Islands
6 by a corporation formed under the
7 laws of the Virgin Islands.

8 “(II) Such gross income is attrib-
9 utable to services performed from
10 within the Virgin Islands by individ-
11 uals for the benefit of such corpora-
12 tion.

13 “(III) Such gross income is effec-
14 tively connected with the conduct of a
15 trade or business within the Virgin Is-
16 lands.

17 “(ii) SPECIFIED UNITED STATES
18 SHAREHOLDER.—The term ‘specified
19 United States shareholder’ means any
20 United States shareholder which is—

21 “(I) an individual, trust, or es-
22 tate, or

23 “(II) a closely held C corporation
24 (as defined in section 469(j)(1)) if
25 such corporation acquired its direct or

1 indirect equity interest in the foreign
2 corporation which derived the quali-
3 fied Virgin Islands services income be-
4 fore December 31, 2023.

5 “(iii) REGULATIONS.—The Secretary
6 shall prescribe such regulations or other
7 guidance as may be necessary or appro-
8 priate to carry out this subparagraph and
9 subparagraph (A)(i)(VI), including regula-
10 tions or other guidance to prevent the
11 abuse of such subparagraphs.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years of foreign corpora-
14 tions beginning after the date of the enactment of this
15 Act, and to taxable years of United States shareholders
16 with or within which such taxable years of foreign corpora-
17 tions end.

18 **SEC. 111111. EXTENSION AND MODIFICATION OF CLEAN**
19 **FUEL PRODUCTION CREDIT.**

20 (a) PROHIBITION ON FOREIGN FEEDSTOCKS.—

21 (1) IN GENERAL.—Section 45Z(f)(1)(A) is
22 amended—

23 (A) in clause (i)(II)(bb), by striking “and”
24 at the end,

1 (B) in clause (ii), by striking the period at
2 the end and inserting “, and”, and

3 (C) by adding at the end the following new
4 clause:

5 “(iii) such fuel is exclusively derived
6 from a feedstock which was produced or
7 grown in the United States, Mexico, or
8 Canada.”.

9 (2) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to transportation fuel
11 sold after December 31, 2025.

12 (b) DETERMINATION OF EMISSIONS RATE.—

13 (1) IN GENERAL.—Section 45Z(b)(1)(B) is
14 amended by adding at the end the following new
15 clauses:

16 “(iv) EXCLUSION OF INDIRECT LAND
17 USE CHANGES.—Notwithstanding clauses
18 (ii) and (iii), the lifecycle greenhouse gas
19 emissions shall be adjusted as necessary to
20 exclude any emissions attributed to indi-
21 rect land use change. Any such adjustment
22 shall be based on regulations or methodolo-
23 gies determined by the Secretary in con-
24 sultation with the Administrator of the En-

1 vironmental Protection Agency and the
2 Secretary of Agriculture.

3 “(v) ANIMAL MANURES.—For pur-
4 poses of the table described in clause (i),
5 with respect to any transportation fuels
6 which are derived from animal manure, a
7 distinct emissions rate shall be provided
8 with respect to each of the specific feed-
9 stocks used to such produce such fuel,
10 which shall include dairy manure, swine
11 manure, poultry manure, and such other
12 sources as are determined appropriate by
13 the Secretary.”.

14 (2) CONFORMING AMENDMENT.—Section
15 45Z(b)(1)(B)(i) is amended by striking “clauses (ii)
16 and (iii)” and inserting “clauses (ii), (iii), (iv), and
17 (v)”.

18 (3) EFFECTIVE DATE.—The amendments made
19 by this subsection shall apply to emissions rates pub-
20 lished for taxable years beginning after December
21 31, 2025.

22 (c) EXTENSION OF CLEAN FUEL PRODUCTION
23 CREDIT.—Section 45Z(g) is amended by striking “Decem-
24 ber 31, 2027” and inserting “December 31, 2031”.

1 (d) RESTRICTIONS RELATING TO PROHIBITED FOR-
2 EIGN ENTITIES.—

3 (1) IN GENERAL.—Section 45Z(f) is amended
4 by adding at the end the following new paragraph:

5 “(8) RESTRICTIONS RELATING TO PROHIBITED
6 FOREIGN ENTITIES.—

7 “(A) IN GENERAL.—No credit determined
8 under subsection (a) shall be allowed under sec-
9 tion 38 for any taxable year beginning after the
10 date of enactment of this paragraph if the tax-
11 payer is a specified foreign entity (as defined in
12 section 7701(a)(51)(B)).

13 “(B) OTHER PROHIBITED FOREIGN ENTI-
14 TIES.—No credit determined under subsection
15 (a) shall be allowed under section 38 for any
16 taxable year beginning after the date which is
17 2 years after the date of enactment of this
18 paragraph if the taxpayer is a foreign-influ-
19 enced entity (as defined in section
20 7701(a)(51)(D)).”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by this subsection shall apply to taxable years begin-
23 ning after the date of enactment of this Act.

1 **SEC. 111112. RESTORATION OF TAXABLE REIT SUBSIDIARY**
2 **ASSET TEST.**

3 (a) IN GENERAL.—Section 856(c)(4)(B)(ii) is
4 amended by striking “20 percent” and inserting “25 per-
5 cent”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years beginning after
8 December 31, 2025.

9 **PART 3—INVESTING IN THE HEALTH OF RURAL**
10 **AMERICA AND MAIN STREET**

11 **SEC. 111201. EXPANDING THE DEFINITION OF RURAL**
12 **EMERGENCY HOSPITAL UNDER THE MEDI-**
13 **CARE PROGRAM.**

14 (a) IN GENERAL.—Section 1861(kkk) of the Social
15 Security Act (42 U.S.C. 1395x(kkk)) is amended—

16 (1) in paragraph (2)—

17 (A) in subparagraph (A), by striking “the
18 detailed transition plan” and all that follows
19 through “such paragraph” and inserting “the
20 detailed transition plan described in clause
21 (i)(I) of such paragraph or the assessment of
22 health care needs described in clause (i)(II) of
23 such paragraph, as applicable,”;

24 (B) in subparagraph (D)(vi), by striking
25 the period at the end and inserting “; and”;
26 and

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

3 “(E) in the case of a facility described in para-
4 graph (3)(B)—

5 “(i) submits an application under section
6 1866(j) to enroll under this title as a rural
7 emergency hospital—

8 “(I) in the case that such facility is
9 located in a State that, as of January 1,
10 2027, provides for the licensing of rural
11 emergency hospitals under State or appli-
12 cable local law (as described in paragraph
13 (5)(A)), not later than December 31, 2027;
14 and

15 “(II) in the case that such facility is
16 located in a State that, as of January 1,
17 2027, does not provide for the licensing of
18 such rural emergency hospitals under State
19 or applicable local law (as so described),
20 not later than the date that is 1 year after
21 the date on which such State begins to
22 provide for such licensing; and

23 “(ii) in the case that such facility is lo-
24 cated less than 35 miles away from the nearest
25 hospital, critical access hospital, or rural emer-

1 agency hospital as of the date on which such fa-
2 cility submits an application under section
3 1866(j) to enroll under this title as a rural
4 emergency hospital, beginning not later than 1
5 year after the end of the first full cost reporting
6 period for which the facility is so enrolled, dem-
7 onstrates annually, in a form and manner de-
8 termined appropriate by the Secretary, that
9 more than 50 percent of the services furnished
10 for the most recent cost reporting period (as de-
11 termined by the Secretary) were services de-
12 scribed in paragraph (1)(A)(i), as determined
13 based on discharges of individuals entitled to
14 benefits under part A or enrolled under part B
15 during such cost reporting period.”;

16 (2) in paragraph (3)—

17 (A) by redesignating subparagraphs (A)
18 and (B) as clauses (i) and (ii), respectively, and
19 adjusting the margins accordingly;

20 (B) by striking “A facility” and inserting:
21 “(A) IN GENERAL.—A facility”; and

22 (C) by adding at the end the following new
23 subparagraph:

1 “(B) ADDITIONAL FACILITIES.—Beginning
2 January 1, 2027, a facility described in this para-
3 graph shall also include a facility that—

4 “(i) at any time during the period begin-
5 ning January 1, 2014, and ending December
6 26, 2020—

7 “(I) was a critical access hospital; or

8 “(II) was a subsection (d) hospital (as
9 defined in section 1886(d)(1)(B)) with not
10 more than 50 beds located in a county (or
11 equivalent unit of local government) in a
12 rural area (as defined in section
13 1886(d)(2)(D)); and

14 “(ii) as of December 27, 2020, was not en-
15 rolled in the program under this title under sec-
16 tion 1866(j).”; and

17 (3) in paragraph (4)—

18 (A) in subparagraph (A)(i)—

19 (i) in subclause (IV), by striking the
20 period at the end and inserting “; and”;

21 (ii) by redesignating subclauses (I)
22 through (IV) as items (aa) through (dd),
23 respectively, and adjusting the margins ac-
24 cordingly;

1 (iii) by striking “including a detailed”
2 and inserting “including—

3 “(I) except in the case of a facility de-
4 scribed in paragraph (3)(B), a detailed”;
5 and

6 (iv) by adding at the end the following
7 new subclause:

8 “(II) in the case of a facility described
9 in paragraph (3)(B), an assessment of the
10 health care needs of the county (or equiva-
11 lent unit of local government) in which
12 such facility is located, which shall in-
13 clude—

14 “(aa) a description of the services
15 furnished by the facility during the
16 period that such facility was enrolled
17 in the program under this title under
18 section 1866(j);

19 “(bb) a description of the reasons
20 that the facility, as of December 27,
21 2020, was no longer so enrolled;

22 “(cc) the population of such
23 county (or equivalent unit);

24 “(dd) the percentage of such pop-
25 ulation who are individuals entitled to

1 benefits under part A or enrolled
2 under part B; and

3 “(ee) a description of any lack of
4 access to health care services experi-
5 enced by such individuals, and an ex-
6 planation of how reopening the facility
7 as a rural emergency hospital would
8 mitigate such lack of access.”.

9 (b) AMENDMENTS TO PAYMENT RULES.—Section
10 1834(x) of the Social Security Act (42 U.S.C. 1395m(x))
11 is amended—

12 (1) in paragraph (1), by inserting “, except
13 that, in the case of a facility described in section
14 1861(kkk)(3)(B) that, as of the date on which such
15 facility submits an application under section 1866(j)
16 to enroll under this title as a rural emergency hos-
17 pital, is located less than 35 miles away from the
18 nearest hospital, critical access hospital, or rural
19 emergency hospital, such increase shall not apply”
20 before the period at the end; and

21 (2) in paragraph (2)(A), by inserting “(other
22 than a facility described in section 1861(kkk)(3)(B)
23 that, as of the date on which such facility submits
24 an application under section 1866(j) to enroll under
25 this title as a rural emergency hospital, is located

1 less than 10 miles away from the nearest hospital,
2 critical access hospital, or rural emergency hos-
3 pital)” after “rural emergency hospital”.

4 **Subtitle C—Make America Win** 5 **Again**

6 **PART 1—WORKING FAMILIES OVER ELITES**

7 **SEC. 112001. TERMINATION OF PREVIOUSLY-OWNED CLEAN** 8 **VEHICLE CREDIT.**

9 (a) IN GENERAL.—Section 25E(g) is amended by
10 striking “December 31, 2032” and inserting “December
11 31, 2025”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to vehicles acquired after Decem-
14 ber 31, 2025.

15 **SEC. 112002. TERMINATION OF CLEAN VEHICLE CREDIT.**

16 (a) IN GENERAL.—Section 30D is amended—

17 (1) by redesignating subsection (h) as sub-
18 section (i), and

19 (2) in subsection (i), as so redesignated, by
20 striking “December 31, 2032” and inserting “De-
21 cember 31, 2026”.

22 (b) SPECIAL RULE FOR TAXABLE YEAR 2026.—Sec-
23 tion 30D is amended by inserting after subsection (g) the
24 following new subsection:

25 “(h) SPECIAL RULE FOR TAXABLE YEAR 2026.—

1 “(1) IN GENERAL.—With respect to any vehicle
2 placed in service after December 31, 2025, such ve-
3 hicle shall not be treated as a new clean vehicle for
4 purposes of this section if, during the period begin-
5 ning on December 31, 2009, and ending on Decem-
6 ber 31, 2025, the number of covered vehicles manu-
7 factured by the manufacturer of such vehicle which
8 are sold for use in the United States is greater than
9 200,000.

10 “(2) COVERED VEHICLES.—For purposes of
11 this subsection, the term ‘covered vehicles’ means—

12 “(A) with respect to vehicles placed in
13 service before January 1, 2023, new qualified
14 plug-in electric drive motor vehicles (as defined
15 in subsection (d)(1), as in effect on December
16 31, 2022), and

17 “(B) new clean vehicles.

18 “(3) CONTROLLED GROUPS.—Rules similar to
19 the rules of section 30B(f)(4) shall apply for pur-
20 poses of this subsection.”.

21 (c) CONFORMING AMENDMENTS.—Section 30D(e) is
22 amended—

23 (1) in paragraph (1)(B)—

24 (A) in clause (iii), by inserting “and” after
25 the comma at the end,

1 (B) in clause (iv), by striking “, and” and
2 inserting a period, and

3 (C) by striking clause (v), and
4 (2) in paragraph (2)(B)—

5 (A) in clause (ii), by inserting “and” after
6 the comma at the end,

7 (B) in clause (iii), by striking the comma
8 at the end and inserting a period, and

9 (C) by striking clauses (iv) through (vi).

10 (d) **EFFECTIVE DATE.**—The amendments made by
11 this section shall apply to vehicles placed in service after
12 December 31, 2025.

13 **SEC. 112003. TERMINATION OF QUALIFIED COMMERCIAL**
14 **CLEAN VEHICLES CREDIT.**

15 (a) **IN GENERAL.**—Section 45W(g) is amended to
16 read as follows:

17 “(g) **TERMINATION.**—

18 “(1) **IN GENERAL.**—No credit shall be deter-
19 mined under this section with respect to any vehicle
20 acquired after December 31, 2025.

21 “(2) **EXCEPTION FOR BINDING CONTRACTS.**—
22 Paragraph (1) shall not apply with respect to vehi-
23 cles placed in service before January 1, 2033, and
24 acquired pursuant to a written binding contract en-
25 tered into before May 12, 2025.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to vehicles acquired after Decem-
3 ber 31, 2025.

4 **SEC. 112004. TERMINATION OF ALTERNATIVE FUEL VEHI-**
5 **CLE REFUELING PROPERTY CREDIT.**

6 (a) IN GENERAL.—Section 30C(i) is amended by
7 striking “December 31, 2032” and inserting “December
8 31, 2025”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to property placed in service after
11 December 31, 2025.

12 **SEC. 112005. TERMINATION OF ENERGY EFFICIENT HOME**
13 **IMPROVEMENT CREDIT.**

14 (a) IN GENERAL.—Section 25C(i) is amended to read
15 as follows:

16 “(i) TERMINATION.—This section shall not apply
17 with respect to any property placed in service after Decem-
18 ber 31, 2025.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 25C(d)(2)(C) is amended to read as
21 follows:

22 “(C) Any oil furnace or hot water boiler
23 which is placed in service before January 1,
24 2026, and—

1 “(i) meets or exceeds 2021 Energy
2 Star efficiency criteria, and

3 “(ii) is rated by the manufacturer for
4 use with fuel blends at least 20 percent of
5 the volume of which consists of an eligible
6 fuel.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 December 31, 2025.

10 **SEC. 112006. TERMINATION OF RESIDENTIAL CLEAN EN-**
11 **ERGY CREDIT.**

12 (a) IN GENERAL.—Section 25D(h) is amended by
13 striking “December 31, 2034” and inserting “December
14 31, 2025”.

15 (b) CONFORMING AMENDMENTS.—Section 25D(g) is
16 amended—

17 (1) in paragraph (2), by inserting “and” after
18 the comma at the end,

19 (2) in paragraph (3), by striking “January 1,
20 2033, 30 percent,” and inserting “January 1, 2026,
21 30 percent.”, and

22 (3) by striking paragraphs (4) and (5).

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property placed in service after
25 December 31, 2025.

1 **SEC. 112007. TERMINATION OF NEW ENERGY EFFICIENT**
2 **HOME CREDIT.**

3 (a) IN GENERAL.—Section 45L(h) is amended to
4 read as follows:

5 “(h) TERMINATION.—This section shall not apply to
6 any qualified new energy efficient home acquired after De-
7 cember 31, 2025 (December 31, 2026, in the case of any
8 home for which construction began before May 12,
9 2025).”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to homes acquired after December
12 31, 2025.

13 **SEC. 112008. RESTRICTIONS ON CLEAN ELECTRICITY PRO-**
14 **DUCTION CREDIT.**

15 (a) TERMINATION OF CREDIT.—Section 45Y is
16 amended by striking subsection (d) and by adding at the
17 end the following new subsection:

18 “(h) TERMINATION OF CREDIT.—

19 “(1) IN GENERAL.—Except as provided in para-
20 graphs (2) and (3), no credit shall be allowed under
21 this section for any qualified facility—

22 “(A) the construction of which begins after
23 the date which is 60 days after the date of the
24 enactment of this subsection, or

25 “(B) which is placed in service after De-
26 cember 31, 2028.

1 “(2) ADVANCED NUCLEAR FACILITIES.—In the
2 case of any qualified facility that is an advanced nu-
3 clear facility (as defined in section 45J(d)(2))—

4 “(A) paragraph (1) shall not apply, and

5 “(B) no credit shall be allowed under this
6 section for any such facility the construction of
7 which begins after December 31, 2028.

8 “(3) EXPANSION OF NUCLEAR FACILITIES.—In
9 the case of any nuclear facility the reactor design for
10 which is approved by the Nuclear Regulatory Com-
11 mission—

12 “(A) paragraph (1) shall not apply, and

13 “(B) no credit shall be allowed under this
14 section for any such facility the expansion of
15 which begins after December 31, 2028.”.

16 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
17 EIGN ENTITIES.—Section 45Y is amended—

18 (1) in subsection (b)(1), by adding at the end
19 the following new subparagraph:

20 “(E) MATERIAL ASSISTANCE FROM PRO-
21 HIBITED FOREIGN ENTITIES.—The term ‘quali-
22 fied facility’ shall not include any facility for
23 which construction begins after December 31,
24 2025 if the construction of such facility in-
25 cludes any material assistance from a prohib-

1 ited foreign entity (as defined in section
2 7701(a)(52)).”, and

3 (2) in subsection (g), by adding at the end the
4 following new paragraph:

5 “(13) RESTRICTIONS RELATING TO PROHIB-
6 ITED FOREIGN ENTITIES.—

7 “(A) IN GENERAL.—No credit determined
8 under subsection (a) shall be allowed under sec-
9 tion 38 for any taxable year beginning after the
10 date of enactment of this paragraph if the tax-
11 payer is a specified foreign entity (as defined in
12 section 7701(a)(51)(B)).

13 “(B) OTHER PROHIBITED FOREIGN ENTI-
14 TIES.—No credit determined under subsection
15 (a) shall be allowed under section 38 for any
16 taxable year beginning after the date which is
17 2 years after the date of enactment of this
18 paragraph if—

19 “(i) the taxpayer is a foreign-influ-
20 enced entity (as defined in section
21 7701(a)(51)(D)), or

22 “(ii) during such taxable year, the
23 taxpayer—

24 “(I) makes a payment of divi-
25 dends, interest, compensation for serv-

1 ices, rentals or royalties, guarantees
2 or any other fixed, determinable, an-
3 nual, or periodic amount to a prohib-
4 ited foreign entity (as defined in sec-
5 tion 7701(a)(51)) in an amount which
6 is equal to or greater than 5 percent
7 of the total of such payments made by
8 such taxpayer during such taxable
9 year which are related to the produc-
10 tion of electricity, or

11 “(II) makes payments described
12 in subclause (I) to more than 1 pro-
13 hibited foreign entity (as so defined)
14 in an amount which, in the aggregate,
15 is equal to or greater than 15 percent
16 of the total of such payments made by
17 such taxpayer during such taxable
18 year which are related to the produc-
19 tion of electricity.”.

20 (c) DEFINITIONS RELATING TO PROHIBITED FOR-
21 EIGN ENTITIES.—Section 7701(a) is amended by adding
22 at the end the following new paragraphs:

23 “(51) PROHIBITED FOREIGN ENTITY.—

1 “(A) IN GENERAL.—The term ‘prohibited
2 foreign entity’ means a specified foreign entity
3 or a foreign-influenced entity.

4 “(B) SPECIFIED FOREIGN ENTITY.—For
5 purposes of subparagraph (A), the term ‘speci-
6 fied foreign entity’ means—

7 “(i) a foreign entity of concern de-
8 scribed in subparagraph (A), (B), (D), or
9 (E) of section 9901(8) of the William M.
10 (Mac) Thornberry National Defense Au-
11 thorization Act for Fiscal Year 2021 (Pub-
12 lic Law 116–283; 15 U.S.C. 4651),

13 “(ii) an entity identified as a Chinese
14 military company operating in the United
15 States in accordance with section 1260H
16 of the William M. (Mac) Thornberry Na-
17 tional Defense Authorization Act for Fiscal
18 Year 2021 (Public Law 116–283; 10
19 U.S.C. 113 note),

20 “(iii) an entity included on a list re-
21 quired by clause (i), (ii), (iv), or (v) of sec-
22 tion 2(d)(2)(B) of Public Law 117–78
23 (135 Stat. 1527),

24 “(iv) an entity specified under section
25 154(b) of the National Defense Authoriza-

1 tion Act for Fiscal Year 2024 (Public Law
2 118–31; 10 U.S.C. note prec. 4651), or

3 “(v) a foreign-controlled entity.

4 “(C) FOREIGN-CONTROLLED ENTITY.—For
5 purposes of subparagraph (B), the term ‘for-
6 eign-controlled entity’ means—

7 “(i) the government of a covered na-
8 tion (as defined in section 4872(f)(2) of
9 title 10, United States Code),

10 “(ii) a person who is a citizen, na-
11 tional, or resident of a covered nation, pro-
12 vided that such person is not an individual
13 who is a citizen or lawful permanent resi-
14 dent of the United States,

15 “(iii) an entity or a qualified business
16 unit (as defined in section 989(a)) incor-
17 porated or organized under the laws of, or
18 having its principal place of business in, a
19 covered nation, or

20 “(iv) an entity (including subsidiary
21 entities) controlled (as determined under
22 subparagraph (F)) by an entity described
23 in clause (i), (ii), or (iii).

1 “(D) FOREIGN-INFLUENCED ENTITY.—For
2 purposes of subparagraph (A), the term ‘for-
3 eign-influenced entity’ means an entity—

4 “(i) with respect to which, during the
5 taxable year—

6 “(I) a specified foreign entity has
7 the direct or indirect authority to ap-
8 point a covered officer of such entity,

9 “(II) a single specified foreign
10 entity owns at least 10 percent of
11 such entity,

12 “(III) one or more specified for-
13 eign entities own in the aggregate at
14 least 25 percent of such entity, or

15 “(IV) at least 25 percent of the
16 debt of such entity is held in the ag-
17 gregate by one or more specified for-
18 eign entities, or

19 “(ii) which, during the previous tax-
20 able year—

21 “(I) makes a payment of divi-
22 dends, interest, compensation for serv-
23 ices, rentals or royalties, guarantees
24 or any other fixed, determinable, an-
25 nual, or periodic amount to a specified

1 foreign entity in an amount which is
2 equal to or greater than 10 percent of
3 the total of such payments made by
4 such entity during such taxable year,
5 or

6 “(II) makes payments described
7 in subclause (I) to more than 1 speci-
8 fied foreign entity in an amount
9 which, in the aggregate, is equal to or
10 greater than 25 percent of the total of
11 such payments made by such entity
12 during such taxable year.

13 Clause (ii) shall not apply unless such enti-
14 ty makes such payments knowingly (or has
15 reason to know).

16 “(E) COVERED OFFICER.—For purposes of
17 this paragraph, the term ‘covered officer’
18 means, with respect to an entity—

19 “(i) a member of the board of direc-
20 tors, board of supervisors, or equivalent
21 governing body,

22 “(ii) an executive-level officer, includ-
23 ing the president, chief executive officer,
24 chief operating officer, chief financial offi-

1 cer, general counsel, or senior vice presi-
2 dent, or

3 “(iii) an individual having powers or
4 responsibilities similar to those of officers
5 or members described in clause (i) or (ii).

6 “(F) DETERMINATION OF CONTROL.—For
7 purposes of subparagraph (C)(iv), the term
8 ‘control’ means—

9 “(i) in the case of a corporation, own-
10 ership (by vote or value) of more than 50
11 percent of the stock in such corporation,

12 “(ii) in the case of a partnership,
13 ownership of more than 50 percent of the
14 profits interests or capital interests in such
15 partnership, or

16 “(iii) in any other case, ownership of
17 more than 50 percent of the beneficial in-
18 terests in the entity.

19 “(G) DETERMINATION OF OWNERSHIP.—
20 For purposes of this section, section 318 (other
21 than subsection (a)(3) thereof) shall apply for
22 purposes of determining ownership of stock in
23 a corporation. Similar principles shall apply for
24 purposes of determining ownership of interests
25 in any other entity.

1 “(H) REGULATIONS AND GUIDANCE.—The
2 Secretary may prescribe such regulations and
3 guidance as may be necessary or appropriate to
4 carry out the provisions of this paragraph.

5 “(52) MATERIAL ASSISTANCE FROM A PROHIB-
6 ITED FOREIGN ENTITY.—

7 “(A) IN GENERAL.—The term ‘material
8 assistance from a prohibited foreign entity’
9 means, with respect to any property—

10 “(i) any component, subcomponent, or
11 applicable critical mineral (as defined in
12 section 45X(c)(6)) included in such prop-
13 erty that is extracted, processed, recycled,
14 manufactured, or assembled by a prohib-
15 ited foreign entity, or

16 “(ii) any design of such property
17 which is based on any copyright or patent
18 held by a prohibited foreign entity or any
19 know-how or trade secret provided by a
20 prohibited foreign entity.

21 “(B) EXCLUSION.—

22 “(i) IN GENERAL.—The term ‘mate-
23 rial assistance from a prohibited foreign
24 entity’ shall not include any assembly part
25 or constituent material, provided that such

1 part or material is not acquired directly
2 from a prohibited foreign entity.

3 “(ii) ASSEMBLY PART.—For purposes
4 of this subparagraph, the term ‘assembly
5 part’ means a subcomponent or collection
6 of subcomponents which is—

7 “(I) not uniquely designed for
8 use in the construction of a qualified
9 facility described in section 45Y or
10 48E or an eligible component de-
11 scribed in section 45X, and

12 “(II) not exclusively or predomi-
13 nantly produced by prohibited foreign
14 entities.

15 “(iii) CONSTITUENT MATERIAL.—For
16 purposes of this subparagraph, the term
17 ‘constituent material’ means any material
18 which is—

19 “(I) not uniquely formulated for
20 use in a qualified facility described in
21 section 45Y or 48E or an eligible
22 component described in section 45X,
23 and

1 “(II) not exclusively or predomi-
2 nantly produced, processed, or ex-
3 tracted by prohibited foreign entities.

4 “(iv) REGULATIONS AND GUID-
5 ANCE.—The Secretary may prescribe such
6 regulations and guidance as may be nec-
7 essary or appropriate to carry out the pro-
8 visions of this paragraph.”.

9 (d) DENIAL OF CREDIT FOR EXPENDITURES FOR
10 CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—
11 Section 45Y, as amended by subsection (a), is amended
12 by inserting after subsection (c) the following new sub-
13 section:

14 “(d) DENIAL OF CREDIT FOR EXPENDITURES FOR
15 WIND AND SOLAR LEASING ARRANGEMENTS.—No credit
16 shall be allowed under this section for any investment dur-
17 ing the taxable year with respect to property described in
18 paragraph (1), (2), or (4) of section 25D(d) if—

19 “(1) the taxpayer rents or leases such property
20 to a third party during such taxable year, and

21 “(2) the lessee would qualify for a credit under
22 section 25D with respect to such property if the les-
23 see owned such property.”.

24 (e) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall apply to taxable years beginning after the date
4 of enactment of this Act.

5 (2) TERMINATION OF CREDIT.—The amend-
6 ment made by subsection (a) shall apply to facilities
7 for which construction begins after the date that is
8 60 days after the date of enactment of this Act.

9 **SEC. 112009. RESTRICTIONS ON CLEAN ELECTRICITY IN-**
10 **VESTMENT CREDIT.**

11 (a) TERMINATION OF CREDIT.—Section 48E is
12 amended by striking subsection (e) and by adding at the
13 end the following new subsection:

14 “(j) TERMINATION OF CREDIT.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), no credit shall be allowed under this sec-
17 tion for any qualified facility or energy storage tech-
18 nology—

19 “(A) the construction of which begins after
20 the date which is 60 days after the date of the
21 enactment of this subsection, or

22 “(B) which is placed in service after De-
23 cember 31, 2028.

1 “(2) ADVANCED NUCLEAR FACILITY.—In the
2 case of any qualified facility that is an advanced nu-
3 clear facility (as defined in section 45J(d)(2))—

4 “(A) paragraph (1) shall not apply, and

5 “(B) no credit shall be allowed under this
6 section for any such facility the construction of
7 which begins after December 31, 2028.”.

8 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
9 EIGN ENTITIES.—

10 (1) IN GENERAL.—Section 48E is amended—

11 (A) in subsection (b)(3), by adding at the
12 end the following new subparagraph:

13 “(D) MATERIAL ASSISTANCE FROM PRO-
14 HIBITED FOREIGN ENTITIES.—The term ‘quali-
15 fied facility’ shall not include any facility the
16 construction of which begins after December
17 31, 2025 if the construction of such facility in-
18 cludes any material assistance from a prohib-
19 ited foreign entity (as defined in section
20 7701(a)(52)).”, and

21 (B) in subsection (c), by adding at the end
22 the following new paragraph:

23 “(3) MATERIAL ASSISTANCE FROM PROHIBITED
24 FOREIGN ENTITIES.—The term ‘energy storage tech-
25 nology’ shall not include any property the construc-

1 tion of which begins after December 31, 2025 if the
2 construction of such property includes any material
3 assistance from a prohibited foreign entity (as de-
4 fined in section 7701(a)(52)).”.

5 (2) RESTRICTIONS RELATING TO PROHIBITED
6 FOREIGN ENTITIES.—Section 48E(d) is amended by
7 adding at the end the following new paragraph:

8 “(6) RESTRICTIONS RELATING TO PROHIBITED
9 FOREIGN ENTITIES.—

10 “(A) IN GENERAL.—No credit determined
11 under subsection (a) shall be allowed under sec-
12 tion 38 for any taxable year beginning after the
13 date of enactment of this paragraph if the tax-
14 payer is a specified foreign entity (as defined in
15 section 7701(a)(51)(B)).

16 “(B) OTHER PROHIBITED FOREIGN ENTI-
17 TIES.—No credit determined under subsection
18 (a) shall be allowed under section 38 for any
19 taxable year beginning after the date which is
20 2 years after the date of enactment of this
21 paragraph if—

22 “(i) the taxpayer is a foreign-influ-
23 enced entity (as defined in section
24 7701(a)(51)(D)), or

1 “(ii) during such taxable year, the
2 taxpayer—

3 “(I) makes a payment of divi-
4 dends, interest, compensation for serv-
5 ices, rentals or royalties, guarantees
6 or any other fixed, determinable, an-
7 nual, or periodic amount to a prohib-
8 ited foreign entity (as defined in sec-
9 tion 7701(a)(51)) in an amount which
10 is equal to or greater than 5 percent
11 of the total of such payments made by
12 such taxpayer during such taxable
13 year which are related to the produc-
14 tion of electricity or storage of energy,
15 or

16 “(II) makes payments described
17 in subclause (I) to more than 1 pro-
18 hibited foreign entity (as so defined)
19 in an amount which, in the aggregate,
20 is equal to or greater than 15 percent
21 of the total of such payments made by
22 such taxpayer during such taxable
23 year which are related to the produc-
24 tion of electricity or storage of en-
25 ergy.”.

1 (3) RECAPTURE.—Section 50(a) is amended—

2 (A) by redesignating paragraphs (4)
3 through (6) as paragraphs (5) through (7), re-
4 spectively,

5 (B) by inserting after paragraph (3) the
6 following new paragraph:

7 “(4) PAYMENTS TO PROHIBITED FOREIGN EN-
8 TITIES.—

9 “(A) IN GENERAL.—If there is an applica-
10 ble payment made by a specified taxpayer be-
11 fore the close of the 10-year period beginning
12 on the date such taxpayer placed in service in-
13 vestment credit property which is eligible for
14 the clean electricity investment credit under
15 section 48E(a), then the tax under this chapter
16 for the taxable year in which such applicable
17 payment occurs shall be increased by 100 per-
18 cent of the aggregate decrease in the credits al-
19 lowed under section 38 for all prior taxable
20 years which would have resulted solely from re-
21 ducing to zero any credit determined under sec-
22 tion 46 which is attributable to the clean elec-
23 tricity investment credit under section 48E(a)
24 with respect to such property.

1 “(B) APPLICABLE PAYMENT.—For pur-
2 poses of this paragraph, the term ‘applicable
3 payment’ means, with respect to any taxable
4 year, a payment or payments described in sub-
5 clause (I) or (II) of section 48E(d)(6)(B)(ii).

6 “(C) SPECIFIED TAXPAYER.—For pur-
7 poses of this paragraph, the term ‘specified tax-
8 payer’ means any taxpayer who has been al-
9 lowed a credit under section 48E(a) for any
10 taxable year beginning after the date which is
11 2 years after the date of enactment of this
12 paragraph.”,

13 (C) in paragraph (5), as redesignated by
14 subparagraph (A), by striking “or any applica-
15 ble transaction to which paragraph (3)(A) ap-
16 plies,” and inserting “any applicable trans-
17 action to which paragraph (3)(A) applies, or
18 any applicable payment to which paragraph
19 (4)(A) applies,” and

20 (D) in paragraph (7), as redesignated by
21 subparagraph (A), by striking “or (3)” and in-
22 serting “(3), or (4)”.

23 (c) DENIAL OF CREDIT FOR EXPENDITURES FOR
24 CERTAIN WIND AND SOLAR LEASING ARRANGEMENTS.—
25 Section 48E, as amended by subsection (a), is amended

1 by inserting after subsection (d) the following new sub-
2 section:

3 “(e) DENIAL OF CREDIT FOR EXPENDITURES FOR
4 WIND AND SOLAR LEASING ARRANGEMENTS.—No credit
5 shall be allowed under this section for any investment dur-
6 ing the taxable year with respect to property described in
7 paragraph (1), (2), or (4) of section 25D(d) if—

8 “(1) the taxpayer rents or leases such property
9 to a third party during such taxable year, and

10 “(2) the lessee would qualify for a credit under
11 section 25D with respect to such property if the les-
12 see owned such property.”.

13 (d) CONFORMING AMENDMENTS.—Section 48E(h)(4)
14 is amended—

15 (1) in subparagraph (C), by striking “December
16 31 of the applicable year (as defined in section
17 45Y(d)(3))” and inserting “December 31, 2028”,

18 (2) in subparagraph (D), by striking “the third
19 calendar year following the applicable year (as de-
20 fined in section 45Y(d)(3))” and inserting “2028”,
21 and

22 (3) in subparagraph (E)(i), by striking “after
23 the date that is 4 years after the date of the alloca-
24 tion with respect to the facility of which such prop-
25 erty is a part” and inserting “the earlier of—

1 “(I) the date that is 4 years after
2 the date of the allocation with respect
3 to the facility of which such property
4 is a part, or

5 “(II) December 31, 2028.”.

6 (e) EFFECTIVE DATES.—

7 (1) IN GENERAL.—Except as provided in para-
8 graph (2), the amendments made by this section
9 shall apply to taxable years beginning after the date
10 of enactment of this Act.

11 (2) TERMINATION OF CREDIT.—The amend-
12 ment made by subsection (a) shall apply to facilities
13 and energy storage technology for which construc-
14 tion begins after the date that is 60 days after the
15 date of enactment of this Act.

16 **SEC. 112010. REPEAL OF TRANSFERABILITY OF CLEAN**
17 **FUEL PRODUCTION CREDIT.**

18 (a) IN GENERAL.—Section 6418(f)(1)(A) is amended
19 by striking clause (viii).

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to fuel produced after December
22 31, 2027.

1 **SEC. 112011. RESTRICTIONS ON CARBON OXIDE SEQUE-**
2 **TRATION CREDIT.**

3 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-
4 EIGN ENTITIES.—Section 45Q(f) is amended by adding
5 at the end the following new paragraph:

6 “(10) RESTRICTIONS RELATING TO PROHIB-
7 ITED FOREIGN ENTITIES.—

8 “(A) IN GENERAL.—No credit determined
9 under subsection (a) shall be allowed under sec-
10 tion 38 for any taxable year beginning after the
11 date of enactment of this paragraph if the tax-
12 payer is a specified foreign entity (as defined in
13 section 7701(a)(51)(B)).

14 “(B) OTHER PROHIBITED FOREIGN ENTI-
15 TIES.—No credit determined under subsection
16 (a) shall be allowed under section 38 for any
17 taxable year beginning after the date which is
18 2 years after the date of enactment of this
19 paragraph if the taxpayer is a foreign-influ-
20 enced entity (as defined in section
21 7701(a)(51)(D)).”.

22 (b) REPEAL OF TRANSFERABILITY.—Section
23 6418(f)(1), as amended by section 112010, is amended—

24 (1) in subparagraph (A), by striking clause (iii),
25 and

26 (2) in subparagraph (B)—

1 (A) in the matter preceding clause (i), by
2 striking “clause (ii), (iii), or (v)” and inserting
3 “clause (ii) or (v)”, and

4 (B) in clause (ii), by striking “(or, in the
5 case” and all that follows through “at such fa-
6 cility)”.

7 (c) EFFECTIVE DATES.—

8 (1) RESTRICTIONS RELATING TO PROHIBITED
9 FOREIGN ENTITIES.—The amendments made by
10 subsection (a) shall apply to taxable years beginning
11 after the date of enactment of this Act.

12 (2) REPEAL OF TRANSFERABILITY.—The
13 amendments made by subsection (b) shall apply to
14 carbon capture equipment the construction of which
15 begins after the date that is 2 years after the date
16 of enactment of this Act.

17 **SEC. 112012. RESTRICTIONS ON ZERO-EMISSION NUCLEAR**
18 **POWER PRODUCTION CREDIT.**

19 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-
20 EIGN ENTITIES.—Section 45U(c) is amended by adding
21 at the end the following new paragraph:

22 “(3) RESTRICTIONS RELATING TO PROHIBITED
23 FOREIGN ENTITIES.—

24 “(A) IN GENERAL.—No credit determined
25 under subsection (a) shall be allowed under sec-

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to facilities the construction of
3 which begins after December 31, 2025.

4 **SEC. 112014. PHASE-OUT AND RESTRICTIONS ON AD-**
5 **VANCED MANUFACTURING PRODUCTION**
6 **CREDIT.**

7 (a) PHASE-OUT.—Section 45X(b)(3) is amended—

8 (1) in subparagraph (B)—

9 (A) in clause (ii), by adding “and” at the
10 end,

11 (B) in clause (iii), by striking “during cal-
12 endar year 2032, 25 percent,” and inserting
13 “after December 31, 2031, 0 percent.”, and

14 (C) by striking clause (iv), and

15 (2) by striking subparagraph (C) and inserting
16 the following:

17 “(C) TERMINATION FOR WIND ENERGY
18 COMPONENTS.—This section shall not apply to
19 wind energy components sold after December
20 31, 2027.”.

21 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
22 EIGN ENTITIES.—Section 45X is amended—

23 (1) in subsection (c)(1), by adding at the end
24 the following new subparagraph:

1 “(C) MATERIAL ASSISTANCE FROM PRO-
2 HIBITED FOREIGN ENTITIES.—In the case of
3 taxable years beginning after the date which is
4 2 years after the date of enactment of this sub-
5 paragraph, the term ‘eligible component’ shall
6 not include any property which—

7 “(i) includes any material assistance
8 from a prohibited foreign entity (as defined
9 in section 7701(a)(52)), or

10 “(ii) is produced subject to a licensing
11 agreement with a prohibited foreign entity
12 (as defined in section 7701(a)(51)) for
13 which the value of such agreement is in ex-
14 cess of \$1,000,000.”, and

15 (2) in subsection (d), by adding at the end the
16 following new paragraph:

17 “(5) RESTRICTIONS RELATING TO PROHIBITED
18 FOREIGN ENTITIES.—

19 “(A) IN GENERAL.—No credit determined
20 under subsection (a) shall be allowed under sec-
21 tion 38 for any taxable year beginning after the
22 date of enactment of this paragraph if the tax-
23 payer is a specified foreign entity (as defined in
24 section 7701(a)(51)(B)).

1 “(B) OTHER PROHIBITED FOREIGN ENTI-
2 TIES.—No credit determined under subsection
3 (a) shall be allowed under section 38 for any
4 taxable year beginning after the date which is
5 2 years after the date of enactment of this
6 paragraph if the taxpayer is a foreign-influ-
7 enced entity (as defined in section
8 7701(a)(51)(D)).

9 “(C) PAYMENTS TO PROHIBITED FOREIGN
10 ENTITIES.—

11 “(i) IN GENERAL.—If, for any taxable
12 year beginning after the date that is 2
13 years after the date of the enactment of
14 this paragraph, a taxpayer is described in
15 clause (ii) for such taxable year with re-
16 spect to any eligible component category,
17 no credit shall be determined under sub-
18 section (a) for eligible components in such
19 eligible component category for such tax-
20 able year.

21 “(ii) TAXPAYER DESCRIBED.—A tax-
22 payer is described in this clause for a tax-
23 able year with respect to any eligible com-
24 ponent category if such taxpayer—

1 “(I) makes a payment of divi-
2 dends, interest, compensation for serv-
3 ices, rentals or royalties, guarantees
4 or any other fixed, determinable, an-
5 nual, or periodic amount to a prohib-
6 ited foreign entity (as defined in sec-
7 tion 7701(a)(51)) in an amount which
8 is equal to or greater than 5 percent
9 of the total of such payments made by
10 such taxpayer during such taxable
11 year which are related to the produc-
12 tion of eligible components included
13 within such eligible component cat-
14 egory, or

15 “(II) makes payments described
16 in subclause (I) to more than 1 pro-
17 hibited foreign entity (as so defined)
18 in an amount which, in the aggregate,
19 is equal to or greater than 15 percent
20 of such payments made by such tax-
21 payer during such taxable year which
22 are related to the production of eligi-
23 ble components included within such
24 eligible component category.

1 “(iii) ELIGIBLE COMPONENT CAT-
2 EGORY.—For purposes of this subpara-
3 graph, the term ‘eligible component cat-
4 egory’ means eligible components which
5 are included within each respective clause
6 under subsection (c)(1)(A).”.

7 (c) REPEAL OF TRANSFERABILITY.—Section 6418,
8 as amended by sections 112010, 112011, and 112012 is
9 amended—

10 (1) in subsection (f)(1)—

11 (A) in subparagraph (A)—

12 (i) by striking clause (vi), and

13 (ii) by redesignating clauses (iv), (v),

14 (vii), (ix), (x), and (xi) as clauses (iii), (iv),

15 (v), (vi), (vii), and (viii), respectively, and

16 (B) in subparagraph (B), by striking

17 “clause (ii) or (v)” and inserting “clause (ii) or

18 (iv)”, and

19 (2) in subsection (g)(3), by striking “clause (ix)

20 or (x)” and inserting “clause (vi) or (vii)”.

21 (d) EFFECTIVE DATES.—

22 (1) IN GENERAL.—Except as provided in para-

23 graph (2), the amendments made by this section

24 shall apply to taxable years beginning after the date

25 of enactment of this Act.

1 (2) REPEAL OF TRANSFERABILITY.—The
2 amendments made by subsection (c) shall apply to
3 components sold after December 31, 2027.

4 **SEC. 112015. PHASE-OUT OF CREDIT FOR CERTAIN ENERGY**
5 **PROPERTY.**

6 (a) PHASE-OUT.—Section 48(a) is amended—

7 (1) in paragraph (3)(vii), by striking “the con-
8 struction of which begins before January 1, 2035”
9 and inserting “the construction of which begins be-
10 fore January 1, 2032”, and

11 (2) by striking paragraph (7) and inserting the
12 following new paragraph:

13 “(7) PHASE-OUT FOR CERTAIN ENERGY PROP-
14 PERTY.—In the case of any energy property described
15 in clause (vii) of paragraph (3)(A), the energy per-
16 centage determined under paragraph (2) shall be
17 equal to—

18 “(A) in the case of any property the con-
19 struction of which begins before January 1,
20 2030, and which is placed in service after De-
21 cember 31, 2021, 6 percent,

22 “(B) in the case of any property the con-
23 struction of which begins after December 31,
24 2029, and before January 1, 2031, 5.2 percent,
25 and

1 “(C) in the case of any property the con-
2 struction of which begins after December 31,
3 2030, and before January 1, 2032, 4.4 per-
4 cent.”.

5 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
6 EIGN ENTITIES.—Section 48(a) is amended by redesi-
7 gnating paragraph (16) as paragraph (17) and by inserting
8 after paragraph (15) the following new paragraph:

9 “(16) RESTRICTIONS RELATING TO PROHIB-
10 ITED FOREIGN ENTITIES.—

11 “(A) IN GENERAL.—No credit determined
12 under this subsection for energy property de-
13 scribed in paragraph (3)(A)(vii) shall be allowed
14 under section 38 for any taxable year beginning
15 after the date of enactment of this paragraph
16 if the taxpayer is a specified foreign entity (as
17 defined in section 7701(a)(51)(B)).

18 “(B) OTHER PROHIBITED FOREIGN ENTI-
19 TIES.—No credit determined under this sub-
20 section for energy property described in para-
21 graph (3)(A)(vii) shall be allowed under section
22 38 for any taxable year beginning after the date
23 which is 2 years after the date of enactment of
24 this paragraph if the taxpayer is a foreign-influ-

1 enced entity (as defined in section
2 7701(a)(51)(D)).”.

3 (c) REPEAL OF TRANSFERABILITY.—Section
4 6418(f)(1)(A)(iii), as redesignated by section 112014, is
5 amended by inserting “(except so much of the credit as
6 is determined under paragraph (3)(A)(vii) of such sec-
7 tion)” after “section 48”.

8 (d) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), the amendments made by this section
11 shall apply to taxable years beginning after the date
12 of the enactment of this Act.

13 (2) REPEAL OF TRANSFERABILITY.—The
14 amendments made by subsection (c) shall apply to
15 property the construction of which begins after the
16 date that is 2 years after the date of enactment of
17 this Act.

18 **SEC. 112016. INCOME FROM HYDROGEN STORAGE, CARBON**
19 **CAPTURE ADDED TO QUALIFYING INCOME OF**
20 **CERTAIN PUBLICLY TRADED PARTNERSHIPS**
21 **TREATED AS CORPORATIONS.**

22 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-
23 ed—

1 (1) by striking “income and gains derived from
2 the exploration” and inserting “income and gains
3 derived from—

4 “(i) the exploration”,

5 (2) by inserting “or” before “industrial
6 source”, and

7 (3) by striking “the transportation or storage”
8 and all that follows and inserting the following:

9 “(ii) the transportation or storage
10 of—

11 “(I) any fuel described in sub-
12 section (b), (c), (d), (e), or (k) of sec-
13 tion 6426, or any alcohol fuel defined
14 in section 6426(b)(4)(A) or any bio-
15 diesel fuel as defined in section
16 40A(d)(1) or sustainable aviation fuel
17 as defined in section 40B(d)(1), or

18 “(II) liquified hydrogen or com-
19 pressed hydrogen, or

20 “(iii) in the case of a qualified facility
21 (as defined in section 45Q(d), without re-
22 gard to any date by which construction of
23 the facility is required to begin) not less
24 than 50 percent of the total carbon oxide

1 production of which is qualified carbon
2 oxide (as defined in section 45Q(c))—

3 “(I) the generation, availability
4 for such generation, or storage of elec-
5 tric power at such facility, or

6 “(II) the capture of carbon diox-
7 ide by such facility.”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 **SEC. 112017. LIMITATION ON AMORTIZATION OF CERTAIN**
12 **SPORTS FRANCHISES.**

13 (a) IN GENERAL.—Section 197 is amended by redес-
14 ignating subsection (g) as subsection (h) and by inserting
15 after subsection (f) the following new subsection:

16 “(g) LIMITATION ON AMORTIZATION OF CERTAIN
17 SPORTS FRANCHISES.—

18 “(1) IN GENERAL.—In the case of a specified
19 sports franchise intangible, subsection (a) shall be
20 applied by substituting ‘50 percent of the adjusted
21 basis’ for ‘the adjusted basis’.

22 “(2) SPECIFIED SPORTS FRANCHISE INTAN-
23 GIBLE.—For purposes of this subsection, the term
24 ‘specified sports franchise intangible’ means any am-
25 ortizable section 197 intangible which is—

1 “(A) a franchise to engage in professional
2 football, basketball, baseball, hockey, soccer, or
3 other professional sport, or

4 “(B) acquired in connection with such a
5 franchise.”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to property acquired after the date
8 of the enactment of this Act.

9 **SEC. 112018. LIMITATION ON INDIVIDUAL DEDUCTIONS FOR**
10 **CERTAIN STATE AND LOCAL TAXES, ETC.**

11 (a) IN GENERAL.—Section 275 is amended by redese-
12 ignating subsection (b) as subsection (c) and by inserting
13 after subsection (a) the following new subsection:

14 “(b) LIMITATION ON INDIVIDUAL DEDUCTIONS FOR
15 CERTAIN STATE AND LOCAL TAXES, ETC.—

16 “(1) LIMITATION.—

17 “(A) IN GENERAL.—In the case of an indi-
18 vidual, no deduction shall be allowed for—

19 “(i) any disallowed foreign real prop-
20 erty taxes, and

21 “(ii) any specified taxes to the extent
22 that such taxes for such taxable year in
23 the aggregate exceed—

24 “(I) half the dollar amount in ef-
25 fect under subclause (II), in the case

1 of a married individual filing a sepa-
2 rate return, and

3 “(II) \$40,400, in the case of any
4 other taxpayer.

5 “(B) PHASEDOWN BASED ON MODIFIED
6 ADJUSTED GROSS INCOME.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), the limitation otherwise
9 in effect under subparagraph (A)(ii) shall
10 be reduced by 30 percent of the excess (if
11 any) of the taxpayer’s modified adjusted
12 gross income over—

13 “(I) half the dollar amount in ef-
14 fect under subclause (II), in the case
15 of a married individual filing a sepa-
16 rate return, and

17 “(II) \$505,000, in the case of
18 any other taxpayer.

19 “(ii) LIMITATION ON REDUCTION.—
20 The reduction under clause (i) shall not re-
21 sult in—

22 “(I) the limitation in effect under
23 subparagraph (A)(ii)(I) being less
24 than \$5,000, or

1 “(II) the limitation in effect
2 under subparagraph (A)(ii)(II) being
3 less than \$10,000.

4 “(C) MODIFIED ADJUSTED GROSS IN-
5 COME.—For purposes of this paragraph, the
6 term ‘modified adjusted gross income’ means
7 adjusted gross income increased by any amount
8 excluded from gross income under section 911,
9 931, or 933.

10 “(D) ADJUSTMENT OF CERTAIN DOLLAR
11 AMOUNTS.—

12 “(i) IN GENERAL.—In the case of any
13 taxable year beginning after December 31,
14 2026, and before January 1, 2034, the dol-
15 lar amount in effect under subparagraph
16 (A)(ii)(II), and the dollar amount in effect
17 under subparagraph (B)(i)(II), shall each
18 be equal to 101 percent of such dollar
19 amount as in effect for taxable years be-
20 ginning in the preceding taxable year.

21 “(ii) MAINTENANCE OF INCREASE
22 THEREAFTER.—In the case of any taxable
23 year beginning after December 31, 2033,
24 the dollar amounts referred to in clause (i)

1 shall be equal to such dollar amounts as in
2 effect for taxable years beginning in 2033.

3 “(2) DISALLOWED FOREIGN REAL PROPERTY
4 TAX.—For purposes of this subsection, the term
5 ‘disallowed foreign real property tax’ means any tax
6 which—

7 “(A) is a foreign real property tax de-
8 scribed in section 164(a)(1) or 216(a)(1), and

9 “(B) is not an excepted tax.

10 “(3) SPECIFIED TAX.—For purposes of this
11 subsection, the term ‘specified tax’ means—

12 “(A) any tax which—

13 “(i) is described in paragraph (1), (2),
14 or (3) of section 164(a) or section
15 216(a)(1), or is taken into account under
16 section 164(b)(5), and

17 “(ii) is not an excepted tax or a dis-
18 allowed foreign real property tax, and

19 “(B) any substitute payment.

20 “(4) EXCEPTED TAX.—For purposes of this
21 subsection—

22 “(A) IN GENERAL.—The term ‘excepted
23 tax’ means—

24 “(i) any foreign tax described in sec-
25 tion 164(a)(3),

1 “(ii) any tax described in section
2 164(a)(3) which is paid or accrued by a
3 qualifying entity with respect to carrying
4 on a qualified trade or business (as defined
5 in section 199A(d), without regard to sec-
6 tion 199A(b)(3)), and

7 “(iii) any tax described in paragraph
8 (1) or (2) of section 164(a), or section
9 216(a)(1), which is paid or accrued in car-
10 rying on a trade or business or an activity
11 described in section 212.

12 “(B) QUALIFYING ENTITY.—For purposes
13 of subparagraph (A), the term ‘qualifying enti-
14 ty’ means any partnership or S corporation
15 with gross receipts for the taxable year (within
16 the meaning of section 448(c)) if at least 75
17 percent of such gross receipts are derived in a
18 qualified trade or business (as defined in sec-
19 tion 199A(d), without regard to section
20 199A(b)(3)). For purposes of the preceding
21 sentence, the gross receipts of all trades or
22 businesses which are under common control
23 (within the meaning of section 52(b)) with any
24 trade or business of the partnership or S cor-

1 poration shall be taken into account as gross
2 receipts of the entity.

3 “(5) SUBSTITUTE PAYMENT.—For purposes of
4 this subsection—

5 “(A) IN GENERAL.—The term ‘substitute
6 payment’ means any amount (other than a tax
7 described in paragraph (3)(A) or (4)(A)(ii))
8 paid, incurred, or accrued to any entity referred
9 to in section 164(b)(2) if, under the laws of one
10 or more entities referred to in section
11 164(b)(2), one or more persons would (if the
12 assumptions described in subparagraphs (B)
13 and (C) applied) be entitled to specified tax
14 benefits the aggregate dollar value of which
15 equals or exceeds 25 percent of such amount.

16 “(B) ASSUMPTION REGARDING DOLLAR
17 VALUE OF TAX BENEFITS.—The assumption de-
18 scribed in this subparagraph is that the dollar
19 value of a specified tax benefit is—

20 “(i) in the case of a credit or refund,
21 the amount of such credit or refund,

22 “(ii) in the case of a deduction or ex-
23 clusion, 15 percent of the amount of such
24 deduction or exclusion, and

1 “(iii) in any other case, an amount
2 determined in such manner as the Sec-
3 retary may provide consistent with the
4 principles of clauses (i) and (ii).

5 “(C) ASSUMPTION REGARDING STATUS OF
6 PARTNERS OR SHAREHOLDERS.—The assump-
7 tion described in this subparagraph is, in the
8 case of any amount referred to in subparagraph
9 (A) which is paid, incurred, or accrued by a
10 partnership or S corporation, that all of the
11 partners or shareholders of such partnership or
12 S corporation, respectively, are individuals who
13 are residents of the jurisdiction of the entity or
14 entities providing the specified tax benefits (and
15 possess such other characteristics as the laws of
16 such entities may require for entitlement to
17 such benefits).

18 “(D) SPECIFIED TAX BENEFIT.—For pur-
19 poses of subparagraph (A), the term ‘specified
20 tax benefit’ means any benefit which—

21 “(i) is determined with respect to the
22 amount referred to in subparagraph (A),
23 and

1 “(ii) is allowed against, or determined
2 by reference to, a tax described in para-
3 graph (3)(A) or section 164(b)(5).

4 “(E) EXCEPTION FOR NON-DEDUCTIBLE
5 PAYMENTS.—To the extent that a deduction for
6 an amount described in subparagraph (A) is
7 not allowed under this chapter (determined
8 without regard to this subsection, section
9 170(b)(1), section 703(a), section 704(d), and
10 section 1363(b)), the term ‘substitute payment’
11 shall not include such amount.

12 “(F) EXCEPTION FOR CERTAIN WITH-
13 HOLDING TAXES.—To the extent provided in
14 regulations issued by the Secretary, the term
15 ‘substitute payment’ shall not include an
16 amount withheld on behalf of another person if
17 all of such amount is included in the gross in-
18 come of such person (determined under this
19 chapter).

20 “(6) REGULATIONS.—The Secretary shall issue
21 such regulations or other guidance as may be nec-
22 essary or appropriate to carry out the purposes of
23 this subsection, including regulations or other guid-
24 ance—

1 “(A) to treat as a tax described in para-
2 graph (3) of section 164(a) any tax that is, in
3 substance, based on general tax principles, de-
4 scribed in such paragraph,

5 “(B) to treat as a substitute payment any
6 amount that, in substance, substitutes for a
7 specified tax,

8 “(C) to provide for the proper allocation,
9 for purposes of paragraph (4)(A)(ii), of taxes
10 described in section 164(a)(3) between trades
11 or business described in section 199A(d)(1) and
12 trades or business not so described, and

13 “(D) to otherwise prevent the avoidance of
14 the purposes of this subsection.”.

15 (b) STATE AND LOCAL INCOME TAXES PAID BY
16 PARTNERSHIPS AND S CORPORATIONS TAKEN INTO AC-
17 COUNT SEPARATELY BY PARTNERS AND SHARE-
18 HOLDERS.—

19 (1) IN GENERAL.—Section 702(a)(6) is amend-
20 ed to read as follows:

21 “(6)(A) taxes, described in section 901, paid or
22 accrued to foreign countries,

23 “(B) taxes, described in section 901, paid or ac-
24 crued to possessions of the United States,

1 “(C) specified taxes (within the meaning of sec-
2 tion 275(b)), other than taxes described in subpara-
3 graph (B), and

4 “(D) taxes described in section 275(b)(2),”.

5 (2) TREATMENT OF SUBSTITUTE PAYMENTS.—

6 Section 702 is amended by redesignating subsection
7 (d) as subsection (e) and by inserting after sub-
8 section (c) the following new subsection:

9 “(d) TREATMENT OF SUBSTITUTE PAYMENTS.—Any
10 substitute payment (as defined in section 275(b)(5)) shall
11 be taken into account under subsection (a)(6)(C) and not
12 under any other paragraph of subsection (a).”.

13 (3) DISALLOWANCE OF DEDUCTION TO PART-

14 NERSHIPS.—Section 703(a)(2)(B) is amended to
15 read as follows:

16 “(B) any deduction under this chapter
17 with respect to taxes or payments described in
18 section 702(a)(6),”.

19 (4) S CORPORATIONS.—For corresponding pro-

20 visions related to S corporations which apply by rea-
21 son of the amendments made by paragraphs (1)
22 through (3), see sections 1366(a)(1) and 1363(b)(2)
23 of the Internal Revenue Code of 1986.

24 (5) ALLOWABLE SALT DEDUCTIONS TAKEN
25 INTO ACCOUNT FOR PURPOSES OF LIMITATION ON

1 PARTNERSHIP LOSSES.—Section 704(d)(3) is
2 amended by striking subparagraph (A), by redesignig-
3 nating subparagraph (B) as subparagraph (C), and
4 by inserting before subparagraph (C) (as so redesignig-
5 nated) the following new subparagraphs:

6 “(A) IN GENERAL.—In determining the
7 amount of any loss under paragraph (1), there
8 shall be taken into account—

9 “(i) the partner’s distributive share of
10 amounts described in paragraphs (4) and
11 (6)(A) of section 702(a),

12 “(ii) if the taxpayer chooses to take to
13 any extent the benefits of section 901, the
14 partner’s distributive share of amounts de-
15 scribed in section 702(a)(6)(B), and

16 “(iii) the amount by which the deduc-
17 tions allowed under this chapter (deter-
18 mined without regard to this subsection) to
19 the partner would decrease if the partner’s
20 distributive share of amounts described in
21 section 702(a)(6)(C) were not taken into
22 account.

23 “(B) TREATMENT OF POSSESSION TAXES
24 IN EVENT PARTNER DOES NOT ELECT THE
25 FOREIGN TAX CREDIT.—In the case of a tax-

1 payer not described in subparagraph (A)(ii),
 2 subparagraph (A)(iii) shall be applied by sub-
 3 stituting ‘subparagraphs (B) and (C) of section
 4 702(a)(6)’ for ‘section 702(a)(6)(C)’.”.

5 (6) CONFORMING AMENDMENT.—Section
 6 56(b)(1)(A)(ii) is amended by inserting “or for any
 7 substitute payment (as defined in section
 8 275(b)(5))” before the period at the end.

9 (c) ADDITION TO TAX FOR STATE AND LOCAL TAX
 10 ALLOCATION MISMATCH.—

11 (1) IN GENERAL.—Part I of subchapter A of
 12 chapter 68 is amended by adding at the end the fol-
 13 lowing new section:

14 **“SEC. 6659. STATE AND LOCAL TAX ALLOCATION MIS-**
 15 **MATCH.**

16 “(a) IN GENERAL.—In the case of any covered indi-
 17 vidual, there shall be added to the tax imposed under sec-
 18 tion 1 for the taxable year an amount equal to the product
 19 of—

20 “(1) the highest rate of tax in effect under such
 21 section for such taxable year, multiplied by

22 “(2) the sum of the State and local tax alloca-
 23 tion mismatches for such taxable year with respect
 24 to each partnership specified tax payment with re-

1 spect to which such individual is a covered indi-
2 vidual.

3 “(b) COVERED INDIVIDUAL.—For purposes of this
4 section, the term ‘covered individual’ means, with respect
5 to any partnership specified tax payment, any individual
6 (or estate or trust) who—

7 “(1) is entitled (directly or indirectly) to one or
8 more specified tax benefits with respect to such pay-
9 ment, and

10 “(2) takes into account (directly or indirectly)
11 any item of income, gain, deduction, loss, or credit
12 of the partnership which made such payment.

13 “(c) STATE AND LOCAL TAX ALLOCATION MIS-
14 MATCH.—For purposes of this section—

15 “(1) IN GENERAL.—The term ‘State and local
16 tax allocation mismatch’ means, with respect to any
17 partnership specified tax payment, the excess (if
18 any) of—

19 “(A) the aggregate dollar value of the
20 specified tax benefits of the covered individual
21 with respect to such payment, over

22 “(B) the amount of such payment taken
23 into account by such individual under section
24 702(a) (without regard to sections 275(b) and
25 704(d)).

1 “(2) TAXABLE YEAR OF INDIVIDUAL IN WHICH
2 MISMATCH TAKEN INTO ACCOUNT.—In the case of
3 any partnership specified tax payment paid, in-
4 curred, or accrued in any taxable year of the part-
5 nership, the State and local tax allocation mismatch
6 determined under paragraph (1) with respect to
7 such payment shall be taken into account under sub-
8 section (a) by the covered individual for the taxable
9 year of such individual in which such individual
10 takes into account the items referred to in sub-
11 section (b)(2) which are determined with respect to
12 such partnership taxable year.

13 “(d) DETERMINATION OF DOLLAR VALUE OF SPECI-
14 FIED TAX BENEFITS.—

15 “(1) IN GENERAL.—Except in the case of a cov-
16 ered individual who elects the application of para-
17 graph (3) for any taxable year, the dollar value of
18 any specified tax benefit shall be the sum of—

19 “(A) the aggregate increase in tax liability
20 (and reduction in credit or refund) for taxes de-
21 scribed in section 275(b)(3)(A) for the taxable
22 year and all prior taxable years that would re-
23 sult if such specified tax benefit were not taken
24 into account with respect to such taxes, plus

1 “(B) the deemed value of any carryforward
2 of such specified tax benefit (including any tax
3 attribute derived from such benefit) to any sub-
4 sequent taxable year.

5 “(2) DEEMED VALUE OF CARRYFORWARDS.—
6 For purposes of paragraph (1), the deemed value of
7 any carryforward is—

8 “(A) in the case of a credit or refund, the
9 amount of such credit or refund,

10 “(B) in the case of a deduction or exclu-
11 sion, the product of—

12 “(i) the highest rate of tax which may
13 be imposed on individuals under the tax re-
14 ferred to in subsection (e)(3)(B) with re-
15 spect to the specified tax benefit, multi-
16 plied by

17 “(ii) the amount of such deduction or
18 exclusion, and

19 “(C) in any other case, an amount deter-
20 mined in such manner as the Secretary may
21 provide consistent with the principles of sub-
22 paragraphs (A) and (B).

23 “(3) ELECTION OF SIMPLIFIED METHOD.—In
24 the case of a covered individual who elects the appli-
25 cation of this paragraph for any taxable year, the

1 dollar value of any specified tax benefit shall be de-
2 termined under the assumptions described in section
3 275(b)(5)(B).

4 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—
5 For purposes of this section—

6 “(1) PARTNERSHIP SPECIFIED TAX PAY-
7 MENT.—The term ‘partnership specified tax pay-
8 ment’ means any specified tax paid, incurred, or ac-
9 crued by a partnership.

10 “(2) SPECIFIED TAX.—The term ‘specified tax’
11 has the meaning given such term by section
12 275(b)(3).

13 “(3) SPECIFIED TAX BENEFIT.—The term
14 ‘specified tax benefit’ means any benefit which—

15 “(A) is determined with respect to a part-
16 nership specified tax payment, and

17 “(B) is allowed against, or determined by
18 reference to, a tax described in section
19 275(b)(3)(A).

20 “(f) REGULATIONS.—The Secretary shall issue such
21 regulations or other guidance as may be necessary or ap-
22 propriate to carry out the purposes of this section, includ-
23 ing regulations or other guidance preventing avoidance of
24 the addition to tax prescribed by this section through part-

1 nership allocations that achieve similar tax reductions as
2 a State and local tax allocation mismatch.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions for part I of subchapter A of chapter 68 is
5 amended by adding at the end the following new
6 item:

“Sec. 6659. State and local tax allocation mismatch.”.

7 (d) LIMITATION ON CAPITALIZATION OF SPECIFIED
8 TAXES.—Section 275, as amended by the preceding provi-
9 sions of this section, is amended by redesignating sub-
10 section (c) as subsection (d) and by inserting after sub-
11 section (b) the following new subsection:

12 “(c) LIMITATIONS ON CAPITALIZATION OF SPECI-
13 FIED TAXES.—Notwithstanding any other provision of
14 this chapter, in the case of an individual, specified taxes
15 (as defined in subsection (b)) shall not be treated as
16 chargeable to capital account.”.

17 (e) REPORTING BY PARTNERSHIPS AND S CORPORA-
18 TIONS WITH RESPECT TO SPECIFIED SERVICE TRADE OR
19 BUSINESS INCOME.—

20 (1) PARTNERSHIPS.—Section 6031 is amended
21 by adding at the end the following new subsection:

22 “(g) SPECIFIED SERVICE TRADE OR BUSINESS IN-
23 COME.—Returns required under subsection (a), and copies
24 required to be furnished under subsection (b), shall in-
25 clude a statement of whether or not the partnership had

1 any gross receipts (within the meaning of section 448(e))
2 from a trade or business described in subsection
3 199A(d)(2).”.

4 (2) S CORPORATIONS.—Section 6037 is amend-
5 ed by adding at the end the following new sub-
6 section:

7 “(d) SPECIFIED SERVICE TRADE OR BUSINESS IN-
8 COME.—Returns required under subsection (a), and copies
9 required to be furnished under subsection (b), shall in-
10 clude a statement of whether or not the S corporation had
11 any gross receipts (within the meaning of section 448(e))
12 from a trade or business described in subsection
13 199A(d)(2).”.

14 (f) TEMPORARY INCREASE FOR 2025.—

15 (1) IN GENERAL.—Section 164(b)(6) is amend-
16 ed by striking “\$10,000 (\$5,000 in the case of a
17 married individual filing a separate return)” and in-
18 serting “applicable limitation amount”.

19 (2) APPLICABLE LIMITATION AMOUNT.—Sec-
20 tion 164(b) is amended by adding at the end the fol-
21 lowing new paragraph:

22 “(7) APPLICABLE LIMITATION AMOUNT.—

23 “(A) IN GENERAL.—For purposes of para-
24 graph (6), the term ‘applicable limitation
25 amount’ means—

1 “(i) \$20,000, in the case of a married
2 individual filing a separate return, and

3 “(ii) \$40,000, in the case of any other
4 taxpayer.

5 “(B) PHASEDOWN BASED ON MODIFIED
6 ADJUSTED GROSS INCOME.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), the \$20,000 amount in
9 subparagraph (A)(i) and the \$40,000
10 amount in subparagraph (A)(ii) shall each
11 be reduced by 30 percent of the excess (if
12 any) of the taxpayer’s modified adjusted
13 gross income over—

14 “(I) \$250,000, in the case of a
15 married individual filing a separate
16 return, and

17 “(II) \$500,000, in the case of
18 any other taxpayer.

19 “(ii) LIMITATION ON REDUCTION.—
20 The reduction under clause (i) shall not re-
21 sult in—

22 “(I) the dollar amount in effect
23 under subparagraph (A)(i) being less
24 than \$5,000, or

1 “(II) the dollar amount in effect
2 under subparagraph (A)(ii) being less
3 than \$10,000.

4 “(C) MODIFIED ADJUSTED GROSS IN-
5 COME.—For purposes of this paragraph, the
6 term ‘modified adjusted gross income’ means
7 adjusted gross income increased by any amount
8 excluded from gross income under section 911,
9 931, or 933.”.

10 (3) REPEAL AFTER 2025.—Section 164(b), as
11 amended by paragraphs (1) and (2), is amended by
12 striking paragraphs (6) and (7).

13 (g) EFFECTIVE DATE.—

14 (1) IN GENERAL.—Except as otherwise pro-
15 vided in this subsection, the amendments made by
16 this section shall apply to taxable years beginning
17 after December 31, 2025.

18 (2) TEMPORARY INCREASE FOR 2025.—The
19 amendments made by paragraphs (1) and (2) of
20 subsection (f) shall apply to taxable years beginning
21 after December 31, 2024.

1 **SEC. 112019. EXCESSIVE EMPLOYEE REMUNERATION FROM**
2 **CONTROLLED GROUP MEMBERS AND ALLO-**
3 **CATION OF DEDUCTION.**

4 (a) APPLICATION OF AGGREGATION RULES.—Section
5 162(m) is amended by adding at the end the following new
6 paragraph:

7 “(7) REMUNERATION FROM CONTROLLED
8 GROUP MEMBERS.—

9 “(A) IN GENERAL.—In the case of any
10 publicly held corporation which is a member of
11 a controlled group—

12 “(i) paragraph (1) shall be applied by
13 substituting ‘specified covered employee’
14 for ‘covered employee’, and

15 “(ii) if any person which is a member
16 of such controlled group (other than such
17 publicly held corporation) provides applica-
18 ble employee remuneration to an individual
19 who is a specified covered employee of such
20 controlled group and the aggregate amount
21 described in subparagraph (B)(ii) with re-
22 spect to such specified covered employee
23 exceeds \$1,000,000—

24 “(I) paragraph (1) shall apply to
25 such person with respect to such re-
26 muneration, and

1 “(II) paragraph (1) shall apply
2 to such publicly held corporation and
3 to each such related person by sub-
4 stituting ‘the allocable limitation
5 amount’ for ‘\$1,000,000’.

6 “(B) ALLOCABLE LIMITATION AMOUNT.—
7 For purposes of this paragraph, the term ‘allo-
8 cable limitation amount’ means, with respect to
9 any member of the controlled group referred to
10 in subparagraph (A) with respect to any speci-
11 fied covered employee of such controlled group,
12 the amount which bears the same ratio to
13 \$1,000,000 as—

14 “(i) the amount of applicable em-
15 ployee remuneration provided by such
16 member with respect to such specified cov-
17 ered employee, bears to

18 “(ii) the aggregate amount of applica-
19 ble employee remuneration provided by all
20 such members with respect to such speci-
21 fied covered employee.

22 “(C) SPECIFIED COVERED EMPLOYEE.—
23 For purposes of this paragraph, the term ‘spec-
24 ified covered employee’ means, with respect to
25 any controlled group—

1 employee (including any former employee) of an ap-
2 plicable tax-exempt organization.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 112021. MODIFICATION OF EXCISE TAX ON INVEST-**
7 **MENT INCOME OF CERTAIN PRIVATE COL-**
8 **LEGES AND UNIVERSITIES.**

9 (a) IN GENERAL.—Section 4968 is amended to read
10 as follows:

11 **“SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME**
12 **OF PRIVATE COLLEGES AND UNIVERSITIES.**

13 “(a) TAX IMPOSED.—There is hereby imposed on
14 each applicable educational institution for the taxable year
15 a tax equal to the applicable percentage of the net invest-
16 ment income of such institution for the taxable year.

17 “(b) APPLICABLE PERCENTAGE.—For purposes of
18 this section, the term ‘applicable percentage’ means—

19 “(1) 1.4 percent in the case of an institution
20 with a student adjusted endowment in excess of
21 \$500,000, and not in excess of \$750,000,

22 “(2) 7 percent in the case of an institution with
23 a student adjusted endowment in excess of
24 \$750,000, and not in excess of \$1,250,000,

1 “(3) 14 percent in the case of an institution
2 with a student adjusted endowment in excess of
3 \$1,250,000, and not in excess of \$2,000,000, and

4 “(4) 21 percent in the case of an institution
5 with a student adjusted endowment in excess of
6 \$2,000,000.

7 “(c) APPLICABLE EDUCATIONAL INSTITUTION.—For
8 purposes of this subchapter—

9 “(1) IN GENERAL.—The term ‘applicable edu-
10 cational institution’ means an eligible educational in-
11 stitution (as defined in section 25A(f)(2))—

12 “(A) which had at least 500 tuition-paying
13 students during the preceding taxable year,

14 “(B) more than 50 percent of the tuition-
15 paying students of which are located in the
16 United States,

17 “(C) which is not—

18 “(i) described in the first sentence of
19 section 511(a)(2)(B) (relating to State col-
20 leges and universities), or

21 “(ii) a qualified religious institution,
22 and

23 “(D) the student adjusted endowment of
24 which is at least \$500,000.

1 “(2) QUALIFIED RELIGIOUS INSTITUTION.—For
2 purposes of this subsection, the term ‘qualified reli-
3 gious institution’ means any institution—

4 “(A) established after July 4, 1776,

5 “(B) that was established by or in associa-
6 tion with and has continuously maintained an
7 affiliation with an organization described in sec-
8 tion 170(b)(1)(A)(i), and

9 “(C) which maintains a published institu-
10 tional mission that is approved by the governing
11 body of such institution and that includes, re-
12 fers to, or is predicated upon religious tenets,
13 beliefs, or teachings.

14 “(d) STUDENT ADJUSTED ENDOWMENT.—For pur-
15 poses of this section—

16 “(1) IN GENERAL.—The term ‘student adjusted
17 endowment’ means, with respect to any institution
18 for any taxable year—

19 “(A) the aggregate fair market value of
20 the assets of such institution (determined as of
21 the end of the preceding taxable year), other
22 than those assets which are used directly in car-
23 rying out the institution’s exempt purpose, di-
24 vided by

1 “(B) the number of eligible students of
2 such institution.

3 “(2) ELIGIBLE STUDENT.—For purposes of
4 this subsection, the term ‘eligible student’ means a
5 student of the institution that meets the student eli-
6 gibility requirements under section 484(a)(5) of the
7 Higher Education Act of 1965.

8 “(e) DETERMINATION OF NUMBER OF STUDENTS.—
9 For purposes of subsections (c)(1) and (d), the number
10 of students of an institution (including for purposes of de-
11 termining the number of students at a particular location)
12 shall be based on the daily average number of full-time
13 students attending such institution (with part-time stu-
14 dents taken into account on a full-time student equivalent
15 basis).

16 “(f) NET INVESTMENT INCOME.—For purposes of
17 this section—

18 “(1) IN GENERAL.—Net investment income
19 shall be determined under rules similar to the rules
20 of section 4940(c).

21 “(2) OVERRIDE OF CERTAIN REGULATORY EX-
22 CEPTIONS.—

23 “(A) STUDENT LOAN INTEREST.—Net in-
24 vestment income shall be determined by taking
25 into account any interest income from a student

1 loan made by the applicable educational institu-
2 tion (or any related organization) as gross in-
3 vestment income.

4 “(B) FEDERALLY-SUBSIDIZED ROYALTY
5 INCOME.—

6 “(i) IN GENERAL.—Net investment in-
7 come shall be determined by taking into
8 account any Federally-subsidized royalty
9 income as gross investment income.

10 “(ii) FEDERALLY-SUBSIDIZED ROY-
11 ALTY INCOME.—For purposes of this sub-
12 paragraph—

13 “(I) IN GENERAL.—The term
14 ‘Federally-subsidized royalty income’
15 means any otherwise-regulatory-ex-
16 empt royalty income if any Federal
17 funds were used in the research, de-
18 velopment, or creation of the patent,
19 copyright, or other intellectual or in-
20 tangible property from which such
21 royalty income is derived.

22 “(II) OTHERWISE-REGULATORY-
23 EXEMPT ROYALTY INCOME.—For pur-
24 poses of this subparagraph, the term
25 ‘otherwise-regulatory-exempt royalty

1 income' means royalty income which
2 (but for this subparagraph) would not
3 be taken into account as gross invest-
4 ment income by reason of being de-
5 rived from patents, copyrights, or
6 other intellectual or intangible prop-
7 erty which resulted from the work of
8 students or faculty members in their
9 capacities as such with the applicable
10 educational institution.

11 “(III) FEDERAL FUNDS.—The
12 term ‘Federal funds’ includes any
13 grant made by, and any payment
14 made under any contract with, any
15 Federal agency to the applicable edu-
16 cational institution, any related orga-
17 nization, or any student or faculty
18 member referred to in subclause (II).

19 “(g) ASSETS AND NET INVESTMENT INCOME OF RE-
20 LATED ORGANIZATIONS.—

21 “(1) IN GENERAL.—For purposes of sub-
22 sections (d) and (f), assets and net investment in-
23 come of any related organization with respect to an
24 educational institution shall be treated as assets and

1 net investment income, respectively, of the edu-
2 cational institution, except that—

3 “(A) no such amount shall be taken into
4 account with respect to more than 1 educational
5 institution, and

6 “(B) unless such organization is controlled
7 by such institution or is described in section
8 509(a)(3) with respect to such institution for
9 the taxable year, assets and net investment in-
10 come which are not intended or available for
11 the use or benefit of the educational institution
12 shall not be taken into account.

13 “(2) RELATED ORGANIZATION.—For purposes
14 of this subsection, the term ‘related organization’
15 means, with respect to an educational institution,
16 any organization which—

17 “(A) controls, or is controlled by, such in-
18 stitution,

19 “(B) is controlled by 1 or more persons
20 which also control such institution, or

21 “(C) is a supported organization (as de-
22 fined in section 509(f)(3)), or an organization
23 described in section 509(a)(3), during the tax-
24 able year with respect to such institution.

1 “(h) REGULATIONS.—The Secretary shall prescribe
2 such regulations or other guidance as may be necessary
3 to prevent avoidance of the tax under this section, includ-
4 ing regulations or other guidance to prevent avoidance of
5 such tax through the restructuring of endowment funds
6 or other arrangements designed to reduce or eliminate the
7 value of net investment income or assets subject to the
8 tax imposed by this section.”.

9 (b) REQUIREMENT TO REPORT CERTAIN INFORMA-
10 TION WITH RESPECT TO APPLICATION OF EXCISE TAX
11 BASED ON INVESTMENT INCOME OF PRIVATE COLLEGES
12 AND UNIVERSITIES.—Section 6033 is amended by redес-
13 ignating subsection (o) as subsection (p) and by inserting
14 after subsection (n) the following new subsection:

15 “(o) REQUIREMENT TO REPORT CERTAIN INFORMA-
16 TION WITH RESPECT TO EXCISE TAX BASED ON INVEST-
17 MENT INCOME OF PRIVATE COLLEGES AND UNIVER-
18 SITIES.—Each applicable educational institution described
19 in section 4968(e) which is subject to the requirements
20 of subsection (a) shall include on the return required
21 under subsection (a)—

22 “(1) the number of eligible students taken into
23 account under section 4968(c)(1)(D), and

24 “(2) the number of students of such institution
25 (determined after application of section 4968(e)).”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2025.

4 **SEC. 112022. INCREASE IN RATE OF TAX ON NET INVEST-**
5 **MENT INCOME OF CERTAIN PRIVATE FOUN-**
6 **DATIONS.**

7 (a) IN GENERAL.—Section 4940(a) is amended by
8 striking “1.39 percent” and inserting “the applicable per-
9 centage”.

10 (b) APPLICABLE PERCENTAGE.—Section 4940(a) is
11 amended—

12 (1) by striking “There is hereby” and inserting
13 the following:

14 “(1) IMPOSITION OF TAX.—There is hereby”,
15 and

16 (2) by adding at the end the following new
17 paragraphs:

18 “(2) APPLICABLE PERCENTAGE.—For purposes
19 of this subsection, the term ‘applicable percentage’
20 means, with respect to any taxable year—

21 “(A) in the case of a private foundation
22 with assets of less than \$50,000,000, 1.39 per-
23 cent,

1 “(B) in the case of a private foundation
2 with assets of at least \$50,000,000, and less
3 than \$250,000,000, 2.78 percent,

4 “(C) in the case of a private foundation
5 with assets of at least \$250,000,000, and less
6 than \$5,000,000,000, 5 percent, and

7 “(D) in the case of a private foundation
8 with assets of at least \$5,000,000,000, 10 per-
9 cent.

10 “(3) ASSETS.—For purposes of this subsection,
11 the assets of any private foundation shall be deter-
12 mined with respect to any taxable year as being the
13 aggregate fair market value of all assets of such pri-
14 vate foundation, as determined as of the close of
15 such taxable year. The preceding sentence shall be
16 applied without reduction for any liabilities.

17 “(4) AGGREGATION.—

18 “(A) IN GENERAL.—For purposes of this
19 subsection and subsection (c), assets and net
20 investment income of any related organization
21 with respect to a private foundation shall be
22 treated as assets and net investment income,
23 respectively, of the private foundation, except
24 that—

1 “(i) no such amount shall be taken
2 into account with respect to more than 1
3 private foundation, and

4 “(ii) unless such organization is con-
5 trolled by such private foundation, assets
6 and net investment income which are not
7 intended or available for the use or benefit
8 of the private foundation shall not be
9 taken into account.

10 “(B) RELATED ORGANIZATION.—For pur-
11 poses of this paragraph, the term ‘related orga-
12 nization’ means, with respect to a private foun-
13 dation, any organization which—

14 “(i) controls, or is controlled by, such
15 private foundation, or

16 “(ii) is controlled by 1 or more per-
17 sons which also control such private foun-
18 dation.”.

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

1 **SEC. 112023. CERTAIN PURCHASES OF EMPLOYEE-OWNED**
2 **STOCK DISREGARDED FOR PURPOSES OF**
3 **FOUNDATION TAX ON EXCESS BUSINESS**
4 **HOLDINGS.**

5 (a) IN GENERAL.—Section 4943(c)(4)(A) is amended
6 by adding at the end the following new clauses:

7 “(v) For purposes of clause (i), subpara-
8 graph (D), and paragraph (2), any voting stock
9 which—

10 “(I) is not readily tradable on an es-
11 tablished securities market,

12 “(II) is purchased by the business en-
13 terprise on or after January 1, 2020, from
14 an employee stock ownership plan (as de-
15 fined in section 4975(e)(7)) in which em-
16 ployees of such business enterprise partici-
17 pate, in connection with a distribution
18 from such plan, and

19 “(III) is held by the business enter-
20 prise as treasury stock, cancelled, or re-
21 tired,

22 shall be treated as outstanding voting stock, but
23 only to the extent so treating such stock would
24 not result in permitted holdings exceeding 49
25 percent (determined without regard to this
26 clause). The preceding sentence shall not apply

1 with respect to the purchase of stock from a
2 plan during the 10-year period beginning on the
3 date the plan is established.

4 “(vi) Section 4943(c)(4)(A)(ii) shall not
5 apply with respect to any decrease in the per-
6 centage of holdings in a business enterprise by
7 reason of the application of clause (v).”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years ending after the
10 date of the enactment of this Act and to purchases by
11 a business enterprise of voting stock in taxable years be-
12 ginning after December 31, 2019.

13 **SEC. 112024. UNRELATED BUSINESS TAXABLE INCOME IN-**
14 **CREASED BY AMOUNT OF CERTAIN FRINGE**
15 **BENEFIT EXPENSES FOR WHICH DEDUCTION**
16 **IS DISALLOWED.**

17 (a) IN GENERAL.—Section 512(a) is amended by
18 adding at the end the following new paragraph:

19 “(7) INCREASE IN UNRELATED BUSINESS TAX-
20 ABLE INCOME BY DISALLOWED FRINGE.—

21 “(A) IN GENERAL.—Unrelated business
22 taxable income of an organization shall be in-
23 creased by any amount—

24 “(i) which is paid or incurred by such
25 organization for any qualified transpor-

1 tation fringe (as defined in section 132(f))
2 or any parking facility used in connection
3 with qualified parking (as defined in sec-
4 tion 132(f)(5)(C)),

5 “(ii) which is not directly connected
6 with an unrelated trade or business which
7 is regularly carried on by the organization,
8 and

9 “(iii) for which a deduction is not al-
10 lowable under this chapter by reason of
11 section 274.

12 “(B) EXCEPTION FOR CHURCH ORGANIZA-
13 TIONS.—Subparagraph (A) shall not apply to—

14 “(i) any organization to which section
15 6033(a)(1) does not apply by reason of
16 clause (i) or (iii) of section 6033(a)(3)(A),
17 and

18 “(ii) any church-affiliated organiza-
19 tion described in section 501(c) which is
20 not required to file an annual return under
21 section 6033(a)(1) by reason of section
22 6033(a)(3)(B).

23 “(C) TREATMENT AS INCOME FROM SEPA-
24 RATE TRADE OR BUSINESS.—For purposes of
25 paragraph (6), any increase under subpara-

1 graph (A) shall be treated as unrelated business
2 taxable income with respect to an unrelated
3 trade or business separate from any other unre-
4 lated trade or business of the organization.

5 “(D) REGULATIONS.— The Secretary shall
6 issue such regulations or other guidance as may
7 be necessary or appropriate to carry out the
8 purposes of this paragraph, including regula-
9 tions or other guidance providing for the appro-
10 priate allocation of costs with respect to facili-
11 ties used for parking.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to amounts paid or incurred after
14 December 31, 2025.

15 **SEC. 112025. EXCLUSION OF RESEARCH INCOME LIMITED**
16 **TO PUBLICLY AVAILABLE RESEARCH.**

17 (a) IN GENERAL.—Section 512(b)(9) is amended by
18 striking “from research” and inserting “from such re-
19 search”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to amounts received or accrued
22 after December 31, 2025.

1 **SEC. 112026. LIMITATION ON EXCESS BUSINESS LOSSES OF**
2 **NONCORPORATE TAXPAYERS.**

3 (a) **RULE MADE PERMANENT.**—Section 461(l)(1) is
4 amended by striking “and before January 1, 2029,” each
5 place it appears.

6 (b) **EXCESS BUSINESS LOSS DETERMINED ON A CU-**
7 **MULATIVE BASIS WITH RESPECT TO PERIODS AFTER**
8 **2024.**—Section 461(l)(2) is amended to read as follows:

9 “(2) **DISALLOWED LOSS CARRYOVER.**—Any loss
10 disallowed under paragraph (1) for any taxable year
11 shall be treated for purposes of this title as a loss
12 attributable to a trade or business of the taxpayer
13 (other than a trade or business described in the last
14 sentence of paragraph (3)(A)) arising in the subse-
15 quent taxable year. To the extent provided by the
16 Secretary, for purposes of applying section 1341 and
17 subtitle F, a loss treated as arising under the pre-
18 ceding sentence shall be treated (to the extent not
19 inconsistent with the purposes of this subsection) in
20 a manner similar to the manner in which net oper-
21 ating losses are treated for purposes of such provi-
22 sions.”.

23 (c) **EFFECTIVE DATE.**—The amendments made by
24 this section shall apply to losses arising (or treated as aris-
25 ing under section 461(l)(2) of the Internal Revenue Code

1 of 1986, as amended by this section) in taxable years be-
2 ginning after December 31, 2024.

3 **SEC. 112027. 1-PERCENT FLOOR ON DEDUCTION OF CHARI-**
4 **TABLE CONTRIBUTIONS MADE BY CORPORA-**
5 **TIONS.**

6 (a) IN GENERAL.—Section 170(b)(2)(A) is amended
7 to read as follows:

8 “(A) IN GENERAL.—Any charitable con-
9 tribution (other than any contribution to which
10 subparagraph (B) or subparagraph (C) applies
11 or any contribution for which a deduction is not
12 allowable under this section without regard to
13 this paragraph) shall be allowed as a deduction
14 under this subsection (a) only to the extent that
15 the aggregate of such contributions—

16 “(i) exceeds 1 percent of the tax-
17 payer’s taxable income, and

18 “(ii) does not exceed 10 percent of the
19 taxpayer’s taxable income.”.

20 (b) APPLICATION OF CARRYFORWARD.—Section
21 170(d)(2) is amended to read as follows:

22 “(2) CORPORATIONS.—

23 “(A) IN GENERAL.—Any charitable con-
24 tribution taken into account under subsection
25 (b)(2)(A) for any taxable year which is not al-

1 lowed as a deduction by reason of clause (ii)
2 thereof shall be taken into account as a chari-
3 table contribution for the succeeding taxable
4 year, except that, for purposes of determining
5 under this subparagraph whether such contribu-
6 tion is allowed in such succeeding taxable year,
7 contributions in such succeeding taxable year
8 (determined without regard to this paragraph)
9 shall be taken into account under subsection
10 (b)(2)(A) before any contribution taken into ac-
11 count by reason of this paragraph.

12 “(B) 5-YEAR CARRYFORWARD.—No chari-
13 table contribution may be carried forward under
14 subparagraph (A) to any taxable year following
15 the fifth taxable year after the taxable year in
16 which the charitable contribution was first
17 taken into account. For purposes of the pre-
18 ceding sentence, contributions shall be treated
19 as allowed on a first-in first-out basis.

20 “(C) CONTRIBUTIONS DISALLOWED BY 1-
21 PERCENT FLOOR CARRIED FORWARD ONLY
22 FROM YEARS IN WHICH 10 PERCENT LIMITA-
23 TION IS EXCEEDED.—In the case of any taxable
24 year from which a charitable contribution is
25 carried forward under subparagraph (A) (deter-

1 **“SEC. 899. ENFORCEMENT OF REMEDIES AGAINST UNFAIR**
2 **FOREIGN TAXES.**

3 “(a) INCREASED RATES OF TAX ON FOREIGN PER-
4 SONS OF DISCRIMINATORY FOREIGN COUNTRIES.—

5 “(1) TAXES OTHER THAN WITHHOLDING
6 TAXES.—

7 “(A) IN GENERAL.—In the case of any ap-
8 plicable person, each specified rate of tax (or
9 any rate of tax applicable in lieu of such statu-
10 tory rate) shall be increased by the applicable
11 number of percentage points.

12 “(B) SPECIFIED RATE OF TAX.—For pur-
13 poses of this paragraph, the term ‘specified rate
14 of tax’ means—

15 “(i) the rates of tax specified in para-
16 graphs (1) and (2) of section 871(a),

17 “(ii) in the case of any applicable per-
18 son to which section 871(b) applies, each
19 rate of tax in effect under section 1,

20 “(iii) the rate of tax specified in sec-
21 tion 881(a),

22 “(iv) in the case of any applicable per-
23 son to which section 882(a) applies, the
24 rate of tax specified in section 11(b),

25 “(v) the rate of tax specified in sec-
26 tion 884(a), and

1 “(vi) the rate of tax specified in sec-
2 tion 4948(a).

3 “(C) APPLICATION OF INCREASED RATES
4 TO EFFECTIVELY CONNECTED INCOME OF NON-
5 RESIDENT ALIEN INDIVIDUALS LIMITED TO
6 GAINS ON UNITED STATES REAL PROPERTY IN-
7 TERESTS.—In the case of any individual to
8 whom subparagraph (A) applies, the tax im-
9 posed under section 1 on such individual (after
10 application of subparagraph (A)) shall be re-
11 duced (but not below zero) by the excess of—

12 “(i) the tax which would be imposed
13 under such section (after application of
14 subparagraph (A)) if FIRPTA items were
15 not taken into account, over

16 “(ii) the tax which would be imposed
17 under such section if FIRPTA items were
18 not taken into account, and subparagraph
19 (A) did not apply.

20 For purposes of this clause, the term ‘FIRPTA
21 items’ means gains and losses taken into ac-
22 count under section 871(b)(1) by reason of sec-
23 tion 897(a)(1)(A).

24 “(D) APPLICATION OF INCREASED RATES
25 TO CERTAIN FOREIGN GOVERNMENTS.—In the

1 case of any applicable person described in sub-
2 section (b)(1)(A), section 892(a) shall not
3 apply.

4 “(2) MODIFICATION OF BASE EROSION AND
5 ANTI-ABUSE TAX.—In the case of any corporation
6 described in subsection (b)(1)(E) (applied by sub-
7 stituting ‘corporation’ for ‘foreign corporation’)—

8 “(A) such corporation shall be treated as
9 described in subparagraphs (B) and (C) of sec-
10 tion 59A(e)(1) for purposes of determining
11 whether such corporation is an applicable tax-
12 payer,

13 “(B) section 59A(b)(1) shall be applied
14 by—

15 “(i) substituting ‘12.5 percent’ for
16 ‘10.1 percent’ in subparagraph (A), and

17 “(ii) by treating the amount described
18 in section 59A(b)(1)(B)(ii) as being zero,

19 “(C) subsections (c)(2)(B), (c)(4)(B)(ii),
20 and (d)(5) of section 59A shall not apply, and

21 “(D) if any amount (other than the pur-
22 chase price of depreciable or amortizable prop-
23 erty or inventory) would have been a base ero-
24 sion payment described in section 59A(d)(1)
25 but for the fact that the taxpayer capitalizes

1 the amount, then solely for purposes of calcu-
2 lating the taxpayer's base erosion payments
3 (within the meaning of section 59A(d)) and
4 base erosion tax benefits (within the meaning of
5 section 59A(c)(2)), such amount shall be treat-
6 ed as if it had been deducted rather than cap-
7 italized.

8 “(3) WITHHOLDING TAXES.—

9 “(A) IN GENERAL.—In the case of any
10 payment to an applicable person, each rate of
11 tax specified in section 1441(a) or 1442(a) (or
12 any rate of tax applicable in lieu of such statu-
13 tory rate) shall be increased by the applicable
14 number of percentage points. The preceding
15 sentence shall not apply to the 14 percent rate
16 of tax specified in section 1441(a).

17 “(B) DISPOSITION OF UNITED STATES
18 REAL PROPERTY INTERESTS.—In the case of
19 any disposition of a United States real property
20 interest (as defined in section 897(e)) by an ap-
21 plicable person, the rate of tax specified in sec-
22 tion 1445(a) (or any rate of tax applicable in
23 lieu of such statutory rate) shall be increased
24 by the applicable number of percentage points.

1 “(C) OTHER DISPOSITIONS AND DISTRIBUTIONS RELATED TO UNITED STATES REAL
2 PROPERTY INTERESTS.—In the case of any dis-
3 position or distribution described in any para-
4 graph of section 1445(e), each rate of tax in
5 such paragraph (or any rate of tax applicable in
6 lieu of such statutory rate) shall be increased
7 by the applicable number of percentage points
8 if—
9

10 “(i) in the case of section 1445(e)(1),
11 the foreign person referred to in subpara-
12 graph (A) or (B) of such section is an ap-
13 plicable person,

14 “(ii) in the case of section 1445(e)(2),
15 the foreign corporation referred to in such
16 section is an applicable person,

17 “(iii) in the case of section
18 1445(e)(3), the foreign shareholder re-
19 ferred to in such section is an applicable
20 person,

21 “(iv) in the case of section 1445(e)(4),
22 the foreign person referred to in such sec-
23 tion is an applicable person,

1 “(v) in the case of section 1445(e)(5),
2 the Secretary issues regulations or other
3 guidance providing for such increase, and

4 “(vi) in the case of section 1445(e)(6),
5 the nonresident alien individual or foreign
6 corporation referred to in such section is
7 an applicable person.

8 “(4) APPLICABLE NUMBER OF PERCENTAGE
9 POINTS.—For purposes of this paragraph—

10 “(A) IN GENERAL.—The term ‘applicable
11 number of percentage points’ means, with re-
12 spect to any discriminatory foreign country—

13 “(i) with respect to the 1-year period
14 beginning on the applicable date with re-
15 spect to such foreign country, 5 percentage
16 points, and

17 “(ii) with respect to any period after
18 the 1-year period to which clause (i) ap-
19 plies, the sum of —

20 “(I) 5 percentage points, plus

21 “(II) an additional 5 percentage
22 points for each annual anniversary of
23 such applicable date which has oc-
24 curred before the beginning of such
25 period.

1 “(B) CAP ON INCREASE.—Notwithstanding
2 subparagraph (A), the increase in any rate
3 under paragraph (1) or (3) shall not result in
4 such rate exceeding the amount of the statutory
5 rate (determined without regard to any rate ap-
6 plicable in lieu of such statutory rate) increased
7 by 20 percentage points.

8 “(C) APPLICABLE DATE.—For purposes of
9 this section, the term ‘applicable date’ means,
10 with respect to any discriminatory foreign coun-
11 try, the first day of the first calendar year be-
12 ginning on or after the latest of—

13 “(i) 90 days after the date of enact-
14 ment of this section,

15 “(ii) 180 days after the date of enact-
16 ment of the unfair foreign tax that causes
17 such country to be treated as a discrimina-
18 tory foreign country, or

19 “(iii) the first date that an unfair for-
20 eign tax of such country begins to apply.

21 “(D) APPLICATION TO TAXABLE YEARS.—
22 For purposes of paragraph (1), the applicable
23 number of percentage points is the applicable
24 number of percentage points in effect for the
25 discriminatory foreign country during the tax-

1 payer's taxable year. If more than one applica-
2 ble number of percentage points is in effect for
3 the discriminatory foreign country during the
4 taxpayer's taxable year, the applicable number
5 of percentage points shall be determined by
6 using a weighted average rate based on each
7 applicable number of percentage points in effect
8 during such taxable year and the number of
9 days during which it was in effect. For pur-
10 poses of the prior sentence, the applicable num-
11 ber of percentage points in effect for the dis-
12 criminatory foreign country for the period be-
13 fore the applicable date is treated as zero, and,
14 if the taxpayer ceases to be an applicable per-
15 son during its taxable year, the applicable num-
16 ber of percentage points in effect for the dis-
17 criminatory foreign country for the period after
18 the taxpayer ceased to be an applicable person
19 is treated as zero.

20 “(E) APPLICATION TO WITHHOLDING
21 TAXES.—For purposes of paragraph (3), the
22 applicable number of percentage points shall be
23 determined with respect to the date of the pay-
24 ment or disposition, as the case may be.

1 “(F) MULTIPLE DISCRIMINATORY FOREIGN
2 COUNTRIES.—For purposes of paragraphs (1)
3 and (3), if, on any day, the taxpayer is an ap-
4 plicable person with respect to more than one
5 discriminatory foreign country, the highest ap-
6 plicable number of percentage points in effect
7 shall apply.

8 “(G) INCREASE NOT APPLICABLE TO NON-
9 DISCRIMINATORY FOREIGN COUNTRIES.—In the
10 case of any foreign country which is not a dis-
11 criminatory foreign country, the applicable
12 number of percentage points is zero.

13 “(5) YEARS TO WHICH APPLICABLE.—

14 “(A) TAXABLE YEAR.—In the case of any
15 person, paragraphs (1) and (2) shall apply to
16 each taxable year beginning—

17 “(i) after the later of—

18 “(I) 90 days after the date of en-
19 actment of this section,

20 “(II) 180 days after the date of
21 enactment of the unfair foreign tax
22 that causes such country to be treated
23 as a discriminatory foreign country,
24 or

1 “(III) the first date that an un-
2 fair foreign tax of such country begins
3 to apply, and

4 “(ii) before the last date on which the
5 discriminatory foreign country imposes an
6 unfair foreign tax.

7 “(B) WITHHOLDING.—In the case of any
8 person, paragraph (3) shall apply to each cal-
9 endar year beginning during the period that
10 such person is an applicable person.

11 “(C) SAFE HARBOR FOR WITHHOLDING.—
12 Paragraph (3) shall not apply—

13 “(i) in the case of any applicable per-
14 son to which clause (ii) does not apply, if
15 the discriminatory foreign country with re-
16 spect to which such person is an applicable
17 person is not listed by the Secretary as a
18 discriminatory foreign country, and

19 “(ii) in the case of any applicable per-
20 son described in subparagraph (E) or (F)
21 of subsection (b)(1), if the discriminatory
22 foreign country with respect to which such
23 person is an applicable person (and such
24 country’s applicable date) has been listed
25 in such guidance for less than 90 days.

1 “(D) TEMPORARY SAFE HARBOR FOR
2 WITHHOLDING AGENTS.—No penalties or inter-
3 est shall be imposed with respect to failures, be-
4 fore January 1, 2027, to deduct or withhold
5 any amounts by reason of paragraph (3) if the
6 person required to deduct or withhold such
7 amounts demonstrates to the satisfaction of the
8 Secretary that such person made best efforts to
9 comply with paragraph (3) in a timely manner.

10 “(b) APPLICABLE PERSON.—For purposes of this
11 section—

12 “(1) IN GENERAL.—Except as otherwise pro-
13 vided by the Secretary, the term ‘applicable person’
14 means—

15 “(A) any government (within the meaning
16 of section 892) of any discriminatory foreign
17 country,

18 “(B) any individual (other than a citizen
19 or resident of the United States) who is tax
20 resident of a discriminatory foreign country,

21 “(C) any foreign corporation (other than a
22 United States-owned foreign corporation, as de-
23 fined in section 904(h)(6)) which is a tax resi-
24 dent of a discriminatory foreign country,

1 “(D) any private foundation (within the
2 meaning of section 4948) created or organized
3 in a discriminatory foreign country,

4 “(E) any foreign corporation (other than a
5 publicly held corporation) if more than 50 per-
6 cent of—

7 “(i) the total combined voting power
8 of all classes of stock of such corporation
9 entitled to vote, or

10 “(ii) the total value of the stock of
11 such corporation,
12 is owned (within the meaning of section 958(a))
13 by persons described in this paragraph,

14 “(F) any trust the majority of the bene-
15 ficial interests of which are held (directly or in-
16 directly) by persons described in this para-
17 graph, and

18 “(G) foreign partnerships, branches, and
19 any other entity identified with respect to a dis-
20 criminatory foreign country by the Secretary
21 for purposes of this subsection.

22 “(2) CONTINUATION OF TREATMENT DURING
23 CERTAIN PERIODS.—For purposes of this section, if
24 a person would cease to be an applicable person for
25 a period of less than one year, such person shall con-

1 tinue to be treated as an applicable person during
2 such period.

3 “(c) UNFAIR FOREIGN TAX.—For purposes of this
4 section—

5 “(1) IN GENERAL.—The term ‘unfair foreign
6 tax’ means an undertaxed profits rule (UTPR), dig-
7 ital services tax, diverted profits tax, and, to the ex-
8 tent provided by the Secretary, an extraterritorial
9 tax, discriminatory tax, or any other tax enacted
10 with a public or stated purpose indicating the tax
11 will be economically borne, directly or indirectly, dis-
12 proportionately by United States persons. Such term
13 shall not include any tax which neither applies to—

14 “(A) any United States person (including
15 a trade or business of a United States person),
16 nor

17 “(B) any foreign corporation (including a
18 trade or business of such foreign corporation) if
19 the foreign corporation is a controlled foreign
20 corporation and more than 50 percent of the
21 total combined voting power of all classes of
22 stock of such corporation entitled to vote, or the
23 total value of the stock of such corporation) is
24 owned (within the meaning of section 958(a))
25 by United States persons.

1 “(2) EXTRATERRITORIAL TAX.—The term
2 ‘extraterritorial tax’ means any tax imposed by a
3 foreign country on a corporation (including any
4 trade or business of such corporation) which is de-
5 termined by reference to any income or profits re-
6 ceived by any person (including any trade or busi-
7 ness of any person) by reason of such person being
8 connected to such corporation through any chain of
9 ownership, determined without regard to the owner-
10 ship interests of any individual, and other than by
11 reason of such corporation having a direct or indi-
12 rect ownership interest in such person.

13 “(3) DISCRIMINATORY TAX.—The term ‘dis-
14 criminatory tax’ means any tax imposed by a foreign
15 country if—

16 “(A) such tax applies more than inciden-
17 tally to items of income that would not be con-
18 sidered to be from sources, or effectively con-
19 nected to a trade or business, within the foreign
20 country under the rules of part I of this sub-
21 chapter if such part were applied by treating
22 such foreign country as though it were the
23 United States,

1 “(B) such tax is imposed on a base other
2 than net income and is not computed by per-
3 mitting recovery of costs and expenses,

4 “(C) such tax is exclusively or predomi-
5 nantly applicable, in practice or by its terms, to
6 nonresident individuals and foreign corporations
7 or partnerships (as determined under rules
8 similar to paragraphs (4) and (5) of section
9 7701(a) by treating the foreign country as
10 though it were the United States) because of
11 the application of revenue thresholds, exemp-
12 tions or exclusions for taxpayers subject to such
13 foreign country’s corporate income tax, or re-
14 strictions of scope that ensure that substantially
15 all residents (other than foreign corporations
16 and partnerships (as so determined)) supplying
17 comparable goods or services are excluded from
18 the application of such tax, or

19 “(D) such tax is not treated as an income
20 tax under the laws of such foreign country or
21 is otherwise treated by such foreign country as
22 outside the scope of any agreements that are in
23 force between such foreign country and one or
24 more other jurisdictions for the avoidance of
25 double taxation with respect to taxes on income.

1 “(4) EXCEPTIONS.—Except as otherwise pro-
2 vided by the Secretary, the terms ‘extraterritorial
3 tax’ and ‘discriminatory tax’ shall not include any
4 generally applicable tax which constitutes—

5 “(A) an income tax generally imposed on
6 the income of citizens or residents of the for-
7 eign country, even if the computation of income
8 includes payments that would be foreign source
9 income under part I of this subchapter,

10 “(B) an income tax which would be an un-
11 fair foreign tax (determined without regard to
12 this subparagraph) solely because it is imposed
13 on the income of nonresidents attributable to a
14 trade or business in such foreign country,

15 “(C) an income tax which would be an un-
16 fair foreign tax (determined without regard to
17 this subparagraph) solely because it is imposed
18 on citizens or residents of such foreign country
19 by reference to the income of a corporate sub-
20 sidiary of such person,

21 “(D) a withholding tax, or other gross
22 basis tax, on any amount described in section
23 871(a)(1) or 881(a), other than any with-
24 holding tax, or other gross basis tax, imposed

1 with respect to services performed by persons
2 other than individuals,

3 “(E) a value added tax, goods and services
4 tax, sales tax, or other similar tax on consump-
5 tion,

6 “(F) a tax imposed with respect to trans-
7 actions on a per-unit or per-transaction basis
8 rather than on an ad valorem basis,

9 “(G) a tax on real or personal property, an
10 estate tax, a gift tax, other similar tax,

11 “(H) a tax which would not be an
12 extraterritorial tax or discriminatory tax (deter-
13 mined without regard to this subparagraph) ex-
14 cept by reason of consolidation or loss sharing
15 rules that generally apply only with respect to
16 income of tax residents of the foreign country,
17 or

18 “(I) any other tax identified by the Sec-
19 retary for purposes of this paragraph.

20 “(d) OTHER DEFINITIONS.—For purposes of this
21 section—

22 “(1) DISCRIMINATORY FOREIGN COUNTRY.—
23 The term ‘discriminatory foreign country’ means any
24 foreign country which has one or more unfair for-
25 eign taxes.

1 “(2) FOREIGN COUNTRY.—The term ‘foreign
2 country’ means a foreign country (or political sub-
3 division thereof) or a dependent territory or posses-
4 sion of a foreign country. Such term does not in-
5 clude any possession of the United States.

6 “(3) TAX.—The term ‘tax’ includes any in-
7 crease in tax whether effectuated by an increase in
8 the rate or base of a tax, by a denial of deductions
9 or credits, or otherwise.

10 “(e) REGULATIONS AND OTHER GUIDANCE.—The
11 Secretary shall issue such regulations or other guidance
12 as may be necessary or appropriate to carry out the pur-
13 poses of this section, including regulations or other guid-
14 ance which—

15 “(1) provide for such adjustments to the appli-
16 cation of this section as are necessary to prevent the
17 avoidance of the purposes of this section, including
18 the application of this section (including subsections
19 (b)(1)(E) and (c)(2)(A)(ii)) with respect to
20 branches, partnerships, and other entities (whether
21 or not otherwise disregarded for purposes of this
22 chapter),

23 “(2) list the discriminatory foreign countries
24 (and each such country’s applicable date) in guid-
25 ance, and update such guidance on a quarterly basis,

1 “(3) provide notice to Congress with respect to
2 changes to the list under paragraph (2),

3 “(4) exercise the authority to provide exceptions
4 under subsections (b)(1), (c)(4), and

5 “(5) prevent the application of subsection
6 (a)(2)(D) from resulting in double counting of
7 amounts for purposes of section 59A(c)(4)(A)(ii).”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for subpart D of part II of subchapter N of chapter 1
10 is amended by adding at the end the following new item:

“Sec. 899. Enforcement of remedies against unfair foreign taxes.”.

11 **SEC. 112029. MODIFICATION OF TREATMENT OF SILENC-**
12 **ERS.**

13 (a) IN GENERAL.—Section 5845(a) is amended by
14 striking “(7) any silencer” and all that follows through
15 “; and (8)” and inserting “and (7)”.

16 (b) TRANSFER TAX.—Section 5811(a) is amended to
17 read as follows:

18 “(a) RATE.—There shall be levied, collected, and paid
19 on firearms transferred a tax at the rate of—

20 “(1) \$5 for each firearm transferred in the case
21 of a weapon classified as any other weapon under
22 section 5845(e),

23 “(2) \$0 for each firearm transferred in the case
24 of a silencer (as defined in section 921 of title 18,
25 United States Code), and

1 “(3) \$200 for any other firearm transferred.”.

2 (c) MAKING TAX.—Section 5821(a) is amended to
3 read as follows:

4 “(a) RATE.—There shall be levied, collected, and paid
5 upon the making of a firearm a tax at the rate of—

6 “(1) \$0 for each silencer (as defined in section
7 921 of title 18, United States Code) made, and

8 “(2) \$200 for any other firearm made.”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to calendar quarters beginning
11 more than 90 days after the date of the enactment of this
12 Act.

13 **SEC. 112030. MODIFICATIONS TO DE MINIMIS ENTRY PRIVI-**
14 **LEGE FOR COMMERCIAL SHIPMENTS.**

15 (a) CIVIL PENALTY.—

16 (1) ADDITIONAL PENALTY IMPOSED.—Section
17 321 of the Tariff Act of 1930 (19 U.S.C. 1321) is
18 amended by adding at the end the following new
19 subsection:

20 “(c) Any person who enters, introduces, facilitates,
21 or attempts to introduce an article into the United States
22 using the privilege of this section, the importation of which
23 violates any other provision of United States customs law,
24 shall be assessed, in addition to any other penalty per-
25 mitted by law, a civil penalty of up to \$5,000 for the first

1 violation and up to \$10,000 for each subsequent viola-
2 tion.”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall take effect 30 days after the
5 date of the enactment of this Act.

6 (b) REPEAL OF COMMERCIAL SHIPMENT EXCEP-
7 TION.—

8 (1) REPEAL.—Section 321(a)(2)(B) of such Act
9 (19 U.S.C. 1321(a)(2)(B)) is amended by striking
10 “of this Act, or” and all that follows through “sub-
11 division (2); and” and inserting “of this Act; and”.

12 (2) CONFORMING REPEAL.—Subsection (c) of
13 such section 321, as added by subsection (a) of this
14 section, is repealed.

15 (3) EFFECTIVE DATE.—The amendments made
16 by this subsection shall take effect on July 1, 2027.

17 **SEC. 112031. LIMITATION ON DRAWBACK OF TAXES PAID**
18 **WITH RESPECT TO SUBSTITUTED MERCHAN-**
19 **DISE.**

20 Effective for claims filed on or after July 1, 2026,
21 for purposes of drawback of internal revenue tax imposed
22 under chapter 52 of the Internal Revenue Code of 1986,
23 the amount of drawback granted under such Code, or the
24 Tariff Act of 1930, on the export or destruction of sub-
25 stituted merchandise may not exceed the amount of taxes

1 paid (and not returned by refund, credit, or drawback)
2 on the substituted merchandise.

3 **SEC. 112032. TREATMENT OF PAYMENTS FROM PARTNER-**
4 **SHIPS TO PARTNERS FOR PROPERTY OR**
5 **SERVICES.**

6 (a) IN GENERAL.—Section 707(a)(2) is amended by
7 striking “Under regulations prescribed” and inserting
8 “Except as provided”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to services performed, and property
11 transferred, after the date of the enactment of this Act.

12 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion, or the amendments made by this section, shall be
14 construed to create any inference with respect to the prop-
15 er treatment under section 707(a) of the Internal Revenue
16 Code of 1986 with respect to payments from a partnership
17 to a partner for services performed, or property trans-
18 ferred, on or before the date of the enactment of this Act.

19 **PART 2—REMOVING TAXPAYER BENEFITS FOR**
20 **ILLEGAL IMMIGRANTS**

21 **SEC. 112101. PERMITTING PREMIUM TAX CREDIT ONLY FOR**
22 **CERTAIN INDIVIDUALS.**

23 (a) IN GENERAL.—Section 36B(e)(1) is amended by
24 inserting “or, in the case of aliens who are lawfully

1 present, are not eligible aliens” after “individuals who are
2 not lawfully present”.

3 (b) ELIGIBLE ALIENS.—Section 36B(e)(2) is amend-
4 ed—

5 (1) by striking “For purposes of this section,
6 an individual” and inserting the following: “For pur-
7 poses of this section—

8 “(A) IN GENERAL.—An individual”, and

9 (2) by adding at the end the following new sub-
10 paragraph:

11 “(B) ELIGIBLE ALIENS.—An individual
12 who is an alien and lawfully present shall be
13 treated as an eligible alien if and only if such
14 individual is, and is reasonably expected to be
15 for the entire period of enrollment for which the
16 credit under this section is being claimed—

17 “(i) an alien who is lawfully admitted
18 for permanent residence under the Immi-
19 gration and Nationality Act (8 U.S.C.
20 1101 et seq.),

21 “(ii) an alien who—

22 “(I) is a citizen or national of the
23 Republic of Cuba,

24 “(II) is the beneficiary of an ap-
25 proved petition under section 203(a)

1 of the Immigration and Nationality
2 Act (8 U.S.C. 1153(a)),

3 “(III) meets all eligibility re-
4 quirements for an immigrant visa but
5 for whom such a visa is not imme-
6 diately available,

7 “(IV) is not otherwise inadmis-
8 sible under section 212(a) of such Act
9 (8 U.S.C. 1182(a)), and

10 “(V) is physically present in the
11 United States pursuant to a grant of
12 parole in furtherance of the commit-
13 ment of the United States to the min-
14 imum level of annual legal migration
15 of Cuban nationals to the United
16 States specified in the U.S.-Cuba
17 Joint Communiqué on Migration,
18 done at New York September 9, 1994,
19 and reaffirmed in the Cuba-United
20 States: Joint Statement on Normal-
21 ization of Migration, Building on the
22 Agreement of September 9, 1994,
23 done at New York May 2, 1995, or

24 “(iii) an individual who lawfully re-
25 sides in the United States in accordance

1 with a Compact of Free Association re-
2 ferred to in section 402(b)(2)(G) of the
3 Personal Responsibility and Work Oppor-
4 tunity Reconciliation Act of 1996 (8
5 U.S.C. 1612(b)(2)(G)).”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) VERIFICATION OF INFORMATION.—Section
8 1411 of the Patient Protection and Affordable Care
9 Act (42 U.S.C. 18081) is amended—

10 (A) in subsection (a)—

11 (i) in paragraph (1), by striking “and
12 section 36B(e) of the Internal Revenue
13 Code of 1986”; and

14 (ii) in paragraph (2)—

15 (I) in subparagraph (A), by strik-
16 ing “and” at the end;

17 (II) in subparagraph (B), by add-
18 ing “and” at the end; and

19 (III) by adding at the end the
20 following new subparagraph:

21 “(C) in the case such individual is an alien
22 lawfully present in the United States, whether
23 such individual is an eligible alien (within the
24 meaning of section 36B(e)(2) of such Code);”;

1 (B) in subsection (b)(3), by adding at the
2 end the following new subparagraph:

3 “(D) IMMIGRATION STATUS.—In the case
4 the individual’s eligibility is based on an attes-
5 tation of the enrollee’s immigration status, an
6 attestation that such individual is an eligible
7 alien (within the meaning of 36B(e)(2) of the
8 Internal Revenue Code of 1986).”; and

9 (C) in subsection (c)(2)(B)(ii), by adding
10 at the end the following new subclause:

11 “(III) In the case of an indi-
12 vidual described in clause (i)(I) with
13 respect to whom a premium tax credit
14 or reduced cost-sharing under section
15 36B of the Internal Revenue Code of
16 1986 or section 1402 is being claimed,
17 the attestation that the individual is
18 an eligible alien (within the meaning
19 of section 36B(e)(2) of such Code).”.

20 (2) ADVANCE DETERMINATIONS.—Section
21 1412(d) of the Patient Protection and Affordable
22 Care Act (42 U.S.C. 18082(d)) is amended by in-
23 serting before the period at the end the following:
24 “or, in the case of aliens who are lawfully present,

1 are not eligible aliens (within the meaning of section
2 36B(e)(2) of the Internal Revenue Code of 1986)”.
3

3 (3) COST-SHARING REDUCTIONS.—Section
4 1402(e) of the Patient Protection and Affordable
5 Care Act (42 U.S.C. 18071(e)) is amended—

6 (A) in the header, by inserting “OR NOT
7 ELIGIBLE ALIENS” after “INDIVIDUALS NOT
8 LAWFULLY PRESENT”;

9 (B) in paragraph (1), in the matter pre-
10 ceeding subparagraph (A), by inserting “or, in
11 the case of an alien who is lawfully present, is
12 not an eligible alien (within the meaning of sec-
13 tion 36B(e)(2) of the Internal Revenue Code of
14 1986)” after “not lawfully present”; and

15 (C) by amending paragraph (2) to read as
16 follows:

17 “(2) ELIGIBLE ALIENS.—For purposes of this
18 section, an individual shall be treated as an eligible
19 alien (within the meaning of section 36B(e)(2) of
20 the Internal Revenue Code of 1986) if, and only if,
21 the individual is, and for the entire period of enroll-
22 ment for which the cost-sharing reduction under this
23 section is being claimed is reasonably expected to be,
24 such an alien.”.

1 (4) BASIC HEALTH PROGRAMS.—Section
2 1331(e)(1) of the Patient Protection and Affordable
3 Care Act (42 U.S.C. 18051(e)(1)) is amended by in-
4 serting before the period at the end the following:
5 “or, in the case of an alien who is lawfully present,
6 an individual who is not an eligible alien (as defined
7 in section 36B(e)(2) of the Internal Revenue Code
8 of 1986”.

9 (5) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply with respect to plan
11 years beginning on or after January 1, 2027.

12 (d) CLERICAL AMENDMENTS.—

13 (1) The heading for section 36B(e) is amended
14 by inserting “AND NOT ELIGIBLE ALIENS” after
15 “INDIVIDUALS NOT LAWFULLY PRESENT”.

16 (2) The heading for section 36B(e)(2) is
17 amended by inserting “; ELIGIBLE ALIENS” after
18 “LAWFULLY PRESENT”.

19 (e) REQUIREMENT TO MAINTAIN MINIMUM ESSEN-
20 TIAL COVERAGE.—Section 5000A(d)(3) is amended by
21 striking “an alien lawfully present in the United States”
22 and inserting “an eligible alien (within the meaning of sec-
23 tion 36B(e)(2))”.

24 (f) REGULATIONS.—The Secretary of the Treasury
25 and the Secretary of Health and Human Services may

1 each prescribe such rules and other guidance as may be
2 necessary or appropriate to carry out the amendments
3 made by this section.

4 (g) EFFECTIVE DATE.—The amendments made by
5 this section (other than the amendments made by sub-
6 section (e)) shall apply to taxable years beginning after
7 December 31, 2026.

8 **SEC. 112102. DISALLOWING PREMIUM TAX CREDIT DURING**
9 **PERIODS OF MEDICAID INELIGIBILITY DUE**
10 **TO ALIEN STATUS.**

11 (a) IN GENERAL.—Section 36B(c)(1) is amended by
12 striking subparagraph (B) and by redesignating subpara-
13 graphs (C), (D), and (E) as subparagraphs (B), (C), and
14 (D), respectively.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 36B(g)(4)(A) is amended by strik-
17 ing “subsection (e)(1)(C)” and inserting “subsection
18 (e)(1)(B)”.

19 (2) Section 1331(e)(1)(B) of the Patient Pro-
20 tection and Affordable Care Act (42 U.S.C.
21 18051(e)(1)(B)) is amended by striking “, or, in the
22 case of” and all that follows through “such alien
23 status”.

1 “(3) an alien who—

2 “(A) is a citizen or national of the Repub-
3 lic of Cuba;

4 “(B) is the beneficiary of an approved peti-
5 tion under section 203(a) of the Immigration
6 and Nationality Act;

7 “(C) meets all eligibility requirements for
8 an immigrant visa but for whom such a visa is
9 not immediately available;

10 “(D) is not otherwise inadmissible under
11 section 212(a) of such Act; and

12 “(E) is physically present in the United
13 States pursuant to a grant of parole in further-
14 ance of the commitment of the United States to
15 the minimum level of annual legal migration of
16 Cuban nationals to the United States specified
17 in the U.S.-Cuba Joint Communiqué on Migra-
18 tion, done at New York September 9, 1994, and
19 reaffirmed in the Cuba-United States: Joint
20 Statement on Normalization of Migration,
21 Building on the Agreement of September 9,
22 1994, done at New York May 2, 1995; or

23 “(4) an individual who lawfully resides in the
24 United States in accordance with a Compact of Free
25 Association referred to in section 402(b)(2)(G) of

1 the Personal Responsibility and Work Opportunity
2 Reconciliation Act of 1996.

3 “(b) APPLICATION TO INDIVIDUALS CURRENTLY EN-
4 TITLED TO OR ENROLLED FOR BENEFITS.—

5 “(1) IN GENERAL.—In the case of an individual
6 who is entitled to, or enrolled for, benefits under this
7 title as of the date of the enactment of this section,
8 subsection (a) shall apply beginning on the date that
9 is 1 year after such date of enactment.

10 “(2) REVIEW BY COMMISSIONER OF SOCIAL SE-
11 CURITY.—

12 “(A) IN GENERAL.—Not later than 6
13 months after the date of the enactment of this
14 section, the Commissioner of Social Security
15 shall complete a review of individuals entitled
16 to, or enrolled for, benefits under this title as
17 of such date of enactment for purposes of iden-
18 tifying individuals not described in any of para-
19 graphs (1) through (4) of subsection (a).

20 “(B) NOTICE.—The Commissioner of So-
21 cial Security shall notify each individual identi-
22 fied under the review conducted under subpara-
23 graph (A) that such individual’s entitlement to,
24 or enrollment for, benefits under this title will
25 be terminated as of the date that is 1 year after

1 the date of the enactment of this section. Such
2 notification shall be made as soon as practicable
3 after such identification and in a manner de-
4 signed to ensure such individual's comprehen-
5 sion of such notification.”.

6 **SEC. 112104. EXCISE TAX ON REMITTANCE TRANSFERS.**

7 (a) IN GENERAL.—Chapter 36 is amended by insert-
8 ing after subchapter B the following new subchapter:

9 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

10 **“SEC. 4475. IMPOSITION OF TAX.**

11 “(a) IN GENERAL.—There is hereby imposed on any
12 remittance transfer a tax equal to 3.5 percent of the
13 amount of such transfer.

14 “(b) PAYMENT OF TAX.—

15 “(1) IN GENERAL.—The tax imposed by this
16 section with respect to any remittance transfer shall
17 be paid by the sender with respect to such transfer.

18 “(2) COLLECTION.—The remittance transfer
19 provider with respect to any remittance transfer
20 shall collect the amount of the tax imposed under
21 subsection (a) with respect to such transfer from the
22 sender and remit such tax quarterly to the Secretary
23 at such time and in such manner as provided by the
24 Secretary.

1 “(3) SECONDARY LIABILITY.—Where any tax
2 imposed by subsection (a) is not paid at the time the
3 transfer is made, then to the extent that such tax
4 is not collected, such tax shall be paid by the remit-
5 tance transfer provider.

6 “(c) EXCEPTION FOR REMITTANCE TRANSFERS
7 SENT BY CITIZENS AND NATIONALS OF THE UNITED
8 STATES THROUGH CERTAIN PROVIDERS.—

9 “(1) IN GENERAL.—Subsection (a) shall not
10 apply to any remittance transfer with respect to
11 which the remittance transfer provider is a qualified
12 remittance transfer provider and the sender is a
13 verified United States sender.

14 “(2) QUALIFIED REMITTANCE TRANSFER PRO-
15 VIDER.—For purposes of this subsection, the term
16 ‘qualified remittance transfer provider’ means any
17 remittance transfer provider which enters into a
18 written agreement with the Secretary pursuant to
19 which such provider agrees to verify the status of
20 senders as citizens or nationals of the United States
21 in such manner, and in accordance with such proce-
22 dures, as the Secretary may specify.

23 “(3) VERIFIED UNITED STATES SENDER.—For
24 purposes of this subsection, the term ‘verified United
25 States sender’ means any sender who is verified by

1 a qualified remittance transfer provider as being a
2 citizen or national of the United States pursuant to
3 an agreement described in paragraph (2).

4 “(d) DEFINITIONS.—For purposes of this section, the
5 terms ‘remittance transfer’, ‘remittance transfer provider’,
6 ‘designated recipient’, and ‘sender’ shall each have the re-
7 spective meanings given such terms by section 920(g) of
8 the Electronic Fund Transfer Act (15 U.S.C. 1693o-1; re-
9 lating to “Remittance Transfers”).

10 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For
11 purposes of section 7701(l) with respect to any multiple-
12 party arrangements involving the sender, a remittance
13 transfer shall be treated as a financing transaction.”.

14 (b) REFUNDABLE INCOME TAX CREDIT ALLOWED
15 TO CITIZENS AND NATIONALS OF THE UNITED STATES
16 FOR EXCISE TAX ON REMITTANCE TRANSFERS.—Subpart
17 C of part IV of subchapter A of chapter 1 is amended
18 by inserting after section 36B the following new section:
19 **“SEC. 36C. CREDIT FOR EXCISE TAX ON REMITTANCE**
20 **TRANSFERS OF CITIZENS AND NATIONALS OF**
21 **THE UNITED STATES.**

22 “(a) IN GENERAL.—In the case of any individual,
23 there shall be allowed as a credit against the tax imposed
24 by this subtitle for any taxable year an amount equal to

1 the aggregate amount of taxes paid by such individual
2 under section 4475 during such taxable year.

3 “(b) SOCIAL SECURITY NUMBER REQUIREMENT.—

4 “(1) IN GENERAL.—No credit shall be allowed
5 under this section unless the taxpayer includes on
6 the return of tax for the taxable year—

7 “(A) the individual’s social security num-
8 ber, and

9 “(B) if the individual is married, the social
10 security number of such individuals’s spouse.

11 “(2) SOCIAL SECURITY NUMBER.—For pur-
12 poses of this subsection, the term ‘social security
13 number’ has the meaning given such term in section
14 24(h)(7).

15 “(3) MARRIED INDIVIDUALS.—Rules similar to
16 the rules of section 32(d) shall apply to this section.

17 “(c) SUBSTANTIATION REQUIREMENTS.—No credit
18 shall be allowed under this section unless the taxpayer
19 demonstrates to the satisfaction of the Secretary that the
20 tax under section 4475 with respect to which such credit
21 is determined—

22 “(1) was paid by the taxpayer, and

23 “(2) is with respect to a remittance transfer
24 with respect to which the taxpayer provided to the

1 remittance transfer provider the certification and in-
2 formation referred to in section 6050BB(a)(2).

3 “(d) DEFINITIONS.—Any term used in this section
4 which is also used in section 4475 shall have the meaning
5 given such term in section 4475.

6 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For
7 rules providing for the application of the anti-conduit rules
8 of section 7701(l) to remittance transfers, see section
9 4475(e).”.

10 (c) REPORTING BY REMITTANCE TRANSFER PRO-
11 VIDERS.—

12 (1) IN GENERAL.—Subpart B of part III of
13 subchapter A of chapter 61, as amended by the pre-
14 ceding provisions of this Act, is amended by adding
15 at the end the following new section:

16 **“SEC. 6050BB. RETURNS RELATING TO REMITTANCE**
17 **TRANSFERS.**

18 “(a) IN GENERAL.—Each remittance transfer pro-
19 vider shall make a return at such time as the Secretary
20 may provide setting forth—

21 “(1) in the case of a qualified remittance trans-
22 fer provider with respect to remittance transfers to
23 which section 4475(a) does not apply by reason of
24 section 4475(c), the aggregate number and value of
25 such transfers,

1 “(2) in the case of any remittance transfer not
2 described in paragraph (1) and with respect to
3 which the sender certifies to the remittance transfer
4 provider an intent to claim the credit under section
5 36C and provides the information described in para-
6 graph (1)—

7 “(A) the name, address, and social security
8 number of the sender,

9 “(B) the amount of tax paid by the sender
10 under section 4475(b)(1), and

11 “(C) the amount of tax remitted by the re-
12 mittance transfer provider under section
13 4475(b)(2), and

14 “(3) in the case of any remittance transfer not
15 included under paragraph (1) or (2)—

16 “(A) the aggregate amount of tax paid
17 under section 4475(b)(1) with respect to such
18 transfers, and

19 “(B) the aggregate amount of tax remitted
20 under section 4475(b)(2) with respect to such
21 transfers.

22 “(b) STATEMENT TO BE FURNISHED TO NAMED
23 PERSONS.—Every person required to make a return under
24 subsection (a) shall furnish, at such time as the Secretary

1 may provide, to each person whose name is required to
2 be set forth in such return a written statement showing—

3 “(1) the name and address of the information
4 contact of the required reporting person, and

5 “(2) the information described in subsection
6 (a)(2) which relates to such person.

7 “(c) DEFINITIONS.—Any term used in this section
8 which is also used in section 4475 shall have the meaning
9 given such term in such section.”.

10 (2) PENALTIES.—Section 6724(d), as amended
11 by the preceding provisions of this Act, is amend-
12 ed—

13 (A) in paragraph (1)(B), by striking “or”
14 at the end of clause (xxviii), by striking “and”
15 at the end of clause (xxix) and inserting “or”,
16 and by adding at the end the following new
17 clause:

18 “(xxx) section 6050BB(a) (relating to
19 returns relating to remittance transfers),
20 and”, and

21 (B) in paragraph (2), by striking “or” at
22 the end of subparagraph (NN), by striking the
23 period at the end of subparagraph (OO) and in-
24 serting “, or”, and by inserting after subpara-
25 graph (OO) the following new subparagraph:

1 “(PP) section 6050BB(b) (relating to
2 statements relating to remittance transfers).”.

3 (d) CONFORMING AMENDMENTS.—

4 (1) Section 6211(b)(4)(A) is amended by insert-
5 ing “36C,” after “36B,”.

6 (2) Section 6213(g)(2), as amended by the pre-
7 ceding provisions of this Act, is amended by striking
8 “and” at the end of subparagraph (Z), by the strik-
9 ing the period at the end of subparagraph (AA) and
10 inserting “, and”, and by inserting after subpara-
11 graph (AA) the following new subparagraph:

12 “(BB) an omission of a correct social secu-
13 rity number under section 36C(b) to be in-
14 cluded on a return.”.

15 (3) Section 1324(b)(2) of title 31, United
16 States Code, is amended by inserting “36C,” after
17 “36B,”.

18 (4) The table of sections for subpart C of part
19 IV of subchapter A of chapter 1 is amended by in-
20 serting after the item relating to section 36B the fol-
21 lowing new item:

 “Sec. 36C. Credit for excise tax on remittance transfers of citizens and nation-
 als of the United States.”.

1 (5) The table of sections for subpart B of part
2 III of subchapter A of chapter 61 is amended by
3 adding at the end the following new item:

“Sec. 6050BB. Returns relating to remittance transfers.”.

4 (6) The table of subchapters for chapter 36 is
5 amended by inserting after the item relating to sub-
6 chapter B the following new item:

“SUBCHAPTER C—REMITTANCE TRANSFERS”.

7 (e) EFFECTIVE DATE.—

8 (1) IN GENERAL.—Except as otherwise pro-
9 vided in this subsection, the amendments made by
10 this section shall apply to transfers made after De-
11 cember 31, 2025.

12 (2) TAX CREDIT.—The amendments made by
13 subsection (b), and paragraphs (1) through (4) of
14 subsection (d), shall apply to taxable years ending
15 after December 31, 2025.

16 **SEC. 112105. SOCIAL SECURITY NUMBER REQUIREMENT**
17 **FOR AMERICAN OPPORTUNITY AND LIFE-**
18 **TIME LEARNING CREDITS.**

19 (a) SOCIAL SECURITY NUMBER OF TAXPAYER RE-
20 QUIRED.—Section 25A(g)(1) is amended to read as fol-
21 lows:

22 “(1) IDENTIFICATION REQUIREMENT.—

23 “(A) SOCIAL SECURITY NUMBER REQUIRE-
24 MENT.—No credit shall be allowed under sub-

1 section (a) to a taxpayer unless the taxpayer in-
2 cludes on the return of tax for the taxable
3 year—

4 “(i) such individual’s social security
5 number,

6 “(ii) if the individual is married, the
7 social security number of such individual’s
8 spouse, and

9 “(iii) in the case of a credit with re-
10 spect to the qualified tuition and related
11 expenses of an individual other than the
12 taxpayer or the taxpayer’s spouse, the
13 name and social security number of such
14 individual.

15 “(B) INSTITUTION.—No American Oppor-
16 tunity Tax Credit shall be allowed under this
17 section unless the taxpayer includes the em-
18 ployer identification number of any institution
19 to which the taxpayer paid qualified tuition and
20 related expenses taken into account under this
21 section on the return of tax for the taxable
22 year.

23 “(C) SOCIAL SECURITY NUMBER DE-
24 FINED.—For purposes of this paragraph, the

1 term ‘social security number’ shall have the
2 meaning given such term in section 24(h)(7).”.

3 (b) RULES RELATED TO MARRIED INDIVIDUALS.—

4 Section 25A(g)(6) is amended to read as follows:

5 “(6) RULES RELATED TO MARRIED INDIVID-
6 UALS.—Rules similar to the rules of section 32(d)
7 shall apply to this section.”.

8 (c) OMISSION TREATED AS MATHEMATICAL OR
9 CLERICAL ERROR.—Section 6213(g)(2)(J) is amended by
10 striking “TIN” and inserting “social security number or
11 employer identification number”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

15 **PART 3—PREVENTING FRAUD, WASTE, AND**

16 **ABUSE**

17 **SEC. 112201. REQUIRING EXCHANGE VERIFICATION OF ELI-**
18 **GIBILITY FOR HEALTH PLAN.**

19 (a) IN GENERAL.—Section 36B(c) is amended by
20 adding at the end the following new paragraphs:

21 “(5) EXCHANGE ENROLLMENT VERIFICATION
22 REQUIREMENT.—

23 “(A) IN GENERAL.—The term ‘coverage
24 month’ shall not include, with respect to any in-
25 dividual covered by a qualified health plan en-

1 rolled in through an Exchange, any month be-
2 ginning before the Exchange verifies, using ap-
3 plicable enrollment information that shall be
4 provided or verified by the applicant, such indi-
5 vidual’s eligibility—

6 “(i) to enroll in the plan through the
7 Exchange,

8 “(ii) for any advance payment under
9 section 1412 of the Patient Protection and
10 Affordable Care Act of the credit allowed
11 under this section, and

12 “(iii) for any reduced cost-sharing
13 under section 1402 of such Act.

14 “(B) APPLICABLE ENROLLMENT INFORMA-
15 TION.—For purposes of subparagraph (A), ap-
16 plicable enrollment information shall at least in-
17 clude affirmation of the following information
18 (to the extent relevant in determining eligibility
19 described in subparagraph (A)):

20 “(i) Income.

21 “(ii) Any immigration status.

22 “(iii) Any health coverage status or
23 eligibility for coverage.

24 “(iv) Place of residence.

25 “(v) Family size.

1 “(vi) Such other information as may
2 be determined by the Secretary (in con-
3 sultation with the Secretary of Health and
4 Human Services) as necessary to the
5 verification prescribed under subparagraph
6 (A).

7 “(C) VERIFICATION OF PAST MONTHS.—In
8 the case of a month that begins before
9 verification prescribed by subparagraph (A),
10 such month shall be treated as a coverage
11 month if, and only if, the Exchange verifies for
12 such month (using applicable enrollment infor-
13 mation that shall be provided or verified by the
14 applicant) such individual’s eligibility to have so
15 enrolled, for any such advance payment, and for
16 any such reduced cost-sharing.

17 “(D) EXCHANGE PARTICIPATION; COORDI-
18 NATION WITH OTHER PROCEDURES FOR DETER-
19 MINING ELIGIBILITY.—An individual shall not,
20 solely by reason of failing to meet the require-
21 ments of this paragraph with respect to a
22 month, be treated for such month as ineligible
23 to enroll in a qualified health plan through an
24 Exchange.

1 “(6) EXCHANGE COMPLIANCE WITH FILING RE-
2 QUIREMENTS.—The term ‘coverage month’ shall not
3 include, with respect to any individual covered by a
4 qualified health plan enrolled in through an Ex-
5 change, any month for which the Exchange does not
6 meet the requirements of section 155.305(f)(4) of
7 title 45, Code of Federal Regulations (as published
8 in the Federal Register on March 19, 2025 (90 FR
9 12942)), with respect to the individual.”.

10 (b) PRE-ENROLLMENT VERIFICATION PROCESS RE-
11 QUIRED.—Section 36B(c)(3)(A) is amended—

12 (1) by striking “HEALTH PLAN.—The term”
13 and inserting the following: “HEALTH PLAN.—

14 “(i) IN GENERAL.—The term”, and

15 (2) by adding at the end the following new
16 clause:

17 “(ii) PRE-ENROLLMENT VERIFICATION
18 PROCESS REQUIRED.—Such term shall not
19 include any plan enrolled in through an
20 Exchange, unless such Exchange provides
21 a process for pre-enrollment verification
22 through which any applicant may, begin-
23 ning not later than August 1, verify with
24 the Exchange the applicant’s eligibility for
25 enrollment in such plan for plan years be-

1 ginning in the subsequent year, for any ad-
2 vance payment of the credit allowed under
3 this section, and for reduced cost-sharing
4 under section 1402 of the Patient Protec-
5 tion and Affordable Care Act.”.

6 (c) REGULATIONS.—The Secretary of the Treasury
7 and the Secretary of Health and Human Services may
8 each prescribe such rules and other guidance as may be
9 necessary or appropriate to carry out the amendments
10 made by this section.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2027.

14 **SEC. 112202. DISALLOWING PREMIUM TAX CREDIT IN CASE**
15 **OF CERTAIN COVERAGE ENROLLED IN DUR-**
16 **ING SPECIAL ENROLLMENT PERIOD.**

17 (a) IN GENERAL.—Section 36B(c)(3)(A), as amend-
18 ed by the preceding provisions of this Act, is amended by
19 adding at the end the following new clause:

20 “(iii) EXCEPTION IN CASE OF CER-
21 TAIN SPECIAL ENROLLMENT PERIODS.—
22 Such term shall not include any plan en-
23 rolled in during a special enrollment period
24 provided for by an Exchange—

1 “(I) on the basis of the relation-
2 ship of the individual’s expected
3 household income to such a percent-
4 age of the poverty line (or such other
5 amount) as is prescribed by the Sec-
6 retary of Health and Human Services
7 for purposes of such period, and

8 “(II) not in connection with the
9 occurrence of an event or change in
10 circumstances specified by the Sec-
11 retary of Health and Human Services
12 for such purposes.”.

13 (b) REGULATIONS.—The Secretary of Treasury and
14 the Secretary of Health and Human Services shall pre-
15 scribe such rules (including interim final and temporary
16 regulations) and other guidance as may be necessary to
17 carry out the purposes of the amendments made by this
18 section.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply with respect to plans enrolled in
21 during calendar months beginning after the third calendar
22 month ending after the date of the enactment of this Act.

1 **SEC. 112203. ELIMINATING LIMITATION ON RECAPTURE OF**
2 **ADVANCE PAYMENT OF PREMIUM TAX CRED-**
3 **IT.**

4 (a) **IN GENERAL.**—Section 36B(f)(2) is amended by
5 striking subparagraph (B).

6 (b) **CONFORMING AMENDMENTS.**—

7 (1) Section 36B(f)(2) is amended by striking
8 “ADVANCE PAYMENTS.—” and all that follows
9 through “If the advance payments” and inserting
10 the following: “ADVANCE PAYMENTS.—If the ad-
11 vance payments”.

12 (2) Section 35(g)(12)(B)(ii) is amended by
13 striking “then section 36B(f)(2)(B) shall be applied
14 by substituting the amount determined under clause
15 (i) for the amount determined under section
16 36B(f)(2)(A)” and inserting “then the amount de-
17 termined under clause (i) shall be substituted for the
18 amount determined under section 36B(f)(2)”.

19 (c) **EFFECTIVE DATE.**—The amendment made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

1 **SEC. 112204. IMPLEMENTING ARTIFICIAL INTELLIGENCE**
2 **TOOLS FOR PURPOSES OF REDUCING AND**
3 **RECOUPING IMPROPER PAYMENTS UNDER**
4 **MEDICARE.**

5 (a) IN GENERAL.—Part E of title XVIII of the Social
6 Security Act (42 U.S.C. 1395x et seq.), as amended by
7 the preceding provisions of this Act, is amended by adding
8 at the end the following new section:

9 **“SEC. 1899D. IMPLEMENTING ARTIFICIAL INTELLIGENCE**
10 **TOOLS FOR PURPOSES OF REDUCING AND**
11 **RECOUPING IMPROPER PAYMENTS.**

12 “(a) IN GENERAL.—Not later than January 1, 2027,
13 the Secretary shall implement such artificial intelligence
14 tools determined appropriate by the Secretary for pur-
15 poses of—

16 “(1) reducing improper payments made under
17 parts A and B; and

18 “(2) identifying any such improper payments so
19 made.

20 “(b) CONTRACTS.—The Secretary shall seek to con-
21 tract with a vendor of artificial intelligence tools and with
22 data scientists for purposes of implementing the artificial
23 intelligence tools required under subsection (a).

24 “(c) RECOUPMENT.—The Secretary shall, to the ex-
25 tent practicable, recoup payments identified using the arti-
26 ficial intelligence tools implemented under subsection (a).

1 “(d) REPORT.—Not later than January 1, 2029, and
2 not less frequently than annually thereafter, the Secretary
3 shall report to Congress on the implementation of artificial
4 intelligence tools under subsection (a) and the recoupment
5 of improper payments under subsection (c). Such report
6 shall include—

7 “(1) a description of any opportunities for fur-
8 ther reducing rates of improper payments described
9 in subsection (a)(1) or further increasing rates of
10 recoupment of such payments;

11 “(2) the total dollar amount of improper pay-
12 ments recouped in the most recent year for which
13 data is available; and

14 “(3) in the case that the Secretary fails to re-
15 duce the rate of improper payments by 50 percent
16 in such most recent year as compared to the year
17 prior to such most recent year, a description of the
18 reasons for such failure.”.

19 (b) IMPLEMENTATION FUNDING.—

20 (1) FEDERAL HOSPITAL INSURANCE TRUST
21 FUND.—The Secretary of Health and Human Serv-
22 ices shall provide for the transfer from the Federal
23 Hospital Insurance Trust Fund established under
24 section 1817 of the Social Security Act (42 U.S.C.
25 1395i) to the Centers for Medicare & Medicaid Serv-

1 ices Program Management Account of \$12,500,000
2 for fiscal year 2025 for purposes of carrying out the
3 amendment made by this section, to remain available
4 until expended.

5 (2) FEDERAL SUPPLEMENTARY MEDICAL IN-
6 SURANCE TRUST FUND.—The Secretary of Health
7 and Human Services shall provide for the transfer,
8 from the Federal Supplementary Medical Insurance
9 Trust Fund established under section 1841 of the
10 Social Security Act (42 U.S.C. 1395t) to the Cen-
11 ters for Medicare & Medicaid Services Program
12 Management Account of \$12,500,000 for fiscal year
13 2025 for purposes of carrying out the amendment
14 made by this section, to remain available until ex-
15 pended.

16 **SEC. 112205. ENFORCEMENT PROVISIONS WITH RESPECT**
17 **TO COVID-RELATED EMPLOYEE RETENTION**
18 **CREDITS.**

19 (a) INCREASE IN ASSESSABLE PENALTY ON COVID-
20 ERTC PROMOTERS FOR AIDING AND ABETTING UNDER-
21 STATEMENTS OF TAX LIABILITY.—

22 (1) IN GENERAL.—If any COVID-ERTC pro-
23 moter is subject to penalty under section 6701(a) of
24 the Internal Revenue Code of 1986 with respect to
25 any COVID-ERTC document, notwithstanding

1 paragraphs (1) and (2) of section 6701(b) of such
2 Code, the amount of the penalty imposed under such
3 section 6701(a) shall be the greater of—

4 (A) \$200,000 (\$10,000, in the case of a
5 natural person), or

6 (B) 75 percent of the gross income derived
7 (or to be derived) by such promoter with re-
8 spect to the aid, assistance, or advice referred
9 to in section 6701(a)(1) of such Code with re-
10 spect to such document.

11 (2) NO INFERENCE.—Paragraph (1) shall not
12 be construed to create any inference with respect to
13 the proper application of the knowledge requirement
14 of section 6701(a)(3) of the Internal Revenue Code
15 of 1986.

16 (b) FAILURE TO COMPLY WITH DUE DILIGENCE RE-
17 QUIREMENTS TREATED AS KNOWLEDGE FOR PURPOSES
18 OF ASSESSABLE PENALTY FOR AIDING AND ABETTING
19 UNDERSTATEMENT OF TAX LIABILITY.—In the case of
20 any COVID–ERTC promoter, the knowledge requirement
21 of section 6701(a)(3) of the Internal Revenue Code of
22 1986 shall be treated as satisfied with respect to any
23 COVID–ERTC document with respect to which such pro-
24 moter provided aid, assistance, or advice, if such promoter

1 fails to comply with the due diligence requirements re-
2 ferred to in subsection (c)(1).

3 (c) ASSESSABLE PENALTY FOR FAILURE TO COMPLY
4 WITH DUE DILIGENCE REQUIREMENTS.—

5 (1) IN GENERAL.—Any COVID–ERTC pro-
6 moter which provides aid, assistance, or advice with
7 respect to any COVID–ERTC document and which
8 fails to comply with due diligence requirements im-
9 posed by the Secretary with respect to determining
10 eligibility for, or the amount of, any COVID-related
11 employee retention tax credit, shall pay a penalty of
12 \$1,000 for each such failure.

13 (2) DUE DILIGENCE REQUIREMENTS.—Except
14 as otherwise provided by the Secretary, the due dili-
15 gence requirements referred to in paragraph (1)
16 shall be similar to the due diligence requirements
17 imposed under section 6695(g) of the Internal Rev-
18 enue Code of 1986.

19 (3) RESTRICTION TO DOCUMENTS USED IN
20 CONNECTION WITH RETURNS OR CLAIMS FOR RE-
21 FUND.—Paragraph (1) shall not apply with respect
22 to any COVID–ERTC document unless such docu-
23 ment constitutes, or relates to, a return or claim for
24 refund.

1 (4) TREATMENT AS ASSESSABLE PENALTY,
2 ETC.—For purposes of the Internal Revenue Code of
3 1986, the penalty imposed under paragraph (1) shall
4 be treated in the same manner as a penalty imposed
5 under section 6695(g) of such Code.

6 (5) SECRETARY.—For purposes of this sub-
7 section, the term “Secretary” means the Secretary
8 of the Treasury or the Secretary’s delegate.

9 (d) ASSESSABLE PENALTIES FOR FAILURE TO DIS-
10 CLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.—
11 For purposes of sections 6111, 6112, 6707 and 6708 of
12 the Internal Revenue Code of 1986—

13 (1) any COVID-related employee retention tax
14 credit (whether or not the taxpayer claims such
15 COVID-related employee retention tax credit) shall
16 be treated as a listed transaction (and as a report-
17 able transaction) with respect to any COVID–ERTC
18 promoter if such promoter provides any aid, assist-
19 ance, or advice with respect to any COVID–ERTC
20 document relating to such COVID-related employee
21 retention tax credit, and

22 (2) such COVID–ERTC promoter shall be
23 treated as a material advisor with respect to such
24 transaction.

1 (e) COVID-ERTC PROMOTER.—For purposes of
2 this section—

3 (1) IN GENERAL.—The term “COVID-ERTC
4 promoter” means, with respect to any COVID-
5 ERTC document, any person which provides aid, as-
6 sistance, or advice with respect to such document
7 if—

8 (A) such person charges or receives a fee
9 for such aid, assistance, or advice which is
10 based on the amount of the refund or credit
11 with respect to such document and, with respect
12 to such person’s taxable year in which such per-
13 son provided such assistance or the preceding
14 taxable year, the aggregate gross receipts of
15 such person for aid, assistance, and advice with
16 respect to all COVID-ERTC documents exceeds
17 20 percent of the gross receipts of such person
18 for such taxable year, or

19 (B) with respect to such person’s taxable
20 year in which such person provided such assist-
21 ance or the preceding taxable year—

22 (i) the aggregate gross receipts of
23 such person for aid, assistance, and advice
24 with respect to all COVID-ERTC docu-
25 ments exceeds 50 percent of the gross re-

1 receipts of such person for such taxable year,

2 or

3 (ii) both—

4 (I) such aggregate gross receipts
5 exceeds 20 percent of the gross re-
6 ceipts of such person for such taxable
7 year, and

8 (II) the aggregate gross receipts
9 of such person for aid, assistance, and
10 advice with respect to all COVID-
11 ERTC documents (determined after
12 application of paragraph (3)) exceeds
13 \$500,000.

14 (2) EXCEPTION FOR CERTIFIED PROFESSIONAL
15 EMPLOYER ORGANIZATIONS.—The term “COVID-
16 ERTC promoter” shall not include a certified profes-
17 sional employer organization (as defined in section
18 7705 of the Internal Revenue Code of 1986).

19 (3) AGGREGATION RULE.—For purposes of
20 paragraph (1)(B)(ii)(II), all persons treated as a
21 single employer under subsection (a) or (b) of sec-
22 tion 52 of the Internal Revenue Code of 1986, or
23 subsection (m) or (o) of section 414 of such Code,
24 shall be treated as 1 person.

1 (4) SHORT TAXABLE YEARS.—In the case of
2 any taxable year of less than 12 months, paragraph
3 (1) shall be applied with respect to the calendar year
4 in which such taxable year begins (in addition to ap-
5 plying to such taxable year).

6 (f) COVID-ERTC DOCUMENT.—For purposes of
7 this section, the term “COVID-ERTC document” means
8 any return, affidavit, claim, or other document related to
9 any COVID-related employee retention tax credit, includ-
10 ing any document related to eligibility for, or the calcula-
11 tion or determination of any amount directly related to
12 any COVID-related employee retention tax credit.

13 (g) COVID-RELATED EMPLOYEE RETENTION TAX
14 CREDIT.—For purposes of this section, the term
15 “COVID-related employee retention tax credit” means—

16 (1) any credit, or advance payment, under sec-
17 tion 3134 of the Internal Revenue Code of 1986,
18 and

19 (2) any credit, or advance payment, under sec-
20 tion 2301 of the CARES Act.

21 (h) LIMITATION ON CREDIT AND REFUND OF
22 COVID-RELATED EMPLOYEE RETENTION TAX CRED-
23 ITS.—Notwithstanding section 6511 of the Internal Rev-
24 enue Code of 1986, no credit or refund of any COVID-
25 related employee retention tax credit shall be allowed or

1 made after the date of the enactment of this Act, unless
2 a claim for such credit or refund is filed by the taxpayer
3 on or before January 31, 2024.

4 (i) AMENDMENTS TO EXTEND LIMITATION ON AS-
5 SESSMENT.—

6 (1) IN GENERAL.—Section 3134(l) is amended
7 to read as follows:

8 “(1) EXTENSION OF LIMITATION ON ASSESSMENT.—

9 “(1) IN GENERAL.—Notwithstanding section
10 6501, the limitation on the time period for the as-
11 sessment of any amount attributable to a credit
12 claimed under this section shall not expire before the
13 date that is 6 years after the latest of—

14 “(A) the date on which the original return
15 which includes the calendar quarter with re-
16 spect to which such credit is determined is filed,

17 “(B) the date on which such return is
18 treated as filed under section 6501(b)(2), or

19 “(C) the date on which the claim for credit
20 or refund with respect to such credit is made.

21 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-
22 COUNT IN DETERMINING IMPROPERLY CLAIMED
23 CREDIT.—

24 “(A) IN GENERAL.—Notwithstanding sec-
25 tion 6511, in the case of an assessment attrib-

1 utable to a credit claimed under this section,
2 the limitation on the time period for credit or
3 refund of any amount attributable to a deduc-
4 tion for improperly claimed ERTC wages shall
5 not expire before the time period for such as-
6 sessment expires under paragraph (1).

7 “(B) IMPROPERLY CLAIMED ERTC
8 WAGES.—For purposes of this paragraph, the
9 term ‘improperly claimed ERTC wages’ means,
10 with respect to an assessment attributable to a
11 credit claimed under this section, the wages
12 with respect to which a deduction would not
13 have been allowed if the portion of the credit to
14 which such assessment relates had been prop-
15 erly claimed.”.

16 (2) APPLICATION TO CARES ACT CREDIT.—Sec-
17 tion 2301 of the CARES Act is amended by adding
18 at the end the following new subsection:

19 “(o) EXTENSION OF LIMITATION ON ASSESSMENT.—

20 “(1) IN GENERAL.—Notwithstanding section
21 6501 of the Internal Revenue Code of 1986, the lim-
22 itation on the time period for the assessment of any
23 amount attributable to a credit claimed under this
24 section shall not expire before the date that is 6
25 years after the latest of—

1 “(A) the date on which the original return
2 which includes the calendar quarter with re-
3 spect to which such credit is determined is filed,

4 “(B) the date on which such return is
5 treated as filed under section 6501(b)(2) of
6 such Code, or

7 “(C) the date on which the claim for credit
8 or refund with respect to such credit is made.

9 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-
10 COUNT IN DETERMINING IMPROPERLY CLAIMED
11 CREDIT.—

12 “(A) IN GENERAL.—Notwithstanding sec-
13 tion 6511 of such Code, in the case of an as-
14 sessment attributable to a credit claimed under
15 this section, the limitation on the time period
16 for credit or refund of any amount attributable
17 to a deduction for improperly claimed ERTC
18 wages shall not expire before the time period
19 for such assessment expires under paragraph
20 (1).

21 “(B) IMPROPERLY CLAIMED ERTC
22 WAGES.—For purposes of this paragraph, the
23 term ‘improperly claimed ERTC wages’ means,
24 with respect to an assessment attributable to a
25 credit claimed under this section, the wages

1 with respect to which a deduction would not
2 have been allowed if the portion of the credit to
3 which such assessment relates had been prop-
4 erly claimed.”.

5 (j) EFFECTIVE DATES.—

6 (1) IN GENERAL.—Except as otherwise pro-
7 vided in this subsection, the provisions of this sec-
8 tion shall apply to aid, assistance, and advice pro-
9 vided after March 12, 2020.

10 (2) DUE DILIGENCE REQUIREMENTS.—Sub-
11 sections (b) and (c) shall apply to aid, assistance,
12 and advice provided after the date of the enactment
13 of this Act.

14 (3) LIMITATION ON CREDIT AND REFUND OF
15 COVID-RELATED EMPLOYEE RETENTION TAX CRED-
16 ITS.—Subsection (h) shall apply to credits and re-
17 funds allowed or made after the date of the enact-
18 ment of this Act.

19 (4) AMENDMENTS TO EXTEND LIMITATION ON
20 ASSESSMENT.—The amendments made by subsection
21 (i) shall apply to assessments made after the date of
22 the enactment of this Act.

23 (k) TRANSITION RULE WITH RESPECT TO REQUIRE-
24 MENTS TO DISCLOSE INFORMATION, MAINTAIN CLIENT
25 LISTS, ETC.—Any return under section 6111 of the Inter-

1 nal Revenue Code of 1986, or list under section 6112 of
2 such Code, required by reason of subsection (d) of this
3 section to be filed or maintained, respectively, with respect
4 to any aid, assistance, or advice provided by a COVID-
5 ERTC promoter with respect to a COVID-ERTC docu-
6 ment before the date of the enactment of this Act, shall
7 not be required to be so filed or maintained (with respect
8 to such aid, assistance or advice) before the date which
9 is 90 days after the date of the enactment of this Act.

10 (l) PROVISIONS NOT TO BE CONSTRUED TO CREATE
11 NEGATIVE INFERENCES.—

12 (1) NO INFERENCE WITH RESPECT TO APPLICA-
13 TION OF KNOWLEDGE REQUIREMENT TO PRE-EN-
14 ACTMENT CONDUCT OF COVID-ERTC PROMOTERS,
15 ETC.—Subsection (b) shall not be construed to cre-
16 ate any inference with respect to the proper applica-
17 tion of section 6701(a)(3) of the Internal Revenue
18 Code of 1986 with respect to any aid, assistance, or
19 advice provided by any COVID-ERTC promoter on
20 or before the date of the enactment of this Act (or
21 with respect to any other aid, assistance, or advice
22 to which such subsection does not apply).

23 (2) REQUIREMENTS TO DISCLOSE INFORMA-
24 TION, MAINTAIN CLIENT LISTS, ETC.—Subsections
25 (d) and (k) shall not be construed to create any in-

1 ference with respect to whether any COVID-related
2 employee retention tax credit is (without regard to
3 subsection (d)) a listed transaction (or reportable
4 transaction) with respect to any COVID-ERTC pro-
5 moter; and, for purposes of subsection (k), a return
6 or list shall not be treated as required (with respect
7 to such aid, assistance, or advice) by reason of sub-
8 section (d) if such return or list would be so re-
9 quired without regard to subsection (d).

10 (m) REGULATIONS.—The Secretary (as defined in
11 subsection (c)(5)) shall issue such regulations or other
12 guidance as may be necessary or appropriate to carry out
13 the purposes of this section (and the amendments made
14 by this section).

15 **SEC. 112206. EARNED INCOME TAX CREDIT REFORMS.**

16 (a) EARNED INCOME TAX CREDIT CERTIFICATION
17 PROGRAM.—

18 (1) ESTABLISHMENT OF PROGRAM.—

19 (A) IN GENERAL.—Chapter 77 is amended
20 by adding at the end the following new section:

21 **“SEC. 7531. EARNED INCOME TAX CREDIT CERTIFICATION**
22 **PROGRAM.**

23 “(a) IN GENERAL.—To avoid duplicative and other
24 erroneous claims under section 32 with respect to a child
25 of the taxpayer, for taxable years beginning after Decem-

1 ber 31, 2027, the Secretary shall establish a program
2 under which, on the taxpayer’s application with respect
3 to the child, the Secretary shall issue an EITC certificate
4 for purposes of section 32 establishing such child’s status
5 as a qualifying child only of the taxpayer for a taxable
6 year.

7 “(b) APPLICATION REQUIREMENTS.—

8 “(1) IN GENERAL.—The Secretary shall not
9 issue to a taxpayer an EITC certificate with respect
10 to a child for a taxable year unless the taxpayer ap-
11 plies under the program with respect to the child
12 and provides such information and supporting docu-
13 mentation as the Secretary shall by regulation pre-
14 scribe as necessary to establish such child as a quali-
15 fying child only of the taxpayer for the taxable year.

16 “(2) TIME AND MANNER OF APPLICATION.—

17 Such application shall be made, and such informa-
18 tion and supporting documentation shall be pro-
19 vided—

20 “(A) in such manner as may be provided
21 by the Secretary for purposes of this section
22 (including establishing an on-line portal), and

23 “(B) not later than the due date for the
24 return of tax for the taxable year or (if later)
25 when the return is filed.

1 “(3) COMPETING CLAIMS.—In the case of more
2 than 1 taxpayer making an application with respect
3 to a child under the program for a taxable year be-
4 ginning during a calendar year, the Secretary shall
5 not issue an EITC certificate to any such taxpayer
6 with respect to such child for such a taxable year
7 unless the Secretary can establish such child, based
8 on information and supporting documentation pro-
9 vided under paragraph (1), as the qualifying child
10 only of one such taxpayer for such a taxable year.

11 “(c) TREATMENT OF CREDIT WITHOUT CERTIFI-
12 CATION UNDER PROGRAM.—For taxable years beginning
13 after December 31, 2027—

14 “(1) IN GENERAL.—In the case of a taxpayer
15 who takes into account as a qualifying child under
16 section 32 a child for whom an EITC certificate has
17 not been issued for the taxable year to the tax-
18 payer—

19 “(A) the Secretary shall not credit the por-
20 tion of any overpayment for such taxable year
21 that is attributable to the taxpayer taking into
22 account such child as a qualifying child, unless
23 the taxpayer obtains, not later than the due
24 date for the return for the taxable year, an

1 EITC certificate with respect to such child for
2 such taxable year, and

3 “(B) if the taxpayer fails to so obtain an
4 EITC certificate, such failure shall be treated—

5 “(i) as an omission of information re-
6 quired by section 32 with respect to such
7 child, and

8 “(ii) as arising out of a mathematical
9 or clerical error and assessed according to
10 section 6213(b)(1).

11 “(2) TERMINATION OF CERTIFICATION.—In the
12 case of a taxpayer who for a taxable year takes into
13 account as a qualifying child under section 32 a
14 child for whom an EITC certificate is terminated for
15 such taxable year, such termination shall be treated
16 in the same manner as a failure to obtain an EITC
17 certificate under paragraph (1)(B).

18 “(d) TRANSITION RULES FOR TAXABLE YEARS BE-
19 GINNING BEFORE 2028.—

20 “(1) IN GENERAL.—If for any taxable year be-
21 ginning after December 31, 2023, and before Janu-
22 ary 1, 2027, more than 1 taxpayer makes a claim
23 for credit under section 32 taking into account the
24 same child as a qualifying child, then the Secretary
25 shall send notice to each such taxpayer (by certified

1 or registered mail to the last known address of the
2 taxpayer) detailing the resultant treatment of such
3 taxpayers under paragraph (2) with respect to such
4 child for any subsequent taxable years beginning be-
5 fore 2028.

6 “(2) SUBSEQUENT TAXABLE YEARS BEGINNING
7 BEFORE 2028.—In the case of a child with respect
8 to whom paragraph (1) applied by reason of claims
9 for credit for a taxable year, for any subsequent tax-
10 able years beginning before January 1, 2028—

11 “(A) subject to subparagraph (B), the Sec-
12 retary shall not credit the portion of any over-
13 payment for the taxable year that is attrib-
14 utable to a taxpayer taking into account such
15 child as a qualifying child under section 32
16 until the 15th day of October following the end
17 of the taxable year, and

18 “(B) if more than one taxpayer makes a
19 claim for such credit for the taxable year taking
20 into account such child as a qualifying child, so
21 taking such child into account shall be treat-
22 ed—

23 “(i) as an omission of information re-
24 quired by section 32 with respect to such
25 child, and

1 “(ii) as arising out of a mathematical
2 or clerical error and assessed according to
3 section 6213(b)(1).

4 “(e) QUALIFYING CHILD.—For purposes of this sec-
5 tion, the term ‘qualifying child’ has the meaning given
6 such term under section 32(c)(3).

7 “(f) REBUTTAL OF TREATMENT.—Treatment under
8 subsection (c) or (d)(2)(B) as having omitted information
9 required by section 32 may be rebutted by providing such
10 information and supporting documentation as satisfac-
11 torily demonstrates the child is a qualifying child of the
12 taxpayer for the taxable year.

13 “(g) RESTRICTIONS ON TAXPAYERS WHO IMPROP-
14 ERLY USE PROGRAM.—

15 “(1) IN GENERAL.—A taxpayer shall not be
16 permitted to apply for an EITC certificate under the
17 program for any taxable year in the disallowance pe-
18 riod.

19 “(2) DISALLOWANCE PERIOD.—For purposes of
20 paragraph (1), the disallowance period is—

21 “(A) the period of 10 taxable years after
22 the most recent taxable year for which there
23 was a penalty imposed under 6720D on the tax-
24 payer (but only if such penalty has been im-
25 posed on such taxpayer more than once, at least

1 one instance of which was due to fraud under
2 section 6720D(b)),

3 “(B) the period of 2 taxable years after
4 the most recent taxable year for which there
5 was a penalty imposed under 6720D on the tax-
6 payer (but only if such penalty has been im-
7 posed on such taxpayer more than once due to
8 reckless or intentional disregard of rules and
9 regulations (but not imposed due to fraud)),
10 and

11 “(C) any disallowance period with respect
12 to the taxpayer under section 32(k)(1).

13 “(h) REGULATIONS.—The Secretary shall prescribe
14 such rules as may be necessary or appropriate to carry
15 out the program and purposes of this section, including—

16 “(1) a process for establishing alternating tax-
17 able year treatment of a child as a qualifying child
18 under a custodial arrangement,

19 “(2) notwithstanding subsection (d)(2), a proc-
20 ess for—

21 “(A) establishing the status of a child as
22 a qualifying child of the taxpayer under section
23 32 for taxable years to which such subsection
24 applies, and

1 “(B) allowing credit or refunds attrib-
2 utable to such status,

3 “(3) a simplified process for re-certifying a
4 child as a qualifying child only of the taxpayer for
5 a taxable year, and

6 “(4) a process for terminating EITC certifi-
7 cates in the case of competing claims with respect to
8 a child or in cases in which issuance of the certifi-
9 cate is determined by the Secretary to be erro-
10 neous.”.

11 (B) CONFORMING AMENDMENT.—Section
12 32 amended by adding at the end the following
13 new subsection:

14 “(o) EITC CERTIFICATE WITH RESPECT TO QUALI-
15 FYING CHILDREN.—For rules relating to EITC certifi-
16 cates with respect to qualifying children and duplicate
17 claims for the credit allowed under this section, see section
18 7531.”.

19 (C) CLERICAL AMENDMENT.—The table of
20 sections for chapter 77 is amended by adding at
21 the end the following new item:

“Sec. 7531. Earned income tax credit certification program.”.

22 (2) PENALTIES FOR IMPROPER USE OF EITC
23 CERTIFICATE PROGRAM.—

1 (A) IN GENERAL.—Part I of subchapter B
2 of chapter 68 is amended by adding at the end
3 the following new section:

4 **“SEC. 6720D. PENALTIES WITH RESPECT TO EITC CERTIFI-**
5 **CATE PROGRAM.**

6 “(a) RECKLESS OR INTENTIONAL DISREGARD.—If—

7 “(1) any person makes a material misstatement
8 or inaccurate representation in an application under
9 section 7531 for an EITC certificate, and

10 “(2) such misstatement or representation was
11 due to reckless or intentional disregard of rules and
12 regulations (but not due to fraud),

13 such person shall pay a penalty of \$100 for each EITC
14 certificate with respect to which such misstatement or rep-
15 resentation was made.

16 “(b) FRAUD.—If a misstatement or representation
17 described in subsection (a)(1) is due to fraud on the part
18 of the person making such misstatement or representa-
19 tion, in addition to any criminal penalty, such person shall
20 pay a penalty of \$500 for each EITC certificate with re-
21 spect to which such a misstatement or representation was
22 made.”.

23 (B) CLERICAL AMENDMENT.—The table of
24 sections for part I of subchapter B of chapter

1 68 is amended by adding at the end the fol-
2 lowing new item:

“Sec. 6720D. Penalties with respect to EITC certificate program.”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to taxable years begin-
5 ning after December 31, 2024.

6 (b) TASK FORCE TO DESIGN A PRIVATE DATA
7 BOUNCING SYSTEM FOR IMPROVEMENTS TO THE EARNED
8 INCOME TAX CREDIT.—Out of any money in the Treasury
9 not otherwise appropriated, there is hereby appropriated
10 \$10,000,000 for the fiscal year ending on September 30,
11 2026, for necessary expenses of the Department of the
12 Treasury, to establish, within 90 days following the date
13 of the enactment of this Act, a task force to provide to
14 the Secretary of the Treasury a report on the following
15 with respect to the administration of the earned income
16 tax credit:

17 (1) Recommendations for improvement of the
18 integrity of such administration.

19 (2) The potential use of third-party payroll and
20 consumption datasets to verify income.

21 (3) The integration of automated databases to
22 allow horizontal verification to reduce improper pay-
23 ments, fraud, and abuse.

24 (c) INCREASED EARNED INCOME TAX CREDIT FOR
25 PURPLE HEART RECIPIENTS WHOSE SOCIAL SECURITY

1 DISABILITY BENEFITS ARE TERMINATED BY REASON OF
2 WORK ACTIVITY.—

3 (1) IN GENERAL.—Section 32, as amended by
4 the preceding provisions of this Act, is amended by
5 adding at the end the following new subsection:

6 “(p) INCREASE IN CREDIT FOR PURPLE HEART RE-
7 CIPIENTS WHOSE SOCIAL SECURITY DISABILITY BENE-
8 FITS ARE TERMINATED BY REASON OF WORK ACTIV-
9 ITY.—

10 “(1) IN GENERAL.—In the case of a specified
11 Purple Heart recipient, the credit otherwise deter-
12 mined under subsection (a) for the taxable year shall
13 be increased (whether or not such specified Purple
14 Heart recipient is an eligible individual) by the sum
15 of the SSDI benefit substitution amounts with re-
16 spect to qualified benefit termination months during
17 such taxable year.

18 “(2) SPECIFIED PURPLE HEART RECIPIENT.—
19 For purposes of this subsection, the term ‘specified
20 Purple Heart recipient’ means any individual—

21 “(A) who received the Purple Heart,

22 “(B) who received disability insurance ben-
23 efit payments under section 223(a) of the So-
24 cial Security Act, and

1 “(C) with respect to whom such disability
2 insurance benefit payments ceased to be pay-
3 able by reason of section 223(e)(1) of such Act.

4 “(3) QUALIFIED BENEFIT TERMINATION
5 MONTH.—For purposes of this subsection—

6 “(A) IN GENERAL.—The term ‘qualified
7 benefit termination month’ means, with respect
8 to any specified Purple Heart recipient, each
9 month during the 12-month period beginning
10 with the first month with respect to which dis-
11 ability insurance benefit payments described in
12 paragraph (2)(B) ceased to be payable as de-
13 scribed in paragraph (2)(C).

14 “(B) EXCEPTION FOR MONTHS FOR WHICH
15 BENEFITS ARE REINSTATED, ETC.—Such term
16 shall not include any month if the specified
17 Purple Heart recipient receives any benefit pay-
18 ment under section 223(a) of the Social Secu-
19 rity Act with respect to such month.

20 “(4) SSDI BENEFIT SUBSTITUTION AMOUNT.—
21 For purposes of this subsection, the term ‘SSDI
22 benefit substitution amount’ means, with respect to
23 any specified Purple Heart recipient for any quali-
24 fied benefit termination month, an amount equal to
25 the disability insurance benefit payment received by

1 such recipient under section 223(a) of the Social Se-
2 curity Act for the month immediately preceding the
3 12-month period described in paragraph (3)(A).

4 “(5) CERTAIN EITC LIMITATIONS NOT APPLICA-
5 BLE.—Subsections (a)(2), (d), (e), (f), and (i) shall
6 not apply with respect to the increase under para-
7 graph (1).”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by this subsection shall apply to taxable years end-
10 ing after the date of the enactment of this Act.

11 (d) SOCIAL SECURITY NUMBER DEFINED.—

12 (1) IN GENERAL.—Section 32(m) is amended
13 by striking “issued to an individual” and all that fol-
14 lows and inserting “(as defined section 24(h)(7))”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by this section shall apply to taxable years beginning
17 after December 31, 2024.

18 **SEC. 112207. TASK FORCE ON THE TERMINATION OF DI-**
19 **RECT FILE.**

20 (a) TERMINATION OF DIRECT FILE.—As soon as
21 practicable, and not later than 30 days after the date of
22 the enactment of this Act, the Secretary of the Treasury
23 shall ensure that the Internal Revenue Service Direct File
24 program has been terminated.

1 (b) APPROPRIATION FOR TASK FORCE TO DESIGN A
2 BETTER PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE
3 IRS AND PRIVATE SECTOR TAX PREPARATION SERVICES
4 TO PROVIDE FOR FREE TAX FILING TO REPLACE THE
5 EXISTING “FREE FILE” PROGRAM AND ANY “DIRECT
6 EFILE” TAX RETURN SYSTEM.—Out of any money in the
7 Treasury not otherwise appropriated, there is hereby ap-
8 propriated for the fiscal year ending September 30, 2026,
9 for necessary expenses of the Department of the Treasury
10 to deliver to Congress, within 90 days following the date
11 of the enactment of this Act, a report on (1) the cost of
12 a new public-private partnership to provide for free tax
13 filing for up to 70 percent of all taxpayers calculated by
14 adjusted gross income to replace free file and any IRS-
15 run direct file programs; (2) taxpayer opinions and pref-
16 erences regarding a taxpayer-funded, government-run
17 service or a free service provided by the private sector;
18 (3) assessment of the feasibility of a new approach, how
19 to make the options consistent and simple for taxpayers
20 across all participating providers, how to provide features
21 to address taxpayer needs; and (4) the cost (including op-
22 tions for differential coverage based on taxpayer adjusted
23 gross income and return complexity) of developing and
24 running a free direct efile tax return system, including

1 costs to build and administer each release, \$15,000,000,
2 to remain available until September 30, 2026.

3 **SEC. 112208. INCREASE IN PENALTIES FOR UNAUTHORIZED**
4 **DISCLOSURES OF TAXPAYER INFORMATION.**

5 (a) IN GENERAL.—Paragraphs (1), (2), (3), (4), and
6 (5) of section 7213(a) are each amended by striking
7 “\$5,000, or imprisonment of not more than 5 years” and
8 inserting “\$250,000, or imprisonment of not more than
9 10 years”.

10 (b) DISCLOSURES OF RETURN INFORMATION OF
11 MULTIPLE TAXPAYERS TREATED AS MULTIPLE VIOLA-
12 TIONS.—Section 7213(a) is amended by adding at the end
13 the following new paragraph:

14 “(6) DISCLOSURES OF RETURN INFORMATION
15 OF MULTIPLE TAXPAYERS TREATED AS MULTIPLE
16 VIOLATIONS.—For purposes of this subsection, a
17 separate violation occurs with respect to each tax-
18 payer whose return or return information is dis-
19 closed in violation of this subsection.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to disclosures made after the date
22 of the enactment of this Act.

1 **SEC. 112209. RESTRICTION ON REGULATION OF CONTIN-**
2 **GENCY FEES WITH RESPECT TO TAX RE-**
3 **URNS, ETC.**

4 The Secretary of the Treasury may not regulate, pro-
5 hibit, or restrict the use of a contingent fee in connection
6 with tax returns, claims for refund, or documents in con-
7 nection with tax returns or claims for refund prepared on
8 behalf of a taxpayer.

9 **Subtitle D—Increase in Debt Limit**

10 **SEC. 113001. MODIFICATION OF LIMITATION ON THE PUB-**
11 **LIC DEBT.**

12 The limitation under section 3101(b) of title 31,
13 United States Code, as most recently increased by section
14 401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is
15 increased by \$4,000,000,000,000.

Passed the House of Representatives May 22 (legis-
lative day May 21), 2025.

Attest:

Clerk.

119TH CONGRESS
1ST SESSION

H. R. 1

AN ACT

To provide for reconciliation pursuant to title II of
H. Con. Res. 14.