

## **RULES COMMITTEE PRINT 119-3**

**[Showing the text of H.R. \_\_\_\_\_, as ordered reported by the  
Committee on the Budget, with modifications]**

**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:

- 1           “(A) For a 1-person household, 30 percent.
- 2           “(B) For a 2-person household, 55 percent.
- 3           “(C) For a 3-person household, 79 percent.
- 4           “(D) For a 4-person household, 100 percent.
- 5           “(E) For a 5-person household, 119 percent.
- 6           “(F) For a 6-person household, 143 percent.
- 7           “(G) For a 7-person household, 158 percent.
- 8           “(H) For an 8-person household, 180 percent.
- 9           “(I) For a 9-person household, 203 percent.
- 10          “(J) For a 10-person household, 224 percent.
- 11          “(K) For households with more than 10 per-
- 12          sons, such adjustment for each additional person
- 13          shall be 224 percent plus the product of 21 percent
- 14          and the difference in the number of persons in the
- 15          household and 10.

16           “(3) REEVALUATION OF MARKET BASKETS.—

17           “(A) EVALUATION.—Not earlier than Oc-

18           tober 1, 2028, and at not more frequently than

19           5-year intervals thereafter, the Secretary may

20           reevaluate the market baskets of the thrifty

21           food plan taking into consideration current food

22           prices, food composition data, consumption pat-

23           terns, and dietary guidance.

24           “(B) NOTICE.—Prior to any update of the

25           market baskets of the thrifty food plan based

1 on a reevaluation pursuant to subparagraph  
2 (A), the methodology and results of any such  
3 revelation shall be published in the Federal  
4 Register with an opportunity for comment of  
5 not less than 60 days.

6 “(C) COST NEUTRALITY.—The Secretary  
7 shall not increase the cost of the thrifty food  
8 plan based on a reevaluation or update under  
9 this paragraph.

10 “(4) ALLOWABLE COST ADJUSTMENTS.—On  
11 October 1 immediately following the effective date of  
12 this paragraph and on each October 1 thereafter,  
13 the Secretary shall—

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

20 “(B) make cost adjustments in the thrifty  
21 food plan for urban and rural parts of Hawaii  
22 and urban and rural parts of Alaska to reflect  
23 the cost of food in urban and rural Hawaii and  
24 urban and rural Alaska provided such cost ad-  
25 justment shall not exceed the rate of increase

1 described in the Consumer Price Index for All  
2 Urban Consumers, published by the Bureau of  
3 Labor Statistics of the Department of Labor,  
4 for the most recent 12-month period ending in  
5 June; and

6 “(C) make cost adjustments in the sepa-  
7 rate thrifty food plans for Guam and the Virgin  
8 Islands of the United States to reflect the cost  
9 of food in those States, but not to exceed the  
10 cost of food in the 50 States and the District  
11 of Columbia, provided that such cost adjust-  
12 ment shall not exceed the rate of increase de-  
13 scribed in the Consumer Price Index for All  
14 Urban Consumers, published by the Bureau of  
15 Labor Statistics of the Department of Labor,  
16 for the most recent 12-month period ending in  
17 June.”.

18 **SEC. 10002. ABLE BODIED ADULTS WITHOUT DEPENDENTS**

19 **WORK REQUIREMENTS.**

20 (a) Section 6(o)(3) of the Food and Nutrition Act  
21 of 2008 is amended to read as follows:

22 “(3) EXCEPTION.—Paragraph (2) shall not  
23 apply to an individual if the individual is—

24 “(A) under 18 or over 65 years of age;

1           “(B) medically certified as physically or  
2           mentally unfit for employment;

3           “(C) a parent or other member of a house-  
4           hold with responsibility for a dependent child  
5           under 7 years of age;

6           “(D) otherwise exempt under subsection  
7           (d)(2);

8           “(E) a pregnant woman;

9           “(F) currently homeless;

10          “(G) a veteran;

11          “(H) 24 years of age or younger and was  
12          in foster care under the responsibility of a State  
13          on the date of attaining 18 years of age or such  
14          higher age as the State has elected under sec-  
15          tion 475(8)(B)(iii) of the Social Security Act  
16          (42 U.S.C. 675(8)(B)(iii)); or

17          “(I) responsible for a dependent child 7  
18          years of age or older and is married to, and re-  
19          sides with, an individual who is in compliance  
20          with the requirements of paragraph (2).”.

21          (b) SUNSET PROVISION.—The exceptions in subpara-  
22          graphs (F) through (H) shall cease to have effect on Octo-  
23          ber 1, 2030.

1 **SEC. 10003. ABLE BODIED ADULTS WITHOUT DEPENDENTS**  
2 **WAIVERS.**

3 Section 6(o) of the Food and Nutrition Act of 2008  
4 (7 U.S.C. 2015(o)) is amended—

5 (1) by amending paragraph (4)(A) to read as  
6 follows:

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

19 **SEC. 10004. AVAILABILITY OF STANDARD UTILITY ALLOW-**  
20 **ANCES BASED ON RECEIPT OF ENERGY AS-**  
21 **SISTANCE.**

22 (a) ALLOWANCE TO RECIPIENTS OF ENERGY ASSIST-  
23 ANCE.—

24 (1) STANDARD UTILITY ALLOWANCE.—Section  
25 5(e)(6)(C)(iv)(I) of the of the Food and Nutrition  
26 Act of 2008 (7 U.S.C. 2014(e)(6)(C)(iv)(I)) is

1 amended by inserting “with an elderly or disabled  
2 member” after “households”.

3 (2) CONFORMING AMENDMENTS.—Section  
4 2605(f)(2)(A) of the Low-Income Home Energy As-  
5 sistance Act is amended by inserting “received by a  
6 household with an elderly or disabled member” be-  
7 fore “, consistent with section 5(e)(6)(C)(iv)(I)”.

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

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

14 (2) in subparagraph (B) by inserting “with an  
15 elderly or disabled member” after “household” the  
16 1st place it appears.

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

18 Section 5(e)(6) of the Food and Nutrition Act of  
19 2008 (7 U.S.C. 2014(e)(6)) is amended by adding at the  
20 end the following:

21 “(E) RESTRICTIONS ON INTERNET EX-  
22 PENSES.—Service fees associated with internet  
23 connection, including, but not limited to,  
24 monthly subscriber fees (i.e., the base rate paid  
25 by the household each month in order to receive

1 service, which may include high-speed internet),  
2 taxes and fees charged to the household by the  
3 provider that recur on regular bills, the cost of  
4 modem rentals, and fees charged by the pro-  
5 vider for initial installation, shall not be used in  
6 computing the excess shelter expense deduc-  
7 tion.”.

8 **SEC. 10006. MATCHING FUNDS REQUIREMENTS.**

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

11 (1) by striking “(a) Subject to” and inserting  
12 the following:

13 “(a) PROGRAM.—

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

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

16 “(2) MATCHING FUNDS REQUIREMENTS.—

17 “(A) IN GENERAL.—

18 “(i) FEDERAL SHARE.—Subject to sub-  
19 paragraph (B), the Federal share of the cost of  
20 allotments described in paragraph (1) in a fis-  
21 cal year shall be—

22 “(I) for each of fiscal years 2026 and  
23 2027, 100 percent; and

24 “(II) for fiscal year 2028 and each  
25 fiscal year thereafter, 95 percent.

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

5                   “(I) for each of fiscal years 2026 and  
6                   2027, 0 percent; and

7                   “(II) for fiscal year 2028 and each  
8                   fiscal year thereafter, 5 percent.

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

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

19                   “(ii) equal to or greater than 8 percent but  
20                   less than 10 percent, shall have its Federal  
21                   share of the cost of allotments described in  
22                   paragraph (1) for the current fiscal year equal  
23                   80 percent, and its State share equal 20 per-  
24                   cent; and

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

6           (b) **RULE OF CONSTRUCTION.**—The Secretary of Ag-  
7           riculture may not pay towards the cost of allotments de-  
8           scribed in paragraph (1) of section 4(a) of the Food and  
9           Nutrition Act of 2008 (7 U.S.C. 2013(a)), as designated  
10          by subsection (a), an amount greater than the applicable  
11          Federal share described in paragraph (2) of such section  
12          4(a), as added by subsection (a).

13          **SEC. 10007. ADMINISTRATIVE COST SHARING.**

14          Section 16(a) of the Food and Nutrition Act of 2008  
15          (7 U.S.C. 2025(a)) is amended by striking “50 per cen-  
16          tum” and inserting “25 percent”.

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

18          Section 6(d) of the Food and Nutrition Act of 2008  
19          (7 U.S.C. 2015(d)) is amended—

20                 (1) in paragraph (1)(A), in the matter pre-  
21                 ceding clause (i), by striking “over the age of 15 and  
22                 under the age of 60” and inserting “over the age of  
23                 17 and under the age of 65”; and

24                 (2) in paragraph (2)—

1 (A) by striking “child under age six” and  
2 inserting “child under age seven”; and

3 (B) by striking “between 1 and 6 years of  
4 age” and inserting “between 1 and 7 years of  
5 age”.

6 **SEC. 10009. NATIONAL ACCURACY CLEARINGHOUSE.**

7 Section 11(x)(2) of the Food and Nutrition Act of  
8 2008 (7 U.S.C. 2020(x)(2)) is amended by adding at the  
9 end the following:

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

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

24 Section 16(e)(1)(A)(ii) of the Food and Nutrition Act  
25 of 2008 (7 U.S.C. 2025(e)(1)(A)(ii)) is amended—

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

3 (2) in subclause (II)—

4 (A) by striking “fiscal year thereafter” and  
5 inserting “of fiscal years 2015 through 2025”;  
6 and

7 (B) by striking the period at the end and  
8 inserting “; and”; and

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

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

12 **SEC. 10011. NATIONAL EDUCATION AND OBESITY PREVEN-**  
13 **TION GRANT PROGRAM REPEALER.**

14 The Food and Nutrition Act of 2008 (7 U.S.C. 2011  
15 et seq.) is amended by striking section 28 (7 U.S.C.  
16 2036a).

17 **SEC. 10012. ALIEN SNAP ELIGIBILITY.**

18 Section 6(f) of the Food and Nutrition Act of 2008  
19 (7 U.S.C. 2015(f)) is amended to read as follows:

20 “(f) No individual who is a member of a household  
21 otherwise eligible to participate in the supplemental nutri-  
22 tion assistance program under this section shall be eligible  
23 to participate in the supplemental nutrition assistance  
24 program as a member of that or any other household un-  
25 less he or she is—

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

2 “(2) either—

3 “(A) a citizen or national of the United  
4 States;

5 “(B) an alien lawfully admitted for perma-  
6 nent residence as an immigrant as defined by  
7 sections 101(a)(15) and 101(a)(20) of the Im-  
8 migration and Nationality Act, excluding,  
9 among others, alien visitors, tourists, diplomats,  
10 and students who enter the United States tem-  
11 porarily with no intention of abandoning their  
12 residence in a foreign country;

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

15 “(i) is the beneficiary of an approved  
16 petition under section 203(a) of the Immi-  
17 gration and Nationality Act;

18 “(ii) meets all eligibility requirements  
19 for an immigrant visa but for whom such  
20 a visa is not immediately available;

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

23 “(iv) is physically present in the  
24 United States pursuant to a grant of pa-  
25 role in furtherance of the commitment of

1 the United States to the minimum level of  
2 annual legal migration of Cuban nationals  
3 to the United States specified in the U.S.-  
4 Cuba Joint Communiqué on Migration,  
5 done at New York September 9, 1994, and  
6 reaffirmed in the Cuba-United States:  
7 Joint Statement on Normalization of Mi-  
8 gration, Building on the Agreement of  
9 September 9, 1994, done at New York  
10 May 2, 1995; or

11 “(D) an individual who lawfully resides in  
12 the United States in accordance with a Com-  
13 pact of Free Association referred to in section  
14 402(b)(2)(G) of the Personal Responsibility and  
15 Work Opportunity Reconciliation Act of 1996.

16 The income (less, at State option, a pro rata share)  
17 and financial resources of the individual rendered in-  
18 eligible to participate in the supplemental nutrition  
19 assistance program under this subsection shall be  
20 considered in determining the eligibility and the  
21 value of the allotment of the household of which  
22 such individual is a member.”

1 **SEC. 10013. EMERGENCY FOOD ASSISTANCE.**

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

5 **Subtitle B—Investment in Rural**  
6 **America**

7 **SEC. 10101. SAFETY NET.**

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

11 “(19) REFERENCE PRICE.—

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

16 “(i) For wheat, \$6.35 per bushel.

17 “(ii) For corn, \$4.10 per bushel.

18 “(iii) For grain sorghum, \$4.40 per  
19 bushel.

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

21 “(v) For oats, \$2.65 per bushel.

22 “(vi) For long grain rice, \$16.90 per  
23 hundredweight.

24 “(vii) For medium grain rice, \$16.90  
25 per hundredweight.

1                   “(viii) For soybeans, \$10.00 per bush-  
2                   el.

3                   “(ix) For other oilseeds, \$23.75 per  
4                   hundredweight.

5                   “(x) For peanuts, \$630.00 per ton.

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

8                   “(xii) For lentils, \$23.75 per hundred-  
9                   weight.

10                  “(xiii) For small chickpeas, \$22.65  
11                  per hundredweight.

12                  “(xiv) For large chickpeas, \$25.65 per  
13                  hundredweight.

14                  “(xv) For seed cotton, \$0.42 per  
15                  pound.

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

22                  “(C) LIMITATION.—In no case shall a ref-  
23                  erence price for a covered commodity exceed  
24                  115 percent of the reference price for such cov-  
25                  ered commodity listed in subparagraph (A).”.

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

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

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

6 “(e) ADDITIONAL BASE ACRES.—

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

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

16 “(A) Information that the allocation is oc-  
17 ccurring.

18 “(B) Information regarding the eligibility  
19 of the farm for an allocation of base acres  
20 under paragraph (4).

21 “(C) Information regarding how an owner  
22 may appeal a determination of ineligibility for  
23 an allocation of base acres under paragraph (4)  
24 through an appeals process established by the  
25 Secretary.

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

5           “(4) ELIGIBILITY.—

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

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

16                 “(i) the 5-year average of—

17                         “(I) the acreage planted on the  
18                         farm to all covered commodities for  
19                         harvest, grazing, haying, silage or  
20                         other similar purposes for the 2019  
21                         through 2023 crop years; and

22                         “(II) any acreage on the farm  
23                         that the producers were prevented  
24                         from planting during the 2019  
25                         through 2023 crop years to covered

1 commodities because of drought,  
2 flood, or other natural disaster, or  
3 other condition beyond the control of  
4 the producers, as determined by the  
5 Secretary; plus

6 “(ii) the lesser of—

7 “(I) 15 percent of the total acres  
8 on the farm; and

9 “(II) the 5-year average of—

10 “(aa) the acreage planted on  
11 the farm to eligible noncovered  
12 commodities for harvest, grazing,  
13 haying, silage, or other similar  
14 purposes for the 2019 through  
15 2023 crop years; and

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

1           “(C) TOTAL NUMBER OF BASE ACRES FOR  
2 COVERED COMMODITIES.—The amount de-  
3 scribed in this subparagraph, with respect to a  
4 farm, is the total number of base acres for cov-  
5 ered commodities on the farm (excluding unas-  
6 signed crop base), as in effect on September 30,  
7 2024.

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

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

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

1           “(A) be equal to the difference obtained by  
2 subtracting the amount determined under sub-  
3 paragraph (C) of paragraph (4) from the  
4 amount determined under subparagraph (B) of  
5 that paragraph; and

6           “(B) include unassigned crop base.

7           “(6) ALLOCATION OF ACRES.—

8           “(A) ALLOCATION.—The Secretary shall  
9 allocate the number of base acres under para-  
10 graph (5) among those covered commodities  
11 planted on the farm at any time during the  
12 2019 through 2023 crop years.

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

16           “(i) the 5-year average of—

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

22           “(II) any acreage on the farm  
23 that the producers were prevented  
24 from planting during the 2019  
25 through 2023 crop years to that cov-

1           ered commodity because of drought,  
2           flood, or other natural disaster, or  
3           other condition beyond the control of  
4           the producers, as determined by the  
5           Secretary; to

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

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

14          “(D) TREATMENT OF MULTIPLE PLANTING  
15          OR PREVENTED PLANTING.—For the purpose of  
16          determining under subparagraph (B) the acre-  
17          age on a farm that producers planted or were  
18          prevented from planting during the 2019  
19          through 2023 crop years to covered commod-  
20          ities, if the acreage that was planted or pre-  
21          vented from being planted was devoted to an-  
22          other covered commodity in the same crop year  
23          (other than a covered commodity produced  
24          under an established practice of double crop-  
25          ping), the owner may elect the covered com-

1           modity to be used for that crop year in deter-  
2           mining the 5-year average, but may not include  
3           both the initial covered commodity and the sub-  
4           sequent covered commodity.

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

10          “(7) REDUCTION BY THE SECRETARY.—In car-  
11          rying out this subsection, if the total number of eli-  
12          gible acres allocated to base acres across all farms  
13          in the United States under this subsection would ex-  
14          ceed 30,000,000 acres, the Secretary shall apply an  
15          across-the-board, pro-rata reduction to the number  
16          of eligible acres to ensure the number of allocated  
17          base acres under this subsection is equal to  
18          30,000,000 acres.

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

24                  “(A) the payment yield established on the  
25                  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) 1<sup>3</sup>/<sub>32</sub>-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”; 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                   ceding 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 **companied 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, both domestically and internationally:  
17          *Provided, That—*

18           (1) such amounts are available to subsidize  
19           gross obligations for the principal amount of direct  
20           loans, and total loan principal, any part of which is  
21           to be guaranteed, not to exceed \$100,000,000,000;  
22           and

23           (2) such amounts are available to cover all costs  
24           and expenditures as provided under section  
25           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 facilities 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 receiving  
5           notification from the Secretary in accordance  
6           with paragraph (4), the institution shall  
7           pay to the Secretary, in addition to such reimbursement,  
8           interest on such reimbursement  
9           payment, at a rate that is the average rate applicable  
10          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 accordance  
17          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 reimbursement  
21          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           required 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 all Federal authorizations required for the  
16 approval of such covered application by—

17 “(A) submitting to the Commission a writ-  
18 ten notification—

19 “(i) of the election; and

20 “(ii) that identifies each Federal au-  
21 thorization required for the approval of the  
22 covered application and each Federal,  
23 State, or interstate agency that will con-  
24 sider an aspect of each such Federal au-  
25 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 Federal authorization identified  
15 under such paragraph; and

16 “(bb) subject to any condi-  
17 tions determined by such agency  
18 to be necessary to comply with  
19 the requirements of the Federal  
20 law under which such approval is  
21 required, approve such Federal  
22 authorization; and

23 “(II) the Commission shall—

24 “(aa) review the covered ap-  
25 plication; and

1                   “(bb) subject to any condi-  
2                   tions determined by the Commis-  
3                   sion to be necessary to comply  
4                   with the requirements of this  
5                   Act, approve the covered applica-  
6                   tion.

7                   “(ii) EXTENDED DEADLINE.—

8                   “(I) EXTENSION.—With respect  
9                   to a covered application submitted  
10                  pursuant to subparagraph (A), the  
11                  Commission may approve a request by  
12                  an agency identified under paragraph  
13                  (1)(A)(ii) for an extension of the one-  
14                  year deadline imposed by clause (i) of  
15                  this subparagraph for a period of 6  
16                  months if the Commission receives  
17                  consent from the relevant applicant.

18                  “(II) APPLICABILITY.—If the  
19                  Commission approves a request for an  
20                  extension under subclause (I), such  
21                  extension shall apply to the applicable  
22                  covered application and the Federal  
23                  authorization for which the extension  
24                  was requested.

1                   “(C) EFFECT OF FAILURE TO MEET DEAD-  
2                   LINE.—

3                   “(i) DEEMED APPROVAL.—Any cov-  
4                   ered application submitted pursuant to  
5                   subparagraph (A), or Federal authoriza-  
6                   tion that is required with respect to such  
7                   covered application, that is not approved  
8                   by the applicable deadline under subpara-  
9                   graph (B) shall be deemed approved in  
10                  perpetuity, notwithstanding any procedural  
11                  requirements relating to such approval  
12                  under the Federal law under which such  
13                  approval was required (including any re-  
14                  quirements applicable to the effective pe-  
15                  riod of a Federal authorization).

16                  “(ii) COMPLIANCE.—A person car-  
17                  rying out activities under a covered appli-  
18                  cation or Federal authorization that has  
19                  been deemed approved under clause (i)  
20                  shall comply with the requirements of the  
21                  Federal law under which such approval  
22                  was required (other than with respect to  
23                  any procedural requirements relating to  
24                  such approval, including any requirements

1 relating to the effective period of the Fed-  
2 eral authorization).

3 “(c) JUDICIAL REVIEW.—

4 “(1) REVIEWABLE CLAIMS.—

5 “(A) IN GENERAL.—Notwithstanding any  
6 other provision of law, no court shall have juris-  
7 diction to review a claim with respect to the ap-  
8 proval of a covered application or Federal au-  
9 thorization under subparagraph (B) or (C)(i) of  
10 subsection (b)(2), except for a claim under  
11 chapter 7 of title 5, United States Code, filed  
12 not later than 180 days after the date of such  
13 approval by—

14 “(i) the applicant; or

15 “(ii) a person who has suffered, or  
16 likely and imminently will suffer, direct  
17 and irreparable economic harm from the  
18 approval.

19 “(B) CLAIMS BY CERTAIN NON-APPLI-  
20 CANTS.—An association may only bring a claim  
21 on behalf of one or more of its members pursu-  
22 ant to subparagraph (A)(ii) if each member of  
23 the association has suffered, or likely and immi-  
24 nently will suffer, the harm described in sub-  
25 paragraph (A)(ii).

1           “(2) STANDARD OF REVIEW.—If an applicant  
2 or other person brings a claim described in para-  
3 graph (1) with respect to the approval of a covered  
4 application or Federal authorization under sub-  
5 section (b)(2)(B), the court shall hold unlawful and  
6 set aside any agency actions, findings, and conclu-  
7 sions in accordance with section 706(2) of title 5,  
8 United States Code, except that, for purposes of the  
9 application of subparagraph (E) of such section, the  
10 court shall apply such subparagraph by substituting  
11 ‘clear and convincing evidence’ for ‘substantial evi-  
12 dence’.

13           “(3) EXCLUSIVE JURISDICTION.—Notwith-  
14 standing any other provision of law, the United  
15 States Court of Appeals for the District of Columbia  
16 Circuit shall have original and exclusive jurisdiction  
17 over any claim—

18           “(A) alleging the invalidity of subsection  
19 (b); or

20           “(B) that an agency action relating to a  
21 covered application or Federal authorization  
22 under subsection (b) is beyond the scope of au-  
23 thority conferred by the Federal law under  
24 which such agency action is made.”.

1 **SEC. 41005. DE-RISKING COMPENSATION PROGRAM.**

2 (a) APPROPRIATION.—In addition to amounts other-  
3 wise available, there is appropriated to the Secretary for  
4 fiscal year 2025, out of any money in the Treasury not  
5 otherwise appropriated, \$10,000,000, to remain available  
6 through September 30, 2034, to carry out this section:  
7 *Provided*, That no disbursements may be made under this  
8 section after September 30, 2034.

9 (b) DE-RISKING COMPENSATION PROGRAM.—

10 (1) ESTABLISHMENT.—There is established in  
11 the Department of Energy a program, to be known  
12 as the De-Risking Compensation Program, to pro-  
13 vide compensation to sponsors, with respect to cov-  
14 ered energy projects, that suffer unrecoverable losses  
15 due to qualifying Federal actions.

16 (2) ELIGIBILITY.—A sponsor may enroll in the  
17 program with respect to a covered energy project  
18 if—

19 (A) all approvals or permits required or  
20 authorized under Federal law for the covered  
21 energy project have been received, regardless of  
22 whether a court order subsequently remands or  
23 vacates such approvals or permits;

24 (B) the sponsor commenced construction of  
25 the covered energy project or made capital ex-  
26 penditures with respect to the covered energy

1 project in reliance on such approvals or per-  
2 mits; and

3 (C) at the time of enrollment, no quali-  
4 fying Federal action has been issued or taken  
5 that has an effect described in subsection  
6 (g)(4)(B) on the covered energy project.

7 (3) APPLICATION.—A sponsor may apply to en-  
8 roll with respect to a covered energy project in the  
9 program by submitting to the Secretary an applica-  
10 tion containing such information as the Secretary  
11 may require.

12 (4) ENROLLMENT.—Not later than 90 days  
13 after the date on which the Secretary receives an ap-  
14 plication submitted under paragraph (3), the Sec-  
15 retary shall enroll the sponsor in the program for  
16 the covered energy project with respect to which the  
17 application was submitted if the Secretary deter-  
18 mines that the sponsor meets the requirements of  
19 paragraph (2) with respect to the covered energy  
20 project.

21 (c) FEES AND PREMIUMS.—

22 (1) ENROLLMENT FEE.—Not later than 60  
23 days after the date on which a sponsor is enrolled  
24 in the program under subsection (b)(4), the sponsor  
25 shall pay to the Secretary a one-time enrollment fee

1 equal to 5 percent of the sponsor capital contribu-  
2 tion for the applicable covered energy project.

3 (2) ANNUAL PREMIUMS.—

4 (A) IN GENERAL.—The Secretary shall es-  
5 tablish and annually collect a premium from  
6 each sponsor enrolled in the program for each  
7 covered energy project with respect to which the  
8 sponsor is enrolled.

9 (B) REQUIREMENTS.—A premium estab-  
10 lished and collected from a sponsor under sub-  
11 paragraph (A) shall—

12 (i) be equal to 1.5 percent of the  
13 sponsor capital contribution for the appli-  
14 cable covered energy project; and

15 (ii) be paid beginning with the year of  
16 enrollment and continuing until the earlier  
17 of—

18 (I) fiscal year 2033; or

19 (II) the year in which the spon-  
20 sor withdraws from the program with  
21 respect to the applicable covered en-  
22 ergy project.

23 (C) ADJUSTMENT.—The Secretary may  
24 adjust the percentage required by subparagraph

1 (B)(i) once every two fiscal years to ensure  
2 Fund solvency, except that—

3 (i) the Secretary may not vary such  
4 percentage between sponsors or projects;  
5 and

6 (ii) such percentage may not exceed 5  
7 percent.

8 (D) PUBLICATION.—The Secretary shall  
9 publish in the Federal Register not later than  
10 60 days prior to the start of each fiscal year a  
11 list of each premium to be collected for the fis-  
12 cal year.

13 (d) COMPENSATION.—

14 (1) IN GENERAL.—Using amounts available in  
15 the Fund, and subject to paragraph (5), the Sec-  
16 retary shall provide compensation to a sponsor en-  
17 rolled in the program with respect to a covered en-  
18 ergy project if—

19 (A) the sponsor paid the enrollment fee  
20 and the premium for each year the sponsor was  
21 enrolled in the program with respect to the cov-  
22 ered energy project; and

23 (B) the sponsor demonstrates, in a request  
24 submitted to the Secretary, that a qualifying  
25 Federal action has been issued or taken that

1           has an effect described in subsection (g)(4)(B)  
2           on the covered energy project.

3           (2) REQUEST FOR COMPENSATION.—A request  
4           under paragraph (1) shall contain the following:

5                   (A) Information on each Federal approval  
6                   or permit relating to the covered energy project,  
7                   including the date on which such approval or  
8                   permit was issued.

9                   (B) A certified accounting of capital ex-  
10                   penditures made in reliance on each such Fed-  
11                   eral approval or permit.

12                   (C) A description of, and, if applicable, a  
13                   citation to, the applicable qualifying Federal ac-  
14                   tion.

15                   (D) A causal statement showing how the  
16                   qualifying Federal action directly resulted in  
17                   unrecoverable losses or cessation of the covered  
18                   energy project and that absent the qualifying  
19                   Federal action the project would have otherwise  
20                   been viable.

21                   (E) Any supporting economic analysis  
22                   demonstrating the financial effects of the cov-  
23                   ered energy project being rendered unviable.

24           (3) APPROVAL.—The Secretary shall approve a  
25           request submitted under paragraph (1) and, subject

1 to paragraph (5), provide compensation to the appli-  
2 cable sponsor if the Secretary determines that such  
3 request is complete and in compliance with the re-  
4 quirements of this section.

5 (4) LIMITATIONS ON DENIALS.—The Secretary  
6 may not deny a request submitted under paragraph  
7 (1) based on—

8 (A) the merit of the applicable covered en-  
9 ergy project, as determined by the Secretary; or

10 (B) the type of technology used in the ap-  
11 plicable covered energy project.

12 (5) LIMITATIONS ON COMPENSATION  
13 AMOUNT.—

14 (A) SPONSORS.—The amount of compensa-  
15 tion provided to a sponsor under this subsection  
16 with respect to a covered energy project shall  
17 not exceed the sponsor capital contribution for  
18 the covered energy project.

19 (B) AVAILABLE FUNDS.—In determining  
20 the amount of compensation to be provided to  
21 a sponsor under this subsection—

22 (i) such amount may be any amount,  
23 including zero, that is less than or equal to  
24 the amount of the sponsor capital con-  
25 tribution for the covered energy project, re-

1            regardless of the amount of capital expendi-  
2            tures made by the sponsor (as certified  
3            and included in the request pursuant to  
4            paragraph (2)(B)); and

5            (ii) the Secretary shall determine such  
6            amount in a manner that ensures no funds  
7            will be obligated or expended in amounts  
8            that exceed the amounts in the Fund at  
9            the time of approval of the applicable re-  
10          request submitted under paragraph (1).

11          (e) DE-RISKING COMPENSATION FUND.—

12            (1) ESTABLISHMENT.—There is established a  
13            fund, to be known as the De-Risking Compensation  
14            Fund, consisting of such amounts as are deposited  
15            in the Fund under this subsection or credited to the  
16            Fund under subsection (f).

17            (2) USE OF FUNDS.—Amounts in the Fund—

18            (A) shall remain available until September  
19            30, 2034; and

20            (B) may be used, without further appro-  
21            priation—

22            (i) to make compensation payments to  
23            sponsors under this section; and

24            (ii) to administer the program.

1           (3) LIMITATION ON ADMINISTRATIVE EX-  
2 PENSES.—Not more than 3 percent of amounts in  
3 the Fund may be used to administer the program.

4           (4) DEPOSITS.—The Secretary shall deposit the  
5 fees and premiums received under subsection (c)  
6 into the Fund.

7           (f) FUND MANAGEMENT AND INVESTMENT.—The  
8 Fund shall be managed and invested as follows:

9           (1) The Fund shall be maintained and adminis-  
10 tered by the Secretary.

11           (2) Amounts in the Fund shall be invested in  
12 obligations of the United States in accordance with  
13 the requirements of section 9702 of title 31, United  
14 States Code.

15           (3) The interest on such investments shall be  
16 credited to the Fund.

17           (g) DEFINITIONS.—For purposes of this section:

18           (1) COVERED ENERGY PROJECT.—The term  
19 “covered energy project” means a project located in  
20 the United States for the development, extraction,  
21 processing, transportation, or use of coal, coal by-  
22 products, critical minerals, oil, natural gas, or nu-  
23 clear energy with a total projected capital expendi-  
24 ture of not less than \$30,000,000, as certified by the  
25 Secretary.

1           (2) FUND.—The term “Fund” means the De-  
2     Risking Compensation Fund established in sub-  
3     section (e)(1).

4           (3) PROGRAM.—The term “program” means  
5     the De-Risking Compensation Program established  
6     in subsection (b)(1).

7           (4) QUALIFYING FEDERAL ACTION.—The term  
8     “qualifying Federal action” means a regulation, ad-  
9     ministrative decision, or executive action—

10           (A) issued or taken after a sponsor re-  
11          ceived a Federal approval or permit for a cov-  
12          ered energy project; and

13           (B) that revokes such approval or permit  
14          or cancels, delays, or renders unviable the cov-  
15          ered energy project regardless of whether the  
16          regulation, administrative decision, or executive  
17          action is responsive to a court order.

18           (5) SECRETARY.—The term “Secretary” means  
19     the Secretary of Energy.

20           (6) SPONSOR.—The term “sponsor” means an  
21     entity incorporated and headquartered in the United  
22     States with an ownership or development interest in  
23     a covered energy project.

24           (7) SPONSOR CAPITAL CONTRIBUTION.—The  
25     term “sponsor capital contribution” means the pro-

1       jected capital expenditure of a sponsor for a covered  
2       energy project, as certified by the Secretary at the  
3       time of enrollment in the program, which shall in-  
4       clude verifiable development, construction, permit-  
5       ting, and financing costs directly related to the cov-  
6       ered energy project.

7       **SEC. 41006. STRATEGIC PETROLEUM RESERVE.**

8       (a) APPROPRIATIONS.—In addition to amounts other-  
9       wise available, there is appropriated to the Department  
10      of Energy 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) \$218,000,000 for maintenance of, including  
14      repairs to, storage facilities and related facilities (as  
15      such terms are defined in section 152 of the Energy  
16      Policy and Conservation Act (42 U.S.C. 6232)) of  
17      the Strategic Petroleum Reserve; and

18           (2) \$1,321,000,000 to acquire, by purchase, pe-  
19      troleum products for storage in the Strategic Petro-  
20      leum Reserve.

21      (b) REPEAL OF STRATEGIC PETROLEUM RESERVE  
22      DRAWDOWN AND SALE MANDATE.—Section 20003 of  
23      Public Law 115–97 (42 U.S.C. 6241 note) is repealed.

1                   **Subtitle B—Environment**

2                   **PART 1—REPEALS AND RESCISSIONS**

3 **SEC. 42101. REPEAL AND RESCISSION RELATING TO CLEAN**  
4                   **HEAVY-DUTY VEHICLES.**

5           (a) REPEAL.—Section 132 of the Clean Air Act (42  
6 U.S.C. 7432) is repealed.

7           (b) RESCISSION.—The unobligated balance of any  
8 amounts made available under section 132 of the Clean  
9 Air Act (42 U.S.C. 7432) (as in effect on the day before  
10 the date of enactment of this Act) is rescinded.

11 **SEC. 42102. REPEAL AND RESCISSION RELATING TO**  
12                   **GRANTS TO REDUCE AIR POLLUTION AT**  
13                   **PORTS.**

14           (a) REPEAL.—Section 133 of the Clean Air Act (42  
15 U.S.C. 7433) is repealed.

16           (b) RESCISSION.—The unobligated balance of any  
17 amounts made available under section 133 of the Clean  
18 Air Act (42 U.S.C. 7433) (as in effect on the day before  
19 the date of enactment of this Act) is rescinded.

20 **SEC. 42103. REPEAL AND RESCISSION RELATING TO**  
21                   **GREENHOUSE GAS REDUCTION FUND.**

22           (a) REPEAL.—Section 134 of the Clean Air Act (42  
23 U.S.C. 7434) is repealed.

24           (b) RESCISSION.—The unobligated balance of any  
25 amounts made available under section 134 of the Clean

1 Air Act (42 U.S.C. 7434) (as in effect on the day before  
2 the date of enactment of this Act) is rescinded.

3 **SEC. 42104. REPEAL AND RESCISSION RELATING TO DIESEL**  
4 **EMISSIONS REDUCTIONS.**

5 (a) REPEAL.—Section 60104 of Public Law 117–169  
6 is repealed.

7 (b) RESCISSION.—The unobligated balance of any  
8 amounts made available under section 60104 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. 42105. REPEAL AND RESCISSION RELATING TO FUND-**  
12 **ING TO ADDRESS AIR POLLUTION.**

13 (a) REPEAL.—Section 60105 of Public Law 117–169  
14 is repealed.

15 (b) RESCISSION.—The unobligated balance of any  
16 amounts made available under section 60105 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. 42106. REPEAL AND RESCISSION RELATING TO FUND-**  
20 **ING TO ADDRESS AIR POLLUTION AT**  
21 **SCHOOLS.**

22 (a) REPEAL.—Section 60106 of Public Law 117–169  
23 is repealed.

24 (b) RESCISSION.—The unobligated balance of any  
25 amounts made available under section 60106 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. 42107. REPEAL AND RESCISSION RELATING TO LOW**  
4 **EMISSIONS ELECTRICITY PROGRAM.**

5 (a) REPEAL.—Section 135 of the Clean Air Act (42  
6 U.S.C. 7435) is repealed.

7 (b) RESCISSION.—The unobligated balance of any  
8 amounts made available under section 135 of the Clean  
9 Air Act (42 U.S.C. 7435) (as in effect on the day before  
10 the date of enactment of this Act) is rescinded.

11 **SEC. 42108. REPEAL AND RESCISSION RELATING TO FUND-**  
12 **ING FOR SECTION 211(o) OF THE CLEAN AIR**  
13 **ACT.**

14 (a) REPEAL.—Section 60108 of Public Law 117–169  
15 is repealed.

16 (b) RESCISSION.—The unobligated balance of any  
17 amounts made available under section 60108 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. 42109. REPEAL AND RESCISSION RELATING TO FUND-**  
21 **ING FOR IMPLEMENTATION OF THE AMER-**  
22 **ICAN INNOVATION AND MANUFACTURING**  
23 **ACT.**

24 (a) REPEAL.—Section 60109 of Public Law 117–169  
25 is repealed.

1 (b) RESCISSION.—The unobligated balance of any  
2 amounts made available under section 60109 of Public  
3 Law 117–169 (as in effect on the day before the date of  
4 enactment of this Act) is rescinded.

5 **SEC. 42110. REPEAL AND RESCISSION RELATING TO FUND-**  
6 **ING FOR ENFORCEMENT TECHNOLOGY AND**  
7 **PUBLIC INFORMATION.**

8 (a) REPEAL.—Section 60110 of Public Law 117–169  
9 is repealed.

10 (b) RESCISSION.—The unobligated balance of any  
11 amounts made available under section 60110 of Public  
12 Law 117–169 (as in effect on the day before the date of  
13 enactment of this Act) is rescinded.

14 **SEC. 42111. REPEAL AND RESCISSION RELATING TO**  
15 **GREENHOUSE GAS CORPORATE REPORTING.**

16 (a) REPEAL.—Section 60111 of Public Law 117–169  
17 is repealed.

18 (b) RESCISSION.—The unobligated balance of any  
19 amounts made available under section 60111 of Public  
20 Law 117–169 (as in effect on the day before the date of  
21 enactment of this Act) is rescinded.

1 **SEC. 42112. REPEAL AND RESCISSION RELATING TO ENVI-**  
2 **RONMENTAL PRODUCT DECLARATION AS-**  
3 **SISTANCE.**

4 (a) REPEAL.—Section 60112 of Public Law 117–169  
5 (42 U.S.C. 4321 note) is repealed.

6 (b) RESCISSION.—The unobligated balance of any  
7 amounts made available under section 60112 of Public  
8 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the  
9 day before the date of enactment of this Act) is rescinded.

10 **SEC. 42113. REPEAL OF FUNDING FOR METHANE EMIS-**  
11 **SIONS AND WASTE REDUCTION INCENTIVE**  
12 **PROGRAM FOR PETROLEUM AND NATURAL**  
13 **GAS SYSTEMS.**

14 (a) REPEAL AND RESCISSION.—Subsections (a) and  
15 (b) of section 136 of the Clean Air Act (42 U.S.C. 7436)  
16 are repealed and the unobligated balances of amounts  
17 made available under those subsections (as in effect on  
18 the day before the date of enactment of this Act) are re-  
19 scinded.

20 (b) CONFORMING AMENDMENTS.—Section 136 of the  
21 Clean Air Act (42 U.S.C. 7436) is amended—

22 (1) by redesignating subsections (c) through (i)  
23 as subsections (a) through (g), respectively;

24 (2) by striking “subsection (c)” each place it  
25 appears and inserting “subsection (a)”;

1           (3) by striking “subsection (d)” each place it  
2 appears and inserting “subsection (b)”;

3           (4) by striking “subsection (f)” each place it  
4 appears and inserting “subsection (d)”;

5           (5) in subsection (e) (as so redesignated), by  
6 striking “calendar year 2024” and inserting “cal-  
7 endar year 2034”; and

8           (6) in subsection (f) (as so redesignated)—

9                 (A) by striking “subsections (e) and (f)”  
10 and inserting “subsections (c) and (d)”;

11                 (B) by striking “including data collected  
12 pursuant to subsection (a)(4),”.

13 **SEC. 42114. REPEAL AND RESCISSION RELATING TO**  
14 **GREENHOUSE GAS AIR POLLUTION PLANS**  
15 **AND IMPLEMENTATION GRANTS.**

16           (a) **REPEAL.**—Section 137 of the Clean Air Act (42  
17 U.S.C. 7437) is repealed.

18           (b) **RESCISSION.**—The unobligated balance of any  
19 amounts made available under section 137 of the Clean  
20 Air Act (42 U.S.C. 7437) (as in effect on the day before  
21 the date of enactment of this Act) is rescinded.

1 **SEC. 42115. REPEAL AND RESCISSION RELATING TO ENVI-**  
2 **RONMENTAL PROTECTION AGENCY EFFI-**  
3 **CIENT, ACCURATE, AND TIMELY REVIEWS.**

4 (a) REPEAL.—Section 60115 of Public Law 117–169  
5 is repealed.

6 (b) RESCISSION.—The unobligated balance of any  
7 amounts made available under section 60115 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. 42116. REPEAL AND RESCISSION RELATING TO LOW-**  
11 **EMBODIED CARBON LABELING FOR CON-**  
12 **STRUCTION MATERIALS.**

13 (a) REPEAL.—Section 60116 of Public Law 117–169  
14 (42 U.S.C. 4321 note) is repealed.

15 (b) RESCISSION.—The unobligated balance of any  
16 amounts made available under section 60116 of Public  
17 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the  
18 day before the date of enactment of this Act) is rescinded.

19 **SEC. 42117. REPEAL AND RESCISSION RELATING TO ENVI-**  
20 **RONMENTAL AND CLIMATE JUSTICE BLOCK**  
21 **GRANTS.**

22 (a) REPEAL.—Section 138 of the Clean Air Act (42  
23 U.S.C. 7438) is repealed.

24 (b) RESCISSION.—The unobligated balance of any  
25 amounts made available under section 138 of the Clean

1 Air Act (42 U.S.C. 7438) (as in effect on the day before  
2 the date of enactment of this Act) is rescinded.

3 **PART 2—REPEAL OF EPA RULES RELATING TO**  
4 **GREENHOUSE GAS AND MULTI-POLLUTANT**  
5 **EMISSIONS STANDARDS**

6 **SEC. 42201. REPEAL OF EPA RULES RELATING TO GREEN-**  
7 **HOUSE GAS AND MULTI-POLLUTANT EMIS-**  
8 **SIONS STANDARDS.**

9 The final rules issued by the Environmental Protec-  
10 tion Agency relating to “Revised 2023 and Later Model  
11 Year Light-Duty Vehicle Greenhouse Gas Emissions  
12 Standards” (86 Fed. Reg. 74434 (December 30, 2021))  
13 and “Multi-Pollutant Emissions Standards for Model  
14 Years 2027 and Later Light-Duty and Medium-Duty Ve-  
15 hicles” (89 Fed. Reg. 27842 (April 18, 2024)) shall have  
16 no force or effect.

17 **PART 3—REPEAL OF NHTSA RULES RELATING TO**  
18 **CAFE STANDARDS**

19 **SEC. 42301. REPEAL OF NHTSA RULES RELATING TO CAFE**  
20 **STANDARDS.**

21 The final rules issued by the National Highway Traf-  
22 fic Safety Administration relating to “Corporate Average  
23 Fuel Economy Standards for Model Years 2024–2026  
24 Passenger Cars and Light Trucks” (87 Fed. Reg. 25710  
25 (May 2, 2022)) and “Corporate Average Fuel Economy

1 Standards for Passenger Cars and Light Trucks for Model  
2 Years 2027 and Beyond and Fuel Efficiency Standards  
3 for Heavy-Duty Pickup Trucks and Vans for Model Years  
4 2030 and Beyond” (89 Fed. Reg. 52540 (June 24, 2024))  
5 shall have no force or effect.

## 6 **Subtitle C—Communications**

### 7 **PART 1—SPECTRUM AUCTIONS**

#### 8 **SEC. 43101. IDENTIFICATION AND AUCTION OF SPECTRUM.**

##### 9 (a) IDENTIFICATION.—

10 (1) IN GENERAL.—Not later than 2 years after  
11 the date of the enactment of this Act, the Assistant  
12 Secretary and the Commission shall identify, from  
13 spectrum in the covered band that is allocated for  
14 Federal use, non-Federal use, or shared Federal and  
15 non-Federal use, a total of not less than 600 mega-  
16 hertz of spectrum for reallocation for non-Federal  
17 use on an exclusive, licensed basis for mobile  
18 broadband services, fixed broadband services, mobile  
19 and fixed broadband services, or a combination  
20 thereof.

21 (2) WITHDRAWAL OR MODIFICATION OF FED-  
22 ERAL GOVERNMENT ASSIGNMENTS.—The President,  
23 acting through the Assistant Secretary, shall—

24 (A) withdraw or modify the assignments to  
25 Federal Government stations of spectrum iden-

1           tified under paragraph (1) as necessary for the  
2           Commission to comply with subsection (b); and  
3           (B) not later than 30 days after com-  
4           pleting any necessary withdrawal or modifica-  
5           tion under subparagraph (A), notify the Com-  
6           mission that the withdrawal or modification is  
7           complete.

8           (3) RULE OF CONSTRUCTION.—Nothing in this  
9           subsection may be construed to change the respec-  
10          tive authorities of the Assistant Secretary and the  
11          Commission with respect to spectrum allocated for  
12          Federal use, non-Federal use, or shared Federal and  
13          non-Federal use.

14          (b) AUCTION.—

15               (1) IN GENERAL.—The Commission shall,  
16               through 1 or more systems of competitive bidding  
17               under section 309(j) of the Communications Act of  
18               1934 (47 U.S.C. 309(j)), grant licenses for the use  
19               of the spectrum identified under subsection (a) on  
20               an exclusive, licensed basis for mobile broadband  
21               services, fixed broadband services, mobile and fixed  
22               broadband services, or a combination thereof.

23               (2) SCHEDULE.—Notwithstanding paragraph  
24               (15)(A) of section 309(j) of the Communications Act  
25               of 1934 (47 U.S.C. 309(j)), the Commission shall

1 auction spectrum under paragraph (1) of this sub-  
2 section according to the following schedule:

3 (A) Not later than 3 years after the date  
4 of the enactment of this Act, the Commission  
5 shall complete 1 or more systems of competitive  
6 bidding for not less than 200 megahertz of such  
7 spectrum.

8 (B) Not later than 6 years after the date  
9 of the enactment of this Act, the Commission  
10 shall complete 1 or more systems of competitive  
11 bidding for any remaining spectrum required to  
12 be auctioned under paragraph (1) after compli-  
13 ance with subparagraph (A) of this paragraph.

14 (c) AUCTION PROCEEDS TO COVER 110 PERCENT OF  
15 FEDERAL RELOCATION OR SHARING COSTS.—Nothing in  
16 this section may be construed to relieve the Commission  
17 from the requirements of section 309(j)(16)(B) of the  
18 Communications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

19 (d) AUCTION AUTHORITY.—Section 309(j)(11) of the  
20 Communications Act of 1934 (47 U.S.C. 309(j)(11)) is  
21 amended by striking “grant a license or permit under this  
22 subsection shall expire March 9, 2023” and all that fol-  
23 lows and inserting “complete a system of competitive bid-  
24 ding under this subsection shall expire September 30,  
25 2034.”.

1 (e) DEFINITIONS.—In this section:

2 (1) ASSISTANT SECRETARY.—The term “Assist-  
3 ant Secretary” means the Assistant Secretary of  
4 Commerce for Communications and Information.

5 (2) COMMISSION.—The term “Commission”  
6 means the Federal Communications Commission.

7 (3) COVERED BAND.—

8 (A) IN GENERAL.—The term “covered  
9 band” means the band of frequencies between  
10 1.3 gigahertz and 10 gigahertz, inclusive.

11 (B) EXCLUSION.—The term “covered  
12 band” does not include the following:

13 (i) The band of frequencies between  
14 3.1 gigahertz and 3.45 gigahertz, inclusive.

15 (ii) The band of frequencies between  
16 5.925 gigahertz and 7.125 gigahertz, inclu-  
17 sive.

18 **PART 2—ARTIFICIAL INTELLIGENCE AND**  
19 **INFORMATION TECHNOLOGY MODERNIZATION**  
20 **SEC. 43201. ARTIFICIAL INTELLIGENCE AND INFORMATION**  
21 **TECHNOLOGY MODERNIZATION INITIATIVE.**

22 (a) APPROPRIATION OF FUNDS.—There is hereby ap-  
23 propriated to the Department of Commerce for fiscal year  
24 2025, out of any funds in the Treasury not otherwise ap-  
25 propriated, \$500,000,000, to remain available until Sep-

1   tember 30, 2034, to modernize and secure Federal infor-  
2   mation technology systems through the deployment of  
3   commercial artificial intelligence, the deployment of auto-  
4   mation technologies, and the replacement of antiquated  
5   business systems in accordance with subsection (b).

6           (b) **AUTHORIZED USES.**—The Secretary of Com-  
7   merce shall use the funds appropriated under subsection  
8   (a) for the following:

9           (1) To replace or modernize, within the Depart-  
10   ment of Commerce, legacy business systems with  
11   state-of-the-art commercial artificial intelligence sys-  
12   tems and automated decision systems.

13           (2) To facilitate, within the Department of  
14   Commerce, the adoption of artificial intelligence  
15   models that increase operational efficiency and serv-  
16   ice delivery.

17           (3) To improve, within the Department of Com-  
18   merce, the cybersecurity posture of Federal informa-  
19   tion technology systems through modernized archi-  
20   tecture, automated threat detection, and integrated  
21   artificial intelligence solutions.

22           (c) **MORATORIUM.**—

23           (1) **IN GENERAL.**—Except as provided in para-  
24   graph (2), no State or political subdivision thereof  
25   may enforce, during the 10-year period beginning on

1 the date of the enactment of this Act, any law or  
2 regulation limiting, restricting, or otherwise regu-  
3 lating artificial intelligence models, artificial intel-  
4 ligence systems, or automated decision systems en-  
5 tered into interstate commerce.

6 (2) RULE OF CONSTRUCTION.—Paragraph (1)  
7 may not be construed to prohibit the enforcement  
8 of—

9 (A) any law or regulation that—

10 (i) the primary purpose and effect of  
11 which is to—

12 (I) remove legal impediments to,  
13 or facilitate the deployment or oper-  
14 ation of, an artificial intelligence  
15 model, artificial intelligence system, or  
16 automated decision system; or

17 (II) streamline licensing, permit-  
18 ting, routing, zoning, procurement, or  
19 reporting procedures in a manner that  
20 facilitates the adoption of artificial in-  
21 telligence models, artificial intelligence  
22 systems, or automated decision sys-  
23 tems;

24 (ii) does not impose any substantive  
25 design, performance, data-handling, docu-

1                   mentation, civil liability, taxation, fee, or  
2                   other requirement on artificial intelligence  
3                   models, artificial intelligence systems, or  
4                   automated decision systems unless such re-  
5                   quirement—

6                                 (I) is imposed under Federal law;

7                                 or

8                                 (II) in the case of a requirement  
9                                 imposed under a generally applicable  
10                                law, is imposed in the same manner  
11                                on models and systems, other than ar-  
12                                tificial intelligence models, artificial  
13                                intelligence systems, and automated  
14                                decision systems, that provide com-  
15                                parable functions to artificial intel-  
16                                ligence models, artificial intelligence  
17                                systems, or automated decision sys-  
18                                tems; and

19                               (iii) does not impose a fee or bond un-  
20                   less—

21                                (I) such fee or bond is reasonable  
22                                and cost-based; and

23                                (II) under such fee or bond, arti-  
24                                ficial intelligence models, artificial in-  
25                                telligence systems, and automated de-

1                   cision systems are treated in the same  
2                   manner as other models and systems  
3                   that perform comparable functions; or

4                   (B) any provision of a law or regulation to  
5                   the extent that the violation of such provision  
6                   carries a criminal penalty.

7                   (d) DEFINITIONS.—In this section:

8                   (1) ARTIFICIAL INTELLIGENCE.—The term “ar-  
9                   tificial intelligence” has the meaning given such  
10                  term in section 5002 of the National Artificial Intel-  
11                  ligence Initiative Act of 2020 (15 U.S.C. 9401).

12                  (2) ARTIFICIAL INTELLIGENCE MODEL.—The  
13                  term “artificial intelligence model” means a software  
14                  component of an information system that imple-  
15                  ments artificial intelligence technology and uses  
16                  computational, statistical, or machine-learning tech-  
17                  niques to produce outputs from a defined set of in-  
18                  puts.

19                  (3) ARTIFICIAL INTELLIGENCE SYSTEM.—The  
20                  term “artificial intelligence system” means any data  
21                  system, hardware, tool, or utility that operates, in  
22                  whole or in part, using artificial intelligence.

23                  (4) AUTOMATED DECISION SYSTEM.—The term  
24                  “automated decision system” means any computa-  
25                  tional process derived from machine learning, statis-

1 tical modeling, data analytics, or artificial intel-  
2 ligence that issues a simplified output, including a  
3 score, classification, or recommendation, to materi-  
4 ally influence or replace human decision making.

## 5 **Subtitle D—Health**

### 6 **PART 1—MEDICAID**

#### 7 **Subpart A—Reducing Fraud and Improving**

#### 8 **Enrollment Processes**

9 **SEC. 44101. MORATORIUM ON IMPLEMENTATION OF RULE**  
10 **RELATING TO ELIGIBILITY AND ENROLL-**  
11 **MENT IN MEDICARE SAVINGS PROGRAMS.**

12 The Secretary of Health and Human Services shall  
13 not, during the period beginning on the date of the enact-  
14 ment of this section and ending January 1, 2035, imple-  
15 ment, administer, or enforce the provisions of the final  
16 rule published by the Centers for Medicare & Medicaid  
17 Services on September 21, 2023, and titled “Streamlining  
18 Medicaid; Medicare Savings Program Eligibility Deter-  
19 mination and Enrollment” (88 Fed. Reg. 65230).

20 **SEC. 44102. MORATORIUM ON IMPLEMENTATION OF RULE**  
21 **RELATING TO ELIGIBILITY AND ENROLL-**  
22 **MENT FOR MEDICAID, CHIP, AND THE BASIC**  
23 **HEALTH PROGRAM.**

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 April 2, 2024, and titled “Medicaid Program;  
5 Streamlining the Medicaid, Children’s Health Insurance  
6 Program, and Basic Health Program Application, Eligi-  
7 bility Determination, Enrollment, and Renewal Processes”  
8 (89 Fed. Reg. 22780).

9 **SEC. 44103. ENSURING APPROPRIATE ADDRESS**  
10 **VERIFICATION UNDER THE MEDICAID AND**  
11 **CHIP PROGRAMS.**

12 (a) MEDICAID.—

13 (1) IN GENERAL.—Section 1902 of the Social  
14 Security Act (42 U.S.C. 1396a) is amended—

15 (A) in subsection (a)—

16 (i) in paragraph (86), by striking  
17 “and” at the end;

18 (ii) in paragraph (87), by striking the  
19 period and inserting “; and”; and

20 (iii) by inserting after paragraph (87)  
21 the following new paragraph:

22 “(88) provide—

23 “(A) beginning not later than January 1,  
24 2027, in the case of 1 of the 50 States and the  
25 District of Columbia, for a process to regularly

1 obtain address information for individuals en-  
2 rolled under such plan (or a waiver of such  
3 plan) in accordance with subsection (vv); and

4 “(B) beginning not later than October 1,  
5 2029—

6 “(i) for the State to submit to the sys-  
7 tem established by the Secretary under  
8 subsection (uu), with respect to an indi-  
9 vidual enrolled or seeking to enroll under  
10 such plan, not less frequently than once  
11 each month and during each determination  
12 or redetermination of the eligibility of such  
13 individual for medical assistance under  
14 such plan (or waiver of such plan)—

15 “(I) the social security number of  
16 such individual, if such individual has  
17 a social security number and is re-  
18 quired to provide such number to en-  
19 roll under such plan (or waiver); and

20 “(II) such other information with  
21 respect to such individual as deter-  
22 mined necessary by the Secretary for  
23 purposes of preventing individuals  
24 from simultaneously being enrolled

1 under State plans (or waivers of such  
2 plans) of multiple States;

3 “(ii) for the use of such system to  
4 prevent such simultaneous enrollment; and

5 “(iii) in the case that such system in-  
6 dicates that an individual enrolled or seek-  
7 ing to enroll under such plan (or waiver of  
8 such plan) is enrolled under a State plan  
9 (or waiver of such a plan) of another  
10 State, for the taking of appropriate action  
11 (as determined by the Secretary) to iden-  
12 tify whether such an individual resides in  
13 the State and disenroll an individual from  
14 the State plan of such State if such indi-  
15 vidual does not reside in such State (unless  
16 such individual meets such an exception as  
17 the Secretary may specify).”; and

18 (B) by adding at the end the following new  
19 subsections:

20 “(uu) PREVENTION OF ENROLLMENT UNDER MUL-  
21 TIPLE STATE PLANS.—

22 “(1) IN GENERAL.—Not later than October 1,  
23 2029, the Secretary shall establish a system to be  
24 utilized by the Secretary and States to prevent an  
25 individual from being simultaneously enrolled under

1 the State plans (or waivers of such plans) of mul-  
2 tiple States. Such system shall—

3 “(A) provide for the receipt of information  
4 submitted by a State under subsection  
5 (a)(88)(B)(i); and

6 “(B) not less than once each month, notify  
7 or transmit information to a State (or allow the  
8 Secretary to notify or transmit information to a  
9 State) regarding whether an individual enrolled  
10 or seeking to enroll under the State plan of  
11 such State (or waiver of such plan) is enrolled  
12 under the State plan (or waiver of such plan)  
13 of another State.

14 “(2) STANDARDS.—The Secretary shall estab-  
15 lish such standards as determined necessary by the  
16 Secretary to limit and protect information submitted  
17 under such system and ensure the privacy of such  
18 information, consistent with subsection (a)(7).

19 “(3) IMPLEMENTATION FUNDING.—There are  
20 appropriated to the Secretary, out of amounts in the  
21 Treasury not otherwise appropriated, in addition to  
22 amounts otherwise available—

23 “(A) for fiscal year 2026, \$10,000,000 for  
24 purposes of establishing the system required

1 under this subsection, to remain available until  
2 expended; and

3 “(B) for fiscal year 2029, \$20,000,000 for  
4 purposes of maintaining such system, to remain  
5 available until expended.

6 “(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS IN-  
7 FORMATION.—

8 “(1) IN GENERAL.—For purposes of subsection  
9 (a)(88)(A), a process to regularly obtain address in-  
10 formation for individuals enrolled under a State plan  
11 (or a waiver of such plan) shall obtain address infor-  
12 mation from reliable data sources described in para-  
13 graph (2) and take such actions as the Secretary  
14 shall specify with respect to any changes to such ad-  
15 dress based on such information.

16 “(2) RELIABLE DATA SOURCES DESCRIBED.—  
17 For purposes of paragraph (1), the reliable data  
18 sources described in this paragraph are the fol-  
19 lowing:

20 “(A) Mail returned to the State by the  
21 United States Postal Service with a forwarding  
22 address.

23 “(B) The National Change of Address  
24 Database maintained by the United States  
25 Postal Service.

1           “(C) A managed care entity (as defined in  
2           section 1932(a)(1)(B)) or prepaid inpatient  
3           health plan or prepaid ambulatory health plan  
4           (as such terms are defined in section  
5           1903(m)(9)(D)) that has a contract under the  
6           State plan if the address information is pro-  
7           vided to such entity or plan directly from, or  
8           verified by such entity or plan directly with,  
9           such individual.

10           “(D) Other data sources as identified by  
11           the State and approved by the Secretary.”.

12           (2) CONFORMING AMENDMENTS.—

13           (A) PARIS.—Section 1903(r)(3) of the  
14           Social Security Act (42 U.S.C. 1396b(r)(3)) is  
15           amended—

16                   (i) by striking “In order” and insert-  
17                   ing “(A) In order”;

18                   (ii) by striking “through the Public”  
19                   and inserting “through—

20                   “(i) the Public”;

21                   (iii) by striking the period at the end  
22                   and inserting “; and

23                   “(ii) beginning October 1, 2029, the sys-  
24                   tem established by the Secretary under section  
25                   1902(uu).”; and

1 (iv) by adding at the end the following  
2 new subparagraph:

3 “(B) Beginning October 1, 2029, the Secretary  
4 may determine that a State is not required to have  
5 in operation an eligibility determination system  
6 which provides for data matching through the sys-  
7 tem described in subparagraph (A)(i) to meet the re-  
8 quirements of this paragraph.”.

9 (B) MANAGED CARE.—Section 1932 of the  
10 Social Security Act (42 U.S.C. 1396u–2) is  
11 amended by adding at the end the following  
12 new subsection:

13 “(j) TRANSMISSION OF ADDRESS INFORMATION.—  
14 Beginning January 1, 2027, each contract under a State  
15 plan with a managed care entity (as defined in section  
16 1932(a)(1)(B)) or with a prepaid inpatient health plan or  
17 prepaid ambulatory health plan (as such terms are defined  
18 in section 1903(m)(9)(D)), shall provide that such entity  
19 or plan shall promptly transmit to the State any address  
20 information for an individual enrolled with such entity or  
21 plan that is provided to such entity or plan directly from,  
22 or verified by such entity or plan directly with, such indi-  
23 vidual.”.

24 (b) CHIP.—

1           (1) IN GENERAL.—Section 2107(e)(1) of the  
2 Social Security Act (42 U.S.C. 1397gg(e)(1)) is  
3 amended—

4           (A) by redesignating subparagraphs (H)  
5 through (U) as subparagraphs (I) through (V),  
6 respectively; and

7           (B) by inserting after subparagraph (G)  
8 the following new subparagraph:

9           “(H) Section 1902(a)(88) (relating to ad-  
10 dress information for enrollees and prevention  
11 of simultaneous enrollments).”.

12           (2) MANAGED CARE.—Section 2103(f)(3) of the  
13 Social Security Act (42 U.S.C. 1397cc(f)(3)) is  
14 amended by striking “and (e)” and inserting “(e),  
15 and (j)”.

16 **SEC. 44104. MODIFYING CERTAIN STATE REQUIREMENTS**  
17 **FOR ENSURING DECEASED INDIVIDUALS DO**  
18 **NOT REMAIN ENROLLED.**

19 Section 1902 of the Social Security Act (42 U.S.C.  
20 1396a), as amended by section 44103, is further amend-  
21 ed—

22           (1) in subsection (a)—

23           (A) in paragraph (87), by striking “; and”  
24 and inserting a semicolon;

1 (B) in paragraph (88), by striking the pe-  
2 riod at the end and inserting “; and”; and

3 (C) by inserting after paragraph (88) the  
4 following new paragraph:

5 “(89) provide that the State shall comply with  
6 the eligibility verification requirements under sub-  
7 section (ww), except that this paragraph shall apply  
8 only in the case of the 50 States and the District  
9 of Columbia.”; and

10 (2) by adding at the end the following new sub-  
11 section:

12 “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRI-  
13 TERIA.—

14 “(1) IN GENERAL.—For purposes of subsection  
15 (a)(89), the eligibility verification requirements, be-  
16 ginning January 1, 2028, are as follows:

17 “(A) QUARTERLY SCREENING TO VERIFY  
18 ENROLLEE STATUS.—The State shall, not less  
19 frequently than quarterly, review the Death  
20 Master File (as such term is defined in section  
21 203(d) of the Bipartisan Budget Act of 2013)  
22 to determine whether any individuals enrolled  
23 for medical assistance under the State plan (or  
24 waiver of such plan) are deceased.

1           “(B) DISENROLLMENT UNDER STATE  
2 PLAN.—If the State determines, based on infor-  
3 mation obtained from the Death Master File,  
4 that an individual enrolled for medical assist-  
5 ance under the State plan (or waiver of such  
6 plan) is deceased, the State shall—

7           “(i) treat such information as factual  
8 information confirming the death of a ben-  
9 efiary for purposes of section 431.213(a)  
10 of title 42, Code of Federal Regulations (or  
11 any successor regulation);

12           “(ii) disenroll such individual from the  
13 State plan (or waiver of such plan); and

14           “(iii) discontinue any payments for  
15 medical assistance under this title made on  
16 behalf of such individual (other than pay-  
17 ments for any items or services furnished  
18 to such individual prior to the death of  
19 such individual).

20           “(C) REINSTATEMENT OF COVERAGE IN  
21 THE EVENT OF ERROR.—If a State determines  
22 that an individual was misidentified as deceased  
23 based on information obtained from the Death  
24 Master File and was erroneously disenrolled  
25 from medical assistance under the State plan

1 (or waiver of such plan) based on such  
2 misidentification, the State shall immediately  
3 re-enroll such individual under the State plan  
4 (or waiver of such plan), retroactive to the date  
5 of such disenrollment.

6 “(2) **RULE OF CONSTRUCTION.**—Nothing under  
7 this subsection shall be construed to preclude the  
8 ability of a State to use other electronic data sources  
9 to timely identify potentially deceased beneficiaries,  
10 so long as the State is also in compliance with the  
11 requirements of this subsection (and all other re-  
12 quirements under this title relating to Medicaid eli-  
13 gibility determination and redetermination).”.

14 **SEC. 44105. MEDICAID PROVIDER SCREENING REQUIRE-**  
15 **MENTS.**

16 Section 1902(kk)(1) of the Social Security Act (42  
17 U.S.C. 1396a(kk)(1)) is amended—

18 (1) by striking “The State” and inserting:

19 “(A) **IN GENERAL.**—The State”; and

20 (2) by adding at the end the following new sub-  
21 paragraph:

22 “(B) **ADDITIONAL PROVIDER SCREEN-**  
23 **ING.**—Beginning January 1, 2028, as part of  
24 the enrollment (or reenrollment or revalidation  
25 of enrollment) of a provider or supplier under

1           this title, and not less frequently than monthly  
2           during the period that such provider or supplier  
3           is so enrolled, the State conducts a check of any  
4           database or similar system developed pursuant  
5           to section 6401(b)(2) of the Patient Protection  
6           and Affordable Care Act to determine whether  
7           the Secretary has terminated the participation  
8           of such provider or supplier under title XVIII,  
9           or whether any other State has terminated the  
10          participation of such provider or supplier under  
11          such other State’s State plan under this title  
12          (or waiver of the plan), or such other State’s  
13          State child health plan under title XXI (or  
14          waiver of the plan).”.

15 **SEC. 44106. ADDITIONAL MEDICAID PROVIDER SCREENING**  
16 **REQUIREMENTS.**

17          Section 1902(kk)(1) of the Social Security Act (42  
18 U.S.C. 1396a(kk)(1)), as amended by section 44105, is  
19 further amended by adding at the end the following new  
20 subparagraph:

21                   “(C) PROVIDER SCREENING AGAINST  
22                   DEATH MASTER FILE.—Beginning January 1,  
23                   2028, as part of the enrollment (or reenroll-  
24                   ment or revalidation of enrollment) of a pro-  
25                   vider or supplier under this title, and not less

1 frequently than quarterly during the period that  
2 such provider or supplier is so enrolled, the  
3 State conducts a check of the Death Master  
4 File (as such term is defined in section 203(d)  
5 of the Bipartisan Budget Act of 2013) to deter-  
6 mine whether such provider or supplier is de-  
7 ceased.”.

8 **SEC. 44107. REMOVING GOOD FAITH WAIVER FOR PAYMENT**  
9 **REDUCTION RELATED TO CERTAIN ERRO-**  
10 **NEOUS EXCESS PAYMENTS UNDER MEDICAID.**

11 (a) IN GENERAL.—Section 1903(u)(1) of the Social  
12 Security Act (42 U.S.C. 1396b(u)(1)) is amended—

13 (1) in subparagraph (B)—

14 (A) by striking “The Secretary” and in-  
15 serting “(i) Subject to clause (ii), the Sec-  
16 retary”; and

17 (B) by adding at the end the following new  
18 clause:

19 “(ii) The amount waived under clause (i) for a  
20 fiscal year may not exceed an amount equal to the  
21 difference between—

22 “(I) the amount of the reduction required  
23 under subparagraph (A) for such fiscal year  
24 (without application of this subparagraph); and

1           “(II) the sum of the erroneous excess pay-  
2           ments for medical assistance described in sub-  
3           clauses (I) and (III) of subparagraph (D)(i)  
4           made for such fiscal year.”;

5           (2) in subparagraph (C), by striking “he” in  
6           each place it appears and inserting “the Secretary”  
7           in each such place; and

8           (3) in subparagraph (D)—

9           (A) in clause (i)—

10           (i) in subclause (I), by striking “and”  
11           at the end;

12           (ii) in subclause (II), by striking the  
13           period at the end and inserting “, and”;  
14           and

15           (iii) by adding at the end the fol-  
16           lowing new subclause:

17           “(III) payments (other than payments de-  
18           scribed in subclause (I)) for items and services fur-  
19           nished to an eligible individual who is not eligible for  
20           medical assistance under the State plan (or a waiver  
21           of such plan) with respect to such items and serv-  
22           ices.”; and

23           (B) by adding at the end the following new  
24           clause:



1 mination once every 6 months for the following  
2 individuals:

3 “(i) Individuals enrolled under sub-  
4 section (a)(10)(A)(i)(VIII).

5 “(ii) Individuals described in such  
6 subsection who are otherwise enrolled  
7 under a waiver of such plan that provides  
8 coverage that is equivalent to minimum es-  
9 sential coverage (as described in section  
10 5000A(f)(1)(A) of the Internal Revenue  
11 Code of 1986 and determined in accord-  
12 ance with standards prescribed by the Sec-  
13 retary in regulations) to all individuals de-  
14 scribed in subsection (a)(10)(A)(i)(VIII).”.

15 **SEC. 44109. REVISING HOME EQUITY LIMIT FOR DETER-**  
16 **MINING ELIGIBILITY FOR LONG-TERM CARE**  
17 **SERVICES UNDER THE MEDICAID PROGRAM.**

18 (a) REVISING HOME EQUITY LIMIT.—Section  
19 1917(f)(1) of the Social Security Act (42 U.S.C.  
20 1396p(f)(1)) is amended—

21 (1) in subparagraph (B)—

22 (A) by striking “A State” and inserting  
23 “(i) A State”;

24 (B) in clause (i), as inserted by subpara-  
25 graph (A)—

1 (i) by striking “‘\$500,000’” and in-  
2 serting “the amount specified in subpara-  
3 graph (A)”; and

4 (ii) by inserting “, in the case of an  
5 individual’s home that is located on a lot  
6 that is zoned for agricultural use,” after  
7 “apply subparagraph (A)”; and

8 (C) by adding at the end the following new  
9 clause:

10 “(ii) A State may elect, without regard to the  
11 requirements of section 1902(a)(1) (relating to  
12 statewideness) and section 1902(a)(10)(B) (relating  
13 to comparability), to apply subparagraph (A), in the  
14 case of an individual’s home that is not described in  
15 clause (i), by substituting for the amount specified  
16 in such subparagraph, an amount that exceeds such  
17 amount, but does not exceed \$1,000,000.”; and

18 (2) in subparagraph (C)—

19 (A) by inserting “(other than the amount  
20 specified in subparagraph (B)(ii) (relating to  
21 certain non-agricultural homes))” after “speci-  
22 fied in this paragraph”; and

23 (B) by adding at the end the following new  
24 sentence: “In the case that application of the  
25 preceding sentence would result in a dollar

1 amount (other than the amount specified in  
2 subparagraph (B)(i) (relating to certain agricul-  
3 tural homes)) exceeding \$1,000,000, such  
4 amount shall be deemed to be equal to  
5 \$1,000,000.”.

6 (b) CLARIFICATION.—Section 1902 of the Social Se-  
7 curity Act (42 U.S.C. 1396a) is amended—

8 (1) in subsection (r)(2), by adding at the end  
9 the following new subparagraph:

10 “(C) This paragraph shall not be construed as per-  
11 mitting a State to determine the eligibility of an individual  
12 for medical assistance with respect to nursing facility serv-  
13 ices or other long-term care services without application  
14 of the limit under section 1917(f)(1).”; and

15 (2) in subsection (e)(14)(D)(iv)—

16 (A) by striking “Subparagraphs” and in-  
17 serting

18 “(I) IN GENERAL.—Subpara-  
19 graphs”; and

20 (B) by adding at the end the following new  
21 subclause:

22 “(II) APPLICATION OF HOME EQ-  
23 UITY INTEREST LIMIT.—Section  
24 1917(f) shall apply for purposes of de-  
25 termining the eligibility of an indi-

1                   vidual for medical assistance with re-  
2                   spect to nursing facility services or  
3                   other long-term care services.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 subsection (a) shall apply beginning on January 1, 2028.

6 **SEC. 44110. PROHIBITING FEDERAL FINANCIAL PARTICIPA-**  
7 **TION UNDER MEDICAID AND CHIP FOR INDI-**  
8 **VIDUALS WITHOUT VERIFIED CITIZENSHIP,**  
9 **NATIONALITY, OR SATISFACTORY IMMIGRA-**  
10 **TION STATUS.**

11           (a) IN GENERAL.—

12                   (1) MEDICAID.—Section 1903(i)(22) of the So-  
13 cial Security Act (42 U.S.C. 1396b(i)(22)) is amend-  
14 ed—

15                           (A) by adding “and” at the end;

16                           (B) by striking “to amounts” and inserting  
17 “to—

18                                   “(A) amounts”; and

19                           (C) by adding at the end the following new  
20 subparagraph:

21                                   “(B) in the case that the State elects  
22 under section 1902(a)(46)(C) to provide for  
23 making medical assistance available to an indi-  
24 vidual during—

1 “(i) the period in which the individual  
2 is provided the reasonable opportunity to  
3 present satisfactory documentary evidence  
4 of citizenship or nationality under section  
5 1902(ee)(2)(C) or subsection (x)(4);

6 “(ii) the 90-day period described in  
7 section 1902(ee)(1)(B)(ii)(II); or

8 “(iii) the period in which the indi-  
9 vidual is provided the reasonable oppor-  
10 tunity to submit evidence indicating a sat-  
11 isfactory immigration status under section  
12 1137(d)(4),

13 amounts expended for such medical assistance,  
14 unless the citizenship or nationality of such in-  
15 dividual or the satisfactory immigration status  
16 of such individual (as applicable) is verified by  
17 the end of such period;”.

18 (2) CHIP.—Section 2107(e)(1)(N) of the So-  
19 cial Security Act (42 U.S.C. 1397gg(e)(1)(N)) is  
20 amended by striking “and (17)” and inserting  
21 “(17), and (22)”.

22 (b) ELIMINATING STATE REQUIREMENT TO PROVIDE  
23 MEDICAL ASSISTANCE DURING REASONABLE OPPOR-  
24 TUNITY PERIOD.—

1           (1) DOCUMENTARY EVIDENCE OF CITIZENSHIP  
2           OR NATIONALITY.—Section 1903(x)(4) of the Social  
3           Security Act (42 U.S.C. 1396b(x)) is amended—

4                   (A) by striking “under clauses (i) and (ii)  
5                   of section 1137(d)(4)(A)” and inserting “under  
6                   section 1137(d)(4)”; and

7                   (B) by inserting “, except that the State  
8                   shall not be required to make medical assist-  
9                   ance available to such individual during the pe-  
10                  riod in which such individual is provided such  
11                  reasonable opportunity if the State has not  
12                  elected the option under section  
13                  1902(a)(46)(C)” before the period at the end.

14           (2) SOCIAL SECURITY DATA MATCH.—Section  
15           1902(ee) of the Social Security Act (42 U.S.C.  
16           1396a(ee)) is amended—

17                   (A) in paragraph (1)(B)(ii)—

18                           (i) in subclause (II), by striking “(and  
19                           continues to provide the individual with  
20                           medical assistance during such 90-day pe-  
21                           riod)” and inserting “and, if the State has  
22                           elected the option under subsection  
23                           (a)(46)(C), continues to provide the indi-  
24                           vidual with medical assistance during such  
25                           90-day period”; and

1 (ii) in subclause (III), by inserting “,  
2 or denies eligibility for medical assistance  
3 under this title for such individual, as ap-  
4 plicable” after “under this title”; and

5 (B) in paragraph (2)(C)—

6 (i) by striking “under clauses (i) and  
7 (ii) of section 1137(d)(4)(A)” and insert-  
8 ing “under section 1137(d)(4)”; and

9 (ii) by inserting “, except that the  
10 State shall not be required to make med-  
11 ical assistance available to such individual  
12 during the period in which such individual  
13 is provided such reasonable opportunity if  
14 the State has not elected the option under  
15 section 1902(a)(46)(C)” before the period  
16 at the end.

17 (3) INDIVIDUALS WITH SATISFACTORY IMMI-  
18 GRATION STATUS.—Section 1137(d)(4) of the Social  
19 Security Act (42 U.S.C. 1320b–7(d)(4)) is amend-  
20 ed—

21 (A) in subparagraph (A)(ii), by inserting  
22 “(except that such prohibition on delay, denial,  
23 reduction, or termination of eligibility for bene-  
24 fits under the Medicaid program under title  
25 XIX shall apply only if the State has elected

1 the option under section 1902(a)(46)(C))” after  
2 “has been provided”; and

3 (B) in subparagraph (B)(ii), by inserting  
4 “(except that such prohibition on delay, denial,  
5 reduction, or termination of eligibility for bene-  
6 fits under the Medicaid program under title  
7 XIX shall apply only if the State has elected  
8 the option under section 1902(a)(46)(C))” after  
9 “status”.

10 (c) OPTION TO CONTINUE PROVIDING MEDICAL AS-  
11 SISTANCE DURING REASONABLE OPPORTUNITY PE-  
12 RIOD.—

13 (1) MEDICAID.—Section 1902(a)(46) of the So-  
14 cial Security Act (42 U.S.C. 1396a(a)(46)) is  
15 amended—

16 (A) in subparagraph (A), by striking  
17 “and” at the end;

18 (B) in subparagraph (B)(ii), by adding  
19 “and” at the end; and

20 (C) by inserting after subparagraph (B)(ii)  
21 the following new subparagraph:

22 “(C) provide, at the option of the State, for  
23 making medical assistance available—

24 “(i) to an individual described in subpara-  
25 graph (B) during the period in which such indi-

1 individual is provided the reasonable opportunity to  
2 present satisfactory documentary evidence of  
3 citizenship or nationality under subsection  
4 (ee)(2)(C) or section 1903(x)(4), or during the  
5 90-day period described in subsection  
6 (ee)(1)(B)(ii)(II); or

7 “(ii) to an individual who is not a citizen  
8 or national of the United States during the pe-  
9 riod in which such individual is provided the  
10 reasonable opportunity to submit evidence indi-  
11 cating a satisfactory immigration status under  
12 section 1137(d)(4);”.

13 (2) CHIP.—Section 2105(c)(9) of the Social  
14 Security Act (42 U.S.C. 1397ee(c)(9)) is amended  
15 by adding at the end the following new subpara-  
16 graph:

17 “(C) OPTION TO CONTINUE PROVIDING  
18 CHILD HEALTH ASSISTANCE DURING REASON-  
19 ABLE OPPORTUNITY PERIOD.—Section  
20 1902(a)(46)(C) shall apply to States under this  
21 title in the same manner as it applies to a State  
22 under title XIX.”.

23 (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply beginning October 1, 2026.

1 **SEC. 44111. REDUCING EXPANSION FMAP FOR CERTAIN**  
2 **STATES PROVIDING PAYMENTS FOR HEALTH**  
3 **CARE FURNISHED TO CERTAIN INDIVIDUALS.**

4 Section 1905 of the Social Security Act (42 U.S.C.  
5 1395d) is amended—

6 (1) in subsection (y)—

7 (A) in paragraph (1)(E), by inserting “(or,  
8 for calendar quarters beginning on or after Oc-  
9 tober 1, 2027, in the case such State is a speci-  
10 fied State with respect to such calendar quar-  
11 ter, 80 percent)” after “thereafter”; and

12 (B) in paragraph (2), by adding at the end  
13 the following new subparagraph:

14 “(C) SPECIFIED STATE.—The term ‘speci-  
15 fied State’ means, with respect to a quarter, a  
16 State that—

17 “(i) provides any form of financial as-  
18 sistance during such quarter, in whole or  
19 in part, whether or not made under a  
20 State plan (or waiver of such plan) under  
21 this title or under another program estab-  
22 lished by the State, and regardless of the  
23 source of funding for such assistance, to or  
24 on behalf of an alien who is not a qualified  
25 alien for the purchasing of health insur-  
26 ance coverage (as defined in section

1 2791(b)(1) of the Public Health Service  
2 Act) for an alien who is not a qualified  
3 alien; or

4 “(ii) provides any form of comprehen-  
5 sive health benefits coverage during such  
6 quarter, whether or not under a State plan  
7 (or wavier of such plan) under this title or  
8 under another program established by the  
9 State, and regardless of the source of  
10 funding for such coverage, to an alien who  
11 is not a qualified alien.

12 “(D) IMMIGRATION TERMS.—

13 “(i) ALIEN.—The term ‘alien’ has the  
14 meaning given such term in section 101(a)  
15 of the Immigration and Nationality Act.

16 “(ii) QUALIFIED ALIEN.—The term  
17 ‘qualified alien’ has the meaning given  
18 such term in section 431 of the Personal  
19 Responsibility and Work Opportunity Rec-  
20 onciliation Act of 1996, except that—

21 “(I) the reference to ‘at the time  
22 the alien applies for, receives, or at-  
23 tempts to receive a Federal public  
24 benefit’ in subsection (b) of such sec-  
25 tion shall be treated as a reference to

1                   ‘at the time the alien is provided com-  
2                   prehensive health benefits coverage  
3                   described in clause (ii) of section  
4                   1905(y)(C) of the Social Security Act  
5                   or is provided with financial assist-  
6                   ance described in clause (i) of such  
7                   section, as applicable’; and

8                   “(II) the references to ‘(in the  
9                   opinion of the agency providing such  
10                  benefits)’ in subsection (c) of such  
11                  section shall be treated as references  
12                  to ‘(in the opinion of the State in  
13                  which such comprehensive health ben-  
14                  efits coverage or such financial assist-  
15                  ance is provided, as applicable)’.”; and

16                  (2) in subsection (z)(2)—

17                         (A) in subparagraph (A), by striking “for  
18                         such year” and inserting “for such quarter”;  
19                         and

20                         (B) in subparagraph (B)(i)—

21                                 (i) in the matter preceding subclause  
22                                 (I), by striking “for a year” and inserting  
23                                 “for a calendar quarter in a year”; and

1 (ii) in subclause (II), by striking “for  
2 the year” and inserting “for the quarter  
3 for the State”.

4 **Subpart B—Preventing Wasteful Spending**

5 **SEC. 44121. MORATORIUM ON IMPLEMENTATION OF RULE**  
6 **RELATING TO STAFFING STANDARDS FOR**  
7 **LONG-TERM CARE FACILITIES UNDER THE**  
8 **MEDICARE AND MEDICAID PROGRAMS.**

9 The Secretary of Health and Human Services shall  
10 not, during the period beginning on the date of the enact-  
11 ment of this section and ending January 1, 2035, imple-  
12 ment, administer, or enforce the provisions of the final  
13 rule published by the Centers for Medicare & Medicaid  
14 Services on May 10, 2024, and titled “Medicare and Med-  
15 icaid Programs; Minimum Staffing Standards for Long-  
16 Term Care Facilities and Medicaid Institutional Payment  
17 Transparency Reporting” (89 Fed. Reg. 40876).

18 **SEC. 44122. MODIFYING RETROACTIVE COVERAGE UNDER**  
19 **THE MEDICAID AND CHIP PROGRAMS.**

20 (a) IN GENERAL.—Section 1902(a)(34) of the Social  
21 Security Act (42 U.S.C. 1396a(a)(34)) is amended—

22 (1) by striking “him” and inserting “the indi-  
23 vidual”;

24 (2) by striking “the third month” and inserting  
25 “the month”;

1           (3) by striking “he” and inserting “the indi-  
2           vidual”; and

3           (4) by striking “his” and inserting “the individ-  
4           ual’s”.

5           (b) DEFINITION OF MEDICAL ASSISTANCE.—Section  
6 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))  
7 is amended by striking “in or after the third month before  
8 the month in which the recipient makes application for  
9 assistance” and inserting “in or after the month before  
10 the month in which the recipient makes application for  
11 assistance”.

12          (c) CHIP.—Section 2102(b)(1)(B) of the Social Se-  
13 curity Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

14           (1) in clause (iv), by striking “and” at the end;

15           (2) in clause (v), by striking the period and in-  
16           serting “; and”; and

17           (3) by adding at the end the following new  
18           clause:

19                   “(vi) shall, in the case that the State  
20                   elects to provide child health or pregnancy-  
21                   related assistance to an individual for any  
22                   period prior to the month in which the in-  
23                   dividual made application for such assist-  
24                   ance (or application was made on behalf of  
25                   the individual), provide that such assist-

1           ance is not made available to such indi-  
2           vidual for items and services included  
3           under the State child health plan (or waiv-  
4           er of such plan) that are furnished before  
5           the month preceding the month in which  
6           such individual made application (or appli-  
7           cation was made on behalf of such indi-  
8           vidual) for such assistance.”.

9           (d) **EFFECTIVE DATE.**—The amendments made by  
10 this section shall apply to medical assistance and child  
11 health assistance, and pregnancy-related assistance with  
12 respect to individuals whose eligibility for such medical as-  
13 sistance, child health assistance, or pregnancy-related as-  
14 sistance is based on an application made on or after Octo-  
15 ber 1, 2026.

16 **SEC. 44123. ENSURING ACCURATE PAYMENTS TO PHAR-**  
17 **MACIES UNDER MEDICAID.**

18           (a) **IN GENERAL.**—Section 1927(f) of the Social Se-  
19 curity Act (42 U.S.C. 1396r–8(f)) is amended—

20           (1) in paragraph (1)(A)—

21           (A) by redesignating clause (ii) as clause  
22           (iii); and

23           (B) by striking “and” after the semicolon  
24           at the end of clause (i) and all that precedes it  
25           through “(1)” and inserting the following:

1           “(1) DETERMINING PHARMACY ACTUAL ACQUI-  
2           SITION COSTS.—The Secretary shall conduct a sur-  
3           vey of retail community pharmacy drug prices and  
4           applicable non-retail pharmacy drug prices to deter-  
5           mine national average drug acquisition cost bench-  
6           marks (as such term is defined by the Secretary) as  
7           follows:

8                   “(A) USE OF VENDOR.—The Secretary  
9                   may contract services for—

10                           “(i) with respect to retail community  
11                           pharmacies, the determination of retail  
12                           survey prices of the national average drug  
13                           acquisition cost for covered outpatient  
14                           drugs that represent a nationwide average  
15                           of consumer purchase prices for such  
16                           drugs, net of all discounts, rebates, and  
17                           other price concessions (to the extent any  
18                           information with respect to such discounts,  
19                           rebates, and other price concessions is  
20                           available) based on a monthly survey of  
21                           such pharmacies;

22                           “(ii) with respect to applicable non-re-  
23                           tail pharmacies—

24                                   “(I) the determination of survey  
25                                   prices, separate from the survey prices

1 described in clause (i), of the non-re-  
2 tail national average drug acquisition  
3 cost for covered outpatient drugs that  
4 represent a nationwide average of con-  
5 sumer purchase prices for such drugs,  
6 net of all discounts, rebates, and other  
7 price concessions (to the extent any  
8 information with respect to such dis-  
9 counts, rebates, and other price con-  
10 cessions is available) based on a  
11 monthly survey of such pharmacies;  
12 and

13 “(II) at the discretion of the Sec-  
14 retary, for each type of applicable  
15 non-retail pharmacy, the determina-  
16 tion of survey prices, separate from  
17 the survey prices described in clause  
18 (i) or subclause (I) of this clause, of  
19 the national average drug acquisition  
20 cost for such type of pharmacy for  
21 covered outpatient drugs that rep-  
22 resent a nationwide average of con-  
23 sumer purchase prices for such drugs,  
24 net of all discounts, rebates, and other  
25 price concessions (to the extent any

1 information with respect to such dis-  
2 counts, rebates, and other price con-  
3 cessions is available) based on a  
4 monthly survey of such pharmacies;  
5 and”;

6 (2) in subparagraph (B) of paragraph (1), by  
7 striking “subparagraph (A)(ii)” and inserting “sub-  
8 paragraph (A)(iii)”;

9 (3) in subparagraph (D) of paragraph (1), by  
10 striking clauses (ii) and (iii) and inserting the fol-  
11 lowing:

12 “(ii) The vendor must update the Sec-  
13 retary no less often than monthly on the  
14 survey prices for covered outpatient drugs.

15 “(iii) The vendor must differentiate,  
16 in collecting and reporting survey data, for  
17 all cost information collected, whether a  
18 pharmacy is a retail community pharmacy  
19 or an applicable non-retail pharmacy, in-  
20 cluding whether such pharmacy is an affil-  
21 iate (as defined in subsection (k)(14)),  
22 and, in the case of an applicable non-retail  
23 pharmacy, which type of applicable non-re-  
24 tail pharmacy it is using the relevant phar-  
25 macy type indicators included in the guid-

1           ance required by subsection (d)(2) of sec-  
2           tion 44123 of the Act titled ‘An Act to  
3           provide for reconciliation pursuant to title  
4           II of H. Con. Res. 14.’;’;

5           (4) by adding at the end of paragraph (1) the  
6           following:

7                   “(F) SURVEY REPORTING.—In order to  
8                   meet the requirement of section 1902(a)(54), a  
9                   State shall require that any retail community  
10                  pharmacy or applicable non-retail pharmacy in  
11                  the State that receives any payment, reimburse-  
12                  ment, administrative fee, discount, rebate, or  
13                  other price concession related to the dispensing  
14                  of covered outpatient drugs to individuals re-  
15                  ceiving benefits under this title, regardless of  
16                  whether such payment, reimbursement, admin-  
17                  istrative fee, discount, rebate, or other price  
18                  concession is received from the State or a man-  
19                  aged care entity or other specified entity (as  
20                  such terms are defined in section  
21                  1903(m)(9)(D)) directly or from a pharmacy  
22                  benefit manager or another entity that has a  
23                  contract with the State or a managed care enti-  
24                  ty or other specified entity (as so defined), shall

1           respond to surveys conducted under this para-  
2           graph.

3           “(G) SURVEY INFORMATION.—Information  
4           on national drug acquisition prices obtained  
5           under this paragraph shall be made publicly  
6           available in a form and manner to be deter-  
7           mined by the Secretary and shall include at  
8           least the following:

9                   “(i) The monthly response rate to the  
10                   survey including a list of pharmacies not in  
11                   compliance with subparagraph (F).

12                   “(ii) The sampling methodology and  
13                   number of pharmacies sampled monthly.

14                   “(iii) Information on price concessions  
15                   to pharmacies, including discounts, re-  
16                   bates, and other price concessions, to the  
17                   extent that such information may be pub-  
18                   licly released and has been collected by the  
19                   Secretary as part of the survey.

20           “(H) PENALTIES.—

21                   “(i) IN GENERAL.—Subject to clauses  
22                   (ii), (iii), and (iv), the Secretary shall en-  
23                   force the provisions of this paragraph with  
24                   respect to a pharmacy through the estab-  
25                   lishment of civil money penalties applicable

1 to a retail community pharmacy or an ap-  
2 plicable non-retail pharmacy.

3 “(ii) BASIS FOR PENALTIES.—The  
4 Secretary shall impose a civil money pen-  
5 alty established under this subparagraph  
6 on a retail community pharmacy or appli-  
7 cable non-retail pharmacy if—

8 “(I) the retail pharmacy or appli-  
9 cable non-retail pharmacy refuses or  
10 otherwise fails to respond to a request  
11 for information about prices in con-  
12 nection with a survey under this sub-  
13 section;

14 “(II) knowingly provides false in-  
15 formation in response to such a sur-  
16 vey; or

17 “(III) otherwise fails to comply  
18 with the requirements established  
19 under this paragraph.

20 “(iii) PARAMETERS FOR PEN-  
21 ALTIES.—

22 “(I) IN GENERAL.—A civil money  
23 penalty established under this sub-  
24 paragraph may be assessed with re-  
25 spect to each violation, and with re-

1           spect to each non-compliant retail  
2           community pharmacy (including a  
3           pharmacy that is part of a chain) or  
4           non-compliant applicable non-retail  
5           pharmacy (including a pharmacy that  
6           is part of a chain), in an amount not  
7           to exceed \$100,000 for each such vio-  
8           lation.

9                   “(II) CONSIDERATIONS.—In de-  
10           termining the amount of a civil money  
11           penalty imposed under this subpara-  
12           graph, the Secretary may consider the  
13           size, business structure, and type of  
14           pharmacy involved, as well as the type  
15           of violation and other relevant factors,  
16           as determined appropriate by the Sec-  
17           retary.

18                   “(iv) RULE OF APPLICATION.—The  
19           provisions of section 1128A (other than  
20           subsections (a) and (b)) shall apply to a  
21           civil money penalty under this subpara-  
22           graph in the same manner as such provi-  
23           sions apply to a civil money penalty or pro-  
24           ceeding under section 1128A(a).

1           “(I) LIMITATION ON USE OF APPLICABLE  
2           NON-RETAIL PHARMACY PRICING INFORMA-  
3           TION.—No State shall use pricing information  
4           reported by applicable non-retail pharmacies  
5           under subparagraph (A)(ii) to develop or inform  
6           payment methodologies for retail community  
7           pharmacies.”;

8           (5) in paragraph (2)—

9           (A) in subparagraph (A), by inserting “,  
10           including payment rates and methodologies for  
11           determining ingredient cost reimbursement  
12           under managed care entities or other specified  
13           entities (as such terms are defined in section  
14           1903(m)(9)(D)),” after “under this title”; and

15           (B) in subparagraph (B), by inserting  
16           “and the basis for such dispensing fees” before  
17           the semicolon;

18           (6) by redesignating paragraph (4) as para-  
19           graph (5);

20           (7) by inserting after paragraph (3) the fol-  
21           lowing new paragraph:

22           “(4) OVERSIGHT.—

23           “(A) IN GENERAL.—The Inspector General  
24           of the Department of Health and Human Serv-  
25           ices shall conduct periodic studies of the survey

1 data reported under this subsection, as appro-  
2 priate, including with respect to substantial  
3 variations in acquisition costs or other applica-  
4 ble costs, as well as with respect to how internal  
5 transfer prices and related party transactions  
6 may influence the costs reported by pharmacies  
7 that are affiliates (as defined in subsection  
8 (k)(13)) or are owned by, controlled by, or re-  
9 lated under a common ownership structure with  
10 a wholesaler, distributor, or other entity that  
11 acquires covered outpatient drugs relative to  
12 costs reported by pharmacies not affiliated with  
13 such entities. The Inspector General shall pro-  
14 vide periodic updates to Congress on the results  
15 of such studies, as appropriate, in a manner  
16 that does not disclose trade secrets or other  
17 proprietary information.

18 “(B) APPROPRIATION.—There is appro-  
19 priated to the Inspector General of the Depart-  
20 ment of Health and Human Services, out of  
21 any money in the Treasury not otherwise ap-  
22 propriated, \$5,000,000 for fiscal year 2026, to  
23 remain available until expended, to carry out  
24 this paragraph.”; and

25 (8) in paragraph (5), as so redesignated—

1 (A) by inserting “, and \$8,000,000 for  
2 each of fiscal years 2026 through 2033,” after  
3 “2010”; and

4 (B) by inserting “Funds appropriated  
5 under this paragraph for each of fiscal years  
6 2026 through 2033 shall remain available until  
7 expended.” after the period.

8 (b) DEFINITIONS.—Section 1927(k) of the Social Se-  
9 curity Act (42 U.S.C. 1396r–8(k)) is amended—

10 (1) in the matter preceding paragraph (1), by  
11 striking “In the section” and inserting “In this sec-  
12 tion”; and

13 (2) by adding at the end the following new  
14 paragraphs:

15 “(12) APPLICABLE NON-RETAIL PHARMACY.—  
16 The term ‘applicable non-retail pharmacy’ means a  
17 pharmacy that is licensed as a pharmacy by the  
18 State and that is not a retail community pharmacy,  
19 including a pharmacy that dispenses prescription  
20 medications to patients primarily through mail and  
21 specialty pharmacies. Such term does not include  
22 nursing home pharmacies, long-term care facility  
23 pharmacies, hospital pharmacies, clinics, charitable  
24 or not-for-profit pharmacies, government phar-

1       macies, or low dispensing pharmacies (as defined by  
2       the Secretary).

3           “(13) AFFILIATE.—The term ‘affiliate’ means  
4       any entity that is owned by, controlled by, or related  
5       under a common ownership structure with a phar-  
6       macy benefit manager or a managed care entity or  
7       other specified entity (as such terms are defined in  
8       section 1903(m)(9)(D)).”.

9       (c) EFFECTIVE DATE.—

10           (1) IN GENERAL.—Subject to paragraph (2),  
11       the amendments made by this section shall apply be-  
12       ginning on the first day of the first quarter that be-  
13       gins on or after the date that is 6 months after the  
14       date of enactment of this section.

15           (2) DELAYED APPLICATION TO APPLICABLE  
16       NON-RETAIL PHARMACIES.—The pharmacy survey  
17       requirements established by the amendments to sec-  
18       tion 1927(f) of the Social Security Act (42 U.S.C.  
19       1396r–8(f)) made by this section shall apply to re-  
20       tail community pharmacies beginning on the effec-  
21       tive date described in paragraph (1), but shall not  
22       apply to applicable non-retail pharmacies until the  
23       first day of the first quarter that begins on or after  
24       the date that is 18 months after the date of enact-  
25       ment of this section.

1 (d) IDENTIFICATION OF APPLICABLE NON-RETAIL  
2 PHARMACIES.—

3 (1) IN GENERAL.—Not later than January 1,  
4 2027, the Secretary of Health and Human Services  
5 shall publish guidance specifying pharmacies that  
6 meet the definition of applicable non-retail phar-  
7 macies (as such term is defined in subsection  
8 (k)(12) of section 1927 of the Social Security Act  
9 (42 U.S.C. 1396r–8), as added by subsection (b)),  
10 and that will be subject to the survey requirements  
11 under subsection (f)(1) of such section, as amended  
12 by subsection (a).

13 (2) INCLUSION OF PHARMACY TYPE INDICA-  
14 TORS.—The guidance published under paragraph (1)  
15 shall include pharmacy type indicators to distinguish  
16 between different types of applicable non-retail phar-  
17 macies, such as pharmacies that dispense prescrip-  
18 tions primarily through the mail and pharmacies  
19 that dispense prescriptions that require special han-  
20 dling or distribution. An applicable non-retail phar-  
21 macy may be identified through multiple pharmacy  
22 type indicators.

23 (e) IMPLEMENTATION.—Implementation of the  
24 amendments made by this section shall be exempt from

1 the requirements of section 553 of title 5, United States  
2 Code.

3 (f) NONAPPLICATION OF PAPERWORK REDUCTION  
4 ACT.—Chapter 35 of title 44, United States Code, shall  
5 not apply to any data collection undertaken by the Sec-  
6 retary of Health and Human Services under section  
7 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)),  
8 as amended by this section.

9 **SEC. 44124. PREVENTING THE USE OF ABUSIVE SPREAD**  
10 **PRICING IN MEDICAID.**

11 (a) IN GENERAL.—Section 1927 of the Social Secu-  
12 rity Act (42 U.S.C. 1396r–8) is amended—

13 (1) in subsection (e), by adding at the end the  
14 following new paragraph:

15 “(6) TRANSPARENT PRESCRIPTION DRUG PASS-  
16 THROUGH PRICING REQUIRED.—

17 “(A) IN GENERAL.—A contract between  
18 the State and a pharmacy benefit manager (re-  
19 ferred to in this paragraph as a ‘PBM’), or a  
20 contract between the State and a managed care  
21 entity or other specified entity (as such terms  
22 are defined in section 1903(m)(9)(D) and col-  
23 lectively referred to in this paragraph as the  
24 ‘entity’) that includes provisions making the en-  
25 tity responsible for coverage of covered out-

1 patient drugs dispensed to individuals enrolled  
2 with the entity, shall require that payment for  
3 such drugs and related administrative services  
4 (as applicable), including payments made by a  
5 PBM on behalf of the State or entity, is based  
6 on a transparent prescription drug pass-  
7 through pricing model under which—

8 “(i) any payment made by the entity  
9 or the PBM (as applicable) for such a  
10 drug—

11 “(I) is limited to—

12 “(aa) ingredient cost; and

13 “(bb) a professional dis-  
14 pensing fee that is not less than  
15 the professional dispensing fee  
16 that the State would pay if the  
17 State were making the payment  
18 directly in accordance with the  
19 State plan;

20 “(II) is passed through in its en-  
21 tirety (except as reduced under Fed-  
22 eral or State laws and regulations in  
23 response to instances of waste, fraud,  
24 or abuse) by the entity or PBM to the

1 pharmacy or provider that dispenses  
2 the drug; and

3 “(III) is made in a manner that  
4 is consistent with sections 447.502,  
5 447.512, 447.514, and 447.518 of  
6 title 42, Code of Federal Regulations  
7 (or any successor regulation) as if  
8 such requirements applied directly to  
9 the entity or the PBM, except that  
10 any payment by the entity or the  
11 PBM for the ingredient cost of such  
12 drug purchased by a covered entity  
13 (as defined in subsection (a)(5)(B))  
14 may exceed the actual acquisition cost  
15 (as defined in 447.502 of title 42,  
16 Code of Federal Regulations, or any  
17 successor regulation) for such drug  
18 if—

19 “(aa) such drug was subject  
20 to an agreement under section  
21 340B of the Public Health Serv-  
22 ice Act;

23 “(bb) such payment for the  
24 ingredient cost of such drug does  
25 not exceed the maximum pay-

1                   ment that would have been made  
2                   by the entity or the PBM for the  
3                   ingredient cost of such drug if  
4                   such drug had not been pur-  
5                   chased by such covered entity;  
6                   and

7                   “(cc) such covered entity re-  
8                   ports to the Secretary (in a form  
9                   and manner specified by the Sec-  
10                  retary), on an annual basis and  
11                  with respect to payments for the  
12                  ingredient costs of such drugs so  
13                  purchased by such covered entity  
14                  that are in excess of the actual  
15                  acquisition costs for such drugs,  
16                  the aggregate amount of such ex-  
17                  cess;

18                  “(ii) payment to the entity or the  
19                  PBM (as applicable) for administrative  
20                  services performed by the entity or PBM is  
21                  limited to an administrative fee that re-  
22                  flects the fair market value (as defined by  
23                  the Secretary) of such services;

24                  “(iii) the entity or the PBM (as appli-  
25                  cable) makes available to the State, and

1 the Secretary upon request in a form and  
2 manner specified by the Secretary, all costs  
3 and payments related to covered outpatient  
4 drugs and accompanying administrative  
5 services (as described in clause (ii)) in-  
6 curred, received, or made by the entity or  
7 the PBM, broken down (as specified by the  
8 Secretary), to the extent such costs and  
9 payments are attributable to an individual  
10 covered outpatient drug, by each such  
11 drug, including any ingredient costs, pro-  
12 fessional dispensing fees, administrative  
13 fees (as described in clause (ii)), post-sale  
14 and post-invoice fees, discounts, or related  
15 adjustments such as direct and indirect re-  
16 munerations fees, and any and all other re-  
17 munerations, as defined by the Secretary;  
18 and

19 “(iv) any form of spread pricing  
20 whereby any amount charged or claimed by  
21 the entity or the PBM (as applicable) that  
22 exceeds the amount paid to the pharmacies  
23 or providers on behalf of the State or enti-  
24 ty, including any post-sale or post-invoice  
25 fees, discounts, or related adjustments

1           such as direct and indirect remuneration  
2           fees or assessments, as defined by the Sec-  
3           retary, (after allowing for an administra-  
4           tive fee as described in clause (ii)) is not  
5           allowable for purposes of claiming Federal  
6           matching payments under this title.

7           “(B) PUBLICATION OF INFORMATION.—  
8           The Secretary shall publish, not less frequently  
9           than on an annual basis and in a manner that  
10          does not disclose the identity of a particular  
11          covered entity or organization, information re-  
12          ceived by the Secretary pursuant to subpara-  
13          graph (A)(iii)(III) that is broken out by State  
14          and by each of the following categories of cov-  
15          ered entity within each such State:

16               “(i) Covered entities described in sub-  
17               paragraph (A) of section 340B(a)(4) of the  
18               Public Health Service Act.

19               “(ii) Covered entities described in sub-  
20               paragraphs (B) through (K) of such sec-  
21               tion.

22               “(iii) Covered entities described in  
23               subparagraph (L) of such section.

24               “(iv) Covered entities described in  
25               subparagraph (M) of such section.

1 “(v) Covered entities described in sub-  
2 paragraph (N) of such section.

3 “(vi) Covered entities described in  
4 subparagraph (O) of such section.”; and

5 (2) in subsection (k), as previously amended by  
6 this subtitle, by adding at the end the following new  
7 paragraph:

8 “(14) PHARMACY BENEFIT MANAGER.—The  
9 term ‘pharmacy benefit manager’ means any person  
10 or entity that, either directly or through an inter-  
11 mediary, acts as a price negotiator or group pur-  
12 chaser on behalf of a State, managed care entity (as  
13 defined in section 1903(m)(9)(D)), or other specified  
14 entity (as so defined), or manages the prescription  
15 drug benefits provided by a State, managed care en-  
16 tity, or other specified entity, including the proc-  
17 essing and payment of claims for prescription drugs,  
18 the performance of drug utilization review, the proc-  
19 essing of drug prior authorization requests, the man-  
20 aging of appeals or grievances related to the pre-  
21 scription drug benefits, contracting with pharmacies,  
22 controlling the cost of covered outpatient drugs, or  
23 the provision of services related thereto. Such term  
24 includes any person or entity that acts as a price ne-  
25 gotiator (with regard to payment amounts to phar-

1       macies and providers for a covered outpatient drug  
2       or the net cost of the drug) or group purchaser on  
3       behalf of a State, managed care entity, or other  
4       specified entity or that carries out 1 or more of the  
5       other activities described in the preceding sentence,  
6       irrespective of whether such person or entity calls  
7       itself a pharmacy benefit manager.”.

8       (b) CONFORMING AMENDMENTS.—Section 1903(m)  
9       of such Act (42 U.S.C. 1396b(m)) is amended—

10           (1) in paragraph (2)(A)(xiii)—

11                   (A) by striking “and (III)” and inserting  
12                   “(III)”;

13                   (B) by inserting before the period at the  
14                   end the following: “, and (IV) if the contract in-  
15                   cludes provisions making the entity responsible  
16                   for coverage of covered outpatient drugs, the  
17                   entity shall comply with the requirements of  
18                   section 1927(e)(6)”;

19                   (C) by moving the left margin 2 ems to the  
20                   left; and

21           (2) by adding at the end the following new  
22       paragraph:

23                   “(10) No payment shall be made under this  
24                   title to a State with respect to expenditures incurred  
25                   by the State for payment for services provided by an

1 other specified entity (as defined in paragraph  
2 (9)(D)(iii)) unless such services are provided in ac-  
3 cordance with a contract between the State and such  
4 entity which satisfies the requirements of paragraph  
5 (2)(A)(xiii).”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to contracts between States and  
8 managed care entities, other specified entities, or phar-  
9 macy benefit managers that have an effective date begin-  
10 ning on or after the date that is 18 months after the date  
11 of enactment of this section.

12 (d) IMPLEMENTATION.—Implementation of the  
13 amendments made by this section shall be exempt from  
14 the requirements of section 553 of title 5, United States  
15 Code.

16 (e) NONAPPLICATION OF PAPERWORK REDUCTION  
17 ACT.—Chapter 35 of title 44, United States Code, shall  
18 not apply to any data collection undertaken by the Sec-  
19 retary of Health and Human Services under section  
20 1927(e) of the Social Security Act (42 U.S.C. 1396r-  
21 8(e)), as amended by this section.

1 **SEC. 44125. PROHIBITING FEDERAL MEDICAID AND CHIP**  
2 **FUNDING FOR GENDER TRANSITION PROCE-**  
3 **DURES FOR MINORS.**

4 (a) **MEDICAID.**—Section 1903(i) of the Social Secu-  
5 rity Act (42 U.S.C. 1396b(i)) is amended—

6 (1) in paragraph (26), by striking “; or” and  
7 inserting a semicolon;

8 (2) in paragraph (27), by striking the period at  
9 the end and inserting “; or”;

10 (3) by inserting after paragraph (27) the fol-  
11 lowing new paragraph:

12 “(28) with respect to any amount expended for  
13 specified gender transition procedures (as defined in  
14 section 1905(kk)) furnished to an individual under  
15 18 years of age enrolled in a State plan (or waiver  
16 of such plan).”; and

17 (4) in the flush left matter at the end, by strik-  
18 ing “and (18),” and inserting “(18), and (28)”.

19 (b) **CHIP.**—Section 2107(e)(1)(N) of the Social Se-  
20 curity Act (42 U.S.C. 1397gg(e)(1)(N)) is amended by  
21 striking “and (17)” and inserting “(17), and (28)”.

22 (c) **SPECIFIED GENDER TRANSITION PROCEDURES**  
23 **DEFINED.**—Section 1905 of the Social Security Act (42  
24 U.S.C. 1396d) is amended by adding at the end the fol-  
25 lowing new subsection:

1       “(kk) SPECIFIED GENDER TRANSITION PROCE-  
2 DURES.—

3           “(1) IN GENERAL.—For purposes of section  
4 1903(i)(28), except as provided in paragraph (2),  
5 the term ‘specified gender transition procedure’  
6 means, with respect to an individual, any of the fol-  
7 lowing when performed for the purpose of inten-  
8 tionally changing the body of such individual (in-  
9 cluding by disrupting the body’s development, inhib-  
10 iting its natural functions, or modifying its appear-  
11 ance) to no longer correspond to the individual’s sex:

12           “(A) Performing any surgery, including—

13                   “(i) castration;

14                   “(ii) sterilization;

15                   “(iii) orchiectomy;

16                   “(iv) scrotoplasty;

17                   “(v) vasectomy;

18                   “(vi) tubal ligation;

19                   “(vii) hysterectomy;

20                   “(viii) oophorectomy;

21                   “(ix) ovariectomy;

22                   “(x) metoidioplasty;

23                   “(xi) clitoroplasty;

1                   “(xii) reconstruction of the fixed part  
2                   of the urethra with or without a  
3                   metoidioplasty or a phalloplasty;

4                   “(xiii) penectomy;

5                   “(xiv) phalloplasty;

6                   “(xv) vaginoplasty;

7                   “(xvi) vaginectomy;

8                   “(xvii) vulvoplasty;

9                   “(xviii) reduction thyrochondroplasty;

10                  “(xix) chondrolaryngoplasty;

11                  “(xx) mastectomy; and

12                  “(xxi) any plastic, cosmetic, or aes-  
13                  thetic surgery that feminizes or  
14                  masculinizes the facial or other body fea-  
15                  tures of an individual.

16                  “(B) Any placement of chest implants to  
17                  create feminine breasts or any placement of  
18                  erection or testicular prostheses.

19                  “(C) Any placement of fat or artificial im-  
20                  plants in the gluteal region.

21                  “(D) Administering, prescribing, or dis-  
22                  pensing to an individual medications, includ-  
23                  ing—

24                               “(i) gonadotropin-releasing hormone  
25                               (GnRH) analogues or other puberty-block-

1           ing drugs to stop or delay normal puberty;  
2           and

3                   “(ii) testosterone, estrogen, or other  
4           androgens to an individual at doses that  
5           are supraphysiologic than would normally  
6           be produced endogenously in a healthy in-  
7           dividual of the same age and sex.

8           “(2) EXCEPTION.—Paragraph (1) shall not  
9           apply to the following when furnished to an indi-  
10          vidual by a health care provider with the consent of  
11          such individual’s parent or legal guardian:

12                   “(A) Puberty suppression or blocking pre-  
13          scription drugs for the purpose of normalizing  
14          puberty for an individual experiencing pre-  
15          cocious puberty.

16                   “(B) Medically necessary procedures or  
17          treatments to correct for—

18                           “(i) a medically verifiable disorder of  
19          sex development, including—

20                                   “(I) 46,XX chromosomes with  
21          virilization;

22                                   “(II) 46,XY chromosomes with  
23          undervirilization; and

24                                   “(III) both ovarian and testicular  
25          tissue;

1           “(ii) sex chromosome structure, sex  
2           steroid hormone production, or sex hor-  
3           mone action, if determined to be abnormal  
4           by a physician through genetic or bio-  
5           chemical testing;

6           “(iii) infection, disease, injury, or dis-  
7           order caused or exacerbated by a previous  
8           procedure described in paragraph (1), or a  
9           physical disorder, physical injury, or phys-  
10          ical illness that would, as certified by a  
11          physician, place the individual in imminent  
12          danger of death or impairment of a major  
13          bodily function unless the procedure is per-  
14          formed, not including procedures per-  
15          formed for the alleviation of mental dis-  
16          tress; or

17          “(iv) procedures to restore or recon-  
18          struct the body of the individual in order  
19          to correspond to the individual’s sex after  
20          one or more previous procedures described  
21          in paragraph (1), which may include the  
22          removal of a pseudo phallus or breast aug-  
23          mentation.

24          “(3) SEX.—For purposes of paragraph (1), the  
25          term ‘sex’ means either male or female, as bio-

1       logically determined and defined in paragraphs (4)  
2       and (5), respectively.

3           “(4) FEMALE.—For purposes of paragraph (3),  
4       the term ‘female’ means an individual who naturally  
5       has, had, will have, or would have, but for a develop-  
6       mental or genetic anomaly or historical accident, the  
7       reproductive system that at some point produces,  
8       transports, and utilizes eggs for fertilization.

9           “(5) MALE.—For purposes of paragraph (3),  
10       the term ‘male’ means an individual who naturally  
11       has, had, will have, or would have, but for a develop-  
12       mental or genetic anomaly or historical accident, the  
13       reproductive system that at some point produces,  
14       transports, and utilizes sperm for fertilization.”.

15   **SEC. 44126. FEDERAL PAYMENTS TO PROHIBITED ENTI-**  
16                           **TIES.**

17       (a) IN GENERAL.—No Federal funds that are consid-  
18       ered direct spending and provided to carry out a State  
19       plan under title XIX of the Social Security Act or a waiver  
20       of such a plan shall be used to make payments to a prohib-  
21       ited entity for items and services furnished during the 10-  
22       year period beginning on the date of the enactment of this  
23       Act, including any payments made directly to the prohib-  
24       ited entity or under a contract or other arrangement be-  
25       tween a State and a covered organization.

1 (b) DEFINITIONS.—In this section:

2 (1) PROHIBITED ENTITY.—The term “prohib-  
3 ited entity” means an entity, including its affiliates,  
4 subsidiaries, successors, and clinics—

5 (A) that, as of the date of enactment of  
6 this Act—

7 (i) is an organization described in sec-  
8 tion 501(c)(3) of the Internal Revenue  
9 Code of 1986 and exempt from tax under  
10 section 501(a) of such Code;

11 (ii) is an essential community provider  
12 described in section 156.235 of title 45,  
13 Code of Federal Regulations (as in effect  
14 on the date of enactment of this Act), that  
15 is primarily engaged in family planning  
16 services, reproductive health, and related  
17 medical care; and

18 (iii) provides for abortions, other than  
19 an abortion—

20 (I) if the pregnancy is the result  
21 of an act of rape or incest; or

22 (II) in the case where a woman  
23 suffers from a physical disorder, phys-  
24 ical injury, or physical illness, includ-  
25 ing a life-endangering physical condi-

1                   tion caused by or arising from the  
2                   pregnancy itself, that would, as cer-  
3                   tified by a physician, place the woman  
4                   in danger of death unless an abortion  
5                   is performed; and

6                   (B) for which the total amount of Federal  
7                   and State expenditures under the Medicaid pro-  
8                   gram under title XIX of the Social Security Act  
9                   in fiscal year 2024 made directly, or by a cov-  
10                  ered organization, to the entity or to any affili-  
11                  ates, subsidiaries, successors, or clinics of the  
12                  entity, or made to the entity or to any affiliates,  
13                  subsidiaries, successors, or clinics of the entity  
14                  as part of a nationwide health care provider  
15                  network, exceeded \$1,000,000.

16               (2) DIRECT SPENDING.—The term “direct  
17               spending” has the meaning given that term under  
18               section 250(c) of the Balanced Budget and Emer-  
19               gency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

20               (3) COVERED ORGANIZATION.—The term “cov-  
21               ered organization” means a managed care entity (as  
22               defined in section 1932(a)(1)(B) of the Social Secu-  
23               rity Act (42 U.S.C. 1396u–2(a)(1)(B))) or a prepaid  
24               inpatient health plan or prepaid ambulatory health  
25               plan (as such terms are defined in section

1 1903(m)(9)(D) of such Act (42 U.S.C.  
2 1396b(m)(9)(D))).

3 (4) STATE.—The term “State” has the mean-  
4 ing given such term in section 1101 of the Social Se-  
5 curity Act (42 U.S.C. 1301).

6 **Subpart C—Stopping Abusive Financing Practices**

7 **SEC. 44131. SUNSETTING ELIGIBILITY FOR INCREASED**  
8 **FMAP FOR NEW EXPANSION STATES.**

9 Section 1905(ii)(3) of the Social Security Act (42  
10 U.S.C. 1396d(ii)(3)) is amended—

11 (1) by striking “which has not” and inserting  
12 the following: “which—

13 “(A) has not”;

14 (2) in subparagraph (A), as so inserted, by  
15 striking the period at the end and inserting “; and”;  
16 and

17 (3) by adding at the end the following new sub-  
18 paragraph:

19 “(B) begins to expend amounts for all such  
20 individuals prior to January 1, 2026.”.

21 **SEC. 44132. MORATORIUM ON NEW OR INCREASED PRO-**  
22 **VIDER TAXES.**

23 Section 1903(w)(1)(A)(iii) of the Social Security Act  
24 (42 U.S.C. 1396b(w)(1)(A)(iii)) is amended—

25 (1) by striking “or” at the end;

1 (2) by striking “if there” and inserting “if—

2 “(I) there”; and

3 (3) by adding at the end the following new sub-  
4 clauses:

5 “(II) the tax is first imposed by the State  
6 (or by a unit of local government in the State)  
7 on or after the date of the enactment of this  
8 subclause (other than such a tax for which the  
9 legislation or regulations providing for the im-  
10 position of such tax were enacted or adopted  
11 prior to such date of enactment); or

12 “(III) on or after the date of the enact-  
13 ment of this subclause, the State (or unit of  
14 local government) increases the amount or rate  
15 of tax imposed with respect to a class of health  
16 care items or services (or with respect to a type  
17 of provider or activity within such a class), or  
18 increases the base of the tax such that the tax  
19 is imposed with respect to a class of items or  
20 services (or with respect to a type of provider  
21 or activity within such a class) to which the tax  
22 did not previously apply, but only to the extent  
23 that such revenues are attributable to such in-  
24 crease and only if such increase was not pro-

1           vided for in legislation or regulations enacted or  
2           adopted prior to such date of enactment; or”.

3 **SEC. 44133. REVISING THE PAYMENT LIMIT FOR CERTAIN**  
4 **STATE DIRECTED PAYMENTS.**

5           (a) IN GENERAL.—Subject to subsection (b), the Sec-  
6 retary of Health and Human Services shall revise section  
7 438.6(c)(2)(iii) of title 42, Code of Federal Regulations  
8 (or a successor regulation) such that, with respect to a  
9 payment described in such section made for a service fur-  
10 nished during a rating period beginning on or after the  
11 date of the enactment of this Act, the total payment rate  
12 for such service is limited to 100 percent of the specified  
13 total published Medicare payment rate.

14           (b) GRANDFATHERING CERTAIN PAYMENTS.—In the  
15 case of a payment described in section 438.6(c)(2)(iii) of  
16 title 42, Code of Federal Regulations (or a successor regu-  
17 lation) for which written prior approval was made before  
18 the date of the enactment of this Act for the rating period  
19 occurring as of such date of enactment, or a payment so  
20 described for such rating period for which a preprint was  
21 submitted to the Secretary of Health and Human Services  
22 prior to such date of enactment, the revisions described  
23 in subsection (a) shall not apply to such payment for such  
24 rating period and for any subsequent rating period if the

1 amount of such payment does not exceed the amount of  
2 such payment so approved.

3 (c) DEFINITIONS.—In this section:

4 (1) RATING PERIOD.—The term “rating pe-  
5 riod” has the meaning given such term in section  
6 438.2 of title 42, Code of Federal Regulations (or a  
7 successor regulation).

8 (2) TOTAL PUBLISHED MEDICARE PAYMENT  
9 RATE.—The term “total published Medicare pay-  
10 ment rate” means amounts calculated as payment  
11 for specific services that have been developed under  
12 part A or part B of title XVIII of the Social Secu-  
13 rity Act (42 U.S.C. 1395 et seq.).

14 (3) WRITTEN PRIOR APPROVAL.—The term  
15 “written prior approval” has the meaning given such  
16 term in section 438.6(c)(2)(i) of title 42, Code of  
17 Federal Regulations (or a successor regulation).

18 (d) FUNDING.—There are appropriated out of any  
19 monies in the Treasury not otherwise appropriated  
20 \$7,000,000 for each of fiscal years 2026 through 2033  
21 for purposes of carrying out this section.

1 **SEC. 44134. REQUIREMENTS REGARDING WAIVER OF UNI-**  
2 **FORM TAX REQUIREMENT FOR MEDICAID**  
3 **PROVIDER TAX.**

4 (a) IN GENERAL.—Section 1903(w) of the Social Se-  
5 curity Act (42 U.S.C. 1396b(w)) is amended—

6 (1) in paragraph (3)(E), by inserting after  
7 clause (ii)(II) the following new clause:

8 “(iii) For purposes of clause (ii)(I), a tax is not con-  
9 sidered to be generally redistributive if any of the following  
10 conditions apply:

11 “(I) Within a permissible class, the tax rate im-  
12 posed on any taxpayer or tax rate group (as defined  
13 in paragraph (7)(J)) explicitly defined by its rel-  
14 atively lower volume or percentage of Medicaid tax-  
15 able units (as defined in paragraph (7)(H)) is lower  
16 than the tax rate imposed on any other taxpayer or  
17 tax rate group explicitly defined by its relatively  
18 higher volume or percentage of Medicaid taxable  
19 units.

20 “(II) Within a permissible class, the tax rate  
21 imposed on any taxpayer or tax rate group (as so  
22 defined) based upon its Medicaid taxable units (as  
23 so defined) is higher than the tax rate imposed on  
24 any taxpayer or tax rate group based upon its non-  
25 Medicaid taxable unit (as defined in paragraph  
26 (7)(I)).

1           “(III) The tax excludes or imposes a lower tax  
2           rate on a taxpayer or tax rate group (as so defined)  
3           based on or defined by any description that results  
4           in the same effect as described in subclause (I) or  
5           (II) for a taxpayer or tax rate group. Characteristics  
6           that may indicate such type of exclusion include the  
7           use of terminology to establish a tax rate group—

8                   “(aa) based on payments or expenditures  
9                   made under the program under this title with-  
10                  out mentioning the term ‘Medicaid’ (or any  
11                  similar term) to accomplish the same effect as  
12                  described in subclause (I) or (II); or

13                   “(bb) that closely approximates a taxpayer  
14                   or tax rate group under the program under this  
15                   title, to the same effect as described in sub-  
16                   clause (I) or (II).”; and

17           (2) in paragraph (7), by adding at the end the  
18           following new subparagraphs:

19                   “(H) The term ‘Medicaid taxable unit’ means a  
20                   unit that is being taxed within a health care related  
21                   tax that is applicable to the program under this title.  
22                   Such term includes a unit that is used as the basis  
23                   for—

24                           “(i) payment under the program under this  
25                           title (such as Medicaid bed days);

1 “(ii) Medicaid revenue;

2 “(iii) costs associated with the program  
3 under this title (such as Medicaid charges,  
4 claims, or expenditures); and

5 “(iv) other units associated with the pro-  
6 gram under this title, as determined by the Sec-  
7 retary.

8 “(I) The term ‘non-Medicaid taxable unit’  
9 means a unit that is being taxed within a health  
10 care related tax that is not applicable to the pro-  
11 gram under this title. Such term includes a unit that  
12 is used as the basis for—

13 “(i) payment by non-Medicaid payers (such  
14 as non-Medicaid bed days);

15 “(ii) non-Medicaid revenue;

16 “(iii) costs that are not associated with the  
17 program under this title (such as non-Medicaid  
18 charges, non-Medicaid claims, or non-Medicaid  
19 expenditures); and

20 “(iv) other units not associated with the  
21 program under this title, as determined by the  
22 Secretary.

23 “(J) The term ‘tax rate group’ means a group  
24 of entities contained within a permissible class of a

1 health care related tax that are taxed at the same  
2 rate.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall take effect upon the date of enactment  
5 of this Act, subject to any applicable transition period de-  
6 termined appropriate by the Secretary of Health and  
7 Human Services, not to exceed 3 fiscal years.

8 **SEC. 44135. REQUIRING BUDGET NEUTRALITY FOR MED-**  
9 **ICAID DEMONSTRATION PROJECTS UNDER**  
10 **SECTION 1115.**

11 Section 1115 of the Social Security Act (42 U.S.C.  
12 1315) is amended by adding at the end the following new  
13 subsection:

14 “(g) **REQUIREMENT OF BUDGET NEUTRALITY FOR**  
15 **MEDICAID DEMONSTRATION PROJECTS.**—

16 “(1) **IN GENERAL.**—Beginning on the date of  
17 the enactment of this subsection, the Secretary may  
18 not approve an application for (or renewal or  
19 amendment of) an experimental, pilot, or demonstra-  
20 tion project undertaken under subsection (a) to pro-  
21 mote the objectives of title XIX in a State (in this  
22 subsection referred to as a ‘Medicaid demonstration  
23 project’) unless the Secretary certifies that such  
24 project is not expected to result in an increase in the  
25 amount of expenditures compared to the amount

1 that such expenditures would otherwise be in the ab-  
2 sence of such project.

3 “(2) TREATMENT OF SAVINGS.—In the event  
4 that expenditures with respect to a State under a  
5 Medicaid demonstration project are, during an ap-  
6 proval period for such project, less than the amount  
7 of such expenditures that would have otherwise been  
8 made in the absence of such project, the Secretary  
9 shall specify the methodology to be used with respect  
10 to any subsequent approval period for such project  
11 for purposes of taking the difference between such  
12 expenditures into account.”.

13 **Subpart D—Increasing Personal Accountability**

14 **SEC. 44141. REQUIREMENT FOR STATES TO ESTABLISH**  
15 **MEDICAID COMMUNITY ENGAGEMENT RE-**  
16 **QUIREMENTS FOR CERTAIN INDIVIDUALS.**

17 (a) IN GENERAL.—Section 1902 of the Social Secu-  
18 rity Act (42 U.S.C. 1396a), as amended by sections 44103  
19 and 44104, is further amended by adding at the end the  
20 following new subsection:

21 “(xx) COMMUNITY ENGAGEMENT REQUIREMENT FOR  
22 APPLICABLE INDIVIDUALS.—

23 “(1) IN GENERAL.—Beginning January 1,  
24 2029, subject to the succeeding provisions of this  
25 subsection, a State shall provide, as a condition of

1 eligibility for medical assistance for an applicable in-  
2 dividual, that such individual is required to dem-  
3 onstrate community engagement under paragraph  
4 (2)—

5 “(A) in the case of an applicable individual  
6 who has filed an application for medical assist-  
7 ance under a State plan (or a waiver of such  
8 plan) under this title, for 1 or more (as speci-  
9 fied by the State) consecutive months imme-  
10 diately preceding the month during which such  
11 individual applies for such medical assistance;  
12 and

13 “(B) in the case of an applicable individual  
14 enrolled and receiving medical assistance under  
15 a State plan (or under a waiver of such plan)  
16 under this title, for 1 or more (as specified by  
17 the State) months, whether or not consecu-  
18 tive—

19 “(i) during the period between such  
20 individual’s most recent determination (or  
21 redetermination, as applicable) of eligibility  
22 and such individual’s next regularly sched-  
23 uled redetermination of eligibility (as  
24 verified by the State as part of such regu-

1           larly scheduled redetermination of eligi-  
2           bility); or

3                   “(ii) in the case of a State that has  
4           elected under paragraph (4) to conduct  
5           more frequent verifications of compliance  
6           with the requirement to demonstrate com-  
7           munity engagement, during the period be-  
8           tween the most recent and next such  
9           verification with respect to such individual.

10           “(2) COMMUNITY ENGAGEMENT COMPLIANCE  
11           DESCRIBED.—Subject to paragraph (3), an applica-  
12           ble individual demonstrates community engagement  
13           under this paragraph for a month if such individual  
14           meets 1 or more of the following conditions with re-  
15           spect to such month, as determined in accordance  
16           with criteria established by the Secretary through  
17           regulation:

18                   “(A) The individual works not less than 80  
19           hours.

20                   “(B) The individual completes not less  
21           than 80 hours of community service.

22                   “(C) The individual participates in a work  
23           program for not less than 80 hours.

24                   “(D) The individual is enrolled in an edu-  
25           cational program at least half-time.

1           “(E) The individual engages in any com-  
2           bination of the activities described in subpara-  
3           graphs (A) through (D), for a total of not less  
4           than 80 hours.

5           “(F) The individual has a monthly income  
6           that is not less than the applicable minimum  
7           wage requirement under section 6 of the Fair  
8           Labor Standards Act of 1938, multiplied by 80  
9           hours.

10          “(3) EXCEPTIONS.—

11                 “(A) MANDATORY EXCEPTION FOR CER-  
12                 TAIN INDIVIDUALS.—The State shall deem an  
13                 applicable individual to have demonstrated com-  
14                 munity engagement under paragraph (2) for a  
15                 month if—

16                         “(i) for part or all of such month, the  
17                         individual—

18                                 “(I) was a specified excluded in-  
19                                 dividual (as defined in paragraph  
20                                 (9)(A)(ii)); or

21                                 “(II) was—

22   “(aa) under the age of 19;

23   “(bb) pregnant or entitled to  
24   postpartum medical assistance

1 under paragraph (5) or (16) of  
2 subsection (e);

3 “(cc) entitled to, or enrolled  
4 for, benefits under part A of title  
5 XVIII, or enrolled for benefits  
6 under part B of title XVIII; or

7 “(dd) described in any of  
8 subclauses (I) through (VII) of  
9 subsection (a)(10)(A)(i); or

10 “(ii) at any point during the 3-month  
11 period ending on the first day of such  
12 month, the individual was an inmate of a  
13 public institution.

14 “(B) OPTIONAL EXCEPTION FOR SHORT-  
15 TERM HARDSHIP EVENTS.—

16 “(i) IN GENERAL.—The State plan (or  
17 waiver of such plan) may provide, in the  
18 case of an applicable individual who experi-  
19 ences a short-term hardship event during a  
20 month, that the State shall, upon the re-  
21 quest of such individual under procedures  
22 established by the State (in accordance  
23 with standards specified by the Secretary),  
24 deem such individual to have demonstrated

1 community engagement under paragraph  
2 (2) for such month.

3 “(ii) SHORT-TERM HARDSHIP EVENT  
4 DEFINED.—For purposes of this subpara-  
5 graph, an applicable individual experiences  
6 a short-term hardship event during a  
7 month if, for part or all of such month—

8 “(I) such individual receives in-  
9 patient hospital services, nursing facil-  
10 ity services, services in an inter-  
11 mediate care facility for individuals  
12 with intellectual disabilities, inpatient  
13 psychiatric hospital services, or such  
14 other services as the Secretary deter-  
15 mines appropriate;

16 “(II) such individual resides in a  
17 county (or equivalent unit of local  
18 government)—

19 “(aa) in which there exists  
20 an emergency or disaster de-  
21 clared by the President pursuant  
22 to the National Emergencies Act  
23 or the Robert T. Stafford Dis-  
24 aster Relief and Emergency As-  
25 sistance Act; or

1                   “(bb) that, subject to a re-  
2                   quest from the State to the Sec-  
3                   retary, made in such form, at  
4                   such time, and containing such  
5                   information as the Secretary may  
6                   require, has an unemployment  
7                   rate that is at or above the lesser  
8                   of—

9   “(AA) 8 percent; or

10    “(BB) 1.5 times the  
11    national unemployment rate;

12    or

13    “(III) such individual experiences  
14    any other short-term hardship (as de-  
15    fined by the Secretary).

16                   “(4) OPTION TO CONDUCT MORE FREQUENT  
17                   COMPLIANCE VERIFICATIONS.—With respect to an  
18                   applicable individual enrolled and receiving medical  
19                   assistance under a State plan (or a waiver of such  
20                   plan) under this title, the State shall verify (in ac-  
21                   cordance with procedures specified by the Secretary)  
22                   that each such individual has met the requirement  
23                   to demonstrate community engagement under para-  
24                   graph (1) during each such individual’s regularly  
25                   scheduled redetermination of eligibility, except that a

1 State may provide for such verifications more fre-  
2 quently.

3 “(5) EX PARTE VERIFICATIONS.—For purposes  
4 of verifying that an applicable individual has met the  
5 requirement to demonstrate community engagement  
6 under paragraph (1), the State shall, in accordance  
7 with standards established by the Secretary, estab-  
8 lish processes and use reliable information available  
9 to the State (such as payroll data) without requir-  
10 ing, where possible, the applicable individual to sub-  
11 mit additional information.

12 “(6) PROCEDURE IN THE CASE OF NONCOMPLI-  
13 ANCE.—

14 “(A) IN GENERAL.—If a State is unable to  
15 verify that an applicable individual has met the  
16 requirement to demonstrate community engage-  
17 ment under paragraph (1) (including, if appli-  
18 cable, by verifying that such individual was  
19 deemed to have demonstrated community en-  
20 gagement under paragraph (3)) the State shall  
21 (in accordance with standards specified by the  
22 Secretary)—

23 “(i) provide such individual with the  
24 notice of noncompliance described in sub-  
25 paragraph (B);

1           “(ii) (I) provide such individual with a  
2           period of 30 calendar days, beginning on  
3           the date on which such notice of non-  
4           compliance is received by the individual,  
5           to—

6                       “(aa) make a satisfactory show-  
7                       ing to the State of compliance with  
8                       such requirement (including, if appli-  
9                       cable, by showing that such individual  
10                      was deemed to have demonstrated  
11                      community engagement under para-  
12                      graph (3)); or

13                     “(bb) make a satisfactory show-  
14                     ing to the State that such require-  
15                     ment does not apply to such indi-  
16                     vidual on the basis that such indi-  
17                     vidual does not meet the definition of  
18                     applicable individual under paragraph  
19                     (9)(A); and

20                    “(II) if such individual is enrolled  
21                    under the State plan (or a waiver of such  
22                    plan) under this title, continue to provide  
23                    such individual with medical assistance  
24                    during such 30-calendar-day period; and

1           “(iii) if no such satisfactory showing  
2           is made and the individual is not a speci-  
3           fied excluded individual described in para-  
4           graph (9)(A)(ii), deny such individual’s ap-  
5           plication for medical assistance under the  
6           State plan (or waiver of such plan) or, as  
7           applicable, disenroll such individual from  
8           the plan (or waiver of such plan) not later  
9           than the end of the month following the  
10          month in which such 30-calendar-day pe-  
11          riod ends, provided that—

12                   “(I) the State first determines  
13                   whether, with respect to the indi-  
14                   vidual, there is any other basis for eli-  
15                   gibility for medical assistance under  
16                   the State plan (or waiver of such  
17                   plan) or for another insurance afford-  
18                   ability program; and

19                   “(II) the individual is provided  
20                   written notice and granted an oppor-  
21                   tunity for a fair hearing in accordance  
22                   with subsection (a)(3).

23                   “(B) NOTICE.—The notice of noncompli-  
24                   ance provided to an applicable individual under  
25                   subparagraph (A)(i) shall include information

1 (in accordance with standards specified by the  
2 Secretary) on—

3 “(i) how such individual may make a  
4 satisfactory showing of compliance with  
5 such requirement (as described in subpara-  
6 graph (A)(ii)) or make a satisfactory show-  
7 ing that such requirement does not apply  
8 to such individual on the basis that such  
9 individual does not meet the definition of  
10 applicable individual under paragraph  
11 (9)(A); and

12 “(ii) how such individual may reapply  
13 for medical assistance under the State plan  
14 (or a waiver of such plan) under this title  
15 in the case that such individuals’ applica-  
16 tion is denied or, as applicable, in the case  
17 that such individual is disenrolled from the  
18 plan (or waiver).

19 “(7) TREATMENT OF NONCOMPLIANT INDIVID-  
20 UALS IN RELATION TO CERTAIN OTHER PROVI-  
21 SIONS.—

22 “(A) CERTAIN FMAP INCREASES.—A State  
23 shall not be treated as not providing medical as-  
24 sistance to all individuals described in section  
25 1902(a)(10)(A)(i)(VIII), or as not expending

1 amounts for all such individuals under the  
2 State plan (or waiver of such plan), solely be-  
3 cause such an individual is determined ineligible  
4 for medical assistance under the State plan (or  
5 waiver) on the basis of a failure to meet the re-  
6 quirement to demonstrate community engage-  
7 ment under paragraph (1).

8 “(B) OTHER PROVISIONS.—For purposes  
9 of section 36B(c)(2)(B) of the Internal Revenue  
10 Code of 1986, an individual shall be deemed to  
11 be eligible for minimum essential coverage de-  
12 scribed in section 5000A(f)(1)(A)(ii) of such  
13 Code for a month if such individual would have  
14 been eligible for medical assistance under a  
15 State plan (or a waiver of such plan) under this  
16 title but for a failure to meet the requirement  
17 to demonstrate community engagement under  
18 paragraph (1).

19 “(8) OUTREACH.—

20 “(A) IN GENERAL.—In accordance with  
21 standards specified by the Secretary, beginning  
22 not later than October 1, 2028 (or, if earlier,  
23 the date that precedes January 1, 2029, by the  
24 number of months specified by the State under  
25 paragraph (1)(A) plus 3 months), and periodi-

1 cally thereafter, the State shall notify applicable  
2 individuals enrolled under a State plan (or  
3 waiver) under this title of the requirement to  
4 demonstrate community engagement under this  
5 subsection. Such notice shall include informa-  
6 tion on—

7 “(i) how to comply with such require-  
8 ment, including an explanation of the ex-  
9 ceptions to such requirement under para-  
10 graph (3) and the definition of the term  
11 ‘applicable individual’ under paragraph  
12 (9)(A);

13 “(ii) the consequences of noncompli-  
14 ance with such requirement; and

15 “(iii) how to report to the State any  
16 change in the individual’s status that could  
17 result in—

18 “(I) the applicability of an excep-  
19 tion under paragraph (3) (or the end  
20 of the applicability of such an excep-  
21 tion); or

22 “(II) the individual qualifying as  
23 a specified excluded individual under  
24 paragraph (9)(A)(ii).

1           “(B) FORM OF OUTREACH NOTICE.—A no-  
2           tice required under subparagraph (A) shall be  
3           delivered—

4                   “(i) by regular mail (or, if elected by  
5                   the individual, in an electronic format);  
6                   and

7                   “(ii) in 1 or more additional forms,  
8                   which may include telephone, text message,  
9                   an internet website, other commonly avail-  
10                  able electronic means, and such other  
11                  forms as the Secretary determines appro-  
12                  priate.

13           “(9) DEFINITIONS.—In this subsection:

14                   “(A) APPLICABLE INDIVIDUAL.—

15                           “(i) IN GENERAL.—The term ‘applica-  
16                           ble individual’ means an individual (other  
17                           than a specified excluded individual (as de-  
18                           fined in clause (ii)))—

19                                   “(I) who is eligible to enroll (or  
20                                   is enrolled) under the State plan  
21                                   under subsection (a)(10)(A)(i)(VIII);  
22                                   or

23   “(II) who—

24   “(aa) is otherwise eligible to  
25   enroll (or is enrolled) under a

1 waiver of such plan that provides  
2 coverage that is equivalent to  
3 minimum essential coverage (as  
4 described in section  
5 5000A(f)(1)(A) of the Internal  
6 Revenue Code of 1986 and as de-  
7 termined in accordance with  
8 standards prescribed by the Sec-  
9 retary in regulations); and

10 “(bb) has attained the age  
11 of 19 and is under 65 years of  
12 age, is not pregnant, is not enti-  
13 tled to, or enrolled for, benefits  
14 under part A of title XVIII, or  
15 enrolled for benefits under part  
16 B of title XVIII, and is not oth-  
17 erwise eligible to enroll under  
18 such plan.

19 “(ii) SPECIFIED EXCLUDED INDI-  
20 VIDUAL.—For purposes of clause (i), the  
21 term ‘specified excluded individual’ means  
22 an individual, as determined by the State  
23 (in accordance with standards specified by  
24 the Secretary)—

1                   “(I) who is described in sub-  
2 section (a)(10)(A)(i)(IX);

3                   “(II) who—

4                   “(aa) is an Indian or an  
5 Urban Indian (as such terms are  
6 defined in paragraphs (13) and  
7 (28) of section 4 of the Indian  
8 Health Care Improvement Act);

9                   “(bb) is a California Indian  
10 described in section 809(a) of  
11 such Act; or

12                   “(cc) has otherwise been de-  
13 termined eligible as an Indian for  
14 the Indian Health Service under  
15 regulations promulgated by the  
16 Secretary;

17                   “(III) who is the parent, guard-  
18 ian, or caretaker relative of a disabled  
19 individual or a dependent child;

20                   “(IV) who is a veteran with a  
21 disability rated as total under section  
22 1155 of title 38, United States Code;

23                   “(V) who is medically frail or  
24 otherwise has special medical needs

1 (as defined by the Secretary), includ-  
2 ing an individual—

3 “(aa) who is blind or dis-  
4 abled (as defined in section  
5 1614);

6 “(bb) with a substance use  
7 disorder;

8 “(cc) with a disabling men-  
9 tal disorder;

10 “(dd) with a physical, intel-  
11 lectual or developmental dis-  
12 ability that significantly impairs  
13 their ability to perform 1 or more  
14 activities of daily living;

15 “(ee) with a serious and  
16 complex medical condition; or

17 “(ff) subject to the approval  
18 of the Secretary, with any other  
19 medical condition identified by  
20 the State that is not otherwise  
21 identified under this clause;

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);

13                   “(VIII) who is an inmate of a  
14 public institution; or

15                   “(IX) who meets such other cri-  
16 teria as the Secretary determines ap-  
17 propriate.

18                   “(B) EDUCATIONAL PROGRAM.—The term  
19 ‘educational program’ means—

20                   “(i) an institution of higher education  
21 (as defined in section 101 of the Higher  
22 Education Act of 1965);

23                   “(ii) a program of career and tech-  
24 nical education (as defined in section 3 of

1 the Carl D. Perkins Career and Technical  
2 Education Act of 2006); or

3 “(iii) any other educational program  
4 that meets such criteria as the Secretary  
5 determines appropriate.

6 “(C) STATE.—The term ‘State’ means 1 of  
7 the 50 States or the District of Columbia.

8 “(D) WORK PROGRAM.—The term ‘work  
9 program’ has the meaning given such term in  
10 section 6(o)(1) of the Food and Nutrition Act  
11 of 2008.

12 “(10) PROHIBITING WAIVER OF COMMUNITY  
13 ENGAGEMENT REQUIREMENTS.—Notwithstanding  
14 section 1115(a), the provisions of this subsection  
15 may not be waived.”.

16 (b) CONFORMING AMENDMENT.—Section  
17 1902(a)(10)(A)(i)(VIII) of the Social Security Act (42  
18 U.S.C. 1396a(a)(10)(A)(i)(VIII)) is amended by striking  
19 “subject to subsection (k)” and inserting “subject to sub-  
20 sections (k) and (xx)”.

21 (c) RULEMAKING.—Not later than July 1, 2027, the  
22 Secretary of Health and Human Services shall promulgate  
23 regulations for purposes of carrying out the amendments  
24 made by this section.

25 (d) GRANTS TO STATES.—

1           (1) IN GENERAL.—The Secretary of Health and  
2           Human Services shall, out of amounts appropriated  
3           under paragraph (3), award to each State a grant  
4           equal to the amount specified in paragraph (2) for  
5           such State for purposes of establishing systems nec-  
6           essary to carry out the provisions of, and amend-  
7           ments made by, this section.

8           (2) AMOUNT SPECIFIED.—For purposes of  
9           paragraph (2), the amount specified in this para-  
10          graph is an amount that bears the same ratio to the  
11          amount appropriated under paragraph (3) as the  
12          number of applicable individuals (as defined in sec-  
13          tion 1902(xx) of the Social Security Act, as added  
14          by subsection (a)) residing in such State bears to  
15          the total number of such individuals residing in all  
16          States.

17          (3) FUNDING.—There are appropriated, out of  
18          any monies in the Treasury not otherwise appro-  
19          priated, \$100,000,000 for fiscal year 2026 for pur-  
20          poses of awarding grants under paragraph (1).

21          (4) DEFINITION.—In this subsection, the term  
22          “State” means 1 of the 50 States and the District  
23          of Columbia.

24          (e) IMPLEMENTATION FUNDING.—For the purposes  
25          of carrying out the provisions of, and the amendments

1 made by, this section, there are appropriated, out of any  
2 monies in the Treasury not otherwise appropriated, to the  
3 Secretary of Health and Human Services, \$50,000,000 for  
4 fiscal year 2026, to remain available until expended.

5 **SEC. 44142. MODIFYING COST SHARING REQUIREMENTS**  
6 **FOR CERTAIN EXPANSION INDIVIDUALS**  
7 **UNDER THE MEDICAID PROGRAM.**

8 (a) IN GENERAL.—Section 1916 of the Social Secu-  
9 rity Act (42 U.S.C. 1396o) is amended—

10 (1) in subsection (a), in the matter preceding  
11 paragraph (1), by inserting “(other than, beginning  
12 October 1, 2028, specified individuals (as defined in  
13 subsection (k)(3)))” after “individuals”; and

14 (2) by adding at the end the following new sub-  
15 section:

16 “(k) SPECIAL RULES FOR CERTAIN EXPANSION IN-  
17 DIVIDUALS.—

18 “(1) PREMIUMS.—Beginning October 1, 2028,  
19 the State plan shall provide that in the case of a  
20 specified individual (as defined in paragraph (3))  
21 who is eligible under the plan, no enrollment fee,  
22 premium, or similar charge will be imposed under  
23 the plan.

24 “(2) REQUIRED IMPOSITION OF COST SHAR-  
25 ING.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B) and subsection (j), in the case of a  
3 specified individual, the State plan shall, begin-  
4 ning October 1, 2028, provide for the imposi-  
5 tion of such deductions, cost sharing, or similar  
6 charges determined appropriate by the State (in  
7 an amount greater than \$0) with respect to  
8 medical assistance furnished to such an indi-  
9 vidual.

10           “(B) LIMITATIONS.—

11           “(i) EXCLUSION OF CERTAIN SERV-  
12 ICES.—In no case may a deduction, cost  
13 sharing, or similar charge be imposed  
14 under the State plan with respect to serv-  
15 ices described in any of subparagraphs (B)  
16 through (J) of subsection (a)(2), or any  
17 primary care services, mental health care  
18 services, or substance use disorder services,  
19 furnished to a specified individual.

20           “(ii) ITEM AND SERVICE LIMITA-  
21 TION.—

22           “(I) IN GENERAL.—Except as  
23 provided in subclause (II), in no case  
24 may a deduction, cost sharing, or  
25 similar charge imposed under the

1 State plan with respect to an item or  
2 service furnished to a specified indi-  
3 vidual exceed \$35.

4 “(II) SPECIAL RULES FOR PRE-  
5 SCRIPTON DRUGS.—In no case may a  
6 deduction, cost sharing, or similar  
7 charge imposed under the State plan  
8 with respect to a prescription drug  
9 furnished to a specified individual ex-  
10 ceed the limit that would be applicable  
11 under paragraph (2)(A)(i) or (2)(B)  
12 of section 1916A(c) with respect to  
13 such drug and individual if such drug  
14 so furnished were subject to cost shar-  
15 ing under such section.

16 “(iii) MAXIMUM LIMIT ON COST SHAR-  
17 ING.—The total aggregate amount of de-  
18 ductions, cost sharing, or similar charges  
19 imposed under the State plan for all indi-  
20 viduals in the family may not exceed 5 per-  
21 cent of the family income of the family in-  
22 volved, as applied on a quarterly or month-  
23 ly basis (as specified by the State).

24 “(C) CASES OF NONPAYMENT.—Notwith-  
25 standing subsection (e) or any other provision

1 of law, a State may permit a provider partici-  
2 pating under the State plan to require, as a  
3 condition for the provision of care, items, or  
4 services to a specified individual entitled to  
5 medical assistance under this title for such  
6 care, items, or services, the payment of any de-  
7 ductions, cost sharing, or similar charges au-  
8 thorized to be imposed with respect to such  
9 care, items, or services. Nothing in this sub-  
10 paragraph shall be construed as preventing a  
11 provider from reducing or waiving the applica-  
12 tion of such deductions, cost sharing, or similar  
13 charges on a case-by-case basis.

14 “(3) SPECIFIED INDIVIDUAL DEFINED.—For  
15 purposes of this subsection, the term ‘specified indi-  
16 vidual’ means an individual who has a family income  
17 (as determined in accordance with section  
18 1902(e)(14)) that exceeds the poverty line (as de-  
19 fined in section 2110(c)(5)) applicable to a family of  
20 the size involved and—

21 “(A) is enrolled under section  
22 1902(a)(10)(A)(i)(VIII); or

23 “(B) is described in such subsection and  
24 otherwise enrolled under a waiver of such plan  
25 that provides coverage that is equivalent to

1 minimum essential coverage (as described in  
2 section 5000A(f)(1)(A) of the Internal Revenue  
3 Code of 1986 and determined in accordance  
4 with standards prescribed by the Secretary in  
5 regulations) to all individuals described in sec-  
6 tion 1902(a)(10)(A)(i)(VIII).”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) REQUIRED APPLICATION.—Section  
9 1902(a)(14) of the Social Security Act (42 U.S.C.  
10 1396a(a)(14)) is amended by inserting “and provide  
11 for imposition of such deductions, cost sharing, or  
12 similar charges for medical assistance furnished to  
13 specified individuals (as defined in paragraph (3) of  
14 section 1916(k)) in accordance with paragraph (2)  
15 of such section” after “section 1916”.

16 (2) NONAPPLICABILITY OF ALTERNATIVE COST  
17 SHARING.—Section 1916A(a)(1) of the Social Secu-  
18 rity Act (42 U.S.C. 1396o–1(a)(1)) is amended, in  
19 the second sentence, by striking “or (j)” and insert-  
20 ing “(j), or (k)”.

21 **PART 2—AFFORDABLE CARE ACT**

22 **SEC. 44201. ADDRESSING WASTE, FRAUD, AND ABUSE IN**  
23 **THE ACA EXCHANGES.**

24 (a) CHANGES TO ENROLLMENT PERIODS FOR EN-  
25 ROLLING IN EXCHANGES.—Section 1311 of the Patient

1 Protection and Affordable Care Act (42 U.S.C. 18031) is  
2 amended—

3 (1) in subsection (c)(6)—

4 (A) by striking subparagraph (A);

5 (B) by striking “The Secretary” and in-  
6 serting the following:

7 “(A) IN GENERAL.—The Secretary”;

8 (C) by redesignating subparagraphs (B)  
9 through (D) as clauses (i) through (iii), respec-  
10 tively, and adjusting the margins accordingly;

11 (D) in clause (i), as so redesignated, by  
12 striking “periods, as determined by the Sec-  
13 retary for calendar years after the initial enroll-  
14 ment period;” and inserting the following: “pe-  
15 riods for plans offered in the individual mar-  
16 ket—

17 “(I) for enrollment for plan years  
18 beginning before January 1, 2026, as  
19 determined by the Secretary; and

20 “(II) for enrollment for plan  
21 years beginning on or after January  
22 1, 2026, beginning on November 1  
23 and ending on December 15 of the  
24 preceding calendar year;”;

1 (E) in clause (ii), as so redesignated, by  
2 inserting “subject to subparagraph (B),” before  
3 “special enrollment periods specified”; and

4 (F) by adding at the end the following new  
5 subparagraph:

6 “(B) PROHIBITED SPECIAL ENROLLMENT  
7 PERIOD.—With respect to plan years beginning  
8 on or after January 1, 2026, the Secretary may  
9 not require an Exchange to provide for a spe-  
10 cial enrollment period for an individual on the  
11 basis of the relationship of the income of such  
12 individual to the poverty line, other than a spe-  
13 cial enrollment period based on a change in cir-  
14 cumstances or the occurrence of a specific  
15 event.”; and

16 (2) in subsection (d), by adding at the end the  
17 following new paragraphs:

18 “(8) PROHIBITED ENROLLMENT PERIODS.—An  
19 Exchange may not provide for, with respect to en-  
20 rollment for plan years beginning on or after Janu-  
21 ary 1, 2026—

22 “(A) an annual open enrollment period  
23 other than the period described in subpara-  
24 graph (A)(i) of subsection (c)(6); or

1           “(B) a special enrollment period described  
2           in subparagraph (B) of such subsection.

3           “(9) VERIFICATION OF ELIGIBILITY FOR SPE-  
4           CIAL ENROLLMENT PERIODS.—

5           “(A) IN GENERAL.—With respect to enroll-  
6           ment for plan years beginning on or after Janu-  
7           ary 1, 2026, an Exchange shall verify that each  
8           individual seeking to enroll in a qualified health  
9           plan offered by the Exchange during a special  
10          enrollment period selected under subparagraph  
11          (B) is eligible to enroll during such special en-  
12          rollment period prior to enrolling such indi-  
13          vidual in such plan.

14          “(B) SELECTED SPECIAL ENROLLMENT  
15          PERIODS.—For purposes of subparagraph (A),  
16          an Exchange shall select one or more special  
17          enrollment periods for a plan year with respect  
18          to which such Exchange shall conduct the  
19          verification required under subparagraph (A)  
20          such that the Exchange conducts such  
21          verification for not less than 75 percent of all  
22          individuals enrolling in a qualified health plan  
23          offered by the Exchange during any special en-  
24          rollment period with respect to such plan  
25          year.”.

1 (b) VERIFYING INCOME FOR INDIVIDUALS ENROLL-  
2 ING IN A QUALIFIED HEALTH PLAN THROUGH AN EX-  
3 CHANGE.—

4 (1) IN GENERAL.—Section 1411(e)(4) of the  
5 Patient Protection and Affordable Care Act (42  
6 U.S.C. 18081(e)(4)) is amended—

7 (A) by redesignating subparagraph (C) as  
8 subparagraph (E); and

9 (B) by inserting after subparagraph (B)  
10 the following new subparagraphs:

11 “(C) REQUIRING VERIFICATION OF IN-  
12 COME AND FAMILY SIZE WHEN TAX DATA IS  
13 UNAVAILABLE.—For plan years beginning on or  
14 after January 1, 2026, for purposes of subpara-  
15 graph (A), in the case that the Exchange re-  
16 quests data from the Secretary of the Treasury  
17 regarding an individual’s household income and  
18 the Secretary of the Treasury does not return  
19 such data, such information may not be verified  
20 solely on the basis of the attestation of such in-  
21 dividual with respect to such household income,  
22 and the Exchange shall take the actions de-  
23 scribed in subparagraph (A).

1           “(D) REQUIRING VERIFICATION OF IN-  
2 COME IN THE CASE OF CERTAIN INCOME DIS-  
3 CREPANCIES.—

4           “(i) IN GENERAL.—Subject to clause  
5 (iii), for plan years beginning on or after  
6 January 1, 2026, for purposes of subpara-  
7 graph (A), in the case that a specified in-  
8 come discrepancy described in clause (ii) of  
9 this subparagraph exists with respect to  
10 the information provided by an applicant  
11 under subsection (b)(3), the household in-  
12 come of such individual shall be treated as  
13 inconsistent with information in the  
14 records maintained by persons under sub-  
15 section (c), or as not verified under sub-  
16 section (d), and the Exchange shall take  
17 the actions described in such subparagraph  
18 (A).

19           “(ii) SPECIFIED INCOME DISCREP-  
20 ANCY.—For purposes of clause (i), a speci-  
21 fied income discrepancy exists with respect  
22 to the information provided by an appli-  
23 cant under subsection (b)(3) if—

24           “(I) the applicant attests to a  
25 projected annual household income

1 that would qualify such applicant to  
2 be an applicable taxpayer under sec-  
3 tion 36B(c)(1)(A) of the Internal Rev-  
4 enue Code of 1986 with respect to the  
5 taxable year involved;

6 “(II) the Exchange receives data  
7 from the Secretary of the Treasury or  
8 other reliable, third party data, that  
9 indicates that the household income of  
10 such applicant is less than the house-  
11 hold income that would qualify such  
12 applicant to be an applicable taxpayer  
13 under such section 36B(c)(1)(A) with  
14 respect to the taxable year involved;

15 “(III) such attested projected an-  
16 nual household income exceeds the in-  
17 come reflected in the data described in  
18 subclause (II) by a reasonable thresh-  
19 old established by the Exchange and  
20 approved by the Secretary (which  
21 shall be not less than 10 percent, and  
22 may also be a dollar amount); and

23 “(IV) the Exchange has not as-  
24 sessed or determined based on the  
25 data described in subclause (II) that

1 the household income of the applicant  
2 meets the applicable income-based eli-  
3 gibility standard for the Medicaid pro-  
4 gram under title XIX of the Social  
5 Security Act or the State children’s  
6 health insurance program under title  
7 XXI of such Act.

8 “(iii) EXCLUSION OF CERTAIN INDI-  
9 VIDUALS INELIGIBLE FOR MEDICAID.—  
10 This subparagraph shall not apply in the  
11 case of an applicant who is an alien law-  
12 fully present in the United States, who is  
13 not eligible for the Medicaid program  
14 under title XIX of the Social Security Act  
15 by reason of such alien status.”.

16 (2) REQUIRING INDIVIDUALS ON WHOSE BE-  
17 HALF ADVANCE PAYMENTS OF THE PREMIUM TAX  
18 CREDITS ARE MADE TO FILE AND RECONCILE ON AN  
19 ANNUAL BASIS.—Section 1412(b) of the Patient  
20 Protection and Affordable Care Act (42 U.S.C.  
21 18082(b)) is amended by adding at the end the fol-  
22 lowing new paragraph:

23 “(3) ANNUAL REQUIREMENT TO FILE AND REC-  
24 ONCILE.—

1           “(A) IN GENERAL.—For plan years begin-  
2           ning on or after January 1, 2026, in the case  
3           of an individual with respect to whom any ad-  
4           vance payment of the premium tax credit allow-  
5           able under section 36B of the Internal Revenue  
6           Code of 1986 was made under this section to  
7           the issuer of a qualified health plan for the rel-  
8           evant prior tax year, an advance determination  
9           of eligibility for such premium tax credit may  
10          not be made under this subsection with respect  
11          to such individual and such plan year if the Ex-  
12          change determines, based on information pro-  
13          vided by the Secretary of the Treasury, that  
14          such individual—

15                 “(i) has not filed an income tax re-  
16                 turn, as required under sections 6011 and  
17                 6012 of such Code (and implementing reg-  
18                 ulations), for the relevant prior tax year;  
19                 or

20                 “(ii) as necessary, has not reconciled  
21                 (in accordance with subsection (f) of such  
22                 section 36B) the advance payment of the  
23                 premium tax credit made with respect to  
24                 such individual for such relevant prior tax  
25                 year.

1           “(B) RELEVANT PRIOR TAX YEAR.—For  
2 purposes of subparagraph (A), the term ‘rel-  
3 evant prior tax year’ means, with respect to the  
4 advance determination of eligibility made under  
5 this subsection with respect to an individual,  
6 the taxable year for which tax return data  
7 would be used for purposes of verifying the  
8 household income and family size of such indi-  
9 vidual (as described in section 1411(b)(3)(A)).

10           “(C) PRELIMINARY ATTESTATION.—If an  
11 individual subject to subparagraph (A) attests  
12 that such individual has fulfilled the require-  
13 ments to file an income tax return for the rel-  
14 evant prior tax year and, as necessary, to rec-  
15 oncile the advance payment of the premium tax  
16 credit made with respect to such individual for  
17 such relevant prior tax year (as described in  
18 clauses (i) and (ii) of such subparagraph), the  
19 Secretary may make an initial advance deter-  
20 mination of eligibility with respect to such indi-  
21 vidual and may delay for a reasonable period  
22 (as determined by the Secretary) any deter-  
23 mination based on information provided by the  
24 Secretary of the Treasury that such individual  
25 has not fulfilled such requirements.

1           “(D) NOTICE.—If the Secretary deter-  
2           mines that an individual did not meet the re-  
3           quirements described in subparagraph (A) with  
4           respect to the relevant prior tax year and noti-  
5           fies the Exchange of such determination, the  
6           Exchange shall comply with the notification re-  
7           quirement described in section 155.305(f)(4)(i)  
8           of title 45, Code of Federal Regulations (as in  
9           effect with respect to plan year 2025).”.

10           (3) REMOVING AUTOMATIC EXTENSION OF PE-  
11           RIOD TO RESOLVE INCOME INCONSISTENCIES.—The  
12           Secretary of Health and Human Services shall revise  
13           section 155.315(f) of title 45, Code of Federal Regu-  
14           lations (or any successor regulation), to remove  
15           paragraph (7) of such section such that, with respect  
16           to enrollment for plan years beginning on or after  
17           January 1, 2026, in the case that an Exchange es-  
18           tablished under subtitle D of title I of the Patient  
19           Protection and Affordable Care Act (42 U.S.C.  
20           18021 et seq.) provides an individual applying for  
21           enrollment in a qualified health plan with a 90-day  
22           period to resolve an inconsistency in the application  
23           of such individual pursuant to section  
24           1411(e)(4)(A)(ii)(II) of such Act, the Exchange may  
25           not provide for an automatic extension to such 90-

1 day period on the basis that such individual is re-  
2 quired to present satisfactory documentary evidence  
3 to verify household income.

4 (c) REVISING RULES ON ALLOWABLE VARIATION IN  
5 ACTUARIAL VALUE OF HEALTH PLANS.—The Secretary  
6 of Health and Human Services shall—

7 (1) revise section 156.140(e) of title 45, Code  
8 of Federal Regulations (or a successor regulation),  
9 to provide that, for plan years beginning on or after  
10 January 1, 2026, the allowable variation in the actu-  
11 arial value of a health plan applicable under such  
12 section shall be the allowable variation for such plan  
13 applicable under such section for plan year 2022;

14 (2) revise section 156.200(b)(3) of title 45,  
15 Code of Federal Regulations (or a successor regula-  
16 tion), to provide that, for plan years beginning on or  
17 after January 1, 2026, the requirement for a quali-  
18 fied health plan issuer described in such section is  
19 that the issuer ensures that each qualified health  
20 plan complies with benefit design standards, as de-  
21 fined in section 156.20 of such title; and

22 (3) revise section 156.400 of title 45, Code of  
23 Federal Regulations (or a successor regulation), to  
24 provide that, for plan years beginning on or after  
25 January 1, 2026, the term “de minimis variation for

1 a silver plan variation” means a minus 1 percentage  
2 point and plus 1 percentage point allowable actuarial  
3 value variation.

4 (d) UPDATING PREMIUM ADJUSTMENT PERCENTAGE  
5 METHODOLOGY.—Section 1302(c)(4) of the Patient Pro-  
6 tection and Affordable Care Act (42 U.S.C. 18022(c)(4))  
7 is amended—

8 (1) by striking “For purposes” and inserting:

9 “(A) IN GENERAL.—For purposes”; and

10 (2) by adding at the end the following new sub-  
11 paragraph:

12 “(B) UPDATE TO METHODOLOGY.—For  
13 calendar years beginning with 2026, the pre-  
14 mium adjustment percentage under this para-  
15 graph for such calendar year shall be deter-  
16 mined consistent with the methodology pub-  
17 lished in the Federal Register on April 25,  
18 2019 (84 Fed. Reg. 17537 through 17541).”.

19 (e) ELIMINATING THE FIXED-DOLLAR AND GROSS-  
20 PERCENTAGE THRESHOLDS APPLICABLE TO EXCHANGE  
21 ENROLLMENTS.—The Secretary of Health and Human  
22 Services shall revise section 155.400(g) of title 45, Code  
23 of Federal Regulations (or a successor regulation) to  
24 eliminate, for plan years beginning on or after January  
25 1, 2026, the gross premium percentage-based premium

1 payment threshold policy described in paragraph (2) of  
2 such section and the fixed-dollar premium payment  
3 threshold policy described in paragraph (3) of such sec-  
4 tion.

5 (f) PROHIBITING AUTOMATIC REENROLLMENT FROM  
6 BRONZE TO SILVER LEVEL QUALIFIED HEALTH PLANS  
7 OFFERED BY EXCHANGES.—The Secretary of Health and  
8 Human Services shall revise section 155.335(j) of title 45,  
9 Code of Federal Regulations (or any successor regulation)  
10 to remove paragraph (4) of such section such that, with  
11 respect to reenrollments for plan years beginning on or  
12 after January 1, 2026, an Exchange established under  
13 subtitle D of title I of the Patient Protection and Afford-  
14 able Care Act (42 U.S.C. 18021 et seq.) may not reenroll  
15 an individual who was enrolled in a bronze level qualified  
16 health plan in a silver level qualified health plan (as such  
17 terms are defined in section 1301(a) and described in  
18 1302(d) of such Act) unless otherwise permitted under  
19 section 155.335(j) of title 45, Code of Federal Regula-  
20 tions, as in effect on the day before the date of the enact-  
21 ment of this section.

22 (g) REDUCING ADVANCE PAYMENTS OF PREMIUM  
23 TAX CREDITS FOR CERTAIN INDIVIDUALS REENROLLED  
24 IN EXCHANGES.—Section 1412 of the Patient Protection  
25 and Affordable Care Act (42 U.S.C. 18082) is amended—

1 (1) in subsection (a)(3), by inserting “, subject  
2 to subsection (c)(2)(C),” after “qualified health  
3 plans”; and

4 (2) in subsection (c)(2)—

5 (A) in subparagraph (A), by striking  
6 “The” and inserting “Subject to subparagraph  
7 (C), the”; and

8 (B) by adding at the end the following new  
9 subparagraph:

10 “(C) REDUCTION IN ADVANCE PAYMENT  
11 FOR SPECIFIED REENROLLED INDIVIDUALS.—

12 “(i) IN GENERAL.—The amount of an  
13 advance payment made under subpara-  
14 graph (A) to reduce the premium payable  
15 for a qualified health plan that provides  
16 coverage to a specified reenrolled individual  
17 for an applicable month shall be an  
18 amount equal to the amount that would  
19 otherwise be made under such subpara-  
20 graph reduced by \$5 (or such higher  
21 amount as the Secretary determines appro-  
22 priate).

23 “(ii) DEFINITIONS.—In this subpara-  
24 graph:

1           “(I) APPLICABLE MONTH.—The  
2           term ‘applicable month’ means, with  
3           respect to a specified reenrolled indi-  
4           vidual, any month during a plan year  
5           beginning on or after January 1,  
6           2027 (or, in the case of an individual  
7           reenrolled in a qualified health plan  
8           by an Exchange established pursuant  
9           to section 1321(c), January 1, 2026)  
10          if, prior to the first day of such  
11          month, such individual has failed to  
12          confirm or update such information as  
13          is necessary to redetermine the eligi-  
14          bility of such individual for such plan  
15          year pursuant to section 1411(f).

16          “(II) SPECIFIED REENROLLED  
17          INDIVIDUAL.—The term ‘specified re-  
18          enrolled individual’ means an indi-  
19          vidual who is reenrolled in a qualified  
20          health plan and with respect to whom  
21          the advance payment made under sub-  
22          paragraph (A) would, without applica-  
23          tion of any reduction under this sub-  
24          paragraph, reduce the premium pay-  
25          able for a qualified health plan that

1 provides coverage to such an indi-  
2 vidual to \$0.”.

3 (h) PROHIBITING COVERAGE OF GENDER TRANSI-  
4 TION PROCEDURES AS AN ESSENTIAL HEALTH BENEFIT  
5 UNDER PLANS OFFERED BY EXCHANGES.—

6 (1) IN GENERAL.—Section 1302(b)(2) of the  
7 Patient Protection and Affordable Care Act (42  
8 U.S.C. 18022(b)(2)) is amended by adding at the  
9 end the following new subparagraph:

10 “(C) GENDER TRANSITION PROCE-  
11 DURES.—For plan years beginning on or after  
12 January 1, 2027, the essential health benefits  
13 defined pursuant to paragraph (1) may not in-  
14 clude items and services furnished for a gender  
15 transition procedure.”.

16 (2) GENDER TRANSITION PROCEDURE DE-  
17 FINED.—Section 1304 of the Patient Protection and  
18 Affordable Care Act (42 U.S.C. 18024) is amended  
19 by adding at the end the following new subsection:

20 “(f) GENDER TRANSITION PROCEDURE.—

21 “(1) IN GENERAL.—In this title, except as pro-  
22 vided in paragraph (2), the term ‘gender transition  
23 procedure’ means, with respect to an individual, any  
24 of the following when performed for the purpose of  
25 intentionally changing the body of such individual

1 (including by disrupting the body’s development, in-  
2 hibiting its natural functions, or modifying its ap-  
3 pearance) to no longer correspond to the individual’s  
4 sex:

- 5 “(A) Performing any surgery, including—
- 6 “(i) castration;
  - 7 “(ii) sterilization;
  - 8 “(iii) orchiectomy;
  - 9 “(iv) scrotoplasty;
  - 10 “(v) vasectomy;
  - 11 “(vi) tubal ligation;
  - 12 “(vii) hysterectomy;
  - 13 “(viii) oophorectomy;
  - 14 “(ix) ovariectomy;
  - 15 “(x) metoidioplasty;
  - 16 “(xi) clitoroplasty;
  - 17 “(xii) reconstruction of the fixed part  
18 of the urethra with or without a  
19 metoidioplasty or a phalloplasty;
  - 20 “(xiii) penectomy;
  - 21 “(xiv) phalloplasty;
  - 22 “(xv) vaginoplasty;
  - 23 “(xvi) vaginectomy;
  - 24 “(xvii) vulvoplasty;
  - 25 “(xviii) reduction thyrochondroplasty;

1 “(xix) chondrolaryngoplasty;

2 “(xx) mastectomy; and

3 “(xxi) any plastic, cosmetic, or aes-  
4 thetic surgery that feminizes or  
5 masculinizes the facial or other body fea-  
6 tures of an individual.

7 “(B) Any placement of chest implants to  
8 create feminine breasts or any placement of  
9 erection or testicular prosetheses.

10 “(C) Any placement of fat or artificial im-  
11 plants in the gluteal region.

12 “(D) Administering, prescribing, or dis-  
13 pensing to an individual medications, includ-  
14 ing—

15 “(i) gonadotropin-releasing hormone  
16 (GnRH) analogues or other puberty-block-  
17 ing drugs to stop or delay normal puberty;  
18 and

19 “(ii) testosterone, estrogen, or other  
20 androgens to an individual at doses that  
21 are supraphysiologic than would normally  
22 be produced endogenously in a healthy in-  
23 dividual of the same age and sex.

24 “(2) EXCEPTION.—Paragraph (1) shall not  
25 apply to the following:

1           “(A) Puberty suppression or blocking pre-  
2           scription drugs for the purpose of normalizing  
3           puberty for an individual experiencing pre-  
4           cocious puberty.

5           “(B) Medically necessary procedures or  
6           treatments to correct for—

7                   “(i) a medically verifiable disorder of  
8                   sex development, including—

9                           “(I) 46,XX chromosomes with  
10                           virilization;

11                           “(II) 46,XY chromosomes with  
12                           undervirilization; and

13                           “(III) both ovarian and testicular  
14                           tissue;

15                           “(ii) sex chromosome structure, sex  
16                           steroid hormone production, or sex hor-  
17                           mone action, if determined to be abnormal  
18                           by a physician through genetic or bio-  
19                           chemical testing;

20                           “(iii) infection, disease, injury, or dis-  
21                           order caused or exacerbated by a previous  
22                           procedure described in paragraph (1), or a  
23                           physical disorder, physical injury, or phys-  
24                           ical illness that would, as certified by a  
25                           physician, place the individual in imminent

1 danger of death or impairment of a major  
2 bodily function unless the procedure is per-  
3 formed, not including procedures per-  
4 formed for the alleviation of mental dis-  
5 tress; or

6 “(iv) procedures to restore or recon-  
7 struct the body of the individual in order  
8 to correspond to the individual’s sex after  
9 one or more previous procedures described  
10 in paragraph (1), which may include the  
11 removal of a pseudo phallus or breast aug-  
12 mentation.

13 “(3) SEX.—For purposes of this subsection, the  
14 term ‘sex’ means either male or female, as bio-  
15 logically determined and defined by subparagraph  
16 (A) and subparagraph (B).

17 “(A) FEMALE.—The term ‘female’ means  
18 an individual who naturally has, had, will have,  
19 or would have, but for a developmental or ge-  
20 netic anomaly or historical accident, the repro-  
21 ductive system that at some point produces,  
22 transports, and utilizes eggs for fertilization.

23 “(B) MALE.—The term ‘male’ means an  
24 individual who naturally has, had, will have, or  
25 would have, but for a developmental or genetic

1 anomaly or historical accident, the reproductive  
2 system that at some point produces, transports,  
3 and utilizes sperm for fertilization.”.

4 (i) CLARIFYING LAWFUL PRESENCE FOR PURPOSES  
5 OF THE EXCHANGES.—

6 (1) IN GENERAL.—Section 1312(f) of the Pa-  
7 tient Protection and Affordable Care Act (42 U.S.C.  
8 18032(f)) is amended by adding at the end the fol-  
9 lowing new paragraph:

10 “(4) CLARIFICATION OF LAWFUL PRESENCE.—  
11 In this title, the term ‘alien lawfully present in the  
12 United States’ does not include an alien granted de-  
13 ferred action under the Deferred Action for Child-  
14 hood Arrivals process pursuant to the memorandum  
15 of the Department of Homeland Security entitled  
16 ‘Exercising Prosecutorial Discretion with Respect to  
17 Individuals Who Came to the United States as Chil-  
18 dren’ issued on June 15, 2012.”.

19 (2) COST-SHARING REDUCTIONS.—Section  
20 1402(e)(2) of the Patient Protection and Affordable  
21 Care Act (42 U.S.C. 18071(e)(2)) is amended by  
22 adding at the end the following new sentence: “For  
23 purposes of this section, an individual shall not be  
24 treated as lawfully present if the individual is an  
25 alien granted deferred action under the Deferred Ac-

1       tion for Childhood Arrivals process pursuant to the  
2       memorandum of the Department of Homeland Secu-  
3       rity entitled ‘Exercising Prosecutorial Discretion  
4       with Respect to Individuals Who Came to the United  
5       States as Children’ issued on June 15, 2012.”.

6           (3) PAYMENT PROHIBITION.—Section 1412(d)  
7       of the Patient Protection and Affordable Care Act  
8       (42 U.S.C. 18082(d)) is amended by adding at the  
9       end the following new sentence: “For purposes of  
10      the previous sentence, an individual shall not be  
11      treated as lawfully present if the individual is an  
12      alien granted deferred action under the Deferred Ac-  
13      tion for Childhood Arrivals process pursuant to the  
14      memorandum of the Department of Homeland Secu-  
15      rity entitled ‘Exercising Prosecutorial Discretion  
16      with Respect to Individuals Who Came to the United  
17      States as Children’ issued on June 15, 2012.”.

18           (4) EFFECTIVE DATE.—The amendments made  
19      by this section shall apply with respect to plan years  
20      beginning on or after January 1, 2026.

21           (j) ENSURING APPROPRIATE APPLICATION OF GUAR-  
22      ANTEED ISSUE REQUIREMENTS IN CASE OF NON-  
23      PAYMENT OF PAST PREMIUMS.—

1           (1) IN GENERAL.—Section 2702 of the Public  
2           Health Service Act (42 U.S.C. 300gg–1) is amended  
3           by adding at the end the following new subsection:

4           “(e) NONPAYMENT OF PAST PREMIUMS.—

5           “(1) IN GENERAL.—A health insurance issuer  
6           offering individual health insurance coverage may, to  
7           the extent allowed under State law, deny such cov-  
8           erage in the case of an individual who owes any  
9           amount for premiums for individual health insurance  
10          coverage offered by such issuer (or by a health in-  
11          surance issuer in the same controlled group (as de-  
12          fined in paragraph (3)) as such issuer) in which  
13          such individual was previously enrolled.

14          “(2) CONTRIBUTION OF INITIAL PREMIUM PAY-  
15          MENT TO OWED AMOUNT.—A health insurance  
16          issuer offering individual health insurance coverage  
17          may, in the case of an individual described in para-  
18          graph (1) and to the extent allowed under State law,  
19          attribute the initial premium payment for such cov-  
20          erage applicable to such individual to the amount  
21          owed by such individual for premiums for individual  
22          health insurance coverage offered by such issuer (or  
23          by a health insurance issuer in the same controlled  
24          group as such issuer) in which such individual was  
25          previously enrolled.



1 conditions (as such term is defined in section  
2 526(a)(2) of the Federal Food, Drug, and Cos-  
3 metic Act)”; and

4 (3) by adding at the end the following new  
5 paragraph:

6 “(4) TREATMENT OF FORMER ORPHAN  
7 DRUGS.—In the case of a drug or biological product  
8 that, as of the date of the approval or licensure of  
9 such drug or biological product, is a drug or biologi-  
10 cal product described in paragraph (3)(A), para-  
11 graph (1)(A)(ii) or (1)(B)(ii) (as applicable) shall  
12 apply as if the reference to ‘the date of such ap-  
13 proval’ or ‘the date of such licensure’, respectively,  
14 were instead a reference to ‘the first day after the  
15 date of such approval for which such drug is not a  
16 drug described in paragraph (3)(A)’ or ‘the first day  
17 after the date of such licensure for which such bio-  
18 logical product is not a biological product described  
19 in paragraph (3)(A)’, respectively.”.

20 (b) APPLICATION.—The amendments made by sub-  
21 section (a) shall apply with respect to initial price applica-  
22 bility years (as defined in section 1191(b) of the Social  
23 Security Act (42 U.S.C. 1320f(b))) beginning on or after  
24 January 1, 2028.

1 **SEC. 44302. STREAMLINED ENROLLMENT PROCESS FOR EL-**  
2 **IGIBLE OUT-OF-STATE PROVIDERS UNDER**  
3 **MEDICAID AND CHIP.**

4 (a) IN GENERAL.—Section 1902(kk) of the Social Se-  
5 curity Act (42 U.S.C. 1396a(kk)) is amended by adding  
6 at the end the following new paragraph:

7 “(10) STREAMLINED ENROLLMENT PROCESS  
8 FOR ELIGIBLE OUT-OF-STATE PROVIDERS.—

9 “(A) IN GENERAL.—The State—

10 “(i) adopts and implements a process  
11 to allow an eligible out-of-State provider to  
12 enroll under the State plan (or a waiver of  
13 such plan) to furnish items and services to,  
14 or order, prescribe, refer, or certify eligi-  
15 bility for items and services for, qualifying  
16 individuals without the imposition of  
17 screening or enrollment requirements by  
18 such State that exceed the minimum nec-  
19 essary for such State to provide payment  
20 to an eligible out-of-State provider under  
21 such State plan (or a waiver of such plan),  
22 such as the provider’s name and National  
23 Provider Identifier (and such other infor-  
24 mation specified by the Secretary); and

25 “(ii) provides that an eligible out-of-  
26 State provider that enrolls as a partici-

1           pating provider in the State plan (or a  
2           waiver of such plan) through such process  
3           shall be so enrolled for a 5-year period, un-  
4           less the provider is terminated or excluded  
5           from participation during such period.

6           “(B) DEFINITIONS.—In this paragraph:

7                   “(i) ELIGIBLE OUT-OF-STATE PRO-  
8           VIDER.—The term ‘eligible out-of-State  
9           provider’ means, with respect to a State, a  
10          provider—

11                   “(I) that is located in any other  
12          State;

13                   “(II) that—

14                           “(aa) was determined by the  
15                           Secretary to have a limited risk  
16                           of fraud, waste, and abuse for  
17                           purposes of determining the level  
18                           of screening to be conducted  
19                           under section 1866(j)(2), has  
20                           been so screened under such sec-  
21                           tion 1866(j)(2), and is enrolled in  
22                           the Medicare program under title  
23                           XVIII; or

24                           “(bb) was determined by the  
25                           State agency administering or su-

1 supervising the administration of  
2 the State plan (or a waiver of  
3 such plan) of such other State to  
4 have a limited risk of fraud,  
5 waste, and abuse for purposes of  
6 determining the level of screening  
7 to be conducted under paragraph  
8 (1) of this subsection, has been  
9 so screened under such para-  
10 graph (1), and is enrolled under  
11 such State plan (or a waiver of  
12 such plan); and

13 “(III) that has not been—

14 “(aa) excluded from partici-  
15 pation in any Federal health care  
16 program pursuant to section  
17 1128 or 1128A;

18 “(bb) excluded from partici-  
19 pation in the State plan (or a  
20 waiver of such plan) pursuant to  
21 part 1002 of title 42, Code of  
22 Federal Regulations (or any suc-  
23 cessor regulation), or State law;  
24 or

1                   “(cc) terminated from par-  
2                   ticipating in a Federal health  
3                   care program or the State plan  
4                   (or a waiver of such plan) for a  
5                   reason described in paragraph  
6                   (8)(A).

7                   “(ii) QUALIFYING INDIVIDUAL.—The  
8                   term ‘qualifying individual’ means an indi-  
9                   vidual under 21 years of age who is en-  
10                  rolled under the State plan (or waiver of  
11                  such plan).

12                  “(iii) STATE.—The term ‘State’  
13                  means 1 of the 50 States or the District  
14                  of Columbia.”.

15                  (b) CONFORMING AMENDMENTS.—

16                  (1) Section 1902(a)(77) of the Social Security  
17                  Act (42 U.S.C. 1396a(a)(77)) is amended by insert-  
18                  ing “enrollment,” after “screening,”.

19                  (2) The subsection heading for section  
20                  1902(kk) of such Act (42 U.S.C. 1396a(kk)) is  
21                  amended by inserting “ENROLLMENT,” after  
22                  “SCREENING,”.

23                  (3) Section 2107(e)(1)(G) of such Act (42  
24                  U.S.C. 1397gg(e)(1)(G)) is amended by inserting  
25                  “enrollment,” after “screening,”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply beginning on the date that is 4  
3 years after the date of enactment of this Act.

4 **SEC. 44303. DELAYING DSH REDUCTIONS.**

5 (a) IN GENERAL.—Section 1923(f) of the Social Se-  
6 curity Act (42 U.S.C. 1396r-4(f)) is amended—

7 (1) in paragraph (7)(A)—

8 (A) in clause (i)—

9 (i) in the matter preceding subclause  
10 (I), by striking “2026 through 2028” and  
11 inserting “2029 through 2031”; and

12 (ii) in subclause (II), by striking “or  
13 period”; and

14 (B) in clause (ii), by striking “2026  
15 through 2028” and inserting “2029 through  
16 2031”; and

17 (2) in paragraph (8), by striking “2027” and  
18 inserting “2031”.

19 (b) TENNESSEE DSH ALLOTMENT.—Section  
20 1923(f)(6)(A)(vi) of the Social Security Act (42 U.S.C.  
21 1396r-4(f)(6)(A)(vi)) is amended—

22 (1) in the header, by striking “2025” and insert-  
23 ing “2028”; and

24 (2) by striking “fiscal year 2025” and inserting  
25 “fiscal year 2028”.

1 **SEC. 44304. MODIFYING UPDATE TO THE CONVERSION FAC-**  
2 **TOR UNDER THE PHYSICIAN FEE SCHEDULE**  
3 **UNDER THE MEDICARE PROGRAM.**

4 Section 1848(d) of the Social Security Act (42 U.S.C.  
5 1395w-4(d)) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (A)—

8 (i) in the first sentence, by striking  
9 “and ending with 2025”; and

10 (ii) by striking the second sentence;

11 and

12 (B) in subparagraph (D), by striking “(or,  
13 beginning with 2026, applicable conversion fac-  
14 tor)”; and

15 (2) by amending paragraph (20) to read as fol-  
16 lows:

17 “(20) UPDATE FOR 2026 AND SUBSEQUENT  
18 YEARS.—The update to the single conversion factor  
19 established in paragraph (1)(A)—

20 “(A) for 2026 is 75 percent of the Sec-  
21 retary’s estimate of the percentage increase in  
22 the MEI (as defined in section 1842(i)(3)) for  
23 the year; and

24 “(B) for 2027 and each subsequent year is  
25 10 percent of the Secretary’s estimate of the  
26 percentage increase in the MEI for the year.”.

1 **SEC. 44305. MODERNIZING AND ENSURING PBM ACCOUNT-**  
2 **ABILITY.**

3 (a) IN GENERAL.—

4 (1) PRESCRIPTION DRUG PLANS.—Section  
5 1860D–12 of the Social Security Act (42 U.S.C.  
6 1395w–112) is amended by adding at the end the  
7 following new subsection:

8 “(h) REQUIREMENTS RELATING TO PHARMACY BEN-  
9 EFIT MANAGERS.—For plan years beginning on or after  
10 January 1, 2028:

11 “(1) AGREEMENTS WITH PHARMACY BENEFIT  
12 MANAGERS.—Each contract entered into with a  
13 PDP sponsor under this part with respect to a pre-  
14 scription drug plan offered by such sponsor shall  
15 provide that any pharmacy benefit manager acting  
16 on behalf of such sponsor has a written agreement  
17 with the PDP sponsor under which the pharmacy  
18 benefit manager, and any affiliates of such phar-  
19 macy benefit manager, as applicable, agree to meet  
20 the following requirements:

21 “(A) NO INCOME OTHER THAN BONA FIDE  
22 SERVICE FEES.—

23 “(i) IN GENERAL.—The pharmacy  
24 benefit manager and any affiliate of such  
25 pharmacy benefit manager shall not derive  
26 any remuneration with respect to any serv-

1           ices provided on behalf of any entity or in-  
2           dividual, in connection with the utilization  
3           of covered part D drugs, from any such en-  
4           tity or individual other than bona fide serv-  
5           ice fees, subject to clauses (ii) and (iii).

6                   “(ii) INCENTIVE PAYMENTS.—For the  
7           purposes of this subsection, an incentive  
8           payment (as determined by the Secretary)  
9           paid by a PDP sponsor to a pharmacy  
10          benefit manager (or an affiliate of such  
11          pharmacy benefit manager) that is per-  
12          forming services on behalf of such sponsor  
13          shall be deemed a ‘bona fide service fee’  
14          (even if such payment does not otherwise  
15          meet the definition of such term under  
16          paragraph (7)(B)) if such payment is a  
17          flat dollar amount, is consistent with fair  
18          market value (as specified by the Sec-  
19          retary), is related to services actually per-  
20          formed by the pharmacy benefit manager  
21          or affiliate of such pharmacy benefit man-  
22          ager, on behalf of the PDP sponsor mak-  
23          ing such payment, in connection with the  
24          utilization of covered part D drugs, and

1 meets additional requirements, if any, as  
2 determined appropriate by the Secretary.

3 “(iii) CLARIFICATION ON REBATES  
4 AND DISCOUNTS USED TO LOWER COSTS  
5 FOR COVERED PART D DRUGS.—Rebates,  
6 discounts, and other price concessions re-  
7 ceived by a pharmacy benefit manager or  
8 an affiliate of a pharmacy benefit manager  
9 from manufacturers, even if such price  
10 concessions are calculated as a percentage  
11 of a drug’s price, shall not be considered a  
12 violation of the requirements of clause (i)  
13 if they are fully passed through to a PDP  
14 sponsor and are compliant with all regu-  
15 latory and subregulatory requirements re-  
16 lated to direct and indirect remuneration  
17 for manufacturer rebates under this part,  
18 including in cases where a PDP sponsor is  
19 acting as a pharmacy benefit manager on  
20 behalf of a prescription drug plan offered  
21 by such PDP sponsor.

22 “(iv) EVALUATION OF REMUNERATION  
23 ARRANGEMENTS.—Components of subsets  
24 of remuneration arrangements (such as  
25 fees or other forms of compensation paid

1 to or retained by the pharmacy benefit  
2 manager or affiliate of such pharmacy ben-  
3 efit manager), as determined appropriate  
4 by the Secretary, between pharmacy ben-  
5 efit managers or affiliates of such phar-  
6 macy benefit managers, as applicable, and  
7 other entities involved in the dispensing or  
8 utilization of covered part D drugs (includ-  
9 ing PDP sponsors, manufacturers, and  
10 pharmacies) shall be subject to review by  
11 the Secretary, in consultation with the Of-  
12 fice of the Inspector General of the De-  
13 partment of Health and Human Services,  
14 as determined appropriate by the Sec-  
15 retary. The Secretary, in consultation with  
16 the Office of the Inspector General, shall  
17 review whether remuneration under such  
18 arrangements is consistent with fair mar-  
19 ket value (as specified by the Secretary)  
20 through reviews and assessments of such  
21 remuneration, as determined appropriate.

22 “(v) DISGORGEMENT.—The pharmacy  
23 benefit manager shall disgorge any remu-  
24 nation paid to such pharmacy benefit  
25 manager or an affiliate of such pharmacy

1 benefit manager in violation of this sub-  
2 paragraph to the PDP sponsor.

3 “(vi) ADDITIONAL REQUIREMENTS.—

4 The pharmacy benefit manager shall—

5 “(I) enter into a written agree-  
6 ment with any affiliate of such phar-  
7 macy benefit manager, under which  
8 the affiliate shall identify and disgorge  
9 any remuneration described in clause  
10 (v) to the pharmacy benefit manager;  
11 and

12 “(II) attest, subject to any re-  
13 quirements determined appropriate by  
14 the Secretary, that the pharmacy ben-  
15 efit manager has entered into a writ-  
16 ten agreement described in subclause  
17 (I) with any relevant affiliate of the  
18 pharmacy benefit manager.

19 “(B) TRANSPARENCY REGARDING GUARAN-  
20 TEES AND COST PERFORMANCE EVALUA-  
21 TIONS.—The pharmacy benefit manager shall—

22 “(i) define, interpret, and apply, in a  
23 fully transparent and consistent manner  
24 for purposes of calculating or otherwise  
25 evaluating pharmacy benefit manager per-

1 formance against pricing guarantees or  
2 similar cost performance measurements re-  
3 lated to rebates, discounts, price conces-  
4 sions, or net costs, terms such as—

5 “(I) ‘generic drug’, in a manner  
6 consistent with the definition of the  
7 term under section 423.4 of title 42,  
8 Code of Federal Regulations, or a suc-  
9 cessor regulation;

10 “(II) ‘brand name drug’, in a  
11 manner consistent with the definition  
12 of the term under section 423.4 of  
13 title 42, Code of Federal Regulations,  
14 or a successor regulation;

15 “(III) ‘specialty drug’;

16 “(IV) ‘rebate’; and

17 “(V) ‘discount’;

18 “(ii) identify any drugs, claims, or  
19 price concessions excluded from any pric-  
20 ing guarantee or other cost performance  
21 measure in a clear and consistent manner;  
22 and

23 “(iii) where a pricing guarantee or  
24 other cost performance measure is based  
25 on a pricing benchmark other than the

1 wholesale acquisition cost (as defined in  
2 section 1847A(e)(6)(B)) of a drug, cal-  
3 culate and provide a wholesale acquisition  
4 cost-based equivalent to the pricing guar-  
5 antee or other cost performance measure.

6 “(C) PROVISION OF INFORMATION.—

7 “(i) IN GENERAL.—Not later than  
8 July 1 of each year, beginning in 2028, the  
9 pharmacy benefit manager shall submit to  
10 the PDP sponsor, and to the Secretary, a  
11 report, in accordance with this subpara-  
12 graph, and shall make such report avail-  
13 able to such sponsor at no cost to such  
14 sponsor in a format specified by the Sec-  
15 retary under paragraph (5). Each such re-  
16 port shall include, with respect to such  
17 PDP sponsor and each plan offered by  
18 such sponsor, the following information  
19 with respect to the previous plan year:

20 “(I) A list of all drugs covered by  
21 the plan that were dispensed includ-  
22 ing, with respect to each such drug—

23 “(aa) the brand name, ge-  
24 neric or non-proprietary name,  
25 and National Drug Code;

1           “(bb) the number of plan  
2 enrollees for whom the drug was  
3 dispensed, the total number of  
4 prescription claims for the drug  
5 (including original prescriptions  
6 and refills, counted as separate  
7 claims), and the total number of  
8 dosage units of the drug dis-  
9 pensed;

10           “(cc) the number of pre-  
11 scription claims described in item  
12 (bb) by each type of dispensing  
13 channel through which the drug  
14 was dispensed, including retail,  
15 mail order, specialty pharmacy,  
16 long term care pharmacy, home  
17 infusion pharmacy, or other types  
18 of pharmacies or providers;

19           “(dd) the average wholesale  
20 acquisition cost, listed as cost per  
21 day’s supply, cost per dosage  
22 unit, and cost per typical course  
23 of treatment (as applicable);

24           “(ee) the average wholesale  
25 price for the drug, listed as price

1 per day's supply, price per dos-  
2 age unit, and price per typical  
3 course of treatment (as applica-  
4 ble);

5 “(ff) the total out-of-pocket  
6 spending by plan enrollees on  
7 such drug after application of  
8 any benefits under the plan, in-  
9 cluding plan enrollee spending  
10 through copayments, coinsurance,  
11 and deductibles;

12 “(gg) total rebates paid by  
13 the manufacturer on the drug as  
14 reported under the Detailed DIR  
15 Report (or any successor report)  
16 submitted by such sponsor to the  
17 Centers for Medicare & Medicaid  
18 Services;

19 “(hh) all other direct or in-  
20 direct remuneration on the drug  
21 as reported under the Detailed  
22 DIR Report (or any successor re-  
23 port) submitted by such sponsor  
24 to the Centers for Medicare &  
25 Medicaid Services;

1           “(ii) the average pharmacy  
2 reimbursement amount paid by  
3 the plan for the drug in the ag-  
4 gregate and disaggregated by dis-  
5 pensing channel identified in item  
6 (cc);

7           “(jj) the average National  
8 Average Drug Acquisition Cost  
9 (NADAC); and

10           “(kk) total manufacturer-de-  
11 rived revenue, inclusive of bona  
12 fide service fees, attributable to  
13 the drug and retained by the  
14 pharmacy benefit manager and  
15 any affiliate of such pharmacy  
16 benefit manager.

17           “(II) In the case of a pharmacy  
18 benefit manager that has an affiliate  
19 that is a retail, mail order, or spe-  
20 cialty pharmacy, with respect to drugs  
21 covered by such plan that were dis-  
22 pensed, the following information:

23           “(aa) The percentage of  
24 total prescriptions that were dis-  
25 pensed by pharmacies that are an

1 affiliate of the pharmacy benefit  
2 manager for each drug.

3 “(bb) The interquartile  
4 range of the total combined costs  
5 paid by the plan and plan enroll-  
6 ees, per dosage unit, per course  
7 of treatment, per 30-day supply,  
8 and per 90-day supply for each  
9 drug dispensed by pharmacies  
10 that are not an affiliate of the  
11 pharmacy benefit manager and  
12 that are included in the phar-  
13 macy network of such plan.

14 “(cc) The interquartile  
15 range of the total combined costs  
16 paid by the plan and plan enroll-  
17 ees, per dosage unit, per course  
18 of treatment, per 30-day supply,  
19 and per 90-day supply for each  
20 drug dispensed by pharmacies  
21 that are an affiliate of the phar-  
22 macy benefit manager and that  
23 are included in the pharmacy  
24 network of such plan.

1                   “(dd) The lowest total com-  
2                   bined cost paid by the plan and  
3                   plan enrollees, per dosage unit,  
4                   per course of treatment, per 30-  
5                   day supply, and per 90-day sup-  
6                   ply, for each drug that is avail-  
7                   able from any pharmacy included  
8                   in the pharmacy network of such  
9                   plan.

10                   “(ee) The difference between  
11                   the average acquisition cost of  
12                   the affiliate, such as a pharmacy  
13                   or other entity that acquires pre-  
14                   scription drugs, that initially ac-  
15                   quires the drug and the amount  
16                   reported under subclause (I)(jj)  
17                   for each drug.

18                   “(ff) A list inclusive of the  
19                   brand name, generic or non-pro-  
20                   prietary name, and National  
21                   Drug Code of covered part D  
22                   drugs subject to an agreement  
23                   with a covered entity under sec-  
24                   tion 340B of the Public Health  
25                   Service Act for which the phar-

1                   macy benefit manager or an affil-  
2                   iate of the pharmacy benefit  
3                   manager had a contract or other  
4                   arrangement with such a covered  
5                   entity in the service area of such  
6                   plan.

7                   “(III) Where a drug approved  
8                   under section 505(c) of the Federal  
9                   Food, Drug, and Cosmetic Act (re-  
10                  ferred to in this subclause as the ‘list-  
11                  ed drug’) is covered by the plan, the  
12                  following information:

13                         “(aa) A list of currently  
14                         marketed generic drugs approved  
15                         under section 505(j) of the Fed-  
16                         eral Food, Drug, and Cosmetic  
17                         Act pursuant to an application  
18                         that references such listed drug  
19                         that are not covered by the plan,  
20                         are covered on the same for-  
21                         mulary tier or a formulary tier  
22                         typically associated with higher  
23                         cost-sharing than the listed drug,  
24                         or are subject to utilization man-

1                   agement that the listed drug is  
2                   not subject to.

3                   “(bb) The estimated average  
4                   beneficiary cost-sharing under  
5                   the plan for a 30-day supply of  
6                   the listed drug.

7                   “(cc) Where a generic drug  
8                   listed under item (aa) is on a for-  
9                   mulary tier typically associated  
10                  with higher cost-sharing than the  
11                  listed drug, the estimated aver-  
12                  age cost-sharing that a bene-  
13                  ficiary would have paid for a 30-  
14                  day supply of each of the generic  
15                  drugs described in item (aa), had  
16                  the plan provided coverage for  
17                  such drugs on the same for-  
18                  mulary tier as the listed drug.

19                  “(dd) A written justification  
20                  for providing more favorable cov-  
21                  erage of the listed drug than the  
22                  generic drugs described in item  
23                  (aa).

24                  “(ee) The number of cur-  
25                  rently marketed generic drugs

1 approved under section 505(j) of  
2 the Federal Food, Drug, and  
3 Cosmetic Act pursuant to an ap-  
4 plication that references such  
5 listed drug.

6 “(IV) Where a reference product  
7 (as defined in section 351(i) of the  
8 Public Health Service Act) is covered  
9 by the plan, the following information:

10 “(aa) A list of currently  
11 marketed biosimilar biological  
12 products licensed under section  
13 351(k) of the Public Health  
14 Service Act pursuant to an appli-  
15 cation that refers to such ref-  
16 erence product that are not cov-  
17 ered by the plan, are covered on  
18 the same formulary tier or a for-  
19 mulary tier typically associated  
20 with higher cost-sharing than the  
21 reference product, or are subject  
22 to utilization management that  
23 the reference product is not sub-  
24 ject to.

1           “(bb) The estimated average  
2 beneficiary cost-sharing under  
3 the plan for a 30-day supply of  
4 the reference product.

5           “(cc) Where a biosimilar bi-  
6 ological product listed under item  
7 (aa) is on a formulary tier typi-  
8 cally associated with higher cost-  
9 sharing than the reference prod-  
10 uct, the estimated average cost-  
11 sharing that a beneficiary would  
12 have paid for a 30-day supply of  
13 each of the biosimilar biological  
14 products described in item (aa),  
15 had the plan provided coverage  
16 for such products on the same  
17 formulary tier as the reference  
18 product.

19           “(dd) A written justification  
20 for providing more favorable cov-  
21 erage of the reference product  
22 than the biosimilar biological  
23 product described in item (aa).

24           “(ee) The number of cur-  
25 rently marketed biosimilar bio-

1 logical products licensed under  
2 section 351(k) of the Public  
3 Health Service Act, pursuant to  
4 an application that refers to such  
5 reference product.

6 “(V) Total gross spending on  
7 covered part D drugs by the plan, not  
8 net of rebates, fees, discounts, or  
9 other direct or indirect remuneration.

10 “(VI) The total amount retained  
11 by the pharmacy benefit manager or  
12 an affiliate of such pharmacy benefit  
13 manager in revenue related to utiliza-  
14 tion of covered part D drugs under  
15 that plan, inclusive of bona fide serv-  
16 ice fees.

17 “(VII) The total spending on cov-  
18 ered part D drugs net of rebates, fees,  
19 discounts, or other direct and indirect  
20 remuneration by the plan.

21 “(VIII) An explanation of any  
22 benefit design parameters under such  
23 plan that encourage plan enrollees to  
24 fill prescriptions at pharmacies that  
25 are an affiliate of such pharmacy ben-

1           efit manager, such as mail and spe-  
2           cialty home delivery programs, and re-  
3           tail and mail auto-refill programs.

4                   “(IX) The following information:

5                           “(aa) A list of all brokers,  
6                           consultants, advisors, and audi-  
7                           tors that receive compensation  
8                           from the pharmacy benefit man-  
9                           ager or an affiliate of such phar-  
10                           macy benefit manager for refer-  
11                           rals, consulting, auditing, or  
12                           other services offered to PDP  
13                           sponsors related to pharmacy  
14                           benefit management services.

15                           “(bb) The amount of com-  
16                           pensation provided by such phar-  
17                           macy benefit manager or affiliate  
18                           to each such broker, consultant,  
19                           advisor, and auditor.

20                           “(cc) The methodology for  
21                           calculating the amount of com-  
22                           pensation provided by such phar-  
23                           macy benefit manager or affil-  
24                           iate, for each such broker, con-  
25                           sultant, advisor, and auditor.

1                   “(X) A list of all affiliates of the  
2                   pharmacy benefit manager.

3                   “(XI) A summary document sub-  
4                   mitted in a standardized template de-  
5                   veloped by the Secretary that includes  
6                   such information described in sub-  
7                   clauses (I) through (X).

8                   “(ii) WRITTEN EXPLANATION OF CON-  
9                   TRACTS OR AGREEMENTS WITH DRUG  
10                  MANUFACTURERS.—

11                  “(I) IN GENERAL.—The phar-  
12                  macy benefit manager shall, not later  
13                  than 30 days after the finalization of  
14                  any contract or agreement between  
15                  such pharmacy benefit manager or an  
16                  affiliate of such pharmacy benefit  
17                  manager and a drug manufacturer (or  
18                  subsidiary, agent, or entity affiliated  
19                  with such drug manufacturer) that  
20                  makes rebates, discounts, payments,  
21                  or other financial incentives related to  
22                  one or more covered part D drugs or  
23                  other prescription drugs, as applica-  
24                  ble, of the manufacturer directly or  
25                  indirectly contingent upon coverage,

1 formulary placement, or utilization  
2 management conditions on any other  
3 covered part D drugs or other pre-  
4 scription drugs, as applicable, submit  
5 to the PDP sponsor a written expla-  
6 nation of such contract or agreement.

7 “(II) REQUIREMENTS.—A writ-  
8 ten explanation under subclause (I)  
9 shall—

10 “(aa) include the manufac-  
11 turer subject to the contract or  
12 agreement, all covered part D  
13 drugs and other prescription  
14 drugs, as applicable, subject to  
15 the contract or agreement and  
16 the manufacturers of such drugs,  
17 and a high-level description of  
18 the terms of such contract or  
19 agreement and how such terms  
20 apply to such drugs; and

21 “(bb) be certified by the  
22 Chief Executive Officer, Chief Fi-  
23 nancial Officer, or General Coun-  
24 sel of such pharmacy benefit  
25 manager, or affiliate of such

1 pharmacy benefit manager, as  
2 applicable, or an individual dele-  
3 gated with the authority to sign  
4 on behalf of one of these officers,  
5 who reports directly to the offi-  
6 cer.

7 “(III) DEFINITION OF OTHER  
8 PRESCRIPTION DRUGS.—For purposes  
9 of this clause, the term ‘other pre-  
10 scription drugs’ means prescription  
11 drugs covered as supplemental bene-  
12 fits under this part or prescription  
13 drugs paid outside of this part.

14 “(D) AUDIT RIGHTS.—

15 “(i) IN GENERAL.—Not less than once  
16 a year, at the request of the PDP sponsor,  
17 the pharmacy benefit manager shall allow  
18 for an audit of the pharmacy benefit man-  
19 ager to ensure compliance with all terms  
20 and conditions under the written agree-  
21 ment described in this paragraph and the  
22 accuracy of information reported under  
23 subparagraph (C).

24 “(ii) AUDITOR.—The PDP sponsor  
25 shall have the right to select an auditor.

1 The pharmacy benefit manager shall not  
2 impose any limitations on the selection of  
3 such auditor.

4 “(iii) PROVISION OF INFORMATION.—  
5 The pharmacy benefit manager shall make  
6 available to such auditor all records, data,  
7 contracts, and other information necessary  
8 to confirm the accuracy of information  
9 provided under subparagraph (C), subject  
10 to reasonable restrictions on how such in-  
11 formation must be reported to prevent re-  
12 disclosure of such information.

13 “(iv) TIMING.—The pharmacy benefit  
14 manager must provide information under  
15 clause (iii) and other information, data,  
16 and records relevant to the audit to such  
17 auditor within 6 months of the initiation of  
18 the audit and respond to requests for addi-  
19 tional information from such auditor with-  
20 in 30 days after the request for additional  
21 information.

22 “(v) INFORMATION FROM AFFILI-  
23 ATES.—The pharmacy benefit manager  
24 shall be responsible for providing to such  
25 auditor information required to be reported

1 under subparagraph (C) or under clause  
2 (iii) of this subparagraph that is owned or  
3 held by an affiliate of such pharmacy ben-  
4 efit manager.

5 “(2) ENFORCEMENT.—

6 “(A) IN GENERAL.—Each PDP sponsor  
7 shall—

8 “(i) disgorge to the Secretary any  
9 amounts disgorged to the PDP sponsor by  
10 a pharmacy benefit manager under para-  
11 graph (1)(A)(v);

12 “(ii) require, in a written agreement  
13 with any pharmacy benefit manager acting  
14 on behalf of such sponsor or affiliate of  
15 such pharmacy benefit manager, that such  
16 pharmacy benefit manager or affiliate re-  
17 imburse the PDP sponsor for any civil  
18 money penalty imposed on the PDP spon-  
19 sor as a result of the failure of the phar-  
20 macy benefit manager or affiliate to meet  
21 the requirements of paragraph (1) that are  
22 applicable to the pharmacy benefit man-  
23 ager or affiliate under the agreement; and

24 “(iii) require, in a written agreement  
25 with any such pharmacy benefit manager

1 acting on behalf of such sponsor or affil-  
2 iate of such pharmacy benefit manager,  
3 that such pharmacy benefit manager or af-  
4 filiate be subject to punitive remedies for  
5 breach of contract for failure to comply  
6 with the requirements applicable under  
7 paragraph (1).

8 “(B) REPORTING OF ALLEGED VIOLA-  
9 TIONS.—The Secretary shall make available and  
10 maintain a mechanism for manufacturers, PDP  
11 sponsors, pharmacies, and other entities that  
12 have contractual relationships with pharmacy  
13 benefit managers or affiliates of such pharmacy  
14 benefit managers to report, on a confidential  
15 basis, alleged violations of paragraph (1)(A) or  
16 subparagraph (C).

17 “(C) ANTI-RETALIATION AND ANTI-COER-  
18 CION.—Consistent with applicable Federal or  
19 State law, a PDP sponsor shall not—

20 “(i) retaliate against an individual or  
21 entity for reporting an alleged violation  
22 under subparagraph (B); or

23 “(ii) coerce, intimidate, threaten, or  
24 interfere with the ability of an individual

1           or entity to report any such alleged viola-  
2           tions.

3           “(3) CERTIFICATION OF COMPLIANCE.—

4           “(A) IN GENERAL.—Each PDP sponsor  
5           shall furnish to the Secretary (at a time and in  
6           a manner specified by the Secretary) an annual  
7           certification of compliance with this subsection,  
8           as well as such information as the Secretary de-  
9           termines necessary to carry out this subsection.

10          “(B) IMPLEMENTATION.—The Secretary  
11          may implement this paragraph by program in-  
12          struction or otherwise.

13          “(4) RULE OF CONSTRUCTION.—Nothing in  
14          this subsection shall be construed as—

15          “(A) prohibiting flat dispensing fees or re-  
16          imbursement or payment for ingredient costs  
17          (including customary, industry-standard dis-  
18          counts directly related to drug acquisition that  
19          are retained by pharmacies or wholesalers) to  
20          entities that acquire or dispense prescription  
21          drugs; or

22          “(B) modifying regulatory requirements or  
23          sub-regulatory program instruction or guidance  
24          related to pharmacy payment, reimbursement,  
25          or dispensing fees.

1 “(5) STANDARD FORMATS.—

2 “(A) IN GENERAL.—Not later than June  
3 1, 2027, the Secretary shall specify standard,  
4 machine-readable formats for pharmacy benefit  
5 managers to submit annual reports required  
6 under paragraph (1)(C)(i).

7 “(B) IMPLEMENTATION.—The Secretary  
8 may implement this paragraph by program in-  
9 struction or otherwise.

10 “(6) CONFIDENTIALITY.—

11 “(A) IN GENERAL.—Information disclosed  
12 by a pharmacy benefit manager, an affiliate of  
13 a pharmacy benefit manager, a PDP sponsor,  
14 or a pharmacy under this subsection that is not  
15 otherwise publicly available or available for pur-  
16 chase shall not be disclosed by the Secretary or  
17 a PDP sponsor receiving the information, ex-  
18 cept that the Secretary may disclose the infor-  
19 mation for the following purposes:

20 “(i) As the Secretary determines nec-  
21 essary to carry out this part.

22 “(ii) To permit the Comptroller Gen-  
23 eral to review the information provided.

24 “(iii) To permit the Executive Direc-  
25 tor of the Medicare Payment Advisory

1 Commission to review the information pro-  
2 vided.

3 “(iv) To the Attorney General for the  
4 purposes of conducting oversight and en-  
5 forcement under this title.

6 “(v) To the Inspector General of the  
7 Department of Health and Human Serv-  
8 ices in accordance with its authorities  
9 under the Inspector General Act of 1978  
10 (section 406 of title 5, United States  
11 Code), and other applicable statutes.

12 “(B) RESTRICTION ON USE OF INFORMA-  
13 TION.—The Secretary, the Comptroller General,  
14 and the Executive Director of the Medicare  
15 Payment Advisory Commission shall not report  
16 on or disclose information disclosed pursuant to  
17 subparagraph (A) to the public in a manner  
18 that would identify—

19 “(i) a specific pharmacy benefit man-  
20 ager, affiliate, pharmacy, manufacturer,  
21 wholesaler, PDP sponsor, or plan; or

22 “(ii) contract prices, rebates, dis-  
23 counts, or other remuneration for specific  
24 drugs in a manner that may allow the

1 identification of specific contracting parties  
2 or of such specific drugs.

3 “(7) DEFINITIONS.—For purposes of this sub-  
4 section:

5 “(A) AFFILIATE.—The term ‘affiliate’  
6 means, with respect to any pharmacy benefit  
7 manager or PDP sponsor, any entity that, di-  
8 rectly or indirectly—

9 “(i) owns or is owned by, controls or  
10 is controlled by, or is otherwise related in  
11 any ownership structure to such pharmacy  
12 benefit manager or PDP sponsor; or

13 “(ii) acts as a contractor, principal, or  
14 agent to such pharmacy benefit manager  
15 or PDP sponsor, insofar as such con-  
16 tractor, principal, or agent performs any of  
17 the functions described under subpara-  
18 graph (C).

19 “(B) BONA FIDE SERVICE FEE.—The term  
20 ‘bona fide service fee’ means a fee that is reflec-  
21 tive of the fair market value (as specified by the  
22 Secretary, through notice and comment rule-  
23 making) for a bona fide, itemized service actu-  
24 ally performed on behalf of an entity, that the  
25 entity would otherwise perform (or contract for)

1 in the absence of the service arrangement and  
2 that is not passed on in whole or in part to a  
3 client or customer, whether or not the entity  
4 takes title to the drug. Such fee must be a flat  
5 dollar amount and shall not be directly or indi-  
6 rectly based on, or contingent upon—

7 “(i) drug price, such as wholesale ac-  
8 quisition cost or drug benchmark price  
9 (such as average wholesale price);

10 “(ii) the amount of discounts, rebates,  
11 fees, or other direct or indirect remunera-  
12 tion with respect to covered part D drugs  
13 dispensed to enrollees in a prescription  
14 drug plan, except as permitted pursuant to  
15 paragraph (1)(A)(ii);

16 “(iii) coverage or formulary placement  
17 decisions or the volume or value of any re-  
18 ferrals or business generated between the  
19 parties to the arrangement; or

20 “(iv) any other amounts or meth-  
21 odologies prohibited by the Secretary.

22 “(C) PHARMACY BENEFIT MANAGER.—The  
23 term ‘pharmacy benefit manager’ means any  
24 person or entity that, either directly or through  
25 an intermediary, acts as a price negotiator or

1 group purchaser on behalf of a PDP sponsor or  
2 prescription drug plan, or manages the pre-  
3 scription drug benefits provided by such spon-  
4 sor or plan, including the processing and pay-  
5 ment of claims for prescription drugs, the per-  
6 formance of drug utilization review, the proc-  
7 essing of drug prior authorization requests, the  
8 adjudication of appeals or grievances related to  
9 the prescription drug benefit, contracting with  
10 network pharmacies, controlling the cost of cov-  
11 ered part D drugs, or the provision of related  
12 services. Such term includes any person or enti-  
13 ty that carries out one or more of the activities  
14 described in the preceding sentence, irrespective  
15 of whether such person or entity calls itself a  
16 ‘pharmacy benefit manager’.”.

17 (2) MA–PD PLANS.—Section 1857(f)(3) of the  
18 Social Security Act (42 U.S.C. 1395w–27(f)(3)) is  
19 amended by adding at the end the following new  
20 subparagraph:

21 “(F) REQUIREMENTS RELATING TO PHAR-  
22 MACY BENEFIT MANAGERS.—For plan years be-  
23 ginning on or after January 1, 2028, section  
24 1860D–12(h).”.

1           (3) NONAPPLICATION OF PAPERWORK REDUC-  
2           TION ACT.—Chapter 35 of title 44, United States  
3           Code, shall not apply to the implementation of this  
4           subsection.

5           (4) FUNDING.—

6           (A) SECRETARY.—In addition to amounts  
7           otherwise available, there is appropriated to the  
8           Centers for Medicare & Medicaid Services Pro-  
9           gram Management Account, out of any money  
10          in the Treasury not otherwise appropriated,  
11          \$113,000,000 for fiscal year 2025, to remain  
12          available until expended, to carry out this sub-  
13          section.

14          (B) OIG.—In addition to amounts other-  
15          wise available, there is appropriated to the In-  
16          specter General of the Department of Health  
17          and Human Services, out of any money in the  
18          Treasury not otherwise appropriated,  
19          \$20,000,000 for fiscal year 2025, to remain  
20          available until expended, to carry out this sub-  
21          section.

22          (b) MEDPAC REPORTS ON AGREEMENTS WITH  
23          PHARMACY BENEFIT MANAGERS WITH RESPECT TO PRE-  
24          SCRIPTION DRUG PLANS AND MA-PD PLANS.—

1           (1) IN GENERAL.—The Medicare Payment Ad-  
2           visory Commission shall submit to Congress the fol-  
3           lowing reports:

4                   (A) INITIAL REPORT.—Not later than the  
5                   first March 15 occurring after the date that is  
6                   2 years after the date on which the Secretary  
7                   makes the data available to the Commission, a  
8                   report regarding agreements with pharmacy  
9                   benefit managers with respect to prescription  
10                  drug plans and MA–PD plans. Such report  
11                  shall include, to the extent practicable—

12                           (i) a description of trends and pat-  
13                           terns, including relevant averages, totals,  
14                           and other figures for the types of informa-  
15                           tion submitted;

16                           (ii) an analysis of any differences in  
17                           agreements and their effects on plan en-  
18                           rollee out-of-pocket spending and average  
19                           pharmacy reimbursement, and other im-  
20                           pacts; and

21                           (iii) any recommendations the Com-  
22                           mission determines appropriate.

23                   (B) FINAL REPORT.—Not later than 2  
24                   years after the date on which the Commission  
25                   submits the initial report under subparagraph

1 (A), a report describing any changes with re-  
2 spect to the information described in subpara-  
3 graph (A) over time, together with any rec-  
4 ommendations the Commission determines ap-  
5 propriate.

6 (2) FUNDING.—In addition to amounts other-  
7 wise available, there is appropriated to the Medicare  
8 Payment Advisory Commission, out of any money in  
9 the Treasury not otherwise appropriated,  
10 \$1,000,000 for fiscal year 2026, to remain available  
11 until expended, to carry out this subsection.

## 12 **TITLE V—COMMITTEE ON** 13 **FINANCIAL SERVICES**

### 14 **SEC. 50001. GREEN AND RESILIENT RETROFIT PROGRAM** 15 **FOR MULTIFAMILY FAMILY HOUSING.**

16 The unobligated balance of amounts made available  
17 under section 30002(a) of Public Law 117-169 (commonly  
18 referred to as the “Inflation Reduction Act”; 136 Stat.  
19 2027) are rescinded.

### 20 **SEC. 50002. PUBLIC COMPANY ACCOUNTING OVERSIGHT** 21 **BOARD.**

22 (a) During the period beginning on the date of enact-  
23 ment of this Act and ending on the transfer date—

24 (1) all intellectual property retained by the  
25 Public Company Accounting Oversight Board

1 (“Board”) in support of its programs for registra-  
2 tion, standard-setting, and inspection shall be shared  
3 with the Securities and Exchange Commission  
4 (“Commission”); and

5 (2) pending enforcement and disciplinary ac-  
6 tions of the Board shall be referred to the Commis-  
7 sion or another Federal functional regulator (as de-  
8 fined in section 509 of the Gramm-Leach-Bliley Act  
9 (15 U.S.C. 6809)) in accordance with section 105 of  
10 the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215).

11 (b) Effective on the transfer date—

12 (1) all unobligated fees collected under section  
13 109(d) of the Sarbanes-Oxley Act of 2002 shall be  
14 transferred to the general fund of the Treasury, and  
15 the Commission may not collect fees under such sec-  
16 tion 109(d);

17 (2) the duties and powers of the Board in effect  
18 as of the day before the transfer date, other than  
19 those described in section 107 of the Sarbanes-Oxley  
20 Act of 2002 (15 U.S.C. 7217), shall be transferred  
21 to the Commission;

22 (3) the Commission may not use funds to carry  
23 out section 107 of the Sarbanes-Oxley Act of 2002  
24 (15 U.S.C. 7217) for activities related to overseeing  
25 the Board;

1           (4) the Board shall transfer all intellectual  
2           property described in subsection (a)(1) to the Com-  
3           mission;

4           (5) existing processes and regulations of the  
5           Board, including existing Board auditing standards,  
6           shall continue in effect unless modified through rule  
7           making by the Commission; and

8           (6) in connection with the duties and powers  
9           transferred under paragraph (2), any reference to  
10          the Board in any law implemented by a Federal  
11          functional regulator (as defined in section 509 of the  
12          Gramm-Leach-Bliley Act (15 U.S.C. 6809)), in any  
13          rule or guidance issued by a Federal functional reg-  
14          ulator, or in any records or other documents in the  
15          possession of a Federal functional regulator (as de-  
16          fined in section 509 of the Gramm-Leach-Bliley Act  
17          (15 U.S.C. 6809)), shall be deemed a reference to  
18          the Commission.

19          (c) Any employee of the Board as of the date of en-  
20          actment of this Act may—

21                 (1) be offered equivalent positions on the Com-  
22                 mission staff, as determined by the Commission, and  
23                 submit to the Commission's standard employment  
24                 policies; and



1 transfer any excess amount of such unobligated  
2 balances to the general fund of the Treasury.”.

3 **SEC. 50004. CONSUMER FINANCIAL CIVIL PENALTY FUND.**

4 Section 1017(d) of the Consumer Financial Protec-  
5 tion Act of 2010 (12 U.S.C. 5497(d)) is amended—

6 (1) in paragraph (2)—

7 (A) in the first sentence, by inserting “di-  
8 rect” before “victims”; and

9 (B) by striking the second sentence; and

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

11 “(3) TREATMENT OF EXCESS AMOUNTS.—With  
12 respect to a civil penalty described under paragraph  
13 (1), if the Bureau makes payments to all of the di-  
14 rect victims of activities for which that civil penalty  
15 was imposed, the Bureau shall transfer all amounts  
16 that remain in the Civil Penalty Fund with respect  
17 to that civil penalty to the general fund of the  
18 Treasury.”.

19 **SEC. 50005. FINANCIAL RESEARCH FUND.**

20 Section 155 of the Financial Stability Act of 2010  
21 (12 U.S.C. 5345) is amended by adding at the end the  
22 following:

23 “(e) LIMITATION ON ASSESSMENTS AND THE FINAN-  
24 CIAL RESEARCH FUND.—

1           “(1) LIMITATION ON ASSESSMENTS.—Assess-  
2           ments may not be collected under subsection (d) if  
3           the assessments would result in—

4                   “(A) the Financial Research Fund exceed-  
5                   ing the average annual budget amount; or

6                   “(B) the total assessments collected during  
7                   a single fiscal year exceeding the average an-  
8                   nual budget amount.

9           “(2) TRANSFER OF EXCESS FUNDS.—Any  
10           amounts in the Financial Research Fund exceeding  
11           the average annual budget amount shall be deposited  
12           into the general fund of the Treasury.

13           “(3) AVERAGE ANNUAL BUDGET AMOUNT DE-  
14           FINED.—In this subsection the term ‘average annual  
15           budget amount’ means the annual average, over the  
16           3 most recently completed fiscal years, of the ex-  
17           penses of the Council in carrying out the duties and  
18           responsibilities of the Council that were paid by the  
19           Office using amounts obtained through assessments  
20           under subsection (d).”.

1           **TITLE VI—COMMITTEE ON**  
2           **HOMELAND SECURITY**

3   **SEC. 60001. BORDER BARRIER SYSTEM CONSTRUCTION,**  
4           **INVASIVE SPECIES, AND BORDER SECURITY**  
5           **FACILITIES IMPROVEMENTS.**

6           In addition to amounts otherwise available, there is  
7 appropriated to the Commissioner of U.S. Customs and  
8 Border Protection for fiscal year 2025, out of any money  
9 in the Treasury not otherwise appropriated, to remain  
10 available until September 30, 2029, the following:

11           (1) \$46,500,000,000 for necessary expenses re-  
12 lating to the following:

13           (A) Construction, installation, or improve-  
14 ment of primary, waterborne, and secondary  
15 barriers.

16           (B) Access roads.

17           (C) Barrier system attributes, including  
18 cameras, lights, sensors, roads, and other detec-  
19 tion technology.

20           (2) \$50,000,000 for necessary expenses relating  
21 to eradication and removal of the carrizo cane plant,  
22 salt cedar, or any other invasive plant species that  
23 impedes border security operations along the Rio  
24 Grande River.

1           (3) \$5,000,000,000 for necessary expenses re-  
2 relating to lease, acquisition, construction, or improve-  
3 ment of U.S. Customs and Border Protection facili-  
4 ties and checkpoints in the vicinity of the southwest,  
5 northern, and maritime borders.

6 **SEC. 60002. U.S. CUSTOMS AND BORDER PROTECTION PER-**  
7 **SONNEL AND FLEET VEHICLES.**

8           (a) **CBP PERSONNEL.**—In addition to amounts oth-  
9 erwise available, there is appropriated to the Commis-  
10 sioner of U.S. Customs and Border Protection for fiscal  
11 year 2025, out of any money in the Treasury not otherwise  
12 appropriated, \$4,100,000,000, to remain available until  
13 September 30, 2029, to hire and train additional Border  
14 Patrol agents, Office of Field Operations Officers, Air and  
15 Marine agents, rehired annuitants, and U.S. Customs and  
16 Border Protection support personnel.

17           (b) **RESTRICTIONS.**—None of the funds made avail-  
18 able by subsection (a) may be used to recruit, hire, or train  
19 personnel for the duties of processing coordinators.

20           (c) **CBP RETENTION AND HIRING BONUSES.**—In ad-  
21 dition to amounts otherwise available, there is appro-  
22 priated to the Commissioner of U.S. Customs and Border  
23 Protection for fiscal year 2025, out of any money in the  
24 Treasury not otherwise appropriated, \$2,052,630,000, to  
25 remain available until September 30, 2029, to provide an-

1 nual retention bonuses or signing bonuses to eligible Bor-  
2 der Patrol agents, Office of Field Operations Officers, and  
3 Air and Marine agents.

4 (d) CBP VEHICLES.—In addition to amounts other-  
5 wise available, there is appropriated to the Commissioner  
6 of U.S. Customs and Border Protection for fiscal year  
7 2025, out of any money in the Treasury not otherwise ap-  
8 propriated, \$813,000,000, to remain available until Sep-  
9 tember 30, 2029, for the lease or acquisition of additional  
10 marked patrol units.

11 (e) FLETC.—In addition to amounts otherwise avail-  
12 able, there is appropriated to the Director of the Federal  
13 Law Enforcement Training Center for fiscal year 2025,  
14 out of any money in the Treasury not otherwise appro-  
15 priated—

16 (1) \$285,000,000, to remain available until  
17 September 30, 2029, to support the training of  
18 newly hired Federal law enforcement personnel em-  
19 ployed by the Department of Homeland Security;  
20 and

21 (2) \$465,000,000, to remain available until  
22 September 30, 2029, for procurement and construc-  
23 tion, improvements, and related expenses of the Fed-  
24 eral Law Enforcement Training Centers facilities.

1 (f) BORDER SECURITY WORKFORCE RECRUITMENT  
2 AND APPLICANT SOURCING.—In addition to amounts oth-  
3 erwise available, there is appropriated to the Commis-  
4 sioner of U.S. Customs and Border Protection for fiscal  
5 year 2025, out of any money in the Treasury not otherwise  
6 appropriated, \$600,000,000, to remain available until  
7 September 30, 2029, for marketing, recruiting, applicant  
8 sourcing and vetting, and operational mobility programs  
9 for border security personnel.

10 **SEC. 60003. U.S. CUSTOMS AND BORDER PROTECTION**  
11 **TECHNOLOGY, VETTING ACTIVITIES, AND**  
12 **OTHER EFFORTS TO ENHANCE BORDER SE-**  
13 **CURITY.**

14 (a) CBP TECHNOLOGY.—In addition to amounts oth-  
15 erwise available, there is appropriated to the Commis-  
16 sioner of U.S. Customs and Border Protection for fiscal  
17 year 2025, out of any money in the Treasury not otherwise  
18 appropriated, to remain available until September 30,  
19 2029, the following:

20 (1) \$1,076,317,000 for necessary expenses re-  
21 lating to procurement and integration of new non-in-  
22 trusive inspection equipment and associated civil  
23 works, artificial intelligence, integration, and ma-  
24 chine learning, as well as other mission support, to

1        combat the entry of illicit narcotics along the south-  
2        west, northern, and maritime borders.

3            (2) \$2,766,000,000 for necessary expenses re-  
4        lating to upgrades and procurement of border sur-  
5        veillance technologies along the southwest, northern,  
6        and maritime borders.

7            (3) \$673,000,000 for necessary expenses, in-  
8        cluding the deployment of technology, relating to the  
9        biometric entry and exit system under section 7208  
10       of the Intelligence Reform and Terrorism Prevention  
11       Act of 2004 (8 U.S.C. 1365b).

12        (b) RESTRICTIONS.—None of the funds made avail-  
13       able pursuant to subsection (a)(2) may be used for the  
14       procurement or deployment of surveillance towers that  
15       have not been—

16            (1) tested, and

17            (2) accepted,

18        by the Federal Government to deliver autonomous capa-  
19       bilities.

20        (c) AIR AND MARINE OPERATIONS.—In addition to  
21       amounts otherwise available, there is appropriated to the  
22       Commissioner of U.S. Customs and Border Protection for  
23       fiscal year 2025, out of any money in the Treasury not  
24       otherwise appropriated, \$1,234,000,000, to remain avail-  
25       able until September 30, 2029, for Air and Marine Oper-

1 ations' upgrading and procurement of new platforms for  
2 rapid air and marine response capabilities.

3 (d) CBP VETTING ACTIVITIES.—In addition to  
4 amounts otherwise available, there is appropriated to the  
5 Commissioner of U.S. Customs and Border Protection for  
6 fiscal year 2025, out of any money in the Treasury not  
7 otherwise appropriated, \$16,000,000, to remain available  
8 until September 30, 2029, for necessary expenses to sup-  
9 port screening, vetting activities, and expansion of U.S.  
10 Customs and Border Protection's criminal history data-  
11 bases.

12 (e) OTHER EFFORTS TO COMBAT DRUG TRAF-  
13 FICKING TO ENHANCE BORDER SECURITY.—In addition  
14 to amounts otherwise available, there is appropriated to  
15 the Secretary of Homeland Security for fiscal year 2025,  
16 out of any money in the Treasury not otherwise appro-  
17 priated, \$500,000,000, to remain available until Sep-  
18 tember 30, 2029, for enhancing border security and com-  
19 bating trafficking, including fentanyl and its precursor  
20 chemicals, at the southwest, northern, and maritime bor-  
21 ders.

22 (f) COMMEMORATIONS.—In addition to amounts oth-  
23 erwise available, there is appropriated to the Secretary of  
24 Homeland Security for fiscal year 2025, out of any money  
25 in the Treasury not otherwise appropriated, \$1,000,000,

1 to remain available until September 30, 2029, for com-  
2 memorating efforts and events related to border security.

3 (g) DEFINITION.—In this section, the term “autono-  
4 mous” means integrated software and hardware systems  
5 that utilize sensors, onboard computing, and artificial in-  
6 telligence to identify items of interest that would otherwise  
7 be manually identified by U.S. Customs and Border Pro-  
8 tection personnel.

9 **SEC. 60004. STATE AND LOCAL LAW ENFORCEMENT PRESI-  
10 DENTIAL RESIDENCE PROTECTION.**

11 (a) PRESIDENTIAL RESIDENCE PROTECTION.—In  
12 addition to amounts otherwise available, there is appro-  
13 priated to the Administrator of the Federal Emergency  
14 Management Agency, for fiscal year 2025, out of any  
15 money in the Treasury not otherwise appropriated,  
16 \$300,000,000, to remain available until September 30,  
17 2029, for the reimbursement of extraordinary law enforce-  
18 ment personnel costs for protection activities directly and  
19 demonstrably associated with any residence of the Presi-  
20 dent that is designated pursuant to section 3 of the Presi-  
21 dential Protection Assistance Act of 1976 (Public Law  
22 94–524) to be secured by the United States Secret Serv-  
23 ice.

24 (b) AVAILABILITY.—Funds under subsection (a) shall  
25 be available only for costs that a State or local agency—

1 (1) incurred or incurs on or after July 1, 2024;

2 (2) can demonstrate to the Administrator of the  
3 Federal Emergency Management Agency as being—

4 (A) in excess of the costs of normal and  
5 typical law enforcement operations;

6 (B) directly attributable to the provision of  
7 protection described in such subsection; and

8 (C) associated with a non-governmental  
9 property designated pursuant to section 3 of  
10 the Presidential Protection Assistance Act of  
11 1976 (Public Law 94–524) to be secured by the  
12 United States Secret Service; and

13 (3) certifies to the Administrator as being for  
14 protection activities requested by the Director of the  
15 United States Secret Service.

16 **SEC. 60005. STATE HOMELAND SECURITY GRANT PRO-**  
17 **GRAM.**

18 In addition to amounts otherwise available, there is  
19 appropriated to the Administrator of the Federal Emer-  
20 gency Management Agency, for fiscal year 2025, out of  
21 any money in the Treasury, not otherwise appropriated,  
22 to be administered under the State Homeland Security  
23 Grant Program authorized under section 2004 of the  
24 Homeland Security Act of 2002 (6 U.S.C. 605), to en-  
25 hance State, local, and Tribal security through grants,

1 contracts, cooperative agreements, and other activities, of  
2 which—

3 (1) \$500,000,000, to remain available until  
4 September 30, 2029, for State and local capabilities  
5 to detect, identify, track, or monitor threats from  
6 unmanned aircraft systems (as such term is defined  
7 in section 44801 of title 49, United States Code);

8 (2) \$625,000,000, to remain available until  
9 September 30, 2029, for security, planning, and  
10 other costs related to the 2026 FIFA World Cup;

11 (3) \$1,000,000,000, to remain available until  
12 September 30, 2029, for security, planning, and  
13 other costs related to the 2028 Olympic Games and  
14 2028 Paralympic Games; and

15 (4) \$450,000,000, to remain available until  
16 September 30, 2029, for the Operation Stonegarden  
17 Grant Program.

## 18 **TITLE VII—COMMITTEE ON THE** 19 **JUDICIARY**

### 20 **Subtitle A—Immigration Matters**

#### 21 **PART 1—IMMIGRATION FEES**

##### 22 **SEC. 70001. APPLICABILITY OF THE IMMIGRATION LAWS.**

23 (a) **APPLICABILITY.**—Notwithstanding any provision  
24 of the immigration laws (as defined under section 101 of

1 the Immigration and Nationality Act), the fees under this  
2 subtitle shall apply.

3 (b) TERMS.—The terms used under this subtitle shall  
4 have the meanings given such terms in section 101 of the  
5 Immigration and Nationality Act.

6 (c) REFERENCES TO IMMIGRATION AND NATION-  
7 ALITY ACT.—Except as otherwise expressly provided,  
8 whenever this subtitle references a section or other provi-  
9 sion, the reference shall be considered to be to a section  
10 or other provision of the Immigration and Nationality Act.

11 **SEC. 70002. ASYLUM FEE.**

12 (a) IN GENERAL.—In addition to any other fee au-  
13 thorized by law, the Secretary of Homeland Security or  
14 the Attorney General, as applicable, shall impose a fee in  
15 the amount specified in this section for a fiscal year on  
16 each alien who files an application for asylum under sec-  
17 tion 208 of the Immigration and Nationality Act at the  
18 time such application is filed.

19 (b) INITIAL AMOUNT.—The amount specified in this  
20 section for fiscal year 2025 shall be such amount as the  
21 Secretary or Attorney General, as applicable, may by rule  
22 provide, but in any event not less than \$1,000.

23 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
24 year 2026 and each fiscal year thereafter, the amount

1 specified in this section for a fiscal year shall be equal  
2 to the sum of—

3 (1) the amount imposed under this section for  
4 the prior fiscal year; and

5 (2) rounded to the next lowest multiple of \$10,  
6 the amount referred to in paragraph (1), multiplied  
7 by the percentage (if any) by which the Consumer  
8 Price Index for All Urban Consumers for the month  
9 of July preceding the date on which such adjustment  
10 takes effect exceeds the Consumer Price Index for  
11 All Urban Consumers for the same month of the  
12 preceding calendar year.

13 (d) CREDITING CERTAIN FUNDS.—During any fiscal  
14 year, the total amount of fees received under this section  
15 shall be subject to the following:

16 (1) 50 percent of fees received from applica-  
17 tions filed with the Attorney General shall be cred-  
18 ited to the Executive Office for Immigration Review  
19 to retain and spend without further appropriation.

20 (2) 50 percent of fees received from applica-  
21 tions filed with the Secretary of Homeland Security  
22 shall be credited to U.S. Citizenship and Immigra-  
23 tion Services and deposited into the Immigration  
24 Examinations Fee Account established under section  
25 286(m) of the Immigration and Nationality Act (8

1 U.S.C. 1356(m)) to retain and spend without fur-  
2 ther appropriation.

3 (3) Any amounts not credited to the Executive  
4 Office for Immigration Review or U.S. Citizenship  
5 and Immigration Services shall be deposited into the  
6 general fund of the Treasury.

7 (e) NO WAIVER.—A fee imposed under this section  
8 shall not be waived or reduced.

9 **SEC. 70003. EMPLOYMENT AUTHORIZATION DOCUMENT**  
10 **FEES.**

11 (a) ASYLUM APPLICANTS.—

12 (1) IN GENERAL.—In addition to any other fee  
13 authorized by law, the Secretary of Homeland Secu-  
14 rity shall impose on any alien who files an initial ap-  
15 plication for employment authorization under section  
16 208(d)(2) of the Immigration and Nationality Act a  
17 fee in the amount specified in this subsection at the  
18 time such initial employment authorization applica-  
19 tion is filed. Each initial employment authorization  
20 shall be valid for a period of not more than six  
21 months.

22 (2) INITIAL AMOUNT.— For purposes of this  
23 subsection, the amount specified in this subsection  
24 for fiscal year 2025 shall be such amount as the

1 Secretary may by rule provide, but in any event not  
2 less than \$550.

3 (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
4 fiscal year 2026 and each fiscal year thereafter, the  
5 amount for a fiscal year shall be equal to the sum  
6 of—

7 (A) the amount imposed under this section  
8 for the prior fiscal year; and

9 (B) rounded to the next lowest multiple of  
10 \$10, the amount referred to in subparagraph  
11 (A), multiplied by the percentage (if any) by  
12 which the Consumer Price Index for All Urban  
13 Consumers for the month of July preceding the  
14 date on which such adjustment takes effect ex-  
15 ceeds the Consumer Price Index for All Urban  
16 Consumers for the same month of the preceding  
17 calendar year.

18 (4) CREDITING OF FUNDS.—25 percent of fees  
19 received under this section shall be credited to U.S.  
20 Citizenship and Immigration Services and deposited  
21 into the Immigration Examinations Fee Account es-  
22 tablished under section 286(m) of the Immigration  
23 and Nationality Act (8 U.S.C. 1356(m)) to retain  
24 and spend without further appropriation, of which  
25 50 percent shall be used by U.S. Citizenship and Im-

1 migration Services to detect and prevent immigra-  
2 tion benefit fraud. Any amounts not credited to U.S.  
3 Citizenship and Immigration Services under this sec-  
4 tion shall be deposited into the general fund of the  
5 Treasury.

6 (5) NO WAIVER.—A fee imposed under this  
7 subsection shall not be waived or reduced.

8 (b) PAROLE.—

9 (1) IN GENERAL.—In addition to any other fee  
10 authorized by law, the Secretary of Homeland Secu-  
11 rity shall impose on any alien paroled into the  
12 United States a fee for any initial application for  
13 employment authorization in an amount specified in  
14 this subsection at the time such initial application is  
15 filed. Each initial employment authorization shall be  
16 valid for a period of not more than six months.

17 (2) INITIAL AMOUNT.—For purposes of this  
18 subsection, the amount specified in this subsection  
19 for fiscal year 2025 shall be such amount as the  
20 Secretary may by rule provide, but in any event not  
21 less than \$550.

22 (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
23 fiscal year 2026 and each fiscal year thereafter, the  
24 amount specified in this subsection for a fiscal year  
25 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 FUNDS.—The fees received  
13 under this section shall be deposited into the general  
14 fund of the Treasury.

15 (5) NO WAIVER.—A fee imposed under this  
16 subsection shall not be waived or reduced.

17 (c) TEMPORARY PROTECTED STATUS.—

18 (1) IN GENERAL.—In addition to any other fee  
19 authorized by law, for any alien who files an initial  
20 application for employment authorization under sec-  
21 tion 244(a)(1)(B) of the Immigration and Nation-  
22 ality Act, the Secretary of Homeland Security shall  
23 impose a fee in an amount specified in this sub-  
24 section at the time such initial application is filed.

1 Each initial employment authorization shall be valid  
2 for a period of not more than six months.

3 (2) INITIAL AMOUNT.—For purposes of this  
4 subsection, the amount specified in this subsection  
5 for fiscal year 2025 shall be such amount as the  
6 Secretary may by rule provide, but in any event not  
7 less than \$550.

8 (3) 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 (4) CREDITING OF CERTAIN FUNDS.—The fees  
24 received under this section shall be deposited into  
25 the general fund of the Treasury.

1           (5) NO WAIVER.—A fee imposed under this  
2           subsection shall not be waived or reduced.

3 **SEC. 70004. PAROLE 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 each  
7           alien who is paroled into the United States, except if, as  
8           established by the alien, the alien is paroled because—

9           (1) the alien has a medical emergency, and—

10           (A) the alien cannot obtain necessary  
11           treatment in the foreign state in which the alien  
12           is residing; or

13           (B) the medical emergency is life-threat-  
14           ening and there is insufficient time for the alien  
15           to be admitted to the United States through the  
16           normal visa process;

17           (2) the alien is the parent or legal guardian of  
18           an alien described in paragraph (1) and the alien de-  
19           scribed in paragraph (1) is a minor;

20           (3) the alien is needed in the United States to  
21           donate an organ or other tissue for transplant and  
22           there is insufficient time for the alien to be admitted  
23           to the United States through the normal visa proc-  
24           ess;

1           (4) the alien has a close family member in the  
2           United States whose death is imminent and the alien  
3           could not arrive in the United States in time to see  
4           such family member alive if the alien were to be ad-  
5           mitted to the United States through the normal visa  
6           process;

7           (5) the alien is seeking to attend the funeral of  
8           a close family member and the alien could not arrive  
9           in the United States in time to attend such funeral  
10          if the alien were to be admitted to the United States  
11          through the normal visa process;

12          (6) the alien is an adopted child with an urgent  
13          medical condition who is in the legal custody of the  
14          petitioner for a final adoption-related visa and whose  
15          medical treatment is required before the expected  
16          award of a final adoption-related visa;

17          (7) the alien is a lawful applicant for adjust-  
18          ment of status under section 245 of the Immigration  
19          and Nationality Act and is returning to the United  
20          States after temporary travel abroad;

21          (8) the alien is returned to a contiguous coun-  
22          try under section 235(b)(2)(C) of the Immigration  
23          and Nationality Act and paroled into the United  
24          States to allow the alien to attend the alien's immi-  
25          gration hearing;

1 (9) the alien—

2 (A) is a national of the Republic of Cuba  
3 and is living in the Republic 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) is an alien for whom an immigrant  
8 visa is not immediately available;

9 (D) meets all eligibility requirements for  
10 an immigrant visa;

11 (E) is not otherwise inadmissible; and

12 (F) is receiving a grant of parole in fur-  
13 therance of the commitment of the United  
14 States to the minimum level of annual legal mi-  
15 gration of Cuban nationals to the United States  
16 specified in the U.S.-Cuba Joint Communiqué  
17 on Migration, done at New York September 9,  
18 1994, and reaffirmed in the Cuba-United  
19 States: Joint Statement on Normalization of  
20 Migration, Building on the Agreement of Sep-  
21 tember 9, 1994, done at New York May 2,  
22 1995; or

23 (10) the Secretary of Homeland Security deter-  
24 mines that a significant public benefit has resulted  
25 or will result from the parole of an alien only if—

1 (A) the alien has assisted or will assist the  
2 United States Government in a law enforcement  
3 matter;

4 (B) the alien's presence is required by the  
5 Government in furtherance of such law enforce-  
6 ment matter; and

7 (C) the alien is inadmissible, does not sat-  
8 isfy the eligibility requirements for admission as  
9 a nonimmigrant, or there is insufficient time for  
10 the alien to be admitted to the United States  
11 through the normal visa process.

12 (b) INITIAL AMOUNT.—For purposes of this section,  
13 the amount specified in this subsection for fiscal year  
14 2025 shall be such amount as the Secretary may by rule  
15 provide, but in any event not less than \$1,000.

16 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
17 year 2026 and each fiscal year thereafter, the amount  
18 specified in this section for a fiscal year shall be equal  
19 to the sum of—

20 (1) the amount imposed under this section for  
21 the prior fiscal year; and

22 (2) rounded to the next lowest multiple of \$10,  
23 the amount referred to in paragraph (1), multiplied  
24 by the percentage (if any) by which the Consumer  
25 Price Index for All Urban Consumers for the month

1 of July preceding the date on which such adjustment  
2 takes effect exceeds the Consumer Price Index for  
3 All Urban Consumers for the same month of the  
4 preceding calendar year.

5 (d) CREDITING OF FUNDS.—Fees received under this  
6 section shall be deposited in the general fund of the Treas-  
7 ury.

8 (e) NO WAIVER.—A fee imposed under this section  
9 shall not be waived or reduced.

10 **SEC. 70005. SPECIAL IMMIGRANT JUVENILE FEE.**

11 (a) IN GENERAL.—In addition to any other fee au-  
12 thorized by law, the Secretary of Homeland Security shall  
13 impose a fee in an amount specified in this section on any  
14 alien applying for special immigrant juvenile status under  
15 section 101(a)(27)(J) of the Immigration and Nationality  
16 Act if reunification with 1 parent or legal guardian is via-  
17 ble, notwithstanding abuse, neglect, abandonment, or a  
18 similar basis found under State law making reunification  
19 with the other parent or legal guardian not viable.

20 (b) INITIAL AMOUNT.—For purposes of this sub-  
21 section, the amount specified in this section for fiscal year  
22 2025 shall be such amount as the Secretary may by rule  
23 provide, but in any event not less than \$500.

24 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
25 year 2026 and each fiscal year thereafter, the amount

1 specified in this section for a fiscal year shall be equal  
2 to the sum of—

3 (1) the amount imposed under this section for  
4 the prior fiscal year; and

5 (2) rounded to the next lowest multiple of \$10,  
6 the amount referred to in paragraph (1), multiplied  
7 by the percentage (if any) by which the Consumer  
8 Price Index for All Urban Consumers for the month  
9 of July preceding the date on which such adjustment  
10 takes effect exceeds the Consumer Price Index for  
11 All Urban Consumers for the same month of the  
12 preceding calendar year.

13 (d) CREDITING OF FUNDS.—Fees received under this  
14 section shall be deposited in the general fund of the Treas-  
15 ury.

16 (e) NO WAIVER.—A fee imposed under this section  
17 shall not be waived or reduced.

18 **SEC. 70006. TEMPORARY PROTECTED STATUS FEE.**

19 (a) IN GENERAL.—In addition to any other fee au-  
20 thorized by law, the Secretary of Homeland Security shall  
21 impose a fee in an amount specified in this section for  
22 the consideration of an application for temporary pro-  
23 tected status under section 244 of the Immigration and  
24 Nationality Act on any alien who—

1           (1) has not been admitted into the United  
2 States; or

3           (2) has been admitted to the United States as  
4 a nonimmigrant but at the time of application for  
5 temporary protected status has failed—

6           (A) to maintain or extend the non-  
7 immigrant status in which the alien was admit-  
8 ted or to which the status was changed under  
9 section 248 of the Immigration and Nationality  
10 Act, including complying with the period of stay  
11 authorized by the Secretary of Homeland Secu-  
12 rity in connection with such status; or

13           (B) to comply with the conditions of such  
14 nonimmigrant status.

15       (b) INITIAL AMOUNT.—For purposes of this sub-  
16 section, the amount specified in this section for fiscal year  
17 2025 shall be such amount as the Secretary may by rule  
18 provide, but in any event not less than \$500.

19       (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
20 year 2026 and each fiscal year thereafter, the amount  
21 specified in this section for a fiscal year shall be equal  
22 to the sum of—

23           (1) the amount imposed under this section for  
24 the prior fiscal year; and

1           (2) rounded to the next lowest multiple of \$10,  
2           the amount referred to in paragraph (1), multiplied  
3           by the percentage (if any) by which the Consumer  
4           Price Index for All Urban Consumers for the month  
5           of July preceding the date on which such adjustment  
6           takes effect exceeds the Consumer Price Index for  
7           All Urban Consumers for the same month of the  
8           preceding calendar year.

9           (d) CREDITING OF FUNDS.—Fees received under this  
10          section shall be deposited in the general fund of the Treas-  
11          ury.

12          (e) NO WAIVER.—A fee imposed under this section  
13          shall not be waived or reduced.

14          **SEC. 70007. UNACCOMPANIED ALIEN CHILD SPONSOR FEE.**

15          (a) IN GENERAL.—In addition to any other fee au-  
16          thorized by law, before placing the child with an individual  
17          under section 235(c) of the William Wilberforce Traf-  
18          ficking Victims Protection Reauthorization Act of 2008,  
19          the Secretary of Health and Human Services shall collect  
20          from that individual a fee in an amount specified in this  
21          section as partial reimbursement to the Federal Govern-  
22          ment for the period during which the child was in the cus-  
23          tody of the Government, for processing, housing, feeding,  
24          educating, transporting, and otherwise providing for the  
25          care of the child.

1 (b) INITIAL AMOUNT.—For purposes of this sub-  
2 section, the amount specified in this section for fiscal year  
3 2025 shall be such amount as the Secretary may by rule  
4 provide, but in any event not less than \$3,500.

5 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
6 year 2026 and each fiscal year thereafter, the amount  
7 specified in this section for a fiscal year shall be equal  
8 to the sum of—

9 (1) the amount imposed under this section for  
10 the prior fiscal year; and

11 (2) rounded to the next lowest multiple of \$10,  
12 the amount referred to in paragraph (1), multiplied  
13 by the percentage (if any) by which the Consumer  
14 Price Index for All Urban Consumers for the month  
15 of July preceding the date on which such adjustment  
16 takes effect exceeds the Consumer Price Index for  
17 All Urban Consumers for the same month of the  
18 preceding calendar year.

19 (d) CREDITING OF FUNDS.—During any fiscal year,  
20 the total amount of fees received under this section shall  
21 be subject to the following:

22 (1) 25 percent of fees received under this sec-  
23 tion shall be credited to the Department of Health  
24 and Human Services to retain and spend without  
25 further appropriation and shall be used for the pur-

1       pose of conducting background checks of potential  
2       sponsors of unaccompanied alien children and of  
3       adults residing in potential sponsors' households,  
4       which shall include, at a minimum—

5               (A) the name of the individual and all  
6               adult residents of the individual's household;

7               (B) the social security number of the indi-  
8               vidual and all adult residents of the individual's  
9               household;

10              (C) the date of birth of the individual and  
11              all adult residents of the individual's household;

12              (D) the validated location of the individ-  
13              ual's residence where the child will be placed;

14              (E) the immigration status of the indi-  
15              vidual and all adult residents of the individual's  
16              household;

17              (F) contact information for the individual  
18              and all adult residents of the individual's house-  
19              hold; and

20              (G) the results of all background and  
21              criminal records checks for the individual and  
22              all adult residents of the individual's household,  
23              which shall include at a minimum an investiga-  
24              tion of the public records sex offender registry,  
25              a public records background check, and a na-

1            tional criminal history check based on finger-  
2            prints.

3            (2) Any amounts not credited to the Depart-  
4            ment of Health and Human Services shall be depos-  
5            ited into the general fund of the Treasury.

6            (e) NO WAIVER.—A fee imposed under this section  
7            shall not be waived or reduced.

8            **SEC. 70008. VISA INTEGRITY FEE.**

9            (a) VISA INTEGRITY FEE.—

10            (1) IN GENERAL.—In addition to any other fee  
11            authorized by law, the Secretary of Homeland Secu-  
12            rity shall impose a fee in an amount specified in this  
13            subsection on each alien issued a nonimmigrant visa  
14            upon the issuance of such alien's nonimmigrant visa.

15            (2) INITIAL AMOUNT.—For purposes of this  
16            subsection, the amount specified in this subsection  
17            for fiscal year 2025 shall be such amount as the  
18            Secretary may by rule provide, but in any event not  
19            less than \$250.

20            (3) SUBSEQUENT ADJUSTMENT.—Beginning in  
21            fiscal year 2026 and each fiscal year thereafter, the  
22            amount specified in this subsection for a fiscal year  
23            shall be equal to the sum of—

24            (A) the amount imposed under this section  
25            for the prior fiscal year; and

1 (B) rounded to the next lowest multiple of  
2 \$1, the amount referred to in subparagraph  
3 (A), multiplied by the percentage (if any) by  
4 which the Consumer Price Index for All Urban  
5 Consumers for the month of July preceding the  
6 date on which such adjustment takes effect ex-  
7 ceeds the Consumer Price Index for All Urban  
8 Consumers for the same month of the preceding  
9 calendar year.

10 (4) CREDITING OF FUNDS.—The fees received  
11 under this subsection that are not reimbursed in ac-  
12 cordance with subsection (b) shall be deposited in  
13 the general fund of the Treasury.

14 (5) NO WAIVER.—A fee imposed under this  
15 subsection shall not be waived or reduced.

16 (b) FEE REIMBURSEMENT.—The Secretary of Home-  
17 land Security may reimburse to an alien a fee imposed  
18 under this section on that alien for the issuance of a non-  
19 immigrant visa after the expiration of such nonimmigrant  
20 visa's period of validity if the alien demonstrates that—

21 (1) the alien has not sought admission during  
22 such period of validity;

23 (2) the alien, after admission to the United  
24 States pursuant to such nonimmigrant visa, com-  
25 plied with all conditions of such nonimmigrant visa,

1 including the condition that an alien shall not accept  
2 unauthorized employment, and that the alien de-  
3 parted the United States not later than 5 days after  
4 the date on which the alien was authorized to re-  
5 main in the United States; or

6 (3) the alien filed to extend, change, or adjust  
7 such status within the nonimmigrant visa's period of  
8 validity.

9 **SEC. 70009. FORM I-94 FEE.**

10 (a) FEE AUTHORIZED.—In addition to any other fee  
11 authorized by law, the Secretary of Homeland Security  
12 shall impose a fee in an amount specified in subsection  
13 (b) on any alien upon the alien's application for a Form  
14 I-94 Arrival/Departure Record.

15 (b) FEE SPECIFIED.—

16 (1) INITIAL AMOUNT.—The amount specified in  
17 this subsection for fiscal year 2025 shall be such  
18 amount as the Secretary may by rule provide, but in  
19 any event not less than \$24.

20 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
21 fiscal year 2026 and each fiscal year thereafter, the  
22 amount specified in this subsection for a fiscal year  
23 shall be equal to the sum of—

24 (A) the amount imposed under this section  
25 for the prior fiscal year; and

1 (B) the amount referred to in subpara-  
2 graph (A), multiplied by the percentage (if any)  
3 by which the Consumer Price Index for All  
4 Urban Consumers for the month of July pre-  
5 ceeding the date on which such adjustment takes  
6 effect exceeds the Consumer Price Index for All  
7 Urban Consumers for the same month of the  
8 preceding calendar year.

9 (c) CREDITING OF FUNDS.—During any fiscal year,  
10 the total amount of fees received under this section shall  
11 be subject to the following:

12 (1) 20 percent of the fee collected under this  
13 section for each application shall be deposited pursu-  
14 ant to section 286(q)(2) of the Immigration and Na-  
15 tionality Act (8 U.S.C. 1356(q)(2)) and made avail-  
16 able to U.S. Customs and Border Protection to re-  
17 tain and spend without further appropriation for the  
18 purpose of processing Form I-94.

19 (2) Any amounts not credited to U.S. Customs  
20 and Border Protection shall be deposited in the gen-  
21 eral fund of the Treasury.

22 (d) NO WAIVER.—A fee imposed under this section  
23 shall not be waived or reduced.

1 **SEC. 70010. YEARLY ASYLUM FEE.**

2 (a) **FEE AUTHORIZED.**—In addition to any other fee  
3 authorized by law, for each calendar year that an alien’s  
4 application for asylum remains pending, the Secretary of  
5 Homeland Security or the Attorney General, as applicable,  
6 shall impose a fee in an amount specified in subsection  
7 (b) on that alien.

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 Secretary and the Attorney General  
12 may by rule provide, but in any event not less than  
13 \$100.

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 section  
19 for the prior fiscal year; and

20 (B) the amount referred to in subpara-  
21 graph (A), multiplied by the percentage (if any)  
22 by which the Consumer Price Index for All  
23 Urban Consumers for the month of July pre-  
24 ceeding the date on which such adjustment takes  
25 effect exceeds the Consumer Price Index for All

1           Urban Consumers for the same month of the  
2           preceding calendar year.

3           (c) CREDITING OF FUNDS.—The fees received under  
4 this section shall be deposited in the general fund of the  
5 Treasury.

6           (d) NO WAIVER.—A fee imposed under this section  
7 shall not be waived or reduced.

8   **SEC. 70011. FEE FOR CONTINUANCES GRANTED IN IMMI-**  
9                                   **GRATION COURT PROCEEDINGS.**

10          (a) IN GENERAL.—In addition to any other fee au-  
11 thorized by law, the Attorney General shall impose a fee  
12 in an amount specified in subsection (b) on any alien who  
13 requests and is granted a continuance by an immigration  
14 judge for each such continuance.

15          (b) FEE SPECIFIED.—

16               (1) INITIAL AMOUNT.—The amount specified in  
17 this subsection for fiscal year 2025 shall be such  
18 amount as the Attorney General may by rule pro-  
19 vide, but in any event not less than \$100.

20               (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
21 fiscal year 2026 and each fiscal year thereafter, the  
22 amount specified in this subsection for a fiscal year  
23 shall be equal to the sum of—

24                       (A) the amount imposed under this section  
25                       for the prior fiscal year; and

1 (B) the amount referred to in subpara-  
2 graph (A), multiplied by the percentage (if any)  
3 by which the Consumer Price Index for All  
4 Urban Consumers for the month of July pre-  
5 ceeding the date on which such adjustment takes  
6 effect exceeds the Consumer Price Index for All  
7 Urban Consumers for the same month of the  
8 preceding calendar year.

9 (c) CREDITING OF CERTAIN FUNDS.—Amounts re-  
10 ceived as fees under this section shall be deposited in the  
11 general fund of the Treasury.

12 (d) NO WAIVER.—A fee imposed under this section  
13 shall not be waived or reduced, except no fee shall be im-  
14 posed on any alien whose request for a continuance is  
15 granted based on exceptional circumstances (as such term  
16 is defined in section 240 of the Immigration and Nation-  
17 ality Act).

18 **SEC. 70012. FEE RELATING TO RENEWAL AND EXTENSION**  
19 **OF EMPLOYMENT AUTHORIZATION FOR PA-**  
20 **ROLEES.**

21 (a) FEE IMPOSED.—In addition to any other fee au-  
22 thorized by law, for a parolee who seeks a renewal or ex-  
23 tension of employment authorization based on a grant of  
24 parole, the Secretary of Homeland Security shall impose  
25 a fee in an amount specified in subsection (b).

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 may by rule provide, but in  
5 any event not less than \$550.

6 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
7 fiscal year 2026 and each fiscal year thereafter, the  
8 amount specified in this subsection for a fiscal year  
9 shall be equal to the sum of—

10 (A) the amount imposed under this sub-  
11 section for the prior fiscal year; and

12 (B) rounded to the next lowest multiple of  
13 \$10, the amount referred to in subparagraph  
14 (A), multiplied by the percentage (if any) by  
15 which the Consumer Price Index for All Urban  
16 Consumers for the month of July preceding the  
17 date on which such adjustment takes effect ex-  
18 ceeds the Consumer Price Index for All Urban  
19 Consumers for the same month of the preceding  
20 calendar year.

21 (c) IN GENERAL.—The employment authorization for  
22 any alien paroled into the United States, or any renewal  
23 or extension thereof, shall be valid for a period of not more  
24 than six months.

1 (d) CREDITING OF FUNDS.—The fees received under  
2 this section shall be deposited into the general fund of the  
3 Treasury.

4 (e) NO WAIVER.—A fee imposed under this sub-  
5 section shall not be waived or reduced.

6 **SEC. 70013. FEE RELATING TO TERMINATION, RENEWAL,**  
7 **AND EXTENSION OF EMPLOYMENT AUTHOR-**  
8 **IZATION FOR ASYLUM APPLICANTS.**

9 (a) FEE IMPOSED.—In addition to any other fee au-  
10 thorized by law, for any alien who applies for asylum and  
11 who seeks a renewal or extension of employment author-  
12 ization based on such application, the Secretary of Home-  
13 land Security shall impose a fee of not less than \$550 for  
14 each such renewal or extension, in accordance with sub-  
15 section (b).

16 (b) EMPLOYMENT AUTHORIZATION.—The Secretary  
17 of Homeland Security may provide employment authoriza-  
18 tion to an applicant for asylum for a period of not more  
19 than six months. Each renewal or extension thereof shall  
20 also be valid for a period of not more than six months.

21 (c) TERMINATION.—Each initial employment author-  
22 ization, or renewal or extension of such authorization,  
23 shall terminate as follows:

1           (1) Immediately following the denial of an asy-  
2           lum application by an asylum officer, unless the case  
3           is referred to an immigration judge.

4           (2) On the date that is 30 days after the date  
5           on which an immigration judge denies an asylum ap-  
6           plication, unless the alien makes a timely appeal to  
7           the Board of Immigration Appeals.

8           (3) Immediately following the denial by the  
9           Board of Immigration Appeals of an appeal of a de-  
10          nial of an asylum application.

11          (d) PROHIBITION.—The Secretary of Homeland Se-  
12          curity shall not grant, renew, or extend employment au-  
13          thorization to an alien if the alien was previously granted  
14          employment authorization as an applicant for asylum and  
15          the employment authorization was terminated pursuant to  
16          a circumstance described in subsection (c), unless a Fed-  
17          eral Court of Appeals remands the alien’s case to the  
18          Board of Immigration Appeals.

19          (e) CREDITING OF FUNDS.—The total amount of fees  
20          received under this section shall be deposited in the gen-  
21          eral fund of the Treasury.

22          (f) NO WAIVER.—A fee imposed under this sub-  
23          section shall not be waived or reduced.

1 **SEC. 70014. FEE RELATING TO RENEWAL AND EXTENSION**  
2 **OF EMPLOYMENT AUTHORIZATION FOR**  
3 **ALIENS GRANTED TEMPORARY PROTECTED**  
4 **STATUS.**

5 (a) **FEE IMPOSED.**—In addition to any other fee au-  
6 thorized by law, for any alien who seeks a renewal or ex-  
7 tension of employment authorization based on a grant of  
8 temporary protected status, the Secretary of Homeland  
9 Security shall impose a fee in an amount specified in sub-  
10 section (b) at the time of each such renewal or extension.

11 (b) **FEE SPECIFIED.**—

12 (1) **INITIAL AMOUNT.**—The amount specified in  
13 this subsection for fiscal year 2025 shall be such  
14 amount as the Secretary may by rule provide, but in  
15 any event not less than \$550.

16 (2) **SUBSEQUENT ADJUSTMENT.**—Beginning in  
17 fiscal year 2026 and each fiscal year thereafter, the  
18 amount specified in this subsection for a fiscal year  
19 shall be equal to the sum of—

20 (A) the amount imposed under this sub-  
21 section 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  
26 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           (c) EMPLOYMENT AUTHORIZATION.—Any employ-  
6           ment authorization for an alien granted temporary pro-  
7           tected status, or any renewal or extension thereof, shall  
8           be valid for a period of not more than six months.

9           (d) CREDITING OF FUNDS.—The fees received under  
10          this section shall be deposited into the general fund of the  
11          Treasury.

12          (e) NO WAIVER.—A fee imposed under this sub-  
13          section shall not be waived or reduced.

14          **SEC. 70015. DIVERSITY IMMIGRANT VISA FEES.**

15          (a) FEE FOR FILING A DIVERSITY IMMIGRANT VISA  
16          APPLICATION.—

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 files an ap-  
20                  plication for a diversity immigrant visa 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 such application 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 Secretary may by rule  
4 provide, but in any event not less than \$400.

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) rounded to the next lowest mul-  
13 tiple of \$10, the amount referred to in  
14 clause (i), multiplied by the percentage (if  
15 any) by which the Consumer Price Index  
16 for All Urban Consumers for the month of  
17 July preceding the date on which such ad-  
18 justment takes effect exceeds the Con-  
19 sumer Price Index for All Urban Con-  
20 sumers for the same month of the pre-  
21 ceding calendar year.

22 (b) FEE FOR ALIENS WHO REGISTER FOR THE DI-  
23 VERSITY IMMIGRANT VISA PROGRAM.—

24 (1) IN GENERAL.—In addition to any other fee  
25 authorized by law, the Secretary of Homeland Secu-

1 rity shall impose a fee on any alien who registers for  
2 the diversity immigrant visa program, as described  
3 in section 203(c) of the Immigration and Nationality  
4 Act (8 U.S.C. 1153(c)), in the amount specified in  
5 this subsection at the time of registration.

6 (2) FEE SPECIFIED.—

7 (A) INITIAL AMOUNT.—The amount speci-  
8 fied in this subsection for fiscal year 2025 shall  
9 be such amount as the Secretary may by rule  
10 provide, but in any event not less than \$250.

11 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
12 ning in fiscal year 2026 and each fiscal year  
13 thereafter, the amount specified in this sub-  
14 section for a fiscal year shall be equal to the  
15 sum of—

16 (i) the amount imposed under this  
17 subsection for the prior fiscal year; and

18 (ii) the amount referred to in clause  
19 (i), multiplied by the percentage (if any) by  
20 which the Consumer Price Index for All  
21 Urban Consumers for the month of July  
22 preceding the date on which such adjust-  
23 ment takes effect exceeds the Consumer  
24 Price Index for All Urban Consumers for

1                   the same month of the preceding calendar  
2                   year.

3           (c) FUNDS.—During any fiscal year, the total  
4 amount of fees received under this section shall be subject  
5 to the following:

6           (1) 10 percent of fees received shall be used to  
7 detect and prevent fraud in the diversity immigrant  
8 visa program and to offset costs associated with  
9 such program.

10          (2) 10 percent of fees received shall be credited  
11 to U.S. Immigration and Customs Enforcement to  
12 retain and spend without further appropriation for  
13 the purpose of detention and immigration enforce-  
14 ment and removal operations.

15          (3) Any amounts not used or credited under  
16 this subsection shall be deposited into the general  
17 fund of the Treasury.

18          (d) NO WAIVER.—A fee imposed under this section  
19 shall not be waived or reduced.

20 **SEC. 70016. EOIR FEES.**

21          (a) FEE FOR FILING AN APPLICATION TO ADJUST  
22 STATUS TO THAT OF A LAWFUL PERMANENT RESI-  
23 DENT.—

24           (1) IN GENERAL.—In addition to any other fees  
25 authorized by law, the Attorney General shall impose

1 on any alien who files with an immigration court an  
2 application to adjust the alien's status to that of a  
3 lawful permanent resident, or whose application to  
4 adjust status to that of a lawful permanent resident  
5 is adjudicated in immigration court, a fee in the  
6 amount specified in this subsection at the time such  
7 application is filed, or, as applicable, prior to the ad-  
8 judication of such application in immigration court.

9 (2) FEE SPECIFIED.—

10 (A) INITIAL AMOUNT.—The amount speci-  
11 fied in this subsection for fiscal year 2025 shall  
12 be such amount as the Attorney General may  
13 by rule provide, but in any event not less than  
14 \$1,500.

15 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
16 ning in fiscal year 2026 and each fiscal year  
17 thereafter, the amount specified in this sub-  
18 section for a fiscal year shall be equal to the  
19 sum of—

20 (i) the amount imposed under this  
21 subsection for the prior fiscal year; and

22 (ii) rounded to the next lowest mul-  
23 tiple of \$10, the amount referred to in  
24 clause (i), multiplied by the percentage (if  
25 any) by which the Consumer Price Index

1           for All Urban Consumers for the month of  
2           July preceding the date on which such ad-  
3           justment takes effect exceeds the Con-  
4           sumer Price Index for All Urban Con-  
5           sumers for the same month of the pre-  
6           ceding calendar year.

7           (3) CREDITING CERTAIN FUNDS.—During any  
8           fiscal year, not more than 50 percent of the total  
9           amount of fees received under this section shall be  
10          derived by transfer from the Immigration Examina-  
11          tions Fee Account under section 286(n) of the Im-  
12          migration and Nationality Act and credited to the  
13          Executive Office for Immigration Review to retain  
14          and spend without further appropriation. Any  
15          amounts not credited under the previous sentence  
16          shall be deposited into the general fund of the  
17          Treasury.

18          (b) FEE FOR FILING AN APPLICATION FOR WAIVER  
19          OF GROUNDS OF INADMISSIBILITY.—

20                 (1) IN GENERAL.—In addition to any other fees  
21                 authorized by law, the Attorney General shall impose  
22                 on any alien who files with an immigration court an  
23                 application for waiver of grounds of inadmissibility,  
24                 or whose application for waiver of grounds of inad-  
25                 missibility is adjudicated in immigration court, a fee

1 in the amount specified in this subsection at the  
2 time such application is filed, or, as applicable, prior  
3 to the adjudication of such application in immigra-  
4 tion court.

5 (2) FEE SPECIFIED.—

6 (A) INITIAL AMOUNT.—The amount speci-  
7 fied in this subsection for fiscal year 2025 shall  
8 be such amount as the Attorney General may  
9 by rule provide, but in any event not less than  
10 \$1,050.

11 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
12 ning in fiscal year 2026 and each fiscal year  
13 thereafter, the amount specified in this sub-  
14 section for a fiscal year shall be equal to the  
15 sum of—

16 (i) the amount imposed under this  
17 subsection for the prior fiscal year; and

18 (ii) rounded to the next lowest mul-  
19 tiple of \$10, the amount referred to in  
20 clause (i), multiplied by the percentage (if  
21 any) by which the Consumer Price Index  
22 for All Urban Consumers for the month of  
23 July preceding the date on which such ad-  
24 justment takes effect exceeds the Con-  
25 sumer Price Index for All Urban Con-

1           sumers for the same month of the pre-  
2           ceding calendar year.

3           (3) 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          (c) FEE FOR FILING AN APPLICATION FOR TEM-  
15          PORARY PROTECTED STATUS.—

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 temporary protected status, or whose  
20           application for temporary protected status is adju-  
21           dicated in immigration court, a fee in the amount  
22           specified in this subsection at the time such applica-  
23           tion is filed or, as applicable, prior to the adjudica-  
24           tion of such application in immigration court.

25           (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 \$500.

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 (d) FEE FOR FILING AN APPEAL FROM A DECISION  
10 OF AN IMMIGRATION JUDGE.—

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 any appeal from a decision of  
14 an immigration judge a fee in the amount specified  
15 in this subsection at the time such appeal is filed.

16 (2) FEE SPECIFIED.—

17 (A) INITIAL AMOUNT.—The amount speci-  
18 fied in this subsection for fiscal year 2025 shall  
19 be such amount as the Attorney General may  
20 by rule provide, but in any event not less than  
21 \$900.

22 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
23 ning in fiscal year 2026 and each fiscal year  
24 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 (3) EXCEPTION.—The fee described in this sec-  
16 tion shall not apply to the appeal of a bond decision.

17 (4) CREDITING CERTAIN FUNDS.—During any  
18 fiscal year, not more than 25 percent of the total  
19 amount of fees received under this section shall be  
20 derived by transfer from the Immigration Examina-  
21 tions Fee Account under section 286(n) of the Im-  
22 migration and Nationality Act and credited to the  
23 Executive Office for Immigration Review to retain  
24 and spend without further appropriation. Any  
25 amounts not credited under the previous sentence

1 shall be deposited into the general fund of the  
2 Treasury.

3 (e) FEE FOR FILING AN APPEAL FROM A DECISION  
4 OF AN OFFICER OF THE DEPARTMENT OF HOMELAND  
5 SECURITY.—

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 an appeal from a decision of  
9 an officer of the Department of Homeland Security  
10 a fee in the amount specified in this subsection at  
11 the time such appeal is filed.

12 (2) FEE SPECIFIED.—

13 (A) INITIAL AMOUNT.—The amount speci-  
14 fied in this subsection for fiscal year 2025 shall  
15 be such amount as the Attorney General may  
16 by rule provide, but in any event not less than  
17 \$900.

18 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
19 ning in fiscal year 2026 and each fiscal year  
20 thereafter, the amount specified in this sub-  
21 section for a fiscal year shall be equal to the  
22 sum of—

23 (i) the amount imposed under this  
24 subsection for the prior fiscal year; and

1 (ii) rounded to the next lowest mul-  
2 tiple of \$10, the amount referred to in  
3 clause (i), multiplied by the percentage (if  
4 any) by which the Consumer Price Index  
5 for All Urban Consumers for the month of  
6 July preceding the date on which such ad-  
7 justment takes effect exceeds the Con-  
8 sumer Price Index for All Urban Con-  
9 sumers for the same month of the pre-  
10 ceding calendar year.

11 (3) 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 Immigra-  
16 tion and Nationality and credited to the Executive  
17 Office for Immigration Review to retain and spend  
18 without further appropriation. Any amounts not  
19 credited under the previous sentence shall be depos-  
20 ited into the general fund of the Treasury.

21 (f) FEE FOR FILING AN APPEAL FROM A DECISION  
22 OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DIS-  
23 CIPLINARY CASE.—

24 (1) IN GENERAL.—In addition to any other fees  
25 authorized by law, the Attorney General shall impose

1 on any practitioner who files an appeal from a deci-  
2 sion of an adjudicating official in a practitioner dis-  
3 ciplinary case a fee in the amount specified in this  
4 subsection at the time such appeal is filed.

5 (2) FEE SPECIFIED.—

6 (A) INITIAL AMOUNT.—The amount speci-  
7 fied in this subsection for fiscal year 2025 shall  
8 be such amount as the Attorney General may  
9 by rule provide, but in any event not less than  
10 \$1,325.

11 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
12 ning in fiscal year 2026 and each fiscal year  
13 thereafter, the amount specified in this sub-  
14 section for a fiscal year shall be equal to the  
15 sum of—

16 (i) the amount imposed under this  
17 subsection for the prior fiscal year; and

18 (ii) rounded to the next lowest mul-  
19 tiple of \$10, the amount referred to in  
20 clause (i), multiplied by the percentage (if  
21 any) by which the Consumer Price Index  
22 for All Urban Consumers for the month of  
23 July preceding the date on which such ad-  
24 justment takes effect exceeds the Con-  
25 sumer Price Index for All Urban Con-

1           sumers for the same month of the pre-  
2           ceding calendar year.

3           (3) 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          (g) FEE FOR FILING A MOTION TO REOPEN OR A  
15          MOTION TO RECONSIDER.—

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 a motion to reopen or motion  
19               to reconsider a decision of an immigration judge or  
20               the Board of Immigration Appeals a fee in the  
21               amount specified in this subsection at the time such  
22               motion is filed.

23               (2) FEE SPECIFIED.—

24                       (A) INITIAL AMOUNT.—The amount speci-  
25                       fied in this subsection for fiscal year 2025 shall

1           be such amount as the Attorney General may  
2           by rule provide, but in any event not less than  
3           \$900.

4           (B) SUBSEQUENT ADJUSTMENT.—Begin-  
5           ning in fiscal year 2026 and each fiscal year  
6           thereafter, the amount specified in this sub-  
7           section for a fiscal year shall be equal to the  
8           sum of—

9                   (i) the amount imposed under this  
10                  subsection for the prior fiscal year; and

11                   (ii) rounded to the next lowest mul-  
12                  tiple of \$10, the amount referred to in  
13                  clause (i), multiplied by the percentage (if  
14                  any) by which the Consumer Price Index  
15                  for All Urban Consumers for the month of  
16                  July preceding the date on which such ad-  
17                  justment takes effect exceeds the Con-  
18                  sumer Price Index for All Urban Con-  
19                  sumers for the same month of the pre-  
20                  ceding calendar year.

21           (3) EXCEPTIONS.—The fee described in this  
22           section shall not apply to any motion that is:

23                   (A) a motion to reopen a removal order en-  
24                  tered in absentia if the motion is filed under

1 section 240(b)(5)(C)(ii) of the Immigration and  
2 Nationality Act; or

3 (B) a motion to reopen a deportation order  
4 entered in absentia if the motion is filed under  
5 section 242B(c)(3)(B) of the Immigration and  
6 Nationality Act, as the section existed prior to  
7 April 1, 1997.

8 (4) CREDITING CERTAIN FUNDS.—During any  
9 fiscal year, not more than 25 percent of the total  
10 amount of fees received under this section shall be  
11 derived by transfer from the Immigration Examina-  
12 tions Fee Account under section 286(n) of the Im-  
13 migration and Nationality Act and credited to the  
14 Executive Office for Immigration Review to retain  
15 and spend without further appropriation. Any  
16 amounts not credited under the previous sentence  
17 shall be deposited into the general fund of the  
18 Treasury.

19 (h) FEE FOR FILING AN APPLICATION FOR SUSPEN-  
20 SION OF DEPORTATION.—

21 (1) IN GENERAL.—In addition to any other fees  
22 authorized by law, the Attorney General shall impose  
23 on any alien who files with an immigration court an  
24 application for suspension of deportation a fee in the

1 amount specified in this subsection at the time such  
2 application is filed.

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 \$600.

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 25 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      (i) FEE FOR FILING AN APPLICATION FOR CAN-  
13      CELLATION OF REMOVAL FOR CERTAIN PERMANENT  
14      RESIDENTS.—

15           (1) IN GENERAL.—In addition to any other fees  
16      authorized by law, the Attorney General shall impose  
17      on any alien who files with an immigration court an  
18      application for cancellation of removal for certain  
19      permanent residents a fee in the amount specified in  
20      this subsection at the time such application is filed.

21           (2) FEE SPECIFIED.—

22           (A) INITIAL AMOUNT.—The amount speci-  
23      fied in this subsection for fiscal year 2025 shall  
24      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 (j) FEE FOR FILING AN APPLICATION FOR CAN-  
7 CELLATION OF REMOVAL AND ADJUSTMENT OF STATUS  
8 FOR CERTAIN NONPERMANENT 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 and adjust-  
13 ment of status for certain nonpermanent residents a  
14 fee in the amount specified in this subsection at the  
15 time such application is filed.

16 (2) FEE SPECIFIED.—

17 (A) INITIAL AMOUNT.—The amount speci-  
18 fied in this subsection for fiscal year 2025 shall  
19 be such amount as the Attorney General may  
20 by rule provide, but in any event not less than  
21 \$1,500.

22 (B) SUBSEQUENT ADJUSTMENT.—Begin-  
23 ning in fiscal year 2026 and each fiscal year  
24 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 (3) CREDITING CERTAIN FUNDS.—During any  
16 fiscal year, not more than 25 percent of the total  
17 amount of fees received under this section shall be  
18 derived by transfer from the Immigration Examina-  
19 tions Fee Account under section 286(n) of the Im-  
20 migration and Nationality Act and credited to the  
21 Executive Office for Immigration Review to retain  
22 and spend without further appropriation. Any  
23 amounts not credited under the previous sentence  
24 shall be deposited into the general fund of the  
25 Treasury.

1 (k) NO WAIVER.—Any fee imposed under this section  
2 shall not be waived or reduced.

3 (l) CONDITION ON FUNDS.—No fees received under  
4 this section shall be used to fund the Legal Orientation  
5 Program or any successor program.

6 **SEC. 70017. ESTA FEE.**

7 Section 217(h)(3)(B) of the Immigration and Nation-  
8 ality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

9 (1) in clause (i)—

10 (A) in subclause (I), by striking “and” at  
11 the end;

12 (B) in subclause (II)—

13 (i) by inserting after “an amount” the  
14 following “of not less than \$10”; and

15 (ii) by striking the period at the end  
16 and inserting “; and”; and

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

18 “(III) not less than \$13.”;

19 (2) in clause (ii)—

20 (A) by striking “Amounts collected under  
21 clause (i)(I)” and inserting the following:

22 “(I) IN GENERAL.—Of the  
23 amounts collected under clause (i)(I)  
24 during a fiscal year, not more than  
25 \$20,000,000”;

1 (B) by inserting before the period at the  
2 end of the first sentence the following: “, and  
3 the remainder of the amounts collected under  
4 clause (i)(I) shall be deposited in the general  
5 fund of the Treasury”; and

6 (C) by inserting after “to pay the costs in-  
7 curred to administer the System.” the fol-  
8 lowing: “Amounts collected under clause (i)(III)  
9 shall be deposited in the general fund of the  
10 Treasury.”;

11 (3) in clause (iii), by striking “2028” and in-  
12 serting “2034”; and

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

14 “(iv) SUBSEQUENT ADJUSTMENT.—  
15 Beginning in fiscal year 2026 and each fis-  
16 cal year thereafter, the amount specified in  
17 clause (i)(II) for a fiscal year shall be  
18 equal to the sum of—

19 “(I) the amount imposed under  
20 this subsection for the prior fiscal  
21 year; and

22 “(II) the amount referred to in  
23 subclause (I), multiplied by the per-  
24 centage (if any) by which the Con-  
25 sumer Price Index for All Urban Con-

1                   sumers for the month of July pre-  
2                   ceding the date on which such adjust-  
3                   ment takes effect exceeds the Con-  
4                   sumer Price Index for All Urban Con-  
5                   sumers for the same month of the  
6                   preceding calendar year.”.

7 **SEC. 70018. IMMIGRATION USER FEES.**

8           Section 286 of the Immigration and Nationality Act  
9 (8 U.S.C. 1356) is amended—

10           (1) in subsection (d)—

11                   (A) by striking “In addition to any other  
12                   fee” and inserting the following:

13                   “(1) IN GENERAL.—In addition to any other  
14                   fee”;

15                   (B) by inserting “and except as provided  
16                   in subsection (e),” before “the Attorney General  
17                   shall charge and collect”;

18                   (C) by striking “\$7” and inserting “a fee  
19                   in an amount specified in paragraph (2)”;

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

21                   “(2) INITIAL AMOUNT.—For purposes of this  
22                   section, the amount specified in this section for fis-  
23                   cal year 2025 shall be not less than \$10.

24                   “(3) SUBSEQUENT ADJUSTMENT.—Beginning  
25                   in fiscal year 2026 and each fiscal year thereafter,

1 the amount specified in this subsection for a fiscal  
2 year 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  
6 of \$0.25, the amount referred to in subpara-  
7 graph (A), multiplied by the percentage (if any)  
8 by which the Consumer Price Index for All  
9 Urban Consumers for the month of July pre-  
10 ceeding the date on which such adjustment takes  
11 effect exceeds the Consumer Price Index for All  
12 Urban Consumers for the same month of the  
13 preceding calendar year.

14 “(4) CREDITING OF AMOUNTS.—Of amounts  
15 collected under this subsection \$1 per individual for  
16 immigration inspection or preinspection as described  
17 in this subsection shall be deposited in the general  
18 fund of the Treasury.

19 “(5) NO WAIVER.—A fee imposed under this  
20 subsection shall not be waived or reduced.”; and

21 (2) in subsection (e)—

22 (A) by striking paragraph (1);

23 (B) by redesignating paragraphs (2) and

24 (3) as paragraphs (1) and (2); and

1 (C) in paragraph (2) (as redesignated by  
2 subparagraph (B) above), by striking “The At-  
3 torney General shall charge” and all that fol-  
4 lows through “this requirement shall not apply  
5 to” and inserting the following: “No fee shall be  
6 charged under subsection (d) for”.

7 **SEC. 70019. EVUS FEE.**

8 (a) IN GENERAL.— In addition to any other fee au-  
9 thorized by law, the Secretary of Homeland Security shall  
10 impose on any alien subject to the Electronic Visa Update  
11 System a fee in the amount specified in this section at  
12 the time of such alien’s enrollment in the Electronic Visa  
13 Update System.

14 (b) AMOUNT.—For purposes of this section, the  
15 amount specified in this section for fiscal year 2025 shall  
16 be such amount as the Secretary may by rule provide, but  
17 in any event not less than \$30.

18 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal  
19 year 2026 and each fiscal year thereafter, the amount  
20 specified in this section for a fiscal year shall be equal  
21 to the sum of—

22 (1) the amount imposed under this section for  
23 the prior fiscal year; and

24 (2) rounded to the next lowest multiple of  
25 \$0.25, the amount referred to in paragraph (1),

1 multiplied by the percentage (if any) by which the  
2 Consumer Price Index for All Urban Consumers for  
3 the month of July preceding the date on which such  
4 adjustment takes effect exceeds the Consumer Price  
5 Index for All Urban Consumers for the same month  
6 of the preceding calendar year.

7 (d) CREDITING OF FUNDS.—

8 (1) IN GENERAL.—The fees received under this  
9 section shall be deposited into the CBP Electronic  
10 Visa Update System Account, less \$5 per enrollment  
11 which shall be deposited into the general fund of the  
12 Treasury.

13 (2) ESTABLISHMENT.—There is hereby estab-  
14 lished in the Treasury of the United States a sepa-  
15 rate account which shall be known as the “CBP  
16 Electronic Visa Update System Account”.

17 (3) APPROPRIATION.— Amounts deposited in  
18 the CBP Electronic Visa Update System Account  
19 are hereby appropriated to make payments and off-  
20 set program costs as specified in this section without  
21 further appropriation necessary and shall remain  
22 available until expended for any U.S. Customs and  
23 Border Protection costs associated with admin-  
24 istering the Electronic Visa Update System.

1 (e) NO WAIVER.—A fee imposed under this section  
2 shall not be waived or reduced.

3 **SEC. 70020. FEE FOR SPONSOR OF UNACCOMPANIED ALIEN**  
4 **CHILD WHO FAILS TO APPEAR IN IMMIGRA-**  
5 **TION COURT.**

6 (a) FEE IMPOSED.—In addition to any other fee au-  
7 thorized by law, for the sponsor of an unaccompanied alien  
8 child, the Secretary of Health and Human Services shall  
9 impose a fee in an amount specified in subsection (b) prior  
10 to the unaccompanied alien child's release to such sponsor.

11 (b) FEE SPECIFIED.—

12 (1) INITIAL AMOUNT.—The amount specified in  
13 this subsection for fiscal year 2025 shall be such  
14 amount as the Secretary may by rule provide, but in  
15 any event not less than \$5,000.

16 (2) SUBSEQUENT ADJUSTMENT.—Beginning in  
17 fiscal year 2026 and each fiscal year thereafter, the  
18 amount specified in this subsection for a fiscal year  
19 shall be equal to the sum of—

20 (A) the amount imposed under this sub-  
21 section 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 (c) FEE REIMBURSEMENT.—At the conclusion of an  
7 unaccompanied alien child’s immigration court pro-  
8 ceedings as an unaccompanied alien child, or upon the  
9 ending of such sponsor’s sponsorship of such unaccom-  
10 panied alien child, the Secretary of Health and Human  
11 Services may reimburse to a sponsor a fee imposed under  
12 this section if such sponsor demonstrates that the unac-  
13 companied alien child in the care of such sponsor was not  
14 ordered removed in absentia under section 240(b)(5) of  
15 the Immigration and Nationality Act. In the case of a  
16 sponsor of an unaccompanied alien child who was ordered  
17 removed in absentia and such order was rescinded under  
18 section 240(b)(5)(C) of the Immigration and Nationality  
19 Act, the sponsor may seek reimbursement of the fee under  
20 this section.

21 (d) CREDITING OF FUNDS.—The fees received under  
22 this section shall be deposited into the general fund of the  
23 Treasury.

24 (e) NO WAIVER.—A fee imposed under this sub-  
25 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) APPROPRIATION.—In addition to amounts other-  
14 wise available, there is appropriated:

15 (1) To the Director of the Office of Manage-  
16 ment and Budget for fiscal year 2025, out of any  
17 money in the Treasury not otherwise appropriated,  
18 \$10,000,000, to remain available through September  
19 30, 2034, to carry out this section and the amend-  
20 ments made by this section.

21 (2) To the Comptroller General of the United  
22 States for fiscal year 2025, out of any money in the  
23 Treasury not otherwise appropriated, \$10,000,000,  
24 to remain available through September 30, 2034, to

1 carry out this section and the amendments made by  
2 this section.

3 (b) USE OF FUNDS.—

4 (1) OFFICE OF MANAGEMENT AND BUDGET.—

5 The Director of the Office of Management and  
6 Budget shall use amounts made available under sub-  
7 section (a)(1) to pay expenses associated with imple-  
8 menting the requirements of subsections (c) and (d).

9 (2) COMPTROLLER GENERAL.—The Comp-  
10 troller General of the United States shall use  
11 amounts made available under subsection (a)(2) to  
12 pay expenses associated with implementing the re-  
13 quirements of subsection (e).

14 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-  
15 MAKING.—

16 (1) Chapter 8 of title 5, United States Code, is  
17 amended by inserting at the end the following:

18 **“§ 809. Additional reporting requirements**

19 “(a) AGENCY REPORTS.—In the case of any rule for  
20 which a report is submitted under section 801(a)(1)(A)  
21 the agency shall also include in such report—

22 “(1) an estimate of the budgetary effects asso-  
23 ciated with the enactment and enforcement of the  
24 rule;

1           “(2) an analysis of the direct and reasonably  
2           foreseeable indirect costs associated with the rule;

3           “(3) an analysis of any jobs added or lost with-  
4           in each affected industry, as identified by North  
5           American Industrial Classification System code, dif-  
6           ferentiating between public and private sector jobs,  
7           as a direct or indirect result of the rule;

8           “(4) a determination, by the Administrator of  
9           the Office of Information and Regulatory Affairs of  
10          the Office of Management and Budget, of whether  
11          the rule is a major or nonmajor rule, including an  
12          explanation of the finding specifically addressing  
13          each criteria for a major rule contained within sub-  
14          paragraphs (A) through (C) of section 804(2);

15          “(5) a list of information on which the rule is  
16          based, including data, scientific and economic stud-  
17          ies, and cost-benefit analyses;

18          “(6) a list of any other related regulatory ac-  
19          tions that implement the same statutory provision or  
20          regulatory objective as well as the estimated eco-  
21          nomic effects of those actions;

22          “(7) an estimate of the effect on inflation of the  
23          rule; and

24          “(8) a statement of the constitutional authority  
25          authorizing the agency to make the rule.

1       “(b) COMPTROLLER GENERAL REPORTS.—If re-  
2       quested in writing by a Member of Congress—

3               “(1) the Comptroller General of the United  
4       States shall make a determination whether an agen-  
5       cy action qualifies as a rule for purposes of this  
6       chapter, and shall submit to Congress this deter-  
7       mination not later than 60 days after the date of the  
8       request; and

9               “(2) the Comptroller General shall make a de-  
10       termination whether a rule is considered a major  
11       rule for purposes of this chapter, and shall submit  
12       to Congress this determination not later than 90  
13       days after the date of the request.

14       “(c) DETERMINATION.—For purposes of this section,  
15       a determination under this subsection (b) shall be deemed  
16       to be a report under section 801(a)(1)(A).

17       **“§ 810. Approval of certain major rules**

18       “(a) APPROVAL REQUIRED.—Notwithstanding any  
19       other provision of this chapter, a major rule that increases  
20       revenues, as determined in section 809(a), shall not take  
21       effect unless Congress enacts a joint resolution of approval  
22       described in subsection (c).

23       “(b) EFFECT.—If a joint resolution of approval relat-  
24       ing to a major rule that increases revenue is not enacted  
25       into law by the end of 60 session days or legislative days,

1 as applicable, beginning on the date on which the report  
2 referred to in section 801(a)(1)(A) is received by Congress  
3 (excluding days either House of Congress is adjourned for  
4 more than 3 days during a session of Congress), then the  
5 rule described in that resolution shall be deemed not to  
6 be approved and such rule shall not take effect.

7 “(c) RESOLUTION OF APPROVAL.—Section 802 shall  
8 apply to a joint resolution of approval under this section  
9 to the same extent as it does to a joint resolution of dis-  
10 approval, except that the matter after the resolving clause  
11 of a joint resolution of approval shall be as follows: ‘That  
12 Congress approves the rule submitted by the \_\_\_\_\_  
13 relating to \_\_\_\_\_.’ (The blank spaces being appro-  
14 priately filled in).

15 “(d) RULEMAKING AUTHORITY.—The enactment of  
16 a joint resolution of approval under this section shall not  
17 be interpreted to serve as a grant or modification of statu-  
18 tory authority by Congress for the promulgation of a rule,  
19 shall not extinguish or affect any claim, whether sub-  
20 stantive or procedural, against any alleged defect in a rule  
21 or the rulemaking process, and shall not form part of the  
22 record before the court in any judicial proceeding con-  
23 cerning a rule except for purposes of determining whether  
24 or not the rule is in effect.

1       “(e) JUDICIAL REVIEW.—Notwithstanding section  
2 805, a court may determine whether a Federal agency has  
3 completed the necessary requirements under this chapter  
4 for a rule to take effect.

5 **“§ 811. Additional review of rules**

6       “(a) ADDITIONAL REVIEW.—In addition to the op-  
7 portunity for review otherwise provided under this chap-  
8 ter, notwithstanding any other provision under this chap-  
9 ter, in the case of any rule for which a report is submitted  
10 under section 801(a)(1)(A) which increases revenue as de-  
11 termined under section 809(a) and which was submitted  
12 during the final year of a President’s term, the procedures  
13 described in section 802 shall apply to such rule in the  
14 succeeding session of Congress, and a joint resolution may  
15 contain one or more such rules.

16       “(b) RESOLUTION OF DISAPPROVAL.—In the case of  
17 such a resolution containing one or more such rules under  
18 this section, the matter after the resolving clause shall be  
19 as follows: ‘That Congress disapproves the following rules:  
20 the rule submitted by the \_\_\_\_ relating to \_\_\_\_; and the  
21 rule submitted by the \_\_\_\_ relating to \_\_\_\_’. Such rules  
22 shall have no force or effect.’ (The blank spaces being ap-  
23 propriately filled in and additional clauses describing addi-  
24 tional rules to be included as necessary).

1 **“§ 812. Review of rules currently in effect**

2       “(a) ANNUAL REVIEW.—Beginning on the date that  
3 is 6 months after the date of enactment of this section  
4 and annually thereafter for the 4 years following, each  
5 agency shall designate not less than 20 percent of eligible  
6 rules made by that agency for review, and shall submit  
7 a report including each such eligible rule in the same man-  
8 ner as a report under section 801(a)(1). Sections 801,  
9 802, 809, 810, and 811 shall apply to each such rule, sub-  
10 ject to subsection (c) of this section. No eligible rule pre-  
11 viously designated may be designated again.

12       “(b) SUNSET FOR ELIGIBLE RULES NOT EX-  
13 TENDED.—Beginning after the date that is 5 years after  
14 the date of enactment of this section, if Congress has not  
15 enacted a joint resolution of approval for that eligible rule,  
16 that eligible rule shall not continue in effect.

17       “(c) APPROVAL OF RULES.—

18               “(1) Unless Congress approves all eligible rules  
19 designated by executive agencies for review within  
20 90 days after designation, they shall have no effect  
21 and the Federal agency which originally promul-  
22 gated such rules may not enforce such rules.

23               “(2) A single joint resolution of approval shall  
24 apply to all eligible rules in a report designated for  
25 a year as follows: ‘That Congress approves the rules

1 submitted by the \_\_\_\_\_ for the year \_\_\_\_\_.’ (The  
2 blank spaces being appropriately filled in).

3 “(d) DEFINITION.—In this section the term ‘eligible  
4 rule’ means a rule that is in effect as of the date of enact-  
5 ment of this section.”.

6 (2) The table of chapters for chapter 8 of title  
7 5, United States Code, is amended by inserting after  
8 the item relating to section 808 the following:

“809. Additional reporting requirements.

“810. Approval of certain major rules.

“811. Additional review of rules.

“812. Review of rules currently in effect.”.

9 (d) TECHNICAL AND CONFORMING AMENDMENTS.—  
10 Chapter 8 of title 5, United States Code, is amended—

11 (1) in section 801(a)(3)—

12 (A) in subparagraph (B)(ii), by striking  
13 “or” at the end;

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

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

17 “(D) in the case of a major rule that in-  
18 creases revenue, such rule shall not take effect  
19 unless Congress passes a joint resolution of ap-  
20 proval described in section 810.”; and

21 (2) in section 804, by amending paragraph (3)  
22 to read as follows:

1           “(3) The term ‘rule’ has the meaning given  
2 such term in section 551, except that such term—

3           “(A) includes interpretative rules, general  
4 statements of policy, and all other agency guid-  
5 ance documents; and

6           “(B) does not include—

7           “(i) any rule of particular applica-  
8 bility, including a rule that approves or  
9 prescribes for the future rates, wages,  
10 prices, services, or allowances therefore,  
11 corporate or financial structures, reorga-  
12 nizations, mergers, or acquisitions thereof,  
13 or accounting practices or disclosures bear-  
14 ing on any of the foregoing;

15           “(ii) any rule relating to agency man-  
16 agement or personnel; or

17           “(iii) any rule of agency organization,  
18 procedure, or practice that does not sub-  
19 stantially affect the rights or obligations of  
20 nonagency parties.”.

21           (e) GOVERNMENT ACCOUNTABILITY OFFICE STUDY  
22 OF RULES.—

23           (1) IN GENERAL.—The Comptroller General of  
24 the United States shall conduct a study to deter-

1 mine, as of the date of the enactment of this sec-  
2 tion—

3 (A) how many rules (as such term is de-  
4 fined in section 804 of title 5, United States  
5 Code) were in effect;

6 (B) how many major rules (as such term  
7 is defined in section 804 of title 5, United  
8 States Code) were in effect; and

9 (C) the total estimated economic cost im-  
10 posed by all such rules.

11 (2) REPORT.—Not later than 1 year after the  
12 date of the enactment of this section, the Comp-  
13 troller General of the United States shall submit a  
14 report (and publish the report on the website of the  
15 Comptroller General) to Congress that contains the  
16 findings of the study conducted under subsection (e).

## 17 **Subtitle C—Other Matters**

### 18 **SEC. 70300. LIMITATION ON DONATIONS MADE PURSUANT** 19 **TO SETTLEMENT AGREEMENTS TO WHICH** 20 **THE UNITED STATES IS A PARTY.**

21 (a) LIMITATION ON REQUIRED DONATIONS.—An of-  
22 ficial within the Department of Justice may not enter into  
23 or enforce any settlement agreement on behalf of the  
24 United States directing or providing for a payment to any  
25 person or entity other than the United States, other than

1 a payment that provides restitution for or otherwise di-  
2 rectly remedies actual harm (including to the environ-  
3 ment) directly and proximately caused by the party mak-  
4 ing the payment, or constitutes payment for services ren-  
5 dered in connection with the case.

6 (b) PENALTY.—Any official within the Department  
7 of Justice who violates subsection (a) shall be subject to  
8 the same penalties that would apply in the case of a viola-  
9 tion of section 3302 of title 31, United States Code.

10 (c) EFFECTIVE DATE.—Subsections (a) and (b)  
11 apply only in the case of a settlement agreement entered  
12 on or after the date of enactment of this Act.

13 (d) DEFINITION.—The term “settlement agreement”  
14 means a settlement agreement resolving a civil action or  
15 potential civil action.

16 (e) ANNUAL AUDIT REQUIREMENT.—

17 (1) IN GENERAL.—Not later than at the end of  
18 the first fiscal year that begins after the date of en-  
19 actment of this Act, and annually thereafter, the In-  
20 spector General of the Department of Justice shall  
21 submit, and make available on a publicly accessible  
22 website, a report on any settlement agreement en-  
23 tered into in violation of this section to—

24 (A) the Committee on the Judiciary of the  
25 Senate; and

1 (B) the Committee on the Judiciary of the  
2 House of Representatives.

3 (2) PROHIBITION ON ADDITIONAL FUNDING.—

4 No additional funds are authorized to be appro-  
5 priated to carry out this subsection.

6 **SEC. 70301. SOLICITATION OF ORDERS DEFINED.**

7 Section 101(d) of Public Law 86—272 (73 Stat.  
8 555) is amended—

9 (1) in paragraph (1) by striking “and” at the  
10 end,

11 (2) in paragraph (2) by striking the period at  
12 the end and inserting “; and”, and

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

14 “(3) the term ‘solicitation of orders’ means any  
15 business activity that facilitates the solicitation of  
16 orders even if that activity may also serve some  
17 independently valuable business function apart from  
18 solicitation.”.

19 **SEC. 70302. RESTRICTION ON ENFORCEMENT.**

20 No court of the United States may enforce a con-  
21 tempt citation for failure to comply with an injunction or  
22 temporary restraining order if no security was given when  
23 the injunction or order was issued pursuant to Federal  
24 Rule of Civil Procedure 65(c), whether issued prior to, on,  
25 or subsequent to the date of enactment of this section.

1           **TITLE VIII—COMMITTEE ON**  
2                   **NATURAL RESOURCES**  
3           **Subtitle A—Energy and Mineral**  
4                   **Resources**

5                   **PART 1—OIL AND GAS**

6   **SEC. 80101. ONSHORE OIL AND GAS LEASE SALES.**

7           (a) REQUIREMENT TO IMMEDIATELY RESUME ON-  
8 SHORE OIL AND GAS LEASE SALES.—

9                   (1) IN GENERAL.—The Secretary of the Inte-  
10           rior shall immediately resume quarterly onshore oil  
11           and gas lease sales in compliance with the Mineral  
12           Leasing Act.

13                   (2) REQUIREMENT.—The Secretary of the Inte-  
14           rior shall ensure—

15                           (A) that any oil and gas lease sale pursu-  
16                           ant to paragraph (1) is conducted immediately  
17                           on completion of all requirements under the  
18                           Mineral Leasing Act; and

19                           (B) that the processes described in sub-  
20                           paragraph (A) are conducted in a timely man-  
21                           ner to ensure compliance with subsection (b)(1).

22                   (3) LEASE OF OIL AND GAS LANDS.—Section  
23           17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C.  
24           226(b)(1)(A)) is amended by inserting “Eligible  
25           lands comprise all lands subject to leasing under this

1 Act and not excluded from leasing by a statutory or  
2 regulatory prohibition. Land shall be considered  
3 available under the preceding sentence if the land  
4 has been designated as open for leasing under a land  
5 use plan developed or revised under section 202 of  
6 the Federal Land Policy and Management Act of  
7 1976 and has been nominated for leasing through  
8 the submission of an expression of interest, is sub-  
9 ject to drainage (as described in subsection (j)) in  
10 the absence of leasing, or is otherwise designated as  
11 available pursuant to regulations issued by the Sec-  
12 retary.” after “sales are necessary.”.

13 (b) QUARTERLY LEASE SALES.—

14 (1) IN GENERAL.—In accordance with the Min-  
15 eral Leasing Act, each fiscal year, the Secretary of  
16 the Interior shall conduct a minimum of four oil and  
17 gas lease sales in each of the following States:

18 (A) Wyoming.

19 (B) New Mexico.

20 (C) Colorado.

21 (D) Utah.

22 (E) Montana.

23 (F) North Dakota.

24 (G) Oklahoma.

25 (H) Nevada.

1 (I) Alaska.

2 (J) Any other State in which there is land  
3 available for oil and gas leasing under the Min-  
4 eral Leasing Act or any other mineral leasing  
5 law.

6 (2) REQUIREMENT.—In conducting a lease sale  
7 under paragraph (1) in a State described in that  
8 paragraph, the Secretary of the Interior shall offer  
9 not less than 50 percent of all parcels nominated  
10 that are available and eligible pursuant to the re-  
11 quirements of the Mineral Leasing Act.

12 (3) REPLACEMENT SALES.—The Secretary of  
13 the Interior shall conduct a replacement sale during  
14 the same fiscal year if—

15 (A) a lease sale under paragraph (1) is  
16 canceled, delayed, or deferred, including for a  
17 lack of eligible parcels; or

18 (B) during a lease sale under paragraph  
19 (1) the percentage of acreage that does not re-  
20 ceive a bid is equal to or greater than 25 per-  
21 cent of the acreage offered.

22 (c) LEASING OF OIL AND GAS.—Section 17 of the  
23 Mineral Leasing Act (30 U.S.C. 226) is amended—

1           (1) by striking the section designation and all  
2           that follows through the end of subsection (a) and  
3           inserting the following:

4   **“SEC. 17. LEASING OF OIL AND GAS.**

5           “(a) LEASING.—

6           “(1) IN GENERAL.—Not later than 18 months  
7           after the date of receipt by the Secretary of an ex-  
8           pression of interest in leasing land that is subject to  
9           disposition under this Act and is known or believed  
10          to contain oil or gas deposits, the Secretary shall,  
11          subject to paragraph (2), offer such land for oil and  
12          gas leasing if the Secretary determines that the land  
13          is open to oil or gas leasing under a land use plan  
14          developed or revised under section 202 of the Fed-  
15          eral Land Policy and Management Act of 1976 (43  
16          U.S.C. 1712) and such land use plan—

17                  “(A) applies to the planning area in which  
18                  the land is located; and

19                  “(B) is in effect on the date on which the  
20                  expression of interest was submitted to the Sec-  
21                  retary.

22          “(2) LAND USE PLANS.—

23                  “(A) LEASE TERMS AND CONDITIONS.—A  
24                  lease issued by the Secretary under this sec-  
25                  tion—

1 “(i) shall include any terms and con-  
2 ditions of the land use plan that apply to  
3 the area of the lease; and

4 “(ii) shall not require any stipulations  
5 or mitigation requirements not included in  
6 such land use plan.

7 “(B) EFFECT OF REVISIONS.—The revi-  
8 sion of a land use plan shall not prevent or  
9 delay the Secretary from offering land for leas-  
10 ing under this section if the other requirements  
11 of this section have been met, as determined by  
12 the Secretary.”;

13 (2) in subsection (p)—

14 (A) in paragraph (1), by inserting “con-  
15 duct a complete review of the application with  
16 all applicable agency staff required for the Sec-  
17 retary to determine the application is complete  
18 and” after “drill, the Secretary shall”; and

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

20 “(4) TERM.—A permit to drill approved under  
21 this subsection shall be valid for a single, nonrenew-  
22 able 4-year period beginning on the date that the  
23 permit to drill is approved.

24 “(5) EFFECT OF PENDING CIVIL ACTION ON  
25 PROCESSING APPLICATIONS FOR PERMITS TO

1 DRILL.—Pursuant to the requirements of paragraph  
2 (2), notwithstanding the existence of any pending  
3 civil actions affecting the application or a related  
4 lease issued under this Act, the Secretary shall proc-  
5 ess an application for a permit to drill or other au-  
6 thorizations or approvals under a lease issued under  
7 this Act.”; and

8 (3) by striking subsection (q) and inserting the  
9 following:

10 “(q) OTHER REQUIREMENTS.—In utilizing the au-  
11 thorities provided by section 390 of the Energy Policy Act  
12 of 2005 with respect to an activity conducted pursuant  
13 to this Act, the Secretary of the Interior shall not consider  
14 whether there are any extraordinary circumstances.”.

15 **SEC. 80102. NONCOMPETITIVE LEASING.**

16 (a) NONCOMPETITIVE LEASING.—Section 17 of the  
17 Mineral Leasing Act (30 U.S.C. 226) is further amend-  
18 ed—

19 (1) in subsection (b)—

20 (A) in paragraph (1)(A)—

21 (i) in the first sentence, by striking  
22 “paragraph (2)” and inserting “paragraph  
23 (2) or (3)”; and

24 (ii) by adding at the end “Lands for  
25 which no bids are received or for which the

1 highest bid is less than the national min-  
2 imum acceptable bid shall be offered  
3 promptly within 30 days for leasing under  
4 subsection (c) of this section and shall re-  
5 main available for leasing for a period of  
6 2 years after the competitive lease sale.”;  
7 and

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

9 “(3)(A) If the United States held a vested future in-  
10 terest in a mineral estate that, immediately prior to be-  
11 coming a vested present interest, was subject to a lease  
12 under which oil or gas was being produced, or had a well  
13 capable of producing, in paying quantities at an annual  
14 average production volume per well per day of either not  
15 more than 15 barrels per day of oil or condensate, or not  
16 more than 60,000 cubic feet of gas, the holder of the lease  
17 may elect to continue the lease as a noncompetitive lease  
18 under subsection (c)(1).

19 “(B) An election under this paragraph is effective—

20 “(i) in the case of an interest which vested after  
21 January 1, 1990, and on or before October 24,  
22 1992, if the election is made before the date that is  
23 1 year after October 24, 1992;

24 “(ii) in the case of an interest which vests with-  
25 in 1 year after October 24, 1992, if the election is

1 made before the date that is 2 years after October  
2 24, 1992; and

3 “(iii) in any case other than those described in  
4 clause (i) or (ii), if the election is made prior to the  
5 interest becoming a vested present interest.”;

6 (2) by striking subsection (c) and inserting the  
7 following:

8 “(c) LANDS SUBJECT TO LEASING UNDER SUB-  
9 SECTION (B); FIRST QUALIFIED APPLICANT.—

10 “(1) If the lands to be leased are not leased  
11 under subsection (b)(1) of this section or are not  
12 subject to competitive leasing under subsection  
13 (b)(2) of this section, the person first making appli-  
14 cation for the lease who is qualified to hold a lease  
15 under this chapter shall be entitled to a lease of  
16 such lands without competitive bidding, upon pay-  
17 ment of a nonrefundable application fee of at least  
18 \$75. A lease under this subsection shall be condi-  
19 tioned upon the payment of a royalty at a rate of  
20 12.5 percent in amount or value of the production  
21 removed or sold from the lease. Leases shall be  
22 issued within 60 days of the date on which the Sec-  
23 retary identifies the first responsible qualified appli-  
24 cant.

1           “(2)(A) Lands (i) which were posted for sale  
2           under subsection (b)(1) of this section but for which  
3           no bids were received or for which the highest bid  
4           was less than the national minimum acceptable bid  
5           and (ii) for which, at the end of the period referred  
6           to in subsection (b)(1) of this section no lease has  
7           been issued and no lease application is pending  
8           under paragraph (1) of this subsection, shall again  
9           be available for leasing only in accordance with sub-  
10          section (b)(1) of this section.

11           “(B) The land in any lease which is issued  
12          under paragraph (1) of this subsection or under sub-  
13          section (b)(1) of this section which lease terminates,  
14          expires, is cancelled or is relinquished shall again be  
15          available for leasing only in accordance with sub-  
16          section (b)(1) of this section.”; and

17           (3) by striking subsection (e) and inserting the  
18          following:

19          “(e) PRIMARY TERM.—Competitive and noncompeti-  
20          tive leases issued under this section shall be for a primary  
21          term of 10 years: *Provided, however,* That competitive  
22          leases issued in special tar sand areas shall also be for  
23          a primary term of 10 years. Each such lease shall continue  
24          so long after its primary term as oil or gas is produced  
25          in paying quantities. Any lease issued under this section

1 for land on which, or for which under an approved cooper-  
2 ative or unit plan of development or operation, actual drill-  
3 ing operations were commenced prior to the end of its pri-  
4 mary term and are being diligently prosecuted at that time  
5 shall be extended for two years and so long thereafter as  
6 oil or gas is produced in paying quantities.”.

7 (b) FAILURE TO COMPLY WITH PROVISIONS OF  
8 LEASE.—Section 31 of the Mineral Leasing Act (30  
9 U.S.C. 188) is amended—

10 (1) in subsection (d)(1), by striking “section  
11 17(b)” and inserting “subsection (b) or (c) of sec-  
12 tion 17 of this Act”;

13 (2) in subsection (e)—

14 (A) in paragraph (2)—

15 (i) by inserting “either” after “rentals  
16 and”; and

17 (ii) by inserting “or the inclusion in a  
18 reinstated lease issued pursuant to the pro-  
19 visions of section 17(c) of this Act of a re-  
20 quirement that future rentals shall be at a  
21 rate not less than \$5 per acre per year,  
22 all” before “as determined by the Sec-  
23 retary”; and

24 (B) by amending paragraph (3) to read as  
25 follows:

1           “(3)(A) payment of back royalties and the in-  
2           clusion in a reinstated lease issued pursuant to the  
3           provisions of section 17(b) of this Act of a require-  
4           ment for future royalties at a rate of not less than  
5            $16\frac{2}{3}$  percent computed on a sliding scale based  
6           upon the average production per well per day, at a  
7           rate which shall be not less than 4 percentage points  
8           greater than the competitive royalty schedule then in  
9           force and used for royalty determination for com-  
10          petitive leases issued pursuant to such section as de-  
11          termined by the Secretary: *Provided*, That royalty on  
12          such reinstated lease shall be paid on all production  
13          removed or sold from such lease subsequent to the  
14          termination of the original lease;

15           “(B) payment of back royalties and inclusion in  
16          a reinstated lease issued pursuant to the provisions  
17          of section 17(c) of this Act of a requirement for fu-  
18          ture royalties at a rate not less than  
19           $16\frac{2}{3}$  percent: *Provided*, That royalty on such re-  
20          instated lease shall be paid on all production re-  
21          moved or sold from such lease subsequent to the  
22          cancellation or termination of the original lease;  
23          and”;

24           (3) in subsection (f)—

1 (A) in paragraph (1), by striking “in the  
2 same manner as the original lease issued pursu-  
3 ant to section 17” and inserting “as a competi-  
4 tive or a noncompetitive oil and gas lease in the  
5 same manner as the original lease issued pursu-  
6 ant to subsection (b) or (c) of section 17 of this  
7 Act”;

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

9 “(4) Except as otherwise provided in this section, the  
10 issuance of a lease in lieu of an abandoned patented oil  
11 placer mining claim shall be treated as a noncompetitive  
12 oil and gas lease issued pursuant to section 17(c) of this  
13 Act.”;

14 (4) in subsection (g), by striking “subsection  
15 (d)” and inserting “subsections (d) and (j)”;

16 (5) by amending subsection (h) to read as fol-  
17 lows:

18 “(h) ROYALTY REDUCTIONS.—

19 “(1) In acting on a petition to issue a non-  
20 competitive oil and gas lease, under subsection (j) of  
21 this section or in response to a request filed after  
22 issuance of such a lease, or both, the Secretary is  
23 authorized to reduce the royalty on such lease if in  
24 his judgment it is equitable to do so or the cir-  
25 cumstances warrant such relief due to uneconomic

1 or other circumstances which could cause undue  
2 hardship or premature termination of production.

3 “(2) In acting on a petition for reinstatement  
4 pursuant to subsection (d) of this section or in re-  
5 sponse to a request filed after reinstatement, or  
6 both, the Secretary is authorized to reduce the roy-  
7 alty in that reinstated lease on the entire leasehold  
8 or any tract or portion thereof segregated for royalty  
9 purposes if, in his judgment, there are uneconomic  
10 or other circumstances which could cause undue  
11 hardship or premature termination of production; or  
12 because of any written action of the United States,  
13 its agents or employees, which preceded, and was a  
14 major consideration in, the lessee’s expenditure of  
15 funds to develop the property under the lease after  
16 the rent had become due and had not been paid; or  
17 if in the judgment of the Secretary it is equitable to  
18 do so for any reason.”; and

19 (6) by adding at the end the following:

20 “(j) ISSUANCE OF NONCOMPETITIVE OIL AND GAS  
21 LEASE; CONDITIONS.—Where an unpatented oil placer  
22 mining claim validly located prior to February 24, 1920,  
23 which has been or is currently producing or is capable of  
24 producing oil or gas, has been or is hereafter deemed con-  
25 clusively abandoned for failure to file timely the required

1 instruments or copies of instruments required by section  
2 1744 of title 43, and it is shown to the satisfaction of  
3 the Secretary that such failure was inadvertent, justifi-  
4 able, or not due to lack of reasonable diligence on the part  
5 of the owner, the Secretary may issue, for the lands cov-  
6 ered by the abandoned unpatented oil placer mining claim,  
7 a noncompetitive oil and gas lease, consistent with the pro-  
8 visions of section 17(e) of this Act, to be effective from  
9 the statutory date the claim was deemed conclusively  
10 abandoned. Issuance of such a lease shall be conditioned  
11 upon—

12           “(1) a petition for issuance of a noncompetitive  
13 oil and gas lease, together with the required rental  
14 and royalty, including back rental and royalty accru-  
15 ing from the statutory date of abandonment of the  
16 oil placer mining claim, being filed with the Sec-  
17 retary—

18           “(A) with respect to any claim deemed  
19 conclusively abandoned on or before January  
20 12, 1983, on or before the one hundred and  
21 twentieth day after January 12, 1983; or

22           “(B) with respect to any claim deemed  
23 conclusively abandoned after January 12, 1983,  
24 on or before the one hundred and twentieth day  
25 after final notification by the Secretary or a

1 court of competent jurisdiction of the deter-  
2 mination of the abandonment of the oil placer  
3 mining claim;

4 “(2) a valid lease not having been issued affect-  
5 ing any of the lands covered by the abandoned oil  
6 placer mining claim prior to the filing of such peti-  
7 tion: *Provided, however,* That after the filing of a pe-  
8 tition for issuance of a lease under this subsection,  
9 the Secretary shall not issue any new lease affecting  
10 any of the lands covered by such abandoned oil plac-  
11 er mining claim for a reasonable period, as deter-  
12 mined in accordance with regulations issued by him;

13 “(3) a requirement in the lease for payment of  
14 rental, including back rentals accruing from the  
15 statutory date of abandonment of the oil placer min-  
16 ing claim, of not less than \$5 per acre per year;

17 “(4) a requirement in the lease for payment of  
18 royalty on production removed or sold from the oil  
19 placer mining claim, including all royalty on produc-  
20 tion made subsequent to the statutory date the claim  
21 was deemed conclusively abandoned, of not less than  
22 12½ percent; and

23 “(5) compliance with the notice and reimburse-  
24 ment of costs provisions of paragraph (4) of sub-  
25 section (e) but addressed to the petition covering the

1 conversion of an abandoned unpatented oil placer  
2 mining claim to a noncompetitive oil and gas lease.”.

3 **SEC. 80103. PERMIT FEES.**

4 Section 17 of the Mineral Leasing Act (30 U.S.C.  
5 226) is further amended by adding at the end the fol-  
6 lowing:

7 “(r) FEE FOR COMMINGLING OF PRODUCTION.—

8 “(1) IN GENERAL.—The Secretary of the Inte-  
9 rior shall approve applications allowing for the com-  
10 mingling of production from two or more sources  
11 (including the area of an oil and gas lease, the area  
12 included in a drilling spacing unit, a unit partici-  
13 pating area, a communitized area, or non-Federal  
14 property) before production reaches the point of roy-  
15 alty measurement regardless of ownership, the roy-  
16 alty rates, and the number or percentage of acres  
17 for each source if the applicant pays an application  
18 fee of \$10,000 and agrees to install measurement  
19 devices for each source, utilize an allocation method  
20 that achieves volume measurement uncertainty levels  
21 within plus or minus 2 percent during the produc-  
22 tion phase reported on a monthly basis, or utilize an  
23 approved periodic well testing methodology. Produc-  
24 tion from multiple oil and gas leases, drilling spacing  
25 units, communitized areas, or participating areas

1 from a single wellbore shall be considered a single  
2 source. Nothing in this subsection shall prevent the  
3 Secretary of the Interior from continuing the current  
4 practice of exercising discretion to authorize higher  
5 percentage volume measurement uncertainty levels if  
6 appropriate technical and economic justifications  
7 have been provided.

8 “(2) REVENUE ALLOCATION.—Fees received  
9 under this subsection shall be deposited into the  
10 Treasury as miscellaneous receipts.

11 “(s) FEES FOR PERMITS-BY-RULE.—

12 “(1) IN GENERAL.—The Secretary shall estab-  
13 lish, by regulation not later than 2 years after the  
14 date of enactment of this subsection, a permit-by-  
15 rule process under which a leaseholder may receive  
16 approval to drill for oil and gas if the leaseholder  
17 certifies compliance with such regulations and pays  
18 a fee of \$5,000. Such permit-by-rule process shall  
19 allow drilling operations to commence no later than  
20 45 days after the leaseholder has filed a registration  
21 that certifies compliance with such regulations and  
22 paid the fee required by this paragraph.

23 “(2) REVENUE ALLOCATION.—Fees received  
24 under this subsection shall be deposited into the  
25 Treasury as miscellaneous receipts.”.

1 **SEC. 80104. PERMITTING FEE FOR NON-FEDERAL LAND.**

2 (a) IN GENERAL.—Notwithstanding section 17 of the  
3 Mineral Leasing Act (30 U.S.C. 226), but subject to any  
4 applicable State requirements, the Secretary of the Inte-  
5 rior shall not require a permit to drill for an oil and gas  
6 lease under the Mineral Leasing Act for an action occur-  
7 ring within an oil and gas drilling or spacing unit if the  
8 leaseholder pays a fee of \$5,000 and—

9 (1) the Federal Government—

10 (A) owns less than 50 percent of the min-  
11 erals within the oil and gas drilling or spacing  
12 unit; and

13 (B) does not own or lease the surface es-  
14 tate within the area directly impacted by the  
15 action; or

16 (2) the well is located on non-Federal land over-  
17 lying a non-Federal mineral estate, but some portion  
18 of the wellbore traverses but does not produce from  
19 the Federal mineral estate subject to the lease.

20 (b) NOTIFICATION.—For each State permit to drill  
21 or drilling plan that would impact or extract oil and gas  
22 owned by the Federal Government—

23 (1) each lessee of Federal minerals in the unit,  
24 or designee of a lessee, shall—

25 (A) notify the Secretary of the Interior of  
26 the submission of a State application for a per-

1           mit to drill or drilling plan on submission of the  
2           application;

3           (B) provide a copy of the application de-  
4           scribed in subparagraph (A) to the Secretary of  
5           the Interior not later than 5 days after the date  
6           on which the permit or plan is submitted; and

7           (C) pay to the Secretary of the Interior the  
8           \$5,000 fee referenced in subsection (a) of this  
9           section;

10          (2) each lessee, designee of a lessee, or applica-  
11          ble State shall notify the Secretary of the Interior of  
12          the approved State permit to drill or drilling plan  
13          not later than 45 days after the date on which the  
14          permit or plan is approved; and

15          (3) each lessee or designee of a lessee shall pro-  
16          vide, prior to commencing drilling operations, agree-  
17          ments authorizing the Secretary of the Interior to  
18          enter non-Federal land, as necessary, for inspection  
19          and enforcement of the terms of the Federal lease.

20          (c) EFFECT.—Nothing in this section affects the  
21          amount of royalties due to the Federal Government from  
22          the production of the Federal minerals within the oil and  
23          gas drilling or spacing unit.

1 (d) REVENUE ALLOCATION.—Fees received under  
2 this section shall be deposited into the Treasury as mis-  
3 cellaneous receipts.

4 (e) AUTHORITY ON NON-FEDERAL LAND.—Section  
5 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is  
6 amended—

7 (1) by striking the subsection designation and  
8 all that follows through “Secretary of the Interior,  
9 or” in the first sentence and inserting the following:  
10 “(g) REGULATION OF SURFACE DISTURBING ACTIVI-  
11 TIES.—

12 “(1) IN GENERAL.—The Secretary of the Inte-  
13 rior, or”; and

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

15 “(2) AUTHORITY ON NON-FEDERAL LAND.—

16 “(A) IN GENERAL.—In the case of an oil  
17 and gas lease under this Act on land described  
18 in subparagraph (B) located within an oil and  
19 gas drilling or spacing unit, nothing in this Act  
20 authorizes the Secretary of the Interior to—

21 “(i) require a bond to protect non-  
22 Federal land;

23 “(ii) enter non-Federal land without  
24 the consent of the applicable landowner;

1 “(iii) impose mitigation requirements;

2 or

3 “(iv) require approval for surface rec-  
4 lamation.

5 “(B) LAND.—Land referred to in subpara-  
6 graph (A) is land where—

7 “(i) the Federal Government—

8 “(I) owns less than 50 percent of  
9 the minerals within the oil and gas  
10 drilling or spacing unit; and

11 “(II) does not own or lease the  
12 surface estate within the area directly  
13 impacted by the action;

14 “(ii) the well is located on non-Fed-  
15 eral land overlying a non-Federal mineral  
16 estate, but some portion of the wellbore en-  
17 ters and produces from the Federal min-  
18 eral estate subject to the lease; or

19 “(iii) the well is located on non-Fed-  
20 eral land overlying a non-Federal mineral  
21 estate, but some portion of the wellbore  
22 traverses but does not produce from the  
23 Federal mineral estate subject to the lease.

24 “(C) NO FEDERAL ACTION.—An oil and  
25 gas exploration or production activity carried

1 out under a lease described in subparagraph

2 (A)—

3 “(i) shall require no Federal action;

4 and

5 “(ii) may commence 30 days after the

6 leaseholder submits the State permit to the

7 Secretary.”.

8 **SEC. 80105. REINSTATE REASONABLE ROYALTY RATES.**

9 (a) OFFSHORE OIL AND GAS ROYALTY RATE.—Sec-  
10 tion 8(a)(1) of the Outer Continental Shelf Lands Act (43  
11 U.S.C. 1337(a)(1)) is amended—

12 (1) in subparagraph (A), by striking “not less  
13 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
14 during the 10-year period beginning on the date of  
15 enactment of the Act titled ‘An Act to provide for  
16 reconciliation pursuant to title II of S. Con. Res.  
17 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
18 inserting “not less than 12.5 percent, but not more  
19 than  $18\frac{3}{4}$  percent,”;

20 (2) in subparagraph (C), by striking “not less  
21 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
22 during the 10-year period beginning on the date of  
23 enactment of the Act titled ‘An Act to provide for  
24 reconciliation pursuant to title II of S. Con. Res.  
25 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and

1 inserting “not less than 12.5 percent, but not more  
2 than  $18\frac{3}{4}$  percent,”;

3 (3) in subparagraph (F), by striking “not less  
4 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
5 during the 10-year period beginning on the date of  
6 enactment of the Act titled ‘An Act to provide for  
7 reconciliation pursuant to title II of S. Con. Res.  
8 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
9 inserting “not less than 12.5 percent, but not more  
10 than  $18\frac{3}{4}$  percent,”; and

11 (4) in subparagraph (H), by striking “not less  
12 than  $16\frac{2}{3}$  percent, but not more than  $18\frac{3}{4}$  percent,  
13 during the 10-year period beginning on the date of  
14 enactment of the Act titled ‘An Act to provide for  
15 reconciliation pursuant to title II of S. Con. Res.  
16 14’, and not less than  $16\frac{2}{3}$  percent thereafter,” and  
17 inserting “not less than 12.5 percent, but not more  
18 than  $18\frac{3}{4}$  percent,”.

19 (b) ONSHORE OIL AND GAS ROYALTY RATES.—Sec-  
20 tion 17 of the Mineral Leasing Act (30 U.S.C. 226) is  
21 amended—

22 (1) in subsection (b)—

23 (A) in paragraph (1)(A), by striking “the  
24 Act titled ‘An Act to provide for reconciliation

1 pursuant to title II of S. Con. Res. 14', 16<sup>2</sup>/<sub>3</sub>'  
2 and inserting "subsection (s), 12.5"; and

3 (B) in paragraph (2)(A)(ii), by striking  
4 "16<sup>2</sup>/<sub>3</sub> percent" and inserting "16<sup>2</sup>/<sub>3</sub> percent or,  
5 in the case of a lease issued on or after the date  
6 of enactment of subsection (s), 12.5 percent";

7 (2) in subsection (l), by striking "16<sup>2</sup>/<sub>3</sub> percent"  
8 each place it appears and inserting "16<sup>2</sup>/<sub>3</sub> percent  
9 or, in the case of a lease issued on or after the date  
10 of enactment of subsection (s), 12.5 percent"; and

11 (3) in subsection (n)(1)(C), by striking "16<sup>2</sup>/<sub>3</sub>  
12 percent" and inserting "16<sup>2</sup>/<sub>3</sub> percent or, in the case  
13 of a lease issued on or after the date of enactment  
14 of subsection (s), 12.5 percent".

## 15 **PART 2—GEOTHERMAL**

### 16 **SEC. 80111. GEOTHERMAL LEASING.**

17 Section 4(b) of the Geothermal Steam Act of 1970  
18 (30 U.S.C. 1003(b)) is amended—

19 (1) in paragraph (2), by striking "2 years" and  
20 inserting "year"; and

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

22 "(5) REPLACEMENT SALES.—If a lease sale  
23 under paragraph (2) for a year is canceled or de-  
24 layed, the Secretary of the Interior shall conduct a  
25 replacement sale during the same year.

1           “(6) REQUIREMENT.—In conducting a lease  
2           sale under paragraph (2) in a State described in  
3           that paragraph, the Secretary of the Interior shall  
4           offer all nominated parcels eligible for geothermal  
5           development and utilization under a land use plan  
6           developed or revised under section 202 of the Fed-  
7           eral Land Policy and Management Act of 1976 that  
8           is in effect for the State.”.

9   **SEC. 80112. GEOTHERMAL ROYALTIES.**

10          Section 5(a)(1) of the Geothermal Steam Act of 1970  
11   (30 U.S.C. 1004(a)(1)) is amended—

12           (1) in subparagraph (A)—

13                   (A) by inserting “with respect to each elec-  
14                   tric generating facility producing electricity,”  
15                   before “not less than”; and

16                   (B) by inserting by “by such facility” after  
17                   “produced”; and

18           (2) in subparagraph (B)—

19                   (A) by inserting “with respect to each elec-  
20                   tric generating facility producing electricity,”  
21                   before “not less than”; and

22                   (B) by inserting by “by such facility” after  
23                   “produced”.

1 **PART 3—ALASKA**

2 **SEC. 80121. COASTAL PLAIN OIL AND GAS LEASING.**

3 (a) DEFINITIONS.—In this section:

4 (1) COASTAL PLAIN.—The term “Coastal  
5 Plain” has the meaning given the term in section  
6 20001(a) of Public Law 115–97 (16 U.S.C. 3143  
7 note).

8 (2) OIL AND GAS PROGRAM.—The term “oil  
9 and gas program” means the oil and gas program  
10 established under section 20001(b)(2) of Public Law  
11 115–97 (16 U.S.C. 3143 note).

12 (3) SECRETARY.—The term “Secretary” means  
13 the Secretary of the Interior.

14 (b) ADMINISTRATION.—Not later than 30 days after  
15 the date of enactment of this Act, the Secretary shall—

16 (1) withdraw—

17 (A) the supplemental environmental impact  
18 statement described in the notice of availability  
19 of the Bureau of Land Management entitled  
20 “Notice of Availability of the Final Coastal  
21 Plain Oil and Gas Leasing Program Supple-  
22 mental Environmental Impact Statement, Alas-  
23 ka” (89 Fed. Reg. 88805 (November 8, 2024));  
24 and

25 (B) the record of decision described in the  
26 notice of availability of the Bureau of Land

1 Management entitled “Notice of Availability of  
2 the Record of Decision for the Final Supple-  
3 mental Environmental Impact Statement for  
4 the Coastal Plain Oil and Gas Leasing Pro-  
5 gram, Alaska” (89 Fed. Reg. 101042 (Decem-  
6 ber 13, 2024)); and

7 (2) reinstate—

8 (A) the environmental impact statement  
9 described in the notice of availability of the Bu-  
10 reau of Land Management entitled “Notice of  
11 Availability of the Final Environmental Impact  
12 Statement for the Coastal Plain Oil and Gas  
13 Leasing Program, Alaska” (84 Fed. Reg.  
14 50472 (September 25, 2019)); and

15 (B) the record of decision described in the  
16 notice of availability of the Bureau of Land  
17 Management entitled “Notice of Availability of  
18 the Record of Decision for the Final Environ-  
19 mental Impact Statement for the Coastal Plain  
20 Oil and Gas Leasing Program, Alaska” (85  
21 Fed. Reg. 51754 (August 21, 2020)).

22 (c) REISSUANCE OF CANCELLED LEASES.—

23 (1) ACCEPTANCE OF BIDS.—Not later than 30  
24 days after the date of enactment of this Act, the  
25 Secretary shall, without modification or delay—

1 (A) accept the highest valid bid for each  
2 Coastal Plain lease tract for which a valid bid  
3 was received on January 6, 2021, pursuant to  
4 the requirement to hold the first lease sale  
5 under section 20001(c)(1)(A) of Public Law  
6 115–97 (16 U.S.C. 3143 note); and

7 (B) provide the appropriate lease form to  
8 each successful bidder under subparagraph (A)  
9 to execute and return to the Secretary.

10 (2) LEASE ISSUANCE.—On receipt of an exe-  
11 cuted lease form under paragraph (1)(B) and pay-  
12 ment in accordance with that lease of the rental for  
13 the first year, the balance of the bonus bid (unless  
14 deferred), and any required bond or security from  
15 the successful bidder, the Secretary shall promptly  
16 issue to the successful bidder a fully executed lease,  
17 in accordance with—

18 (A) the applicable regulations, as in effect  
19 on January 6, 2021; and

20 (B) the terms and conditions of the record  
21 of decision described in subsection (b)(2)(B).

22 (3) TERMS AND CONDITIONS.—Leases reissued  
23 pursuant to this subsection shall include the terms  
24 and conditions from the record of decision described  
25 in the notice of availability of the Bureau of Land

1 Management entitled “Notice of Availability of the  
2 Record of Decision for the Final Environmental Im-  
3 pact Statement for the Coastal Plain Oil and Gas  
4 Leasing Program, Alaska” (85 Fed. Reg. 51754  
5 (August 21, 2020)).

6 (4) EXCEPTION.—This subsection shall not  
7 apply to any bid for which a lease was issued and  
8 subsequently relinquished by the successful bidder  
9 prior to the date of enactment of this Act.

10 (d) LEASE SALES REQUIRED.—

11 (1) IN GENERAL.—Subject to paragraph (2), in  
12 addition to the lease sales required under section  
13 20001(c)(1)(A) of Public Law 115–97 (16 U.S.C.  
14 3143 note), the Secretary shall conduct not fewer  
15 than 4 lease sales area-wide under the oil and gas  
16 program by not later than 10 years after the date  
17 of the enactment of this Act.

18 (2) SALE ACREAGES; SCHEDULE.—The Sec-  
19 retary shall offer—

20 (A) an initial lease sale under paragraph  
21 (1) not later than 1 year after the date of the  
22 enactment of this Act;

23 (B) a second lease sale under paragraph  
24 (1) not later than 3 years after the date of the  
25 enactment of this Act;

1 (C) a third lease sale under paragraph (1)  
2 not later than 5 years after the date of the en-  
3 actment of this Act;

4 (D) a fourth lease sale under paragraph  
5 (1) not later than 7 years after the date of the  
6 enactment of this Act; and

7 (E)(i) not fewer than 400,000 acres area-  
8 wide in each lease sale, including those areas  
9 that have the highest potential for the discovery  
10 of hydrocarbons; or

11 (ii) the total number of unleased acres sub-  
12 ject to the provisions of this section if that total  
13 number of available acres is less than 400,000  
14 acres.

15 (3) LEASING CERTAINTY.—The record of deci-  
16 sion described in subsection (b)(2)(B) shall be con-  
17 sidered to satisfy the requirements of—

18 (A) the Alaska National Interest Lands  
19 Conservation Act;

20 (B) the National Environmental Policy Act  
21 of 1969;

22 (C) Public Law 115–97;

23 (D) the Endangered Species Act of 1973;

1 (E) subchapter II of chapter 5 of title 5,  
2 United States Code, and chapter 7 of title 5,  
3 United States Code; and

4 (F) the Marine Mammal Protection Act of  
5 1972.

6 (e) LEASE ISSUANCE.—Leases shall be reissued or  
7 issued under subsections (c) and (d)—

8 (1) not later than 60 days after payment by the  
9 successful bidder of the remainder of the bonus bid,  
10 if any, and the annual rental for the first lease year;

11 (2) in accordance with the applicable regula-  
12 tions, as in effect on January 6, 2021; and

13 (3) in accordance with the terms and conditions  
14 from the record of decision described in the notice  
15 of availability of the Bureau of Land Management  
16 entitled “Notice of Availability of the Record of De-  
17 cision for the Final Environmental Impact State-  
18 ment for the Coastal Plain Oil and Gas Leasing  
19 Program, Alaska” (85 Fed. Reg. 51754 (August 21,  
20 2020)).

21 (f) GEOPHYSICAL SURVEYS.—Not later than 30 days  
22 after the date on which the Secretary receives a complete  
23 application pursuant to section 3152.1 of title 43, Code  
24 of Federal Regulations (or any successor regulations), to  
25 conduct oil and gas geophysical exploration operations in

1 the Coastal Plain, the Secretary shall approve such appli-  
2 cation.

3 (g) RECEIPTS.—Notwithstanding section 35 of the  
4 Mineral Leasing Act (30 U.S.C. 191) and section  
5 20001(b)(5) of Public Law 115–97 (16 U.S.C. 668dd  
6 note), of the amount of adjusted bonus, rental, and royalty  
7 receipts derived from the oil and gas program and oper-  
8 ations on the Coastal Plain pursuant to this section—

9 (1)(A) for fiscal years 2025 through 2034, 50  
10 percent shall be paid to the State of Alaska; and

11 (B) for fiscal year 2035 and thereafter, 90 per-  
12 cent shall be paid to the State of Alaska; and

13 (2) the balance shall be deposited into the  
14 Treasury as miscellaneous receipts.

15 (h) JUDICIAL PRECLUSION.—

16 (1) IN GENERAL.—Except as provided in para-  
17 graph (2), no court shall have jurisdiction to review  
18 any action taken by the Secretary, the Administrator  
19 of the Environmental Protection Agency, or a State  
20 or municipal government administrative agency to—

21 (A) reissue a lease pursuant to subsection  
22 (c) or issue a lease under a lease sale conducted  
23 under subsection (d); or

24 (B) grant or issue a right-of-way, ease-  
25 ment, authorization, permit, verification, bio-

1           logical opinion, incidental take statement, or  
2           other approval for a lease reissued pursuant to  
3           subsection (c) or issued under a lease sale con-  
4           ducted under subsection (d), whether reissued  
5           or issued prior to, on, or after the date of the  
6           enactment of this Act, and including any law-  
7           suit or any other action pending in a court as  
8           of the date of enactment of this Act.

9           (2) PETITION BY LEASEHOLDER.—

10           (A) IN GENERAL.—A leaseholder or the  
11           State of Alaska may obtain a review of an al-  
12           leged failure by the Secretary to act in accord-  
13           ance with this section or with any law per-  
14           taining to granting or issuing a lease, right-of-  
15           way, easement, authorization, permit,  
16           verification, biological opinion, incidental take  
17           statement, or other approval related to a lease  
18           under this section by filing a written petition  
19           with a court of competent jurisdiction seeking  
20           an order.

21           (B) DEADLINES.—If a court of competent  
22           jurisdiction finds pursuant to subparagraph (A)  
23           that an agency has failed to act in accordance  
24           with this section or with any law pertaining to  
25           granting or issuing a lease, right-of-way, ease-

1           ment, authorization, permit, verification, bio-  
2           logical opinion, incidental take statement, or  
3           other approval related to a lease under this sec-  
4           tion, the court shall set a schedule and deadline  
5           for the agency to act as soon as practicable,  
6           which shall not exceed 90 days from the date  
7           on which the order of the court is issued, unless  
8           the court determines a longer time period is  
9           necessary to comply with applicable law.

10 **SEC. 80122. NATIONAL PETROLEUM RESERVE—ALASKA.**

11           (a) RESTORATION OF NPR—A OIL AND GAS PRO-  
12 GRAM.—Effective beginning on the date of enactment of  
13 this Act, the Secretary shall—

14           (1) expeditiously restore and resume the Pro-  
15 gram for domestic energy production to generate  
16 Federal revenue, subject to the requirements of sec-  
17 tion 107 of the Naval Petroleum Reserves Produc-  
18 tion Act of 1976 (42 U.S.C. 6506a); and

19           (2) cease to implement, administer, or enforce  
20 the regulations contained in part 2360 of title 43,  
21 Code of Federal Regulations (as in effect on the  
22 date of the enactment of this Act).

23           (3) DEFINITIONS.—In this subsection:

24           (A) PROGRAM.—The term “Program”  
25 means the competitive oil and gas leasing, ex-

1           ploration, development, and production program  
2           established under section 107 of the Naval Pe-  
3           troleum Reserves Production Act of 1976 (42  
4           U.S.C. 6506a).

5                   (B) SECRETARY.—The term “Secretary”  
6           means the Secretary of the Interior.

7           (b) PURPOSE.—The Naval Petroleum Reserves Pro-  
8           duction Act of 1976 is amended by inserting before section  
9           101 (42 U.S.C. 6501) the following:

10   **“SEC. 100. PURPOSE.**

11           “The purpose of this Act is to require and facilitate  
12           a leasing program in the National Petroleum Reserve in  
13           Alaska for the expeditious exploration, development, and  
14           production of petroleum to meet the energy needs of the  
15           Nation and the world. In order to accomplish this purpose,  
16           the Secretary shall, in consultation with the State of Alas-  
17           ka and the North Slope Borough, Alaska, expedite admin-  
18           istration of the Program for domestic energy production  
19           and Federal revenue as prescribed in section 107(d) of the  
20           Naval Petroleum Reserves Production Act of 1976 (42  
21           U.S.C. 6506a(d)).”.

22           (c) REQUIRED LEASE SALES.—Section 107(d) of the  
23           Naval Petroleum Reserves Production Act of 1976 (42  
24           U.S.C. 6506a(d)) is amended—

1           (1) by striking “FIRST LEASE SALE.—The first  
2 lease” and inserting “REQUIRED LEASE SALES.—

3           “(1) FIRST LEASE SALE.—The first lease”; and  
4           (2) by adding at the end the following:

5           “(2) SUBSEQUENT LEASE SALES.—

6                   “(A) IN GENERAL.—Subject to subpara-  
7 graph (B), beginning in the first full calendar  
8 year after the date of enactment of this para-  
9 graph, the Secretary shall conduct an oil and  
10 gas lease sale in the reserve not less frequently  
11 than once every two years.

12                   “(B) ACREAGES.—The Secretary shall  
13 offer not fewer than 4,000,000 acres in each  
14 lease sale conducted under subparagraph (A).

15                   “(C) TERMS AND STIPULATIONS FOR NPR-  
16 A LEASE SALES.—In conducting lease sales  
17 under this paragraph, the Secretary shall offer  
18 the same lease form as lease form AK-3130-1  
19 (March 2018) and the same lease terms, eco-  
20 nomic conditions, and stipulations as described  
21 in the NPR-A record of decision published by  
22 the Bureau of Land Management entitled ‘Na-  
23 tional Petroleum Reserve in Alaska Integrated  
24 Activity Plan Record of Decision’ (December  
25 2020).”.

1 (d) RECEIPTS.—Section 107(l) of the Naval Petro-  
2 leum Reserves Production Act of 1976 (42 U.S.C.  
3 6506a(l)) is amended—

4 (1) by striking “All receipts from” and insert-  
5 ing the following:

6 “(1) IN GENERAL.—Except as provided in para-  
7 graph (2), all receipts from”; and

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

9 “(2) PERCENT SHARE FOR FISCAL YEAR 2035  
10 AND THEREAFTER.—Beginning in fiscal year 2035,  
11 of the receipts described in paragraph (1)—

12 “(A) 90 percent shall be paid to the State  
13 of Alaska; and

14 “(B) 10 percent shall be paid into the  
15 Treasury of the United States.”.

16 (e) FACILITATION.—Section 107(n)(2) of the Naval  
17 Petroleum Reserves Production Act of 1976 (42 U.S.C.  
18 6506a(n)(2)) is amended to read as follows:

19 “(2) SUBSEQUENT LEASE SALES.—The detailed  
20 environmental study and assessments that have been  
21 conducted and identified in the document titled ‘No-  
22 tice of Availability of the National Petroleum Re-  
23 serve in Alaska Integrated Activity Plan Final Envi-  
24 ronmental Impact Statement’ (85 Fed. Reg. 38388  
25 (June 26, 2020)) are deemed to fulfill the require-

1       ments of the National Environmental Policy Act of  
2       1969 with regard to the oil and gas lease sales re-  
3       quired by subsection (d)(2).”.

4       (f) GEOPHYSICAL SURVEYS; JUDICIAL PRE-  
5       CLUSION.—Section 107 of the Naval Petroleum Reserves  
6       Production Act of 1976 (42 U.S.C. 6506a) is amended  
7       by adding at the end the following:

8       “(q) GEOPHYSICAL SURVEYS.—Not later than 30  
9       days after the date on which the Secretary of the Interior  
10      receives a complete application pursuant to section 3152.1  
11      of title 43, Code of Federal Regulations (or any successor  
12      regulations), to conduct oil and gas geophysical explo-  
13      ration operations in the National Petroleum Reserve in  
14      Alaska, the Secretary of the Interior shall approve such  
15      application.

16      “(r) JUDICIAL PRECLUSION.—

17           “(1) IN GENERAL.—Except as provided in para-  
18      graph (2), no court shall have jurisdiction to review  
19      any action taken by the Secretary of the Interior or  
20      a State or municipal government administrative  
21      agency to grant or issue a right-of-way, easement,  
22      authorization, permit, verification, biological opinion,  
23      incidental take statement, or other approval for a  
24      lease issued under this Act, whether issued prior to,  
25      on, or after the date of the enactment of this sub-

1 section, and including any lawsuit or any other ac-  
2 tion pending in a court as of the date of enactment  
3 of this subsection.

4 “(2) PETITION BY LEASEHOLDER.—

5 “(A) IN GENERAL.—A leaseholder or the  
6 State of Alaska may obtain a review of an al-  
7 leged failure by the Secretary of the Interior to  
8 act in accordance with this Act by filing a writ-  
9 ten petition with a court of competent jurisdic-  
10 tion seeking an order.

11 “(B) DEADLINES.—If a court of com-  
12 petent jurisdiction finds pursuant to subpara-  
13 graph (A) that an agency has failed to act in  
14 accordance with this Act, the court shall set a  
15 schedule and deadline for the agency to act as  
16 soon as practicable, which shall not exceed 90  
17 days from the date on which the order of the  
18 court is issued, unless the court determines a  
19 longer time period is necessary to comply with  
20 applicable law.”.

21 **PART 4—MINING**

22 **SEC. 80131. SUPERIOR NATIONAL FOREST LANDS IN MIN-**  
23 **NESOTA.**

24 (a) RESCISSION.—The Public Land Order of the Bu-  
25 reau of Land Management titled “Public Land Order No.

1 7917 for Withdrawal of Federal Lands; Cook, Lake, and  
2 Saint Louis Counties, MN” (88 Fed. Reg. 6308; published  
3 January 31, 2023) is hereby rescinded and shall have no  
4 force or effect.

5 (b) REINSTATEMENT, ISSUANCE, AND MODIFICATION  
6 OF CERTAIN HARDROCK MINERAL LEASES.—

7 (1) REINSTATEMENT AND TERM MODIFICA-  
8 TION.—

9 (A) REINSTATEMENT.—Notwithstanding  
10 Reorganization Plan No. 3 of 1946 (5 U.S.C.  
11 App.), section 2478 of the Revised Statutes (43  
12 U.S.C. 1457e), the Act of June 30, 1950 (64  
13 Stat. 311; 16 U.S.C. 508b), and the Act of  
14 March 4, 1917 (39 Stat. 1150; 16 U.S.C. 520),  
15 and not later than 5 calendar days after the  
16 date of the enactment of this section, the Sec-  
17 retary shall reinstate each covered lease.

18 (B) LEASE TERM.—Upon reinstatement of  
19 each covered lease under subparagraph (A)—

20 (i) each covered lease shall have an  
21 initial term of 20 years from the date of  
22 such reinstatement and a right to succes-  
23 sive renewals in accordance with paragraph  
24 (4);

1 (ii) the Secretary shall toll the initial  
2 term of a covered lease during any period  
3 in which permitting activities of the cov-  
4 ered lease are delayed by legal or adminis-  
5 trative proceedings not initiated by the  
6 holder of the covered lease; and

7 (iii) the Secretary shall extend the ini-  
8 tial term of a covered lease by a period  
9 equal to any tolling period under clause  
10 (ii).

11 (C) APPLICABLE TERMS.—Except as modi-  
12 fied by this section, all terms and conditions of  
13 each covered lease shall be in accordance with  
14 the original terms of the covered lease.

15 (2) REVENUE PROVISIONS.—

16 (A) REINSTATEMENT FEE.—Upon rein-  
17 statement of each covered lease under para-  
18 graph (1)(A), the holder of a covered lease shall  
19 pay to the Secretary a one-time fee of \$100 per  
20 acre of the covered lease.

21 (B) SUPPLEMENTAL RENTAL.—In addition  
22 to the rental payment specified in the reinstated  
23 covered lease, the holder of a covered lease shall  
24 pay to the Secretary an annual supplemental  
25 rental of \$10 per acre of the covered lease dur-

1           ing years 6 through 10 of the initial term of the  
2           covered lease.

3                   (C) REVENUE ALLOCATION.—All revenues  
4           collected under this paragraph shall be depos-  
5           ited in the Treasury as miscellaneous receipts.

6           (3) GRANT OF PREFERENCE RIGHT HARDROCK  
7           MINERAL LEASE.—

8                   (A) CONGRESSIONAL GRANT.—Notwith-  
9           standing Reorganization Plan No. 3 of 1946 (5  
10          U.S.C. App.), section 2478 of the Revised Stat-  
11          utes (43 U.S.C. 1457c), the Act of June 30,  
12          1950 (64 Stat. 311; 16 U.S.C. 508b), and the  
13          Act of March 4, 1917 (39 Stat. 1150; 16  
14          U.S.C. 520), and in recognition of the valid ex-  
15          isting rights created through the finding of a  
16          valuable mineral deposit as determined by the  
17          issuance of a Notice of Preliminary Valuable  
18          Deposit Determination from the Bureau of  
19          Land Management, Congress hereby grants to  
20          any holder of a Notice of Preliminary Valuable  
21          Deposit Determination issued between January  
22          20, 2017, and January 20, 2021, a preference  
23          right hardrock mineral lease subject to the  
24          terms described in this paragraph.

1 (B) LEASE TERMS.—Each preference right  
2 hardrock mineral lease granted under subpara-  
3 graph (A) shall—

4 (i) have an initial term of 20 years  
5 from the date of such grant and a right to  
6 successive renewals in accordance with  
7 paragraph (4);

8 (ii) except as provided in clause (iv),  
9 be subject to the same terms and condi-  
10 tions as adjacent covered leases, as modi-  
11 fied by this section;

12 (iii) be deemed part of the unified  
13 mining operation with adjacent covered  
14 leases for purposes of mine planning and  
15 operations; and

16 (iv) not be required to meet the dili-  
17 gence requirements of adjacent covered  
18 leases until the date on which the first  
19 term of the preference right hardrock min-  
20 eral lease after the lease is renewed under  
21 paragraph (4) begins.

22 (C) REVENUE PROVISIONS.—

23 (i) IN GENERAL.—Upon the grant of  
24 each preference right hardrock mineral

1 lease under subparagraph (A), the holder  
2 of each lease shall pay to the Secretary—

3 (I) a one-time issuance fee of  
4 \$250 per acre of the preference right  
5 hardrock mineral lease;

6 (II) an annual rental payment of  
7 \$1 per acre of the preference right  
8 hardrock mineral lease per year; and

9 (III) a production royalty in ac-  
10 cordance with the terms and condi-  
11 tions described in subparagraph  
12 (B)(ii).

13 (ii) DEPOSIT OF AMOUNTS.—Amounts  
14 collected under this subparagraph shall be  
15 deposited in the Treasury as miscellaneous  
16 receipts.

17 (4) RENEWAL PROVISIONS.—

18 (A) RENEWAL QUALIFICATION.—If, during  
19 the last 2 years of each initial or renewal term  
20 of a lease reinstated, granted, or renewed under  
21 this subsection, the holder of the lease requests  
22 renewal, the Secretary shall renew the lease in  
23 accordance with this paragraph.

24 (B) RENEWAL PROCESS.—

1 (i) IN GENERAL.—Not later than 90  
2 days before the date on which the term of  
3 a lease for which the holder of the lease re-  
4 quests renewal under subparagraph (A)  
5 ends, the holder of the lease shall pay to  
6 the Secretary a renewal fee of \$100 per  
7 acre of the lease.

8 (ii) RENEWAL REQUIRED.—Upon re-  
9 ceipt of a renewal request under subpara-  
10 graph (A) and the renewal fee required  
11 under clause (i) of this subparagraph, the  
12 Secretary shall renew the lease that is the  
13 subject of the renewal request for an addi-  
14 tional 10-year term.

15 (C) RENEWAL CONDITIONS.—

16 (i) IN GENERAL.—

17 (I) MINE PLAN OF OPERATIONS  
18 NOT REQUIRED DURING INITIAL  
19 TERM.—Approval of a mine plan of  
20 operations is not required during the  
21 initial term of a lease reinstated or  
22 granted under this subsection.

23 (II) MINIMUM PRODUCTION RE-  
24 QUIREMENTS.—Minimum production  
25 requirements as described in adjacent

1 covered leases shall begin with respect  
2 to a lease reinstated or granted under  
3 this subsection on the date that is 5  
4 years after the approval of a mine  
5 plan of operations for such lease.

6 (ii) ANNUAL RENTAL PAYMENTS.—

7 The annual rental payment for a lease re-  
8 newed under this subsection shall be \$2  
9 per acre more than the annual rental pay-  
10 ment of such lease during the preceding  
11 term of such lease.

12 (5) JUDICIAL REVIEW.—

13 (A) IN GENERAL.—The reinstatement,  
14 modification, or grant of a lease, or a combina-  
15 tion thereof, under this section is not subject to  
16 judicial review.

17 (B) EXCEPTION.—Notwithstanding sub-  
18 paragraph (A), the holder of a lease reinstated,  
19 modified, or granted under this subsection may  
20 seek review of an alleged failure by the Sec-  
21 retary to act in accordance with this section.

22 (6) DEFINITIONS.—In this section:

23 (A) COVERED LEASE.—The term “covered  
24 lease” means a hardrock mineral lease—

1 (i) located within the Superior Na-  
2 tional Forest in the State of Minnesota;

3 (ii) issued or renewed in between Jan-  
4 uary 20, 2017, and January 19, 2021; and

5 (iii) cancelled or otherwise rescinded  
6 between January 20, 2021, and January  
7 20, 2025.

8 (B) SECRETARY.—The term “Secretary”  
9 means the Secretary of the Interior.

10 **SEC. 80132. AMBLER ROAD IN ALASKA.**

11 (a) ANILCA.—Section 201(4)(b) of the Alaska Na-  
12 tional Interest Lands Conservation Act (16 U.S.C.  
13 410hh(4)(b)) is amended by adding at the end “In accord-  
14 ance with the provisions of this subsection, the Secretary  
15 of the Interior shall approve each authorization within the  
16 jurisdiction of the Secretary of the Interior with respect  
17 to the surface transportation corridor and the Secretary  
18 of the Interior shall promptly issue, in accordance with  
19 applicable law, such rights-of-way, permits, licenses,  
20 leases, certificates, or other authorizations as are nec-  
21 essary with respect to the establishment of the surface  
22 transportation corridor and permit such access across all  
23 Federal land and public lands, including across the West-  
24 ern (Kobuk River) unit of the Gates of the Arctic National  
25 Preserve administered by the National Park Service and

1 the Central Yukon Planning Area administered by the Bu-  
2 reau of Land Management.”

3 (b) REINSTATEMENT OF JOINT RECORD OF DECI-  
4 SION.—Not later than 90 days after the date of the enact-  
5 ment of this subtitle, the Secretary shall—

6 (1) rescind the record of decision published by  
7 the Bureau of Land Management titled “Ambler  
8 Road Supplemental Environmental Impact State-  
9 ment” (June 2024);

10 (2) reinstate, as amended if the Secretary de-  
11 termines necessary, and publish in the Federal Reg-  
12 ister the Joint Record of Decision, which selected  
13 Alternative A as the preferred alternative; and

14 (3) issue to the Applicant all Federal rights-of-  
15 way on Federal land and public lands, and any asso-  
16 ciated permits, approvals, or other authorizations, as  
17 necessary to implement the Joint Record of Decision  
18 published under paragraph (2).

19 (c) RENTAL PAYMENTS.—The rental fee paid by the  
20 Applicant to the Bureau of Land Management for a right-  
21 of-way issued pursuant to subsection (b)(3) shall be  
22 \$500,000 for each of fiscal years 2025 through 2034.

23 (d) RECEIPTS.—Receipts derived from adjusted rent-  
24 al receipts under subsection (c) shall be deposited into the  
25 Treasury as miscellaneous receipts.

1 (e) JUDICIAL REVIEW.—

2 (1) IN GENERAL.—An action taken by the Sec-  
3 retary pursuant to this section is not subject to judi-  
4 cial review.

5 (2) EXCEPTION.—Notwithstanding paragraph  
6 (1), the Applicant may seek review of an alleged fail-  
7 ure by the Secretary to act in accordance with this  
8 section.

9 (f) DEFINITIONS.—In this section:

10 (1) ALTERNATIVE A.—The term “Alternative  
11 A” means Alternative A as described in “Section 2  
12 (Alternatives)” of the document titled “Ambler Road  
13 Environmental Impact Statement, Final, Volume 1:  
14 Chapters 1–3, Appendices A–F) (March 2020)”.

15 (2) APPLICANT.—The term “Applicant” has  
16 the meaning given the term in the document titled  
17 “Ambler Road Environmental Impact Statement,  
18 Final, Volume 1: Chapters 1–3, Appendices A–F)  
19 (March 2020)”.

20 (3) FEDERAL LAND.—The term “Federal land”  
21 has the meaning given such term in section 102 of  
22 the Alaska National Interest Lands Conservation  
23 Act (16 U.S.C. 3102).

24 (4) JOINT RECORD OF DECISION.—The term  
25 “Joint Record of Decision” means the Joint Record

1 of Decision as described in the document titled  
2 “Ambler Road Environmental Impact Statement  
3 Joint Record of Decision (July 2020)”.

4 (5) PUBLIC LANDS.—The term “public lands”  
5 has the meaning given such term in section 102 of  
6 the Alaska National Interest Lands Conservation  
7 Act (16 U.S.C. 3102).

8 (6) SECRETARY.—The term “Secretary” means  
9 the Secretary of the Interior.

## 10 **PART 5—COAL**

### 11 **SEC. 80141. COAL LEASING.**

12 (a) MANDATORY LEASING AND OTHER REQUIRED  
13 APPROVALS.—Not later than 90 days after the date of en-  
14 actment of this Act in the case of a pending application,  
15 or not later than 90 days after the date of submission in  
16 the case of an application submitted after the date of the  
17 enactment of this Act, the Secretary of the Interior shall—

18 (1) with respect to each qualified application—

19 (A) if not previously published for public  
20 comment, publish any required environmental  
21 review;

22 (B) finalize the fair market value of the  
23 applicable coal tract;

24 (C) hold a lease sale with respect to the  
25 applicable coal tract;

1 (D) take all other intermediate actions nec-  
2 essary to grant the qualified application; and

3 (E) after completing the actions required  
4 by subparagraphs (A) through (D), grant the  
5 qualified application and issue the applicable  
6 lease to the person that submitted the qualified  
7 application if that person submitted the highest  
8 bid in the lease sale held under subparagraph  
9 (C); and

10 (2) with respect to previously issued coal leases,  
11 grant any additional approvals of the Department of  
12 the Interior required for mining activities to com-  
13 mence.

14 (b) LEASES FOR KNOWN RECOVERABLE COAL RE-  
15 SOURCES.—Notwithstanding section 2(a)(3)(A) of the  
16 Mineral Leasing Act (30 U.S.C. 201(a)(3)(A)) and section  
17 202 of the Federal Land Policy and Management Act of  
18 1976 (43 U.S.C. 1712), not later than 90 days after the  
19 date of enactment of this Act, the Secretary of the Interior  
20 shall make available for lease known recoverable coal re-  
21 sources of not less than 4,000,000 additional acres on  
22 Federal land west of the 100th meridian located in the  
23 48 contiguous States and Alaska, but which shall not in-  
24 clude any Federal land within—

25 (1) a National Monument;

1 (2) a National Recreation Area;

2 (3) a component of the National Wilderness  
3 Preservation System;

4 (4) a component of the National Wild and Sce-  
5 nic Rivers System;

6 (5) a component of the National Trails System;

7 (6) a National Conservation Area;

8 (7) a unit of the National Wildlife Refuge Sys-  
9 tem;

10 (8) a unit of the National Fish Hatchery Sys-  
11 tem;

12 (9) a unit of the National Park System;

13 (10) a National Preserve;

14 (11) a National Seashore or National Lake-  
15 shore;

16 (12) a National Historic Site;

17 (13) a National Memorial;

18 (14) a National Battlefield, National Battlefield  
19 Park, National Battlefield Site, or National Military  
20 Park; or

21 (15) a National Historical Park.

22 (c) DEFINITIONS.—In this section:

23 (1) COAL LEASE.—The term “coal lease”  
24 means a lease entered into by the United States as  
25 lessor, through the Bureau of Land Management,

1 and an applicant on Bureau of Land Management  
2 Form 3400–012, or a successor form that contains  
3 terms of a coal lease.

4 (2) **QUALIFIED APPLICATION.**—The term  
5 “qualified application” means an application for a  
6 coal lease pending as of the date of enactment of  
7 this Act or submitted within 90 days thereafter  
8 under the lease by application program administered  
9 by the Bureau of Land Management pursuant to the  
10 Mineral Leasing Act.

11 **SEC. 80142. FUTURE COAL LEASING.**

12 Secretarial Order 3338, issued by the Secretary of  
13 the Interior on January 15, 2016, or any other actions  
14 limiting the Federal coal leasing program, shall have no  
15 force or effect.

16 **SEC. 80143. COAL ROYALTY.**

17 (a) **RATE.**—Section 7(a) of the Mineral Leasing Act  
18 (30 U.S.C. 207(a)) is amended by striking “12½ per cen-  
19 tum” and inserting “12½ percent, except such amount  
20 shall be not more than 7 percent during the period that  
21 begins on the date of enactment of subsection (s) of sec-  
22 tion 17 and ends September 30, 2034.”.

23 (b) **RETROACTIVITY.**—The amendment made by sub-  
24 section (a) shall apply to a coal lease—

1           (1) issued under section 2 of the Mineral Leas-  
2           ing Act (30 U.S.C. 201) before, on, or after the date  
3           of the enactment of this subtitle; and

4           (2) that has not been terminated.

5           (c) ADVANCE ROYALTIES.—

6           (1) IN GENERAL.—With respect to a lease  
7           issued under section 2 of the Mineral Leasing Act  
8           (30 U.S.C. 201) for which the lessee has paid ad-  
9           vance royalties under section 7(b) of that Act (30  
10          U.S.C. 207(b)), the Secretary of the Interior shall  
11          provide to the lessee a credit for the difference be-  
12          tween the amount paid by the lessee in advance roy-  
13          alties for the lease before the date of the enactment  
14          of this subtitle and the amount the lessee would  
15          have been required to pay if the amendment made  
16          by subsection (a) had been made before the lessee  
17          paid advance royalties for the lease.

18          (2) REFUND OF EXCESS CREDITS.—If a credit  
19          owed to a lessee pursuant to this subsection for prior  
20          payment of advance royalties is in excess of royalties  
21          owed at the conclusion of the term of the lease, the  
22          Secretary shall reimburse the lessee an amount  
23          equal to the credit less any royalties owed during  
24          that term.

1 **SEC. 80144. AUTHORIZATION TO MINE FEDERAL MINERALS.**

2 (a) IN GENERAL.—All Federal coal reserves leased  
3 under Federal Coal Lease MTM 97988 located within the  
4 covered Federal land are authorized to be mined in accord-  
5 ance with the Bull Mountains Mining Plan Modification.

6 (b) DEFINITIONS.—In this section:

7 (1) BULL MOUNTAINS MINING PLAN MODIFICA-  
8 TION.—The term “Bull Mountains Mining Plan  
9 Modification” means the Mine No. 1, Amendment 3  
10 mining plan modification for Federal coal lease  
11 MTM 97988 described in the memorandum of the  
12 Department of the Interior titled “Recommendation  
13 regarding the previously approved mining plan modi-  
14 fication for Federal Lease MTM–97988 at Signal  
15 Peak Energy, LLC’s Bull Mountains Mine No.1, lo-  
16 cated in Musselshell and Yellowstone Counties, Mon-  
17 tana” (November 18, 2020).

18 (2) COVERED FEDERAL LAND.—The term “cov-  
19 ered Federal land” means the following land com-  
20 prising approximately 800 acres:

21 (A) The NE  $\frac{1}{4}$  of sec. 8, T. 6 N., R. 27  
22 E., Montana Principal Meridian.

23 (B) The SW  $\frac{1}{4}$  of sec. 10, T. 6 N., R. 27  
24 E., Montana Principal Meridian.

25 (C) The W  $\frac{1}{2}$ , SE  $\frac{1}{4}$  of sec. 22, T. 6 N.,  
26 R. 27 E., Montana Principal Meridian.

1 **PART 6—NEPA**  
2 **SEC. 80151. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**  
3 **MENTAL REVIEWS.**

4 The National Environmental Policy Act of 1969 is  
5 amended by inserting after section 111 (42 U.S.C. 4336e)  
6 the following:

7 **“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-**  
8 **MENTAL REVIEWS.**

9 “(a) PROCESS.—

10 “(1) PROJECT SPONSOR.—A project sponsor  
11 who intends to pay a fee under this section for the  
12 preparation, or supervision of the preparation, of an  
13 environmental assessment or environmental impact  
14 statement with respect to the project of the project  
15 sponsor shall submit to the Council—

16 “(A) a description of the project; and

17 “(B) a declaration of whether the project  
18 sponsor intends to prepare the environmental  
19 assessment or environmental impact statement  
20 under section 107(f) of this title.

21 “(2) NOTICE OF AMOUNT OF FEE.—Not later  
22 than 15 days after the receipt of the information de-  
23 scribed in paragraph (1), the Council shall provide  
24 to the project sponsor that submitted such informa-  
25 tion notice of the amount of the fee, as determined  
26 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) ADMINISTRATIVE AND JUDICIAL REVIEW.—

9           “(1) EA; EIS.—There shall be no administra-  
10 tive or judicial review of an environmental assess-  
11 ment or environmental impact statement for which  
12 a fee is paid under this section.

13           “(2) FONSI; ROD.—An action for administra-  
14 tive or judicial review of a finding of no significant  
15 impact or record of decision that is associated with  
16 an environmental assessment or environmental im-  
17 pact statement described in paragraph (1) may not  
18 challenge the finding of no significant impact or  
19 record of decision based on an alleged issue with the  
20 environmental assessment or environmental impact  
21 statement.

22           “(d) REVENUE ALLOCATION.—Fees received under  
23 this section shall be deposited into the Treasury as mis-  
24 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.”.

1       **PART 8—OFFSHORE OIL AND GAS LEASING**

2       **SEC. 80171. MANDATORY OFFSHORE OIL AND GAS LEASE**

3               **SALES.**

4       (a) IN GENERAL.—

5               (1) GULF OF AMERICA.—

6                       (A) IN GENERAL.—The Secretary shall  
7                       hold not fewer than 30 lease sales in the Gulf  
8                       of America during the 15-year period beginning  
9                       on the date of the enactment of this section.

10                      (B) LOCATION REQUIREMENT.—For each  
11                      lease sale held under this paragraph, the Sec-  
12                      retary may offer for lease only an area identi-  
13                      fied as the Proposed Final Program Area in  
14                      Figure S–1 of the 2017–2022 Outer Conti-  
15                      nental Shelf Oil and Gas Leasing Proposed  
16                      Final Program referenced in the notice of avail-  
17                      ability published by the Bureau of Ocean En-  
18                      ergy Management titled “Notice of Availability  
19                      of the 2017–2022 Outer Continental Shelf Oil  
20                      and Gas Leasing Proposed Final Program” (81  
21                      Fed. Reg. 84612; published November 23,  
22                      2016).

23                      (C) ACREAGE REQUIREMENT.—For each  
24                      lease sale held under this paragraph, the Sec-  
25                      retary shall offer for lease—

1 (i) not fewer than 80,000,000 acres;

2 or

3 (ii) if there are fewer than 80,000,000

4 acres that are unleased, all such unleased

5 acres.

6 (D) TIMING REQUIREMENT.—Of the not  
7 fewer than 30 lease sales required under this  
8 paragraph, the Secretary shall hold not fewer  
9 than 1 lease sale on or before each of the fol-  
10 lowing dates:

11 (i) December 15, 2025.

12 (ii) March 15, 2026.

13 (iii) August 15, 2026.

14 (iv) March 15, 2027.

15 (v) August 15, 2027.

16 (vi) March 15, 2028.

17 (vii) August 15, 2028.

18 (viii) March 15, 2029.

19 (ix) August 15, 2029.

20 (x) March 15, 2030.

21 (xi) August 15, 2030.

22 (xii) March 15, 2031.

23 (xiii) August 15, 2031.

24 (xiv) March 15, 2032.

25 (xv) August 15, 2032.

- 1 (xvi) March 15, 2033.
- 2 (xvii) August 15, 2033.
- 3 (xviii) March 15, 2034.
- 4 (xix) August 15, 2034.
- 5 (xx) March 15, 2035.
- 6 (xxi) August 15, 2035.
- 7 (xxii) March 15, 2036.
- 8 (xxiii) August 15, 2036.
- 9 (xxiv) March 15, 2037.
- 10 (xxv) August 15, 2037.
- 11 (xxvi) March 15, 2038.
- 12 (xxvii) August 15, 2038.
- 13 (xxviii) March 15, 2039.
- 14 (xxix) August 15, 2039.
- 15 (xxx) March 15, 2040.

16 (E) LEASE TERMS AND CONDITIONS.—

17 (i) IN GENERAL.—For each lease sale  
18 held under this paragraph, the Secretary  
19 shall, except as provided in clause (iii),  
20 offer the same lease form, lease terms, eco-  
21 nomic conditions, and stipulations 4  
22 through 10 as contained in the Bureau of  
23 Ocean Energy Management final notice of  
24 sale titled “Gulf of Mexico Outer Conti-  
25 nental Shelf Region-Wide Oil and Gas

1 Lease Sale 254” (85 Fed. Reg. 8010; pub-  
2 lished February 12, 2020).

3 (ii) UPDATE.—The Secretary is au-  
4 thorized to update stipulations 1 through 3  
5 of the final notice of sale titled “Gulf of  
6 Mexico Outer Continental Shelf Region-  
7 Wide Oil and Gas Lease Sale 254” (85  
8 Fed. Reg. 8010; published February 12,  
9 2020) to reflect current conditions for  
10 lease sales held under this paragraph.

11 (iii) DEEPWATER TERM.—The pri-  
12 mary term for a lease in water depths of  
13 800 meters or deeper issued as a result of  
14 a sale held under this paragraph shall be  
15 10 years.

16 (2) COOK INLET PLANNING AREA.—

17 (A) IN GENERAL.—The Secretary shall  
18 hold not fewer than 6 lease sales in the Cook  
19 Inlet Planning Area during the 10-year period  
20 beginning on the date of the enactment of this  
21 section.

22 (B) LOCATION REQUIREMENT.—For each  
23 lease sale held under this paragraph, the Sec-  
24 retary may offer for lease only an area identi-  
25 fied in Figure S–2 of the 2017–2022 Outer

1 Continental Shelf Oil and Gas Leasing Pro-  
2 posed Final Program referenced in the notice of  
3 availability published by the Bureau of Ocean  
4 Energy Management titled “Notice of Avail-  
5 ability of the 2017–2022 Outer Continental  
6 Shelf Oil and Gas Leasing Proposed Final Pro-  
7 gram” (81 Fed. Reg. 84612; published Novem-  
8 ber 23, 2016).

9 (C) ACREAGE REQUIREMENT.—For each  
10 lease sale held under this paragraph, the Sec-  
11 retary shall offer for lease—

- 12 (i) not fewer than 1,000,000 acres; or  
13 (ii) if there are fewer than 1,000,000  
14 acres that are unleased, all such unleased  
15 acres.

16 (D) TIMING REQUIREMENT.—Of the not  
17 fewer than 6 lease sales required under this  
18 paragraph, the Secretary shall hold not fewer  
19 than 1 lease sale on or before each of the fol-  
20 lowing dates:

- 21 (i) March 15, 2026.  
22 (ii) March 15, 2027.  
23 (iii) August 15, 2028.  
24 (iv) March 15, 2030.  
25 (v) August 15, 2031.

1 (vi) March 15, 2032.

2 (E) LEASE TERMS AND CONDITIONS.—For  
3 each lease sale held under this paragraph, the  
4 Secretary shall offer the same lease form, lease  
5 terms, economic conditions, and stipulations as  
6 contained in the final notice of sale titled  
7 “Outer Continental Shelf Cook Inlet, Alaska,  
8 Oil and Gas Lease Sale 244” (82 Fed. Reg.  
9 23163; published May 22, 2017).

10 (F) REVENUE SHARING.—Notwithstanding  
11 section 8(g) and 9 of the Outer Continental  
12 Shelf Lands Act (43 U.S.C. 1337(g) and 1338),  
13 and beginning in fiscal year 2035, of the bo-  
14 nuses, rents, royalties, and other revenues de-  
15 rived from leases issued pursuant to this para-  
16 graph—

17 (i) 90 percent shall be paid to the  
18 State of Alaska; and

19 (ii) 10 percent shall be deposited in  
20 the Treasury as miscellaneous receipts.

21 (b) LEASE SALES HELD UNDER PROPOSED FINAL  
22 PROGRAM.—The lease sales held under this section shall  
23 be in addition to the lease sales held under the Proposed  
24 Final Program for the 2024–2029 National Outer Conti-  
25 nental Shelf Oil and Gas Leasing Program referenced in

1 the notice of availability published by the Bureau of Ocean  
2 Energy Management titled “Notice of Availability of the  
3 2024–2029 National Outer Continental Shelf Oil and Gas  
4 Leasing Proposed Final Program and Final Pro-  
5 grammatic Environmental Impact Statement” (88 Fed.  
6 Reg. 67798; published October 2, 2023).

7 (c) OTHER REQUIREMENTS.—During the period be-  
8 ginning on the date of the enactment of this section and  
9 ending on the date that is 2 years after the date on which  
10 the last lease sale required to be held under this section  
11 is held, with respect to each lease sale held, lease issued,  
12 and any activity that requires a Federal authorization and  
13 is associated with a lease issued pursuant to this title, the  
14 Outer Continental Shelf Lands Act, or section 50264 of  
15 Public Law 117–169 in the Gulf of America—

16 (1) adherence with the Biological Opinion shall  
17 satisfy the Secretary’s obligations under the Endan-  
18 gered Species Act of 1973 and the Marine Mammal  
19 Protection Act of 1972;

20 (2) the final programmatic environmental im-  
21 pact statement referenced in the notice of avail-  
22 ability titled “Final Programmatic Environmental  
23 Impact Statement for the 2017–2022 Outer Conti-  
24 nental Shelf (OCS) Oil and Gas Leasing Program”  
25 (81 Fed. Reg. 83870; published November 22,

1       2016), the Record of Decision related to such final  
2       programmatic environmental impact statement, and  
3       the final environmental impact statement referenced  
4       in the notice of availability titled “Final Environ-  
5       mental Impact Statement for Outer Continental  
6       Shelf, Gulf of Mexico, 2017–2022 Oil and Gas Lease  
7       Sales 249, 250, 251, 252, 253, 254, 256, 257, 259,  
8       and 261” (82 Fed. Reg. 13363; published March 10,  
9       2017) shall satisfy the Secretary’s obligations under  
10      the National Environmental Policy Act of 1969 and  
11      division A of subtitle III of title 54, United States  
12      Code; and

13           (3) the consistency determinations prepared by  
14      the Bureau of Ocean Energy Management under  
15      section 307 of the Coastal Zone Management Act of  
16      1972 (16 U.S.C. 1456) for Lease Sale 261 for the  
17      States of Texas, Louisiana, Mississippi, Alabama,  
18      and Florida shall satisfy the Secretary’s obligations  
19      under that section (16 U.S.C. 1456).

20      (d) ISSUANCE OF LEASES.—If the Secretary receives  
21      an acceptable bid for an area offered in a lease sale held  
22      under this section, the Secretary shall—

23           (1) in accordance with section 8 of the Outer  
24      Continental Shelf Lands Act (43 U.S.C. 1337), ac-  
25      cept the highest acceptable bid for such area; and

1           (2) not later than 90 days after the date on  
2           which the applicable lease sale ends, issue a lease of  
3           the area to the highest responsible qualified bidder.

4           (e) NOMINATION OF AREAS FOR INCLUSION IN  
5 LEASE SALE BY GOVERNOR.—

6           (1) IN GENERAL.—The Secretary shall establish  
7           a process through which the Governor of a State  
8           may nominate for leasing under a lease sale held  
9           under this section an area of the outer Continental  
10          Shelf that is—

11                  (A) adjacent to the waters of the State;

12                  and

13                  (B) unleased and available for leasing.

14          (2) INCLUSION OF NOMINATED AREA.—If under  
15          paragraph (1) the Governor of a State nominates an  
16          area described in that paragraph for leasing under  
17          a lease sale held under this section, the Secretary  
18          shall include the area in the next scheduled lease  
19          sale under subsection (a)(1)(D).

20          (f) GEOLOGICAL AND GEOPHYSICAL SURVEYS.—Not  
21          later than 30 days after the date on which the Secretary  
22          receives a complete application pursuant to section 551.5  
23          of title 30, Code of Federal Regulations (as in effect on  
24          September 22, 2015), to conduct a geological or geo-  
25          physical survey pursuant to oil and gas activities on the

1 outer Continental Shelf, the Secretary shall approve such  
2 application.

3 (g) LEASE SALE 259 AND LEASE SALE 261  
4 LEASES.—

5 (1) LEASING REVENUE CERTAINTY.—A lease  
6 awarded under Lease Sale 259 or Lease Sale 261,  
7 which has been fully executed by the Secretary, shall  
8 not be set aside, vacated, enjoined, suspended, or  
9 cancelled except in accordance with section 5 of the  
10 Outer Continental Shelf Lands Act (43 U.S.C.  
11 1334).

12 (2) NO ADDITIONAL TERMS OR CONDITIONS.—  
13 The Secretary shall not impose any additional terms  
14 or conditions on a lease awarded under Lease Sale  
15 259 or Lease Sale 261, which has been fully exe-  
16 cuted by the Secretary, that were not included in the  
17 Bureau of Ocean Energy Management final notice of  
18 sale titled “Gulf of Mexico Outer Continental Shelf  
19 Oil and Gas Lease Sale 259” (88 Fed. Reg. 12404;  
20 published Feb. 27, 2023) or the final notice of sale  
21 titled “Gulf of Mexico Outer Continental Shelf Oil  
22 and Gas Lease Sale 261” (88 Fed. Reg. 80750;  
23 published on Nov. 20, 2023).

1 (h) JUDICIAL REVIEW.—Section 23(c)(2) of the  
2 Outer Continental Shelf Lands Act (43 U.S.C.  
3 1349(c)(2)) is amended to read as follows:

4 “(2) Any action of the Secretary to approve, require  
5 modification of, or disapprove any exploration plan, devel-  
6 opment and production plan, bidding procedure, lease sale,  
7 lease issuance, or permit or authorization related to oil  
8 and gas exploration, development, or production under  
9 this Act, or any inaction by the Secretary resulting in the  
10 failure to hold a lease sale under any Federal law requir-  
11 ing oil and gas lease sales on the outer Continental Shelf,  
12 shall be subject to judicial review only in a United States  
13 court of appeals for a circuit in which an affected State  
14 is located.”.

15 (i) DEFINITIONS.—In this section:

16 (1) ACCEPTABLE BID.—The term “acceptable  
17 bid” means a bid that meets the requirements of the  
18 document published by the Bureau of Ocean Energy  
19 Management titled “Summary of Procedures for De-  
20 termining Bid Adequacy at Offshore Oil and Gas  
21 Lease Sales Effective March 2016, with Central  
22 Gulf of Mexico Sale 241 and Eastern Gulf of Mexico  
23 Sale 226”.

24 (2) BIOLOGICAL OPINION.—The term “Biologi-  
25 cal Opinion”—

1 (A) means the biological opinion issued by  
2 the National Marine Fisheries Service titled  
3 “Biological Opinion on the Federally Regulated  
4 Oil and Gas Program Activities in the Gulf of  
5 Mexico” and the incidental take statement asso-  
6 ciated with such biological opinion (published  
7 March 12, 2020, and updated April 26, 2021);  
8 and

9 (B) does not include sections 3.3.1 through  
10 3.3.3 of such biological opinion.

11 (3) LEASE.—The term “lease” means an oil  
12 and gas lease.

13 (4) LEASE SALE 259.—The term “Lease Sale  
14 259” means the lease sale held by the Bureau of  
15 Ocean Energy Management on March 29, 2023.

16 (5) LEASE SALE 261.—The term “Lease Sale  
17 261” means the lease sale held by the Bureau of  
18 Ocean Energy Management on December 20, 2023.

19 (6) OUTER CONTINENTAL SHELF.—The term  
20 “outer Continental Shelf” has the meaning given  
21 such term in section 2 of the Outer Continental  
22 Shelf Lands Act (43 U.S.C. 1331).

23 (7) SECRETARY.—The term “Secretary” means  
24 the Secretary of the Interior.

1 **SEC. 80172. OFFSHORE COMMINGLING.**

2 The Secretary of the Interior shall approve operator  
3 requests to commingle production from multiple reservoirs  
4 within a single wellbore completed on the Outer Conti-  
5 nental Shelf of the Gulf of America unless conclusive evi-  
6 dence establishes that such commingling—

7 (1) could not be conducted in a safe manner; or

8 (2) would result in the ultimate recovery from  
9 such formations being reduced.

10 **SEC. 80173. LIMITATIONS ON AMOUNT OF DISTRIBUTED**  
11 **QUALIFIED OUTER CONTINENTAL SHELF**  
12 **REVENUES.**

13 Section 105(f)(1) of the Gulf of Mexico Energy Secu-  
14 rity Act of 2006 (43 U.S.C. 1331 note) is amended—

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

17 (2) in subparagraph (C), by striking “2055.”  
18 and inserting “2024;”; and

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

20 “(D) \$650,000,000 for each of fiscal years  
21 2025 through 2034; and

22 “(E) \$500,000,000 for each of fiscal years  
23 2035 through 2055.”.

1                   **PART 9—RENEWABLE ENERGY**  
2   **SEC. 80181. RENEWABLE ENERGY FEES ON FEDERAL**  
3                   **LANDS.**

4           (a) ACREAGE RENT FOR WIND AND SOLAR RIGHTS-  
5 OF-WAY.—

6           (1) IN GENERAL.—Under the second sentence  
7 of section 504(g) of the Federal Land Policy and  
8 Management Act of 1976 (43 U.S.C. 1764(g)), the  
9 Secretary shall, subject to paragraph (3) and not  
10 later than January 1 of each calendar year, collect  
11 from the holder of a right-of-way for a renewable en-  
12 ergy project an acreage rent in an amount based on  
13 the equation described in paragraph (2).

14           (2) CALCULATION OF ACREAGE RENT RATE.—

15           (A) EQUATION.—The amount of an acre-  
16 age rent collected under paragraph (1) shall be  
17 determined using the following equation: Acre-  
18 age rent =  $A \times B \times ((1 + C)^D)$ .

19           (B) DEFINITIONS.—For purposes of sub-  
20 paragraph (A):

21           (i) The letter “A” means the Per-Acre  
22 Rate.

23           (ii) The letter “B” means the Encum-  
24 brance Factor.

25           (iii) The letter “C” means the Annual  
26 Adjustment Factor.

1 (iv) The letter “D” means the year in  
2 the term of the right-of-way.

3 (3) PAYMENT UNTIL PRODUCTION.—The holder  
4 of a right-of-way for a renewable energy project shall  
5 pay an acreage rent collected under paragraph (1)  
6 until the date on which energy generation begins.

7 (b) CAPACITY FEES.—

8 (1) IN GENERAL.—The Secretary shall, subject  
9 to paragraph (2), annually collect a capacity fee  
10 from the holder of a right-of-way for a renewable en-  
11 ergy project based on the amount described in para-  
12 graph (2).

13 (2) CALCULATION OF CAPACITY FEE.—The  
14 amount of a capacity fee collected under paragraph  
15 (1) shall be equal to the greater of—

16 (A) an amount equal to the acreage rent  
17 described in subsection (a); and

18 (B) 4.58 percent of the gross proceeds  
19 from the sale of electricity produced by the re-  
20 newable energy project.

21 (3) MULTIPLE-USE REDUCTION FACTOR.—

22 (A) APPLICATION.—The holder of a right-  
23 of-way for a wind energy generation project  
24 may request that the Secretary apply a 10-per-  
25 cent Multiple-Use Reduction Factor to the

1 amount of a capacity fee determined under  
2 paragraph (2) by submitting to the Secretary  
3 an application for approval.

4 (B) APPROVAL.—The Secretary may ap-  
5 prove an application submitted under subpara-  
6 graph (A) if not less than 25 percent of the  
7 land within the area of the right-of-way is au-  
8 thorized for use, occupancy, or development  
9 with respect to an activity other than the gen-  
10 eration of wind energy for the entirety of the  
11 year in which the capacity fee is collected.

12 (C) LATE DETERMINATION.—If the Sec-  
13 retary approves an application under subpara-  
14 graph (B) for a wind energy generation project  
15 after the date on which the holder of the right-  
16 of-way for the project begins paying a capacity  
17 fee, the Secretary shall apply the Multiple-Use  
18 Reduction Factor to the capacity fee in the fol-  
19 lowing years. Under this subparagraph, the  
20 Secretary may not refund the holder of a right-  
21 of-way for the difference in the amount of a ca-  
22 pacity fee paid in a previous year.

23 (c) LATE PAYMENT FEE; TERMINATION.—

24 (1) IN GENERAL.—The Secretary may charge  
25 the holder of a right-of-way for a renewable energy

1 project a late payment fee if the Secretary does not  
2 receive payment for the acreage rent under sub-  
3 section (a) or the capacity fee under subsection (b)  
4 by the date that is 15 days after the date on which  
5 the payment was due.

6 (2) TERMINATION OF RIGHT-OF-WAY.—The  
7 Secretary may terminate a right-of-way for a renew-  
8 able energy project if the Secretary does not receive  
9 payment for the acreage rent under subsection (a)  
10 or the capacity fee under subsection (b) by the date  
11 that is 90 days after the date on which the payment  
12 was due.

13 (d) REVENUE ACCURACY, TRANSPARENCY, AND AC-  
14 COUNTABILITY.—The Secretary shall document, verify,  
15 and make publicly available the respective amount of wind  
16 and solar energy revenues collected under this section on  
17 the Department of the Interior’s Natural Resources Rev-  
18 enue Data website.

19 (e) ENSURING FEE CERTAINTY.—Section 3103 of  
20 the Energy Act of 2020 (43 U.S.C. 3003) is repealed.

21 (f) DEFINITIONS.—In this section:

22 (1) ANNUAL ADJUSTMENT FACTOR.—The term  
23 “Annual Adjustment Factor” means 3 percent.

24 (2) ENCUMBRANCE FACTOR.—The term “En-  
25 cumbrance Factor” means—

1 (A) 100 percent for solar energy genera-  
2 tion facilities; and

3 (B) an amount determined by the Sec-  
4 retary not less than 10 percent for wind energy  
5 generation facilities.

6 (3) PER-ACRE RATE.—The term “Per-Acre  
7 Rate” means the average of per-acre pastureland  
8 rental rates published in the Cash Rents Survey by  
9 the National Agricultural Statistics Service for the  
10 State in which the right-of-way is located over the  
11 5 calendar-year period preceding the issuance or re-  
12 newal of the right-of-way.

13 (4) PROJECT.—The term “project” means a  
14 system described in section 2801.9(a)(4) of title 43,  
15 Code of Federal Regulations (as such section is in  
16 effect on the date of the enactment of this Act).

17 (5) PUBLIC LANDS.—The term “public lands”  
18 means—

19 (A) public lands as such term is defined in  
20 section 103 of the Federal Land Policy and  
21 Management Act of 1976 (43 U.S.C. 1702);  
22 and

23 (B) the lands of the National Forest Sys-  
24 tem as described in section 11(a) of the Forest

1           and Rangeland Renewable Resources Planning  
2           Act of 1974 (16 U.S.C. 1609(a)).

3           (6) RENEWABLE ENERGY PROJECT.—The term  
4           “renewable energy project” means a project located  
5           on public lands that uses wind or solar energy to  
6           generate energy.

7           (7) RIGHT-OF-WAY.—The term “right-of-way”  
8           has the meaning given such term in section 103 of  
9           the Federal Land Policy and Management Act of  
10          1976 (43 U.S.C. 1702).

11          (8) SECRETARY.—The term “Secretary”  
12          means—

13                (A) the Secretary of the Interior with re-  
14                spect to land controlled or administered by the  
15                Secretary of the Interior; or

16                (B) the Secretary of Agriculture with re-  
17                spect to the lands of the National Forest Sys-  
18                tem controlled or administered by the Secretary  
19                of Agriculture.

20   **SEC. 80182. RENEWABLE ENERGY REVENUE SHARING.**

21          (a) DISPOSITION OF REVENUE.—

22                (1) DISPOSITION OF REVENUES.—Beginning on  
23                January 1, 2026, the amounts collected from a re-  
24                newable energy project as bonus bids, rentals, fees,

1 or other payments under a right-of-way, permit,  
2 lease, or other authorization shall be—

3 (A) deposited in the general fund of the  
4 Treasury; and

5 (B) without further appropriation or fiscal  
6 year limitation, allocated as follows:

7 (i) 25 percent shall be paid from  
8 amounts in the general fund of the Treas-  
9 ury to the State within the boundaries of  
10 which the revenue is derived.

11 (ii) 25 percent shall be paid from  
12 amounts in the general fund of the Treas-  
13 ury to each county within the boundaries  
14 of which the revenue is derived, to be allo-  
15 cated among each such county based on  
16 the percentage of land from which the rev-  
17 enue is derived.

18 (2) PAYMENTS TO STATES AND COUNTIES.—

19 (A) IN GENERAL.—The amounts paid to  
20 States and counties under paragraph (1) shall  
21 be used consistent with section 35 of the Min-  
22 eral Leasing Act (30 U.S.C. 191).

23 (B) PAYMENTS IN LIEU OF TAXES.—A  
24 payment to a county under paragraph (1) shall  
25 be in addition to a payment in lieu of taxes re-

1           ceived by the county under chapter 69 of title  
2           31, United States Code.

3           (C) TIMING.—The amounts required to be  
4           paid under paragraph (1)(B) for an applicable  
5           fiscal year shall be made available not later  
6           than the fiscal year that immediately follows  
7           the fiscal year for which the amounts were col-  
8           lected.

9           (b) DEFINITIONS.—In this section:

10           (1) COVERED LAND.—The term “covered land”  
11           means land that is—

12                   (A) public lands administered by the Sec-  
13                   retary; and

14                   (B) not excluded from the development of  
15                   solar or wind energy under—

16                           (i) a land use plan; or

17                           (ii) other Federal law.

18           (2) PUBLIC LANDS.—The term “public lands”  
19           means—

20                   (A) public lands as such term is defined in  
21                   section 103 of the Federal Land Policy and  
22                   Management Act of 1976 (43 U.S.C. 1702);  
23                   and

24                   (B) lands of the National Forest System  
25                   as described in section 11(a) of the Forest and

1 Rangeland Renewable Resources Planning Act  
2 of 1974 (16 U.S.C. 1609(a)).

3 (3) RENEWABLE ENERGY PROJECT.—The term  
4 “renewable energy project” means a system de-  
5 scribed in section 2801.9(a)(4) of title 43, Code of  
6 Federal Regulations (as such section is in effect on  
7 the date of the enactment of this Act), located on  
8 covered land that uses wind or solar energy to gen-  
9 erate energy.

10 (4) SECRETARY.—The term “Secretary”  
11 means—

12 (A) the Secretary of the Interior with re-  
13 spect to land controlled or administered by the  
14 Secretary of the Interior; or

15 (B) the Secretary of Agriculture with re-  
16 spect to the lands of the National Forest Sys-  
17 tem controlled or administered by the Secretary  
18 of Agriculture.

1       **Subtitle B—Water, Wildlife, and**  
2                                   **Fisheries**

3       **SEC. 80201. RESCISSION OF FUNDS FOR INVESTING IN**  
4                                   **COASTAL COMMUNITIES AND CLIMATE RE-**  
5                                   **SILIENCE.**

6           There is hereby rescinded the unobligated balance of  
7 funds made available by section 40001 of Public Law  
8 117–169.

9       **SEC. 80202. RESCISSION OF FUNDS FOR FACILITIES OF NA-**  
10                                   **TIONAL OCEANIC AND ATMOSPHERIC ADMIN-**  
11                                   **ISTRATION AND NATIONAL MARINE SANC-**  
12                                   **TUARIES.**

13           There is hereby rescinded the unobligated balance of  
14 funds made available by section 40002 of Public Law  
15 117–169.

16       **SEC. 80203. SURFACE WATER STORAGE ENHANCEMENT.**

17           In addition to amounts otherwise available, there is  
18 appropriated to the Secretary of the Interior, acting  
19 through the Commissioner of Reclamation, for fiscal year  
20 2025, out of any money in the Treasury not otherwise ap-  
21 propriated, \$2,000,000,000, to remain available through  
22 September 30, 2034, for construction and associated ac-  
23 tivities that increase the capacity of existing Bureau of  
24 Reclamation surface water storage facilities, in a manner  
25 as determined by the Secretary: *Provided*, That, for the

1 purposes of section 203 of the Reclamation Reform Act  
2 of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Rec-  
3 lamation Projects Authorization and Adjustment Act of  
4 1992 (Public Law 102–575), a contract or agreement en-  
5 tered into pursuant to this section shall not be treated as  
6 a new or amended contract. None of the funds provided  
7 under this section shall be reimbursable or subject to  
8 matching or cost-share requirements.

9 **SEC. 80204. WATER CONVEYANCE ENHANCEMENT.**

10 In addition to amounts otherwise available, there is  
11 appropriated to the Secretary of the Interior, acting  
12 through the Commissioner of Reclamation, for fiscal year  
13 2025, out of any money in the Treasury not otherwise ap-  
14 propriated, \$500,000,000, to remain available through  
15 September 30, 2034, for construction and associated ac-  
16 tivities that restore or increase the capacity of existing Bu-  
17 reau of Reclamation conveyance facilities, in a manner as  
18 determined by the Secretary. None of the funds provided  
19 under this section shall be reimbursable or subject to  
20 matching or cost-share requirements.

1                   **Subtitle C—Federal Lands**

2   **SEC. 80301. PROHIBITION ON THE IMPLEMENTATION OF**  
3                   **THE ROCK SPRINGS FIELD OFFICE, WYO-**  
4                   **MING, RESOURCE MANAGEMENT PLAN.**

5           The Secretary of the Interior shall not implement, ad-  
6 minister, or enforce the Record of Decision and Approved  
7 Resource Management Plan referred to in the notice of  
8 availability titled “Notice of Availability of the Record of  
9 Decision and Approved Resource Management Plan for  
10 the Rock Springs Field Office, Wyoming” published by the  
11 Bureau of Land Management on January 7, 2025 (80  
12 Fed. Reg. 1186).

13   **SEC. 80302. PROHIBITION ON THE IMPLEMENTATION OF**  
14                   **THE BUFFALO FIELD OFFICE, WYOMING, RE-**  
15                   **SOURCE MANAGEMENT PLAN.**

16           The Secretary of the Interior shall not implement, ad-  
17 minister, or enforce the Record of Decision and Approved  
18 Resource Management Plan Amendment referred to in the  
19 notice of availability titled “Notice of Availability of the  
20 Record of Decision and Approved Resource Management  
21 Plan Amendment for the Buffalo Field Office, Wyoming”  
22 published by the Bureau of Land Management on Novem-  
23 ber 27, 2024 (89 Fed. Reg. 93650).

1 **SEC. 80303. PROHIBITION ON THE IMPLEMENTATION OF**  
2 **THE MILES CITY FIELD OFFICE, MONTANA,**  
3 **RESOURCE MANAGEMENT PLAN.**

4 The Secretary of the Interior shall not implement, ad-  
5 minister, or enforce the Record of Decision and Approved  
6 Resource Management Plan Amendment referred to in the  
7 notice of availability titled “Notice of Availability of the  
8 Record of Decision and Approved Resource Management  
9 Plan Amendment for the Miles City Field Office, Mon-  
10 tana” published by the Bureau of Land Management on  
11 November 27, 2024 (89 Fed. Reg. 93650).

12 **SEC. 80304. PROHIBITION ON THE IMPLEMENTATION OF**  
13 **THE NORTH DAKOTA RESOURCE MANAGE-**  
14 **MENT PLAN.**

15 The Secretary of the Interior shall not implement, ad-  
16 minister, or enforce the Record of Decision and Approved  
17 Resource Management Plan referred to in the notice of  
18 availability titled “Record of Decision and Approved Re-  
19 source Management Plan for the North Dakota Resource  
20 Management Plan/Environmental Impact Statement,  
21 North Dakota” published by the Bureau of Land Manage-  
22 ment on January 15, 2025 (90 Fed. Reg. 3915).

1 **SEC. 80305. PROHIBITION ON THE IMPLEMENTATION OF**  
2 **THE COLORADO RIVER VALLEY FIELD OF-**  
3 **FICE AND GRAND JUNCTION FIELD OFFICE**  
4 **RESOURCE MANAGEMENT PLANS.**

5 The Secretary of the Interior shall not implement, ad-  
6 minister, or enforce the Records of Decision and Approved  
7 Resource Management Plans referred to in the notice of  
8 availability titled “Availability of the Records of Decision  
9 and Approved Resource Management Plans for the Grand  
10 Junction Field Office and the Colorado River Valley Field  
11 Office, Colorado” published by the Bureau of Land Man-  
12 agement on October 22, 2024 (89 Fed. Reg. 84385).

13 **SEC. 80306. RESCISSION OF FOREST SERVICE FUNDS.**

14 Paragraph (4) of section 23001(a) of Public Law  
15 117–169 is repealed and all unobligated balances of  
16 amounts made available under such paragraph are hereby  
17 rescinded.

18 **SEC. 80307. RESCISSION OF NATIONAL PARK SERVICE AND**  
19 **BUREAU OF LAND MANAGEMENT FUNDS.**

20 There is hereby rescinded the unobligated balances  
21 of amounts made available by section 50221 of Public Law  
22 117–169.

1 **SEC. 80308. RESCISSION OF BUREAU OF LAND MANAGE-**  
2 **MENT AND NATIONAL PARK SERVICE FUNDS.**

3 There is hereby rescinded the unobligated balances  
4 of amounts made available by section 50222 of Public Law  
5 117–169.

6 **SEC. 80309. RESCISSION OF NATIONAL PARK SERVICE**  
7 **FUNDS.**

8 There is hereby rescinded the unobligated balances  
9 of amounts made available by section 50223 of Public Law  
10 117–169.

11 **SEC. 80310. CELEBRATING AMERICA'S 250TH ANNIVERSARY.**

12 In addition to amounts otherwise available, there is  
13 appropriated to the Secretary of the Interior for fiscal year  
14 2025, out of any money in the Treasury not otherwise ap-  
15 propriated, to remain available through fiscal year 2028—

16 (1) \$150,000,000 for events, celebrations, and  
17 activities related to the observance and commemora-  
18 tion of the 250th anniversary of the founding of the  
19 United States; and

20 (2) \$40,000,000 to carry out Executive Order  
21 13934 of July 3, 2020 (85 Fed. Reg. 41165), Exec-  
22 utive Order 13978 of January 18, 2021 (86 Fed.  
23 Reg. 6809), and Executive Order 14189 of January  
24 29, 2025 (90 Fed. Reg. 8849) to establish and  
25 maintain a statuary park to be known as the Na-  
26 tional Garden of American Heroes.

1 **SEC. 80311. LONG-TERM CONTRACTS FOR THE FOREST**  
2 **SERVICE.**

3 (a) **IN GENERAL.**—For each of fiscal years 2025  
4 through 2034, the Chief of the Forest Service (in this sec-  
5 tion referred to as the “Chief”) shall enter into not less  
6 than one long-term contract or agreement with private  
7 persons or other public or private entities under section  
8 14(a) of the National Forest Management Act (16 U.S.C.  
9 472a(a)) with respect to covered National Forest System  
10 lands in each region of the Forest Service that contains  
11 covered National Forest System lands.

12 (b) **TERMS.**—

13 (1) **IN GENERAL.**—Except as provided in para-  
14 graphs (2) and (3), the Chief shall enter into con-  
15 tracts or agreements under subsection (a) in accord-  
16 ance with section 3903 of title 41, United States  
17 Code, and section 14 of the National Forest Man-  
18 agement Act (16 U.S.C. 472a).

19 (2) **CONTRACT LENGTH.**—The period of a con-  
20 tract or agreement under subsection (a) shall be for  
21 at least 20 years, with options for extensions and re-  
22 newals as determined by the Chief.

23 (3) **CANCELLATION CEILINGS.**—A contract or  
24 agreement entered into under subsection (a) shall in-  
25 clude provisions for a cancellation ceiling consistent

1 with section 604(d) of the Healthy Forests Restora-  
2 tion Act of 2003 (16 U.S.C. 6591c(d)).

3 (c) RECEIPTS.—Any monies derived from an agree-  
4 ment or contract under this section by the Chief shall be  
5 deposited in the general fund of the Treasury.

6 (d) COVERED NATIONAL FOREST SYSTEM LANDS  
7 DEFINED.—In this section, the term “covered National  
8 Forest System lands” means the proclaimed National For-  
9 est System lands reserved or withdrawn from the public  
10 domain of the United States.

11 **SEC. 80312. LONG-TERM CONTRACTS FOR THE BUREAU OF**  
12 **LAND MANAGEMENT.**

13 (a) IN GENERAL.—For each of fiscal years 2025  
14 through 2034, the Director of the Bureau of Land Man-  
15 agement (in this section referred to as the “Director”)  
16 shall enter into not less than one long-term contract or  
17 agreement with private persons or other public or private  
18 entities under section 1 of the Materials Act of 1947 (30  
19 U.S.C. 601) with respect to vegetative materials on cov-  
20 ered public lands.

21 (b) TERMS.—

22 (1) IN GENERAL.—Except as provided in para-  
23 graphs (2) and (3), the Director shall enter into con-  
24 tracts or agreements under subsection (a) in accord-  
25 ance with section 3903 of title 41, United States

1 Code, and section 2(a) of the Materials Act of 1947  
2 (30 U.S.C. 602(a)).

3 (2) CONTRACT LENGTH.—The period of a con-  
4 tract or agreement under subsection (a) shall be for  
5 at least 20 years, with options for extensions and re-  
6 newals as determined by the Director.

7 (3) CANCELLATION CEILINGS.—A contract or  
8 agreement entered into under subsection (a) shall in-  
9 clude provisions for a cancellation ceiling consistent  
10 with section 604(d) of the Healthy Forests Restora-  
11 tion Act of 2003 (16 U.S.C. 6591c(d)).

12 (c) LOCATION.—In selecting locations to enter into  
13 long-term contracts or agreements under subsection (a),  
14 the Director shall prioritize areas with no existing wood  
15 processing infrastructure.

16 (d) RECEIPTS.—Any monies derived from an agree-  
17 ment or contract under this section by the Director shall  
18 be deposited in the general fund of the Treasury.

19 (e) COVERED PUBLIC LANDS DEFINED.—The term  
20 “covered public lands” has the meaning given the term  
21 “public lands” in section 103 of the Federal Land Policy  
22 and Management Act of 1976 (43 U.S.C. 1702), except  
23 that the term includes Coos Bay Wagon Road Grant lands  
24 and Oregon and California Railroad Grant lands.

1 **SEC. 80313. TIMBER PRODUCTION FOR THE FOREST SERV-**  
2 **ICE.**

3 (a) IN GENERAL.—Not later than 1 year after the  
4 date of enactment of this title, the Secretary of Agri-  
5 culture, acting through the Chief of the Forest Service or  
6 their designee, shall direct timber harvest on covered Na-  
7 tional Forest System lands in amounts that—

8 (1) in total, equal or exceed the volume that is  
9 25 percent higher than the average of the total vol-  
10 ume sold on such lands between fiscal years 2020  
11 through 2024; and

12 (2) are in accordance with the applicable forest  
13 plan, including the allowable sale quantity or prob-  
14 able sale quantity, as applicable, of timber applicable  
15 to such lands on the date of enactment of this title.

16 (b) DEFINITIONS.—In this section:

17 (1) COVERED NATIONAL FOREST SYSTEM  
18 LANDS.—

19 (A) IN GENERAL.—Except as provided in  
20 subparagraph (B), the term “covered National  
21 Forest System lands” means the proclaimed  
22 National Forest System lands reserved or with-  
23 drawn from the public domain of the United  
24 States.

1 (B) EXCLUSIONS.—The term “covered Na-  
2 tional Forest System lands” does not include  
3 lands—

4 (i) that are included in the National  
5 Wilderness Preservation System;

6 (ii) that are located within a national  
7 or State-specific inventoried roadless area  
8 established by the Secretary of Agriculture  
9 through regulation, unless—

10 (I) the forest management activ-  
11 ity to be carried out under such au-  
12 thority is consistent with the forest  
13 plan applicable to the area; or

14 (II) the activity is allowed under  
15 the applicable roadless rule governing  
16 such lands, including—

17 (aa) the Idaho roadless rule  
18 under subpart C of part 294 of  
19 title 36, Code of Federal Regula-  
20 tions;

21 (bb) the Colorado roadless  
22 rule under subpart D of part 294  
23 of title 36, Code of Federal Reg-  
24 ulations; or

1 (cc) any other roadless rule  
2 developed after the date of the  
3 enactment of this section by the  
4 Secretary with respect to a spe-  
5 cific State; or

6 (iii) on which timber harvesting for  
7 any purpose is prohibited by Federal stat-  
8 ute.

9 (2) FOREST PLAN.—The term “forest plan”  
10 means a land and resource management plan pre-  
11 pared by the Forest Service for a unit of the Na-  
12 tional Forest System pursuant to section 6 of the  
13 Forest and Rangeland Renewable Resources Plan-  
14 ning Act of 1974 (16 U.S.C. 1604).

15 **SEC. 80314. TIMBER PRODUCTION FOR THE BUREAU OF**  
16 **LAND MANAGEMENT.**

17 (a) IN GENERAL.—Not later than 1 year after the  
18 date of enactment of this title, the Secretary of the Inte-  
19 rior, acting through the Director of the Bureau of Land  
20 Management or their designee, shall direct timber harvest  
21 on covered public lands in amounts that—

22 (1) in total, equal or exceed the volume that is  
23 25 percent higher than the average of the total vol-  
24 ume sold on such lands between fiscal years 2020  
25 through 2024; and

1           (2) are in accordance with the applicable forest  
2 plan.

3           (b) DEFINITIONS.—In this section:

4           (1) COVERED PUBLIC LANDS.—

5                 (A) IN GENERAL.—Except as provided in  
6 subparagraph (B), the term “covered public  
7 lands” has the meaning given the term “public  
8 lands” in section 103 of the Federal Land Pol-  
9 icy and Management Act of 1976 (43 U.S.C.  
10 1702), except that the term includes Coos Bay  
11 Wagon Road Grant lands and Oregon and Cali-  
12 fornia Railroad Grant lands.

13                 (B) EXCLUSIONS.—The term “covered  
14 public lands” does not include lands—

15                         (i) that are included in the National  
16 Wilderness Preservation System; or

17                         (ii) on which timber harvesting for  
18 any purpose is prohibited by Federal stat-  
19 ute.

20           (2) FOREST PLAN.—The term “forest plan”  
21 means a land use plan prepared by the Bureau of  
22 Land Management for public lands pursuant to sec-  
23 tion 202 of the Federal Land Policy and Manage-  
24 ment Act of 1976 (43 U.S.C. 1712).

1 **SEC. 80315. BUREAU OF LAND MANAGEMENT LAND IN NE-**  
2 **VADA.**

3 (a) LYON COUNTY.—

4 (1) IN GENERAL.—Not later than 2 years after  
5 the date of enactment of this title, the Secretary of  
6 the Interior (referred to in this section as the “Sec-  
7 retary”), in accordance with this section and the  
8 Federal Land Policy and Management Act of 1976  
9 (43 U.S.C. 1701), shall identify and offer for sale to  
10 the City of Fernley, Nevada, all right, title, and in-  
11 terest of the United States in and to the Federal  
12 land—

13 (A) located in Lyon County, Nevada; and

14 (B) identified as “Fernley Land Convey-  
15 ance Boundary” on the map entitled “Fernley  
16 Economic Development Act” and dated October  
17 6, 2020.

18 (2) COSTS.—As a condition of the conveyance  
19 of the Federal land under paragraph (1), the City  
20 of Fernley, Nevada, shall pay—

21 (A) an amount equal to the appraised  
22 value determined in accordance with subsection  
23 (e)(2); and

24 (B) all costs related to the conveyance of  
25 the Federal land to the City, including all sur-

1           veys, appraisals, and other associated adminis-  
2           trative costs.

3           (b) CLARK COUNTY.—

4           (1) IN GENERAL.—Not later than 2 years after  
5           the date of enactment of this title, the Secretary, in  
6           accordance with this section and the Federal Land  
7           Policy and Management Act of 1976 (43 U.S.C.  
8           1701), shall identify and offer for sale all right, title,  
9           and interest of the United States in and to Federal  
10          land located in Clark County, Nevada that has been  
11          identified—

12                   (A) as suitable for disposal in the Las  
13                   Vegas Resource Management Plan in existence  
14                   on the date of enactment of this title; or

15                   (B) as “Modified Existing Disposal” on  
16                   the map entitled “Southern Nevada Economic  
17                   Development and Conservation Act Disposal  
18                   Map” and dated February 6, 2025.

19           (2) COMPLIANCE WITH LOCAL PLANNING AND  
20           ZONING LAWS.—Before carrying out a sale of Fed-  
21           eral land under paragraph (1), Clark County shall  
22           submit to the Secretary a certification that any enti-  
23           ty selected to purchase land through a competitive  
24           bidding process under subsection (e)(1)(A) has  
25           agreed to comply with—

1 (A) zoning ordinances of the county; and

2 (B) any master plan for the area approved  
3 by the county or region.

4 (3) AFFORDABLE HOUSING.—

5 (A) IN GENERAL.—Upon the request Clark  
6 County, the Secretary shall make the Federal  
7 land identified as “Modified Existing Disposal”  
8 on the map entitled “Southern Nevada Eco-  
9 nomic Development and Conservation Act Dis-  
10 posal Map” and dated February 6, 2025 avail-  
11 able at less than fair market value for afford-  
12 able housing, in accordance with section 7(b) of  
13 the Southern Nevada Public Land Management  
14 Act of 1998 (Public Law 105–263; 112 Stat.  
15 2349).

16 (B) EXEMPTION FROM NOTICE OF REALTY  
17 ACTION REQUIREMENT.—If any entity seeks to  
18 use covered land for affordable housing pur-  
19 poses under subparagraph (A), the entity—

20 (i) shall not be required to comply no-  
21 tice of realty action requirements with re-  
22 spect to the covered land; but

23 (ii) before using the covered land for  
24 affordable housing purposes, shall provide  
25 for a period of not less than 14 days ade-

1           quote public notice of the use of the cov-  
2           ered land.

3           (4) SAVINGS CLAUSE.—Nothing in this section  
4           shall be construed to affect Federal lands previously  
5           identified for disposal under the Southern Nevada  
6           Public Land Management Act of 1998 (Public Law  
7           105–263; 112 Stat. 2343) nor the disposition of pro-  
8           ceeds for such lands prior to the date of enactment  
9           of this title.

10          (c) WASHOE COUNTY.—

11           (1) IN GENERAL.—Not later than 2 years after  
12           the date of enactment of this title, the Secretary, in  
13           accordance with this section and the Federal Land  
14           Policy and Management Act of 1976 (43 U.S.C.  
15           1701), shall identify and offer for sale all right, title,  
16           and interest of the United States in and to Federal  
17           land located in Washoe County, Nevada, that has  
18           been identified—

19           (A) as suitable for disposal in the Carson  
20           City Consolidated Resource Management Plan  
21           in existence on the date of enactment of this  
22           title; or

23           (B) as “BLM Land for Disposal” on the  
24           map entitled “Washoe County Land Disposals”  
25           and dated February 7, 2025.

1           (2) EVALUATION OF ADDITIONAL LAND FOR  
2 POTENTIAL DISPOSAL.—

3           (A) IN GENERAL.—The Secretary shall,  
4 not later than 1 year after the date of enact-  
5 ment of this title, evaluate the parcels of Fed-  
6 eral land depicted as “Additional BLM Land  
7 Potentially Available for Disposal” on the map  
8 entitled “Washoe County Land Disposals” and  
9 dated February 7, 2025, to assess the suit-  
10 ability of the evaluated Federal land for dis-  
11 posal in accordance with section 203(a) of the  
12 Federal Land Policy and Management Act of  
13 1976 (43 U.S.C. 1713(a)).

14           (B) SALE.—The parcels of Federal land  
15 identified by the Secretary as suitable for dis-  
16 posal under subparagraph (A) may be offered  
17 for sale in accordance with this section.

18           (3) JOINT SELECTION REQUIRED; DETERMINA-  
19 TION REGARDING SUITABILITY FOR AFFORDABLE  
20 HOUSING.—

21           (A) IN GENERAL.—The Secretary and  
22 Washoe County shall jointly select which par-  
23 cels of the Federal land described in paragraph  
24 (2)(A) and identified as suitable for disposal in

1           subparagraph (B) to offer for sale under this  
2           subsection.

3           (B) DETERMINATION.—During the selec-  
4           tion process under subparagraph (A), the Sec-  
5           retary and Washoe County shall evaluate  
6           whether any parcels of the Federal land de-  
7           scribed in that subparagraph are suitable for  
8           affordable housing.

9           (C) CONVEYANCE.—If a parcel of Federal  
10          land is determined to be suitable for affordable  
11          housing under subparagraph (B), on request of  
12          a State or local governmental entity, the appli-  
13          cable parcel of Federal land shall be made  
14          available at less than fair market value to the  
15          governmental entity in accordance with section  
16          7(b) of the Southern Nevada Public Land Man-  
17          agement Act of 1998 (Public Law 105–263;  
18          112 Stat. 2349).

19          (D) SURVEY.—The exact acreage and legal  
20          description of a parcel of Federal land to be  
21          conveyed under subparagraph (C) shall be de-  
22          termined by a survey satisfactory to the Sec-  
23          retary.

24          (4) COMPLIANCE WITH LOCAL PLANNING AND  
25          ZONING LAWS.—Before carrying out a sale of Fed-

1       eral land under paragraph (2), Washoe County shall  
2       submit to the Secretary a certification that any enti-  
3       ty selected to purchase land through a competitive  
4       bidding process under subsection (e)(1)(A) has  
5       agreed to comply with—

6               (A) Washoe County zoning ordinances; and

7               (B) any master plan for the area approved  
8       by Washoe County or region.

9       (5) POSTPONEMENT; EXCLUSION FROM SALE.—

10       At the request of Washoe County, the Secretary  
11       shall postpone or exclude from sale all or a portion  
12       of the Federal land described in paragraph (2).

13       (6) AFFORDABLE HOUSING.—

14               (A) DETERMINATION REGARDING SUIT-  
15       ABILITY FOR AFFORDABLE HOUSING.—Not  
16       later than 90 days after the date of enactment  
17       of this title, the Secretary shall conduct a re-  
18       view of the Federal land described in subpara-  
19       graph (C) to determine the suitability of the  
20       Federal land for affordable housing.

21               (B) AUTHORIZATION.—Upon the request  
22       of a State or local governmental entity, the Sec-  
23       retary shall make the Federal land described in  
24       subparagraph (C) available at less than fair  
25       market value for affordable housing, in accord-

1           ance with section 7(b) of the Southern Nevada  
2           Public Land Management Act of 1998 (Public  
3           Law 105–263; 112 Stat. 2349).

4           (C) DESCRIPTION OF FEDERAL LAND.—  
5           The Federal land referred to in subparagraphs  
6           (A) and (B) is the land identified as “BLM  
7           Land for Disposal Only for Affordable Hous-  
8           ing” on the map entitled “Washoe County Land  
9           Disposals” and dated February 7, 2025.

10          (D) EXEMPTION FROM NOTICE OF REALTY  
11          ACTION REQUIREMENT.—If any entity seeks to  
12          use covered land for affordable housing pur-  
13          poses under subparagraph (B), the entity—

14                 (i) shall not be required to comply no-  
15                 tice of realty action requirements with re-  
16                 spect to the covered land; but

17                 (ii) before using the covered land for  
18                 affordable housing purposes, shall provide  
19                 for a period of not less than 14 days ade-  
20                 quate public notice of the use of the cov-  
21                 ered land.

22          (d) PERSHING COUNTY CHECKERBOARD RESOLU-  
23          TION AND DISPOSAL.—

24                 (1) SALE OR EXCHANGE OF ELIGIBLE LAND.—

1 (A) AUTHORIZATION OF CONVEYANCE.—

2 Not later than 2 years after the date of the en-  
3 actment of this title, the Secretary, in accord-  
4 ance with this section and subject to valid exist-  
5 ing rights, shall conduct sales or exchanges of  
6 all right, title, and interest of the United States  
7 in and to the eligible land.

8 (B) JOINT SELECTION REQUIRED.—After  
9 providing public notice, the Secretary and the  
10 County shall jointly select parcels of eligible  
11 land to be offered for sale or exchange under  
12 subparagraph (A).

13 (C) LAND EXCHANGES.—

14 (i) IN GENERAL.—An exchange of eli-  
15 gible land under subparagraph (A) shall be  
16 consistent with section 206(a) of the Fed-  
17 eral Land Policy and Management Act of  
18 1976 (43 U.S.C. 1716).

19 (ii) EQUAL VALUE EXCHANGE.—

20 (I) IN GENERAL.—The value of  
21 the eligible land and private land to  
22 be exchanged under subparagraph  
23 (A)—

24 (aa) shall be equal; or

1 (bb) shall be made equal in  
2 accordance with subclause (II).

3 (II) EQUALIZATION.—

4 (aa) SURPLUS OF ELIGIBLE  
5 LAND.—With respect to the eligi-  
6 ble land and private land to be  
7 exchanged under subparagraph  
8 (A), if the value of the eligible  
9 land exceeds the value of the pri-  
10 vate land, the value of the eligible  
11 land and the private land shall be  
12 equalized by—

13 (AA) the owner of the  
14 private land making a cash  
15 equalization payment to the  
16 Secretary;

17 (BB) adding private  
18 land to the exchange; or

19 (CC) removing eligible  
20 land from the exchange.

21 (bb) SURPLUS OF PRIVATE  
22 LAND.—With respect to the eligi-  
23 ble land and private land to be  
24 exchanged under subparagraph  
25 (A), if the value of the private

1 land exceeds the value of the eli-  
2 gible land, the value of the pri-  
3 vate land and the eligible land  
4 shall be equalized by—

5 (AA) the Secretary  
6 making a cash equalization  
7 payment to the owner of the  
8 private land, in accordance  
9 with section 206(b) of the  
10 Federal Land Policy and  
11 Management Act of 1976  
12 (43 U.S.C. 1716(b));

13 (BB) adding eligible  
14 land to the exchange; or

15 (CC) removing private  
16 land from the exchange.

17 (iii) ADJACENT LAND.—To the extent  
18 practicable, the Secretary shall seek to  
19 enter into agreements with one or more  
20 owners of private land adjacent to the eli-  
21 gible land for the exchange of the private  
22 land for the eligible land, if the Secretary  
23 determines that the exchange would con-  
24 solidate Federal land ownership and facili-  
25 tate improved Federal land management.

1 (D) DEADLINE FOR SALE OR EXCHANGE;  
2 EXCLUSIONS.—

3 (i) DEADLINE.—Not later than 2  
4 years after the date on which the eligible  
5 land is jointly selected under subparagraph  
6 (B), the Secretary shall offer for sale or  
7 exchange the parcels of eligible land jointly  
8 selected under that subparagraph.

9 (ii) POSTPONEMENT OR EXCLU-  
10 SION.—The Secretary or the County may  
11 postpone or exclude from sale or exchange  
12 all or a portion of the eligible land jointly  
13 selected under subparagraph (B) for emer-  
14 gency ecological or safety reasons.

15 (2) SALE OF ENCUMBERED LAND.—

16 (A) AUTHORIZATION OF CONVEYANCE.—  
17 Not later than 2 years after the date of the en-  
18 actment of this title and subject to valid exist-  
19 ing rights held by third parties, the Secretary  
20 shall offer to convey to qualified entities, for  
21 fair market value, the remaining right, title,  
22 and interest of the United States, in and to the  
23 encumbered land.

24 (B) OFFER TO CONVEY.—Not later than  
25 180 days after the date on which the Secretary

1 receives a fair market offer from a qualified en-  
2 tity for the conveyance of encumbered land, the  
3 Secretary shall accept the fair market value  
4 offer.

5 (C) CONVEYANCE.—Not later than 180  
6 days after the date of acceptance by the Sec-  
7 retary of an offer from a qualified entity under  
8 subparagraph (B) and completion of a sale for  
9 all or part of the applicable portion of encum-  
10 bered land to the highest qualified entity, the  
11 Secretary, by delivery of an appropriate deed,  
12 patent, or other valid instrument of conveyance,  
13 shall convey to the qualified entity all remaining  
14 right, title, and interest of the United States in  
15 and to the applicable portion of the encumbered  
16 land.

17 (D) MERGER.—Subject to valid existing  
18 rights held by third parties, on delivery of the  
19 instrument of conveyance to the qualified entity  
20 under subparagraph (C), the prior interests in  
21 the locatable minerals and the right to use the  
22 surface for mineral purposes held by the quali-  
23 fied entity under a mining claim, millsite, tun-  
24 nel site, or any other Federal land use author-  
25 ization applicable to the encumbered land in-

1           cluded in the instrument of conveyance, shall  
2           merge with all right, title, and interest conveyed  
3           to the qualified entity by the United States  
4           under this section to ensure that the qualified  
5           entity receives fee simple title to the purchased  
6           encumbered land.

7           (3) DEFINITIONS.—In this subsection:

8                   (A) COUNTY.—The term “County” means  
9                   Pershing County, Nevada.

10                   (B) ELIGIBLE LAND.—The term “eligible  
11                   land” means any land administered by the Sec-  
12                   retary, acting through the Director of the Bu-  
13                   reau of Land Management—

14                           (i) that is within the area identified  
15                           on the Map as “Checkerboard Lands Reso-  
16                           lution Area” that is designated for disposal  
17                           by the Secretary through—

18                                   (I) the Winnemucca Consolidated  
19                                   Resource Management Plan; or

20                                   (II) any subsequent amendment  
21                                   or revision to the management plan  
22                                   that is undertaken with full public in-  
23                                   volvement;

1 (ii) that is the land identified on the  
2 Map as “Additional Lands Eligible for  
3 Disposal”; and

4 (iii) that is not encumbered land.

5 (C) ENCUMBERED LAND.—The term “en-  
6 cumbered land” means any land administered  
7 by the Secretary, acting through the Director of  
8 the Bureau of Land Management, within the  
9 area identified on the Map as “Checkerboard  
10 Resolution Area” that is encumbered by mining  
11 claims, millsites, or tunnel sites.

12 (D) MAP.—The term “Map” means the  
13 map titled “Pershing County Checkerboard  
14 Lands Resolution” and dated July 8, 2024.

15 (E) QUALIFIED ENTITY.—The term  
16 “qualified entity” means, with respect to a por-  
17 tion of encumbered land—

18 (i) the owner of a mining claim, mill-  
19 site, or tunnel site located on a portion of  
20 the encumbered land on the date of the en-  
21 actment of this title; and

22 (ii) a successor in interest of an owner  
23 described in clause (i).

24 (e) APPRAISALS AND METHODS OF SALE.—

1           (1) METHOD OF SALE.—The sale or exchange  
2 of eligible lands under this section shall be—

3                   (A) through a competitive bidding process;

4                   (B) for not less than fair market value, in  
5 accordance with paragraphs (2) and (3); and

6                   (C) subject to valid existing rights.

7           (2) APPRAISALS.—Any sales or exchanges car-  
8 ried out under this section shall be for not less than  
9 fair market value, based on an appraisal that is con-  
10 ducted in accordance with—

11                   (A) the Uniform Appraisal Standards for  
12 Federal Land Acquisitions; and

13                   (B) the Uniform Standards of Professional  
14 Appraisal Practice.

15           (3) MASS APPRAISALS.—Not later than 2 years  
16 after the date of the enactment of this title, and  
17 every 5 years thereafter, the Secretary shall—

18                   (A) conduct a mass appraisal of eligible  
19 land to be sold or exchanged under this section;

20                   (B) prepare an evaluation analysis for each  
21 land transaction under this section; and

22                   (C) make available to the public the results  
23 of the mass appraisals conducted under sub-  
24 paragraph (A).

1 (f) COSTS.—The qualified entity or entity selected  
2 through a competitive bidding process to purchase or ex-  
3 change land, as appropriate, shall pay all costs associated  
4 with sales or exchanges carried out under this section.

5 (g) DISPOSITION OF PROCEEDS.—Amounts received  
6 from the sale of land under this section shall be deposited  
7 in the general fund of the Treasury.

8 (h) MAP AND LEGAL DESCRIPTION.—

9 (1) IN GENERAL.—Not later than 2 years after  
10 the date of enactment of this title, the Secretary  
11 shall finalize the maps and legal descriptions of the  
12 land to be sold or exchanged under this section.

13 (2) CONTROLLING DOCUMENT.—In the case of  
14 a discrepancy between the maps and legal descrip-  
15 tions finalized under paragraph (1), the map shall  
16 control.

17 (3) CORRECTIONS.—The Secretary may correct  
18 minor errors in the maps or the legal descriptions fi-  
19 nalized under paragraph (1).

20 (4) MAP ON FILE.—The maps and legal de-  
21 scriptions finalized under paragraph (1) shall be  
22 kept on file and available for public inspection in  
23 each appropriate office of the Bureau of Land Man-  
24 agement.

1 (i) RULE OF CONSTRUCTION.—Nothing in this sec-  
2 tion shall be construed as authorizing the conveyance of  
3 any lands administered by the National Park Service.

4 **SEC. 80316. FOREST SERVICE LAND IN NEVADA.**

5 (a) IN GENERAL.—Not later than 2 years after the  
6 date of enactment of this title, the Secretary of Agri-  
7 culture (referred to in this section as the “Secretary”),  
8 in accordance with this section, shall identify and offer  
9 for sale, subject to subsection (b), all right, title, and inter-  
10 est of the United States in and to covered Federal land  
11 located in Washoe County, Nevada.

12 (b) JOINT SELECTION REQUIRED; DETERMINATION  
13 REGARDING SUITABILITY FOR AFFORDABLE HOUSING.—

14 (1) IN GENERAL.—The Secretary and Washoe  
15 County shall jointly select which parcels of covered  
16 Federal land to offer for sale under subsection (a).

17 (2) DETERMINATION.—During the selection  
18 process under paragraph (1), the Secretary and  
19 Washoe County shall evaluate whether any parcels  
20 of the Federal land described in that paragraph are  
21 suitable for affordable housing.

22 (3) CONVEYANCE.—If a parcel of Federal land  
23 is determined to be suitable for affordable housing  
24 under paragraph (2), on request of a State or local  
25 governmental entity, the applicable parcel of Federal

1 land shall be made available at less than fair market  
2 value to the governmental entity in accordance with  
3 section 7(b) of the Southern Nevada Public Land  
4 Management Act of 1998 (Public Law 105–263;  
5 112 Stat. 2349).

6 (4) SURVEY.—The exact acreage and legal de-  
7 scription of a parcel of Federal land to be conveyed  
8 under paragraph (3) shall be determined by a survey  
9 satisfactory to the Secretary.

10 (5) COMPLIANCE WITH LOCAL PLANNING AND  
11 ZONING LAWS.—Before carrying out a sale of cov-  
12 ered Federal land under subsection (a), Washoe  
13 County shall submit to the Secretary a certification  
14 that any entity selected to purchase covered Federal  
15 land through a competitive bidding process under  
16 subsection (d)(1)(A) has agreed to comply with—

17 (A) Washoe County zoning ordinances; and

18 (B) any master plan for the area approved  
19 by Washoe County or region.

20 (6) POSTPONEMENT; EXCLUSION FROM SALE.—  
21 At the request of Washoe County, the Secretary  
22 shall postpone or exclude from sale all or a portion  
23 of the Federal land described in subsection (a).

24 (c) AFFORDABLE HOUSING.—

1           (1) DETERMINATION REGARDING SUITABILITY  
2           FOR AFFORDABLE HOUSING.—Not later than 90  
3           days after the date of enactment of this title, the  
4           Secretary shall conduct a review of the additional  
5           Federal land to determine the suitability of the addi-  
6           tional Federal land for affordable housing.

7           (2) AUTHORIZATION.—Upon the request of a  
8           State or local governmental entity and subject to  
9           valid existing rights, the Secretary shall make the  
10          additional Federal land available at less than fair  
11          market value for affordable housing, in accordance  
12          with section 7(b) of the Southern Nevada Public  
13          Land Management Act of 1998 (Public Law 105–  
14          263; 112 Stat. 2349).

15          (d) APPRAISALS AND METHOD OF SALE.—

16               (1) METHOD OF SALE.—The sale or exchange  
17               of any lands under this section shall be—

18                       (A) through a competitive bidding process;

19                       (B) except as provided in subsections  
20                       (b)(3) and (c), for not less than fair market  
21                       value, in accordance with paragraphs (2) and  
22                       (3); and

23                       (C) subject to valid existing rights.

24               (2) APPRAISALS.—Any sales or exchanges car-  
25               ried out under this section shall be for not less than

1 fair market value, based on an appraisal that is con-  
2 ducted in accordance with—

3 (A) the Uniform Appraisal Standards for  
4 Federal Land Acquisitions; and

5 (B) the Uniform Standards of Professional  
6 Appraisal Practice.

7 (3) MASS APPRAISALS.—Not later than 2 years  
8 after the date of the enactment of this title, and  
9 every 5 years thereafter, the Secretary shall—

10 (A) conduct a mass appraisal of eligible  
11 land to be sold or exchanged under this section;

12 (B) prepare an evaluation analysis for each  
13 land transaction under this section; and

14 (C) make available to the public the results  
15 of the mass appraisals conducted under sub-  
16 paragraph (A).

17 (e) COSTS OF CONVEYANCE.—Any entity selected to  
18 purchase covered Federal land or additional Federal land  
19 under this section shall pay all costs associated with the  
20 sale.

21 (f) DISPOSITION OF PROCEEDS.—The proceeds from  
22 the sale of additional Federal land and covered Federal  
23 land required under this section shall be deposited in the  
24 general fund of the Treasury.

25 (g) MAP AND LEGAL DESCRIPTION.—

1           (1) IN GENERAL.—Not later than 2 years after  
2           the date of enactment of this title, the Secretary  
3           shall finalize the maps and legal descriptions of the  
4           additional Federal land and covered Federal land to  
5           be sold under this section.

6           (2) CONTROLLING DOCUMENT.—In the case of  
7           a discrepancy between the maps and legal descrip-  
8           tions finalized under paragraph (1), the map shall  
9           control.

10          (3) CORRECTIONS.—The Secretary and Washoe  
11          County, by mutual agreement, may correct minor er-  
12          rors in the maps or the legal descriptions finalized  
13          under paragraph (1).

14          (4) MAP ON FILE.—The maps and legal de-  
15          scriptions finalized under paragraph (1) shall be  
16          kept on file and available for public inspection in  
17          each appropriate office of the Bureau of Land Man-  
18          agement.

19          (h) RULE OF CONSTRUCTION.—Nothing in this sec-  
20          tion shall be construed as authorizing the conveyance of  
21          any lands administered by the National Park Service.

22          (i) DEFINITIONS.—In this section:

23                (1) ADDITIONAL FEDERAL LAND.—The term  
24                “additional Federal land” means the Federal land  
25                identified as “USFS Land for Disposal Only for Af-

1       fordable Housing” on the map entitled “Washoe  
2       County Land Disposals” and dated February 7,  
3       2025.

4               (2) COVERED FEDERAL LAND.—The term “cov-  
5       ered Federal land” means “USFS Land for Dis-  
6       posal” on the map entitled “Washoe County Land  
7       Disposal” and dated February 7, 2025.

8       **SEC. 80317. FEDERAL LAND IN UTAH.**

9       (a) CONVEYANCE OF BUREAU OF LAND MANAGE-  
10       MENT LAND TO COVERED ENTITY.—Not later than 180  
11       days after the date of enactment of this title, the Secretary  
12       shall convey to the covered entity all right, title, and inter-  
13       est of the United States in and to the covered land.

14       (b) REQUIREMENTS.—The conveyance of covered  
15       land under this section shall be—

16               (1) subject to valid existing rights; and

17               (2) for not less than fair market value, based  
18       on an appraisal that is conducted in accordance  
19       with—

20                       (A) the Uniform Appraisal Standards for  
21                       Federal Land Acquisitions; and

22                       (B) the Uniform Standards of Professional  
23                       Appraisal Practice.

1 (c) COSTS OF CONVEYANCE.—The covered entity  
2 shall pay all costs associated with the conveyances re-  
3 quired under subsection (a).

4 (d) PROCEEDS FROM CONVEYANCE.—The proceeds  
5 from the conveyances required under subsection (a) shall  
6 be deposited in the general fund of the Treasury.

7 (e) MAP AND LEGAL DESCRIPTION.—

8 (1) IN GENERAL.—Not later than 120 days  
9 after the date of enactment of this title, the Sec-  
10 retary shall finalize the maps and legal descriptions  
11 of the covered land to be conveyed under this sec-  
12 tion.

13 (2) CONTROLLING DOCUMENT.—In the case of  
14 a discrepancy between the maps and legal descrip-  
15 tions finalized under paragraph (1), the map shall  
16 control.

17 (3) CORRECTIONS.—The Secretary and the cov-  
18 ered entity, by mutual agreement, may correct minor  
19 errors in the maps or the legal descriptions finalized  
20 under paragraph (1).

21 (4) MAP ON FILE.—The maps and legal de-  
22 scriptions finalized under paragraph (1) shall be  
23 kept on file and available for public inspection in  
24 each appropriate office of the Forest Service.

1 (f) RULE OF CONSTRUCTION.—Nothing in this sec-  
2 tion shall be construed as authorizing the conveyance of  
3 any lands administered by the National Park Service.

4 (g) DEFINITIONS.—In this section:

5 (1) COVERED ENTITY.—The term “covered en-  
6 tity” means the following:

7 (A) Beaver County, Utah, with respect to  
8 covered land depicted on the map entitled  
9 “Beaver County Land Conveyance” and dated  
10 March 8, 2025.

11 (B) The City of St. George, Utah, with re-  
12 spect to covered land depicted on the map enti-  
13 tled “City of St. George, Utah, Land Convey-  
14 ance” and dated March 28, 2025.

15 (C) Washington County, Utah, with re-  
16 spect to covered land depicted on—

17 (i) the map entitled “Washington  
18 County Land Conveyance - East Half” and  
19 dated April 11, 2025; and

20 (ii) the map entitled “Washington  
21 County Land Conveyance - West Half”  
22 and dated April 9, 2025.

23 (D) Washington County Water Conser-  
24 vancy District, with respect to covered land de-  
25 picted on the map entitled “Washington County

1 Water Conservancy District Land Conveyance”  
2 and dated March 27, 2025.

3 (2) COVERED LAND.—The term “covered land”  
4 means the following:

5 (A) On the map entitled “Beaver County  
6 Land Conveyance” and dated March 8, 2025,  
7 the following parcels:

8 (i) The approximately 10.32 acres de-  
9 picted as “Parcel 1”.

10 (ii) The approximately 10.81 acres de-  
11 picted as “Parcel 2”.

12 (iii) The approximately 40.83 acres  
13 depicted as “Parcel 3”.

14 (B) On the map entitled “City of St.  
15 George, Utah, Land Conveyance” and dated  
16 March 28, 2025, the following parcels:

17 (i) The approximately 203.37 acres  
18 depicted as “Airport”.

19 (ii) The approximately 16.48 acres de-  
20 picted as “Brigham Road”.

21 (iii) The approximately 9.57 acres de-  
22 picted as “Curly Hollow”.

23 (iv) The approximately 11.52 acres  
24 depicted as “Devario Site”.

1 (v) The approximately 105.55 acres  
2 depicted as “Graveyard Dam”.

3 (vi) The approximately 4.88 acres de-  
4 picted as “Gunlock Arsenic Plant”.

5 (vii) The approximately 1.17 acres de-  
6 picted as “Gunlock Filter Station”.

7 (viii) The approximately 0.92 acres  
8 depicted as “Gunlock#1”.

9 (ix) The approximately 0.92 acres de-  
10 picted as “Gunlock#2”.

11 (x) The approximately 0.92 acres de-  
12 picted as “Gunlock#3”.

13 (xi) The approximately 0.92 acres de-  
14 picted as “Gunlock#4”.

15 (xii) The approximately 0.92 acres de-  
16 picted as “Gunlock#5”.

17 (xiii) The approximately 0.92 acres  
18 depicted as “Gunlock#6”.

19 (xiv) The approximately 0.92 acres  
20 depicted as “Gunlock#7”.

21 (xv) The approximately 1.1 acres de-  
22 picted as “Gunlock#8”.

23 (xvi) The approximately 0.92 acres  
24 depicted as “Gunlock#9”.

1 (xvii) The approximately 0.92 acres  
2 depicted as “Gunlock#10”.

3 (xviii) The approximately 4.34 acres  
4 depicted as “Man O War Connector”.

5 (xix) The approximately 36.56 acres  
6 depicted as “Sun River”.

7 (xx) The approximately 31.22 acres  
8 depicted as “Treatment Plant”.

9 (xxi) The approximately 3.75 acres  
10 depicted as “Virgin River Site”.

11 (xxii) The approximately 82.27 acres  
12 depicted as “Western Corridor (100’  
13 ROW)”.

14 (C) On the map entitled “Washington  
15 County Land Conveyance - East Half” and  
16 dated April 11, 2025, the following parcels:

17 (i) The approximately 330.58 acres  
18 depicted as “Parcel 1”.

19 (ii) The approximately 287.02 acres  
20 depicted as “Parcel 2”.

21 (iii) The approximately 279.72 acres  
22 depicted as “Parcel 3”.

23 (iv) The approximately 10.67 acres  
24 depicted as “Parcel 4”.

1 (v) The approximately 213.56 acres  
2 depicted as “Parcel 6”.

3 (vi) The approximately 180.51 acres  
4 depicted as “Parcel 11”.

5 (vii) The approximately 186.14 acres  
6 depicted as “Parcel 12”.

7 (viii) The approximately 153.74 acres  
8 depicted as “Parcel 13”.

9 (ix) The approximately 711.56 acres  
10 depicted as “Parcel 15”.

11 (x) The approximately 52.28 acres de-  
12 picted as “Parcel 16”.

13 (xi) The approximately 197.52 acres  
14 depicted as “Parcel 17”.

15 (xii) The approximately 311.5 acres  
16 depicted as “Parcel 19”.

17 (xiii) The approximately 628.76 acres  
18 depicted as “Parcel 20”.

19 (xiv) The approximately 364.31 acres  
20 depicted as “Parcel 21”.

21 (xv) The approximately 921.52 acres  
22 depicted as “Parcel 22”.

23 (xvi) The approximately 129.77 acres  
24 depicted as “Parcel 23”.

1 (D) On the map entitled “Washington  
2 County Land Conveyance-West Half” and  
3 dated April 9, 2025, the following parcels:

4 (i) The approximately 338.6 acres de-  
5 picted as “Parcel 5”.

6 (ii) The approximately 487.13 acres  
7 depicted as “Parcel 7”.

8 (iii) The approximately 121.08 acres  
9 depicted as “Parcel 8”.

10 (iv) The approximately 64.58 acres  
11 depicted as “Parcel 9”.

12 (v) The approximately 62.49 acres de-  
13 picted as “Parcel 10”.

14 (vi) The approximately 404.63 acres  
15 depicted as “Parcel 14”.

16 (vii) The approximately 55.01 acres  
17 depicted as “Parcel 18”.

18 (E) On the map entitled “Washington  
19 County Water Conservancy District Land Con-  
20 veyance” and dated March 27, 2025, the fol-  
21 lowing parcels:

22 (i) The approximately 35.955036  
23 acres depicted as “Parcel 01”.

24 (ii) The approximately 22.836384  
25 acres depicted as “Parcel 02”.

1 (iii) The approximately 29.321031  
2 acres depicted as “Parcel 04”.

3 (iv) The approximately 5.307719  
4 acres depicted as “Parcel 05”.

5 (v) The approximately 5.256227 acres  
6 depicted as “Parcel 06”.

7 (vi) The approximately 18.162944  
8 acres depicted as “Parcel 07”.

9 (vii) The approximately 10.199554  
10 acres depicted as “Parcel 08”.

11 (viii) The approximately 32.490829  
12 acres depicted as “Parcel 09”.

13 (ix) The approximately 2.609287  
14 acres depicted as “Parcel 10”.

15 (x) The approximately 4.358646 acres  
16 depicted as “Parcel 11”.

17 (xi) The approximately 534.961903  
18 acres depicted as “Parcel 12”.

19 (xii) The approximately 0.213103  
20 acres depicted as “Parcel 13”.

21 (xiii) The approximately 2.977254  
22 acres depicted as “Parcel 14”.

23 (xiv) The approximately 13.315086  
24 acres depicted as “Parcel 15”.

1 (xv) The approximately 418.173711  
2 acres depicted as “Parcel 16”.

3 (xvi) The approximately 3.00085  
4 acres depicted as “Parcel 17”.

5 (xvii) The approximately 8.453333  
6 acres depicted as “Parcel 18”.

7 (xviii) The approximately 10.754291  
8 acres depicted as “Parcel 19”.

9 (xix) The approximately 3.067501  
10 acres depicted as “Parcel 20”.

11 (xx) The approximately 4.995197  
12 acres depicted as “Parcel 21”.

13 (xxi) The approximately 11.596129  
14 acres depicted as “Parcel 22”.

15 (xxii) The approximately  
16 3,197.320604 acres depicted as “Parcel  
17 23”.

18 (3) SECRETARY.—The term “Secretary” means  
19 the Secretary of the Interior, acting through the Di-  
20 rector of the Bureau of Land Management.

1 **TITLE IX—COMMITTEE ON OVER-**  
2 **SIGHT AND GOVERNMENT RE-**  
3 **FORM**

4 **SEC. 90001. ELIMINATION OF THE FERS ANNUITY SUPPLE-**  
5 **MENT FOR CERTAIN EMPLOYEES.**

6 (a) IN GENERAL.—Section 8421(a) of title 5, United  
7 States Code, is amended—

8 (1) in paragraph (1), by inserting “separated  
9 from service under section 8425 or entitled to an an-  
10 nuity under subsection (d) or (e) of section 8412 of  
11 this title” after “individual”; and

12 (2) in paragraph (2), by inserting “separated  
13 from service under section 8425 or entitled to an an-  
14 nuity under subsection (d) or (e) of section 8412 of  
15 this title” after “an individual”.

16 (b) APPLICABILITY.—The amendments made by this  
17 section shall begin to apply on January 1, 2028, and shall  
18 not apply with respect to any individual entitled to an an-  
19 nuity supplement under section 8421 of title 5, United  
20 States Code, prior to such date.

21 **SEC. 90002. HIGH-5 AVERAGE PAY FOR CALCULATING CSRS**  
22 **AND FERS PENSION.**

23 (a) CSRS.—Section 8331(4) of title 5, United States  
24 Code, is amended to read as follows:

25 “(4) ‘average pay’ means—

1           “(A) except as provided under subpara-  
2 graph (B), the largest annual rate resulting  
3 from averaging an employee’s or Member’s  
4 rates of basic pay in effect over any 3 consecu-  
5 tive years of creditable service or, in the case of  
6 an annuity under subsection (d) or (e)(1) of  
7 section 8341 of this title based on service of  
8 less than 3 years, over the total service, with  
9 each rate weighted by the time it was in effect;  
10 and

11           “(B) with respect to an employee or Mem-  
12 ber who retires on or after January 1, 2028,  
13 other than an individual entitled to an annuity  
14 under subsection (e) or (e) of section 8336, the  
15 largest annual rate resulting from averaging an  
16 employee’s or Member’s rates of basic pay in ef-  
17 fect over any 5 consecutive years of creditable  
18 service or, in the case of an annuity under sub-  
19 section (d) or (e)(1) of section 8341 of this title  
20 based on service of less than 5 years, over the  
21 total service, with each rate weighted by the  
22 time it was in effect;”.

23           (b) FERS.—Section 8401(3) of title 5, United States  
24 Code, is amended to read as follows:

25           “(3) the term ‘average pay’ means—

1           “(A) except as provided under subpara-  
2 graph (B), the largest annual rate resulting  
3 from averaging an employee’s or Member’s  
4 rates of basic pay in effect over any 3 consecu-  
5 tive years of service or, in the case of an annu-  
6 ity under this chapter based on service of less  
7 than 3 years, over the total service, with each  
8 rate weighted by the period it was in effect; and

9           “(B) with respect to an employee or Mem-  
10 ber who retires on or after January 1, 2028,  
11 other than an individual entitled to an annuity  
12 under subsection (d) or (e) of section 8412, the  
13 largest annual rate resulting from averaging the  
14 employee’s or Member’s rates of basic pay in ef-  
15 fect over any 5 consecutive years of service or,  
16 in the case of an annuity under this chapter  
17 based on service of less than 5 years, over the  
18 total service, with each rate weighted by the pe-  
19 riod it was in effect;”.

20       (c) CONFORMING AMENDMENT.—Section 302(a) of  
21 the Federal Employee’s Retirement System Act of 1986  
22 (5 U.S.C. 8331 note) is amended by striking paragraph  
23 (6) and inserting the following:

1           “(6)(A) For purposes of any computation under  
2 paragraph (4) or (5), the average pay to be used  
3 shall be—

4           “(i) except as provided under clause (ii),  
5 the largest annual rate resulting from averaging  
6 the individual’s rates of basic pay in effect over  
7 any 3 consecutive years of creditable service or,  
8 in the case of an annuity based on service of  
9 less than 3 years, over the total period of serv-  
10 ice so creditable, with each rate weighted by the  
11 period it was in effect; and

12           “(ii) with respect to an individual who re-  
13 tires on or after January 1, 2028, other than  
14 an individual entitled to an annuity under sub-  
15 section (d) or (e) of section 8412 of title 5,  
16 United States Code, the largest annual rate re-  
17 sulting from averaging the individual’s rates of  
18 basic pay in effect over any 5 consecutive years  
19 of creditable service or, in the case of an annu-  
20 ity based on service of less than 5 years, over  
21 the total period of service so creditable, with  
22 each rate weighted by the period it was in ef-  
23 fect.

24           “(B) For purposes of subparagraph (A), service  
25 shall be considered creditable if it would be consid-

1       ered creditable for purposes of determining average  
2       pay under chapter 83 or 84 of title 5, United States  
3       Code.”.

4       **SEC. 90003. ELECTION FOR AT-WILL EMPLOYMENT AND**  
5                               **LOWER FERS CONTRIBUTIONS FOR NEW FED-**  
6                               **ERAL CIVIL SERVICE HIRES.**

7       (a) ELECTION.—

8               (1) IN GENERAL.—Subchapter I of chapter 33  
9       of title 5, United States Code, is amended by adding  
10       at the end the following:

11       **“§ 3330g. Election for at-will employment and lower**  
12                               **FERS contributions**

13       “(a) ELECTION.—

14               “(1) IN GENERAL.—Not later than the last day  
15       of the probationary period (if any) for an individual  
16       initially appointed to a covered position after the  
17       date of the enactment of this section, such individual  
18       may make an irrevocable election to be employed on  
19       an at-will basis, subject to the requirements of this  
20       section.

21               “(2) FAILURE TO MAKE ELECTION.—An indi-  
22       vidual who does not make the election under para-  
23       graph (1) shall be subject to the requirements of  
24       section 8422(a)(3)(D).

1           “(b)    AT-WILL    EMPLOYMENT.—Notwithstanding  
2 chapter 43 or 75 of this title, any individual who makes  
3 an affirmative election under subsection (a)(1) shall—

4                   “(1) be considered an at-will employee; and

5                   “(2) may be subject to an adverse action up to  
6 and including removal, without notice or right to ap-  
7 peal, by the head of the agency at which the indi-  
8 vidual is employed for good cause, bad cause, or no  
9 cause at all.

10          “(c)    APPLICATION OF OTHER LAWS.—Notwith-  
11 standing any other requirement of this section, this section  
12 shall not be construed to reduce, extinguish, or otherwise  
13 effect any right or remedy available to any individual who  
14 elects to be an at-will employee under subsection (a)(1)  
15 under any of the following provisions of law:

16                   “(1) The protections relating to prohibited per-  
17 sonnel practices (as that term is defined in section  
18 2302).

19                   “(2) The Congressional Accountability Act of  
20 1995, in the case of employees of the legislative  
21 branch who are subject to this section.

22          “(d)    COVERED POSITION.—In this section, the term  
23 ‘covered position’—

24                   “(1) means—

1           “(A) any position in the competitive serv-  
2           ice;

3           “(B) a career appointee position in the  
4           Senior Executive Service;

5           “(C) a position in the excepted service; and

6           “(2) does not include—

7           “(A) any position excepted from the com-  
8           petitive service because of its confidential, pol-  
9           icy-determining, policy-making, or policy-advo-  
10          cating character;

11          “(B) any position excluded from the cov-  
12          erage of section 2302 (by operation of sub-  
13          section (a)(2)(B) of such section) or chapter 75;  
14          or

15          “(C) any position subject to mandatory  
16          separation under section 8335 or 8425.”.

17          (2) CLERICAL AMENDMENT.—The table of sec-  
18          tions for such subchapter is amended by adding  
19          after the item relating to section 3330f the fol-  
20          lowing:

“3330g. Election for at-will employment and lower FERS contributions.”.

21          (b) INCREASE IN FERS CONTRIBUTIONS.—Section  
22          8422(a) of title 5, United States Code, is amended by add-  
23          ing at the end the following:

24                 “(D) The applicable percentage under this  
25                 paragraph for civilian service by any individual

1           who elects not to be employed on an at-will  
2           basis under section 3330g shall be equal to the  
3           percentage required under subparagraph (C),  
4           increased by 5 percentage points.”.

5           (c) APPLICATION.—This section and the amendments  
6 made by this section shall apply to individuals initially ap-  
7 pointed to positions in the civil service subject to such sec-  
8 tion and amendments appointed on or after the date of  
9 the enactment of this Act.

10 **SEC. 90004. FILING FEE FOR MERIT SYSTEMS PROTECTION**

11 **BOARD CLAIMS AND APPEALS.**

12           (a) IN GENERAL.—Section 7701 of title 5, United  
13 States Code, is amended—

14           (1) in redesignating subsection (k) as sub-  
15 section (l); and

16           (2) by inserting after subsection (j) the fol-  
17 lowing:

18           “(k)(1) The Board shall establish and collect a filing  
19 fee to be paid by any employee, former employee, or appli-  
20 cant for employment filing a claim or appeal with the  
21 Board under this title, or under any other law, rule, or  
22 regulation, consistent with the requirements of this sub-  
23 section.

24           “(2) The filing fee under paragraph (1) shall—

1           “(A) be in an amount equal to the filing fee for  
2           a civil action, suit, or proceeding under section  
3           1914(a) of title 28;

4           “(B) be paid on the date the individual submits  
5           a claim or appeal to the Board; and

6           “(C) if the individual is the prevailing party  
7           under such claim or appeal, be returned to such in-  
8           dividual.

9           “(3) The filing fee under this subsection shall not be  
10          required for any—

11           “(A) action brought by the Special Counsel  
12           under section 1214, 1215, or 1216; or

13           “(B) any claim or appeal of a prohibited per-  
14           sonnel practice described in section 2302(b)(8) or  
15           2302(b)(9)(A)(i), (B), (C), or (D) or in section  
16           1221.

17           “(4) On the date that a claim or appeal with respect  
18           to which the individual is not the prevailing party has not  
19           been appealed and is no longer appealable because the  
20           time for taking an appeal has expired, or which has been  
21           appealed under section 7703 and the appeals process for  
22           which is completed, the fee collected under paragraph (1)  
23           shall, except as provided in paragraph (2)(C), be deposited  
24           into the miscellaneous receipts of the Treasury.”.

1 (b) APPLICATION.—The fee required under the  
2 amendment made by subsection (a) shall apply to any  
3 claim or appeal filed with the Merit Systems Protection  
4 Board after the date that is 3 months after the date of  
5 the enactment of this section.

6 **SEC. 90005. FEHB PROTECTION.**

7 (a) FEHB IMPROVEMENTS.—

8 (1) DEFINITIONS.—In this subsection:

9 (A) DIRECTOR.—The term “Director”  
10 means the Director of the Office of Personnel  
11 Management.

12 (B) EMPLOYING OFFICE.—The term “em-  
13 ploying office” has the meaning given the term  
14 in section 890.101(a) of title 5, Code of Federal  
15 Regulations, or any successor regulation.

16 (C) HEALTH BENEFITS PLAN; MEMBER OF  
17 FAMILY.—The terms “health benefits plan” and  
18 “member of family” have the meanings given  
19 those terms in section 8901 of title 5, United  
20 States Code.

21 (D) INSPECTOR GENERAL.—The term “In-  
22 spector General” means the Inspector General  
23 of the Office of Personnel Management.

24 (E) OPEN SEASON.—The term “open sea-  
25 son” means an open season described in section

1 890.301(f) of title 5, Code of Federal Regula-  
2 tions, or any successor regulation.

3 (F) PROGRAM.—The term “Program”  
4 means the health insurance programs carried  
5 out under chapter 89 of title 5, United States  
6 Code, including the program carried out under  
7 section 8903c of that title.

8 (G) QUALIFYING LIFE EVENT.—The term  
9 “qualifying life event” has the meaning given  
10 the term in section 892.101 of title 5, Code of  
11 Federal Regulations, or any successor regula-  
12 tion.

13 (2) VERIFICATION REQUIREMENTS.—

14 (A) IN GENERAL.—Not later than 1 year  
15 after the date of the enactment of this Act, the  
16 Director shall issue regulations and implement  
17 a process to verify—

18 (i) the veracity of any qualifying life  
19 event through which an enrollee in the  
20 Program seeks to add a member of family  
21 with respect to the enrollee to a health  
22 benefits plan under the Program; and

23 (ii) that, when an enrollee in the Pro-  
24 gram seeks to add a member of family  
25 with respect to the enrollee to the health

1           benefits plan of the enrollee under the Pro-  
2           gram, including during any open season,  
3           the individual so added is a qualifying  
4           member of family with respect to the en-  
5           rollee.

6           (B) RECORD RETENTION.—The process  
7           implemented under subparagraph (A) shall re-  
8           quire the records used for a verification de-  
9           scribed in such subparagraph under such proc-  
10          ess with respect to an individual enrolled in a  
11          health benefits plan under the Program to be  
12          provided to the Office of Personnel Manage-  
13          ment and retained by the Office of Personnel  
14          Management until the expiration of a six-year  
15          period beginning after the date of such  
16          verification in which such individual is not en-  
17          rolled in a health benefits plan under the Pro-  
18          gram.

19          (3) FRAUD RISK ASSESSMENT.—In any fraud  
20          risk assessment conducted with respect to the Pro-  
21          gram on or after the date of the enactment of this  
22          Act, the Director shall include an assessment of in-  
23          dividuals who are enrolled in, or covered under, a  
24          health benefits plan under the Program even though

1 those individuals are not eligible to be so enrolled or  
2 covered.

3 (4) FAMILY MEMBER ELIGIBILITY  
4 VERIFICATION AUDIT.—

5 (A) IN GENERAL.—During the 5-year pe-  
6 riod beginning 1 year after the date of the en-  
7 actment of this Act, the Director shall conduct  
8 a comprehensive audit regarding members of  
9 family who are covered under an enrollment in  
10 a health benefits plan under the Program.

11 (B) CONTENTS.—In conducting an audit  
12 required by subparagraph (A), the Director  
13 shall review marriage certificates, birth certifi-  
14 cates, and other appropriate documents that  
15 are necessary to determine eligibility to enroll in  
16 a health benefits plan under the Program.

17 (C) RECORD RETENTION.—All records per-  
18 taining to the eligibility of an individual to be  
19 enrolled in, or covered under, a health benefits  
20 plan under the Program obtained by the Direc-  
21 tor in the audit required by subparagraph (A)  
22 shall be retained by the Office of Personnel  
23 Management until the expiration of a six-year  
24 period beginning after the date of such audit in  
25 which such individual is not enrolled in, or cov-

1           ered under, a health benefits plan under the  
2           Program.

3           (D) REFERRAL TO INSPECTOR GEN-  
4           ERAL.—The Director shall refer any instances  
5           of individuals enrolled in, or covered under, a  
6           health benefits plan under the Program who are  
7           not eligible to be so enrolled or covered that are  
8           identified in the audit required by subparagraph  
9           (A) to the Inspector General.

10          (5) DISENROLLMENT OR REMOVAL.—

11           (A) IN GENERAL.—Not later than 6  
12           months after the date of the enactment of this  
13           Act, the Director shall develop a process by  
14           which any individual enrolled in, or covered  
15           under, a health benefits plan under the Pro-  
16           gram who is not eligible to be so enrolled or  
17           covered shall be disenrolled or removed from en-  
18           rollment in a health benefits plan under the  
19           Program.

20           (B) NOTIFY INSPECTOR GENERAL.—The  
21           Director shall notify the Inspector General of  
22           each individual disenrolled or removed from en-  
23           rollment in a health benefits plan under the  
24           Program under the process developed under  
25           subparagraph (A).

1 (b) EARNED BENEFITS AND HEALTHCARE ADMINIS-  
2 TRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT  
3 FUNDING.—

4 (1) IN GENERAL.—Section 8909(a)(2) of title  
5 5, United States Code, is amended by striking “Con-  
6 gress.” and inserting “Congress, except that the  
7 amounts authorized under subsection (b)(2) for the  
8 Office shall not be subject to the limitations that  
9 may be specified annually by Congress.”.

10 (2) OVERSIGHT.—Section 8909(b) of title 5,  
11 United States Code, is amended—

12 (A) by redesignating paragraph (2) as  
13 paragraph (5); and

14 (B) by inserting after paragraph (1) the  
15 following:

16 “(2) In addition to the funds provided under  
17 paragraph (1), amounts of all contributions shall be  
18 available for the Office to develop, maintain, and  
19 conduct ongoing eligibility verification and oversight  
20 over the enrollment and eligibility systems with re-  
21 spect to benefits under this chapter, including the  
22 Postal Service Health Benefits Program under sec-  
23 tion 8903c. Amounts for the Office under this para-  
24 graph shall not be available in excess of the fol-  
25 lowing amounts in the following fiscal years:

1 “(A) In fiscal year 2026, \$36,792,000.

2 “(B) In fiscal year 2027, \$44,733,161.

3 “(C) In fiscal year 2028, \$50,930,778.

4 “(D) In fiscal year 2029, \$54,198,238.

5 “(E) In fiscal year 2030, \$54,855,425.

6 “(F) In fiscal year 2031, \$56,062,244.

7 “(G) In fiscal year 2032, \$57,295,613.

8 “(H) In fiscal year 2033, \$58,556,117.

9 “(I) In fiscal year 2034, \$59,844,351.

10 “(J) In fiscal year 2035 and each fiscal  
11 year thereafter, the amount equal to the dollar  
12 limit for the immediately preceding fiscal year,  
13 increased by 2.2. percent.

14 “(3) In fiscal year 2026, \$80,000,000, to be de-  
15 rived from all contributions and to remain available  
16 until expended, shall be available for the Office to  
17 conduct the audit required under section  
18 90005(a)(4) of the Act titled ‘An Act to provide for  
19 reconciliation pursuant to title II of H. Con. Res.  
20 14’.

21 “(4) Amounts of all contributions shall be avail-  
22 able for the Office of Personnel Management Office  
23 of the Inspector General to conduct oversight associ-  
24 ated with activities under this chapter (including the  
25 Postal Service Health Benefits Program under sec-

1 tion 8903e), including activities associated with en-  
2 rollment and eligibility in these programs and any  
3 associated audit activities as required under section  
4 90005 of the Act titled ‘An Act to provide for rec-  
5 onciliation pursuant to title II of H. Con. Res. 14’.  
6 Amounts for the Office of the Inspector General  
7 under this paragraph shall not be available in excess  
8 of the following amounts in the following fiscal  
9 years:

10 “(A) In fiscal year 2026, \$5,090,278.

11 “(B) In fiscal year 2027 and each fiscal  
12 year thereafter, the amount equal to the dollar  
13 limit for the immediately preceding fiscal year,  
14 increased by 2.2 percent.”

15 **TITLE X—COMMITTEE ON**  
16 **TRANSPORTATION AND IN-**  
17 **FRASTRUCTURE**

18 **SEC. 100001. COAST GUARD ASSETS NECESSARY TO SECURE**  
19 **THE MARITIME BORDER AND INTERDICT MI-**  
20 **GRANTS AND DRUGS.**

21 (a) IN GENERAL.—For the purpose of the acquisi-  
22 tion, sustainment, improvement, and operation of United  
23 States Coast Guard assets, in addition to amounts other-  
24 wise made available, there is appropriated to the Com-  
25 mandant of the Coast Guard for fiscal year 2025, out of

1 any money in the Treasury not otherwise appropriated,  
2 to remain available until September 30, 2029—

3 (1) \$571,500,000 for fixed wing aircraft and  
4 spare parts, training simulators, support equipment,  
5 and program management for such aircraft;

6 (2) \$1,283,000,000 for rotary wing aircraft and  
7 spare parts, training simulators, support equipment,  
8 and program management for such aircraft;

9 (3) \$140,000,000 for long-range unmanned air-  
10 craft systems and base stations, support equipment,  
11 and program management for such systems;

12 (4) \$4,300,000,000 for Offshore Patrol Cutters  
13 and spare parts and program management for such  
14 Cutters;

15 (5) \$1,000,000,000 for Fast Response Cutters  
16 and spare parts and program management for such  
17 Cutters;

18 (6) \$4,300,000,000 for Polar Security Cutters  
19 and spare parts and program management for such  
20 Cutters;

21 (7) \$4,978,000,000 for Arctic Security Cutters  
22 and domestic icebreakers and spare parts and pro-  
23 gram management for such Cutters and icebreakers;

1           (8) \$3,154,500,000 for design, planning, engi-  
2           neering, construction of, and program management  
3           for shoreside infrastructure, of which—

4           (A) \$400,000,000 is provided for hangers  
5           and maintenance and crew facilities for the  
6           fixed wing aircraft for which funds are appro-  
7           priated under paragraph (1) and rotary wing  
8           aircraft for which funds are appropriated under  
9           paragraph (2);

10          (B) \$2,329,500,000 is provided for  
11          homeports for the Cutters for which funds are  
12          appropriated under paragraphs (4), (5), (6),  
13          and (7), National Security Cutters, and other  
14          Fast Response Cutters; and

15          (C) \$425,000,000 is provided for design,  
16          planning, engineering, construction of, and pro-  
17          gram management for enlisted boot camp bar-  
18          racks, multi-use training centers, and other re-  
19          lated facilities;

20          (9) \$1,300,000,000 for aviation, cutter, shore-  
21          side facility depot maintenance, and C5I service  
22          maintenance, of which \$500,000,000 is provided to  
23          acquire, procure, or construct a floating dry dock  
24          under subsection (b) and conduct channel dredging  
25          necessary to allow Cutters for which funds are ap-

1       appropriated under paragraph (4) and National Secu-  
2       rity Cutters to be maintained and repaired in such  
3       dry dock; and

4           (10) \$180,000,000 for equipment and services  
5       for maritime domain awareness, of which  
6       \$75,000,000 is provided to contract the services of,  
7       acquire, or procure autonomous maritime systems.

8       (b) REQUIREMENTS.—

9           (1) IN GENERAL.—Except as provided in para-  
10       graph (2), the Commandant may not acquire, pro-  
11       cure, or construct a floating dry dock for the Coast  
12       Guard Yard with amounts appropriated under sub-  
13       section (a).

14           (2) PERMISSIBLE ACQUISITION, PROCUREMENT,  
15       OR CONSTRUCTION METHODS.—Notwithstanding  
16       paragraph (1) of this subsection and section 1105(a)  
17       of title 14, United States Code, the Commandant  
18       may, through September 30, 2030—

19           (A) provide for an entity other than the  
20       Coast Guard to contract for the acquisition,  
21       procurement, or construction of a floating dry  
22       dock by contract, purchase, or other agreement;

23           (B) construct a floating dry dock at the  
24       Coast Guard Yard; or

1 (C) acquire or procure a commercially  
2 available floating dry dock.

3 (3) FLOATING DRY DOCK DEFINED.—In this  
4 section, the term “floating dry dock” means equip-  
5 ment that is—

6 (A) documented under chapter 121 of title  
7 46, United States Code; and

8 (B) capable of meeting the lifting and  
9 maintenance requirements of an Offshore Pa-  
10 trol Cutter or a National Security Cutter.

11 (c) LIMITATION.—Not more than 15 percent of the  
12 amounts provided in paragraph (9) of subsection (a) shall  
13 be available for design, planning, and engineering of the  
14 facilities described in such paragraph.

15 (d) APPLICATION.—In carrying out acquisitions or  
16 procurements for which funds are appropriated under sub-  
17 section (a), sections 1131, 1132, and 1133 of title 14,  
18 United States Code, shall not apply.

19 (e) ENTITY OTHER THAN THE COAST GUARD.—Not-  
20 withstanding section 1105(a) of title 14, United States  
21 Code, in carrying out acquisition, procurement, or con-  
22 struction of Arctic Security Cutters or domestic ice-  
23 breakers for which funds are appropriated under sub-  
24 section (a)(7), the Commandant may provide for an entity

1 other than the Coast Guard to contract for such acquisi-  
2 tion, procurement, or construction.

3 (f) COMPLIANCE WITH APPLICABLE REPORTING RE-  
4 QUIREMENTS.—None of the amounts provided in—

5 (1) this section may be obligated or expended  
6 during any fiscal year in which the Commandant is  
7 not compliant with sections 5102 and 5103 (exclud-  
8 ing section 5103(e)) of title 14, United States Code;  
9 and

10 (2) paragraphs (1) and (2) of subsection (a)  
11 may be obligated or expended until the Commandant  
12 provides the report required under section 11217 of  
13 the James M. Inhofe National Defense Authoriza-  
14 tion Act for Fiscal Year 2023 (Public Law 117-263)  
15 to the Committee on Transportation and Infrastruc-  
16 ture of the House of Representatives and the Com-  
17 mittee on Commerce, Science, and Transportation of  
18 the Senate.

19 (g) NOTIFICATION REQUIREMENT.—The Com-  
20 mandant shall notify the Committee on Transportation  
21 and Infrastructure of the House of Representatives and  
22 the Committee on Commerce, Science, and Transportation  
23 of the Senate not less than 1 week prior to taking any  
24 procurement actions impacting estimated costs or

1 timelines for acquisitions or procurements funded with  
2 amounts appropriated under this section.

3 (h) EXPENDITURE PLAN.—Not later than 90 days  
4 after the date of enactment of this Act, the Commandant  
5 shall submit to the Committee on Transportation and In-  
6 frastructure of the House of Representatives and the Com-  
7 mittee on Commerce, Science, and Transportation of the  
8 Senate a detailed expenditure plan, including projected  
9 project timelines for each acquisition and procurement  
10 funded under this section and a list of project locations  
11 to be funded under paragraphs (8) and (9) of subsection  
12 (a).

13 (i) EXCEPTION.—If the President authorizes an ex-  
14 ception under section 1151(b) of title 14, United States  
15 Code, for any Coast Guard vessel, or the hull or super-  
16 structure of such vessel for which funds are appropriated  
17 under paragraphs (4) through (7) of subsection (a), no  
18 such funds shall be obligated until the President submits  
19 to the Committee on Transportation and Infrastructure  
20 of the House of Representatives and the Committee on  
21 Commerce, Science, and Transportation of the Senate a  
22 written explanation of the circumstances requiring such  
23 an exception in the national security interest, including—

1           (1) a confirmation that there are insufficient  
2           qualified United States shipyards to meet the na-  
3           tional security interest without such exception; and

4           (2) actions taken by the President to enable  
5           qualified United States shipyards to meet national  
6           security requirements prior to the issuance of such  
7           an exception.

8   **SEC. 100002. VESSEL TONNAGE DUTIES.**

9           Section 60301 of title 46, United States Code, is  
10          amended—

11           (1) in subsection (a) by striking “, for fiscal  
12           years 2006 through 2010, and 2 cents per ton, not  
13           to exceed a total of 10 cents per ton per year, for  
14           each fiscal year thereafter,”; and

15           (2) in subsection (b) by striking “, for fiscal  
16           years 2006 through 2010, and 6 cents per ton, not  
17           to exceed a total of 30 cents per ton per year, for  
18           each fiscal year thereafter,”.

19   **SEC. 100003. REGISTRATION FEE ON MOTOR VEHICLES.**

20           (a) **IN GENERAL.**—Chapter 1 of title 23, United  
21           States Code, is amended by adding at the end the fol-  
22           lowing:

23    **“§ 180. Registration fee on motor vehicles.**

24           “(a) **IN GENERAL.**—The Administrator of the Fed-  
25           eral Highway Administration shall impose for each year

1 the following registration fee amounts on the owner of a  
2 vehicle registered for operation by a State motor vehicle  
3 department:

4 “(1) \$250 for a covered electric vehicle.

5 “(2) \$100 for a covered hybrid vehicle.

6 “(b) WITHHOLDING OF FUNDS FOR NONCOMPLI-  
7 ANCE.—The Administrator shall withhold, from amounts  
8 required to be apportioned to any State under section  
9 104(b), an amount equal to 125 percent to the amount  
10 required to be remitted under subsection (c)(2). The Ad-  
11 ministrator shall withhold the amount on the first day of  
12 each fiscal year beginning after September 30, 2026, in  
13 which the State does not meet the requirements of sub-  
14 section (c).

15 “(c) COLLECTION AND REMITTANCE OF FEE.—

16 “(1) COLLECTION OF FEE.—A State motor ve-  
17 hicle department shall—

18 “(A) incorporate the collection of the fees  
19 established under subsection (a) into the vehicle  
20 registration and renewal processes administered  
21 by such department, so long as such fees are  
22 imposed for each year in which the fees are re-  
23 quired; or

24 “(B) obtain approval from the Adminis-  
25 trator to establish an alternate means of com-

1           pliance for the collection of such fees that is ac-  
2           ceptable to the Administrator.

3           “(2) REMITTANCE OF FEE.—Not later than 30  
4           days after the last day of each month, a State motor  
5           vehicle department shall remit to the Administrator  
6           the balance of the total fee amounts collected under  
7           this section in the preceding month less the portion  
8           reserved for administrative expenses under sub-  
9           section (e).

10          “(d) FEE ASSESSMENT.—The amounts specified in  
11         subsection (a) shall be increased on an annual basis to  
12         account for the rate of inflation each fiscal year in accord-  
13         ance with the Consumer Price Index for All Urban Con-  
14         sumers of the Bureau of Labor Statistics.

15          “(e) ADMINISTRATIVE EXPENSES.—In any fiscal  
16         year in which a State is in compliance with this section,  
17         such State may retain an amount not to exceed 1 percent  
18         of the total fees collected under this section for adminis-  
19         trative expenses.

20          “(f) APPLICABILITY OF FEES.—The fees imposed  
21         under paragraphs (1) and (2) of subsection (a) shall ter-  
22         minate on October 1, 2035.

23          “(g) DEFINITIONS.—In this section:

24                 “(1) COVERED ELECTRIC VEHICLE.—The term  
25                 ‘covered electric vehicle’ means a covered motor vehi-

1       cle with an electric motor as the sole means of pro-  
2       pulsion of such vehicle.

3           “(2) COVERED MOTOR VEHICLE.—The term  
4       ‘covered motor vehicle’ has the meaning given the  
5       term ‘motor vehicle’ under section 154(a) but ex-  
6       cludes a motor vehicle that is a covered farm vehicle  
7       or commercial motor vehicle (as such terms are de-  
8       fined in section 390.5 of title 49, Code of Federal  
9       Regulations).

10          “(3) COVERED HYBRID VEHICLE.—The term  
11       ‘covered hybrid vehicle’ means a covered motor vehi-  
12       cle propelled by a combination of an electric motor  
13       and an internal combustion engine or other power  
14       source and components thereof.”.

15       (b) IMPLEMENTATION OF CERTAIN PROCESSES.—

16           (1) IMPLEMENTATION.—The Administrator of  
17       the Federal Highway Administration shall provide  
18       grants to State motor vehicle departments to imple-  
19       ment a process to carry out section 180 of title 23,  
20       United States Code.

21           (2) FUNDING.—Out of any money in the Treas-  
22       ury not otherwise appropriated, \$104,000,000 is to  
23       remain available until September 30, 2029, begin-  
24       ning in the first fiscal year following the date of en-  
25       actment of this Act, for grants under paragraph (1).



1 **SEC. 100005. MOTOR CARRIER DATA.**

2 (a) PUBLIC CONFIRMATION OF AUTHORIZED MOTOR  
3 CARRIERS.—There is appropriated \$5,000,000 to the Ad-  
4 ministrator of the Federal Motor Carrier Safety Adminis-  
5 tration to establish a public website to present data on  
6 motor carriers, as such term is defined in section 13102  
7 of title 49, United States Code, in a manner that indicates  
8 whether each motor carrier meets or does not meet all Ad-  
9 ministration operating requirements, including by dis-  
10 playing 1 of the following statements for each motor car-  
11 rier:

12 (1) “This motor carrier meets Federal Motor  
13 Carrier Safety Administration operating require-  
14 ments and is authorized to operate on the nation’s  
15 roadways.”.

16 (2) “This motor carrier does not meet Federal  
17 Motor Carrier Safety Administration operating re-  
18 quirements and is not authorized to operate on the  
19 nation’s roadways.”.

20 (b) USAGE FEE.—The Administrator shall assess an  
21 annual fee of \$100 on each person seeking access to the  
22 website established under subsection (a). In each fiscal  
23 year through fiscal year 2033, monies collected under this  
24 subsection shall be—

25 (1) credited to the account in the Treasury  
26 from which the Administrator incurs expenses for

1 establishing, maintaining, and updating the website  
2 required to be established under subsection (a); and

3 (2) available for establishing, maintaining, and  
4 updating such website without further appropriation.

5 (c) DETERMINATION.—A broker, freight forwarder,  
6 or household goods freight forwarder, as such terms are  
7 defined in section 13102 of title 49, United States Code,  
8 that uses the website established under subsection (a) to  
9 ensure that a motor carrier engaged by such broker,  
10 freight forwarder, or household goods freight forwarder  
11 meets Federal Motor Carrier Safety Administration oper-  
12 ating requirements shall be considered to have taken rea-  
13 sonable and prudent determinations in engaging such  
14 motor carrier.

15 **SEC. 100006. IRA RESCISSIONS.**

16 (a) REPEAL OF FUNDING FOR ALTERNATIVE FUEL  
17 AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.—

18 The unobligated balances of amounts made available to  
19 carry out section 40007 of Public Law 117–169 (49  
20 U.S.C. 44504 note) (as in effect on the day before the  
21 date of enactment of this Act) are permanently rescinded.

22 (b) REPEAL OF FUNDING FOR NEIGHBORHOOD AC-  
23 CESS AND EQUITY GRANT PROGRAM.—The unobligated  
24 balances of amounts made available to carry out section  
25 177 of title 23, United States Code, (as in effect on the

1 day before the date of enactment of this Act) are perma-  
2 nently rescinded.

3 (c) REPEAL OF FUNDING FOR FEDERAL BUILDING  
4 ASSISTANCE.—The unobligated balances of amounts made  
5 available to carry out section 60502 of Public Law 117–  
6 169 (136 Stat. 2083) (as in effect on the day before the  
7 date of enactment of this Act) are permanently rescinded.

8 (d) REPEAL OF FUNDING FOR USE OF LOW-CARBON  
9 MATERIALS FOR FEDERAL BUILDING ASSISTANCE.— The  
10 unobligated balances of amounts made available to carry  
11 out section 60503 of Public Law 117–169 (136 Stat.  
12 2083) (as in effect on the day before the date of enactment  
13 of this Act) are permanently rescinded.

14 (e) REPEAL OF FUNDING FOR GENERAL SERVICES  
15 ADMINISTRATION EMERGING TECHNOLOGIES.—The un-  
16 obligated balances of amounts made available to carry out  
17 section 60504 of Public Law 117–169 (136 Stat. 2083)  
18 (as in effect on the day before the date of enactment of  
19 this Act) are permanently rescinded.

20 (f) REPEAL OF ENVIRONMENTAL REVIEW IMPLE-  
21 MENTATION FUNDS.—The unobligated balances of  
22 amounts made available to carry out section 178 of title  
23 23, United States Code, (as in effect on the day before  
24 the date of enactment of this Act) are permanently re-  
25 scinded.

1 (g) REPEAL OF FUNDING FOR LOW-CARBON TRANS-  
2 PORTATION MATERIALS GRANTS.— The unobligated bal-  
3 ances of amounts made available to carry out section 179  
4 of title 23, United States Code, (as in effect on the day  
5 before the date of enactment of this Act) are permanently  
6 rescinded.

7 **SEC. 100007. AIR TRAFFIC CONTROL STAFFING AND MOD-**  
8 **ERNIZATION.**

9 (a) IN GENERAL.—For the purpose of the acquisi-  
10 tion, construction, sustainment, improvement, and oper-  
11 ation of facilities and equipment necessary to improve or  
12 maintain aviation safety, and for personnel expenses re-  
13 lated to such facilities and equipment, in addition to  
14 amounts otherwise made available, there is appropriated  
15 to the Administrator of the Federal Aviation Administra-  
16 tion for fiscal year 2025, out of any money in the Treasury  
17 not otherwise appropriated, to remain available until Sep-  
18 tember 30, 2029—

19 (1) \$2,160,000,000 for air traffic control tower  
20 and terminal radar approach control facility replace-  
21 ment, of which not less than \$240,000,000 shall be  
22 available for Contract Tower Program air traffic  
23 control tower replacement and airport sponsor-  
24 owned air traffic control tower replacement;

1           (2) \$3,000,000,000 for radar systems replace-  
2           ment;

3           (3) \$4,750,000,000 for telecommunications in-  
4           frastructure and systems replacement;

5           (4) \$500,000,000 for runway safety projects,  
6           airport surface surveillance projects, and to carry  
7           out section 347 of the FAA Reauthorization Act of  
8           2024;

9           (5) \$550,000,000 for unstaffed infrastructure  
10          sustainment and replacement;

11          (6) \$300,000,000 to carry out section 619 of  
12          the FAA Reauthorization Act of 2024;

13          (7) \$260,000,000 to carry out section 44745 of  
14          title 49, United States Code; and

15          (8) \$1,000,000,000 for air traffic controller re-  
16          cruitment, retention, training, and advanced training  
17          technologies.

18          (b) QUARTERLY REPORTING.—Not later than 180  
19          days after the date of enactment of this Act, and every  
20          90 days thereafter, the Administrator shall submit to Con-  
21          gress a report that describes any expenditures under this  
22          section.

1 **SEC. 100008. JOHN F. KENNEDY CENTER FOR THE PER-**  
2 **FORMING ARTS.**

3 (a) IN GENERAL.—In addition to amounts otherwise  
4 available, there is appropriated for fiscal year 2025, out  
5 of any money in the Treasury not otherwise appropriated,  
6 \$256,657,000, to remain available until September 30,  
7 2029, for necessary expenses for capital repair, restora-  
8 tion, maintenance backlog, and security structures of the  
9 building and site of the John F. Kennedy Center for the  
10 Performing Arts.

11 (b) ADMINISTRATIVE COSTS.—Of the amounts made  
12 available under subsection (a), not more than 3 percent  
13 may be used for administrative costs necessary to carry  
14 out this section.

15 **TITLE XI—COMMITTEE ON WAYS**  
16 **AND MEANS, “THE ONE, BIG,**  
17 **BEAUTIFUL BILL”**

18 **SEC. 110000. REFERENCES TO THE INTERNAL REVENUE**  
19 **CODE OF 1986, ETC.**

20 (a) REFERENCES.—Except as otherwise expressly  
21 provided, whenever in this title, an amendment or repeal  
22 is expressed in terms of an amendment to, or repeal of,  
23 a section or other provision, the reference shall be consid-  
24 ered to be made to a section or other provision of the In-  
25 ternal Revenue Code of 1986.

1 (b) CERTAIN RULES REGARDING EFFECT OF RATE  
2 CHANGES NOT APPLICABLE.—Section 15 of the Internal  
3 Revenue Code of 1986 shall not apply to any change in  
4 rate of tax by reason of any provision of, or amendment  
5 made by, this title.

6 **Subtitle A—Make American**  
7 **Families and Workers Thrive Again**

8 **PART 1—PERMANENTLY PREVENTING TAX HIKES**  
9 **ON AMERICAN FAMILIES AND WORKERS**

10 **SEC. 110001. EXTENSION OF MODIFICATION OF RATES.**

11 (a) IN GENERAL.—Section 1(j) is amended—

12 (1) in paragraph (1), by striking “, and before  
13 January 1, 2026”, and

14 (2) by striking “2018 THROUGH 2025” in the  
15 heading and inserting “BEGINNING AFTER 2017”.

16 (b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i)  
17 is amended by inserting “in the case of any taxable year  
18 beginning after December 31, 2025, solely for purposes  
19 of determining the dollar amounts at which the 35-percent  
20 rate bracket ends and the 37-percent rate bracket begins,”  
21 before “subsection (f)(3)”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2025.

1 **SEC. 110002. EXTENSION OF INCREASED STANDARD DEDUC-**  
2 **TION AND TEMPORARY ENHANCEMENT.**

3 (a) IN GENERAL.—Section 63(c)(7) is amended—

4 (1) by striking “, and before January 1, 2026”  
5 in the matter preceding subparagraph (A), and

6 (2) by striking “2018 THROUGH 2025” in the  
7 heading and inserting “BEGINNING AFTER 2017”.

8 (b) TEMPORARY ADDITIONAL INCREASE IN STAND-  
9 ARD DEDUCTION.—Section 63(c)(7) is amended by adding  
10 at the end the following new subparagraph:

11 “(C) TEMPORARY ADDITIONAL INCREASE  
12 IN STANDARD DEDUCTION.—In the case of any  
13 taxable year beginning after December 31,  
14 2024, and before January 1, 2029—

15 “(i) the dollar amount otherwise in ef-  
16 fect under paragraph (2)(B) shall be in-  
17 creased by \$1,500, and

18 “(ii) the dollar amount otherwise in  
19 effect under paragraph (2)(C) shall be in-  
20 creased by \$1,000.”.

21 (c) RECALCULATION OF INFLATION ADJUSTMENT.—  
22 Section 63(c)(7)(B)(ii)(II) is amended by striking “, de-  
23 termined by substituting ‘2017’ for ‘2016’ in subpara-  
24 graph (A)(ii) thereof”.

25 (d) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendments made by  
2           subsection (a) shall apply to taxable years beginning  
3           after December 31, 2025.

4           (2) TEMPORARY ADDITIONAL INCREASE IN  
5           STANDARD DEDUCTION.—The amendment made by  
6           subsection (b) shall apply to taxable years beginning  
7           after December 31, 2024.

8   **SEC. 110003. TERMINATION OF DEDUCTION FOR PERSONAL**  
9                           **EXEMPTIONS.**

10          (a) IN GENERAL.—Section 151(d)(5) is amended—

11                 (1) by striking “and before January 1, 2026”,  
12                 and

13                 (2) by striking “2018 THROUGH 2025” in the  
14                 heading and inserting “BEGINNING AFTER 2017”.

15          (b) EFFECTIVE DATE.—The amendments made by  
16          this section shall apply to taxable years beginning after  
17          December 31, 2025.

18   **SEC. 110004. EXTENSION OF INCREASED CHILD TAX CREDIT**  
19                           **AND TEMPORARY ENHANCEMENT.**

20          (a) EXTENSION OF EXPANDED CHILD TAX CRED-  
21          IT.—Section 24(h) is amended—

22                 (1) in paragraph (1), by striking “and before  
23                 January 1, 2026,” and

24                 (2) by striking “2018 THROUGH 2025” in the  
25                 heading and inserting “BEGINNING AFTER 2017”.

1 (b) INCREASE IN CHILD TAX CREDIT.—Section  
2 24(h)(2) is amended to read as follows:

3 “(2) CREDIT AMOUNT.—Subsection (a) shall be  
4 applied by substituting—

5 “(A) in the case of taxable years beginning  
6 after December 31, 2024, and before December  
7 31, 2028, ‘\$2,500’ for ‘\$1,000’, or

8 “(B) in the case of any subsequent taxable  
9 year, ‘\$2,000’ for ‘\$1,000’.”.

10 (c) SOCIAL SECURITY NUMBER REQUIRED.—Section  
11 24(h)(7) is amended to read as follows:

12 “(7) SOCIAL SECURITY NUMBER REQUIRED.—

13 “(A) IN GENERAL.—No credit shall be al-  
14 lowed under this section to a taxpayer with re-  
15 spect to any qualifying child unless the taxpayer  
16 includes on the return of tax for the taxable  
17 year—

18 “(i) such individual’s social security  
19 number,

20 “(ii) the social security number of  
21 such qualifying child, and

22 “(iii) if the individual is married, the  
23 social security number of such individual’s  
24 spouse.

1           “(B) SOCIAL SECURITY NUMBER.—For  
2 purposes of this paragraph, the term ‘social se-  
3 curity number’ means a social security number  
4 issued to an individual by the Social Security  
5 Administration, but only if the social security  
6 number is issued—

7           “(i) to a citizen of the United States  
8 or pursuant to subclause (I) (or that por-  
9 tion of subclause (III) that relates to sub-  
10 clause (I)) of section 205(c)(2)(B)(i) of the  
11 Social Security Act, and

12           “(ii) before the due date for such re-  
13 turn.

14           “(C) MARRIED INDIVIDUALS.—Rules simi-  
15 lar to the rules of section 32(d) shall apply to  
16 this section.”.

17 (d) INFLATION ADJUSTMENTS.—

18           (1) IN GENERAL.—Section 24(i) is amended to  
19 read as follows:

20           “(i) INFLATION ADJUSTMENTS.—

21           “(1) MAXIMUM AMOUNT OF REFUNDABLE  
22 CREDIT.—In the case of a taxable year beginning  
23 after 2024, the \$1,400 amount in subsection (h)(5)  
24 shall be increased by an amount equal to—

25           “(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 ‘2017’ for ‘2016’ in sub-  
5           paragraph (A)(ii) thereof.

6           “(2) SPECIAL RULE FOR ADJUSTMENT OF  
7           CREDIT AMOUNT.—In the case of a taxable year be-  
8           ginning after 2028, the \$2,000 amount in subsection  
9           (h)(2)(B), shall be increased by an amount equal  
10          to—

11                   “(A) such dollar amount, multiplied by

12                   “(B) the cost-of-living adjustment deter-  
13                   mined under section 1(f)(3) for the calendar  
14                   year in which the taxable year begins, deter-  
15                   mined by substituting ‘2024’ for ‘2016’ in sub-  
16                   paragraph (A)(ii) thereof.

17           “(3) ROUNDING.—If any increase under this  
18           subsection is not a multiple of \$100, such increase  
19           shall be rounded to the next lowest multiple of  
20           \$100.”.

21           (e) CONFORMING AMENDMENT.—Section 24(h)(5) is  
22           amended to read as follows:

23                   “(5) MAXIMUM AMOUNT OF REFUNDABLE  
24                   CREDIT.—The amount determined under subsection  
25                   (d)(1)(A) with respect to any qualifying child shall

1 not exceed \$1,400, and such subsection shall be ap-  
2 plied without regard to paragraph (4) of this sub-  
3 section.”.

4 (f) TREATMENT OF CERTAIN BENEFITS OF MEM-  
5 BERS OF RELIGIOUS AND APOSTOLIC ASSOCIATIONS AS  
6 EARNED INCOME.—Section 24(d)(1) is amended by add-  
7 ing at the end the following: “For purposes of subpara-  
8 graph (B), any amount treated as a dividend received  
9 under the last sentence of section 501(d) shall be treated  
10 as earned income which is taken into account in com-  
11 puting taxable income for the taxable year.”.

12 (g) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 2024.

15 **SEC. 110005. EXTENSION OF DEDUCTION FOR QUALIFIED**  
16 **BUSINESS INCOME AND PERMANENT EN-**  
17 **HANCEMENT.**

18 (a) MADE PERMANENT.—Section 199A is amended  
19 by striking subsection (i).

20 (b) INCREASE IN DEDUCTION.—Subsections (a)(2),  
21 (b)(1)(B), and (b)(2)(A) of section 199A are each amend-  
22 ed by striking “20 percent” and inserting “23 percent”.

23 (c) MODIFICATION OF LIMITATIONS BASED ON TAX-  
24 ABLE INCOME.—

1           (1) IN GENERAL.—Section 199A(b)(3) is  
2 amended to read as follows:

3           “(3) MODIFICATION OF DETERMINATION OF  
4 COMBINED QUALIFIED BUSINESS INCOME AMOUNT  
5 BASED ON TAXABLE INCOME.—

6           “(A) EXCEPTION FROM LIMITATIONS.—In  
7 the case of any taxpayer whose taxable income  
8 for the taxable year does not exceed the thresh-  
9 old amount—

10           “(i) paragraph (2) shall be applied  
11 without regard to subparagraph (B), and

12           “(ii) a specified service trade or busi-  
13 ness shall not fail to be treated as a quali-  
14 fied trade or business solely by reason of  
15 subsection (d)(1)(A).

16           “(B) PHASE-IN OF LIMITATIONS.—In the  
17 case of any taxpayer whose taxable income for  
18 the taxable year exceeds the threshold amount,  
19 the sum described in paragraph (1)(A) (deter-  
20 mined without regard to this subparagraph)  
21 shall instead be an amount (if greater) equal to  
22 the excess (if any) of—

23           “(i) the sum described in paragraph  
24 (1)(A) (determined by applying the rules of

1 clauses (i) and (ii) of subparagraph (A)),  
2 over

3 “(ii) the limitation phase-in amount.

4 “(C) LIMITATION PHASE-IN AMOUNT.—  
5 For purposes of subparagraph (B), the limita-  
6 tion phase-in amount shall be an amount equal  
7 to 75 percent of the excess (if any) of—

8 “(i) the taxable income of the tax-  
9 payer for the taxable year, over

10 “(ii) the threshold amount.”.

11 (2) CONFORMING AMENDMENT.—Section  
12 199A(d) is amended by striking paragraph (3).

13 (d) DEDUCTION FOR QUALIFIED BUSINESS INCOME  
14 TO APPLY TO CERTAIN INTEREST DIVIDENDS OF QUALI-  
15 FIED BUSINESS DEVELOPMENT COMPANIES.—

16 (1) IN GENERAL.—Subsections (b)(1)(B) and  
17 (c)(1) of section 199A are each amended by insert-  
18 ing “, qualified BDC interest dividends,” after  
19 “qualified REIT dividends”.

20 (2) QUALIFIED BDC INTEREST DIVIDEND DE-  
21 FINED.—Section 199A(e) is amended by adding at  
22 the end the following new paragraph:

23 “(5) QUALIFIED BDC INTEREST DIVIDEND.—

24 “(A) IN GENERAL.—The term ‘qualified  
25 BDC interest dividend’ means any dividend

1 from an electing business development company  
2 received during the taxable year which is attrib-  
3 utable to net interest income of such company  
4 which is properly allocable to a qualified trade  
5 or business of such company.

6 “(B) ELECTING BUSINESS DEVELOPMENT  
7 COMPANY.—For purposes of this paragraph, the  
8 term ‘electing business development company’  
9 means a business development company (as de-  
10 fined in section 2(a) of the Investment Com-  
11 pany Act of 1940) which has an election in ef-  
12 fect under section 851 to be treated as a regu-  
13 lated investment company.”.

14 (e) MODIFIED INFLATION ADJUSTMENT.—Section  
15 199A(e)(2)(B) is amended—

16 (1) by striking “2018” and inserting “2025”,  
17 and

18 (2) in clause (ii), by striking “, determined by  
19 substituting ‘calendar year 2017’ for ‘calendar year  
20 2016’ in subparagraph (A)(ii) thereof”.

21 (f) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2025.

1 **SEC. 110006. EXTENSION OF INCREASED ESTATE AND GIFT**  
2 **TAX EXEMPTION AMOUNTS AND PERMANENT**  
3 **ENHANCEMENT.**

4 (a) IN GENERAL.—Section 2010(c)(3) is amended—

5 (1) in subparagraph (A) by striking  
6 “\$5,000,000” and inserting “\$15,000,000”,

7 (2) in subparagraph (B)—

8 (A) in the matter preceding clause (i), by  
9 striking “2011” and inserting “2026”, and

10 (B) in clause (ii), by striking “calendar  
11 year 2010” and inserting “calendar year  
12 2025”, and

13 (3) by striking subparagraph (C).

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2025.

17 **SEC. 110007. EXTENSION OF INCREASED ALTERNATIVE MIN-**  
18 **IMUM TAX EXEMPTION AND PHASE-OUT**  
19 **THRESHOLDS.**

20 (a) IN GENERAL.—Section 55(d)(4) is amended—

21 (1) in subparagraph (A), by striking “, and be-  
22 fore January 1, 2026”, and

23 (2) by striking “AND BEFORE 2026” in the  
24 heading.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2025.

4 **SEC. 110008. EXTENSION OF LIMITATION ON DEDUCTION**  
5 **FOR QUALIFIED RESIDENCE INTEREST.**

6 (a) IN GENERAL.—Section 163(h)(3)(F) is amend-  
7 ed—

8 (1) in clause (i), by striking “, and before Jan-  
9 uary 1, 2026”,

10 (2) by striking clause (ii) and redesignating  
11 clauses (iii) and (iv) as clauses (ii) and (iii), respec-  
12 tively, and

13 (3) by striking “2018 THROUGH 2025” in the  
14 heading and inserting “BEGINNING AFTER 2017”.

15 (b) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2025.

18 **SEC. 110009. EXTENSION OF LIMITATION ON CASUALTY**  
19 **LOSS DEDUCTION.**

20 (a) IN GENERAL.—Section 165(h)(5) is amended—

21 (1) in subparagraph (A), by striking “and be-  
22 fore January 1, 2026,”, and

23 (2) by striking “2018 THROUGH 2025” in the  
24 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. 110010. TERMINATION OF MISCELLANEOUS ITEMIZED**  
5 **DEDUCTION.**

6 (a) IN GENERAL.—Section 67(g) is amended—

7 (1) by striking “, and before January 1, 2026”,  
8 and

9 (2) by striking “2018 THROUGH 2025” in the  
10 heading and inserting “BEGINNING AFTER 2017”.

11 (b) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2025.

14 **SEC. 110011. LIMITATION ON TAX BENEFIT OF ITEMIZED**  
15 **DEDUCTIONS.**

16 (a) IN GENERAL.—Section 68 is amended to read as  
17 follows:

18 **“SEC. 68. LIMITATION ON TAX BENEFIT OF ITEMIZED DE-**  
19 **DUCTIONS.**

20 “(a) IN GENERAL.—In the case of an individual, the  
21 amount of the itemized deductions otherwise allowable for  
22 the taxable year (determined without regard to this sec-  
23 tion) shall be reduced by  $\frac{2}{37}$  of the lesser of—

24 “(1) such amount of itemized deductions, or



1 (1) by striking “, and before January 1, 2026”,

2 and

3 (2) by striking “2018 THROUGH 2025” in the

4 heading and inserting “BEGINNING AFTER 2017”.

5 (b) TERMINATION OF REIMBURSEMENT.—Section  
6 132(g)(2) is amended—

7 (1) by striking “, and before January 1, 2026”,

8 and

9 (2) by striking “2018 THROUGH 2025” in the

10 heading and inserting “BEGINNING AFTER 2017”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2025.

14 **SEC. 110014. EXTENSION OF LIMITATION ON WAGERING**  
15 **LOSSES.**

16 (a) IN GENERAL.—Section 165(d) is amended by  
17 striking “and before January 1, 2026,”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2025.

21 **SEC. 110015. EXTENSION OF INCREASED LIMITATION ON**  
22 **CONTRIBUTIONS TO ABLE ACCOUNTS AND**  
23 **PERMANENT ENHANCEMENT.**

24 (a) IN GENERAL.—Section 529A(b)(2)(B) is amend-  
25 ed—

1 (1) in clause (i), by inserting “(determined by  
2 substituting ‘1996’ for ‘1997’ in paragraph (2)(B)  
3 thereof)” after “section 2503(b)”, and

4 (2) in clause (ii), by striking “before January  
5 1, 2026”.

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—Except as otherwise pro-  
8 vided in this subsection, the amendments made by  
9 this section shall apply to contributions made after  
10 December 31, 2025.

11 (2) MODIFIED INFLATION ADJUSTMENT.—The  
12 amendment made by subsection (a)(1) shall apply to  
13 taxable years beginning after December 31, 2025.

14 **SEC. 110016. EXTENSION OF SAVERS CREDIT ALLOWED FOR**  
15 **ABLE CONTRIBUTIONS.**

16 (a) IN GENERAL.—Section 25B(d)(1) is amended to  
17 read as follows:

18 “(1) IN GENERAL.—The term ‘qualified retire-  
19 ment savings contributions’ means, with respect to  
20 any taxable year, the sum of—

21 “(A) the amount of contributions made by  
22 the eligible individual during such taxable year  
23 to the ABLE account (within the meaning of  
24 section 529A) of which such individual is the  
25 designated beneficiary, and

1 “(B) in the case of any taxable year begin-  
2 ning before January 1, 2027—

3 “(i) the amount of the qualified retire-  
4 ment contributions (as defined in section  
5 219(e)) made by the eligible individual,

6 “(ii) the amount of—

7 “(I) any elective deferrals (as de-  
8 fined in section 402(g)(3)) of such in-  
9 dividual, and

10 “(II) any elective deferral of com-  
11 pensation by such individual under an  
12 eligible deferred compensation plan  
13 (as defined in section 457(b)) of an  
14 eligible employer described in section  
15 457(e)(1)(A), and

16 “(iii) the amount of voluntary em-  
17 ployee contributions by such individual to  
18 any qualified retirement plan (as defined  
19 in section 4974(c)).”.

20 (b) COORDINATION WITH SECURE 2.0 ACT OF  
21 2022 AMENDMENT.—Paragraph (1) of section 103(e) of  
22 the SECURE 2.0 Act of 2022 is repealed, and the Inter-  
23 nal Revenue Code of 1986 shall be applied and adminis-  
24 tered as though such paragraph were never enacted.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years ending after De-  
3 cember 31, 2025.

4 **SEC. 110017. EXTENSION OF ROLLOVERS FROM QUALIFIED**  
5 **TUITION PROGRAMS TO ABLE ACCOUNTS**  
6 **PERMITTED.**

7 (a) IN GENERAL.—Section 529(e)(3)(C)(i)(III) is  
8 amended by striking “before January 1, 2026,”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2025.

12 **SEC. 110018. EXTENSION OF TREATMENT OF CERTAIN INDI-**  
13 **VIDUALS PERFORMING SERVICES IN THE**  
14 **SINAI PENINSULA AND ENHANCEMENT TO IN-**  
15 **CLUDE ADDITIONAL AREAS.**

16 (a) TREATMENT MADE PERMANENT.—Section  
17 11026(a) of Public Law 115–97 is amended by striking  
18 “with respect to the applicable period,”.

19 (b) KENYA, MALI, BURKINA FASO, AND CHAD IN-  
20 CLUDED AS HAZARDOUS DUTY AREAS.—Section  
21 11026(b) of Public Law 115–97 is amended to read as  
22 follows:

23 “(b) QUALIFIED HAZARDOUS DUTY AREA.—For  
24 purposes of this section, the term ‘qualified hazardous  
25 duty area’ means—



1           “(5) DISCHARGES ON ACCOUNT OF DEATH OR  
2           DISABILITY.—

3           “(A) IN GENERAL.—In the case of an indi-  
4           vidual, gross income does not include any  
5           amount which (but for this subsection) would  
6           be includible in gross income for such taxable  
7           year by reason of the discharge (in whole or in  
8           part) of any loan described in subparagraph  
9           (B), if such discharge was—

10           “(i) pursuant to subsection (a) or (d)  
11           of section 437 of the Higher Education  
12           Act of 1965 or the parallel benefit under  
13           part D of title IV of such Act (relating to  
14           the repayment of loan liability),

15           “(ii) pursuant to section 464(c)(1)(F)  
16           of such Act, or

17           “(iii) otherwise discharged on account  
18           of death or total and permanent disability  
19           of the student.

20           “(B) LOANS DISCHARGED.—A loan is de-  
21           scribed in this subparagraph if such loan is—

22           “(i) a student loan (as defined in  
23           paragraph (2)), or

1           “(ii) a private education loan (as de-  
2           fined in section 140(a) of the Consumer  
3           Credit Protection Act (15 U.S.C. 1650(a)).

4           “(C) SOCIAL SECURITY NUMBER REQUIRE-  
5           MENT.—

6           “(i) IN GENERAL.—Subparagraph (A)  
7           shall not apply with respect to any dis-  
8           charge during any taxable year unless the  
9           taxpayer includes on the return of tax for  
10          such taxable year—

11                   “(I) the taxpayer’s social security  
12                   number, and

13                   “(II) if the taxpayer is married,  
14                   the social security number of such  
15                   taxpayers’s spouse.

16           “(ii) SOCIAL SECURITY NUMBER.—  
17           For purposes of this subparagraph, the  
18           term ‘social security number’ has the  
19           meaning given such term in section  
20           24(h)(7).

21           “(iii) MARRIED INDIVIDUALS.—Rules  
22           similar to the rules of section 32(d) shall  
23           apply to this subparagraph.”.

24           (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
25           BER TREATED AS MATHEMATICAL OR CLERICAL

1 ERROR.—Section 6213(g)(2) is amended by striking  
2 “and” at the end of subparagraph (U), by striking the  
3 period at the end of subparagraph (V) and inserting “,  
4 and”, and by inserting after subparagraph (V) the fol-  
5 lowing new subparagraph:

6 “(W) an omission of a correct social secu-  
7 rity number required under section  
8 108(f)(5)(C) (relating to discharges on account  
9 of death or disability).”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to discharges after December 31,  
12 2025.

13 **PART 2—ADDITIONAL TAX RELIEF FOR**  
14 **AMERICAN FAMILIES AND WORKERS**

15 **SEC. 110101. NO TAX ON TIPS.**

16 (a) DEDUCTION ALLOWED.—Part VII of subchapter  
17 B of chapter 1 is amended by redesignating section 224  
18 as section 225 and by inserting after section 223 the fol-  
19 lowing new section:

20 **“SEC. 224. QUALIFIED TIPS.**

21 “(a) IN GENERAL.—There shall be allowed as a de-  
22 duction an amount equal to the qualified tips received dur-  
23 ing the taxable year that are included on statements fur-  
24 nished to the individual pursuant to section 6041(d)(3),

1 6041A(e)(3), 6050W(f)(2), 6051(a)(18), or reported by  
2 the taxpayer on Form 4137 (or successor).

3 “(b) TIPS RECEIVED IN COURSE OF TRADE OR BUSI-  
4 NESS.—In the case of qualified tips received by an indi-  
5 vidual during any taxable year in the course of any trade  
6 or business of such individual, such qualified tips shall be  
7 taken into account under subsection (a) only to the extent  
8 that the gross receipts of the taxpayer from such trade  
9 or business for such taxable year (including such qualified  
10 tips) exceeds the sum of—

11 “(1) cost of goods sold that are allocable to  
12 such receipts, plus

13 “(2) other expenses, losses, or deductions (other  
14 than the deduction allowed under this section),  
15 which are properly allocable to such receipts.

16 “(c) QUALIFIED TIPS.—For purposes of this sec-  
17 tion—

18 “(1) IN GENERAL.—The term ‘qualified tip’  
19 means any cash tip received by an individual in an  
20 occupation which traditionally and customarily re-  
21 ceived tips on or before December 31, 2024, as pro-  
22 vided by the Secretary.

23 “(2) EXCLUSIONS.—Such term shall not in-  
24 clude any amount received by an individual unless—

1           “(A) such amount is paid voluntarily with-  
2           out any consequence in the event of non-  
3           payment, is not the subject of negotiation, and  
4           is determined by the payor,

5           “(B) the trade or business in the course of  
6           which the individual receives such amount is  
7           not a specified service trade or business (as de-  
8           fined in section 199A(d)(2)),

9           “(C) such individual does not receive  
10          earned income (within the meaning of section  
11          32) in excess of the dollar amount in effect  
12          under section 414(q)(1)(B)(i) for the calendar  
13          year in which the taxable year begins, and

14          “(D) such other requirements as may be  
15          established by the Secretary in regulations or  
16          other guidance are satisfied.

17          “(d) SOCIAL SECURITY NUMBER REQUIRED.—

18                 “(1) IN GENERAL.—No deduction shall be al-  
19                 lowed under this section unless the taxpayer includes  
20                 on the return of tax for the taxable year—

21                         “(A) such individual’s social security num-  
22                         ber (as defined in section 24(h)(7)), and

23                         “(B) if the individual is married, the social  
24                         security number of such individual’s spouse.

1           “(2) MARRIED INDIVIDUALS.—Rules similar to  
2           the rules of section 32(d) shall apply to this section.

3           “(e) REGULATIONS.—The Secretary shall prescribe  
4 such regulations or other guidance as may be necessary  
5 to prevent reclassification of income as qualified tips, in-  
6 cluding regulations or other guidance to prevent abuse of  
7 the deduction allowed by this section.

8           “(f) TERMINATION.—No deduction shall be allowed  
9 under this section for any taxable year beginning after De-  
10 cember 31, 2028.”.

11          (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—  
12 Section 63(b) is amended by striking “and” at the end  
13 of paragraph (3), by striking the period at the end of para-  
14 graph (4) and inserting “and”, and by adding at the end  
15 the following new paragraph:

16           “(5) the deduction provided in section 224.”.

17          (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
18 BER TREATED AS MATHEMATICAL OR CLERICAL  
19 ERROR.—Section 6213(g)(2), as amended by the pre-  
20 ceding provisions of this Act, is amended by striking  
21 “and” at the end of subparagraph (V), by striking the  
22 period at the end of subparagraph (W) and inserting “,  
23 and”, and by inserting after subparagraph (W) the fol-  
24 lowing new subparagraph:

1           “(X) an omission of a correct social secu-  
2           rity number required under section 224(d) (re-  
3           lating to deduction for qualified tips).”.

4           (d) EXCLUSION FROM QUALIFIED BUSINESS IN-  
5           COME.—Section 199A(c)(4) is amended by striking “and”  
6           at the end of subparagraph (B), by striking the period  
7           at the end of subparagraph (C) and inserting “, and”, and  
8           by adding at the end the following new subparagraph:

9           “(D) any amount with respect to which a  
10           deduction is allowable to the taxpayer under  
11           section 224(a) for the taxable year.”.

12           (e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE  
13           BUSINESS.—

14           (1) IN GENERAL.—Section 45B(b)(2) is amend-  
15           ed to read as follows:

16           “(2) APPLICATION ONLY TO CERTAIN LINES OF  
17           BUSINESS.—In applying paragraph (1) there shall  
18           be taken into account only tips received from cus-  
19           tomers or clients in connection with the following  
20           services:

21           “(A) The providing, delivering, or serving  
22           of food or beverages for consumption, if the tip-  
23           ping of employees delivering or serving food or  
24           beverages by customers is customary.

1           “(B) The providing of any of the following  
2 services to a customer or client if the tipping of  
3 employees providing such services is customary:

4                   “(i) Barbering and hair care.

5                   “(ii) Nail care.

6                   “(iii) Esthetics.

7                   “(iv) Body and spa treatments.”.

8           (2) CREDIT DETERMINED WITH RESPECT TO  
9 MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B)  
10 is amended—

11                   (A) by striking “as in effect on January 1,  
12 2007, and”, and

13                   (B) by inserting “, and in the case of food  
14 or beverage establishments, as in effect on Jan-  
15 uary 1, 2007” after “without regard to section  
16 3(m) of such Act”.

17 (f) REPORTING REQUIREMENTS.—

18           (1) RETURNS FOR PAYMENTS MADE IN THE  
19 COURSE OF A TRADE OR BUSINESS.—

20                   (A) STATEMENT FURNISHED TO SEC-  
21 RETARY.— Section 6041(a) is amended by in-  
22 serting “(including a separate accounting of  
23 any such amounts properly designated as tips  
24 and whether such tips are received in an occu-

1           pation described in section 224(c)(1))” after  
2           “such gains, profits, and income”.

3           (B) STATEMENT FURNISHED TO PAYEE.—

4           Section 6041(d) is amended by striking “and”  
5           at the end of paragraph (1), by striking the pe-  
6           riod at the end of paragraph (2) and inserting  
7           “, and”, and by inserting after paragraph (2)  
8           the following new paragraph:

9           “(3) in the case of compensation to non-employ-  
10          ees, the portion of payments that have been properly  
11          designated as tips and whether such tips are re-  
12          ceived in an occupation described in section  
13          224(c)(1).”.

14          (2) RETURNS FOR PAYMENTS MADE FOR SERV-  
15          ICES AND DIRECT SALES.—

16          (A) STATEMENT FURNISHED TO SEC-  
17          RETARY.— Section 6041A(a) is amended by in-  
18          serting “(including a separate accounting of  
19          any such amounts properly designated as tips  
20          and whether such tips are received in an occu-  
21          pation described in section 224(c)(1))” after  
22          “amount of such payments”.

23          (B) STATEMENT FURNISHED TO PAYEE.—

24          Section 6041A(e) is amended by striking “and”  
25          at the end of paragraph (1), by striking the pe-

1           riod at the end of paragraph (2) and inserting  
2           “, and”, and by inserting after paragraph (2)  
3           the following new paragraph:

4           “(3) the portion of payments that have been  
5           properly designated as tips and whether such tips  
6           are received in an occupation described in section  
7           224(c)(1).”.

8           (3) RETURNS RELATING TO THIRD PARTY SET-  
9           TLEMENT ORGANIZATIONS.—

10           (A) STATEMENT FURNISHED TO SEC-  
11           RETARY.—Section 6050W(a) is amended by  
12           striking “and” at the end of paragraph (1), by  
13           striking the period at the end of paragraph (2)  
14           and inserting “and”, and by adding at the end  
15           the following new paragraph:

16           “(3) in the case of a third party settlement or-  
17           ganization, the portion of reportable payment trans-  
18           actions that have been properly designated by payors  
19           as tips and whether such tips are received in an oc-  
20           cupation described in section 224(c)(1).”.

21           (B) STATEMENT FURNISHED TO PAYEE.—  
22           Section 6050W(f)(2) is amended by inserting  
23           “(including a separate accounting of any such  
24           amounts that have been properly designated by  
25           payors as tips and whether such tips are re-

1           ceived in an occupation described in section  
2           224(c)(1))” after “reportable payment trans-  
3           actions”.

4           (4) RETURNS RELATED TO WAGES.—Section  
5           6051(a) is amended by striking “and” at the end of  
6           paragraph (16), by striking the period at the end of  
7           paragraph (17) and inserting “, and”, and by insert-  
8           ing after paragraph (17) the following new para-  
9           graph:

10           “(18) the total amount of tips reported by the  
11           employee under section 6053(a).”.

12           (g) CLERICAL AMENDMENT.—The table of sections  
13           for part VII of subchapter B of chapter 1 is amended by  
14           redesignating the item relating to section 224 as relating  
15           to section 225 and by inserting after the item relating to  
16           section 223 the following new item:

          “Sec. 224. Qualified tips.”.

17           (h) PUBLISHED LIST OF OCCUPATIONS TRADITION-  
18           ALLY RECEIVING TIPS.—Not later than 90 days after the  
19           date of the enactment of this Act, the Secretary of the  
20           Treasury (or the Secretary’s delegate) shall publish a list  
21           of occupations which traditionally and customarily re-  
22           ceived tips on or before December 31, 2024, for purposes  
23           of section 224(c)(1) (as added by subsection (a)).

24           (i) WITHHOLDING.—The Secretary of the Treasury  
25           (or the Secretary’s delegate) shall modify the tables and

1 procedures prescribed under section 3402(a) to take into  
2 account the deduction allowed under section 224 (as added  
3 by this Act).

4 (j) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2024.

7 **SEC. 110102. NO TAX ON OVERTIME.**

8 (a) DEDUCTION ALLOWED.—Part VII of subchapter  
9 B of chapter 1, as amended by the preceding provisions  
10 of this Act, is amended by redesignating section 225 as  
11 section 226 and by inserting after section 224 the fol-  
12 lowing new section:

13 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

14 “(a) IN GENERAL.—There shall be allowed as a de-  
15 duction an amount equal to the qualified overtime com-  
16 pensation received during the taxable year.

17 “(b) QUALIFIED OVERTIME COMPENSATION.—

18 “(1) IN GENERAL.—For purposes of this sec-  
19 tion, the term ‘qualified overtime compensation’  
20 means overtime compensation paid to an individual  
21 required under section 7 of the Fair Labor Stand-  
22 ards Act of 1938 that is in excess of the regular rate  
23 (as used in such section) at which such individual is  
24 employed.

1           “(2) EXCLUSIONS.—Such term shall not in-  
2       clude—

3           “(A) any qualified tip (as defined in sec-  
4       tion 224(e)), or

5           “(B) any amount received by an individual  
6       during a taxable year if such individual is a  
7       highly compensated employee (as defined in sec-  
8       tion 414(q)(1)) of any employer for the cal-  
9       endar year in which the taxable year begins, or  
10       receives earned income in excess of the dollar  
11       amount in effect under section 414(q)(1)(B)(i)  
12       for such calendar year.

13       “(c) SOCIAL SECURITY NUMBER REQUIRED.—

14       “(1) IN GENERAL.—No deduction shall be al-  
15       lowed under this section unless the taxpayer includes  
16       on the return of tax for the taxable year—

17           “(A) such individual’s social security num-  
18       ber (as defined in section 24(h)(7)), and

19           “(B) if the individual is married, the social  
20       security number of such individual’s spouse.

21       “(2) MARRIED INDIVIDUALS.—Rules similar to  
22       the rules of section 32(d) shall apply to this section.

23       “(d) REGULATIONS.—The Secretary shall issue such  
24       regulations or other guidance as may be necessary or ap-  
25       propriate to carry out the purposes of this section.

1           “(e) TERMINATION.—No deduction shall be allowed  
2 under this section for any taxable year beginning after De-  
3 cember 31, 2028.”.

4           (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—  
5 Section 63(b), as amended by the preceding provisions of  
6 this Act, is amended by striking “and” at the end of para-  
7 graph (4), by striking the period at the end of paragraph  
8 (5) and inserting “and”, and by adding at the end the  
9 following new paragraph:

10                   “(6) the deduction provided in section 225.”.

11           (c) REQUIREMENT TO INCLUDE OVERTIME COM-  
12 PENSATION ON W-2.—Section 6051(a), as amended by the  
13 preceding provision of this Act, is amended by striking  
14 “and” at the end of paragraph (17), by striking the period  
15 at the end of paragraph (18) and inserting “, and”, and  
16 by inserting after paragraph (18) the following new para-  
17 graph:

18                   “(19) the total amount of qualified overtime  
19 compensation (as defined in section 225(b)).”.

20           (d) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
21 BER TREATED AS MATHEMATICAL OR CLERICAL  
22 ERROR.—Section 6213(g)(2), as amended by the pre-  
23 ceding provisions of this Act, is amended by striking  
24 “and” at the end of subparagraph (W), by striking the  
25 period at the end of subparagraph (X) and inserting “,

1 and”, and by inserting after subparagraph (X) the fol-  
2 lowing new subparagraph:

3 “(Y) an omission of a correct social secu-  
4 rity number required under section 225(c) (re-  
5 lating to deduction for qualified overtime).”.

6 (e) CLERICAL AMENDMENT.—The table of sections  
7 for part VII of subchapter B of chapter 1, as amended  
8 by the preceding provisions of this Act, is amended by re-  
9 designating the item relating to section 225 as an item  
10 relating to section 226 and by inserting after the item re-  
11 lating to section 224 the following new item:

“Sec. 225. Qualified overtime compensation.”.

12 (f) WITHHOLDING.—The Secretary of the Treasury  
13 (or the Secretary’s delegate) shall modify the tables and  
14 procedures prescribed under section 3402(a) to take into  
15 account the deduction allowed under section 225 (as added  
16 by this Act).

17 (g) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2024.

20 **SEC. 110103. ENHANCED DEDUCTION FOR SENIORS.**

21 (a) IN GENERAL.—Section 63(f) is amended by add-  
22 ing at the end the following new paragraph:

23 “(5) BONUS ADDITIONAL AMOUNT FOR SEN-  
24 IORS.—

1           “(A) IN GENERAL.—In the case of any  
2 taxable year beginning after December 31,  
3 2024, and before January 1, 2029, the dollar  
4 amount in effect under paragraph (1) shall be  
5 increased by \$4,000.

6           “(B) LIMITATION BASED ON MODIFIED  
7 ADJUSTED GROSS INCOME.—In the case of any  
8 taxpayer for any taxable year, the \$4,000  
9 amount in subparagraph(A) shall be reduced  
10 (but not below zero) by 4 percent of so much  
11 of the taxpayer’s modified adjusted gross in-  
12 come as exceeds \$75,000 (\$150,000 in the case  
13 of a joint return).

14           “(C) MODIFIED ADJUSTED GROSS IN-  
15 COME.—For purposes of this paragraph, the  
16 term ‘modified adjusted gross income’ means  
17 the adjusted gross income of the taxpayer for  
18 the taxable year increased by any amount ex-  
19 cluded from gross income under section 911,  
20 931, or 933.

21           “(D) SOCIAL SECURITY NUMBER RE-  
22 QUIRED.—

23           “(i) IN GENERAL.—Subparagraph (A)  
24 shall not apply unless the taxpayer in-

1 cludes on the return of tax for the taxable  
2 year—

3 “(I) such individual’s social secu-  
4 rity number (as defined in section  
5 24(h)(7)), and

6 “(II) if the individual is married,  
7 the social security number of such in-  
8 dividual’s spouse.

9 “(ii) MARRIED INDIVIDUALS.—Rules  
10 similar to the rules of section 32(d) shall  
11 apply to this section.

12 “(E) COORDINATION WITH INFLATION AD-  
13 JUSTMENT.—Subsection (c)(4) shall not apply  
14 to any dollar amount contained in this para-  
15 graph.

16 “(F) ALLOWANCE TO SENIORS WHO ELECT  
17 TO ITEMIZE.—In the case of a taxpayer who  
18 elects to itemize deductions for any taxable year  
19 beginning after December 31, 2024, and before  
20 January 1, 2029, there shall be allowed as a de-  
21 duction the aggregate increase which would be  
22 determined under subparagraph (A) (deter-  
23 mined after the application of subparagraphs  
24 (B), (D), and (E)) with respect to such tax-  
25 payer for such taxable year if such taxpayer did

1 not so elect to itemize deductions for such tax-  
2 able year.”.

3 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
4 BER TREATED AS MATHEMATICAL OR CLERICAL  
5 ERROR.—Section 6213(g)(2), as amended by the pre-  
6 ceding provisions of this Act, is amended by striking  
7 “and” at the end of subparagraph (X), by striking the  
8 period at the end of subparagraph (Y) and inserting “,  
9 and”, and by inserting after subparagraph (Y) the fol-  
10 lowing new subparagraph:

11 “(Z) an omission of a correct social secu-  
12 rity number required under section 63(f)(5)(D)  
13 (relating to bonus additional amount for sen-  
14 iors).”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2024.

18 **SEC. 110104. NO TAX ON CAR LOAN INTEREST.**

19 (a) IN GENERAL.—Section 163(h) is amended by re-  
20 designating paragraph (4) as paragraph (5) and by insert-  
21 ing after paragraph (3) the following new paragraph:

22 “(4) SPECIAL RULES FOR TAXABLE YEARS  
23 2025 THROUGH 2028 RELATING TO QUALIFIED PAS-  
24 SSENGER VEHICLE LOAN INTEREST.—

1           “(A) IN GENERAL.—In the case of taxable  
2 years beginning after December 31, 2024, and  
3 before January 1, 2029, for purposes of this  
4 subsection the term ‘personal interest’ shall not  
5 include qualified passenger vehicle loan interest.

6           “(B) QUALIFIED PASSENGER VEHICLE  
7 LOAN INTEREST DEFINED.—

8           “(i) IN GENERAL.—For purposes of  
9 this paragraph, the term ‘qualified pas-  
10 senger vehicle loan interest’ means any in-  
11 terest which is paid or accrued during the  
12 taxable year on indebtedness incurred by  
13 the taxpayer after December 31, 2024, for  
14 the purchase of, and that is secured by a  
15 first lien on, an applicable passenger vehi-  
16 cle for personal use.

17           “(ii) EXCEPTIONS.—Such term shall  
18 not include any amount paid or incurred  
19 on any of the following:

20           “(I) A loan to finance fleet sales.

21           “(II) A personal cash loan se-  
22 cured by a vehicle previously pur-  
23 chased by the taxpayer.

1                   “(III) A loan incurred for the  
2                   purchase of a commercial vehicle that  
3                   is not used for personal purposes.

4                   “(IV) Any lease financing.

5                   “(V) A loan to finance the pur-  
6                   chase of a vehicle with a salvage title.

7                   “(VI) A loan to finance the pur-  
8                   chase of a vehicle intended to be used  
9                   for scrap or parts.

10                  “(C) LIMITATIONS.—

11                   “(i) DOLLAR LIMIT.—The amount of  
12                   interest taken into account by a taxpayer  
13                   under subparagraph (B) for any taxable  
14                   year shall not exceed \$10,000.

15                   “(ii) LIMITATION BASED ON MODI-  
16                   FIED ADJUSTED GROSS INCOME.—

17                   “(I) IN GENERAL.—The amount  
18                   which is otherwise allowable as a de-  
19                   duction under subsection (a) as quali-  
20                   fied passenger vehicle loan interest  
21                   (determined without regard to this  
22                   clause and after the application of  
23                   clause (i)) shall be reduced (but not  
24                   below zero) by \$200 for each \$1,000  
25                   (or portion thereof) by which the

1 modified adjusted gross income of the  
2 taxpayer for the taxable year exceeds  
3 \$100,000 (\$200,000 in the case of a  
4 joint return).

5 “(II) MODIFIED ADJUSTED  
6 GROSS INCOME.—For purposes of this  
7 clause, the term ‘modified adjusted  
8 gross income’ means the adjusted  
9 gross income of the taxpayer for the  
10 taxable year determined after applica-  
11 tion of sections 86, 135, 137, 219,  
12 221, and 469, and without regard to  
13 this paragraph and sections 911, 931,  
14 and 933.

15 “(D) APPLICABLE PASSENGER VEHICLE.—  
16 The term ‘applicable passenger vehicle’ means  
17 any vehicle—

18 “(i)(I) which is manufactured pri-  
19 marily for use on public streets, roads, and  
20 highways,

21 “(II) which has at least 2 wheels, and

22 “(III) which is a car, minivan, van,  
23 sport utility vehicle, pickup truck, or mo-  
24 torcycle,

1                   “(ii) which is an all-terrain vehicle  
2                   (designed for use on land), or

3                   “(iii) any trailer, camper, or vehicle  
4                   (designed for use on land) which—

5                   “(I) is designed to provide tem-  
6                   porary living quarters for recreational,  
7                   camping, or seasonal use, and

8                   “(II) is a motor vehicle or is de-  
9                   signed to be towed by, or affixed to,  
10                  a motor vehicle.

11                 Such term shall not include any vehicle the  
12                 final assembly of which did not occur within the  
13                 United States.

14                 “(E) OTHER DEFINITIONS AND SPECIAL  
15                 RULES.—For purposes of this paragraph—

16                 “(i) ALL-TERRAIN VEHICLE.—The  
17                 term ‘all-terrain vehicle’ means any motor-  
18                 ized vehicle which has 3 or 4 wheels, a seat  
19                 designed to be straddled by the operator,  
20                 and handlebars for steering control.

21                 “(ii) FINAL ASSEMBLY.—For pur-  
22                 poses of subparagraph (D), the term ‘final  
23                 assembly’ means the process by which a  
24                 manufacturer produces a vehicle at, or  
25                 through the use of, a plant, factory, or

1 other place from which the vehicle is deliv-  
2 ered to a dealer or importer with all com-  
3 ponent parts necessary for the mechanical  
4 operation of the vehicle included with the  
5 vehicle, whether or not the component  
6 parts are permanently installed in or on  
7 the vehicle.

8 “(iii) TREATMENT OF REFI-  
9 NANCING.—Indebtedness described in sub-  
10 paragraph (B) shall include indebtedness  
11 that results from refinancing any indebted-  
12 ness described in such subparagraph, and  
13 that is secured by a first lien on the appli-  
14 cable passenger vehicle with respect to  
15 which the refinanced indebtedness was in-  
16 curred, but only to the extent the amount  
17 of such resulting indebtedness does not ex-  
18 ceed the amount of such refinanced indebt-  
19 edness.

20 “(iv) RELATED PARTIES.—Indebted-  
21 ness described in subparagraph (B) shall  
22 not include any indebtedness owed to a  
23 person who is related (within the meaning  
24 of section 267(b) or 707(b)(1)) to the tax-  
25 payer.”.

1 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-  
2 PAYER ITEMIZES.—Section 62(a) is amended by inserting  
3 after paragraph (21) the following new paragraph:

4 “(22) QUALIFIED PASSENGER VEHICLE LOAN  
5 INTEREST.—So much of the deduction allowed by  
6 section 163(a) as is attributable to the exception  
7 under section 163(h)(4)(A).”.

8 (c) REPORTING.—

9 (1) IN GENERAL.—Subpart B of part III of  
10 subchapter A of chapter 61 is amended by adding at  
11 the end the following new section:

12 **“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PAS-**  
13 **SENGER VEHICLE LOAN INTEREST RECEIVED**  
14 **IN TRADE OR BUSINESS FROM INDIVIDUALS.**

15 “(a) IN GENERAL.—Any person—

16 “(1) who is engaged in a trade or business, and

17 “(2) who, in the course of such trade or busi-  
18 ness, receives from any individual interest aggre-  
19 gating \$600 or more for any calendar year on a  
20 specified passenger vehicle loan,

21 shall make the return described in subsection (b) with re-  
22 spect to each individual from whom such interest was re-  
23 ceived at such time as the Secretary may provide.

24 “(b) FORM AND MANNER OF RETURNS.—A return  
25 is described in this subsection if such return—

1           “(1) is in such form as the Secretary may pre-  
2       scribe, and

3           “(2) contains—

4               “(A) the name and address of the indi-  
5       vidual from whom the interest described in sub-  
6       section (a)(2) was received,

7               “(B) the amount of such interest received  
8       for the calendar year,

9               “(C) the amount of outstanding principal  
10      on the specified passenger vehicle loan as of the  
11      beginning of such calendar year,

12              “(D) the date of the origination of such  
13      loan,

14              “(E) the year, make, and model of the ap-  
15      plicable passenger vehicle which secures such  
16      loan (or such other description of such vehicle  
17      as the Secretary may prescribe), and

18              “(F) such other information as the Sec-  
19      retary may prescribe.

20           “(c) STATEMENTS TO BE FURNISHED TO INDIVID-  
21      UALS WITH RESPECT TO WHOM INFORMATION IS RE-  
22      QUIRED.—Every person required to make a return under  
23      subsection (a) shall furnish to each individual whose name  
24      is required to be set forth in such return a written state-  
25      ment showing—

1           “(1) the name, address, and phone number of  
2           the information contact of the person required to  
3           make such return, and

4           “(2) the information described in subpara-  
5           graphs (B), (C), (D), and (E) of subsection (b)(2)  
6           with respect to such individual (and such informa-  
7           tion as is described in subsection (b)(2)(F) with re-  
8           spect to such individual as the Secretary may pro-  
9           vide for purposes of this subsection).

10          The written statement required under the preceding sen-  
11          tence shall be furnished on or before January 31 of the  
12          year following the calendar year for which the return  
13          under subsection (a) was required to be made.

14          “(d) DEFINITIONS.—For purposes of this section—

15                 “(1) IN GENERAL.—Terms used in this section  
16                 which are also used in paragraph (4) of section  
17                 163(h) shall have the same meaning as when used  
18                 in such paragraph.

19                 “(2) SPECIFIED PASSENGER VEHICLE LOAN.—

20                 The term ‘specified passenger vehicle loan’ means  
21                 the indebtedness described in section 163(h)(4)(B)  
22                 with respect to any applicable passenger vehicle.

23          “(e) REGULATIONS.—The Secretary shall issue such  
24          regulations or other guidance as may be necessary or ap-  
25          propriate to carry out the purposes of this section, includ-

1 ing regulations or other guidance to prevent the duplicate  
2 reporting of information under this section.”.

3 (2) PENALTIES.—Section 6724(d) is amend-  
4 ed—

5 (A) in paragraph (1)(B), by striking “or”  
6 at the end of clause (xxvii), by striking “and”  
7 at the end of clause (xxviii) and inserting “or”,  
8 and by adding at the end the following new  
9 clause:

10 “(xxix) section 6050AA(a) (relating to  
11 returns relating to applicable passenger ve-  
12 hicle loan interest received in trade or  
13 business from individuals), and”, and

14 (B) in paragraph (2), by striking “or” at  
15 the end of subparagraph (KK), by striking the  
16 period at the end of subparagraph (LL) and in-  
17 serting “, or”, and by inserting after subpara-  
18 graph (LL) the following new subparagraph:

19 “(MM) section 6050AA(b) (relating to  
20 statements relating to applicable passenger ve-  
21 hicle loan interest received in trade or business  
22 from individuals).”.

23 (d) CONFORMING AMENDMENTS.—

1           (1) Section 56(e)(1)(B) is amended by striking  
2           “section 163(h)(4)” and inserting “section  
3           163(h)(5)”.

4           (2) Section 85 is amended by striking sub-  
5           section (c).

6           (3) Section 86(b)(2)(A) is amended by inserting  
7           “163(h)(4),” after “137,”.

8           (4) Section 135(c)(4)(A) is amended by insert-  
9           ing “163(h)(4),” after “137,”.

10           (5) Section 137(b)(3)(A) is amended by insert-  
11           ing “, 163(h)(4),” after “85(c)”.

12           (6) Section 219(g)(3)(A)(ii) is amended by in-  
13           serting “163(h)(4),” after “137,”.

14           (7) Section 221(b)(1)(C)(i) is amended by in-  
15           serting “, 163(h)(4),” after “85(c)”.

16           (8) Section 469(i)(3)(E)(iii) is amended by in-  
17           serting “163(h)(4),” after “sections”.

18           (9) The table of sections for subpart B of part  
19           III of subchapter A of chapter 61 is amended by  
20           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.”.

21           (e) **EFFECTIVE DATE.**—The amendments made by  
22           this section shall apply to indebtedness incurred after De-  
23           cember 31, 2024.

1 **SEC. 110105. ENHANCEMENT OF EMPLOYER-PROVIDED**  
2 **CHILD CARE CREDIT.**

3 (a) INCREASE OF AMOUNT OF QUALIFIED CHILD  
4 CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section  
5 45F(a)(1) is amended by striking “25 percent” and in-  
6 serting “40 percent (50 percent in the case of an eligible  
7 small business)”.

8 (b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Sub-  
9 section (b) of section 45F is amended to read as follows:

10 “(b) DOLLAR LIMITATION.—

11 “(1) IN GENERAL.—The credit allowable under  
12 subsection (a) for any taxable year shall not exceed  
13 \$500,000 (\$600,000 in the case of an eligible small  
14 business).

15 “(2) INFLATION ADJUSTMENT.—In the case of  
16 any taxable year beginning after 2026, the  
17 \$500,000 and \$600,000 amounts in paragraph (1)  
18 shall be increased by an amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-  
21 mined under section 1(f)(3) for the calendar  
22 year in which the taxable year begins, deter-  
23 mined by substituting ‘calendar year 2025’ for  
24 ‘calendar year 2016’ in subparagraph (A)(ii)  
25 thereof.”.

1 (c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is  
2 amended by adding at the end the following new para-  
3 graph:

4 “(4) ELIGIBLE SMALL BUSINESS.—The term  
5 ‘eligible small business’ means a business that meets  
6 the gross receipts test of section 448(c), deter-  
7 mined—

8 “(A) by substituting ‘5-taxable-year’ for ‘3-  
9 taxable-year’ in paragraph (1) thereof, and

10 “(B) by substituting ‘5-year’ for ‘3-year’  
11 each place such term appears in paragraph  
12 (3)(A) thereof.”.

13 (d) CREDIT ALLOWED FOR THIRD-PARTY INTER-  
14 MEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by in-  
15 serting “, or under a contract with an intermediate entity  
16 that contracts with one or more qualified child care facili-  
17 ties to provide such child care services” before the period  
18 at the end.

19 (e) TREATMENT OF JOINTLY OWNED OR OPERATED  
20 CHILD CARE FACILITY.—Section 45F(c)(2) is amended  
21 by adding at the end the following new subparagraph:

22 “(C) TREATMENT OF JOINTLY OWNED OR  
23 OPERATED CHILD CARE FACILITY.—A facility  
24 shall not fail to be treated as a qualified child  
25 care facility of the taxpayer merely because

1           such facility is jointly owned or operated by the  
2           taxpayer and other persons.”.

3           (f) REGULATIONS AND GUIDANCE.—Section 45F is  
4 amended by adding at the end the following new sub-  
5 section:

6           “(g) REGULATIONS AND GUIDANCE.—The Secretary  
7 shall issue such regulations or other guidance as may be  
8 necessary to carry out the purposes of this section, includ-  
9 ing guidance to carry out the purposes of paragraphs  
10 (1)(A)(iii) and (2)(C) of subsection (c).”.

11          (g) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to amounts paid or incurred after  
13 December 31, 2025.

14 **SEC. 110106. EXTENSION AND ENHANCEMENT OF PAID FAM-**  
15 **ILY AND MEDICAL LEAVE CREDIT.**

16          (a) IN GENERAL.—Section 45S is amended—

17               (1) in subsection (a)—

18                       (A) by striking paragraph (1) and insert-  
19                       ing the following:

20                       “(1) IN GENERAL.—For purposes of section 38,  
21                       in the case of an eligible employer, the paid family  
22                       and medical leave credit is an amount equal to ei-  
23                       ther of the following (as elected by such employer):

24                               “(A) The applicable percentage of the  
25                               amount of wages paid to qualifying employees

1 with respect to any period in which such em-  
2 ployees are on family and medical leave.

3 “(B) If such employer has an insurance  
4 policy with regards to the provision of paid  
5 family and medical leave which is in force dur-  
6 ing the taxable year, the applicable percentage  
7 of the total amount of premiums paid or in-  
8 curred by such employer during such taxable  
9 year with respect to such insurance policy.”,  
10 and

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

12 “(3) RATE OF PAYMENT DETERMINED WITH-  
13 OUT REGARD TO WHETHER LEAVE IS TAKEN.—For  
14 purposes of determining the applicable percentage  
15 with respect to paragraph (1)(B), the rate of pay-  
16 ment under the insurance policy shall be determined  
17 without regard to whether any qualifying employees  
18 were on family and medical leave during the taxable  
19 year.”,

20 (2) in subsection (b)(1), by striking “credit al-  
21 lowed” and inserting “wages taken into account”,

22 (3) in subsection (c), by striking paragraphs (3)  
23 and (4) and inserting the following:

24 “(3) AGGREGATION RULE.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), all persons which are treated  
3           as a single employer under subsections (b) and  
4           (c) of section 414 shall be treated as a single  
5           employer.

6           “(B) EXCEPTION.—

7                   “(i) IN GENERAL.—Subparagraph (A)  
8                   shall not apply to any person who estab-  
9                   lishes to the satisfaction of the Secretary  
10                   that such person has a substantial and le-  
11                   gitimate business reason for failing to pro-  
12                   vide a written policy described in para-  
13                   graph (1) or (2).

14                   “(ii) SUBSTANTIAL AND LEGITIMATE  
15                   BUSINESS REASON.—For purposes of  
16                   clause (i), the term ‘substantial and legiti-  
17                   mate business reason’ shall not include the  
18                   operation of a separate line of business,  
19                   the rate of wages or category of jobs for  
20                   employees (or any similar basis), or the ap-  
21                   plication of State or local laws relating to  
22                   family and medical leave, but may include  
23                   the grouping of employees of a common  
24                   law employer.

1           “(4) TREATMENT OF BENEFITS MANDATED OR  
2 PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For  
3 purposes of this section, any leave which is paid by  
4 a State or local government or required by State or  
5 local law—

6           “(A) except as provided in subparagraph  
7 (B), shall be taken into account in determining  
8 the amount of paid family and medical leave  
9 provided by the employer, and

10           “(B) shall not be taken into account in de-  
11 termining the amount of the paid family and  
12 medical leave credit under subsection (a).”,  
13 (4) in subsection (d)—

14           (A) in paragraph (1), by inserting “(or, at  
15 the election of the employer, for not less than  
16 6 months)” after “1 year or more”, and

17           (B) in paragraph (2)—

18           (i) by inserting “, as determined on  
19 an annualized basis (pro-rata for part-time  
20 employees),” after “compensation”, and

21           (ii) by striking the period at the end  
22 and inserting “, and”, and

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

24           “(3) is customarily employed for not less than  
25 20 hours per week.”, and

1 (5) by striking subsection (i).

2 (b) NO DOUBLE BENEFIT.—Section 280C(a) is  
3 amended—

4 (1) by striking “45S(a)” and inserting  
5 “45S(a)(1)(A)”, and

6 (2) by inserting after the first sentence the fol-  
7 lowing: “No deduction shall be allowed for that por-  
8 tion of the premiums paid or incurred for the tax-  
9 able year which is equal to that portion of the paid  
10 family and medical leave credit which is determined  
11 for the taxable year under section 45S(a)(1)(B).”

12 (c) OUTREACH.—

13 (1) SBA AND RESOURCE PARTNERS.—Each  
14 district office of the Small Business Administration  
15 and each resource partner of the Small Business Ad-  
16 ministration, including small business development  
17 centers described in section 21 of the Small Busi-  
18 ness Act (15 U.S.C. 648)), women’s business centers  
19 described in section 29 of such Act (15 U.S.C. 656),  
20 each chapter of the Service Corps of Retired Execu-  
21 tives described in section 8(b)(1)(B) of such Act (15  
22 U.S.C. 637(b)(1)(B)), and Veteran Business Out-  
23 reach Centers described in section 32 of such Act  
24 (15 U.S.C. 657b), shall conduct outreach to relevant  
25 parties regarding the paid family and medical leave

1 credit under section 45S of the Internal Revenue  
2 Code of 1986, including through—

3 (A) targeted communications, education,  
4 training, and technical assistance; and

5 (B) the development of a written paid fam-  
6 ily leave policy, as described in paragraphs (1)  
7 and (2) of section 45S(c) of the Internal Rev-  
8 enue Code of 1986.

9 (2) INTERNAL REVENUE SERVICE.—The Sec-  
10 retary of the Treasury (or the Secretary’s delegate)  
11 shall perform targeted outreach to employers and  
12 other relevant entities regarding the availability and  
13 requirements of the paid family and medical leave  
14 credit under section 45S of the Internal Revenue  
15 Code of 1986, including providing relevant informa-  
16 tion as part of Internal Revenue Service communica-  
17 tions that are regularly issued to entities that pro-  
18 vide payroll services, tax professionals, and small  
19 businesses.

20 (d) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2025.

23 **SEC. 110107. ENHANCEMENT OF ADOPTION CREDIT.**

24 (a) IN GENERAL.—Section 23(a) is amended by add-  
25 ing at the end the following new paragraph:

1           “(4) PORTION OF CREDIT REFUNDABLE.—So  
2           much of the credit allowed under paragraph (1) as  
3           does not exceed \$5,000 shall be treated as a credit  
4           allowed under subpart C and not as a credit allowed  
5           under this subpart.”.

6           (b) ADJUSTMENTS FOR INFLATION.—Section 23(h)  
7           is amended to read as follows:

8           “(h) ADJUSTMENTS FOR INFLATION.—

9           “(1) IN GENERAL.—In the case of a taxable  
10           year beginning after December 31, 2002, each of the  
11           dollar amounts in paragraphs (3) and (4) of sub-  
12           section (a) and paragraphs (1) and (2)(A)(i) of sub-  
13           section (b) shall be increased by an amount equal  
14           to—

15                   “(A) such dollar amount, multiplied by

16                   “(B) the cost-of-living adjustment deter-  
17                   mined under section 1(f)(3) for the calendar  
18                   year in which the taxable year begins, deter-  
19                   mined by substituting ‘calendar year 2001’ for  
20                   ‘calendar year 2016’ in subparagraph (A)(ii)  
21                   thereof.

22           “(2) ROUNDING.—If any amount as increased  
23           under paragraph (1) is not a multiple of \$10, such  
24           amount shall be rounded to the nearest multiple of  
25           \$10.



1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2024.

4 **SEC. 110109. SCHOLARSHIP GRANTING ORGANIZATIONS.**

5 (a) ALLOWANCE OF CREDIT FOR CONTRIBUTIONS OF  
6 INDIVIDUALS TO SCHOLARSHIP GRANTING ORGANIZA-  
7 TIONS.—

8 (1) IN GENERAL.—Subpart A of part IV of sub-  
9 chapter A of chapter 1 is amended by inserting after  
10 section 25E the following new section:

11 **“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDU-  
12 CATION SCHOLARSHIPS.**

13 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
14 dividual, there shall be allowed as a credit against the tax  
15 imposed by this chapter for the taxable year an amount  
16 equal to the aggregate amount of qualified contributions  
17 made by the taxpayer during the taxable year.

18 “(b) LIMITATIONS.—

19 “(1) IN GENERAL.—The credit allowed under  
20 subsection (a) to any taxpayer for any taxable year  
21 shall not exceed an amount equal to the greater of—

22 “(A) 10 percent of the adjusted gross in-  
23 come of the taxpayer for the taxable year, or

24 “(B) \$5,000.

1           “(2) ALLOCATION OF VOLUME CAP.—The credit  
2           allowed under subsection (a) to any taxpayer for any  
3           taxable year shall not exceed the amount of the vol-  
4           ume cap allocated by the Secretary to such taxpayer  
5           under subsection (g) with respect to qualified con-  
6           tributions made by the taxpayer during the taxable  
7           year.

8           “(3) REDUCTION BASED ON STATE CREDIT.—  
9           The amount allowed as a credit under subsection (a)  
10          for a taxable year shall be reduced by the amount  
11          allowed as a credit on any State tax return of the  
12          taxpayer for qualified contributions made by the tax-  
13          payer during the taxable year.

14          “(c) DEFINITIONS.—For purposes of this section—

15                 “(1) ELIGIBLE STUDENT.—The term ‘eligible  
16                 student’ means an individual who—

17                         “(A) is a member of a household with an  
18                         income which is not greater than 300 percent  
19                         of the area median gross income (as such term  
20                         is used in section 42), and

21                         “(B) is eligible to enroll in a public ele-  
22                         mentary or secondary school.

23                 “(2) QUALIFIED CONTRIBUTION.—The term  
24                 ‘qualified contribution’ means a charitable contribu-  
25                 tion (as defined by section 170(c)) to a scholarship

1       granting organization in the form of cash or market-  
2       able securities.

3               “(3) QUALIFIED ELEMENTARY OR SECONDARY  
4       EDUCATION EXPENSE.—The term ‘qualified elemen-  
5       tary or secondary education expense’ means the fol-  
6       lowing expenses in connection with enrollment or at-  
7       tendance at, or for students enrolled at or attending,  
8       an elementary or secondary public, private, or reli-  
9       gious school:

10               “(A) Tuition.

11               “(B) Curriculum and curricular materials.

12               “(C) Books or other instructional mate-  
13       rials.

14               “(D) Online educational materials.

15               “(E) Tuition for tutoring or educational  
16       classes outside of the home, including at a tu-  
17       toring facility, but only if the tutor or instruc-  
18       tor is not related to the student and—

19               “(i) is licensed as a teacher in any  
20       State,

21               “(ii) has taught at an eligible edu-  
22       cational institution, or

23               “(iii) is a subject matter expert in the  
24       relevant subject.

1           “(F) Fees for a nationally standardized  
2           norm-referenced achievement test, an advanced  
3           placement examination, or any examinations re-  
4           lated to college or university admission.

5           “(G) Fees for dual enrollment in an insti-  
6           tution of higher education.

7           “(H) Educational therapies for students  
8           with disabilities provided by a licensed or ac-  
9           credited practitioner or provider, including oc-  
10          cupational, behavioral, physical, and speech-lan-  
11          guage therapies.

12          Such term shall include expenses for the purposes  
13          described in subparagraphs (A) through (H) in con-  
14          nection with a homeschool (whether treated as a  
15          homeschool or a private school for purposes of appli-  
16          cable State law). No amount paid to an elementary  
17          or secondary school shall be considered a qualified  
18          elementary or secondary education expense for the  
19          purposes of this section unless such school dem-  
20          onstrates that it maintains a policy whereby its ad-  
21          missions standards do not take into account whether  
22          the student seeking enrollment has a current individ-  
23          ualized education plan, nor takes into account that  
24          the student requires equitable services for a learning  
25          disability, and if a student does have such an indi-

1       vidualized education plan, the school abides by the  
2       plan’s terms and provides services outlined therein.

3               “(4) SCHOLARSHIP GRANTING ORGANIZA-  
4       TION.—The term ‘scholarship granting organization’  
5       means any organization—

6               “(A) which—

7                       “(i) is described in section 501(c)(3)  
8                       and exempt from tax under section 501(a),  
9                       and

10                      “(ii) is not a private foundation,

11               “(B) substantially all of the activities of  
12       which are providing scholarships for qualified  
13       elementary or secondary education expenses of  
14       eligible students,

15               “(C) which prevents the co-mingling of  
16       qualified contributions with other amounts by  
17       maintaining one or more separate accounts ex-  
18       clusively for qualified contributions, and

19               “(D) which either—

20                      “(i) meets the requirements of sub-  
21       section (d), or

22                      “(ii) pursuant to State law, was able  
23       (as of the date of the enactment of this  
24       section) to receive contributions that are  
25       eligible for a State tax credit if such con-

1           tributions are used by the organization to  
2           provide scholarships to individual elemen-  
3           tary and secondary students, including  
4           scholarships for attending private schools.

5           “(d) REQUIREMENTS FOR SCHOLARSHIP GRANTING  
6 ORGANIZATIONS.—

7           “(1) IN GENERAL.—An organization meets the  
8 requirements of this subsection if—

9           “(A) such organization provides scholar-  
10 ships to 2 or more students, provided that not  
11 all such students attend the same school,

12           “(B) such organization does not provide  
13 scholarships for any expenses other than quali-  
14 fied elementary or secondary education ex-  
15 penses,

16           “(C) such organization provides a scholar-  
17 ship to eligible students with a priority for—

18           “(i) students awarded a scholarship  
19 the previous school year, and

20           “(ii) after application of clause (i),  
21 any such students who have a sibling who  
22 was awarded a scholarship from such orga-  
23 nization,

1           “(D) such organization does not earmark  
2           or set aside contributions for scholarships on  
3           behalf of any particular student,

4           “(E) such organization takes appropriate  
5           steps to verify the annual household income and  
6           family size of eligible students to whom it  
7           awards scholarships, and limits them to a mem-  
8           ber of a household for which the income does  
9           not exceed the amount established under sub-  
10          section (c)(1)(A),

11          “(F) such organization—

12           “(i) obtains from an independent cer-  
13           tified public accountant annual financial  
14           and compliance audits, and

15           “(ii) certifies to the Secretary (at such  
16           time, and in such form and manner, as the  
17           Secretary may prescribe) that the audit de-  
18           scribed in clause (i) has been completed,  
19           and

20          “(G) no officer or board member of such  
21          organization has been convicted of a felony.

22          “(2) INCOME VERIFICATION.—For purposes of  
23          paragraph (1)(E), review of all of the following (as  
24          applicable) shall be treated as satisfying the require-

1       ment to take appropriate steps to verify annual  
2       household income:

3               “(A) Federal and State income tax returns  
4               or tax return transcripts with applicable sched-  
5               ules for the taxable year prior to application.

6               “(B) Income reporting statements for tax  
7               purposes or wage and income transcripts from  
8               the Internal Revenue Service.

9               “(C) Notarized income verification letter  
10              from employers.

11              “(D) Unemployment or workers compensa-  
12              tion statements.

13              “(E) Budget letters regarding public as-  
14              sistance payments and Supplemental Nutrition  
15              Assistance Program (SNAP) payments includ-  
16              ing a list of household members.

17              “(3) INDEPENDENT CERTIFIED PUBLIC AC-  
18              COUNTANT.—For purposes of paragraph (1)(F), the  
19              term ‘independent certified public accountant’  
20              means, with respect to an organization, a certified  
21              public accountant who is not a person described in  
22              section 465(b)(3)(A) with respect to such organiza-  
23              tion or any employee of such organization.

24              “(4) PROHIBITION ON SELF-DEALING.—

1           “(A) IN GENERAL.—A scholarship grant-  
2           ing organization may not award a scholarship  
3           to any disqualified person.

4           “(B) DISQUALIFIED PERSON.—For pur-  
5           poses of this paragraph, a disqualified person  
6           shall be determined pursuant to rules similar to  
7           the rules of section 4946.

8           “(e) DENIAL OF DOUBLE BENEFIT.—Any qualified  
9           contribution for which a credit is allowed under this sec-  
10          tion shall not be taken into account as a charitable con-  
11          tribution for purposes of section 170.

12          “(f) CARRYFORWARD OF UNUSED CREDIT.—

13                 “(1) IN GENERAL.—If the credit allowable  
14                 under subsection (a) for any taxable year exceeds  
15                 the limitation imposed by section 26(a) for such tax-  
16                 able year reduced by the sum of the credits allowable  
17                 under this subpart (other than this section, section  
18                 23, and section 25D), such excess shall be carried to  
19                 the succeeding taxable year and added to the credit  
20                 allowable under subsection (a) for such taxable year.

21                 “(2) LIMITATION.—No credit may be carried  
22                 forward under this subsection to any taxable year  
23                 following the fifth taxable year after the taxable year  
24                 in which the credit arose. For purposes of the pre-

1 ceding sentence, credits shall be treated as used on  
2 a first-in first-out basis.

3 “(g) VOLUME CAP.—

4 “(1) IN GENERAL.—The volume cap applicable  
5 under this section shall be \$5,000,000,000 for each  
6 of calendar years 2026 through 2029, and zero for  
7 calendar years thereafter. Such amount shall be allo-  
8 cated by the Secretary as provided in paragraph (2)  
9 to taxpayers with respect to qualified contributions  
10 made by such taxpayers, except that 10 percent of  
11 such amount shall be divided evenly among the  
12 States, and shall be available with respect to individ-  
13 uals residing in such States.

14 “(2) FIRST-COME, FIRST-SERVE.—For purposes  
15 of applying the volume cap under this section, such  
16 volume cap for any calendar year shall be allocated  
17 by the Secretary on a first-come, first-serve basis, as  
18 determined based on the time (during such calendar  
19 year) at which the taxpayer made the qualified con-  
20 tribution with respect to which the allocation is  
21 made. The Secretary shall not make any allocation  
22 of volume cap for any calendar year after December  
23 31 of such calendar year.

24 “(3) REAL-TIME INFORMATION.—For purposes  
25 of this section, the Secretary shall develop a system

1 to track the amount of qualified contributions made  
2 during the calendar year for which a credit may be  
3 claimed under this section, with such information to  
4 be updated in real time.

5 “(4) ANNUAL INCREASES.—

6 “(A) IN GENERAL.—In the case of the cal-  
7 endar year after a high-use calendar year, the  
8 dollar amount otherwise in effect under para-  
9 graph (1) for such calendar year shall be equal  
10 to 105 percent of the dollar amount in effect  
11 for such high-use calendar year.

12 “(B) HIGH-USE CALENDAR YEAR.—For  
13 purposes of this subsection, the term ‘high-use  
14 calendar year’ means any calendar year for  
15 which 90 percent or more of the volume cap in  
16 effect for such calendar year under paragraph  
17 (1) is allocated to taxpayers.

18 “(C) PREVENTION OF DECREASES IN AN-  
19 NUAL VOLUME CAP.—The volume cap in effect  
20 under paragraph (1) for any calendar year shall  
21 not be less than the volume cap in effect under  
22 such paragraph for the preceding calendar year.

23 “(D) PUBLICATION OF ANNUAL VOLUME  
24 CAP.—The Secretary shall make publicly avail-  
25 able the dollar amount of the volume cap in ef-

1           fect under paragraph (1) for each calendar  
2           year.

3           “(5) STATES.—For purposes of this subsection,  
4           the term ‘State’ includes the District of Columbia.”.

5           (2) CONFORMING AMENDMENTS.—

6           (A) Section 25(e)(1)(C) is amended by  
7           striking “and 25D” and inserting “25D, and  
8           25F”.

9           (B) The table of sections for subpart A of  
10          part IV of subchapter A of chapter 1 is amend-  
11          ed by inserting after the item relating to section  
12          25E the following new item:

“Sec. 25F. Qualified elementary and secondary education scholarships.”.

13          (b) EXEMPTION FROM GROSS INCOME FOR SCHOL-  
14          ARSHIPS FOR QUALIFIED ELEMENTARY OR SECONDARY  
15          EDUCATION EXPENSES OF ELIGIBLE STUDENTS.—

16          (1) IN GENERAL.—Part III of subchapter B of  
17          chapter 1 is amended by inserting before section 140  
18          the following new section:

19          **“SEC. 139J. SCHOLARSHIPS FOR QUALIFIED ELEMENTARY**  
20                           **OR SECONDARY EDUCATION EXPENSES OF**  
21                           **ELIGIBLE STUDENTS.**

22          “(a) IN GENERAL.—In the case of an individual,  
23          gross income shall not include any amounts provided to  
24          any dependent of such individual pursuant to a scholar-  
25          ship for qualified elementary or secondary education ex-

1 penses of an eligible student which is provided by a schol-  
2 arship granting organization.

3 “(b) DEFINITIONS.—In this section, the terms ‘quali-  
4 fied elementary or secondary education expense’, ‘eligible  
5 student’, and ‘scholarship granting organization’ have the  
6 same meaning given such terms under section 25F(c).

7 “(c) TERMINATION.—Subsection (a) shall not apply  
8 to amounts received after December 31, 2029.”.

9 (2) CONFORMING AMENDMENT.—The table of  
10 sections for part III of subchapter B of chapter 1  
11 is amended by inserting before the item relating to  
12 section 140 the following new item:

“Sec. 139J. Scholarships for qualified elementary or secondary education ex-  
penses of eligible students.”.

13 (c) FAILURE OF SCHOLARSHIP GRANTING ORGANI-  
14 ZATIONS TO MAKE DISTRIBUTIONS.—

15 (1) IN GENERAL.—Chapter 42 is amended by  
16 adding at the end the following new subchapter:

17 **“Subchapter I—Scholarship Granting**  
18 **Organizations**

“Sec. 4969. Failure to distribute receipts.

19 **“SEC. 4969. FAILURE TO DISTRIBUTE RECEIPTS.**

20 “(a) IN GENERAL.—In the case of any scholarship  
21 granting organization (as defined in section 25F) which  
22 has been determined by the Secretary to have failed to  
23 satisfy the requirement under subsection (b) for any tax-

1 able year, any contribution made to such organization dur-  
2 ing the first taxable year beginning after the date of such  
3 determination shall not be treated as a qualified contribu-  
4 tion (as defined in section 25F(c)(2)) for purposes of sec-  
5 tion 25F.

6 “(b) REQUIREMENT.—The requirement described in  
7 this subsection is that the amount of receipts of the schol-  
8 arship granting organization for the taxable year which  
9 are distributed before the distribution deadline with re-  
10 spect to such receipts shall not be less than the required  
11 distribution amount with respect to such taxable year.

12 “(c) DEFINITIONS.—For purposes of this section—

13 “(1) REQUIRED DISTRIBUTION AMOUNT.—

14 “(A) IN GENERAL.—The required distribu-  
15 tion amount with respect to a taxable year is  
16 the amount equal to 100 percent of the total re-  
17 cepts of the scholarship granting organization  
18 for such taxable year—

19 “(i) reduced by the sum of such re-  
20 cepts that are retained for reasonable ad-  
21 ministrative expenses for the taxable year  
22 or are carried to the succeeding taxable  
23 year under subparagraph (C), and

1                   “(ii) increased by the amount of the  
2                   carryover under subparagraph (C) from  
3                   the preceding taxable year.

4                   “(B) SAFE HARBOR FOR REASONABLE AD-  
5                   MINISTRATIVE EXPENSES.—For purposes of  
6                   subparagraph (A)(i), if the percentage of total  
7                   receipts of a scholarship granting organization  
8                   for a taxable year which are used for adminis-  
9                   trative purposes is equal to or less than 10 per-  
10                  cent, such expenses shall be deemed to be rea-  
11                  sonable for purposes of such subparagraph.

12                  “(C) CARRYOVER.—With respect to the  
13                  amount of the total receipts of a scholarship  
14                  granting organization with respect to any tax-  
15                  able year, an amount not greater than 15 per-  
16                  cent of such amount may, at the election of  
17                  such organization, be carried to the succeeding  
18                  taxable year.

19                  “(2) DISTRIBUTIONS.—The term ‘distribution’  
20                  includes amounts which are formally committed but  
21                  not distributed. A formal commitment described in  
22                  the preceding sentence may include contributions set  
23                  aside for eligible students for more than one year.

24                  “(3) DISTRIBUTION DEADLINE.—The distribu-  
25                  tion deadline with respect to receipts for a taxable

1 year is the first day of the third taxable year fol-  
2 lowing the taxable year in which such receipts are  
3 received by the scholarship granting organization.”.

4 (2) CLERICAL AMENDMENT.—The table of sub-  
5 chapters for chapter 42 is amended by adding at the  
6 end the following new item:

“SUBCHAPTER I—SCHOLARSHIP GRANTING ORGANIZATIONS”.

7 (d) 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 taxable years ending after  
11 December 31, 2025.

12 (2) EXEMPTION FROM GROSS INCOME.—The  
13 amendments made by subsection (b) shall apply to  
14 amounts received after December 31, 2025, in tax-  
15 able years ending after such date.

16 (e) ORGANIZATIONAL AND PARENTAL AUTONOMY.—

17 (1) PROHIBITION OF CONTROL OVER SCHOLAR-  
18 SHIP ORGANIZATIONS.—

19 (A) IN GENERAL.—

20 (i) TREATMENT.—A scholarship  
21 granting organization shall not, by virtue  
22 of participation under any provision of this  
23 section or any amendment made by this  
24 section, be regarded as acting on behalf of  
25 any governmental entity.

1           (ii) 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 schol-  
8           arship granting organization.

9           (iii) MAXIMUM FREEDOM.—To the ex-  
10          tent permissible by law, this section, and  
11          any amendment made by this section, shall  
12          be construed to allow scholarship granting  
13          organizations maximum freedom to provide  
14          for the needs of the participants without  
15          governmental control.

16          (B) PROHIBITION OF CONTROL OVER NON-  
17          PUBLIC SCHOOLS.—

18          (i) NO GOVERNMENTAL CONTROL.—  
19          Nothing in this section, or any amendment  
20          made by this section, shall be construed to  
21          permit, allow, encourage, or authorize any  
22          Federal, State, or local government entity,  
23          or officer or employee thereof, to mandate,  
24          direct, or control any aspect of any private

1 or religious elementary or secondary edu-  
2 cation institution.

3 (ii) NO EXCLUSION OF PRIVATE OR  
4 RELIGIOUS SCHOOLS.—No Federal, State,  
5 or local government entity, or officer or  
6 employee thereof, shall impose or permit  
7 the imposition of any conditions or require-  
8 ments that would exclude or operate to ex-  
9 clude educational expenses at private or re-  
10 ligious elementary and secondary education  
11 institutions from being considered qualified  
12 elementary or secondary education ex-  
13 penses.

14 (iii) NO EXCLUSION OF QUALIFIED  
15 EXPENSES DUE TO INSTITUTION'S RELI-  
16 GIOUS CHARACTER OR AFFILIATION.—No  
17 Federal, State, or local government entity,  
18 or officer or employee thereof, shall ex-  
19 clude, discriminate against, or otherwise  
20 disadvantage any elementary or secondary  
21 education institution with respect to quali-  
22 fied elementary or secondary education ex-  
23 penses at that institution based in whole or  
24 in part on the institution's religious char-  
25 acter or affiliation, including religiously

1 based or mission-based policies or prac-  
2 tices.

3 (C) PARENTAL RIGHTS TO USE SCHOLAR-  
4 SHIPS.—No Federal, State, or local government  
5 entity, or officer or employee thereof, shall dis-  
6 favor or discourage the use of scholarships  
7 granted by participating scholarship granting  
8 organizations for qualified elementary or sec-  
9 ondary education expenses at private or non-  
10 profit elementary and secondary education in-  
11 stitutions, including faith-based schools.

12 (D) PARENTAL RIGHT TO INTERVENE.—In  
13 any action filed in any State or Federal court  
14 which challenges the constitutionality (under  
15 the constitution of such State or the Constitu-  
16 tion of the United States) of any provision of  
17 this section (or any amendment made by this  
18 section), any parent of an eligible student who  
19 has received a scholarship from a scholarship  
20 granting organization shall have the right to in-  
21 tervene in support of the constitutionality of  
22 such provision or amendment. To avoid duplica-  
23 tion of efforts and reduce the burdens placed on  
24 the parties to the action, the court in any such  
25 action may require interveners taking similar

1 positions to file joint papers or to be rep-  
2 resented by a single attorney at oral argument,  
3 provided that the court does not require such  
4 interveners to join any brief filed on behalf of  
5 any State which is a defendant in such action.

6 (2) DEFINITIONS.—For purposes of this sub-  
7 section, the terms “eligible student”, “scholarship  
8 granting organization”, and “qualified elementary or  
9 secondary education expense” shall have the same  
10 meanings given such terms under section 25F(e) of  
11 the Internal Revenue Code of 1986 (as added by  
12 this Act).

13 **SEC. 110110. ADDITIONAL ELEMENTARY, SECONDARY, AND**  
14 **HOME SCHOOL EXPENSES TREATED AS**  
15 **QUALIFIED HIGHER EDUCATION EXPENSES**  
16 **FOR PURPOSES OF 529 ACCOUNTS.**

17 (a) IN GENERAL.—Section 529(e)(7) is amended to  
18 read as follows:

19 “(7) TREATMENT OF ELEMENTARY AND SEC-  
20 ONDARY TUITION.—Any reference in this section to  
21 the term ‘qualified higher education expense’ shall  
22 include a reference to the following expenses in con-  
23 nection with enrollment or attendance at, or for stu-  
24 dents enrolled at or attending, an elementary or sec-  
25 ondary public, private, or religious school:

1           “(A) Tuition.

2           “(B) Curriculum and curricular materials.

3           “(C) Books or other instructional mate-  
4           rials.

5           “(D) Online educational materials.

6           “(E) Tuition for tutoring or educational  
7           classes outside of the home, including at a tu-  
8           toring facility, but only if the tutor or instruc-  
9           tor is not related to the student and—

10           “(i) is licensed as a teacher in any  
11           State,

12           “(ii) has taught at an eligible edu-  
13           cational institution, or

14           “(iii) is a subject matter expert in the  
15           relevant subject.

16           “(F) Fees for a nationally standardized  
17           norm-referenced achievement test, an advanced  
18           placement examination, or any examinations re-  
19           lated to college or university admission.

20           “(G) Fees for dual enrollment in an insti-  
21           tution of higher education.

22           “(H) Educational therapies for students  
23           with disabilities provided by a licensed or ac-  
24           credited practitioner or provider, including oc-

1           cupational, behavioral, physical, and speech-lan-  
2           guage therapies.

3           Such term shall include expenses for the purposes  
4           described in subparagraphs (A) through (H) in con-  
5           nection with a homeschool (whether treated as a  
6           homeschool or a private school for purposes of appli-  
7           cable State law).”.

8           (b) EFFECTIVE DATE.—The amendment made by  
9           this section shall apply to distributions made after the  
10          date of the enactment of this Act.

11 **SEC. 110111. CERTAIN POSTSECONDARY CREDENTIALING**  
12                           **EXPENSES TREATED AS QUALIFIED HIGHER**  
13                           **EDUCATION EXPENSES FOR PURPOSES OF**  
14                           **529 ACCOUNTS.**

15          (a) IN GENERAL.—Section 529(e)(3) is amended by  
16          adding at the end the following new subparagraph:

17                           “(C)           CERTAIN           POSTSECONDARY  
18                           CREDENTIALING EXPENSES.—The term ‘quali-  
19                           fied higher education expenses’ includes quali-  
20                           fied postsecondary credentialing expenses (as  
21                           defined in subsection (f)).”.

22          (b) QUALIFIED POSTSECONDARY CREDENTIALING  
23          EXPENSES.—Section 529 is amended by redesignating  
24          subsection (f) as subsection (g) and by inserting after sub-  
25          section (e) the following new subsection:

1           “(f) QUALIFIED POSTSECONDARY CREDENTIALING  
2 EXPENSES.—For purposes of this section—

3                   “(1) IN GENERAL.—The term ‘qualified post-  
4 secondary credentialing expenses’ means—

5                           “(A) tuition, fees, books, supplies, and  
6 equipment required for the enrollment or at-  
7 tendance of a designated beneficiary in a recog-  
8 nized postsecondary credential program, or any  
9 other expense incurred in connection with en-  
10 rollment in or attendance at a recognized post-  
11 secondary credential program if such expense  
12 would, if incurred in connection with enrollment  
13 or attendance at an eligible educational institu-  
14 tion, be covered under subsection (e)(3)(A),

15                           “(B) fees for testing if such testing is re-  
16 quired to obtain or maintain a recognized post-  
17 secondary credential, and

18                           “(C) fees for continuing education if such  
19 education is required to maintain a recognized  
20 postsecondary credential.

21                   “(2) RECOGNIZED POSTSECONDARY CREDEN-  
22 TIAL PROGRAM.—The term ‘recognized postsec-  
23 ondary credential program’ means any program to  
24 obtain a recognized postsecondary credential if—

1           “(A) such program is included on a State  
2 list prepared under section 122(d) of the Work-  
3 force Innovation and Opportunity Act (29  
4 U.S.C. 3152(d)),

5           “(B) such program is listed in the  
6 WEAMS Public directory (or successor direc-  
7 tory) maintained by the Department of Vet-  
8 erans Affairs,

9           “(C) an examination (developed or admin-  
10 istered by an organization widely recognized as  
11 providing reputable credentials in the occupa-  
12 tion) is required to obtain or maintain such cre-  
13 dential and such organization recognizes such  
14 program as providing training or education  
15 which prepares individuals to take such exam-  
16 ination, or

17           “(D) such program is identified by the  
18 Secretary, after consultation with the Secretary  
19 of Labor, as being a reputable program for ob-  
20 taining a recognized postsecondary credential  
21 for purposes of this subsection.

22           “(3) **RECOGNIZED POSTSECONDARY CREDEN-**  
23 **TIAL.**—The term ‘recognized postsecondary creden-

24 tial’ means—

1           “(A) any postsecondary employment cre-  
2           dential that is industry recognized, including—

3                   “(i) any postsecondary employment  
4                   credential issued by a program that is ac-  
5                   credited by the Institute for Credentialing  
6                   Excellence, the National Commission on  
7                   Certifying Agencies, or the American Na-  
8                   tional Standards Institute,

9                   “(ii) any postsecondary employment  
10                  credential that is included in the  
11                  Credentialing Opportunities On-Line  
12                  (COOL) directory of credentialing pro-  
13                  grams (or successor directory) maintained  
14                  by the Department of Defense or by any  
15                  branch of the Armed Services, and

16                  “(iii) any postsecondary employment  
17                  credential identified for purposes of this  
18                  clause by the Secretary, after consultation  
19                  with the Secretary of Labor, as being in-  
20                  dustry recognized,

21           “(B) any certificate of completion of an  
22           apprenticeship that is registered and certified  
23           with the Secretary of Labor under the National  
24           Apprenticeship Act (29 U.S.C. 50),

1           “(C) any occupational or professional li-  
2           cense issued or recognized by a State or the  
3           Federal Government (and any certification that  
4           satisfies a condition for obtaining such a li-  
5           cense), and

6           “(D) any recognized postsecondary creden-  
7           tial as defined in section 3 of the Workforce In-  
8           novation and Opportunity Act (29 U.S.C.  
9           3102).”.

10       (c) **EFFECTIVE DATE.**—The amendments made by  
11 this section shall apply to distributions made after the  
12 date of the enactment of this Act.

13 **SEC. 110112. REINSTATEMENT OF PARTIAL DEDUCTION**  
14 **FOR CHARITABLE CONTRIBUTIONS OF INDI-**  
15 **VIDUALS WHO DO NOT ELECT TO ITEMIZE.**

16       (a) **IN GENERAL.**—Section 170(p) is amended—

17           (1) by striking “\$300 (\$600” and inserting  
18           “\$150 (\$300”, and

19           (2) by striking “in 2021” and inserting “after  
20           December 31, 2024, and before January 1, 2029”.

21       (b) **EFFECTIVE DATE.**—The amendments made by  
22 this section shall apply to taxable years beginning after  
23       December 31, 2024.

1 **SEC. 110113. EXCLUSION FOR CERTAIN EMPLOYER PAY-**  
2 **MENTS OF STUDENT LOANS UNDER EDU-**  
3 **CATIONAL ASSISTANCE PROGRAMS MADE**  
4 **PERMANENT AND ADJUSTED FOR INFLATION.**

5 (a) IN GENERAL.—Section 127(c)(1)(B) is amended  
6 by striking “in the case of payments made before January  
7 1, 2026,”.

8 (b) INFLATION ADJUSTMENT.—Section 127 is  
9 amended—

10 (1) by redesignating subsection (d) as sub-  
11 section (e), and

12 (2) by inserting after subsection (c) the fol-  
13 lowing new subsection:

14 “(d) INFLATION ADJUSTMENT.—

15 “(1) IN GENERAL.—In the case of any taxable  
16 year beginning after 2026, both of the \$5,250  
17 amounts in subsection (a)(2) shall be increased by  
18 an amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-  
21 mined under section 1(f)(3) for the calendar  
22 year in which the taxable year begins, deter-  
23 mined by substituting ‘calendar year 2025’ for  
24 ‘calendar year 2016’ in subparagraph (A)(ii)  
25 thereof.

1           “(2) ROUNDING.—If any increase under para-  
2 graph (1) is not a multiple of \$50, such increase  
3 shall be rounded to the nearest multiple of \$50.”.

4           (c) EFFECTIVE DATE.—The amendment made by  
5 this section shall apply to payments made after December  
6 31, 2025.

7 **SEC. 110114. EXTENSION OF RULES FOR TREATMENT OF**  
8           **CERTAIN DISASTER-RELATED PERSONAL**  
9           **CASUALTY LOSSES.**

10          For purposes of applying section 304(b) of the Tax-  
11 payer Certainty and Disaster Tax Relief Act of 2020 (divi-  
12 sion EE of Public Law 116–260), section 301 of such Act  
13 shall be applied by substituting the date of the enactment  
14 of this section for “the date of the enactment of this Act”  
15 each place it appears.

16 **SEC. 110115. MAGA ACCOUNTS.**

17          (a) IN GENERAL.—Subchapter F of chapter 1 is  
18 amended by adding at the end the following new part:

19                   **“PART IX—MAGA ACCOUNTS**  
20 **“SEC. 530A. MAGA ACCOUNTS.**

21          “(a) GENERAL RULE.—A MAGA account shall be ex-  
22 empt from taxation under this subtitle. Notwithstanding  
23 the preceding sentence, such account shall be subject to  
24 the taxes imposed by section 511 (relating to imposition

1 of tax on unrelated business income of charitable organiza-  
2 tions).

3 “(b) MAGA ACCOUNT.—For purposes of this sec-  
4 tion—

5 “(1) IN GENERAL.—The term ‘money account  
6 for growth and advancement’ or ‘MAGA account’  
7 means a trust created or organized in the United  
8 States for the exclusive benefit of an individual and  
9 which is designated (in such manner as the Sec-  
10 retary shall prescribe) at the time of the establish-  
11 ment of the trust as a MAGA account, but only if  
12 the written governing instrument creating the trust  
13 meets the following requirements:

14 “(A) The individual establishing the ac-  
15 count shall provide to the trustee the social se-  
16 curity number of such individual and of the ac-  
17 count beneficiary.

18 “(B) Except in the case of a qualified roll-  
19 over contribution described in subsection (e), no  
20 contribution will be accepted—

21 “(i) before January 1, 2026,

22 “(ii) unless it is in cash,

23 “(iii) unless the account beneficiary  
24 has not attained age 18, and

1           “(iv) if such contribution would result  
2           in aggregate contributions for the taxable  
3           year exceeding the contribution limit speci-  
4           fied in subsection (c)(1).

5           “(C) No distribution (other than a dis-  
6           tribution of a qualified rollover contribution)  
7           will be allowed—

8           “(i) before the date on which the ac-  
9           count beneficiary attains age 18, or

10           “(ii) in the case of such an account  
11           the account beneficiary of which has not  
12           attained age 25, if the aggregate distribu-  
13           tions from such account exceeds the  
14           amount that is  $\frac{1}{2}$  the cash equivalent  
15           value of the account on the date on which  
16           the account beneficiary attains age 18.

17           “(D) The account beneficiary has not at-  
18           tained age 8 on the date of the establishment  
19           of the account.

20           “(E) The trustee is a bank (as defined in  
21           section 408(n)) or another person who dem-  
22           onstrates to the satisfaction of the Secretary  
23           that the manner in which that person will ad-  
24           minister the trust will be consistent with the re-  
25           quirements of this section or who has so dem-

1           onstrated with respect to any individual retire-  
2           ment plan.

3           “(F) The interest of an individual in the  
4           balance of his account is nonforfeitable.

5           “(G) The assets of the trust shall not be  
6           commingled with other property except in a  
7           common trust fund or common investment  
8           fund.

9           “(H) No part of the trust funds will be in-  
10          vested in any asset other than eligible invest-  
11          ments.

12          “(2) ELIGIBLE INVESTMENTS.—The term ‘eligi-  
13          ble investments’ means stock of a regulated invest-  
14          ment company (within the meaning of section 851)  
15          which—

16                 “(A) tracks a well-established index of  
17                 United States equities (or which invests in an  
18                 equivalent diversified portfolio of United States  
19                 equities),

20                 “(B) does not use leverage,

21                 “(C) minimizes fees and expenses, and

22                 “(D) meets such other criteria as the Sec-  
23                 retary determines appropriate for purposes of  
24                 this section.

1           “(3) ACCOUNT BENEFICIARY.—The term ‘ac-  
2           count beneficiary’ means the individual on whose be-  
3           half the MAGA account was established.

4           “(c) TREATMENT OF CONTRIBUTIONS.—

5           “(1) CONTRIBUTION LIMIT.—The contribution  
6           limit for any taxable year is \$5,000.

7           “(2) CONTRIBUTIONS FROM TAX EXEMPT  
8           SOURCES AND ROLLOVER CONTRIBUTIONS.—The  
9           amount contributed to a MAGA account for pur-  
10          poses of paragraph (1) shall be determined without  
11          regard to—

12                   “(A) a qualified rollover contribution,

13                   “(B) any contribution from the Federal  
14                   Government or any State, local, or tribal gov-  
15                   ernment, or

16                   “(C) any contribution made through the  
17                   program established under subsection (l).

18          “(3) COST-OF-LIVING ADJUSTMENT.—

19                   “(A) IN GENERAL.—In the case of any  
20                   taxable year beginning in a calendar year after  
21                   2026, the \$5,000 amount under paragraph (1)  
22                   shall be increased by an amount equal to—

23                           “(i) such dollar amount, multiplied by

24                           “(ii) the cost-of-living adjustment de-  
25                           termined under section 1(f)(3) for the cal-

1           endar year, determined by substituting  
2           ‘calendar year 2025’ for ‘calendar year  
3           2016’ in subparagraph (A)(ii) thereof.

4           “(B) ROUNDING.—If any increase under  
5           subparagraph (A) is not a multiple of \$100,  
6           such amount shall be rounded to the next lower  
7           multiple of \$100.

8           “(d) DISTRIBUTIONS.—

9           “(1) AMOUNTS ALLOCABLE TO INVESTMENT IN  
10          THE CONTRACT.—A distribution from a MAGA ac-  
11          count of an amount allocable to the investment in  
12          the contract shall not be includible in the gross in-  
13          come of the distributee.

14          “(2) AMOUNTS ALLOCABLE TO INCOME ON THE  
15          CONTRACT USED FOR QUALIFIED EXPENSES.—A  
16          distribution from a MAGA account of an amount al-  
17          locable to income on the contract and which is used  
18          exclusively to pay for qualified expenses shall be in-  
19          cludible in net capital gain of the distributee under  
20          section 1(h)(12).

21          “(3) AMOUNTS INCLUDIBLE IN GROSS IN-  
22          COME.—Any distribution from a MAGA account  
23          which is not described in paragraph (1) or (2) shall  
24          be includible in the gross income of the distributee.

1           “(4) QUALIFIED EXPENSES.—For purposes of  
2 this subsection, the term ‘qualified expenses’ means  
3 any of the following expenses paid or incurred for  
4 the benefit of the account beneficiary:

5           “(A) Qualified higher education expenses  
6 (as defined in section 529(e)(3)) determined  
7 without regard to section 529(c)(7).

8           “(B) Qualified post-secondary credentialing  
9 expenses (as defined in section 529(f)).

10           “(C) Under regulations provided by the  
11 Secretary, amounts paid or incurred with re-  
12 spect to any small businesses for which the ben-  
13 eficiary has obtained any small business loan,  
14 small farm loan, or similar loan.

15           “(D) Any amount used for the purchase  
16 (as defined in section 36(c)(3)) of the principal  
17 residence (as used in section 121) of the ac-  
18 count beneficiary if such account beneficiary is  
19 a first-time homebuyer (as defined in section  
20 36(c)(1)) with respect to such purchase.

21           “(5) EXCEPTIONS.—Paragraphs (2) and (3)  
22 shall not apply to any distribution which is a quali-  
23 fied rollover contribution.

24           “(6) ADDITIONAL TAX ON CERTAIN DISTRIBU-  
25 TIONS.—In the case of a distributee who has not at-

1       tained age 30, the tax imposed by this chapter on  
2       the account beneficiary for any taxable year in which  
3       there is a distribution from a MAGA account of such  
4       beneficiary which is includible in gross income under  
5       paragraph (3) shall be increased by 10 percent of  
6       the amount which is so includible.

7       “(e) QUALIFIED ROLLOVER CONTRIBUTION.—For  
8       purposes of this section, the term ‘qualified rollover con-  
9       tribution’ means an amount which is paid in a direct trust-  
10      ee-to-trustee transfer from a MAGA account maintained  
11      for the benefit of the account beneficiary to a MAGA ac-  
12      count maintained for such beneficiary.

13      “(f) TREATMENT AFTER DEATH OF ACCOUNT BENE-  
14      FICIARY.—Rules similar to the rules of section 223(f)(8)  
15      shall apply for purposes of this section.

16      “(g) DETERMINATIONS OF AGGREGATE DISTRIBUTU-  
17      TIONS AND INVESTMENT IN CONTRACT IN THE CASE OF  
18      CERTAIN ROLLOVER CONTRIBUTIONS.—In the case of a  
19      qualified rollover contribution which is described in sub-  
20      section (e)(2), any determination required under this sec-  
21      tion of the amount of the investment of the contract or  
22      of aggregate distributions from the MAGA account shall  
23      be determined with respect to the aggregate of such  
24      amounts for all MAGA accounts of the same account bene-  
25      ficiary.

1       “(h) CUSTODIAL ACCOUNTS.—For purposes of this  
2 section, a custodial account shall be treated as a trust  
3 under this section if—

4               “(1) the custodial account would, except for the  
5 fact that it is not a trust, constitute a trust which  
6 meets the requirements of subsection (b)(1), and

7               “(2) the assets of such account are held by a  
8 bank (as defined in section 408(n)) or another per-  
9 son who demonstrates, to the satisfaction of the Sec-  
10 retary, that the manner in which he will administer  
11 the account will be consistent with the requirements  
12 of this section.

13 For purposes of this title, in the case of a custodial ac-  
14 count treated as a trust by reason of the preceding sen-  
15 tence, the person holding the assets of such account shall  
16 be treated as the trustee thereof.

17       “(i) TERMINATION.—

18               “(1) AGE 31.—Upon the date on which the ac-  
19 count beneficiary attains age 31, a MAGA account  
20 shall cease to be a MAGA account and the amount  
21 in such account shall be treated as distributed for  
22 purposes of subsection (d).

23               “(2) MULTIPLE ACCOUNTS OF ONE BENE-  
24 FICIARY.—

1           “(A) IN GENERAL.—In the case of any du-  
2           plicate MAGA account of any account bene-  
3           ficiary other than a MAGA account which is es-  
4           tablished by the deposit through a qualified roll-  
5           over contribution of the entire amount of an-  
6           other MAGA account of the account bene-  
7           ficiary—

8                   “(i) such duplicate MAGA account  
9                   shall cease to be a MAGA account and the  
10                  amount in such account shall be treated as  
11                  distributed for purposes of subsection (d),  
12                  and

13                   “(ii) there is imposed an excise tax on  
14                   the account beneficiary in an amount equal  
15                   to so much of cash value of the account as  
16                   is allocable to income on the contract.

17           “(B) WITHHOLDING REQUIREMENT.—In  
18           the case of an account terminated under sub-  
19           paragraph (A), the trustee shall deduct and  
20           withhold upon the amount to be distributed the  
21           amount in excess described in subparagraph  
22           (A)(ii).

23           “(C) NOTIFICATION.—The Secretary, upon  
24           determining that a duplicate account exists,  
25           shall provide a notice to the account beneficiary

1 of such duplicate account (and the account cus-  
2 todian, in the case of a custodial account) and  
3 to each trustee of any MAGA account of the ac-  
4 count beneficiary of such duplicate account  
5 which identifies each MAGA account of such  
6 beneficiary and the trustee of each such ac-  
7 count.

8 “(D) DUPLICATE ACCOUNT.—For purposes  
9 of this paragraph, the term ‘duplicate account’  
10 means—

11 “(i) in the case of an account bene-  
12 ficiary for the benefit of whom an account  
13 was established by the Secretary under  
14 section 6434, any other MAGA account of  
15 such account beneficiary, or

16 “(ii) in the case of any other account  
17 beneficiary, any MAGA account established  
18 after the first MAGA account established  
19 for the benefit of such account beneficiary.

20 “(j) INVESTMENT IN THE CONTRACT.—For purposes  
21 of this section, rules similar to the rules applied to a quali-  
22 fied tuition program (as defined in section 529(b)) under  
23 section 72(e)(9) shall apply for purposes of determining  
24 the investment in the contract, except that such amount

1 shall be determined without regard to any contribution  
2 which is described in subsection (c)(2).

3 “(k) REPORTS.—The trustee of a MAGA account  
4 shall make such reports regarding such account to the  
5 Secretary and to the beneficiary of the account with re-  
6 spect to contributions, distributions, the amount of invest-  
7 ment in the contract, and such other matters as the Sec-  
8 retary may require. The reports required by this sub-  
9 section shall be filed at such time and in such manner  
10 and furnished to such individuals at such time and in such  
11 manner as may be required.

12 “(l) CONTRIBUTIONS TO PREDOMINATELY UNRE-  
13 LATED CHILDREN.—The Secretary shall establish a pro-  
14 gram through which contributions may be made to the  
15 MAGA accounts of a large group of account beneficiaries  
16 if—

17 “(1) the contribution is made by any person de-  
18 scribed in any paragraph of section 501(c) and ex-  
19 empt from taxation under section 501(a),

20 “(2) such accounts are selected on the basis of  
21 the location of the residence of the account bene-  
22 ficiaries, the school district in which such bene-  
23 ficiaries attend school, or another basis the Sec-  
24 retary determines appropriate, and

1           “(3) all individuals who are account bene-  
2           ficiaries of such an account who meet the selected  
3           criteria receive an equal portion of the contribu-  
4           tion.”.

5           (b) DISTRIBUTION TAXED AT SAME RATE AS NET  
6 CAPITAL GAINS.—Section 1(h) is amended by adding at  
7 the end the following new paragraph:

8           “(12) DISTRIBUTIONS FROM MAGA ACCOUNT  
9           TAXED AS NET CAPITAL GAIN.—For purposes of this  
10           subsection, the term ‘net capital gain’ means the net  
11           capital gain (determined without regard to this para-  
12           graph) increased by the amount includible in net  
13           capital gain under this paragraph by reason of sec-  
14           tion 530A(d)(2).”.

15           (c) TAX ON EXCESS CONTRIBUTIONS.—

16           (1) IN GENERAL.—Section 4973(a) is amended  
17           by striking “or” at the end of paragraph (5), by in-  
18           serting “or” at the end of paragraph (6), and by in-  
19           serting after paragraph (6) the following new para-  
20           graph:

21           “(7) a MAGA account (as defined in section  
22           530A(b)),”.

23           (2) EXCESS CONTRIBUTION.—Section 4973 is  
24           amended by adding at the end the following new  
25           subsection:

1       “(i) EXCESS CONTRIBUTIONS TO A MAGA AC-  
2 COUNT.—For purposes of this section, in the case of  
3 MAGA accounts (within the meaning of section 530A), the  
4 term ‘excess contributions’ means the sum of—

5               “(1) the amount by which the amount contrib-  
6 uted for the calendar year to such account (other  
7 than qualified rollover contributions (as defined in  
8 section 530A(e))) exceeds the contribution limit  
9 under section 530A(c)(1) (determined without re-  
10 gard to contributions described in section  
11 530A(c)(2)), and

12               “(2) the amount determined under this sub-  
13 section for the preceding calendar year, reduced by  
14 the excess (if any) of the maximum amount allow-  
15 able as a contribution under section 530A(c)(1) (as  
16 so determined) for the calendar year over the  
17 amount contributed to the account for the calendar  
18 year (other than qualified rollover contributions (as  
19 so defined)).”.

20       (d) DISCLOSURE OF RETURN INFORMATION TO FA-  
21 CILITATE CERTAIN CONTRIBUTIONS.—Section 6103(l) is  
22 amended by adding at the end the following new para-  
23 graph:

24               “(23) DISCLOSURE OF RETURN INFORMATION  
25 TO ENABLE CERTAIN CONTRIBUTIONS TO MAGA AC-

1       COUNTS.—Upon written request signed by the head  
2       of the bureau or office of the Department of the  
3       Treasury requesting the inspection or disclosure, the  
4       Secretary may disclose the following return informa-  
5       tion with respect to a MAGA account (as defined in  
6       section 503A(b)) to officers and employees of such  
7       bureau or office to the extent that such disclosure is  
8       necessary to carry out section 530A(l):

9               “(A) Information necessary to identify the  
10              account holders in a particular class of bene-  
11              ficiaries identified by a donor as the intended  
12              recipients.

13             “(B) The name, address, and social secu-  
14              rity number of a beneficiary.

15             “(C) The account custodian and the ad-  
16              dress of such custodian.

17             “(D) The account number.

18             “(E) The routing number.

19             “(F) To the extent determined by the Sec-  
20              retary in regulations, such other return infor-  
21              mation as the Secretary determines necessary  
22              to ensure proper routing of funds

23       Return information disclosed under this paragraph  
24       may only be used to identify account holders in a  
25       particular class of beneficiaries or for the proper

1 routing of funds and may not be redisclosed by the  
2 Secretary.”.

3 (e) FAILURE TO PROVIDE REPORTS ON MAGA AC-  
4 COUNTS.—Section 6693(a)(2) is amended by striking  
5 “and” at the end of subparagraph (E), by striking the  
6 period at the end of subparagraph (F) and inserting “,  
7 and”, and by adding at the end the following new subpara-  
8 graph:

9 “(G) section 530A(h) (relating to MAGA  
10 accounts).”.

11 (f) CONFORMING AMENDMENT.—The table of parts  
12 for subchapter F of chapter 1 is amended by adding at  
13 the end the following new item:

“PART IX. MAGA ACCOUNTS”.

14 (g) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2024.

17 **SEC. 110116. MAGA ACCOUNTS CONTRIBUTION PILOT PRO-**  
18 **GRAM.**

19 (a) IN GENERAL.—Subchapter B of chapter 65 is  
20 amended by adding at the end the following new section:

21 **“SEC. 6434. MAGA ACCOUNTS CONTRIBUTION PILOT PRO-**  
22 **GRAM.**

23 “(a) IN GENERAL.—In the case of any taxpayer with  
24 respect to whom an eligible individual is a qualifying child,  
25 there shall be allowed a one-time credit of \$1,000 with

1 respect to each such eligible individual who is a qualifying  
2 child of such taxpayer which shall be payable by the Sec-  
3 retary only to the MAGA account with respect to which  
4 such eligible individual is the account beneficiary.

5 “(b) ACCOUNT ESTABLISHED BY SECRETARY.—

6 “(1) IN GENERAL.—In the case of any eligible  
7 individual that the Secretary determines is not the  
8 account beneficiary of any MAGA account as of the  
9 qualifying date of such eligible individual, the Sec-  
10 retary shall establish an account for the benefit of  
11 such eligible individual.

12 “(2) QUALIFYING DATE.—For purposes of  
13 paragraph (1), the term ‘qualifying date’ means,  
14 with respect to an eligible individual, the first date  
15 on which a return of tax is filed by an individual  
16 with respect to whom such eligible individual is a  
17 qualifying child with respect to the taxable year to  
18 which such return relates.

19 “(3) NOTIFICATION.—In the case of any eligible  
20 individual for the benefit of whom the Secretary es-  
21 tablishes an account under paragraph (1), the Sec-  
22 retary shall—

23 “(A) notify any individual with respect to  
24 whom such eligible individual is a qualifying  
25 child for the taxable year described in para-

1 graph (2) of the establishment of such account,  
2 and

3 “(B) shall provide an opportunity to such  
4 individual to elect to decline the application of  
5 this subsection to such qualifying child.

6 “(4) DETERMINATION OF DEFAULT TRUST-  
7 EE.—For purposes of selecting a trustee for an ac-  
8 count established under paragraph (1), the Sec-  
9 retary shall take into account—

10 “(A) the history of reliability and regu-  
11 latory compliance of such trustee,

12 “(B) the customer service experience of  
13 such trustee,

14 “(C) the costs imposed by such trustee on  
15 the account or account beneficiary, and

16 “(D) to the extent practicable, the pref-  
17 erences of any individual described in para-  
18 graph (3)(A) with respect to such eligible indi-  
19 vidual.

20 “(c) ELIGIBLE INDIVIDUAL.—For purposes of sub-  
21 section (a), the term eligible individual means an indi-  
22 vidual—

23 “(1) who is born after December 31, 2024, and  
24 before January 1, 2029, and

25 “(2) who is a United States citizen at birth.

1 “(d) SOCIAL SECURITY NUMBER REQUIRED.—

2 “(1) IN GENERAL.—No credit shall be allowed  
3 under subsection (a) to a taxpayer unless such tax-  
4 payer includes on the return of tax for the taxable  
5 year—

6 “(A) such individual’s social security num-  
7 ber,

8 “(B) if such individual is married, the so-  
9 cial security number of such individual’s spouse,  
10 and

11 “(C) the social security number of the eli-  
12 gible individual with respect to whom such cred-  
13 it is allowed.

14 “(2) 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) DEFINITIONS.—For purposes of this section—

19 “(1) QUALIFYING CHILD.—The term qualifying  
20 child has the meaning given such term in section  
21 152(c).

22 “(2) MAGA ACCOUNT; ACCOUNT BENE-  
23 FICIARY.—The terms ‘MAGA account’ and ‘account  
24 beneficiary’ have the meaning given such terms in  
25 section 530A(b).”.

1 (b) PENALTY FOR NEGLIGENT CLAIM OR FRAUDU-  
2 LENT CLAIM.—Part I of subchapter A of chapter 68 of  
3 subtitle F is amended by adding at the end the following  
4 new section:

5 **“SEC. 6659. IMPROPER CLAIM FOR MAGA ACCOUNT CON-  
6 TRIBUTION PILOT PROGRAM CREDIT.**

7 “(a) IN GENERAL.—In the case of any taxpayer that  
8 makes an excessive claim for a credit under section  
9 6434—

10 “(1) if such excess is a result of negligence or  
11 disregard of the rules or regulations, there shall be  
12 imposed a penalty of \$500, or

13 “(2) if such excess is a result of fraud, there  
14 shall be imposed a penalty of \$1,000.

15 “(b) DEFINITIONS.—The terms ‘negligence’ and ‘dis-  
16 regard’ have the same meaning as when such terms are  
17 used in section 6662.”.

18 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-  
19 BER TREATED MATHEMATICAL OR CLERICAL ERROR.—  
20 Section 6213(g)(2), as amended by the preceding provi-  
21 sions of this Act, is amended by striking “and” at the  
22 end of subparagraph (Y), by striking the period at the  
23 end of subparagraph (Z) and inserting “, and”, and by  
24 inserting after subparagraph (Z) the following new sub-  
25 paragraph:



1           (1) by striking “EXCEPTION.—Notwithstanding  
2           subsection (a)” and inserting the following: “EXCEP-  
3           TIONS.—

4           “(1) SELF-INSURED GROUP HEALTH PLANS.—  
5           Notwithstanding subsection (a)”, and

6           (2) by adding at the end the following new  
7           paragraph:

8           “(2) CUSTOM HEALTH OPTION AND INDIVIDUAL  
9           CARE EXPENSE ARRANGEMENTS.—

10           “(A) IN GENERAL.—For purposes of this  
11           subchapter, a custom health option and indi-  
12           vidual care expense arrangement shall be treat-  
13           ed as meeting the requirements of section 9802  
14           and sections 2705, 2711, 2713, and 2715 of  
15           title XXVII of the Public Health Service Act.

16           “(B) CUSTOM HEALTH OPTION AND INDI-  
17           VIDUAL CARE EXPENSE ARRANGEMENTS DE-  
18           FINED.—For purposes of this section, the term  
19           ‘custom health option and individual care ex-  
20           pense arrangement’ means a health reimburse-  
21           ment arrangement—

22           “(i) which is an employer-provided  
23           group health plan funded solely by em-  
24           ployer contributions to provide payments  
25           or reimbursements for medical care subject

1 to a maximum fixed dollar amount for a  
2 period,

3 “(ii) under which such payments or  
4 reimbursements may only be made for  
5 medical care provided during periods dur-  
6 ing which the individual is covered—

7 “(I) under individual health in-  
8 surance coverage (other than coverage  
9 that consists solely of excepted bene-  
10 fits), or

11 “(II) under part A and B of title  
12 XVIII of the Social Security Act or  
13 part C of such title,

14 “(iii) which meets the nondiscrimina-  
15 tion requirements of subparagraph (C),

16 “(iv) which meets the substantiation  
17 requirements of subparagraph (D), and

18 “(v) which meets the notice require-  
19 ments of subparagraph (E).

20 “(C) NONDISCRIMINATION.—

21 “(i) IN GENERAL.—An arrangement  
22 meets the requirements of this subpara-  
23 graph if an employer offering such ar-  
24 rangement to an employee within a speci-  
25 fied class of employee—

1 “(I) offers such arrangement to  
2 all employees within such specified  
3 class on the same terms, and

4 “(II) does not offer any other  
5 group health plan (other than an ac-  
6 count-based group health plan or a  
7 group health plan that consists solely  
8 of excepted benefits) to any employees  
9 within such specified class.

10 In the case of an employer who offers a  
11 group health plan provided through health  
12 insurance coverage in the small group mar-  
13 ket (that is subject to section 2701 of the  
14 Public Health Service Act) to all employees  
15 within such specified class, subclause (II)  
16 shall not apply to such group health plan.

17 “(ii) SPECIFIED CLASS OF EM-  
18 PLOYEE.—For purposes of this subpara-  
19 graph, any of the following may be des-  
20 ignated as a specified class of employee:

21 “(I) Full-time employees.

22 “(II) Part-time employees.

23 “(III) Salaried employees.

24 “(IV) Non-salaried employees.

1           “(V) Employees whose primary  
2 site of employment is in the same rat-  
3 ing area.

4           “(VI) Employees who are in-  
5 cluded in a unit of employees covered  
6 under a collective bargaining agree-  
7 ment to which the employer is subject  
8 (determined under rules similar to the  
9 rules of section 105(h)).

10          “(VII) Employees who have not  
11 met a group health plan, or health in-  
12 surance issuer offering group health  
13 insurance coverage, waiting period re-  
14 quirement that satisfies section 2708  
15 of the Public Health Service Act.

16          “(VIII) Seasonal employees.

17          “(IX) Employees who are non-  
18 resident aliens and who receive no  
19 earned income (within the meaning of  
20 section 911(d)(2)) from the employer  
21 which constitutes income from sources  
22 within the United States (within the  
23 meaning of section 861(a)(3)).

1                   “(X) Such other classes of em-  
2                   ployees as the Secretary may des-  
3                   ignate.

4                   An employer may designate (in such man-  
5                   ner as is prescribed by the Secretary) two  
6                   or more of the classes described in the pre-  
7                   ceding subclauses as the specified class of  
8                   employees to which the arrangement is of-  
9                   fered for purposes of applying this sub-  
10                  paragraph.

11                  “(iii) SPECIAL RULE FOR NEW  
12                  HIRES.—An employer may designate pro-  
13                  spectively so much of a specified class of  
14                  employees as are hired after a date set by  
15                  the employer. Such subclass of employees  
16                  shall be treated as the specified class for  
17                  purposes of applying clause (i).

18                  “(iv) RULES FOR DETERMINING TYPE  
19                  OF EMPLOYEE.—For purposes for clause  
20                  (ii), any determination of full-time, part-  
21                  time, or seasonal employment status shall  
22                  be made under rules similar to the rules of  
23                  section 105(h) or 4980H, whichever the  
24                  employer elects for the plan year. Such

1 election shall apply with respect to all em-  
2 ployees of the employer for the plan year.

3 “(v) PERMITTED VARIATION.—For  
4 purposes of clause (i)(I), an arrangement  
5 shall not fail to be treated as provided on  
6 the same terms within a specified class  
7 merely because the maximum dollar  
8 amount of payments and reimbursements  
9 which may be made under the terms of the  
10 arrangement for the year with respect to  
11 each employee within such class—

12 “(I) increases as additional de-  
13 pendants of the employee are covered  
14 under the arrangement, and

15 “(II) increases with respect to a  
16 participant as the age of the partici-  
17 pant increases, but not in excess of an  
18 amount equal to 300 percent of the  
19 lowest maximum dollar amount with  
20 respect to such a participant deter-  
21 mined without regard to age.

22 “(D) SUBSTANTIATION REQUIREMENTS.—  
23 An arrangement meets the requirements of this  
24 subparagraph if the arrangement has reason-  
25 able procedures to substantiate—

1           “(i) that the participant and any de-  
2           pendents are, or will be, enrolled in cov-  
3           erage described in subparagraph (B)(ii) as  
4           of the beginning of the plan year of the ar-  
5           rangement (or as of the beginning of cov-  
6           erage under the arrangement in the case of  
7           an employee who first becomes eligible to  
8           participate in the arrangement after the  
9           date notice is given with respect to the  
10          plan under subparagraph (E) (determined  
11          without regard to clause (iii) thereof), and

12           “(ii) any requests made for payment  
13           or reimbursement of medical care under  
14           the arrangement and that the participant  
15           and any dependents remain so enrolled.

16          “(E) NOTICE.—

17           “(i) IN GENERAL.—Except as pro-  
18           vided in clause (iii), an arrangement meets  
19           the requirements of this subparagraph if,  
20           under the arrangement, each employee eli-  
21           gible to participate is, not later than 60  
22           days before the beginning of the plan year,  
23           given written notice of the employee’s  
24           rights and obligations under the arrange-  
25           ment which—

1                   “(I) is sufficiently accurate and  
2                   comprehensive to apprise the employee  
3                   of such rights and obligations, and

4                   “(II) is written in a manner cal-  
5                   culated to be understood by the aver-  
6                   age employee eligible to participate.

7                   “(ii) NOTICE REQUIREMENTS.—Such  
8                   notice shall include such information as the  
9                   Secretary may by regulation prescribe.

10                  “(iii) NOTICE DEADLINE FOR CER-  
11                  TAIN EMPLOYEES.—In the case of an em-  
12                  ployee—

13                   “(I) who first becomes eligible to  
14                   participate in the arrangement after  
15                   the date notice is given with respect  
16                   to the plan under clause (i) (deter-  
17                   mined without regard to this clause),  
18                   or

19                   “(II) whose employer is first es-  
20                   tablished fewer than 120 days before  
21                   the beginning of the first plan year of  
22                   the arrangement,  
23                   the requirements of this subparagraph  
24                   shall be treated as met if the notice re-  
25                   quired under clause (i) is provided not

1 later than the date the arrangement may  
2 take effect with respect to such em-  
3 ployee.”.

4 (b) INCLUSION OF CHOICE ARRANGEMENT PER-  
5 MITTED BENEFITS ON W-2.—

6 (1) IN GENERAL.—Section 6051(a), as amend-  
7 ed by the preceding provisions of this Act, is amend-  
8 ed by striking “and” at the end of paragraph (18),  
9 by striking the period at the end of paragraph (19)  
10 and inserting “, and”, and by inserting after para-  
11 graph (19) the following new paragraph:

12 “(20) the total amount of permitted benefits for  
13 enrolled individuals under a custom health option  
14 and individual care expense arrangement (as defined  
15 in section 9815(b)(2)) with respect to such em-  
16 ployee.”.

17 (c) TREATMENT OF CURRENT RULES RELATING TO  
18 CERTAIN ARRANGEMENTS.—

19 (1) NO INFERENCE.—To the extent not incon-  
20 sistent with the amendments made by this section—

21 (A) no inference shall be made from such  
22 amendments with respect to the rules pre-  
23 scribed in the Federal Register on June 20,  
24 2019, (84 Fed. Reg. 28888) relating to health

1 reimbursement arrangements and other ac-  
2 count-based group health plans, and

3 (B) any reference to custom health option  
4 and individual care expense arrangements shall  
5 for purposes of such rules be treated as includ-  
6 ing a reference to individual coverage health re-  
7 imbursement arrangements.

8 (2) OTHER CONFORMING OF RULES.—The Sec-  
9 retary of the Treasury, the Secretary of Health and  
10 Human Services, and the Secretary of Labor shall  
11 modify such rules as may be necessary to conform  
12 to the amendments made by this section.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to plan years beginning after De-  
15 cember 31, 2025.

16 **SEC. 110202. PARTICIPANTS IN CHOICE ARRANGEMENT ELI-**  
17 **GIBLE FOR PURCHASE OF EXCHANGE INSUR-**  
18 **ANCE UNDER CAFETERIA PLAN.**

19 (a) IN GENERAL.—Section 125(f)(3) is amended by  
20 adding at the end the following new subparagraph:

21 “(C) EXCEPTION FOR PARTICIPANTS IN  
22 CHOICE ARRANGEMENT.—Subparagraph (A)  
23 shall not apply in the case of an employee par-  
24 ticipating in a custom health option and indi-  
25 vidual care expense arrangement (within the

1 meaning of section 9815(b)(2)) offered by the  
2 employee's employer.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2025.

6 **SEC. 110203. EMPLOYER CREDIT FOR CHOICE ARRANGE-**  
7 **MENT.**

8 (a) **IN GENERAL.**—Subpart D of part IV of sub-  
9 chapter A of chapter 1 is amended by adding at the end  
10 the following new section:

11 **“SEC. 45BB. EMPLOYER CREDIT FOR CHOICE ARRANGE-**  
12 **MENT.**

13 “(a) **IN GENERAL.**—For purposes of section 38, in  
14 the case of an eligible employer, the **CHOICE** arrange-  
15 ment credit determined under this section for any taxable  
16 year is an amount, with respect to each employee enrolled  
17 during the credit period in a **CHOICE** arrangement main-  
18 tained by the employer, equal to—

19 “(1) \$100 multiplied by the number of months  
20 for which the employee is so enrolled during the first  
21 year in the credit period, and

22 “(2) one-half of the dollar amount in effect  
23 under paragraph (1) for the taxable year, multiplied  
24 by the number of months for which the employee is

1 so enrolled during the second year of the credit pe-  
2 riod.

3 “(b) ARRANGEMENT MUST CONSTITUTE MINIMUM  
4 ESSENTIAL COVERAGE.—An employee shall not be taken  
5 into account under subsection (a) unless such employee’s  
6 eligibility for the CHOICE arrangement (determined with-  
7 out regard to the employee being enrolled) would cause  
8 the employee to be treated under section 36B(c)(2) as  
9 being eligible for minimum essential coverage consisting  
10 of an eligible employer-sponsored plan (as defined in sec-  
11 tion 5000A(f)(2)).

12 “(c) DEFINITIONS.—For purposes of this section—

13 “(1) CHOICE ARRANGEMENT.—The term  
14 ‘CHOICE arrangement’ means a custom health op-  
15 tion and individual care expense arrangement (as de-  
16 fined in section 9815(b)(2)(B)).

17 “(2) CREDIT PERIOD.—The credit period with  
18 respect to an eligible employer is the first 2 one-year  
19 periods beginning with the month during which the  
20 employer first establishes a CHOICE arrangement  
21 on behalf of employees of the employer.

22 “(3) ELIGIBLE EMPLOYER.—The term ‘eligible  
23 employer’ means, with respect to any taxable year  
24 beginning in a calendar year, an employer who is not

1 an applicable large employer for the calendar year  
2 under section 4980H.

3 “(d) INFLATION ADJUSTMENT.—

4 “(1) IN GENERAL.—In the case of any taxable  
5 year beginning in a calendar year after 2026, the  
6 dollar amount in subsection (a) shall be increased by  
7 an amount equal to—

8 “(A) such dollar amount, multiplied by

9 “(B) the cost-of-living adjustment deter-  
10 mined under section 1(f)(3) for the calendar  
11 year in which such taxable year begins by sub-  
12 stituting ‘calendar year 2025’ for ‘calendar year  
13 2016’ in subparagraph (A)(ii) thereof.

14 “(2) ROUNDING.—If any amount after adjust-  
15 ment under paragraph (1) is not a multiple of \$10,  
16 such amount shall be rounded to the next lower mul-  
17 tiple of \$10.”.

18 (b) CREDIT MADE PART OF GENERAL BUSINESS  
19 CREDIT.—Section 38(b) is amended by striking “plus” at  
20 the end of paragraph (40), by striking the period at the  
21 end of paragraph (41) and inserting “, plus”, and by add-  
22 ing at the end the following new paragraph:

23 “(42) the CHOICE arrangement credit deter-  
24 mined under section 45BB(a).”.

1 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
2 IMUM TAX.—Section 38(c)(4)(B) is amended—

3 (1) by redesignating clauses (x), (xi), and (xii)  
4 as clauses (xi), (xii), and (xiii), respectively, and  
5 (2) by inserting after clause (ix) the following  
6 new clause:

7 “(x) the credit determined under sec-  
8 tion 45BB,”.

9 (d) CLERICAL AMENDMENT.—The table of sections  
10 for subpart D of part IV of subchapter A of chapter 1  
11 is amended by adding at the end the following new item:  
“Sec. 45BB. Employer credit for CHOICE arrangement.”.

12 (e) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 2025.

15 **SEC. 110204. INDIVIDUALS ENTITLED TO PART A OF MEDI-**  
16 **CARE BY REASON OF AGE ALLOWED TO CON-**  
17 **TRIBUTE TO HEALTH SAVINGS ACCOUNTS.**

18 (a) IN GENERAL.—Section 223(c)(1)(B) is amended  
19 by striking “and” at the end of clause (ii), by striking  
20 the period at the end of clause (iii) and inserting “, and”,  
21 and by adding at the end the following new clause:

22 “(iv) entitlement to hospital insurance  
23 benefits under part A of title XVIII of the  
24 Social Security Act by reason of section  
25 226(a) of such Act.”.

1 (b) TREATMENT OF HEALTH INSURANCE PUR-  
2 CHASED FROM ACCOUNT.—Section 223(d)(2)(C)(iv) is  
3 amended by inserting “and who is not an eligible indi-  
4 vidual” after “who has attained the age specified in sec-  
5 tion 1811 of the Social Security Act”.

6 (c) COORDINATION WITH PENALTY ON DISTRIBU-  
7 TIONS NOT USED FOR QUALIFIED MEDICAL EX-  
8 PENSES.—Section 223(f)(4)(C) is amended by striking  
9 “Subparagraph (A)” and inserting “Except in the case of  
10 an eligible individual, subparagraph (A)”

11 (d) CONFORMING AMENDMENT.—Section 223(b)(7)  
12 is amended by inserting “(other than an entitlement to  
13 benefits described in subsection (c)(1)(B)(iv))” after “So-  
14 cial Security Act”.

15 (e) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to months beginning after Decem-  
17 ber 31, 2025.

18 **SEC. 110205. TREATMENT OF DIRECT PRIMARY CARE SERV-**  
19 **ICE ARRANGEMENTS.**

20 (a) IN GENERAL.—Section 223(e)(1) is amended by  
21 adding at the end the following new subparagraph:

22 “(E) TREATMENT OF DIRECT PRIMARY  
23 CARE SERVICE ARRANGEMENTS.—

24 “(i) IN GENERAL.—A direct primary  
25 care service arrangement shall not be

1 treated as a health plan for purposes of  
2 subparagraph (A)(ii).

3 “(ii) DIRECT PRIMARY CARE SERVICE  
4 ARRANGEMENT.—For purposes of this sub-  
5 paragraph—

6 “(I) IN GENERAL.—The term ‘di-  
7 rect primary care service arrange-  
8 ment’ means, with respect to any indi-  
9 vidual, an arrangement under which  
10 such individual is provided medical  
11 care (as defined in section 213(d))  
12 consisting solely of primary care serv-  
13 ices provided by primary care practi-  
14 tioners (as defined in section  
15 1833(x)(2)(A) of the Social Security  
16 Act, determined without regard to  
17 clause (ii) thereof), if the sole com-  
18 pensation for such care is a fixed peri-  
19 odic fee.

20 “(II) LIMITATION.—With respect  
21 to any individual for any month, such  
22 term shall not include any arrange-  
23 ment if the aggregate fees for all di-  
24 rect primary care service arrange-  
25 ments (determined without regard to

1 this subclause) with respect to such  
2 individual for such month exceed  
3 \$150 (twice such dollar amount in the  
4 case of an individual with any direct  
5 primary care service arrangement (as  
6 so determined) that covers more than  
7 one individual).

8 “(iii) CERTAIN SERVICES SPECIFI-  
9 CALLY EXCLUDED FROM TREATMENT AS  
10 PRIMARY CARE SERVICES.—For purposes  
11 of this subparagraph, the term ‘primary  
12 care services’ shall not include—

13 “(I) procedures that require the  
14 use of general anesthesia,

15 “(II) prescription drugs (other  
16 than vaccines), and

17 “(III) laboratory services not  
18 typically administered in an ambula-  
19 tory primary care setting.

20 The Secretary, after consultation with the  
21 Secretary of Health and Human Services,  
22 shall issue regulations or other guidance  
23 regarding the application of this clause.”.

24 (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT  
25 FEES TREATED AS MEDICAL EXPENSES.—Section

1 223(d)(2)(C) is amended by striking “or” at the end of  
2 clause (iii), by striking the period at the end of clause (iv)  
3 and inserting “, or”, and by adding at the end the fol-  
4 lowing new clause:

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

7 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) is  
8 amended—

9 (1) by inserting “, (c)(1)(E)(ii)(II),” after  
10 “(b)(2)” each place it appears, and

11 (2) in subparagraph (B), by striking “clause  
12 (ii)” in clause (i) and inserting “clauses (ii) and  
13 (iii)”, by striking “and” at the end of clause (i), by  
14 striking the period at the end of clause (ii) and in-  
15 serting “, and”, and by inserting after clause (ii) the  
16 following new clause:

17 “(iii) in the case of the dollar amount  
18 in subsection (c)(1)(E)(ii)(II) for taxable  
19 years beginning in calendar years after  
20 2026, ‘calendar year 2025’.”.

21 (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to months beginning after Decem-  
23 ber 31, 2025.

1 **SEC. 110206. ALLOWANCE OF BRONZE AND CATASTROPHIC**  
2 **PLANS IN CONNECTION WITH HEALTH SAV-**  
3 **INGS ACCOUNTS.**

4 (a) IN GENERAL.—Section 223(c)(2) is amended by  
5 adding at the end the following new subparagraph:

6 “(H) BRONZE AND CATASTROPHIC PLANS  
7 TREATED AS HIGH DEDUCTIBLE HEALTH  
8 PLANS.—The term ‘high deductible health plan’  
9 shall include any plan—

10 “(i) available as individual coverage  
11 through an Exchange established under  
12 section 1311 or 1321 of the Patient Pro-  
13 tection and Affordable Care Act, and

14 “(ii) described in subsection (d)(1)(A)  
15 or (e) of section 1302 of such Act.”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to months beginning after Decem-  
18 ber 31, 2025.

19 **SEC. 110207. ON-SITE EMPLOYEE CLINICS.**

20 (a) IN GENERAL.—Section 223(c)(1), as amended by  
21 the preceding provisions of this Act, is amended by adding  
22 at the end the following new subparagraph:

23 “(F) SPECIAL RULE FOR QUALIFIED ITEMS  
24 AND SERVICES.—

25 “(i) IN GENERAL.—For purposes of  
26 subparagraph (A)(ii), an individual shall

1 not be treated as covered under a health  
2 plan described in subclauses (I) and (II) of  
3 such subparagraph merely because the in-  
4 dividual is eligible to receive, or receives,  
5 qualified items and services—

6 “(I) at a healthcare facility lo-  
7 cated at a facility owned or leased by  
8 the employer of the individual (or of  
9 the individual’s spouse), or

10 “(II) at a healthcare facility op-  
11 erated primarily for the benefit of em-  
12 ployees of the employer of the indi-  
13 vidual (or of the individual’s spouse).

14 “(ii) QUALIFIED ITEMS AND SERVICES  
15 DEFINED.—For purposes of this subpara-  
16 graph, the term ‘qualified items and serv-  
17 ices’ means the following:

18 “(I) Physical examination.

19 “(II) Immunizations, including  
20 injections of antigens provided by em-  
21 ployees.

22 “(III) Drugs or biologicals other  
23 than a prescribed drug (as such term  
24 is defined in section 213(d)(3)).

1                   “(IV) Treatment for injuries oc-  
2                   curring in the course of employment.

3                   “(V) Preventive care for chronic  
4                   conditions (as defined in clause (iv)).

5                   “(VI) Drug testing.

6                   “(VII) Hearing or vision  
7                   screenings and related services.

8                   “(iii) AGGREGATION.—For purposes  
9                   of clause (i), all persons treated as a single  
10                  employer under subsection (b), (c), (m), or  
11                  (o) of section 414 shall be treated as a sin-  
12                  gle employer.

13                  “(iv) PREVENTIVE CARE FOR CHRON-  
14                  IC CONDITIONS.—For purposes of this sub-  
15                  paragraph, the term ‘preventive care for  
16                  chronic conditions’ means any item or  
17                  service specified in the Appendix of Inter-  
18                  nal Revenue Service Notice 2019–45 which  
19                  is prescribed to treat an individual diag-  
20                  nosed with the associated chronic condition  
21                  specified in such Appendix for the purpose  
22                  of preventing the exacerbation of such  
23                  chronic condition or the development of a  
24                  secondary condition, including any amend-  
25                  ment, addition, removal, or other modifica-

1           tion made by the Secretary (pursuant to  
2           the authority granted to the Secretary  
3           under paragraph (2)(C)) to the items or  
4           services specified in such Appendix subse-  
5           quent to the date of publication of such  
6           Notice.”.

7           (b) **EFFECTIVE DATE.**—The amendments made by  
8           this section shall apply to months in taxable years begin-  
9           ning after December 31, 2025.

10 **SEC. 110208. CERTAIN AMOUNTS PAID FOR PHYSICAL AC-**  
11 **TIVITY, FITNESS, AND EXERCISE TREATED AS**  
12 **AMOUNTS PAID FOR MEDICAL CARE.**

13           (a) **IN GENERAL.**—Section 223(d)(2)(A) is amended  
14           by adding at the end the following: “For purposes of this  
15           subparagraph, amounts paid for qualified sports and fit-  
16           ness expenses shall be treated as paid for medical care.”.

17           (b) **QUALIFIED SPORTS AND FITNESS EXPENSES.**—  
18           Section 223(d)(2) is amended by adding at the end the  
19           following new subparagraph:

20                           “(E) **QUALIFIED SPORTS AND FITNESS EX-**  
21                           **PENSES.**—For purposes of this paragraph—

22   “(i) **IN GENERAL.**—The term ‘quali-  
23   fied sports and fitness expenses’ means  
24   amounts paid exclusively for the sole pur-

1 pose of participating in a physical activity  
2 including—

3 “(I) for membership at a fitness  
4 facility, or

5 “(II) for participation or instruc-  
6 tion in physical exercise or physical  
7 activity.

8 “(ii) OVERALL DOLLAR LIMITA-  
9 TION.—

10 “(I) IN GENERAL.—The aggre-  
11 gate amount treated as qualified  
12 sports and fitness expenses with re-  
13 spect to any taxpayer for any taxable  
14 year shall not exceed \$500 (\$1,000 in  
15 the case of a joint return or a head of  
16 household (as defined in section  
17 2(b))).

18 “(II) MONTHLY LIMIT.—The  
19 amount taken into account under sub-  
20 paragraph (A) as paid for partici-  
21 pating in a physical activity during a  
22 month beginning during the taxable  
23 year shall not exceed an amount equal  
24 to 1/12 of the amount in effect with

1                   respect to the taxpayer for the taxable  
2                   year under subclause (I).

3                   “(iii) FITNESS FACILITY.—For pur-  
4                   poses of clause (i)(I), the term ‘fitness fa-  
5                   cility’ means a facility—

6                   “(I) which provides instruction in  
7                   a program of physical exercise, offers  
8                   facilities for the preservation, mainte-  
9                   nance, encouragement, or development  
10                  of physical fitness, or serves as the  
11                  site of such a program of a State or  
12                  local government,

13                  “(II) which is not a private club  
14                  owned and operated by its members,

15                  “(III) which does not offer golf,  
16                  hunting, sailing, or riding facilities,

17                  “(IV) the health or fitness com-  
18                  ponent of which is not incidental to its  
19                  overall function and purpose, and

20                  “(V) which is fully compliant  
21                  with the State of jurisdiction and  
22                  Federal anti-discrimination laws.

23                  “(iv) TREATMENT OF PERSONAL  
24                  TRAINERS, EXERCISE VIDEOS, ETC.—The

1 term ‘qualified sports and fitness expenses’  
2 shall not include any amount paid for—

3 “(I) videos, books, or similar ma-  
4 terials,

5 “(II) remote or virtual instruc-  
6 tion in a physical exercise or physical  
7 activity, unless such instruction is live,  
8 or

9 “(III) one-on-one personal train-  
10 ing.

11 “(v) PROGRAMS WHICH INCLUDE  
12 COMPONENTS OTHER THAN PHYSICAL EX-  
13 ERCISE AND PHYSICAL ACTIVITY.—Rules  
14 similar to the rules of section 213(d)(6)  
15 shall apply in the case of any program that  
16 includes physical exercise or physical activ-  
17 ity and also other components. For pur-  
18 poses of the preceding sentence, travel and  
19 accommodations shall be treated as a sepa-  
20 rate component.

21 “(vi) MEMBERSHIP, PARTICIPATION,  
22 AND INSTRUCTION MUST BE CON-  
23 TINUING.—An amount shall not be treated  
24 as paid for the purpose of participating in  
25 a physical activity unless—

1                   “(I) in the case of a membership  
2                   at a fitness facility, such membership  
3                   is for more than 1 day, and

4                   “(II) in the case of participation  
5                   or instruction in physical exercise or  
6                   physical activity, the amount paid  
7                   constitutes payment for more than 1  
8                   occasion of such participation or in-  
9                   struction.

10                   “(vii)    COST-OF-LIVING    ADJUST-  
11                   MENT.—In the case of any taxable year be-  
12                   ginning in a calendar year after 2026, each  
13                   dollar amount in clause (ii)(I) shall be in-  
14                   creased by an amount equal to—

15                   “(I) such dollar amount, multi-  
16                   plied by

17                   “(II) the cost-of-living adjust-  
18                   ment determined under section 1(f)(3)  
19                   for the calendar year in which such  
20                   taxable year begins by substituting  
21                   ‘calendar year 2025’ for ‘calendar  
22                   year 2016’ in subparagraph (A)(ii)  
23                   thereof.

24                   If any increase under the preceding sen-  
25                   tence is not a multiple of \$50, such in-

1                   crease shall be rounded to the nearest mul-  
2                   tiple of \$50.”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2025.

6 **SEC. 110209. ALLOW BOTH SPOUSES TO MAKE CATCH-UP**  
7                   **CONTRIBUTIONS TO THE SAME HEALTH SAV-**  
8                   **INGS ACCOUNT.**

9           (a) IN GENERAL.—Section 223(b)(5) is amended to  
10 read as follows:

11                   “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS  
12                   WITH FAMILY COVERAGE.—

13                   “(A) IN GENERAL.—In the case of individ-  
14                   uals who are married to each other, if both  
15                   spouses are eligible individuals and either  
16                   spouse has family coverage under a high de-  
17                   ductible health plan as of the first day of any  
18                   month—

19                   “(i) the limitation under paragraph  
20                   (1) shall be applied by not taking into ac-  
21                   count any other high deductible health  
22                   plan coverage of either spouse (and if such  
23                   spouses both have family coverage under  
24                   separate high deductible health plans, only

1           one such coverage shall be taken into ac-  
2           count),

3           “(ii) such limitation (after application  
4           of clause (i)) shall be reduced by the ag-  
5           gregate amount paid to Archer MSAs of  
6           such spouses for the taxable year, and

7           “(iii) such limitation (after application  
8           of clauses (i) and (ii)) shall be divided  
9           equally between such spouses unless they  
10          agree on a different division.

11          “(B) TREATMENT OF ADDITIONAL CON-  
12          TRIBUTION AMOUNTS.—If both spouses referred  
13          to in subparagraph (A) have attained age 55  
14          before the close of the taxable year, the limita-  
15          tion referred to in subparagraph (A)(iii) which  
16          is subject to division between the spouses shall  
17          include the additional contribution amounts de-  
18          termined under paragraph (3) for both spouses.  
19          In any other case, any additional contribution  
20          amount determined under paragraph (3) shall  
21          not be taken into account under subparagraph  
22          (A)(iii) and shall not be subject to division be-  
23          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 by  
7       striking paragraph (3).

8       (b) EFFECTIVE DATE.—The amendments made by  
9       this section shall apply to taxable years beginning after  
10       December 31, 2025.

11       **SEC. 111005. EXTENSION OF BASE EROSION MINIMUM TAX**  
12                               **AMOUNT.**

13       (a) IN GENERAL.—Section 59A(b) is amended by  
14       striking paragraph (2) and by redesignating paragraphs  
15       (3) and (4) as paragraphs (2) and (3), respectively.

16       (b) CONFORMING AMENDMENTS.—

17               (1) Section 59A(b)(1) is amended by striking  
18               “Except as provided in paragraphs (2) and (3)” and  
19               inserting “Except as provided in paragraph (2)”.

20               (2) Section 59A(b)(2), as redesignated by sub-  
21               section (a)(2), is amended by striking “the percent-  
22               age otherwise in effect under paragraphs (1)(A) and  
23               (2)(A) shall each be increased” and inserting “the  
24               percentages otherwise in effect under paragraph  
25               (1)(A) shall be increased”.

1           (3) Section 59A(e)(1)(C) is amended by strik-  
2           ing “in the case of a taxpayer described in sub-  
3           section (b)(3)(B)” and inserting “in the case of a  
4           taxpayer described in subsection (b)(2)(B)”.

5           (c) EFFECTIVE DATE.—The amendments made by  
6           this section shall apply to taxable years beginning after  
7           December 31, 2025.

8           **SEC. 111006. EXCEPTION TO DENIAL OF DEDUCTION FOR**  
9                                   **BUSINESS MEALS.**

10          (a) IN GENERAL.—Section 274(o) is amended by  
11          striking “No deduction” and inserting “Except in the case  
12          of an expense described in subsection (e)(8), no deduc-  
13          tion”.

14          (b) EFFECTIVE DATE.—The amendment made by  
15          this section shall apply to amounts paid or incurred after  
16          December 31, 2025.

17           **PART 2—ADDITIONAL TAX RELIEF FOR RURAL**  
18                                   **AMERICA AND MAIN STREET**

19           **SEC. 111101. SPECIAL DEPRECIATION ALLOWANCE FOR**  
20                                   **QUALIFIED PRODUCTION PROPERTY.**

21          (a) IN GENERAL.—Section 168 is amended by adding  
22          at the end the following new subsection:

23           “(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUC-  
24          TION PROPERTY.—

1           “(1) IN GENERAL.—In the case of any qualified  
2 production property—

3           “(A) the depreciation deduction provided  
4 by section 167(a) for the taxable year in which  
5 such property is placed in service shall include  
6 an allowance equal to 100 percent of the ad-  
7 justed basis of the qualified production prop-  
8 erty, and

9           “(B) the adjusted basis of the qualified  
10 production property shall be reduced by the  
11 amount of such deduction before computing the  
12 amount otherwise allowable as a depreciation  
13 deduction under this chapter for such taxable  
14 year and any subsequent taxable year.

15           “(2) QUALIFIED PRODUCTION PROPERTY.—For  
16 purposes of this subsection—

17           “(A) IN GENERAL.—The term ‘qualified  
18 production property’ means that portion of any  
19 nonresidential real property—

20                   “(i) to which this section applies,

21                   “(ii) which is used by the taxpayer as  
22 an integral part of a qualified production  
23 activity,

1 “(iii) which is placed in service in the  
2 United States or any possession of the  
3 United States,

4 “(iv) the original use of which com-  
5 mences with the taxpayer,

6 “(v) the construction of which begins  
7 after January 19, 2025, and before Janu-  
8 ary 1, 2029,

9 “(vi) with respect to which the tax-  
10 payer has elected the application of this  
11 subsection, and

12 “(vii) which is placed in service before  
13 January 1, 2033.

14 “(B) SPECIAL RULE FOR CERTAIN PROP-  
15 erty NOT PREVIOUSLY USED IN QUALIFIED  
16 PRODUCTION ACTIVITIES.—

17 “(i) IN GENERAL.—In the case of  
18 property acquired by the taxpayer during  
19 the period described in subparagraph  
20 (A)(v), the requirements of clauses (iv) and  
21 (v) of subparagraph (A) shall be treated as  
22 satisfied if such property was not used in  
23 a qualified production activity (determined  
24 without regard to the second sentence of  
25 subparagraph (D)) by any person at any

1 time during the period beginning on Janu-  
2 ary 1, 2021, and ending on May 12, 2025.

3 “(ii) WRITTEN BINDING CON-  
4 TRACTS.—For purposes of determining  
5 under clause (i)—

6 “(I) whether such property is ac-  
7 quired before the period described in  
8 subparagraph (A)(v), such property  
9 shall be treated as acquired not later  
10 than the date on which the taxpayer  
11 enters into a written binding contract  
12 for such acquisition, and

13 “(II) whether such property is  
14 acquired after such period, such prop-  
15 erty shall be treated as acquired not  
16 earlier than such date.

17 “(C) EXCLUSION OF OFFICE SPACE,  
18 ETC.—The term ‘qualified production property’  
19 shall not include that portion of any nonresi-  
20 dential real property which is used for offices,  
21 administrative services, lodging, parking, sales  
22 activities, research activities, software engineer-  
23 ing activities, or other functions unrelated to  
24 manufacturing, production, or refining of tan-  
25 gible personal property.

1           “(D) QUALIFIED PRODUCTION ACTIVITY.—

2           The term ‘qualified production activity’ means  
3           the manufacturing, production, or refining of a  
4           qualified product. The activities of any taxpayer  
5           do not constitute manufacturing, production, or  
6           refining of a qualified product unless the activi-  
7           ties of such taxpayer result in a substantial  
8           transformation of the property comprising the  
9           product.

10           “(E) PRODUCTION.—The term ‘produc-  
11           tion’ shall not include activities other than agri-  
12           cultural production and chemical production.

13           “(F) QUALIFIED PRODUCT.—The term  
14           ‘qualified product’ means any tangible personal  
15           property.

16           “(G) SYNDICATION.—For purposes of sub-  
17           paragraph (A)(iv), rules similar to the rules of  
18           subsection (k)(2)(E)(iii) shall apply.

19           “(3) DEDUCTION ALLOWED IN COMPUTING  
20           MINIMUM TAX.—For purposes of determining alter-  
21           native minimum taxable income under section 55,  
22           the deduction under section 167 for qualified pro-  
23           duction property shall be determined under this sec-  
24           tion without regard to any adjustment under section  
25           56.

1           “(4) COORDINATION WITH CERTAIN OTHER  
2 PROVISIONS.—

3           “(A) OTHER SPECIAL DEPRECIATION AL-  
4 LOWANCES.—The term ‘qualified production  
5 property’ shall not include any property to  
6 which subsection (k), (l), or (m) applies. For  
7 purposes of subsections (k)(7), (l)(3)(D), and  
8 (m)(2)(B)(iii), qualified production property to  
9 which this subsection applies shall be treated as  
10 a separate class of property.

11           “(B) ALTERNATIVE DEPRECIATION PROP-  
12 ERTY.—The term ‘qualified production prop-  
13 erty’ shall not include any property to which the  
14 alternative depreciation system under sub-  
15 section (g) applies. For purposes of subsection  
16 (g)(7)(A), qualified production property to  
17 which this subsection applies shall be treated as  
18 separate nonresidential real property.

19           “(5) RECAPTURE.—If, at any time during the  
20 10-year period beginning on the date that any quali-  
21 fied production property is placed in service by the  
22 taxpayer, such property ceases to be used as de-  
23 scribed in paragraph (2)(A)(ii) and is used by the  
24 taxpayer in a productive use not described in para-  
25 graph (2)(A)(ii)—

1 “(A) section 1245 shall be applied—

2 “(i) by treating such property as hav-  
3 ing been disposed of by the taxpayer as of  
4 the first time such property is so used in  
5 a productive use not described in para-  
6 graph (2)(A)(ii), and

7 “(ii) by treating the amount described  
8 in subparagraph (B) of section 1245(a)(1)  
9 with respect to such disposition as being  
10 not less than the amount described in sub-  
11 subparagraph (A) of such section, and

12 “(B) the basis of the taxpayer in such  
13 property, and the taxpayer’s allowance for de-  
14 preciation with respect to such property, shall  
15 be appropriately adjusted to take into account  
16 amounts recognized by reason of subparagraph  
17 (A).

18 “(6) REGULATIONS.—The Secretary shall issue  
19 such regulations or other guidance as may be nec-  
20 essary or appropriate to carry out the purposes of  
21 this subsection, including regulations or other guid-  
22 ance—

23 “(A) regarding what constitutes a substan-  
24 tial transformation of property, and

1           “(B) providing for the application of para-  
2           graph (5) with respect to a change in use de-  
3           scribed in such paragraph by a transferee fol-  
4           lowing a fully or partially tax free transfer of  
5           qualified production property.”.

6           (b) **TREATMENT OF QUALIFIED PRODUCTION PROP-**  
7 **ERTY AS SECTION 1245 PROPERTY.**—Section 1245(a)(3)  
8 is amended by striking “or” at the end of subparagraph  
9 (E), by striking the period at the end of subparagraph  
10 (F) and inserting “, or”, and by adding at the end the  
11 following new subparagraph:

12                   “(G) any qualified production property (as  
13                   defined in section 168(n)(2)).”.

14           (c) **EFFECTIVE DATE.**—The amendments made by  
15 this section shall apply to property placed in service after  
16 the date of the enactment of this Act.

17 **SEC. 111102. RENEWAL AND ENHANCEMENT OF OPPOR-**  
18 **TUNITY ZONES.**

19           (a) **MODIFICATION OF LOW-INCOME COMMUNITY**  
20 **DEFINITION.**—Section 1400Z-1(c)(1) is amended—

21                   (1) by striking “COMMUNITIES.—The term”  
22                   and inserting the following: “COMMUNITIES.—

23                           “(A) **IN GENERAL.**—The term”, and

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

1           “(B) MODIFICATIONS.—For purposes of  
2           subparagraph (A), section 45D(e)(1) shall be  
3           applied in subparagraph (B) thereof, by sub-  
4           stituting ‘70 percent’ for ‘80 percent’ each  
5           place it appears.

6           “(C) CERTAIN CENSUS TRACTS DIS-  
7           ALLOWED.—The term ‘low-income community’  
8           shall not include any population census tract  
9           if—

10                   “(i) in the case of a tract not located  
11                   within a metropolitan area, the median  
12                   family income for such tract is at least 125  
13                   percent of statewide median family income,  
14                   or

15                   “(ii) in the case of a tract located  
16                   within a metropolitan area, the median  
17                   family income for such tract is at least 125  
18                   percent of the metropolitan area median  
19                   family income.”.

20           (b) NEW ROUND OF QUALIFIED OPPORTUNITY ZONE  
21           DESIGNATIONS.—

22                   (1) IN GENERAL.—Section 1400Z–1 is amended  
23                   by adding at the end the following new subsection:

24                   “(g) NEW ROUND OF QUALIFIED OPPORTUNITY  
25                   ZONE DESIGNATIONS.—

1           “(1) IN GENERAL.—In addition to designations  
2           under subsection (b), and under rules similar to the  
3           rules of such subsection, the Secretary shall des-  
4           ignate tracts nominated by the chief executive offi-  
5           cers of States for purposes of this section.

6           “(2) NUMBER OF DESIGNATIONS; PROPORTION  
7           OF RURAL AREAS DESIGNATED.—

8           “(A) IN GENERAL.—Of the low-income  
9           communities within a State, the Secretary may  
10          designate under this subsection not more than  
11          25 percent as qualified opportunity zones, of  
12          which at least the lesser of the following shall  
13          be qualified opportunity zones which are com-  
14          prised entirely of a rural area:

15               “(i) The applicable percentage of the  
16               total number of qualified opportunity zone  
17               designations which may be made within  
18               the State under this subsection.

19               “(ii) All low-income communities with-  
20               in the State which are comprised entirely  
21               of a rural area.

22           “(B) APPLICABLE PERCENTAGE.—For  
23           purposes of this paragraph, the applicable per-  
24           centage shall be, for any calendar year during  
25           which a designation is made, the greater of—

1 “(i) 33 percent, or

2 “(ii) the percentage of the United  
3 States population living within a rural area  
4 for the preceding calendar year.

5 “(3) RURAL AREA.—Whether a low-income  
6 community is comprised entirely of a rural area shall  
7 be determined by the Secretary in consultation with  
8 the Secretary of Agriculture. For purposes of this  
9 subsection, the term ‘rural area’ has the meaning  
10 given such term by section 343(a)(13)(A) of the  
11 Consolidated Farm and Rural Development Act.

12 “(4) PERIOD FOR WHICH DESIGNATION IS IN  
13 EFFECT.—A designation as a qualified opportunity  
14 zone under this subsection shall remain in effect for  
15 the period beginning on January 1, 2027, and end-  
16 ing on December 31, 2033.

17 “(5) CONTIGUOUS TRACTS NOT ELIGIBLE.—  
18 Subsection (e) shall not apply to designations made  
19 under this subsection.”.

20 (2) ELECTION WITH RESPECT TO NEW ROUND  
21 OF ZONES.—Section 1400Z–2(a)(2)(B) is amended  
22 by striking “December 31, 2026” and inserting  
23 “December 31, 2033”.

24 (3) YEAR OF INCLUSION.—Section 1400Z–  
25 2(b)(1)(B) is amended to read as follows:

1           “(B)(i) December 31, 2026, in the case of  
2           an amount invested before January 1, 2027,  
3           and

4           “(ii) December 31, 2033, in the case of an  
5           amount invested after December 31, 2026, and  
6           before January 1, 2034.”.

7           (4) WINDING DOWN INITIAL ZONE DESIGNA-  
8           TIONS.—Section 1400Z–1(f) is amended—

9           (A) by striking “and ending” and all that  
10          follows and inserting the following: “and ending  
11          on December 31, 2026.”, and

12          (B) by striking “A designation” and in-  
13          serting “Except as provided in subsection  
14          (g)(4), a designation”.

15          (c) MODIFICATION OF OPPORTUNITY ZONE INVEST-  
16          MENT INCENTIVES.—

17          (1) CONSOLIDATED BASIS INCREASES; RURAL  
18          ZONE BASIS INCREASE.—Section 1400Z–2(b)(2)(B)  
19          is amended by adding at the end the following new  
20          clauses:

21                  “(v) CONSOLIDATED BASIS INCREASE  
22                  FOR INVESTMENTS AFTER 2026.—In the  
23                  case of investments made after December  
24                  31, 2026—

1                   “(I) clauses (iii) and (iv) shall  
2                   not apply, and

3                   “(II) for any such investment  
4                   held by the taxpayer for at least 5  
5                   years, the basis of such adjustment  
6                   shall be increased by an amount equal  
7                   to 10 percent of the amount of gain  
8                   deferred by reason of subsection  
9                   (a)(1)(A).

10                  “(vi) SPECIAL RULE FOR RURAL OP-  
11                  PORTUNITY FUNDS.—Clause (v) shall be  
12                  applied by substituting ‘30 percent’ for ‘10  
13                  percent’ in the case of an investment in a  
14                  qualified rural opportunity fund.

15                  “(vii) QUALIFIED RURAL OPPOR-  
16                  TUNITY FUND.—For purposes of clause  
17                  (vi), a ‘qualified rural opportunity fund’  
18                  means a qualified opportunity fund that  
19                  holds at least 90 percent of its assets in  
20                  qualified opportunity zone property  
21                  which—

22                  “(I) is qualified opportunity zone  
23                  business property substantially all of  
24                  the use of which, during substantially  
25                  all of the fund’s holding period for

1 such property, was in a qualified op-  
2 portunity zone comprised entirely of a  
3 rural area, or

4 “(II) is qualified opportunity  
5 zone stock, or a qualified opportunity  
6 zone partnership interest, in a quali-  
7 fied opportunity zone business in  
8 which substantially all of the tangible  
9 property owned or leased is qualified  
10 opportunity zone business property  
11 described in subsection (d)(3)(A)(i)  
12 and substantially all the use of which  
13 is in a qualified opportunity zone com-  
14 prised entirely of a rural area.

15 For purposes of the preceding sentence,  
16 property held in the fund shall be meas-  
17 ured under rules similar to the rules of  
18 subsection (d)(1).”.

19 (2) LIMITED TREATMENT OF ORDINARY IN-  
20 COME.—Section 1400Z–2(a) is amended by adding  
21 at the end the following new paragraph:

22 “(3) SPECIAL RULE FOR ORDINARY INCOME.—  
23 In the case of any ordinary income of the taxpayer  
24 for the taxable year—

1           “(A) the taxpayer may elect the applica-  
2           tion of paragraph (1) with respect to so much  
3           of ordinary income as does not exceed \$10,000  
4           (reduced by the amount of any income with re-  
5           spect to which an election pursuant to this  
6           paragraph has previously been made), and

7           “(B) subsection (b)(2)(B) shall not apply  
8           to the investment with respect to such elec-  
9           tion.”.

10           (3) SPECIAL RULE FOR IMPROVEMENT OF EX-  
11           ISTING STRUCTURES IN RURAL AREAS, INCLUDING  
12           FOR DATA CENTERS.—Section 1400Z-2(d)(2)(D)(ii)  
13           is amended by inserting “(50 percent of such ad-  
14           justed basis in the case of property in a qualified op-  
15           portunity zone comprised entirely of a rural area)”  
16           after “the adjusted basis of such property”.

17           (d) INFORMATION REPORTING ON QUALIFIED OP-  
18           PORTUNITY FUNDS AND QUALIFIED RURAL OPPOR-  
19           TUNITY FUNDS.—

20           (1) FILING REQUIREMENTS FOR FUNDS AND  
21           INVESTORS.—Subpart A of part III of subchapter A  
22           of chapter 61 is amended by inserting after section  
23           6039J the following new sections:

1 **“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OP-**  
2 **PORTUNITY FUNDS AND QUALIFIED RURAL**  
3 **OPPORTUNITY FUNDS.**

4 “(a) IN GENERAL.—Every qualified opportunity fund  
5 shall file an annual return (at such time and in such man-  
6 ner as the Secretary may prescribe) containing the infor-  
7 mation described in subsection (b).

8 “(b) INFORMATION FROM QUALIFIED OPPORTUNITY  
9 FUNDS.—The information described in this subsection  
10 is—

11 “(1) the name, address, and taxpayer identifica-  
12 tion number of the qualified opportunity fund,

13 “(2) whether the qualified opportunity fund is  
14 organized as a corporation or a partnership,

15 “(3) the value of the total assets held by the  
16 qualified opportunity fund as of each date described  
17 in section 1400Z–2(d)(1),

18 “(4) the value of all qualified opportunity zone  
19 property held by the qualified opportunity fund on  
20 each such date,

21 “(5) with respect to each investment held by  
22 the qualified opportunity fund in qualified oppor-  
23 tunity zone stock or a qualified opportunity zone  
24 partnership interest—

25 “(A) the name, address, and taxpayer  
26 identification number of the corporation in

1           which such stock is held or the partnership in  
2           which such interest is held, as the case may be,

3           “(B) each North American Industry Clas-  
4           sification System (NAICS) code that applies to  
5           the trades or businesses conducted by such cor-  
6           poration or partnership,

7           “(C) the population census tracts in which  
8           the qualified opportunity zone business property  
9           of such corporation or partnership is located,

10          “(D) the amount of the investment in such  
11          stock or partnership interest as of each date de-  
12          scribed in section 1400Z-2(d)(1),

13          “(E) the value of tangible property held by  
14          such corporation or partnership on each such  
15          date which is owned by such corporation or  
16          partnership,

17          “(F) the value of tangible property held by  
18          such corporation or partnership on each such  
19          date which is leased by such corporation or  
20          partnership,

21          “(G) the approximate number of residen-  
22          tial units (if any) for any real property held by  
23          such corporation or partnership, and

24          “(H) the approximate average monthly  
25          number of full-time equivalent employees of

1 such corporation or partnership for the year  
2 (within numerical ranges identified by the Sec-  
3 retary) or such other indication of the employ-  
4 ment impact of such corporation or partnership  
5 as determined appropriate by the Secretary,

6 “(6) with respect to the items of qualified op-  
7 portunity zone business property held by the quali-  
8 fied opportunity fund—

9 “(A) the North American Industry Classi-  
10 fication System (NAICS) code that applies to  
11 the trades or businesses in which such property  
12 is held,

13 “(B) the population census tract in which  
14 the property is located,

15 “(C) whether the property is owned or  
16 leased,

17 “(D) the aggregate value of the items of  
18 qualified opportunity zone property held by the  
19 qualified opportunity fund as of each date de-  
20 scribed in section 1400Z–2(d)(1), and

21 “(E) in the case of real property, number  
22 of residential units (if any),

23 “(7) the approximate average monthly number  
24 of full-time equivalent employees for the year of the  
25 trades or businesses of the qualified opportunity

1 fund in which qualified opportunity zone business  
2 property is held (within numerical ranges identified  
3 by the Secretary) or such other indication of the em-  
4 ployment impact of such trades or businesses as de-  
5 termined appropriate by the Secretary,

6 “(8) with respect to each person who disposed  
7 of an investment in the qualified opportunity fund  
8 during the year—

9 “(A) the name and taxpayer identification  
10 number of such person,

11 “(B) the date or dates on which the invest-  
12 ment disposed was acquired, and

13 “(C) the date or dates on which any such  
14 investment was disposed and the amount of the  
15 investment disposed, and

16 “(9) such other information as the Secretary  
17 may require.

18 “(c) STATEMENT REQUIRED TO BE FURNISHED TO  
19 INVESTORS.—Every person required to make a return  
20 under subsection (a) shall furnish to each person whose  
21 name is required to be set forth in such return by reason  
22 of subsection (b)(8) a written statement showing—

23 “(1) the name, address and phone number of  
24 the information contact of the person required to  
25 make such return, and

1           “(2) the information required to be shown on  
2 such return by reason of subsection (b)(8) with re-  
3 spect to the person whose name is required to be so  
4 set forth.

5           “(d) DEFINITIONS.—For purposes of this section—

6           “(1) IN GENERAL.—Any term used in this sec-  
7 tion which is also used in subchapter Z of chapter  
8 1 shall have the meaning given such term under  
9 such subchapter.

10           “(2) FULL-TIME EQUIVALENT EMPLOYEES.—  
11 The term ‘full-time equivalent employees’ means,  
12 with respect to any month, the sum of—

13           “(A) the number of full-time employees (as  
14 defined in section 4980H(c)(4)) for the month,  
15 plus

16           “(B) the number of employees determined  
17 (under rules similar to the rules of section  
18 4980H(c)(2)(E)) by dividing the aggregate  
19 number of hours of service of employees who  
20 are not full-time employees for the month by  
21 120.

22           “(e) APPLICATION TO QUALIFIED RURAL OPPOR-  
23 TUNITY FUNDS.—Every qualified rural opportunity fund  
24 (as defined in section 1400Z-2(b)(2)(B)(vii)) shall file the

1 annual return required under subsection (a), and the  
2 statements required under subsection (c), applied—

3 “(1) by substituting ‘qualified rural oppor-  
4 tunity’ for ‘qualified opportunity’ each place it ap-  
5 pears,

6 “(2) by substituting ‘section 1400Z-  
7 2(b)(2)(B)(vii)’ for ‘section 1400Z-2(d)(1)’ each  
8 place it appears, and

9 “(3) by treating any reference (after the appli-  
10 cation of paragraph (1)) to qualified rural oppor-  
11 tunity zone stock, a qualified rural opportunity zone  
12 partnership interest, a qualified rural opportunity  
13 zone business, or qualified opportunity zone business  
14 property as stock, an interest, a business, or prop-  
15 erty, respectively, described in subelause (I) or (II),  
16 as the case may be, of section 1400Z-  
17 2(b)(2)(B)(vii).

18 **“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED**  
19 **OPPORTUNITY ZONE BUSINESSES AND**  
20 **QUALIFIED RURAL OPPORTUNITY ZONE**  
21 **BUSINESSES.**

22 “(a) IN GENERAL.—Every applicable qualified oppor-  
23 tunity zone business shall furnish to the qualified oppor-  
24 tunity fund described in subsection (b) a written state-  
25 ment in such manner and setting forth such information

1 as the Secretary may by regulations prescribe for purposes  
2 of enabling such qualified opportunity fund to meet the  
3 requirements of section 6039K(b)(5).

4 “(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE  
5 BUSINESS.—For purposes of subsection (a), the term ‘ap-  
6 plicable qualified opportunity zone business’ means any  
7 qualified opportunity zone business—

8 “(1) which is a trade or business of a qualified  
9 opportunity fund,

10 “(2) in which a qualified opportunity fund holds  
11 qualified opportunity zone stock, or

12 “(3) in which a qualified opportunity fund holds  
13 a qualified opportunity zone partnership interest.

14 “(c) OTHER TERMS.—Any term used in this section  
15 which is also used in subchapter Z of chapter 1 shall have  
16 the meaning given such term under such subchapter.

17 “(d) APPLICATION TO QUALIFIED RURAL OPPOR-  
18 TUNITY BUSINESSES.—Every applicable qualified rural  
19 opportunity zone business (as defined in subsection (b) de-  
20 termined after application of the substitutions described  
21 in this sentence) shall furnish the written statement re-  
22 quired under subsection (a), applied—

23 “(1) by substituting ‘qualified rural oppor-  
24 tunity’ for ‘qualified opportunity’ each place it ap-  
25 pears, and

1           “(2) by treating any reference (after the appli-  
2           cation of paragraph (1)) to qualified rural oppor-  
3           tunity zone stock, a qualified rural opportunity zone  
4           partnership interest, or a qualified rural opportunity  
5           zone business as stock, an interest, or a business, re-  
6           spectively, described in subclause (I) or (II), as the  
7           case may be, of section 1400Z–2(b)(2)(B)(vii).”.

8           (2) PENALTIES.—

9           (A) IN GENERAL.—Part II of subchapter  
10          B of chapter 68 is amended by inserting after  
11          section 6725 the following new section:

12       **“SEC. 6726. FAILURE TO COMPLY WITH INFORMATION RE-**  
13               **PORTING REQUIREMENTS RELATING TO**  
14               **QUALIFIED OPPORTUNITY FUNDS AND**  
15               **QUALIFIED RURAL OPPORTUNITY FUNDS.**

16       “(a) IN GENERAL.—In the case of any person re-  
17       quired to file a return under section 6039K fails to file  
18       a complete and correct return under such section in the  
19       time and in the manner prescribed therefor, such person  
20       shall pay a penalty of \$500 for each day during which  
21       such failure continues.

22       “(b) LIMITATION.—

23       “(1) IN GENERAL.—The maximum penalty  
24       under this section on failures with respect to any 1  
25       return shall not exceed \$10,000.

1           “(2) LARGE QUALIFIED OPPORTUNITY  
2 FUNDS.—In the case of any failure described in sub-  
3 section (a) with respect to a fund the gross assets  
4 of which (determined on the last day of the taxable  
5 year) are in excess of \$10,000,000, paragraph (1)  
6 shall be applied by substituting ‘\$50,000’ for  
7 ‘\$10,000’.

8           “(c) PENALTY IN CASES OF INTENTIONAL DIS-  
9 REGARD.—If a failure described in subsection (a) is due  
10 to intentional disregard, then—

11           “(1) subsection (a) shall be applied by sub-  
12 stituting ‘\$2,500’ for ‘\$500’,

13           “(2) subsection (b)(1) shall be applied by sub-  
14 stituting ‘\$50,000’ for ‘\$10,000’, and

15           “(3) subsection (b)(2) shall be applied by sub-  
16 stituting ‘\$250,000’ for ‘\$50,000’.

17           “(d) INFLATION ADJUSTMENT.—

18           “(1) IN GENERAL.—In the case of any failure  
19 relating to a return required to be filed in a calendar  
20 year beginning after 2025, each of the dollar  
21 amounts in subsections (a), (b), and (c) shall be in-  
22 creased by an amount equal to such dollar amount  
23 multiplied by the cost-of-living adjustment deter-  
24 mined under section 1(f)(3) for the calendar year

1 determined by substituting ‘calendar year 2024’ for  
2 ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

3 “(2) ROUNDING.—

4 “(A) IN GENERAL.—If the \$500 dollar  
5 amount in subsection (a) and (c)(1) or the  
6 \$2,500 amount in subsection (c)(1), after being  
7 increased under paragraph (1), is not a mul-  
8 tiple of \$10, such dollar amount shall be round-  
9 ed to the next lowest multiple of \$10.

10 “(B) ASSET THRESHOLD.—If the  
11 \$10,000,000 dollar amount in subsection (b)(2),  
12 after being increased under paragraph (1), is  
13 not a multiple of \$10,000, such dollar amount  
14 shall be rounded to the next lowest multiple of  
15 \$10,000.

16 “(C) OTHER DOLLAR AMOUNTS.—If any  
17 dollar amount in subsection (b) or (c) (other  
18 than any amount to which subparagraph (A) or  
19 (B) applies), after being increased under para-  
20 graph (1), is not a multiple of \$1,000, such dol-  
21 lar amount shall be rounded to the next lowest  
22 multiple of \$1,000.”.

23 (B) INFORMATION REQUIRED TO BE SENT  
24 TO OTHER TAXPAYERS.—Section 6724(d)(2), as

1 amended by the preceding provisions of this  
2 Act, is amended—

3 (i) by striking “or” at the end of sub-  
4 paragraph (LL),

5 (ii) by striking the period at the end  
6 of the subparagraph (MM) and inserting a  
7 comma, and

8 (iii) by inserting after subparagraph  
9 (MM) the following new subparagraphs:

10 “(NN) section 6039K(c) (relating to dis-  
11 position of qualified opportunity fund invest-  
12 ments), or

13 “(OO) section 6039L (relating to informa-  
14 tion required from certain qualified opportunity  
15 zone businesses and qualified rural opportunity  
16 zone businesses).”.

17 (3) **ELECTRONIC FILING.**—Section 6011(e) is  
18 amended by adding at the end the following new  
19 paragraph:

20 “(8) **QUALIFIED OPPORTUNITY FUNDS AND**  
21 **QUALIFIED RURAL OPPORTUNITY FUNDS.**—Notwith-  
22 standing paragraphs (1) and (2), any return filed by  
23 a qualified opportunity fund or qualified rural oppor-  
24 tunity fund shall be filed on magnetic media or other  
25 machine-readable form.”.

1 (4) CLERICAL AMENDMENTS.—

2 (A) The table of sections for subpart A of  
3 part III of subchapter A of chapter 61 is  
4 amended by inserting after the item relating to  
5 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.”.”.

6 (B) The table of sections for part II of  
7 subchapter B of chapter 68 is amended by in-  
8 serting after the item relating to section 6725  
9 the following new item:

“Sec. 6726. Failure to comply with information reporting requirements relating to qualified opportunity funds and qualified rural opportunity funds.”.

10 (5) EFFECTIVE DATE.—The amendments made  
11 by this subsection shall apply to taxable years begin-  
12 ning after the date of the enactment of this Act.

13 (e) SECRETARY REPORTING OF DATA ON OPPOR-  
14 TUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX IN-  
15 CENTIVES.—

16 (1) IN GENERAL.—As soon as practical after  
17 the date of the enactment of this Act, and annually  
18 thereafter, the Secretary of the Treasury, or the  
19 Secretary’s delegate (referred to in this section as  
20 the “Secretary”), in consultation with the Director  
21 of the Bureau of the Census and such other agencies

1 as the Secretary determines appropriate, shall make  
2 publicly available a report on qualified opportunity  
3 funds.

4 (2) INFORMATION INCLUDED.—The report re-  
5 quired under paragraph (1) shall include, to the ex-  
6 tent available, the following information:

7 (A) The number of qualified opportunity  
8 funds.

9 (B) The aggregate dollar amount of assets  
10 held in qualified opportunity funds.

11 (C) The aggregate dollar amount of invest-  
12 ments made by qualified opportunity funds in  
13 qualified opportunity fund property, stated sep-  
14 arately for each North American Industry Clas-  
15 sification System (NAICS) code.

16 (D) The percentage of population census  
17 tracts designated as qualified opportunity zones  
18 that have received qualified opportunity fund  
19 investments.

20 (E) For each population census tract des-  
21 ignated as a qualified opportunity zone, the ap-  
22 proximate average monthly number of full-time  
23 equivalent employees of the qualified oppor-  
24 tunity zone businesses in such qualified oppor-  
25 tunity zone for the preceding 12-month period

1 (within numerical ranges identified by the Sec-  
2 retary) or such other indication of the employ-  
3 ment impact of such qualified opportunity fund  
4 businesses as determined appropriate by the  
5 Secretary.

6 (F) The percentage of the total amount of  
7 investments made by qualified opportunity  
8 funds in—

9 (i) qualified opportunity zone property  
10 which is real property; and

11 (ii) other qualified opportunity zone  
12 property.

13 (G) For each population census tract, the  
14 aggregate approximate number of residential  
15 units resulting from investments made by quali-  
16 fied opportunity funds in real property.

17 (H) The aggregate dollar amount of in-  
18 vestments made by qualified opportunity funds  
19 in each population census tract.

20 (3) ADDITIONAL INFORMATION.—

21 (A) IN GENERAL.—Beginning with the re-  
22 port submitted under paragraph (1) for the 6th  
23 year after the date of the enactment of this Act,  
24 the Secretary shall include in such report the  
25 impacts and outcomes of a designation of a

1 population census tract as a qualified oppor-  
2 tunity zone as measured by economic indicators,  
3 such as job creation, poverty reduction, new  
4 business starts, and other metrics as deter-  
5 mined by the Secretary.

6 (B) SEMI-DECENNIAL INFORMATION.—

7 (i) IN GENERAL.—In the case of any  
8 report submitted under paragraph (1) in  
9 the 6th year or the 11th year after the  
10 date of the enactment of this Act, the Sec-  
11 retary shall include the following informa-  
12 tion:

13 (I) For population census tracts  
14 designated as a qualified opportunity  
15 zone, a comparison (based on aggre-  
16 gate information) of the factors listed  
17 in clause (iii) between the 5-year pe-  
18 riod ending on the date of the enact-  
19 ment of Public Law 115–97 and the  
20 most recent 5-year period for which  
21 data is available.

22 (II) For population census tracts  
23 designated as a qualified opportunity  
24 zone, a comparison (based on aggre-  
25 gate information) of the factors listed

1 in clause (iii) for the most recent 5-  
2 year period for which data is available  
3 between such population census tracts  
4 and a similar population census tracts  
5 that were not designated as a quali-  
6 fied opportunity zone.

7 (ii) CONTROL GROUPS.—For purposes  
8 of clause (i), the Secretary may combine  
9 population census tracts into such groups  
10 as the Secretary determines appropriate  
11 for purposes of making comparisons.

12 (iii) FACTORS LISTED.—The factors  
13 listed in this clause are the following:

14 (I) The unemployment rate.

15 (II) The number of persons  
16 working in the population census  
17 tract, including the percentage of such  
18 persons who were not residents in the  
19 population census tract in the pre-  
20 ceding year.

21 (III) Individual, family, and  
22 household poverty rates.

23 (IV) Median family income of  
24 residents of the population census  
25 tract.

1 (V) Demographic information on  
2 residents of the population census  
3 tract, including age, income, edu-  
4 cation, race, and employment.

5 (VI) The average percentage of  
6 income of residents of the population  
7 census tract spent on rent annually.

8 (VII) The number of residences  
9 in the population census tract.

10 (VIII) The rate of home owner-  
11 ship in the population census tract.

12 (IX) The average value of resi-  
13 dential property in the population cen-  
14 sus tract.

15 (X) The number of affordable  
16 housing units in the population census  
17 tract.

18 (XI) The number and percentage  
19 of residents in the population census  
20 tract that were not employed for the  
21 preceding year.

22 (XII) The number of new busi-  
23 ness starts in the population census  
24 tract.

1 (XIII) The distribution of em-  
2 ployees in the population census tract  
3 by North American Industry Classi-  
4 fication System (NAICS) code.

5 (4) PROTECTION OF IDENTIFIABLE RETURN IN-  
6 FORMATION.—In making reports required under this  
7 subsection, the Secretary—

8 (A) shall establish appropriate procedures  
9 to ensure that any amounts reported do not dis-  
10 close taxpayer return information that can be  
11 associated with any particular taxpayer or com-  
12 petitive or proprietary information, and

13 (B) if necessary to protect taxpayer return  
14 information, may combine information required  
15 with respect to individual population census  
16 tracts into larger geographic areas.

17 (5) DEFINITIONS.—Any term used in this sub-  
18 section which is also used in subchapter Z of chapter  
19 1 of the Internal Revenue Code of 1986 shall have  
20 the meaning given such term under such subchapter.

21 (6) REPORTS ON QUALIFIED RURAL OPPOR-  
22 TUNITY FUNDS.—The Secretary shall make publicly  
23 available, with respect to qualified rural opportunity  
24 funds, separate reports as required under this sub-  
25 section, applied—

1 (A) by substituting “qualified rural oppor-  
2 tunity” for “qualified opportunity” each place it  
3 appears,

4 (B) by substituting a reference to this Act  
5 for “Public Law 115–97”, and

6 (C) by treating any reference (after the ap-  
7 plication of subparagraph (A)) to qualified rural  
8 opportunity zone stock, qualified rural oppor-  
9 tunity zone partnership interest, qualified rural  
10 opportunity zone business, or qualified oppor-  
11 tunity zone business property as stock, interest,  
12 business, or property, respectively, described in  
13 subclause (I) or (II), as the case may be, of sec-  
14 tion 1400Z–2(b)(2)(B)(vii) of the Internal Rev-  
15 enue Code of 1986.

16 **SEC. 111103. INCREASED DOLLAR LIMITATIONS FOR EX-**  
17 **PENSING OF CERTAIN DEPRECIABLE BUSI-**  
18 **NESS ASSETS.**

19 (a) IN GENERAL.—Section 179(b) is amended—

20 (1) in paragraph (1), by striking “\$1,000,000”  
21 and inserting “\$2,500,000”, and

22 (2) in paragraph (2), by striking “\$2,500,000”  
23 and inserting “\$4,000,000”.

24 (b) CONFORMING AMENDMENTS.—Section  
25 179(b)(6)(A) is amended—

1           (1) by inserting “(2025 in the case of the dollar  
2           amounts in paragraphs (1) and (2))” after “In the  
3           case of any taxable year beginning after 2018”, and  
4           (2) in clause (ii), by striking “determined by  
5           substituting ‘calendar year 2017’ for ‘calendar year  
6           2016’ in subparagraph (A)(ii) thereof.” and insert-  
7           ing “determined by substituting in subparagraph  
8           (A)(ii) thereof—

9                           “(I) in the case of amounts in  
10                           paragraphs (1) and (2), ‘calendar year  
11                           2024’ for ‘calendar year 2016’, and

12                           “(II) in the case of the amount  
13                           in paragraph (5)(A), ‘calendar year  
14                           2017’ for ‘calendar year 2016’.”.

15           (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to property placed in service in  
17 taxable years beginning after December 31, 2024.

18 **SEC. 111104. REPEAL OF REVISION TO DE MINIMIS RULES**  
19                           **FOR THIRD PARTY NETWORK TRANS-**  
20                           **ACTIONS.**

21           (a) REINSTATEMENT OF EXCEPTION FOR DE MINI-  
22 MIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF  
23 AMERICAN RESCUE PLAN ACT OF 2021.—

24           (1) IN GENERAL.—Section 6050W(e) is amend-  
25           ed to read as follows:

1       “(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY  
2 THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third  
3 party settlement organization shall be required to report  
4 any information under subsection (a) with respect to third  
5 party network transactions of any participating payee only  
6 if—

7               “(1) the amount which would otherwise be re-  
8 ported under subsection (a)(2) with respect to such  
9 transactions exceeds \$20,000, and

10              “(2) the aggregate number of such transactions  
11 exceeds 200.”.

12              (2) EFFECTIVE DATE.—The amendment made  
13 by this subsection shall take effect as if included in  
14 section 9674 of the American Rescue Plan Act.

15       (b) APPLICATION OF DE MINIMIS RULE FOR THIRD  
16 PARTY NETWORK TRANSACTIONS TO BACKUP WITH-  
17 HOLDING.—

18              (1) IN GENERAL.—Section 3406(b) is amended  
19 by adding at the end the following new paragraph:

20              “(8) OTHER REPORTABLE PAYMENTS INCLUDE  
21 PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-  
22 WORK TRANSACTIONS ONLY WHERE AGGREGATE  
23 TRANSACTIONS EXCEED REPORTING THRESHOLD  
24 FOR THE CALENDAR YEAR.—

1           “(A) IN GENERAL.—Any payment in set-  
2           tlement of a third party network transaction re-  
3           quired to be shown on a return required under  
4           section 6050W which is made during any cal-  
5           endar year shall be treated as a reportable pay-  
6           ment only if—

7                   “(i) the aggregate number of trans-  
8                   actions with respect to the participating  
9                   payee during such calendar year exceeds  
10                  the number of transactions specified in  
11                  section 6050W(e)(2), and

12                   “(ii) the aggregate amount of trans-  
13                   actions with respect to the participating  
14                   payee during such calendar year exceeds  
15                  the dollar amount specified in section  
16                  6050W(e)(1) at the time of such payment.

17           “(B) EXCEPTION IF THIRD PARTY NET-  
18           WORK TRANSACTIONS MADE IN PRIOR YEAR  
19           WERE REPORTABLE.—Subparagraph (A) shall  
20           not apply with respect to payments to any par-  
21           ticipating payee during any calendar year if one  
22           or more payments in settlement of third party  
23           network transactions made by the payor to the  
24           participating payee during the preceding cal-  
25           endar year were reportable payments.”.

1           (2) EFFECTIVE DATE.—The amendment made  
2           by this subsection shall apply to calendar years be-  
3           ginning after December 31, 2024.

4 **SEC. 111105. INCREASE IN THRESHOLD FOR REQUIRING IN-**  
5 **FORMATION REPORTING WITH RESPECT TO**  
6 **CERTAIN PAYEES.**

7           (a) IN GENERAL.—Section 6041(a) is amended by  
8           striking “\$600” and inserting “\$2,000”.

9           (b) INFLATION ADJUSTMENT.—Section 6041 is  
10          amended by adding at the end the following new sub-  
11          section:

12          “(h) INFLATION ADJUSTMENT.—In the case of any  
13          calendar year after 2026, the dollar amount in subsection  
14          (a) shall be increased by an amount equal to—

15                  “(1) such dollar amount, multiplied by

16                  “(2) the cost-of-living adjustment determined  
17          under section 1(f)(3) for such calendar year, deter-  
18          mined by substituting ‘calendar year 2025’ for ‘cal-  
19          endar year 2016’ in subparagraph (A)(ii) thereof.

20          If any increase under the preceding sentence is not a mul-  
21          tiple of \$100, such increase shall be rounded to the nearest  
22          multiple of \$100.”.

23          (c) APPLICATION TO REPORTING ON REMUNERATION  
24          FOR SERVICES.—Section 6041A(a)(2) is amended by  
25          striking “is \$600 or more” and inserting “equals or ex-

1 ceeds the dollar amount in effect for such calendar year  
2 under section 6041(a)”.

3 (d) APPLICATION TO BACKUP WITHHOLDING.—Sec-  
4 tion 3406(b)(6) is amended—

5 (1) by striking “\$600” in subparagraph (A)  
6 and inserting “the dollar amount in effect for such  
7 calendar year under section 6041(a)”, and

8 (2) by striking “ONLY WHERE AGGREGATE FOR  
9 CALENDAR YEAR IS \$600 OR MORE” in the heading  
10 and inserting “ONLY IF IN EXCESS OF THRESHOLD”.

11 (e) CONFORMING AMENDMENTS.—

12 (1) The heading of section 6041(a) is amended  
13 by striking “OF \$600 OR MORE” and inserting “EX-  
14 CEEDING THRESHOLD”.

15 (2) Section 6041(a) is amended by striking  
16 “taxable year” and inserting “calendar year”.

17 (f) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply with respect to payments made  
19 after December 31, 2025.

20 **SEC. 111106. REPEAL OF EXCISE TAX ON INDOOR TANNING**  
21 **SERVICES.**

22 (a) IN GENERAL.—Subtitle D is amended by striking  
23 chapter 49 and by striking the item relating to such chap-  
24 ter in the table of chapters of such subtitle.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to services performed after the  
3 date of the enactment of this Act.

4 **SEC. 111107. EXCLUSION OF INTEREST ON LOANS SECURED**  
5 **BY RURAL OR AGRICULTURAL REAL PROP-**  
6 **ERTY.**

7 (a) IN GENERAL.—Part III of subchapter B of chap-  
8 ter 1, as amended by the preceding provisions of this Act,  
9 is amended by inserting after section 139J the following  
10 new section:

11 **“SEC. 139K. INTEREST ON LOANS SECURED BY RURAL OR**  
12 **AGRICULTURAL REAL PROPERTY.**

13 “(a) IN GENERAL.—Gross income shall not include  
14 25 percent of the interest received by a qualified lender  
15 on any qualified real estate loan.

16 “(b) QUALIFIED LENDER.—For purposes of this sec-  
17 tion, the term ‘qualified lender’ means—

18 “(1) any bank or savings association the depos-  
19 its of which are insured under the Federal Deposit  
20 Insurance Act (12 U.S.C. 1811 et seq.),

21 “(2) any State- or federally-regulated insurance  
22 company,

23 “(3) any entity wholly owned, directly or indi-  
24 rectly, by a company that is treated as a bank hold-

1       ing company for purposes of section 8 of the Inter-  
2       national Banking Act of 1978 (12 U.S.C. 3106) if—

3               “(A) such entity is organized, incor-  
4               porated, or established under the laws of the  
5               United States or any State of the United  
6               States, and

7               “(B) the principal place of business of  
8               such entity is in the United States (including  
9               any territory of the United States),

10              “(4) any entity wholly owned, directly or indi-  
11              rectly, by a company that is considered an insurance  
12              holding company under the laws of any State if such  
13              entity satisfies the requirements described in sub-  
14              paragraphs (A) and (B) of paragraph (3), and

15              “(5) with respect to interest received on a quali-  
16              fied real estate loan secured by real estate described  
17              in subsection (c)(3)(A), any federally chartered in-  
18              strumentality of the United States established under  
19              section 8.1(a) of the Farm Credit Act of 1971 (12  
20              U.S.C. 2279aa-1(a)).

21              “(c) QUALIFIED REAL ESTATE LOAN.—For purposes  
22 of this section—

23              “(1) IN GENERAL.—The term ‘qualified real es-  
24              tate loan’ means any loan—

25              “(A) secured by—

1                   “(i) rural or agricultural real estate,  
2                   or

3                   “(ii) a leasehold mortgage (with a sta-  
4                   tus as a lien) on rural or agricultural real  
5                   estate,

6                   “(B) made to a person other than a speci-  
7                   fied foreign entity (as defined in section  
8                   7701(a)(51)), and

9                   “(C) made after the date of the enactment  
10                  of this section and before January 1, 2029.

11                 For purposes of the preceding sentence, the deter-  
12                 mination of whether property securing such loan is  
13                 rural or agricultural real estate shall be made as of  
14                 the time the interest income on such loan is accrued.

15                 “(2) REFINANCINGS.—For purposes of sub-  
16                 paragraphs (A) and (C) of paragraph (1), a loan  
17                 shall not be treated as made after the date of the  
18                 enactment of this section to the extent that the pro-  
19                 ceeds of such loan are used to refinance a loan  
20                 which was made on or before the date of the enact-  
21                 ment of this section (or, in the case of any series of  
22                 refinancings, the original loan was made on or be-  
23                 fore such date).

1           “(3) RURAL OR AGRICULTURAL REAL ES-  
2           TATE.—The term ‘rural or agricultural real estate’  
3           means—

4                   “(A) any real property which is substan-  
5                   tially used for the production of one or more  
6                   agricultural products,

7                   “(B) any real property which is substan-  
8                   tially used in the trade or business of fishing or  
9                   seafood processing, and

10                   “(C) any aquaculture facility.

11           Such term shall not include any property which is  
12           not located in a State or a possession of the United  
13           States.

14           “(4) AQUACULTURE FACILITY.—The term  
15           ‘aquaculture facility’ means any land, structure, or  
16           other appurtenance that is used for aquaculture (in-  
17           cluding any hatchery, rearing pond, raceway, pen, or  
18           incubator).

19           “(d) COORDINATION WITH SECTION 265.—Qualified  
20           real estate loans shall be treated as obligations described  
21           in section 265(a)(2) the interest on which is wholly exempt  
22           from the taxes imposed by this subtitle.”.

23           (b) CLERICAL AMENDMENT.—The table of sections  
24           for part III of subchapter B of chapter 1, as amended  
25           by the preceding provisions of this Act, is amended by in-

1 serting after the item relating to section 139J the fol-  
2 lowing new item:

“Sec. 139K. Interest on loans secured by rural or agricultural real property.”.

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

6 **SEC. 111108. TREATMENT OF CERTAIN QUALIFIED SOUND**  
7 **RECORDING PRODUCTIONS.**

8 (a) **ELECTION TO TREAT COSTS AS EXPENSES.**—  
9 Section 181(a)(1) is amended by striking “qualified film  
10 or television production, and any qualified live theatrical  
11 production,” and inserting “qualified film or television  
12 production, any qualified live theatrical production, and  
13 any qualified sound recording production”.

14 (b) **DOLLAR LIMITATION.**—Section 181(a)(2) is  
15 amended by adding at the end the following new subpara-  
16 graph:

17 “(C) **QUALIFIED SOUND RECORDING PRO-**  
18 **DUCTION.**—Paragraph (1) shall not apply to so  
19 much of the aggregate cost of any qualified  
20 sound recording production, or to so much of  
21 the aggregate, cumulative cost of all such quali-  
22 fied sound recording productions in the taxable  
23 year, as exceeds \$150,000.”.

24 (c) **NO OTHER DEDUCTION OR AMORTIZATION DE-**  
25 **DUCTION ALLOWABLE.**—Section 181(b) is amended by

1 striking “qualified film or television production or any  
2 qualified live theatrical production” and inserting “quali-  
3 fied film or television production, any qualified live theat-  
4 rical production, or any qualified sound recording produc-  
5 tion”.

6 (d) ELECTION.—Section 181(c)(1) is amended by  
7 striking “qualified film or television production or any  
8 qualified live theatrical production” and inserting “quali-  
9 fied film or television production, any qualified live theat-  
10 rical production, or any qualified sound recording produc-  
11 tion”.

12 (e) QUALIFIED SOUND RECORDING PRODUCTION  
13 DEFINED.—Section 181 is amended by redesignating sub-  
14 sections (f) and (g) as subsections (g) and (h), respec-  
15 tively, and by inserting after subsection (e) the following  
16 new subsection:

17 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—  
18 For purposes of this section, the term ‘qualified sound re-  
19 cording production’ means a sound recording (as defined  
20 in section 101 of title 17, United States Code) produced  
21 and recorded in the United States.”.

22 (f) APPLICATION OF TERMINATION.—Section 181(g)  
23 is amended by striking “qualified film and television pro-  
24 ductions or qualified live theatrical productions” and in-  
25 serting “qualified film and television productions, qualified

1 live theatrical productions, and qualified sound recording  
2 productions”.

3 (g) BONUS DEPRECIATION.—

4 (1) QUALIFIED SOUND RECORDING PRODUC-  
5 TION AS QUALIFIED PROPERTY.—Section  
6 168(k)(2)(A)(i) is amended—

7 (A) by striking “or” at the end of sub-  
8 clause (IV), by inserting “or” at the end of sub-  
9 clause (V), and by inserting after subclause (V)  
10 the following:

11 “(VI) which is a qualified sound  
12 recording production (as defined in  
13 subsection (f) of section 181) which is  
14 placed in service before January 1,  
15 2029, for which a deduction would  
16 have been allowable under section 181  
17 without regard to subsections (a)(2)  
18 and (h) of such section or this sub-  
19 section, and”, and

20 (B) in subclauses (IV) and (V) (as so  
21 amended) by striking “without regard to sub-  
22 sections (a)(2) and (g)” both places it appears  
23 and inserting “without regard to subsections  
24 (a)(2) and (h)”.

1           (2) PRODUCTION PLACED IN SERVICE.—Section  
2           168(k)(2)(H) is amended by striking “and” at the  
3           end of clause (i), by striking the period at the end  
4           of clause (ii) and inserting “, and”, and by adding  
5           after clause (ii) the following:

6                       “(iii) a qualified sound recording pro-  
7                       duction shall be considered to be placed in  
8                       service at the time of initial release or  
9                       broadcast.”.

10          (h) CONFORMING AMENDMENTS.—

11           (1) The heading for section 181 is amended to  
12           read as follows: “**TREATMENT OF CERTAIN**  
13           **QUALIFIED PRODUCTIONS.**”.

14           (2) The table of sections for part VI of sub-  
15           chapter B of chapter 1 is amended by striking the  
16           item relating to section 181 and inserting the fol-  
17           lowing new item:

          “Sec. 181. Treatment of certain qualified productions.”.

18           (i) EFFECTIVE DATE.—The amendments made by  
19           this section shall apply to productions commencing in tax-  
20           able years ending after the date of the enactment of this  
21           Act.

22          **SEC. 111109. MODIFICATIONS TO LOW-INCOME HOUSING**  
23                       **CREDIT.**

24           (a) STATE HOUSING CREDIT CEILING INCREASE FOR  
25           LOW-INCOME HOUSING CREDIT.—

1           (1) IN GENERAL.—Section 42(h)(3)(I) is  
2 amended—

3           (A) by striking “and 2021,” and inserting  
4 “2021, 2026, 2027, 2028, and 2029,” and

5           (B) by striking “2018, 2019, 2020, AND  
6 2021” in the heading and inserting “CERTAIN  
7 CALENDAR YEARS”.

8           (2) EFFECTIVE DATE.—The amendments made  
9 by this subsection shall apply to calendar years after  
10 2025.

11       (b) TAX-EXEMPT BOND FINANCING REQUIRE-  
12 MENT.—

13           (1) IN GENERAL.—Section 42(h)(4) is amended  
14 by striking subparagraph (B) and inserting the fol-  
15 lowing:

16           “(B) SPECIAL RULE WHERE MINIMUM  
17 PERCENT OF BUILDINGS IS FINANCED WITH  
18 TAX-EXEMPT BONDS SUBJECT TO VOLUME  
19 CAP.—For purposes of subparagraph (A), para-  
20 graph (1) shall not apply to any portion of the  
21 credit allowable under subsection (a) with re-  
22 spect to a building if—

23           “(i) 50 percent or more of the aggre-  
24 gate basis of such building and the land on  
25 which the building is located is financed by

1 1 or more obligations described in subpara-  
2 graph (A), or

3 “(ii)(I) 25 percent or more of the ag-  
4 gregate basis of such building and the land  
5 on which the building is located is financed  
6 by 1 or more qualified obligations, and

7 “(II) 1 or more of such qualified obli-  
8 gations—

9 “(aa) are part of an issue the  
10 issue date of which is after December  
11 31, 2025, and

12 “(bb) provide the financing for  
13 not less than 5 percent of the aggre-  
14 gate basis of such building and the  
15 land on which the building is located.

16 “(C) QUALIFIED OBLIGATION.—For pur-  
17 poses of subparagraph (B)(ii), the term ‘quali-  
18 fied obligation’ means an obligation which is de-  
19 scribed in subparagraph (A) and which is part  
20 of an issue the issue date of which is before  
21 January 1, 2030.”.

22 (2) EFFECTIVE DATE.—

23 (A) IN GENERAL.—The amendment made  
24 by this subsection shall apply to buildings

1 placed in service in taxable years beginning  
2 after December 31, 2025.

3 (B) REHABILITATION EXPENDITURES  
4 TREATED AS SEPARATE NEW BUILDING.—In  
5 the case of any building with respect to which  
6 any expenditures are treated as a separate new  
7 building under section 42(e) of the Internal  
8 Revenue Code of 1986, for purposes of sub-  
9 paragraph (A), both the existing building and  
10 the separate new building shall be treated as  
11 having been placed in service on the date such  
12 expenditures are treated as placed in service  
13 under section 42(e)(4) of such Code.

14 (c) TEMPORARY INCLUSION OF INDIAN AREAS AND  
15 RURAL AREAS AS DIFFICULT DEVELOPMENT AREAS FOR  
16 PURPOSES OF CERTAIN BUILDINGS.—

17 (1) IN GENERAL.—Section 42(d)(5)(B)(iii)(I) is  
18 amended by inserting before the period the fol-  
19 lowing: “, and, in the case of buildings placed in  
20 service after December 31, 2025 and before January  
21 1, 2030, any Indian area or rural area”.

22 (2) INDIAN AREA; RURAL AREA.—Section  
23 42(d)(5)(B)(iii) is amended by redesignating sub-  
24 clause (II) as subclause (IV) and by inserting after  
25 subclause (I) the following new subclauses:

1                   “(II) INDIAN AREA.—For pur-  
2                   poses of subclause (I), the term ‘In-  
3                   dian area’ means any Indian area (as  
4                   defined in section 4(11) of the Native  
5                   American Housing Assistance and  
6                   Self Determination Act of 1996 (25  
7                   U.S.C. 4103(11))) and any housing  
8                   area (as defined in section 801(5) of  
9                   such Act (25 U.S.C. 4221(5))).

10                   “(III) RURAL AREA.—For pur-  
11                   poses of subclause (I), the term ‘rural  
12                   area’ means any non-metropolitan  
13                   area, or any rural area as defined by  
14                   section 520 of the Housing Act of  
15                   1949, which is identified by the quali-  
16                   fied allocation plan under subsection  
17                   (m)(1)(B).”.

18                   (3) ELIGIBLE BUILDINGS.—Section  
19                   42(d)(5)(B)(iii), as amended by paragraph (2), is  
20                   further amended by adding at the end the following  
21                   new subclause:

22                   “(V) SPECIAL RULE FOR BUILD-  
23                   INGS IN INDIAN AREAS.—In the case  
24                   of an area which is a difficult develop-  
25                   ment area solely because it is an In-

1           dian area, a building shall not be  
2           treated as located in such area unless  
3           such building is assisted or financed  
4           under the Native American Housing  
5           Assistance and Self Determination  
6           Act of 1996 (25 U.S.C. 4101 et seq.)  
7           or the project sponsor is an Indian  
8           tribe (as defined in section  
9           45A(c)(6)), a tribally designated hous-  
10          ing entity (as defined in section 4(22)  
11          of such Act (25 U.S.C. 4103(22))), or  
12          wholly owned or controlled by such an  
13          Indian tribe or tribally designated  
14          housing entity.”.

15               (4) EFFECTIVE DATE.—The amendments made  
16          by this subsection shall apply to buildings placed in  
17          service after December 31, 2025.

18 **SEC. 111110. INCREASED GROSS RECEIPTS THRESHOLD**  
19 **FOR SMALL MANUFACTURING BUSINESSES.**

20               (a) IN GENERAL.—Section 448(c) is amended by re-  
21          designating paragraph (4) as paragraph (5) and by insert-  
22          ing after paragraph (3) the following new paragraph:

23                       “(4) GROSS RECEIPTS TEST FOR MANUFAC-  
24          TURING TAXPAYERS.—In the case of a manufac-

1 turing taxpayer, paragraph (1) shall be applied by  
2 substituting ‘\$80,000,000’ for ‘\$25,000,000’.”.

3 (b) INFLATION ADJUSTMENT.—Section 448(c)(5) (as  
4 so redesignated) is amended by striking “the dollar  
5 amount in paragraph (1) shall be increased” and inserting  
6 “the dollar amounts in paragraphs (1) and (4) shall each  
7 be increased”.

8 (c) MANUFACTURING TAXPAYER DEFINED.—Section  
9 448(d) is amended by redesignating paragraph (8) as  
10 paragraph (9) and by inserting after paragraph (7) the  
11 following new paragraph:

12 “(8) MANUFACTURING TAXPAYER.—

13 “(A) IN GENERAL.—The term ‘manufac-  
14 turing taxpayer’ means a corporation or part-  
15 nership substantially all the gross receipts of  
16 which during the 3-taxable-year period de-  
17 scribed in subsection (c)(1) are derived from  
18 the lease, rental, license, sale, exchange, or  
19 other disposition of qualified products.

20 “(B) QUALIFIED PRODUCT.—For purposes  
21 of subparagraph (A), the term ‘qualified prod-  
22 uct’ means a product that is both—

23 “(i) tangible personal property which  
24 is not a food or beverage prepared in the  
25 same building as a retail establishment in

1           which substantially similar property is sold  
2           to the public, and

3                   “(ii) produced or manufactured by the  
4           taxpayer in a manner which results in a  
5           substantial transformation (within the  
6           meaning of section 168(n)(2)(D)) of the  
7           property comprising the product.

8                   “(C) AGGREGATION RULE.—Solely for pur-  
9           poses of determining whether a taxpayer is a  
10          manufacturing taxpayer under subparagraph  
11          (A)—

12                   “(i) gross receipts shall be determined  
13          under the rules of paragraphs (2) and (3)  
14          of subsection (c), and

15                   “(ii) for purposes of subsection (c)(2),  
16          in applying section 52(b), the term ‘trade  
17          or business’ shall include any activity  
18          treated as a trade or business under para-  
19          graph (5) or (6) of section 469(c) (deter-  
20          mined without regard to the phrase ‘To  
21          the extent provided in regulations’ in such  
22          paragraph (6)).”.

23          (d) EFFECTIVE DATE.—The amendments made by  
24          this section shall apply to taxable years beginning after  
25          December 31, 2025.

1 **SEC. 111111. GLOBAL INTANGIBLE LOW-TAXED INCOME DE-**  
2 **TERMINED WITHOUT REGARD TO CERTAIN**  
3 **INCOME DERIVED FROM SERVICES PER-**  
4 **FORMED IN THE VIRGIN ISLANDS.**

5 (a) **IN GENERAL.**—Section 951A(c)(2)(A)(i) is  
6 amended by striking “and” at the end of subclause (IV),  
7 by striking “, over” at the end of subclause (V) and insert-  
8 ing “, and”, and by adding at the end the following new  
9 subclause:

10 “(VI) in the case of any specified  
11 United States shareholder, any quali-  
12 fied Virgin Islands services income,  
13 over”.

14 (b) **DEFINITIONS AND SPECIAL RULES.**—Section  
15 951A(c)(2) is amended by adding at the end the following  
16 new subparagraph:

17 “(C) **PROVISIONS RELATED TO QUALIFIED**  
18 **VIRGIN ISLANDS SERVICES INCOME.**—For pur-  
19 poses of subparagraph (A)(i)(VI)—

20 “(i) **QUALIFIED VIRGIN ISLANDS**  
21 **SERVICES INCOME.**—The term ‘qualified  
22 Virgin Islands services income’ means any  
23 gross income which satisfies all of the fol-  
24 lowing requirements:

25 “(I) Such gross income is com-  
26 pensation for labor or personal serv-

1           ices performed in the Virgin Islands  
2           by a corporation formed under the  
3           laws of the Virgin Islands.

4                   “(II) Such gross income is attrib-  
5           utable to services performed from  
6           within the Virgin Islands by individ-  
7           uals for the benefit of such corpora-  
8           tion.

9                   “(III) Such gross income is effec-  
10          tively connected with the conduct of a  
11          trade or business within the Virgin Is-  
12          lands.

13                   “(ii) SPECIFIED UNITED STATES  
14          SHAREHOLDER.—The term ‘specified  
15          United States shareholder’ means any  
16          United States shareholder which is—

17                           “(I) an individual, trust, or es-  
18                           tate, or

19                           “(II) a closely held C corporation  
20                           (as defined in section 469(j)(1)) if  
21                           such corporation acquired its direct or  
22                           indirect equity interest in the foreign  
23                           corporation which derived the quali-  
24                           fied Virgin Islands services income be-  
25                           fore December 31, 2023.

1                   “(iii) REGULATIONS.—The Secretary  
2                   shall prescribe such regulations or other  
3                   guidance as may be necessary or appro-  
4                   priate to carry out this subparagraph and  
5                   subparagraph (A)(i)(VI), including regula-  
6                   tions or other guidance to prevent the  
7                   abuse of such subparagraphs.”.

8           (c) EFFECTIVE DATE.—The amendments made by  
9           this section shall apply to taxable years of foreign corpora-  
10          tions beginning after the date of the enactment of this  
11          Act, and to taxable years of United States shareholders  
12          with or within which such taxable years of foreign corpora-  
13          tions end.

14   **SEC. 111112. EXTENSION AND MODIFICATION OF CLEAN**  
15                   **FUEL PRODUCTION CREDIT.**

16          (a) PROHIBITION ON FOREIGN FEEDSTOCKS.—

17                  (1) IN GENERAL.—Section 45Z(f)(1)(A) is  
18                  amended—

19                          (A) in clause (i)(II)(bb), by striking “and”  
20                          at the end,

21                          (B) in clause (ii), by striking the period at  
22                          the end and inserting “, and”, and

23                          (C) by adding at the end the following new  
24                          clause:

1           “(iii) such fuel is exclusively derived  
2           from a feedstock which was produced or  
3           grown in the United States, Mexico, or  
4           Canada.”.

5           (2) EFFECTIVE DATE.—The amendments made  
6           by this subsection shall apply to transportation fuel  
7           sold after December 31, 2025.

8           (b) DETERMINATION OF EMISSIONS RATE.—

9           (1) IN GENERAL.—Section 45Z(b)(1)(B) is  
10          amended by adding at the end the following new  
11          clauses:

12                   “(iv) EXCLUSION OF INDIRECT LAND  
13                   USE CHANGES.—Notwithstanding clauses  
14                   (ii) and (iii), the lifecycle greenhouse gas  
15                   emissions shall be adjusted as necessary to  
16                   exclude any emissions attributed to indi-  
17                   rect land use change. Any such adjustment  
18                   shall be based on regulations or methodolo-  
19                   gies determined by the Secretary in con-  
20                   sultation with the Administrator of the En-  
21                   vironmental Protection Agency and the  
22                   Secretary of Agriculture.

23                   “(v) ANIMAL MANURES.—For pur-  
24                   poses of the table described in clause (i),  
25                   with respect to any transportation fuels

1           which are derived from animal manure, a  
2           distinct emissions rate shall be provided  
3           with respect to each of the specific feed-  
4           stocks used to such produce such fuel,  
5           which shall include dairy manure, swine  
6           manure, poultry manure, and such other  
7           sources as are determined appropriate by  
8           the Secretary.”.

9           (2) CONFORMING AMENDMENT.—Section  
10          45Z(b)(1)(B)(i) is amended by striking “clauses (ii)  
11          and (iii)” and inserting “clauses (ii), (iii), (iv), and  
12          (v)”.

13          (3) EFFECTIVE DATE.—The amendments made  
14          by this subsection shall apply to emissions rates pub-  
15          lished for taxable years beginning after December  
16          31, 2025.

17          (c) EXTENSION OF CLEAN FUEL PRODUCTION  
18          CREDIT.—Section 45Z(g) is amended by striking “Decem-  
19          ber 31, 2027” and inserting “December 31, 2031”.

20          (d) RESTRICTIONS RELATING TO PROHIBITED FOR-  
21          EIGN ENTITIES.—

22                 (1) IN GENERAL.—Section 45Z(f) is amended  
23                 by adding at the end the following new paragraph:

24                         “(8) RESTRICTIONS RELATING TO PROHIBITED  
25                         FOREIGN ENTITIES.—

1           “(A) IN GENERAL.—No credit determined  
2           under subsection (a) shall be allowed under sec-  
3           tion 38 for any taxable year beginning after the  
4           date of enactment of this paragraph if the tax-  
5           payer is a specified foreign entity (as defined in  
6           section 7701(a)(51)(B)).

7           “(B) OTHER PROHIBITED FOREIGN ENTI-  
8           TIES.—No credit determined under subsection  
9           (a) shall be allowed under section 38 for any  
10          taxable year beginning after the date which is  
11          2 years after the date of enactment of this  
12          paragraph if the taxpayer is a foreign-influ-  
13          enced entity (as defined in section  
14          7701(a)(51)(D)).”.

15          (2) EFFECTIVE DATE.—The amendment made  
16          by this subsection shall apply to taxable years begin-  
17          ning after the date of enactment of this Act.

18 **SEC. 111113. RESTORATION OF TAXABLE REIT SUBSIDIARY**

19                   **ASSET TEST.**

20          (a) IN GENERAL.—Section 856(c)(4)(B)(ii) is  
21          amended by striking “20 percent” and inserting “25 per-  
22          cent”.

23          (b) EFFECTIVE DATE.—The amendment made by  
24          this section shall apply to taxable years beginning after  
25          December 31, 2025.

1   **PART 3—INVESTING IN THE HEALTH OF RURAL**  
2                   **AMERICA AND MAIN STREET**  
3   **SEC. 111201. EXPANDING THE DEFINITION OF RURAL**  
4                   **EMERGENCY HOSPITAL UNDER THE MEDI-**  
5                   **CARE PROGRAM.**

6           (a) IN GENERAL.—Section 1861(kkk) of the Social  
7 Security Act (42 U.S.C. 1395x(kkk)) is amended—

8                   (1) in paragraph (2)—

9                           (A) in subparagraph (A), by striking “the  
10 detailed transition plan” and all that follows  
11 through “such paragraph” and inserting “the  
12 detailed transition plan described in clause  
13 (i)(I) of such paragraph or the assessment of  
14 health care needs described in clause (i)(II) of  
15 such paragraph, as applicable,”;

16                           (B) in subparagraph (D)(vi), by striking  
17 the period at the end and inserting “; and”;  
18 and

19                           (C) by adding at the end the following new  
20 subparagraph:

21                           “(E) in the case of a facility described in para-  
22 graph (3)(B)—

23                                   “(i) submits an application under section  
24 1866(j) to enroll under this title as a rural  
25 emergency hospital—

1           “(I) in the case that such facility is  
2           located in a State that, as of January 1,  
3           2027, provides for the licensing of rural  
4           emergency hospitals under State or appli-  
5           cable local law (as described in paragraph  
6           (5)(A)), not later than December 31, 2027;  
7           and

8           “(II) in the case that such facility is  
9           located in a State that, as of January 1,  
10          2027, does not provide for the licensing of  
11          such rural emergency hospitals under State  
12          or applicable local law (as so described),  
13          not later than the date that is 1 year after  
14          the date on which such State begins to  
15          provide for such licensing; and

16          “(ii) in the case that such facility is lo-  
17          cated less than 35 miles away from the nearest  
18          hospital, critical access hospital, or rural emer-  
19          gency hospital as of the date on which such fa-  
20          cility submits an application under section  
21          1866(j) to enroll under this title as a rural  
22          emergency hospital, beginning not later than 1  
23          year after the end of the first full cost reporting  
24          period for which the facility is so enrolled, dem-  
25          onstrates annually, in a form and manner de-

1           terminated appropriate by the Secretary, that  
2           more than 50 percent of the services furnished  
3           for the most recent cost reporting period (as de-  
4           termined by the Secretary) were services de-  
5           scribed in paragraph (1)(A)(i), as determined  
6           based on discharges of individuals entitled to  
7           benefits under part A or enrolled under part B  
8           during such cost reporting period.”;

9           (2) in paragraph (3)—

10           (A) by redesignating subparagraphs (A)  
11           and (B) as clauses (i) and (ii), respectively, and  
12           adjusting the margins accordingly;

13           (B) by striking “A facility” and inserting:  
14           “(A) IN GENERAL.—A facility”; and

15           (C) by adding at the end the following new  
16           subparagraph:

17           “(B) ADDITIONAL FACILITIES.—Beginning  
18           January 1, 2027, a facility described in this para-  
19           graph shall also include a facility that—

20           “(i) at any time during the period begin-  
21           ning January 1, 2014, and ending December  
22           26, 2020—

23           “(I) was a critical access hospital; or

24           “(II) was a subsection (d) hospital (as  
25           defined in section 1886(d)(1)(B)) with not

1 more than 50 beds located in a county (or  
2 equivalent unit of local government) in a  
3 rural area (as defined in section  
4 1886(d)(2)(D)); and

5 “(ii) as of December 27, 2020, was not en-  
6 rolled in the program under this title under sec-  
7 tion 1866(j).”; and

8 (3) in paragraph (4)—

9 (A) in subparagraph (A)(i)—

10 (i) in subclause (IV), by striking the  
11 period at the end and inserting “; and”;

12 (ii) by redesignating subclauses (I)  
13 through (IV) as items (aa) through (dd),  
14 respectively, and adjusting the margins ac-  
15 cordingly;

16 (iii) by striking “including a detailed”  
17 and inserting “including—

18 “(I) except in the case of a facility de-  
19 scribed in paragraph (3)(B), a detailed”;  
20 and

21 (iv) by adding at the end the following  
22 new subclause:

23 “(II) in the case of a facility described  
24 in paragraph (3)(B), an assessment of the  
25 health care needs of the county (or equiva-

1           lent unit of local government) in which  
2           such facility is located, which shall in-  
3           clude—

4                   “(aa) a description of the services  
5                   furnished by the facility during the  
6                   period that such facility was enrolled  
7                   in the program under this title under  
8                   section 1866(j);

9                   “(bb) a description of the reasons  
10                  that the facility, as of December 27,  
11                  2020, was no longer so enrolled;

12                  “(cc) the population of such  
13                  county (or equivalent unit);

14                  “(dd) the percentage of such pop-  
15                  ulation who are individuals entitled to  
16                  benefits under part A or enrolled  
17                  under part B; and

18                  “(ee) a description of any lack of  
19                  access to health care services experi-  
20                  enced by such individuals, and an ex-  
21                  planation of how reopening the facility  
22                  as a rural emergency hospital would  
23                  mitigate such lack of access.”.

1 (b) AMENDMENTS TO PAYMENT RULES.—Section  
2 1834(x) of the Social Security Act (42 U.S.C. 1395m(x))  
3 is amended—

4 (1) in paragraph (1), by inserting “, except  
5 that, in the case of a facility described in section  
6 1861(kkk)(3)(B) that, as of the date on which such  
7 facility submits an application under section 1866(j)  
8 to enroll under this title as a rural emergency hos-  
9 pital, is located less than 35 miles away from the  
10 nearest hospital, critical access hospital, or rural  
11 emergency hospital, such increase shall not apply”  
12 before the period at the end; and

13 (2) in paragraph (2)(A), by inserting “(other  
14 than a facility described in section 1861(kkk)(3)(B)  
15 that, as of the date on which such facility submits  
16 an application under section 1866(j) to enroll under  
17 this title as a rural emergency hospital, is located  
18 less than 10 miles away from the nearest hospital,  
19 critical access hospital, or rural emergency hos-  
20 pital)” after “rural emergency hospital”.



1 purposes of this section if, during the period begin-  
2 ning on December 31, 2009, and ending on Decem-  
3 ber 31, 2025, the number of covered vehicles manu-  
4 factured by the manufacturer of such vehicle which  
5 are sold for use in the United States is greater than  
6 200,000.

7 “(2) COVERED VEHICLES.—For purposes of  
8 this subsection, the term ‘covered vehicles’ means—

9 “(A) with respect to vehicles placed in  
10 service before January 1, 2023, new qualified  
11 plug-in electric drive motor vehicles (as defined  
12 in subsection (d)(1), as in effect on December  
13 31, 2022), and

14 “(B) new clean vehicles.

15 “(3) CONTROLLED GROUPS.—Rules similar to  
16 the rules of section 30B(f)(4) shall apply for pur-  
17 poses of this subsection.”.

18 (c) CONFORMING AMENDMENTS.—Section 30D(e) is  
19 amended—

20 (1) in paragraph (1)(B)—

21 (A) in clause (iii), by inserting “and” after  
22 the comma at the end,

23 (B) in clause (iv), by striking “, and” and  
24 inserting a period, and

25 (C) by striking clause (v), and

1 (2) in paragraph (2)(B)—

2 (A) in clause (ii), by inserting “and” after  
3 the comma at the end,

4 (B) in clause (iii), by striking the comma  
5 at the end and inserting a period, and

6 (C) by striking clauses (iv) through (vi).

7 (d) **EFFECTIVE DATE.**—The amendments made by  
8 this section shall apply to vehicles placed in service after  
9 December 31, 2025.

10 **SEC. 112003. TERMINATION OF QUALIFIED COMMERCIAL**  
11 **CLEAN VEHICLES CREDIT.**

12 (a) **IN GENERAL.**—Section 45W(g) is amended to  
13 read as follows:

14 “(g) **TERMINATION.**—

15 “(1) **IN GENERAL.**—No credit shall be deter-  
16 mined under this section with respect to any vehicle  
17 acquired after December 31, 2025.

18 “(2) **EXCEPTION FOR BINDING CONTRACTS.**—

19 Paragraph (1) shall not apply with respect to vehi-  
20 cles placed in service before January 1, 2033, and  
21 acquired pursuant to a written binding contract en-  
22 tered into before May 12, 2025.”.

23 (b) **EFFECTIVE DATE.**—The amendment made by  
24 this section shall apply to vehicles acquired after Decem-  
25 ber 31, 2025.

1 **SEC. 112004. TERMINATION OF ALTERNATIVE FUEL VEHI-**  
2 **CLE REFUELING PROPERTY CREDIT.**

3 (a) IN GENERAL.—Section 30C(i) is amended by  
4 striking “December 31, 2032” and inserting “December  
5 31, 2025”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to property placed in service after  
8 December 31, 2025.

9 **SEC. 112005. TERMINATION OF ENERGY EFFICIENT HOME**  
10 **IMPROVEMENT CREDIT.**

11 (a) IN GENERAL.—Section 25C(i) is amended to read  
12 as follows:

13 “(i) TERMINATION.—This section shall not apply  
14 with respect to any property placed in service after Decem-  
15 ber 31, 2025.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 25C(d)(2)(C) is amended to read as  
18 follows:

19 “(C) Any oil furnace or hot water boiler  
20 which is placed in service before January 1,  
21 2026, and—

22 “(i) meets or exceeds 2021 Energy  
23 Star efficiency criteria, and

24 “(ii) is rated by the manufacturer for  
25 use with fuel blends at least 20 percent of

1                   the volume of which consists of an eligible  
2                   fuel.”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to property placed in service after  
5 December 31, 2025.

6 **SEC. 112006. TERMINATION OF RESIDENTIAL CLEAN EN-**  
7 **ERGY CREDIT.**

8           (a) IN GENERAL.—Section 25D(h) is amended by  
9 striking “December 31, 2034” and inserting “December  
10 31, 2025”.

11          (b) CONFORMING AMENDMENTS.—Section 25D(g) is  
12 amended—

13           (1) in paragraph (2), by inserting “and” after  
14 the comma at the end,

15           (2) in paragraph (3), by striking “January 1,  
16 2033, 30 percent,” and inserting “January 1, 2026,  
17 30 percent.”, and

18           (3) by striking paragraphs (4) and (5).

19          (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to property placed in service after  
21 December 31, 2025.

22 **SEC. 112007. TERMINATION OF NEW ENERGY EFFICIENT**  
23 **HOME CREDIT.**

24          (a) IN GENERAL.—Section 45L(h) is amended to  
25 read as follows:

1           “(h) **TERMINATION.**—This section shall not apply to  
2 any qualified new energy efficient home acquired after De-  
3 cember 31, 2025 (December 31, 2026, in the case of any  
4 home for which construction began before May 12,  
5 2025).”.

6           (b) **EFFECTIVE DATE.**—The amendment made by  
7 this section shall apply to homes acquired after December  
8 31, 2025.

9   **SEC. 112008. PHASE-OUT AND RESTRICTIONS ON CLEAN**  
10                                   **ELECTRICITY PRODUCTION CREDIT.**

11           (a) **PHASE-OUT.**—Section 45Y(d) is amended—

12                   (1) in paragraph (1), in the matter preceding  
13 subparagraph (A), by striking “the construction of  
14 which begins during a calendar year described in  
15 paragraph (2)” and inserting “which is placed in  
16 service after December 31, 2028,”, and

17                   (2) by striking paragraphs (2) and (3) and in-  
18 serting the following new paragraph:

19                   “(2) **PHASE-OUT PERCENTAGE.**—The phase-out  
20 percentage under this paragraph is equal to—

21                                   “(A) for a facility placed in service during  
22 calendar year 2029, 80 percent,

23                                   “(B) for a facility placed in service during  
24 calendar year 2030, 60 percent,

1           “(C) for a facility placed in service during  
2           calendar year 2031, 40 percent, and

3           “(D) for a facility placed in service after  
4           December 31, 2031, 0 percent.”.

5           (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
6           EIGN ENTITIES.—Section 45Y is amended—

7           (1) in subsection (b)(1), by adding at the end  
8           the following new subparagraph:

9           “(E) MATERIAL ASSISTANCE FROM PRO-  
10           HIBITED FOREIGN ENTITIES.—The term ‘quali-  
11           fied facility’ shall not include any facility for  
12           which construction begins after the date that is  
13           one year after the date of the enactment of this  
14           subparagraph if the construction of such facility  
15           includes any material assistance from a prohib-  
16           ited foreign entity (as defined in section  
17           7701(a)(52)).”, and

18           (2) in subsection (g), by adding at the end the  
19           following new paragraph:

20           “(13) RESTRICTIONS RELATING TO PROHIB-  
21           ITED FOREIGN ENTITIES.—

22           “(A) IN GENERAL.—No credit determined  
23           under subsection (a) shall be allowed under sec-  
24           tion 38 for any taxable year beginning after the  
25           date of enactment of this paragraph if the tax-

1 payer is a specified foreign entity (as defined in  
2 section 7701(a)(51)(B)).

3 “(B) OTHER PROHIBITED FOREIGN ENTI-  
4 TIES.—No credit determined under subsection  
5 (a) shall be allowed under section 38 for any  
6 taxable year beginning after the date which is  
7 2 years after the date of enactment of this  
8 paragraph if—

9 “(i) the taxpayer is a foreign-influ-  
10 enced entity (as defined in section  
11 7701(a)(51)(D)), or

12 “(ii) during such taxable year, the  
13 taxpayer—

14 “(I) makes a payment of divi-  
15 dends, interest, compensation for serv-  
16 ices, rentals or royalties, guarantees  
17 or any other fixed, determinable, an-  
18 nual, or periodic amount to a prohib-  
19 ited foreign entity (as defined in sec-  
20 tion 7701(a)(51)) in an amount which  
21 is equal to or greater than 5 percent  
22 of the total of such payments made by  
23 such taxpayer during such taxable  
24 year which are related to the produc-  
25 tion of electricity, or

1                   “(II) makes payments described  
2                   in subclause (I) to more than 1 pro-  
3                   hibited foreign entity (as so defined)  
4                   in an amount which, in the aggregate,  
5                   is equal to or greater than 15 percent  
6                   of the total of such payments made by  
7                   such taxpayer during such taxable  
8                   year which are related to the produc-  
9                   tion of electricity.”.

10       (c) REPEAL OF TRANSFERABILITY.—Section  
11 6418(f)(1) is amended—

12           (1) in subparagraph (A), by striking clause  
13       (vii), and

14           (2) in subparagraph (B), by striking “(v), or  
15       (vii)” and inserting “or (v)”.

16       (d) DEFINITIONS RELATING TO PROHIBITED FOR-  
17 EIGN ENTITIES.—Section 7701(a) is amended by adding  
18 at the end the following new paragraphs:

19           “(51) PROHIBITED FOREIGN ENTITY.—

20                   “(A) IN GENERAL.—The term ‘prohibited  
21                   foreign entity’ means a specified foreign entity  
22                   or a foreign-influenced entity.

23                   “(B) SPECIFIED FOREIGN ENTITY.—For  
24                   purposes of subparagraph (A), the term ‘speci-  
25                   fied foreign entity’ means—

1 “(i) a foreign entity of concern de-  
2 scribed in subparagraph (A), (B), (D), or  
3 (E) of section 9901(8) of the William M.  
4 (Mac) Thornberry National Defense Au-  
5 thorization Act for Fiscal Year 2021 (Pub-  
6 lic Law 116–283; 15 U.S.C. 4651),

7 “(ii) an entity identified as a Chinese  
8 military company operating in the United  
9 States in accordance with section 1260H  
10 of the William M. (Mac) Thornberry Na-  
11 tional Defense Authorization Act for Fiscal  
12 Year 2021 (Public Law 116–283; 10  
13 U.S.C. 113 note),

14 “(iii) an entity included on a list re-  
15 quired by clause (i), (ii), (iv), or (v) of sec-  
16 tion 2(d)(2)(B) of Public Law 117–78  
17 (135 Stat. 1527),

18 “(iv) an entity specified under section  
19 154(b) of the National Defense Authoriza-  
20 tion Act for Fiscal Year 2024 (Public Law  
21 118–31; 10 U.S.C. note prec. 4651), or

22 “(v) a foreign-controlled entity.

23 “(C) FOREIGN-CONTROLLED ENTITY.—For  
24 purposes of subparagraph (B), the term ‘for-  
25 eign-controlled entity’ means—

1 “(i) the government of a covered na-  
2 tion (as defined in section 4872(f)(2) of  
3 title 10, United States Code),

4 “(ii) a person who is a citizen, na-  
5 tional, or resident of a covered nation, pro-  
6 vided that such person is not an individual  
7 who is a citizen or lawful permanent resi-  
8 dent of the United States,

9 “(iii) an entity or a qualified business  
10 unit (as defined in section 989(a)) incor-  
11 porated or organized under the laws of, or  
12 having its principal place of business in, a  
13 covered nation, or

14 “(iv) an entity (including subsidiary  
15 entities) controlled (as determined under  
16 subparagraph (F)) by an entity described  
17 in clause (i), (ii), or (iii).

18 “(D) FOREIGN-INFLUENCED ENTITY.—For  
19 purposes of subparagraph (A), the term ‘for-  
20 eign-influenced entity’ means an entity—

21 “(i) with respect to which, during the  
22 taxable year—

23 “(I) a specified foreign entity has  
24 the direct or indirect authority to ap-  
25 point a covered officer of such entity,

1                   “(II) a single specified foreign  
2                   entity owns at least 10 percent of  
3                   such entity,

4                   “(III) one or more specified for-  
5                   eign entities own in the aggregate at  
6                   least 25 percent of such entity, or

7                   “(IV) at least 25 percent of the  
8                   debt of such entity is held in the ag-  
9                   gregate by one or more specified for-  
10                  eign entities, or

11                  “(ii) which, during the previous tax-  
12                  able year—

13                   “(I) makes a payment of divi-  
14                   dends, interest, compensation for serv-  
15                   ices, rentals or royalties, guarantees  
16                   or any other fixed, determinable, an-  
17                   nual, or periodic amount to a specified  
18                   foreign entity in an amount which is  
19                   equal to or greater than 10 percent of  
20                   the total of such payments made by  
21                   such entity during such taxable year,  
22                   or

23                   “(II) makes payments described  
24                   in subclause (I) to more than 1 speci-  
25                   fied foreign entity in an amount

1           which, in the aggregate, is equal to or  
2           greater than 25 percent of the total of  
3           such payments made by such entity  
4           during such taxable year.

5           Clause (ii) shall not apply unless such enti-  
6           ty makes such payments knowingly (or has  
7           reason to know).

8           “(E) COVERED OFFICER.—For purposes of  
9           this paragraph, the term ‘covered officer’  
10          means, with respect to an entity—

11           “(i) a member of the board of direc-  
12          tors, board of supervisors, or equivalent  
13          governing body,

14           “(ii) an executive-level officer, includ-  
15          ing the president, chief executive officer,  
16          chief operating officer, chief financial offi-  
17          cer, general counsel, or senior vice presi-  
18          dent, or

19           “(iii) an individual having powers or  
20          responsibilities similar to those of officers  
21          or members described in clause (i) or (ii).

22          “(F) DETERMINATION OF CONTROL.—For  
23          purposes of subparagraph (C)(iv), the term  
24          ‘control’ means—

1           “(i) in the case of a corporation, own-  
2           ership (by vote or value) of more than 50  
3           percent of the stock in such corporation,

4           “(ii) in the case of a partnership,  
5           ownership of more than 50 percent of the  
6           profits interests or capital interests in such  
7           partnership, or

8           “(iii) in any other case, ownership of  
9           more than 50 percent of the beneficial in-  
10          terests in the entity.

11          “(G) DETERMINATION OF OWNERSHIP.—  
12          For purposes of this section, section 318 (other  
13          than subsection (a)(3) thereof) shall apply for  
14          purposes of determining ownership of stock in  
15          a corporation. Similar principles shall apply for  
16          purposes of determining ownership of interests  
17          in any other entity.

18          “(H) REGULATIONS AND GUIDANCE.—The  
19          Secretary may prescribe such regulations and  
20          guidance as may be necessary or appropriate to  
21          carry out the provisions of this paragraph.

22          “(52) MATERIAL ASSISTANCE FROM A PROHIB-  
23          ITED FOREIGN ENTITY.—

1           “(A) IN GENERAL.—The term ‘material  
2 assistance from a prohibited foreign entity’  
3 means, with respect to any property—

4           “(i) any component, subcomponent, or  
5 applicable critical mineral (as defined in  
6 section 45X(c)(6)) included in such prop-  
7 erty that is extracted, processed, recycled,  
8 manufactured, or assembled by a prohib-  
9 ited foreign entity, or

10           “(ii) any design of such property  
11 which is based on any copyright or patent  
12 held by a prohibited foreign entity or any  
13 know-how or trade secret provided by a  
14 prohibited foreign entity.

15           “(B) EXCLUSION.—

16           “(i) IN GENERAL.—The term ‘mate-  
17 rial assistance from a prohibited foreign  
18 entity’ shall not include any assembly part  
19 or constituent material, provided that such  
20 part or material is not acquired directly  
21 from a prohibited foreign entity.

22           “(ii) ASSEMBLY PART.—For purposes  
23 of this subparagraph, the term ‘assembly  
24 part’ means a subcomponent or collection  
25 of subcomponents which is—

1           “(I) not uniquely designed for  
2           use in the construction of a qualified  
3           facility described in section 45Y or  
4           48E or an eligible component de-  
5           scribed in section 45X, and

6           “(II) not exclusively or predomi-  
7           nantly produced by prohibited foreign  
8           entities.

9           “(iii) CONSTITUENT MATERIAL.—For  
10          purposes of this subparagraph, the term  
11          ‘constituent material’ means any material  
12          which is—

13           “(I) not uniquely formulated for  
14           use in a qualified facility described in  
15           section 45Y or 48E or an eligible  
16           component described in section 45X,  
17           and

18           “(II) not exclusively or predomi-  
19           nantly produced, processed, or ex-  
20           tracted by prohibited foreign entities.

21           “(iv) REGULATIONS AND GUID-  
22          ANCE.—The Secretary may prescribe such  
23          regulations and guidance as may be nec-  
24          essary or appropriate to carry out the pro-  
25          visions of this paragraph.”.

1 (e) EFFECTIVE DATES.—

2 (1) IN GENERAL.—Except as provided in para-  
3 graph (2), the amendments made by this section  
4 shall apply to taxable years beginning after the date  
5 of enactment of this Act.

6 (2) OTHER PROVISIONS.—The amendment  
7 made by subsection (c) shall apply to facilities for  
8 which construction begins after the date that is 2  
9 years after the date of enactment of this Act.

10 **SEC. 112009. PHASE-OUT AND RESTRICTIONS ON CLEAN**  
11 **ELECTRICITY INVESTMENT CREDIT.**

12 (a) PHASE-OUT.—Section 48E(e) is amended—

13 (1) in paragraph (1), in the matter preceding  
14 subparagraph (A), by striking “the construction of  
15 which begins during a calendar year described in  
16 paragraph (2)” and inserting “which is placed in  
17 service after December 31, 2028,” and

18 (2) by striking paragraphs (2) and (3) and in-  
19 serting the following:

20 “(2) PHASE-OUT PERCENTAGE.—The phase-out  
21 percentage under this paragraph is equal to—

22 “(A) for any qualified investment with re-  
23 spect to any qualified facility or energy storage  
24 technology placed in service during calendar  
25 year 2029, 80 percent,

1           “(B) for any qualified investment with re-  
2           spect to any qualified facility or energy storage  
3           technology placed in service during calendar  
4           year 2030, 60 percent,

5           “(C) for any qualified investment with re-  
6           spect to any qualified facility or energy storage  
7           technology placed in service during calendar  
8           year 2031, 40 percent, and

9           “(D) for any qualified investment with re-  
10          spect to any qualified facility or energy storage  
11          technology placed in service after December 31,  
12          2031, 0 percent.”.

13          (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
14          EIGN ENTITIES.—

15           (1) IN GENERAL.—Section 48E is amended—

16           (A) in subsection (b)(3), by adding at the  
17           end the following new subparagraph:

18           “(D) MATERIAL ASSISTANCE FROM PRO-  
19           HIBITED FOREIGN ENTITIES.—The term ‘quali-  
20           fied facility’ shall not include any facility the  
21           construction of which begins after the date that  
22           is one year after the date of the enactment of  
23           this subparagraph if the construction of such  
24           facility includes any material assistance from a

1 prohibited foreign entity (as defined in section  
2 7701(a)(52)).”, and

3 (B) in subsection (c), by adding at the end  
4 the following new paragraph:

5 “(3) MATERIAL ASSISTANCE FROM PROHIBITED  
6 FOREIGN ENTITIES.—The term ‘energy storage tech-  
7 nology’ shall not include any property the construc-  
8 tion of which begins after the date that is one year  
9 after the date of the enactment of this paragraph if  
10 the construction of such property includes any mate-  
11 rial assistance from a prohibited foreign entity (as  
12 defined in section 7701(a)(52)).”.

13 (2) RESTRICTIONS RELATING TO PROHIBITED  
14 FOREIGN ENTITIES.—Section 48E(d) is amended by  
15 adding at the end the following new paragraph:

16 “(6) RESTRICTIONS RELATING TO PROHIBITED  
17 FOREIGN ENTITIES.—

18 “(A) IN GENERAL.—No credit determined  
19 under subsection (a) shall be allowed under sec-  
20 tion 38 for any taxable year beginning after the  
21 date of enactment of this paragraph if the tax-  
22 payer is a specified foreign entity (as defined in  
23 section 7701(a)(51)(B)).

24 “(B) OTHER PROHIBITED FOREIGN ENTI-  
25 TIES.—No credit determined under subsection

1 (a) shall be allowed under section 38 for any  
2 taxable year beginning after the date which is  
3 2 years after the date of enactment of this  
4 paragraph if—

5 “(i) the taxpayer is a foreign-influ-  
6 enced entity (as defined in section  
7 7701(a)(51)(D)), or

8 “(ii) during such taxable year, the  
9 taxpayer—

10 “(I) makes a payment of divi-  
11 dends, interest, compensation for serv-  
12 ices, rentals or royalties, guarantees  
13 or any other fixed, determinable, an-  
14 nual, or periodic amount to a prohib-  
15 ited foreign entity (as defined in sec-  
16 tion 7701(a)(51)) in an amount which  
17 is equal to or greater than 5 percent  
18 of the total of such payments made by  
19 such taxpayer during such taxable  
20 year which are related to the produc-  
21 tion of electricity or storage of energy,  
22 or

23 “(II) makes payments described  
24 in subclause (I) to more than 1 pro-  
25 hibited foreign entity (as so defined)

1 in an amount which, in the aggregate,  
2 is equal to or greater than 15 percent  
3 of the total of such payments made by  
4 such taxpayer during such taxable  
5 year which are related to the produc-  
6 tion of electricity or storage of en-  
7 ergy.”.

8 (3) RECAPTURE.—Section 50(a) is amended—

9 (A) by redesignating paragraphs (4)  
10 through (6) as paragraphs (5) through (7), re-  
11 spectively,

12 (B) by inserting after paragraph (3) the  
13 following new paragraph:

14 “(4) PAYMENTS TO PROHIBITED FOREIGN EN-  
15 TITIES.—

16 “(A) IN GENERAL.—If there is an applica-  
17 ble payment made by a specified taxpayer be-  
18 fore the close of the 10-year period beginning  
19 on the date such taxpayer placed in service in-  
20 vestment credit property which is eligible for  
21 the clean electricity investment credit under  
22 section 48E(a), then the tax under this chapter  
23 for the taxable year in which such applicable  
24 payment occurs shall be increased by 100 per-  
25 cent of the aggregate decrease in the credits al-

1           lowed under section 38 for all prior taxable  
2           years which would have resulted solely from re-  
3           ducing to zero any credit determined under sec-  
4           tion 46 which is attributable to the clean elec-  
5           tricity investment credit under section 48E(a)  
6           with respect to such property.

7           “(B) APPLICABLE PAYMENT.—For pur-  
8           poses of this paragraph, the term ‘applicable  
9           payment’ means, with respect to any taxable  
10          year, a payment or payments described in sub-  
11          clause (I) or (II) of section 48E(d)(6)(B)(ii).

12          “(C) SPECIFIED TAXPAYER.—For pur-  
13          poses of this paragraph, the term ‘specified tax-  
14          payer’ means any taxpayer who has been al-  
15          lowed a credit under section 48E(a) for any  
16          taxable year beginning after the date which is  
17          2 years after the date of enactment of this  
18          paragraph.”,

19          (C) in paragraph (5), as redesignated by  
20          subparagraph (A), by striking “or any applica-  
21          ble transaction to which paragraph (3)(A) ap-  
22          plies,” and inserting “any applicable trans-  
23          action to which paragraph (3)(A) applies, or  
24          any applicable payment to which paragraph  
25          (4)(A) applies,” and

1 (D) in paragraph (7), as redesignated by  
2 subparagraph (A), by striking “or (3)” and in-  
3 serting “(3), or (4)”.

4 (c) REPEAL OF TRANSFERABILITY.—Section 6418,  
5 as amended by section 112008, is amended—

6 (1) in subsection (f)(1)(A), by striking clause  
7 (xi), and

8 (2) in subsection (g)(3), by striking “clauses  
9 (ix) through (xi)” and inserting “clause (ix) or (x)”.

10 (d) CONFORMING AMENDMENTS.—Section 48E(h)(4)  
11 is amended—

12 (1) in subparagraph (C), by striking “December  
13 31 of the applicable year (as defined in section  
14 45Y(d)(3))” and inserting “December 31, 2031”,

15 (2) in subparagraph (D), by striking “the third  
16 calendar year following the applicable year (as de-  
17 fined in section 45Y(d)(3))” and inserting “2031”,  
18 and

19 (3) in subparagraph (E)(i), by striking “after  
20 the date that is 4 years after the date of the alloca-  
21 tion with respect to the facility of which such prop-  
22 erty is a part” and inserting “the earlier of—

23 “(I) the date that is 4 years after  
24 the date of the allocation with respect

1 to the facility of which such property  
2 is a part, or

3 “(II) December 31, 2031.”.

4 (e) EFFECTIVE DATES.—

5 (1) IN GENERAL.—Except as provided in para-  
6 graph (2), the amendments made by this section  
7 shall apply to taxable years beginning after the date  
8 of enactment of this Act.

9 (2) OTHER PROVISIONS.—The amendments  
10 made by subsection (c) shall apply to facilities and  
11 energy storage technology for which construction be-  
12 gins after the date that is 2 years after the date of  
13 enactment of this Act.

14 **SEC. 112010. REPEAL OF TRANSFERABILITY OF CLEAN**  
15 **FUEL PRODUCTION CREDIT.**

16 (a) IN GENERAL.—Section 6418(f)(1)(A), as amend-  
17 ed by sections 112008 and 112009, is amended by striking  
18 clause (viii).

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to fuel produced after December  
21 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 sections 112008, 112009, and  
24 112010, is amended—

25 (1) in subparagraph (A), by striking clause (iii),  
26 and

1 (2) in subparagraph (B)—

2 (A) in the matter preceding clause (i), by  
3 striking “clause (ii), (iii), or (v)” and inserting  
4 “clause (ii) or (v)”, and

5 (B) in clause (ii), by striking “(or, in the  
6 case” and all that follows through “at such fa-  
7 cility)”.

8 (c) EFFECTIVE DATES.—

9 (1) RESTRICTIONS RELATING TO PROHIBITED  
10 FOREIGN ENTITIES.—The amendments made by  
11 subsection (a) shall apply to taxable years beginning  
12 after the date of enactment of this Act.

13 (2) REPEAL OF TRANSFERABILITY.—The  
14 amendments made by subsection (b) shall apply to  
15 carbon capture equipment the construction of which  
16 begins after the date that is 2 years after the date  
17 of enactment of this Act.

18 **SEC. 112012. PHASE-OUT AND RESTRICTIONS ON ZERO-**  
19 **EMISSION NUCLEAR POWER PRODUCTION**  
20 **CREDIT.**

21 (a) PHASE-OUT.—Section 45U(e) is amended to read  
22 as follows:

23 “(e) CREDIT PHASE-OUT.—

24 “(1) IN GENERAL.—For any taxable year be-  
25 ginning after December 31, 2028, the amount of the

1 zero-emission nuclear power production credit under  
2 subsection (a) for such taxable year shall be equal  
3 to the product of—

4 “(A) the amount of the credit determined  
5 under subsection (a) without regard to this sub-  
6 section, multiplied by

7 “(B) the phase-out percentage under para-  
8 graph (2).

9 “(2) PHASE-OUT PERCENTAGE.—The phase-out  
10 percentage under this paragraph is equal to—

11 “(A) for any taxable year beginning in cal-  
12 endar year 2029, 80 percent,

13 “(B) for any taxable year beginning in cal-  
14 endar year 2030, 60 percent,

15 “(C) for any taxable year beginning in cal-  
16 endar year 2031, 40 percent, and

17 “(D) for any taxable year beginning after  
18 December 31, 2031, 0 percent.”.

19 (b) 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           tion 38 for any taxable year beginning after the  
2           date of enactment of this paragraph if the tax-  
3           payer is a specified foreign entity (as defined in  
4           section 7701(a)(51)(B)).

5           “(B) OTHER PROHIBITED FOREIGN ENTI-  
6           TIES.—No credit determined under subsection  
7           (a) shall be allowed under section 38 for any  
8           taxable year beginning after the date which is  
9           2 years after the date of enactment of this  
10          paragraph if the taxpayer is a foreign-influ-  
11          enced entity (as defined in section  
12          7701(a)(51)(D)).”.

13          (c) REPEAL OF TRANSFERABILITY.—Section  
14          6418(f)(1)(A), as amended by section 112008, 112009,  
15          112010, and 112011, is amended by striking clause (iv).

16          (d) EFFECTIVE DATES.—

17               (1) IN GENERAL.—Except as provided in para-  
18               graph (2), the amendments made by this section  
19               shall apply to taxable years beginning after the date  
20               of enactment of this Act.

21               (2) REPEAL OF TRANSFERABILITY.—The  
22               amendment made by subsection (c) shall apply to  
23               electricity produced and sold after December 31,  
24               2027.

1 **SEC. 112013. TERMINATION OF CLEAN HYDROGEN PRODUC-**  
2 **TION CREDIT.**

3 (a) **TERMINATION.**—Section 45V(c)(3)(C) is amend-  
4 ed by striking “January 1, 2033” and inserting “January  
5 1, 2026”.

6 (b) **EFFECTIVE DATE.**—The amendment made by  
7 this section shall apply to facilities the construction of  
8 which begins after December 31, 2025.

9 **SEC. 112014. PHASE-OUT AND RESTRICTIONS ON AD-**  
10 **VANCED MANUFACTURING PRODUCTION**  
11 **CREDIT.**

12 (a) **PHASE-OUT.**—Section 45X(b)(3) is amended—

13 (1) in subparagraph (B)—

14 (A) in clause (ii), by adding “and” at the  
15 end,

16 (B) in clause (iii), by striking “during cal-  
17 endar year 2032, 25 percent,” and inserting  
18 “after December 31, 2031, 0 percent.”, and

19 (C) by striking clause (iv), and

20 (2) by striking subparagraph (C) and inserting  
21 the following:

22 “(C) **TERMINATION FOR WIND ENERGY**  
23 **COMPONENTS.**—This section shall not apply to  
24 wind energy components sold after December  
25 31, 2027.”.

1 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
2 EIGN ENTITIES.—Section 45X is amended—

3 (1) in subsection (c)(1), by adding at the end  
4 the following new subparagraph:

5 “(C) MATERIAL ASSISTANCE FROM PRO-  
6 HIBITED FOREIGN ENTITIES.—In the case of  
7 taxable years beginning after the date which is  
8 2 years after the date of enactment of this sub-  
9 paragraph, the term ‘eligible component’ shall  
10 not include any property which—

11 “(i) includes any material assistance  
12 from a prohibited foreign entity (as defined  
13 in section 7701(a)(52)), or

14 “(ii) is produced subject to a licensing  
15 agreement with a prohibited foreign entity  
16 (as defined in section 7701(a)(51)) for  
17 which the value of such agreement is in ex-  
18 cess of \$1,000,000.”, and

19 (2) in subsection (d), by adding at the end the  
20 following new paragraph:

21 “(5) RESTRICTIONS RELATING TO PROHIBITED  
22 FOREIGN ENTITIES.—

23 “(A) IN GENERAL.—No credit determined  
24 under subsection (a) shall be allowed under sec-  
25 tion 38 for any taxable year beginning after the

1 date of enactment of this paragraph if the tax-  
2 payer is a specified foreign entity (as defined in  
3 section 7701(a)(51)(B)).

4 “(B) OTHER PROHIBITED FOREIGN ENTI-  
5 TIES.—No credit determined under subsection  
6 (a) shall be allowed under section 38 for any  
7 taxable year beginning after the date which is  
8 2 years after the date of enactment of this  
9 paragraph if the taxpayer is a foreign-influ-  
10 enced entity (as defined in section  
11 7701(a)(51)(D)).

12 “(C) PAYMENTS TO PROHIBITED FOREIGN  
13 ENTITIES.—

14 “(i) IN GENERAL.—If, for any taxable  
15 year beginning after the date that is 2  
16 years after the date of the enactment of  
17 this paragraph, a taxpayer is described in  
18 clause (ii) for such taxable year with re-  
19 spect to any eligible component category,  
20 no credit shall be determined under sub-  
21 section (a) for eligible components in such  
22 eligible component category for such tax-  
23 able year.

24 “(ii) TAXPAYER DESCRIBED.—A tax-  
25 payer is described in this clause for a tax-

1           able year with respect to any eligible com-  
2           ponent category if such 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 eligible components included  
15                  within such eligible component cat-  
16                  egory, or

17                   “(II) makes payments described  
18                   in subclause (I) to more than 1 pro-  
19                   hibited foreign entity (as so defined)  
20                   in an amount which, in the aggregate,  
21                   is equal to or greater than 15 percent  
22                   of such payments made by such tax-  
23                   payer during such taxable year which  
24                   are related to the production of eligi-

1 ble components included within such  
2 eligible component category.

3 “(iii) ELIGIBLE COMPONENT CAT-  
4 EGORY.—For purposes of this subpara-  
5 graph, the term ‘eligible component cat-  
6 egory’ means eligible components which  
7 are included within each respective clause  
8 under subsection (c)(1)(A).”.

9 (c) REPEAL OF TRANSFERABILITY.—Section 6418,  
10 as amended by sections 112008, 112009, 112010,  
11 112011, and 112012 is amended—

12 (1) in subsection (f)(1)—

13 (A) in subparagraph (A)—

14 (i) by striking clause (vi), and

15 (ii) by redesignating clauses (v), (ix),  
16 and (x) as clauses (iii), (iv), and (v), re-  
17 spectively, and

18 (B) in subparagraph (B), by striking  
19 “clause (ii) or (v)” and inserting “clause (ii) or  
20 (iii)”, and

21 (2) in subsection (g)(3), by striking “clause (ix)  
22 or (x)” and inserting “clause (iv) or (v)”.

23 (d) EFFECTIVE DATES.—

24 (1) IN GENERAL.—Except as provided in para-  
25 graph (2), the amendments made by this section

1 shall apply to taxable years beginning after the date  
2 of enactment of this Act.

3 (2) REPEAL OF TRANSFERABILITY.—The  
4 amendments made by subsection (c) shall apply to  
5 components sold after December 31, 2027.

6 **SEC. 112015. PHASE-OUT OF CREDIT FOR CERTAIN ENERGY**  
7 **PROPERTY.**

8 (a) PHASE-OUT.—Section 48(a) is amended—

9 (1) in paragraph (3)(vii), by striking “the con-  
10 struction of which begins before January 1, 2035”  
11 and inserting “the construction of which begins be-  
12 fore January 1, 2032”, and

13 (2) by striking paragraph (7) and inserting the  
14 following new paragraph:

15 “(7) PHASE-OUT FOR CERTAIN ENERGY PROP-  
16 erty.—In the case of any energy property described  
17 in clause (vii) of paragraph (3)(A), the energy per-  
18 centage determined under paragraph (2) shall be  
19 equal to—

20 “(A) in the case of any property the con-  
21 struction of which begins before January 1,  
22 2030, and which is placed in service after De-  
23 cember 31, 2021, 6 percent,

24 “(B) in the case of any property the con-  
25 struction of which begins after December 31,

1           2029, and before January 1, 2031, 5.2 percent,  
2           and

3           “(C) in the case of any property the con-  
4           struction of which begins after December 31,  
5           2030, and before January 1, 2032, 4.4 per-  
6           cent.”.

7           (b) RESTRICTIONS RELATING TO PROHIBITED FOR-  
8           EIGN ENTITIES.—Section 48(a) is amended by redesignig-  
9           nating paragraph (16) as paragraph (17) and by inserting  
10          after paragraph (15) the following new paragraph:

11           “(16) RESTRICTIONS RELATING TO PROHIB-  
12          ITED FOREIGN ENTITIES.—

13           “(A) IN GENERAL.—No credit determined  
14          under this subsection for energy property de-  
15          scribed in paragraph (3)(A)(vii) shall be allowed  
16          under section 38 for any taxable year beginning  
17          after the date of enactment of this paragraph  
18          if the taxpayer is a specified foreign entity (as  
19          defined in section 7701(a)(51)(B)).

20           “(B) OTHER PROHIBITED FOREIGN ENTI-  
21          TIES.—No credit determined under this sub-  
22          section for energy property described in para-  
23          graph (3)(A)(vii) shall be allowed under section  
24          38 for any taxable year beginning after the date  
25          which is 2 years after the date of enactment of

1           this paragraph if the taxpayer is a foreign-influ-  
2           enced entity (as defined in section  
3           7701(a)(51)(D)).”.

4           (c) REPEAL OF TRANSFERABILITY.—Section  
5 6418(f)(1)(A)(iv), as redesignated by section 112014, is  
6 amended by inserting “(except so much of the credit as  
7 is determined under paragraph (3)(A)(vii) of such sec-  
8 tion)” after “section 48”.

9           (d) EFFECTIVE DATES.—

10           (1) IN GENERAL.—Except as provided in para-  
11 graph (2), the amendments made by this section  
12 shall apply to taxable years beginning after the date  
13 of the enactment of this Act.

14           (2) REPEAL OF TRANSFERABILITY.—The  
15 amendments made by subsection (c) shall apply to  
16 property the construction of which begins after the  
17 date that is 2 years after the date of enactment of  
18 this Act.

19 **SEC. 112016. INCOME FROM HYDROGEN STORAGE, CARBON**  
20 **CAPTURE ADDED TO QUALIFYING INCOME OF**  
21 **CERTAIN PUBLICLY TRADED PARTNERSHIPS**  
22 **TREATED AS CORPORATIONS.**

23           (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-  
24 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—

1           “(I) \$15,000, in the case of a  
2           married individual filing a separate  
3           return, and

4           “(II) \$30,000, in the case of any  
5           other taxpayer.

6           “(B) PHASEDOWN BASED ON MODIFIED  
7           ADJUSTED GROSS INCOME.—

8           “(i) IN GENERAL.—Except as pro-  
9           vided in clause (ii), the \$15,000 amount in  
10          subparagraph (A)(ii)(I) and the \$30,000  
11          amount in subparagraph (A)(ii)(II) shall  
12          each be reduced by 20 percent of the ex-  
13          cess (if any) of the taxpayer’s modified ad-  
14          justed gross income over—

15          “(I) \$200,000, in the case of a  
16          married individual filing a separate  
17          return, and

18          “(II) \$400,000, in the case of  
19          any other taxpayer.

20          “(ii) LIMITATION ON REDUCTION.—  
21          The reduction under clause (i) shall not re-  
22          sult in—

23          “(I) the dollar amount in effect  
24          under subparagraph (A)(ii)(I) being  
25          less than \$5,000, or

1                   “(II) the dollar amount 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                  “(2) DISALLOWED FOREIGN REAL PROPERTY  
11                  TAX.—For purposes of this subsection, the term  
12                  ‘disallowed foreign real property tax’ means any tax  
13                  which—

14                         “(A) is a foreign real property tax de-  
15                         scribed in section 164(a)(1) or 216(a)(1), and

16                         “(B) is not an excepted tax.

17                  “(3) SPECIFIED TAX.—For purposes of this  
18                  subsection, the term ‘specified tax’ means—

19                         “(A) any tax which—

20                                 “(i) is described in paragraph (1), (2),  
21                                 or (3) of section 164(a), section 164(b)(5),  
22                                 or section 216(a)(1), and

23                                 “(ii) is not an excepted tax or a dis-  
24                                 allowed foreign real property tax, and

25                         “(B) any substitute payment.

1           “(4) EXCEPTED TAX.—For purposes of this  
2 subsection—

3           “(A) IN GENERAL.—The term ‘excepted  
4 tax’ means—

5           “(i) any foreign tax described in sec-  
6 tion 164(a)(3),

7           “(ii) any tax described in section  
8 164(a)(3) which is paid or accrued by a  
9 qualifying entity with respect to carrying  
10 on a qualified trade or business (as defined  
11 in section 199A(d), without regard to sec-  
12 tion 199A(b)(3)), and

13           “(iii) any tax described in paragraph  
14 (1) or (2) of section 164(a), or section  
15 216(a)(1), which is paid or accrued in car-  
16 rying on a trade or business or an activity  
17 described in section 212.

18           “(B) QUALIFYING ENTITY.—For purposes  
19 of subparagraph (A), the term ‘qualifying enti-  
20 ty’ means any partnership or S corporation  
21 with gross receipts for the taxable year (within  
22 the meaning of section 448(c)) if at least 75  
23 percent of such gross receipts are derived in a  
24 qualified trade or business (as defined in sec-  
25 tion 199A(d), without regard to section

1           199A(b)(3)). For purposes of the preceding  
2           sentence, the gross receipts of all trades or  
3           businesses which are under common control  
4           (within the meaning of section 52(b)) with any  
5           trade or business of the partnership or S cor-  
6           poration shall be taken into account as gross  
7           receipts of the entity.

8           “(5) SUBSTITUTE PAYMENT.—For purposes of  
9           this subsection—

10                   “(A) IN GENERAL.—The term ‘substitute  
11                   payment’ means any amount (other than a tax  
12                   described in paragraph (3)(A)) paid, incurred,  
13                   or accrued to any entity referred to in section  
14                   164(b)(2) if, under the laws of one or more en-  
15                   tities referred to in section 164(b)(2), one or  
16                   more persons would (if the assumptions de-  
17                   scribed in subparagraphs (B) and (C) applied)  
18                   be entitled to specified tax benefits the aggre-  
19                   gate dollar value of which equals or exceeds 25  
20                   percent of such amount.

21                   “(B) ASSUMPTION REGARDING DOLLAR  
22                   VALUE OF TAX BENEFITS.—The assumption de-  
23                   scribed in this subparagraph is that the dollar  
24                   value of a specified tax benefit is—

1                   “(i) in the case of a credit or refund,  
2                   the amount of such credit or refund,

3                   “(ii) in the case of a deduction or ex-  
4                   clusion, 15 percent of the amount of such  
5                   deduction or exclusion, and

6                   “(iii) in any other case, an amount  
7                   determined in such manner as the Sec-  
8                   retary may provide consistent with the  
9                   principles of clauses (i) and (ii).

10                  “(C) ASSUMPTION REGARDING STATUS OF  
11                  PARTNERS OR SHAREHOLDERS.—The assump-  
12                  tion described in this subparagraph is, in the  
13                  case of any amount referred to in subparagraph  
14                  (A) which is paid, incurred, or accrued by a  
15                  partnership or S corporation, that all of the  
16                  partners or shareholders of such partnership or  
17                  S corporation, respectively, are individuals who  
18                  are residents of the jurisdiction of the entity or  
19                  entities providing the specified tax benefits (and  
20                  possess such other characteristics as the laws of  
21                  such entities may require for entitlement to  
22                  such benefits).

23                  “(D) SPECIFIED TAX BENEFIT.—For pur-  
24                  poses of subparagraph (A), the term ‘specified  
25                  tax benefit’ means any benefit which—

1 “(i) is determined with respect to the  
2 amount referred to in subparagraph (A),  
3 and

4 “(ii) is allowed against, or determined  
5 by reference to, a tax described in para-  
6 graph (3)(A).

7 “(E) EXCEPTION FOR NON-DEDUCTIBLE  
8 PAYMENTS.—To the extent that a deduction for  
9 an amount described in subparagraph (A) is  
10 not allowed under this chapter (determined  
11 without regard to this subsection, section  
12 170(b)(1), section 703(a), section 704(d), and  
13 section 1363(b)), the term ‘substitute payment’  
14 shall not include such amount.

15 “(F) EXCEPTION FOR CERTAIN WITH-  
16 HOLDING TAXES.—To the extent provided in  
17 regulations issued by the Secretary, the term  
18 ‘substitute payment’ shall not include an  
19 amount withheld on behalf of another person if  
20 all of such amount is included in the gross in-  
21 come of such person (determined under this  
22 chapter).

23 “(6) REGULATIONS.—The Secretary shall issue  
24 such regulations or other guidance as may be nec-  
25 essary or appropriate to carry out the purposes of

1 this subsection, including regulations or other guid-  
2 ance—

3 “(A) to treat as a tax described in para-  
4 graph (3) of section 164(a) any tax that is, in  
5 substance, based on general tax principles, de-  
6 scribed in such paragraph,

7 “(B) to treat as a substitute payment any  
8 amount that, in substance, substitutes for a  
9 specified tax,

10 “(C) to provide for the proper allocation,  
11 for purposes of paragraph (4)(A)(ii), of taxes  
12 described in section 164(a)(3) between trades  
13 or business described in section 199A(d)(1) and  
14 trades or business not so described, and

15 “(D) to otherwise prevent the avoidance of  
16 the purposes of this subsection.”.

17 (b) STATE AND LOCAL INCOME TAXES PAID BY  
18 PARTNERSHIPS AND S CORPORATIONS TAKEN INTO AC-  
19 COUNT SEPARATELY BY PARTNERS AND SHARE-  
20 HOLDERS.—

21 (1) IN GENERAL.—Section 702(a)(6) is amend-  
22 ed to read as follows:

23 “(6)(A) taxes, described in section 901, paid or  
24 accrued to foreign countries,

1           “(B) taxes, described in section 901, paid or ac-  
2           crued to possessions of the United States,

3           “(C) specified taxes (within the meaning of sec-  
4           tion 275(b)), other than taxes described in subpara-  
5           graph (B), and

6           “(D) taxes described in section 275(b)(2),”.

7           (2) TREATMENT OF SUBSTITUTE PAYMENTS.—  
8           Section 702 is amended by redesignating subsection  
9           (d) as subsection (e) and by inserting after sub-  
10          section (c) the following new subsection:

11          “(d) TREATMENT OF SUBSTITUTE PAYMENTS.—Any  
12          substitute payment (as defined in section 275(b)(5)) shall  
13          be taken into account under subsection (a)(6)(C) and not  
14          under any other paragraph of subsection (a).”.

15          (3) DISALLOWANCE OF DEDUCTION TO PART-  
16          NERSHIPS.—Section 703(a)(2)(B) is amended to  
17          read as follows:

18                 “(B) any deduction under this chapter  
19                 with respect to taxes or payments described in  
20                 section 702(a)(6),”.

21          (4) S CORPORATIONS.—For corresponding pro-  
22          visions related to S corporations which apply by rea-  
23          son of the amendments made by paragraphs (1)  
24          through (3), see sections 1366(a)(1) and 1363(b)(2)  
25          of the Internal Revenue Code of 1986.

1           (5) ALLOWABLE SALT DEDUCTIONS TAKEN  
2 INTO ACCOUNT FOR PURPOSES OF LIMITATION ON  
3 PARTNERSHIP LOSSES.—Section 704(d)(3) is  
4 amended by striking subparagraph (A), by redesignig-  
5 nating subparagraph (B) as subparagraph (C), and  
6 by inserting before subparagraph (C) (as so redesignig-  
7 nated) the following new subparagraphs:

8           “(A) IN GENERAL.—In determining the  
9 amount of any loss under paragraph (1), there  
10 shall be taken into account—

11           “(i) the partner’s distributive share of  
12 amounts described in paragraphs (4) and  
13 (6)(A) of section 702(a),

14           “(ii) if the taxpayer chooses to take to  
15 any extent the benefits of section 901, the  
16 partner’s distributive share of amounts de-  
17 scribed in section 702(a)(6)(B), and

18           “(iii) the amount by which the deduc-  
19 tions allowed under this chapter (deter-  
20 mined without regard to this subsection) to  
21 the partner would decrease if the partner’s  
22 distributive share of amounts described in  
23 section 702(a)(6)(C) were not taken into  
24 account.

1           “(B) TREATMENT OF POSSESSION TAXES  
2           IN EVENT PARTNER DOES NOT ELECT THE  
3           FOREIGN TAX CREDIT.—In the case of a tax-  
4           payer not described in subparagraph (A)(ii),  
5           subparagraph (A)(iii) shall be applied by sub-  
6           stituting ‘subparagraphs (B) and (C) of section  
7           702(a)(6)’ for ‘section 702(a)(6)(C)’.”.

8           (6) CONFORMING AMENDMENT.—Section  
9           56(b)(1)(A)(ii) is amended by inserting “or for any  
10          substitute payment (as defined in section  
11          275(b)(5))” before the period at the end.

12          (c) ADDITION TO TAX FOR STATE AND LOCAL TAX  
13          ALLOCATION MISMATCH.—

14           (1) IN GENERAL.—Part I of subchapter A of  
15          chapter 68 is amended by adding at the end the fol-  
16          lowing new section:

17          **“SEC. 6659. STATE AND LOCAL TAX ALLOCATION MIS-**  
18                  **MATCH.**

19           “(a) IN GENERAL.—In the case of any covered indi-  
20          vidual, there shall be added to the tax imposed under sec-  
21          tion 1 for the taxable year an amount equal to the product  
22          of—

23                  “(1) the highest rate of tax in effect under such  
24          section for such taxable year, multiplied by

1           “(2) the sum of the State and local tax alloca-  
2           tion mismatches for such taxable year with respect  
3           to each partnership specified tax payment with re-  
4           spect to which such individual is a covered indi-  
5           vidual.

6           “(b) COVERED INDIVIDUAL.—For purposes of this  
7           section, the term ‘covered individual’ means, with respect  
8           to any partnership specified tax payment, any individual  
9           (or estate or trust) who—

10           “(1) is entitled (directly or indirectly) to one or  
11           more specified tax benefits with respect to such pay-  
12           ment, and

13           “(2) takes into account (directly or indirectly)  
14           any item of income, gain, deduction, loss, or credit  
15           of the partnership which made such payment.

16           “(c) STATE AND LOCAL TAX ALLOCATION MIS-  
17           MATCH.—For purposes of this section—

18           “(1) IN GENERAL.—The term ‘State and local  
19           tax allocation mismatch’ means, with respect to any  
20           partnership specified tax payment, the excess (if  
21           any) of—

22           “(A) the aggregate dollar value of the  
23           specified tax benefits of the covered individual  
24           with respect to such payment, over

1           “(B) the amount of such payment taken  
2           into account by such individual under section  
3           702(a) (without regard to sections 275(b) and  
4           704(d)).

5           “(2) TAXABLE YEAR OF INDIVIDUAL IN WHICH  
6           MISMATCH TAKEN INTO ACCOUNT.—In the case of  
7           any partnership specified tax payment paid, in-  
8           curred, or accrued in any taxable year of the part-  
9           nership, the State and local tax allocation mismatch  
10          determined under paragraph (1) with respect to  
11          such payment shall be taken into account under sub-  
12          section (a) by the covered individual for the taxable  
13          year of such individual in which such individual  
14          takes into account the items referred to in sub-  
15          section (b)(2) which are determined with respect to  
16          such partnership taxable year.

17          “(d) DETERMINATION OF DOLLAR VALUE OF SPECI-  
18          FIED TAX BENEFITS.—

19                 “(1) IN GENERAL.—Except in the case of a cov-  
20                 ered individual who elects the application of para-  
21                 graph (3) for any taxable year, the dollar value of  
22                 any specified tax benefit shall be the sum of—

23                         “(A) the aggregate increase in tax liability  
24                         (and reduction in credit or refund) for taxes de-  
25                         scribed in section 275(b)(3)(A) for the taxable

1 year and all prior taxable years that would re-  
2 sult if such specified tax benefit were not taken  
3 into account with respect to such taxes, plus

4 “(B) the deemed value of any carryforward  
5 of such specified tax benefit (including any tax  
6 attribute derived from such benefit) to any sub-  
7 sequent taxable year.

8 “(2) DEEMED VALUE OF CARRYFORWARDS.—  
9 For purposes of paragraph (1), the deemed value of  
10 any carryforward is—

11 “(A) in the case of a credit or refund, the  
12 amount of such credit or refund,

13 “(B) in the case of a deduction or exclu-  
14 sion, the product of—

15 “(i) the highest rate of tax which may  
16 be imposed on individuals under the tax re-  
17 ferred to in subsection (e)(3)(B) with re-  
18 spect to the specified tax benefit, multi-  
19 plied by

20 “(ii) the amount of such deduction or  
21 exclusion, and

22 “(C) in any other case, an amount deter-  
23 mined in such manner as the Secretary may  
24 provide consistent with the principles of sub-  
25 paragraphs (A) and (B).

1           “(3) ELECTION OF SIMPLIFIED METHOD.—In  
2           the case of a covered individual who elects the appli-  
3           cation of this paragraph for any taxable year, the  
4           dollar value of any specified tax benefit shall be de-  
5           termined under the assumptions described in section  
6           275(b)(5)(B).

7           “(e) OTHER DEFINITIONS AND SPECIAL RULES.—  
8           For purposes of this section—

9           “(1) PARTNERSHIP SPECIFIED TAX PAY-  
10          MENT.—The term ‘partnership specified tax pay-  
11          ment’ means any specified tax paid, incurred, or ac-  
12          quired by a partnership.

13          “(2) SPECIFIED TAX.—The term ‘specified tax’  
14          has the meaning given such term by section  
15          275(b)(3).

16          “(3) SPECIFIED TAX BENEFIT.—The term  
17          ‘specified tax benefit’ means any benefit which—

18                 “(A) is determined with respect to a part-  
19                 nership specified tax payment, and

20                 “(B) is allowed against, or determined by  
21                 reference to, a tax described in section  
22                 275(b)(3)(A).

23          “(f) REGULATIONS.—The Secretary shall issue such  
24          regulations or other guidance as may be necessary or ap-  
25          propriate to carry out the purposes of this section, includ-

1 ing regulations or other guidance preventing avoidance of  
2 the addition to tax prescribed by this section through part-  
3 nership allocations that achieve similar tax reductions as  
4 a State and local tax allocation mismatch.”.

5 (2) CLERICAL AMENDMENT.—The table of sec-  
6 tions for part I of subchapter A of chapter 68 is  
7 amended by adding at the end the following new  
8 item:

“Sec. 6659. State and local tax allocation mismatch.”.

9 (d) LIMITATION ON CAPITALIZATION OF SPECIFIED  
10 TAXES.—Section 275, as amended by the preceding provi-  
11 sions of this section, is amended by redesignating sub-  
12 section (c) as subsection (d) and by inserting after sub-  
13 section (b) the following new subsection:

14 “(c) LIMITATIONS ON CAPITALIZATION OF SPECI-  
15 FIED TAXES.—Notwithstanding any other provision of  
16 this chapter, in the case of an individual, specified taxes  
17 (as defined in subsection (b)) shall not be treated as  
18 chargeable to capital account.”.

19 (e) REPORTING BY PARTNERSHIPS AND S CORPORA-  
20 TIONS WITH RESPECT TO SPECIFIED SERVICE TRADE OR  
21 BUSINESS INCOME.—

22 (1) PARTNERSHIPS.—Section 6031 is amended  
23 by adding at the end the following new subsection:

24 “(g) SPECIFIED SERVICE TRADE OR BUSINESS IN-  
25 COME.—Returns required under subsection (a), and copies

1 required to be furnished under subsection (b), shall in-  
2 clude a statement of whether or not the partnership had  
3 any gross receipts (within the meaning of section 448(e))  
4 from a trade or business described in subsection  
5 199A(d)(2).”.

6 (2) S CORPORATIONS.—Section 6037 is amend-  
7 ed by adding at the end the following new sub-  
8 section:

9 “(d) SPECIFIED SERVICE TRADE OR BUSINESS IN-  
10 COME.—Returns required under subsection (a), and copies  
11 required to be furnished under subsection (b), shall in-  
12 clude a statement of whether or not the S corporation had  
13 any gross receipts (within the meaning of section 448(e))  
14 from a trade or business described in subsection  
15 199A(d)(2).”.

16 (f) CONFORMING AMENDMENT.—Section 164(b) is  
17 amended by striking paragraph (6).

18 (g) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2025.

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 munerations, 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 “(i) any employee described in sub-  
2 paragraph (A), (B), or (D) of paragraph  
3 (3), with respect to the publicly held cor-  
4 poration which is a member of such con-  
5 trolled group, and

6 “(ii) any employee who would be de-  
7 scribed in subparagraph (C) of paragraph  
8 (3) if such subparagraph were applied by  
9 taking into account the employees of all  
10 members of the controlled group.

11 “(D) CONTROLLED GROUP.—For purposes  
12 of this paragraph, the term ‘controlled group’  
13 means any group treated as a single employer  
14 under subsection (b), (c), (m), or (o) of section  
15 414.”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2025.

19 **SEC. 112020. EXPANDING APPLICATION OF TAX ON EXCESS**  
20 **COMPENSATION WITHIN TAX-EXEMPT ORGA-**  
21 **NIZATIONS.**

22 (a) IN GENERAL.—Section 4960(c)(2) is amended to  
23 read as follows:

24 “(2) COVERED EMPLOYEE.—For purposes of  
25 this section, the term ‘covered employee’ means any

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 CHARITABLE CONTRIBUTIONS MADE BY CORPORATIONS.**

4  
5  
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 ‘10  
16 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 disposition or distribution described in any para-  
3           graph of section 1445(e), each rate of tax in such paragraph (or any rate of tax applicable in  
4           lieu of such statutory rate) shall be increased by the applicable number of percentage points  
5           if—  
6  
7  
8  
9

10                   “(i) in the case of section 1445(e)(1),  
11                   the foreign person referred to in subparagraph (A) or (B) of such section is an ap-  
12                   plicable person,  
13

14                   “(ii) in the case of section 1445(e)(2),  
15                   the foreign corporation referred to in such section is an applicable person,  
16

17                   “(iii) in the case of section 1445(e)(3), the foreign shareholder re-  
18                   ferred to in such section is an applicable person,  
19  
20

21                   “(iv) in the case of section 1445(e)(4),  
22                   the foreign person referred to in such section is an applicable person,  
23

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. REDUCTION OF EXCISE TAX ON FIREARMS SI-**  
12 **LENCERS.**

13 (a) IN GENERAL.—Section 5811(a) is amended to  
14 read as follows:

15 “(a) RATE.—There shall be levied, collected, and paid  
16 on firearms transferred a tax at the rate of—

17 “(1) \$5 for each firearm transferred in the case  
18 of a weapon classified as any other weapon under  
19 section 5845(e),

20 “(2) \$0 for each firearm transferred in the case  
21 of a silencer (as defined in section 5845(a)(7)), and

22 “(3) \$200 for any other firearm transferred.”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 this section shall apply to transfers after the date of the  
25 enactment of this Act.

1 **SEC. 112030. MODIFICATIONS TO DE MINIMIS ENTRY PRIVI-**  
2 **LEGE FOR COMMERCIAL SHIPMENTS.**

3 (a) CIVIL PENALTY.—

4 (1) ADDITIONAL PENALTY IMPOSED.—Section  
5 321 of the Tariff Act of 1930 (19 U.S.C. 1321) is  
6 amended by adding at the end the following new  
7 subsection:

8 “(c) Any person who enters, introduces, facilitates,  
9 or attempts to introduce an article into the United States  
10 using the privilege of this section, the importation of which  
11 violates any other provision of United States law, shall be  
12 assessed, in addition to any other penalty permitted by  
13 law, a civil penalty of up to \$5,000 for the first violation  
14 and up to \$10,000 for each subsequent violation.”

15 (2) EFFECTIVE DATE.—The amendment made  
16 by paragraph (1) shall take effect 30 days after the  
17 date of the enactment of this Act.

18 (b) REPEAL OF COMMERCIAL SHIPMENT EXCEP-  
19 TION.—

20 (1) REPEAL.—Section 321(a)(2)(B) of such Act  
21 (19 U.S.C. 1321(a)(2)(B)) is amended by striking  
22 “of this Act, or” and all that follows through “sub-  
23 division (2); and” and inserting “of this Act; and”.

24 (2) CONFORMING REPEAL.—Subsection (c) of  
25 such section 321, as added by subsection (a) of this  
26 section, is repealed.

1           (3) EFFECTIVE DATE.—The amendments made  
2           by this subsection shall take effect on July 1, 2027.

3 **SEC. 112031. LIMITATION ON DRAWBACK OF TAXES PAID**  
4                           **WITH RESPECT TO SUBSTITUTED MERCHAN-**  
5                           **DISE.**

6           Effective for claims filed on or after July 1, 2026,  
7           for purposes of drawback of internal revenue tax imposed  
8           under chapter 52 of the Internal Revenue Code of 1986,  
9           the amount of drawback granted under such Code, or the  
10          Tariff Act of 1930, on the export or destruction of sub-  
11          stituted merchandise may not exceed the amount of taxes  
12          paid (and not returned by refund, credit, or drawback)  
13          on the substituted merchandise.

14 **PART 2—REMOVING TAXPAYER BENEFITS FOR**  
15                           **ILLEGAL IMMIGRANTS**

16 **SEC. 112101. PERMITTING PREMIUM TAX CREDIT ONLY FOR**  
17                           **CERTAIN INDIVIDUALS.**

18          (a) IN GENERAL.—Section 36B(e)(1) is amended by  
19          inserting “or, in the case of aliens who are lawfully  
20          present, are not eligible aliens” after “individuals who are  
21          not lawfully present”.

22          (b) ELIGIBLE ALIENS.—Section 36B(e)(2) is amend-  
23          ed—

1           (1) by striking “For purposes of this section,  
2           an individual” and inserting the following: “For pur-  
3           poses of this section—

4                       “(A) IN GENERAL.—An individual”, and

5           (2) by adding at the end the following new sub-  
6           paragraph:

7                       “(B) ELIGIBLE ALIENS.—An individual  
8           who is an alien and lawfully present shall be  
9           treated as an eligible alien if and only if such  
10          individual is, and is reasonably expected to be  
11          for the entire period of enrollment for which the  
12          credit under this section is being claimed—

13                      “(i) an alien who is lawfully admitted  
14                      for permanent residence under the Immi-  
15                      gration and Nationality Act (8 U.S.C.  
16                      1101 et seq.),

17                      “(ii) an alien who—

18                               “(I) is a citizen or national of the  
19                               Republic of Cuba,

20                               “(II) is the beneficiary of an ap-  
21                               proved petition under section 203(a)  
22                               of the Immigration and Nationality  
23                               Act (8 U.S.C. 1153(a)),

24                               “(III) meets all eligibility re-  
25                               quirements for an immigrant visa but

1 for whom such a visa is not imme-  
2 diately available,

3 “(IV) is not otherwise inadmis-  
4 sible under section 212(a) of such Act  
5 (8 U.S.C. 1182(a)), and

6 “(V) is physically present in the  
7 United States pursuant to a grant of  
8 parole in furtherance of the commit-  
9 ment of the United States to the min-  
10 imum level of annual legal migration  
11 of Cuban nationals to the United  
12 States specified in the U.S.-Cuba  
13 Joint Communiqué on Migration,  
14 done at New York September 9, 1994,  
15 and reaffirmed in the Cuba-United  
16 States: Joint Statement on Normal-  
17 ization of Migration, Building on the  
18 Agreement of September 9, 1994,  
19 done at New York May 2, 1995, or

20 “(iii) an individual who lawfully re-  
21 sides in the United States in accordance  
22 with a Compact of Free Association re-  
23 ferred to in section 402(b)(2)(G) of the  
24 Personal Responsibility and Work Oppor-

1                   tunity Reconciliation Act of 1996 (8  
2                   U.S.C. 1612(b)(2)(G)).”.

3           (c) CONFORMING AMENDMENTS.—

4                   (1) VERIFICATION OF INFORMATION.—Section  
5           1411 of the Patient Protection and Affordable Care  
6           Act (42 U.S.C. 18081) is amended—

7                   (A) in subsection (a)—

8                           (i) in paragraph (1), by striking “and  
9                           section 36B(e) of the Internal Revenue  
10                           Code of 1986”; and

11                           (ii) in paragraph (2)—

12                                   (I) in subparagraph (A), by strik-  
13                                   ing “and” at the end;

14                                   (II) in subparagraph (B), by add-  
15                                   ing “and” at the end; and

16                                   (III) by adding at the end the  
17                                   following new subparagraph:

18                                   “(C) in the case such individual is an alien  
19                                   lawfully present in the United States, whether  
20                                   such individual is an eligible alien (within the  
21                                   meaning of section 36B(e)(2) of such Code);”;

22                                   (B) in subsection (b)(3), by adding at the  
23                                   end the following new subparagraph:

24                                   “(D) IMMIGRATION STATUS.—In the case  
25                                   the individual’s eligibility is based on an attes-

1           tation of the enrollee’s immigration status, an  
2           attestation that such individual is an eligible  
3           alien (within the meaning of 36B(e)(2) of the  
4           Internal Revenue Code of 1986).”; and

5                   (C) in subsection (e)(2)(B)(ii), by adding  
6           at the end the following new subclause:

7                           “(III) In the case of an indi-  
8                           vidual described in clause (i)(I) with  
9                           respect to whom a premium tax credit  
10                          or reduced cost-sharing under section  
11                          36B of the Internal Revenue Code of  
12                          1986 or section 1402 is being claimed,  
13                          the attestation that the individual is  
14                          an eligible alien (within the meaning  
15                          of section 36B(e)(2) of such Code).”.

16           (2)    ADVANCE    DETERMINATIONS.—Section  
17           1412(d) of the Patient Protection and Affordable  
18           Care Act (42 U.S.C. 18082(d)) is amended by in-  
19           serting before the period at the end the following:  
20           “or, in the case of aliens who are lawfully present,  
21           are not eligible aliens (within the meaning of section  
22           36B(e)(2) of the Internal Revenue Code of 1986)”.

23           (3)    COST-SHARING    REDUCTIONS.—Section  
24           1402(e) of the Patient Protection and Affordable  
25           Care Act (42 U.S.C. 18071(e)) is amended—

1 (A) in the header, by inserting “OR NOT  
2 ELIGIBLE ALIENS” after “INDIVIDUALS NOT  
3 LAWFULLY PRESENT”;

4 (B) in paragraph (1), in the matter pre-  
5 ceding subparagraph (A), by inserting “or, in  
6 the case of an alien who is lawfully present, is  
7 not an eligible alien (within the meaning of sec-  
8 tion 36B(e)(2) of the Internal Revenue Code of  
9 1986)” after “not lawfully present”; and

10 (C) by amending paragraph (2) to read as  
11 follows:

12 “(2) ELIGIBLE ALIENS.—For purposes of this  
13 section, an individual shall be treated as an eligible  
14 alien (within the meaning of section 36B(e)(2) of  
15 the Internal Revenue Code of 1986) if, and only if,  
16 the individual is, and for the entire period of enroll-  
17 ment for which the cost-sharing reduction under this  
18 section is being claimed is reasonably expected to be,  
19 such an alien.”.

20 (4) BASIC HEALTH PROGRAMS.—Section  
21 1331(e)(1) of the Patient Protection and Affordable  
22 Care Act (42 U.S.C. 18051(e)(1)) is amended by in-  
23 serting before the period at the end the following:  
24 “or, in the case of an alien who is lawfully present,  
25 an individual who is not an eligible alien (as defined

1 in section 36B(e)(2) of the Internal Revenue Code  
2 of 1986”.

3 (5) EFFECTIVE DATE.—The amendments made  
4 by this subsection shall apply with respect to plan  
5 years beginning on or after January 1, 2027.

6 (d) CLERICAL AMENDMENTS.—

7 (1) The heading for section 36B(e) is amended  
8 by inserting “AND NOT ELIGIBLE ALIENS” after  
9 “INDIVIDUALS NOT LAWFULLY PRESENT”.

10 (2) The heading for section 36B(e)(2) is  
11 amended by inserting “; ELIGIBLE ALIENS” after  
12 “LAWFULLY PRESENT”.

13 (e) REQUIREMENT TO MAINTAIN MINIMUM ESSEN-  
14 TIAL COVERAGE.—Section 5000A(d)(3) is amended by  
15 striking “an alien lawfully present in the United States”  
16 and inserting “an eligible alien (within the meaning of sec-  
17 tion 36B(e)(2))”.

18 (f) REGULATIONS.—The Secretary of the Treasury  
19 and the Secretary of Health and Human Services may  
20 each prescribe such rules and other guidance as may be  
21 necessary or appropriate to carry out the amendments  
22 made by this section.

23 (g) EFFECTIVE DATE.—The amendments made by  
24 this section (other than the amendments made by sub-

1 section (c)) shall apply to taxable years beginning after  
2 December 31, 2026.

3 **SEC. 112102. DISALLOWING PREMIUM TAX CREDIT DURING**  
4 **PERIODS OF MEDICAID INELIGIBILITY DUE**  
5 **TO ALIEN STATUS.**

6 (a) IN GENERAL.—Section 36B(c)(1) is amended by  
7 striking subparagraph (B) and by redesignating subpara-  
8 graphs (C), (D), and (E) as subparagraphs (B), (C), and  
9 (D), respectively.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 36B(g)(4)(A) is amended by strik-  
12 ing “subsection (c)(1)(C)” and inserting “subsection  
13 (c)(1)(B)”.

14 (2) Section 1331(e)(1)(B) of the Patient Pro-  
15 tection and Affordable Care Act (42 U.S.C.  
16 18051(e)(1)(B)) is amended by striking “, or, in the  
17 case of” and all that follows through “such alien  
18 status”.

19 (3) Section 1402(b) of such Act (42 U.S.C.  
20 18071(b)) is amended by striking the second sen-  
21 tence.

22 (c) REGULATIONS.—The Secretary of the Treasury  
23 and the Secretary of Health and Human Services may  
24 each prescribe such rules and other guidance as may be

1 necessary or appropriate to carry out the amendments  
2 made by this section.

3 (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2025.

6 **SEC. 112103. LIMITING MEDICARE COVERAGE OF CERTAIN**  
7 **INDIVIDUALS.**

8 Title XVIII of the Social Security Act (42 U.S.C.  
9 1395 et seq.) is amended by adding at the end the fol-  
10 lowing new section:

11 **“SEC. 1899C. LIMITING MEDICARE COVERAGE OF CERTAIN**  
12 **INDIVIDUALS.**

13 “(a) **IN GENERAL.**—Notwithstanding section 226,  
14 section 226A, section 401 of the Personal Responsibility  
15 and Work Opportunity Reconciliation Act of 1996, or any  
16 other provision of this title, but subject to subsection (b),  
17 an individual may be entitled to, or enrolled for, benefits  
18 under this title only if the individual is—

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

20 “(2) an alien who is lawfully admitted for per-  
21 manent residence under the Immigration and Na-  
22 tionality Act;

23 “(3) an alien who—

24 “(A) is a citizen or national of the Repub-  
25 lic of Cuba;

1           “(B) is the beneficiary of an approved peti-  
2           tion under section 203(a) of the Immigration  
3           and Nationality Act;

4           “(C) meets all eligibility requirements for  
5           an immigrant visa but for whom such a visa is  
6           not immediately available;

7           “(D) is not otherwise inadmissible under  
8           section 212(a) of such Act; and

9           “(E) is physically present in the United  
10          States pursuant to a grant of parole in further-  
11          ance of the commitment of the United States to  
12          the minimum level of annual legal migration of  
13          Cuban nationals to the United States specified  
14          in the U.S.-Cuba Joint Communiqué on Migra-  
15          tion, done at New York September 9, 1994, and  
16          reaffirmed in the Cuba-United States: Joint  
17          Statement on Normalization of Migration,  
18          Building on the Agreement of September 9,  
19          1994, done at New York May 2, 1995; or

20          “(4) an individual who lawfully resides in the  
21          United States in accordance with a Compact of Free  
22          Association referred to in section 402(b)(2)(G) of  
23          the Personal Responsibility and Work Opportunity  
24          Reconciliation Act of 1996.

1           “(b) APPLICATION TO INDIVIDUALS CURRENTLY EN-  
2 TITLED TO OR ENROLLED FOR BENEFITS.—

3           “(1) IN GENERAL.—In the case of an individual  
4 who is entitled to, or enrolled for, benefits under this  
5 title as of the date of the enactment of this section,  
6 subsection (a) shall apply beginning on the date that  
7 is 1 year after such date of enactment.

8           “(2) REVIEW BY COMMISSIONER OF SOCIAL SE-  
9 CURITY.—

10           “(A) IN GENERAL.—Not later than 6  
11 months after the date of the enactment of this  
12 section, the Commissioner of Social Security  
13 shall complete a review of individuals entitled  
14 to, or enrolled for, benefits under this title as  
15 of such date of enactment for purposes of iden-  
16 tifying individuals not described in any of para-  
17 graphs (1) through (4) of subsection (a).

18           “(B) NOTICE.—The Commissioner of So-  
19 cial Security shall notify each individual identi-  
20 fied under the review conducted under subpara-  
21 graph (A) that such individual’s entitlement to,  
22 or enrollment for, benefits under this title will  
23 be terminated as of the date that is 1 year after  
24 the date of the enactment of this section. Such  
25 notification shall be made as soon as practicable

1 after such identification and in a manner de-  
2 signed to ensure such individual's comprehen-  
3 sion of such notification.”.

4 **SEC. 112104. EXCISE TAX ON REMITTANCE TRANSFERS.**

5 (a) IN GENERAL.—Chapter 36 is amended by insert-  
6 ing after subchapter B the following new subchapter:

7 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

8 **“SEC. 4475. IMPOSITION OF TAX.**

9 “(a) IN GENERAL.—There is hereby imposed on any  
10 remittance transfer a tax equal to 5 percent of the amount  
11 of such transfer.

12 “(b) PAYMENT OF TAX.—

13 “(1) IN GENERAL.—The tax imposed by this  
14 section with respect to any remittance transfer shall  
15 be paid by the sender with respect to such transfer.

16 “(2) COLLECTION.—The remittance transfer  
17 provider with respect to any remittance transfer  
18 shall collect the amount of the tax imposed under  
19 subsection (a) with respect to such transfer from the  
20 sender and remit such tax quarterly to the Secretary  
21 at such time and in such manner as provided by the  
22 Secretary.

23 “(3) SECONDARY LIABILITY.—Where any tax  
24 imposed by subsection (a) is not paid at the time the

1 transfer is made, then to the extent that such tax  
2 is not collected, such tax shall be paid by the remit-  
3 tance transfer provider.

4 “(c) EXCEPTION FOR REMITTANCE TRANSFERS  
5 SENT BY CITIZENS AND NATIONALS OF THE UNITED  
6 STATES THROUGH CERTAIN PROVIDERS.—

7 “(1) IN GENERAL.—Subsection (a) shall not  
8 apply to any remittance transfer with respect to  
9 which the remittance transfer provider is a qualified  
10 remittance transfer provider and the sender is a  
11 verified United States sender.

12 “(2) QUALIFIED REMITTANCE TRANSFER PRO-  
13 VIDER.—For purposes of this subsection, the term  
14 ‘qualified remittance transfer provider’ means any  
15 remittance transfer provider which enters into a  
16 written agreement with the Secretary pursuant to  
17 which such provider agrees to verify the status of  
18 senders as citizens or nationals of the United States  
19 in such manner, and in accordance with such proce-  
20 dures, as the Secretary may specify.

21 “(3) VERIFIED UNITED STATES SENDER.—For  
22 purposes of this subsection, the term ‘verified United  
23 States sender’ means any sender who is verified by  
24 a qualified remittance transfer provider as being a

1 citizen or national of the United States pursuant to  
2 an agreement described in paragraph (2).

3 “(d) DEFINITIONS.—For purposes of this section, the  
4 terms ‘remittance transfer’, ‘remittance transfer provider’,  
5 ‘designated recipient’, and ‘sender’ shall each have the re-  
6 spective meanings given such terms by section 920(g) of  
7 the Electronic Fund Transfer Act (15 U.S.C. 1693o-1; re-  
8 lating to “Remittance Transfers”).

9 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For  
10 purposes of section 7701(l) with respect to any multiple-  
11 party arrangements involving the sender, a remittance  
12 transfer shall be treated as a financing transaction.”.

13 (b) REFUNDABLE INCOME TAX CREDIT ALLOWED  
14 TO CITIZENS AND NATIONALS OF THE UNITED STATES  
15 FOR EXCISE TAX ON REMITTANCE TRANSFERS.—Subpart  
16 C of part IV of subchapter A of chapter 1 is amended  
17 by inserting after section 36B the following new section:  
18 **“SEC. 36C. CREDIT FOR EXCISE TAX ON REMITTANCE**  
19 **TRANSFERS OF CITIZENS AND NATIONALS OF**  
20 **THE UNITED STATES.**

21 “(a) IN GENERAL.—In the case of any individual,  
22 there shall be allowed as a credit against the tax imposed  
23 by this subtitle for any taxable year an amount equal to  
24 the aggregate amount of taxes paid by such individual  
25 under section 4475 during such taxable year.

1 “(b) SOCIAL SECURITY NUMBER REQUIREMENT.—

2 “(1) IN GENERAL.—No credit shall be allowed  
3 under this section unless the taxpayer includes on  
4 the return of tax for the taxable year—

5 “(A) the individual’s social security num-  
6 ber, and

7 “(B) if the individual is married, the social  
8 security number of such individuals’s spouse.

9 “(2) SOCIAL SECURITY NUMBER.—For pur-  
10 poses of this subsection, the term ‘social security  
11 number’ has the meaning given such term in section  
12 24(h)(7).

13 “(3) MARRIED INDIVIDUALS.—Rules similar to  
14 the rules of section 32(d) shall apply to this section.

15 “(c) SUBSTANTIATION REQUIREMENTS.—No credit  
16 shall be allowed under this section unless the taxpayer  
17 demonstrates to the satisfaction of the Secretary that the  
18 tax under section 4475 with respect to which such credit  
19 is determined—

20 “(1) was paid by the taxpayer, and

21 “(2) is with respect to a remittance transfer  
22 with respect to which the taxpayer provided to the  
23 remittance transfer provider the certification and in-  
24 formation referred to in section 6050BB(a)(2).

1 “(d) DEFINITIONS.—Any term used in this section  
2 which is also used in section 4475 shall have the meaning  
3 given such term in section 4475.

4 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For  
5 rules providing for the application of the anti-conduit rules  
6 of section 7701(l) to remittance transfers, see section  
7 4475(e).”.

8 (c) REPORTING BY REMITTANCE TRANSFER PRO-  
9 VIDERS.—

10 (1) IN GENERAL.—Subpart B of part III of  
11 subchapter A of chapter 61, as amended by the pre-  
12 ceding provisions of this Act, is amended by adding  
13 at the end the following new section:

14 **“SEC. 6050BB. RETURNS RELATING TO REMITTANCE**  
15 **TRANSFERS.**

16 “(a) IN GENERAL.—Each remittance transfer pro-  
17 vider shall make a return at such time as the Secretary  
18 may provide setting forth—

19 “(1) in the case of a qualified remittance trans-  
20 fer provider with respect to remittance transfers to  
21 which section 4475(a) does not apply by reason of  
22 section 4475(c), the aggregate number and value of  
23 such transfers,

24 “(2) in the case of any remittance transfer not  
25 described in paragraph (1) and with respect to

1 which the sender certifies to the remittance transfer  
2 provider an intent to claim the credit under section  
3 36C and provides the information described in para-  
4 graph (1)—

5 “(A) the name, address, and social security  
6 number of the sender,

7 “(B) the amount of tax paid by the sender  
8 under section 4475(b)(1), and

9 “(C) the amount of tax remitted by the re-  
10 mittance transfer provider under section  
11 4475(b)(2), and

12 “(3) in the case of any remittance transfer not  
13 included under paragraph (1) or (2)—

14 “(A) the aggregate amount of tax paid  
15 under section 4475(b)(1) with respect to such  
16 transfers, and

17 “(B) the aggregate amount of tax remitted  
18 under section 4475(b)(2) with respect to such  
19 transfers.

20 “(b) STATEMENT TO BE FURNISHED TO NAMED  
21 PERSONS.—Every person required to make a return under  
22 subsection (a) shall furnish, at such time as the Secretary  
23 may provide, to each person whose name is required to  
24 be set forth in such return a written statement showing—

1           “(1) the name and address of the information  
2           contact of the required reporting person, and

3           “(2) the information described in subsection  
4           (a)(2) which relates to such person.

5           “(c) DEFINITIONS.—Any term used in this section  
6           which is also used in section 4475 shall have the meaning  
7           given such term in such section.”.

8           (2) PENALTIES.—Section 6724(d), as amended  
9           by the preceding provisions of this Act, is amend-  
10          ed—

11           (A) in paragraph (1)(B), by striking “or”  
12           at the end of clause (xxviii), by striking “and”  
13           at the end of clause (xxix) and inserting “or”,  
14           and by adding at the end the following new  
15           clause:

16           “(xxx) section 6050BB(a) (relating to  
17           returns relating to remittance transfers),  
18           and”, and

19           (B) in paragraph (2), by striking “or” at  
20           the end of subparagraph (NN), by striking the  
21           period at the end of subparagraph (OO) and in-  
22           serting “, or”, and by inserting after subpara-  
23           graph (OO) the following new subparagraph:

24           “(PP) section 6050BB(b) (relating to  
25           statements relating to remittance transfers).”.

1 (d) CONFORMING AMENDMENTS.—

2 (1) Section 6211(b)(4)(A) is amended by insert-  
3 ing “36C,” after “36B,”.

4 (2) Section 6213(g)(2), as amended by the pre-  
5 ceding provisions of this Act, is amended by striking  
6 “and” at the end of subparagraph (Z), by the strik-  
7 ing the period at the end of subparagraph (AA) and  
8 inserting “, and”, and by inserting after subpara-  
9 graph (AA) the following new subparagraph:

10 “(BB) an omission of a correct social secu-  
11 rity number under section 36C(b) to be in-  
12 cluded on a return.”.

13 (3) Section 1324(b)(2) of title 31, United  
14 States Code, is amended by inserting “36C,” after  
15 “36B,”.

16 (4) The table of sections for subpart C of part  
17 IV of subchapter A of chapter 1 is amended by in-  
18 serting after the item relating to section 36B the fol-  
19 lowing new item:

“Sec. 36C. Credit for excise tax on remittance transfers of citizens and nation-  
als of the United States.”.

20 (5) The table of sections for subpart B of part  
21 III of subchapter A of chapter 61 is amended by  
22 adding at the end the following new item:

“Sec. 6050BB. Returns relating to remittance transfers.”.

1           (6) The table of subchapters for chapter 36 is  
2           amended by inserting after the item relating to sub-  
3           chapter B the following new item:

                  “SUBCHAPTER C—REMITTANCE TRANSFERS”.

4           (e) EFFECTIVE DATE.—

5           (1) IN GENERAL.—Except as otherwise pro-  
6           vided in this subsection, the amendments made by  
7           this section shall apply to transfers made after De-  
8           cember 31, 2025.

9           (2) TAX CREDIT.—The amendments made by  
10          subsection (b), and paragraphs (1) through (4) of  
11          subsection (d), shall apply to taxable years ending  
12          after December 31, 2025.

13 **SEC. 112105. SOCIAL SECURITY NUMBER REQUIREMENT**  
14                   **FOR AMERICAN OPPORTUNITY AND LIFE-**  
15                   **TIME LEARNING CREDITS.**

16          (a) SOCIAL SECURITY NUMBER OF TAXPAYER RE-  
17          QUIRED.—Section 25A(g)(1) is amended to read as fol-  
18          lows:

19                   “(1) IDENTIFICATION REQUIREMENT.—

20                           “(A) SOCIAL SECURITY NUMBER REQUIRE-  
21                           MENT.—No credit shall be allowed under sub-  
22                           section (a) to a taxpayer unless the taxpayer in-  
23                           cludes on the return of tax for the taxable  
24                           year—

1 “(i) such individual’s social security  
2 number,

3 “(ii) if the individual is married, the  
4 social security number of such individual’s  
5 spouse, and

6 “(iii) in the case of a credit with re-  
7 spect to the qualified tuition and related  
8 expenses of an individual other than the  
9 taxpayer or the taxpayer’s spouse, the  
10 name and social security number of such  
11 individual.

12 “(B) INSTITUTION.—No American Oppor-  
13 tunity Tax Credit shall be allowed under this  
14 section unless the taxpayer includes the em-  
15 ployer identification number of any institution  
16 to which the taxpayer paid qualified tuition and  
17 related expenses taken into account under this  
18 section on the return of tax for the taxable  
19 year.

20 “(C) SOCIAL SECURITY NUMBER DE-  
21 FINED.—For purposes of this paragraph, the  
22 term ‘social security number’ shall have the  
23 meaning given such term in section 24(h)(7).”.

24 (b) RULES RELATED TO MARRIED INDIVIDUALS.—

25 Section 25A(g)(6) is amended to read as follows:



1 provided or verified by the applicant, such indi-  
2 vidual's eligibility—

3 “(i) to enroll in the plan through the  
4 Exchange,

5 “(ii) for any advance payment under  
6 section 1412 of the Patient Protection and  
7 Affordable Care Act of the credit allowed  
8 under this section, and

9 “(iii) for any reduced cost-sharing  
10 under section 1402 of such Act.

11 “(B) APPLICABLE ENROLLMENT INFORMA-  
12 TION.—For purposes of subparagraph (A), ap-  
13 plicable enrollment information shall at least in-  
14 clude affirmation of the following information  
15 (to the extent relevant in determining eligibility  
16 described in subparagraph (A)):

17 “(i) Income.

18 “(ii) Any immigration status.

19 “(iii) Any health coverage status or  
20 eligibility for coverage.

21 “(iv) Place of residence.

22 “(v) Family size.

23 “(vi) Such other information as may  
24 be determined by the Secretary (in con-  
25 sultation with the Secretary of Health and

1 Human Services) as necessary to the  
2 verification prescribed under subparagraph  
3 (A).

4 “(C) VERIFICATION OF PAST MONTHS.—In  
5 the case of a month that begins before  
6 verification prescribed by subparagraph (A),  
7 such month shall be treated as a coverage  
8 month if, and only if, the Exchange verifies for  
9 such month (using applicable enrollment infor-  
10 mation that shall be provided or verified by the  
11 applicant) such individual’s eligibility to have so  
12 enrolled, for any such advance payment, and for  
13 any such reduced cost-sharing.

14 “(D) EXCHANGE PARTICIPATION; COORDI-  
15 NATION WITH OTHER PROCEDURES FOR DETER-  
16 MINING ELIGIBILITY.—An individual shall not,  
17 solely by reason of failing to meet the require-  
18 ments of this paragraph with respect to a  
19 month, be treated for such month as ineligible  
20 to enroll in a qualified health plan through an  
21 Exchange.

22 “(6) EXCHANGE COMPLIANCE WITH FILING RE-  
23 QUIREMENTS.—The term ‘coverage month’ shall not  
24 include, with respect to any individual covered by a  
25 qualified health plan enrolled in through an Ex-

1 change, any month for which the Exchange does not  
2 meet the requirements of section 155.305(f)(4) of  
3 title 45, Code of Federal Regulations (as published  
4 in the Federal Register on March 19, 2025 (90 FR  
5 12942)), with respect to the individual.”.

6 (b) PRE-ENROLLMENT VERIFICATION PROCESS RE-  
7 QUIRED.—Section 36B(c)(3)(A) is amended—

8 (1) by striking “HEALTH PLAN.—The term”  
9 and inserting the following: “HEALTH PLAN.—

10 “(i) IN GENERAL.—The term”, and

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

13 “(ii) PRE-ENROLLMENT VERIFICATION  
14 PROCESS REQUIRED.—Such term shall not  
15 include any plan enrolled in through an  
16 Exchange, unless such Exchange provides  
17 a process for pre-enrollment verification  
18 through which any applicant may, begin-  
19 ning not later than August 1, verify with  
20 the Exchange the applicant’s eligibility for  
21 enrollment in such plan for plan years be-  
22 ginning in the subsequent year, for any ad-  
23 vance payment of the credit allowed under  
24 this section, and for reduced cost-sharing

1 under section 1402 of the Patient Protec-  
2 tion and Affordable Care Act.”.

3 (c) REGULATIONS.—The Secretary of the Treasury  
4 and the Secretary of Health and Human Services may  
5 each prescribe such rules and other guidance as may be  
6 necessary or appropriate to carry out the amendments  
7 made by this section.

8 (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2027.

11 **SEC. 112202. DISALLOWING PREMIUM TAX CREDIT IN CASE**  
12 **OF CERTAIN COVERAGE ENROLLED IN DUR-**  
13 **ING SPECIAL ENROLLMENT PERIOD.**

14 (a) IN GENERAL.—Section 36B(c)(3)(A), as amend-  
15 ed by the preceding provisions of this Act, is amended by  
16 adding at the end the following new clause:

17 “(iii) EXCEPTION IN CASE OF CER-  
18 TAIN SPECIAL ENROLLMENT PERIODS.—  
19 Such term shall not include any plan en-  
20 rolled in during a special enrollment period  
21 provided for by an Exchange—

22 “(I) on the basis of the relation-  
23 ship of the individual’s expected  
24 household income to such a percent-  
25 age of the poverty line (or such other

1 amount) as is prescribed by the Sec-  
2 retary of Health and Human Services  
3 for purposes of such period, and

4 “(II) not in connection with the  
5 occurrence of an event or change in  
6 circumstances specified by the Sec-  
7 retary of Health and Human Services  
8 for such purposes.”.

9 (b) REGULATIONS.—The Secretary of Treasury and  
10 the Secretary of Health and Human Services shall pre-  
11 scribe such rules (including interim final and temporary  
12 regulations) and other guidance as may be necessary to  
13 carry out the purposes of the amendments made by this  
14 section.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply with respect to plans enrolled in  
17 during calendar months beginning after the third calendar  
18 month ending after the date of the enactment of this Act.

19 **SEC. 112203. ELIMINATING LIMITATION ON RECAPTURE OF**  
20 **ADVANCE PAYMENT OF PREMIUM TAX CRED-**  
21 **IT.**

22 (a) IN GENERAL.—Section 36B(f)(2) is amended by  
23 striking subparagraph (B).

24 (b) CONFORMING AMENDMENTS.—



1 **“SEC. 1899D. IMPLEMENTING ARTIFICIAL INTELLIGENCE**  
2 **TOOLS FOR PURPOSES OF REDUCING AND**  
3 **RECOUPING IMPROPER PAYMENTS.**

4 “(a) IN GENERAL.—Not later than January 1, 2027,  
5 the Secretary shall implement such artificial intelligence  
6 tools determined appropriate by the Secretary for pur-  
7 poses of—

8 “(1) reducing improper payments made under  
9 parts A and B; and

10 “(2) identifying any such improper payments so  
11 made.

12 “(b) CONTRACTS.—The Secretary shall seek to con-  
13 tract with a vendor of artificial intelligence tools and with  
14 data scientists for purposes of implementing the artificial  
15 intelligence tools required under subsection (a).

16 “(c) RECOUPMENT.—The Secretary shall, to the ex-  
17 tent practicable, recoup payments identified using the arti-  
18 ficial intelligence tools implemented under subsection (a).

19 “(d) REPORT.—Not later than January 1, 2029, and  
20 not less frequently than annually thereafter, the Secretary  
21 shall report to Congress on the implementation of artificial  
22 intelligence tools under subsection (a) and the recoupment  
23 of improper payments under subsection (c). Such report  
24 shall include—

25 “(1) a description of any opportunities for fur-  
26 ther reducing rates of improper payments described

1 in subsection (a)(1) or further increasing rates of  
2 recoupment of such payments;

3 “(2) the total dollar amount of improper pay-  
4 ments recouped in the most recent year for which  
5 data is available; and

6 “(3) in the case that the Secretary fails to re-  
7 duce the rate of improper payments by 50 percent  
8 in such most recent year as compared to the year  
9 prior to such most recent year, a description of the  
10 reasons for such failure.”.

11 (b) IMPLEMENTATION FUNDING.—

12 (1) FEDERAL HOSPITAL INSURANCE TRUST  
13 FUND.—The Secretary of Health and Human Serv-  
14 ices shall provide for the transfer from the Federal  
15 Hospital Insurance Trust Fund established under  
16 section 1817 of the Social Security Act (42 U.S.C.  
17 1395i) to the Centers for Medicare & Medicaid Serv-  
18 ices Program Management Account of \$12,500,000  
19 for fiscal year 2025 for purposes of carrying out the  
20 amendment made by this section, to remain available  
21 until expended.

22 (2) FEDERAL SUPPLEMENTARY MEDICAL IN-  
23 SURANCE TRUST FUND.—The Secretary of Health  
24 and Human Services shall provide for the transfer,  
25 from the Federal Supplementary Medical Insurance

1 Trust Fund established under section 1841 of the  
2 Social Security Act (42 U.S.C. 1395t) to the Cen-  
3 ters for Medicare & Medicaid Services Program  
4 Management Account of \$12,500,000 for fiscal year  
5 2025 for purposes of carrying out the amendment  
6 made by this section, to remain available until ex-  
7 pended.

8 **SEC. 112205. ENFORCEMENT PROVISIONS WITH RESPECT**  
9 **TO COVID-RELATED EMPLOYEE RETENTION**  
10 **CREDITS.**

11 (a) INCREASE IN ASSESSABLE PENALTY ON COVID-  
12 ERTC PROMOTERS FOR AIDING AND ABETTING UNDER-  
13 STATEMENTS OF TAX LIABILITY.—

14 (1) IN GENERAL.—If any COVID-ERTC pro-  
15 moter is subject to penalty under section 6701(a) of  
16 the Internal Revenue Code of 1986 with respect to  
17 any COVID-ERTC document, notwithstanding  
18 paragraphs (1) and (2) of section 6701(b) of such  
19 Code, the amount of the penalty imposed under such  
20 section 6701(a) shall be the greater of—

21 (A) \$200,000 (\$10,000, in the case of a  
22 natural person), or

23 (B) 75 percent of the gross income derived  
24 (or to be derived) by such promoter with re-  
25 spect to the aid, assistance, or advice referred

1 to in section 6701(a)(1) of such Code with re-  
2 spect to such document.

3 (2) NO INFERENCE.—Paragraph (1) shall not  
4 be construed to create any inference with respect to  
5 the proper application of the knowledge requirement  
6 of section 6701(a)(3) of the Internal Revenue Code  
7 of 1986.

8 (b) FAILURE TO COMPLY WITH DUE DILIGENCE RE-  
9 QUIREMENTS TREATED AS KNOWLEDGE FOR PURPOSES  
10 OF ASSESSABLE PENALTY FOR AIDING AND ABETTING  
11 UNDERSTATEMENT OF TAX LIABILITY.—In the case of  
12 any COVID-ERTC promoter, the knowledge requirement  
13 of section 6701(a)(3) of the Internal Revenue Code of  
14 1986 shall be treated as satisfied with respect to any  
15 COVID-ERTC document with respect to which such pro-  
16 moter provided aid, assistance, or advice, if such promoter  
17 fails to comply with the due diligence requirements re-  
18 ferred to in subsection (c)(1).

19 (c) ASSESSABLE PENALTY FOR FAILURE TO COMPLY  
20 WITH DUE DILIGENCE REQUIREMENTS.—

21 (1) IN GENERAL.—Any COVID-ERTC pro-  
22 moter which provides aid, assistance, or advice with  
23 respect to any COVID-ERTC document and which  
24 fails to comply with due diligence requirements im-  
25 posed by the Secretary with respect to determining

1 eligibility for, or the amount of, any COVID-related  
2 employee retention tax credit, shall pay a penalty of  
3 \$1,000 for each such failure.

4 (2) DUE DILIGENCE REQUIREMENTS.—Except  
5 as otherwise provided by the Secretary, the due dili-  
6 gence requirements referred to in paragraph (1)  
7 shall be similar to the due diligence requirements  
8 imposed under section 6695(g) of the Internal Rev-  
9 enue Code of 1986.

10 (3) RESTRICTION TO DOCUMENTS USED IN  
11 CONNECTION WITH RETURNS OR CLAIMS FOR RE-  
12 FUND.—Paragraph (1) shall not apply with respect  
13 to any COVID–ERTC document unless such docu-  
14 ment constitutes, or relates to, a return or claim for  
15 refund.

16 (4) TREATMENT AS ASSESSABLE PENALTY,  
17 ETC.—For purposes of the Internal Revenue Code of  
18 1986, the penalty imposed under paragraph (1) shall  
19 be treated in the same manner as a penalty imposed  
20 under section 6695(g) of such Code.

21 (5) SECRETARY.—For purposes of this sub-  
22 section, the term “Secretary” means the Secretary  
23 of the Treasury or the Secretary’s delegate.

24 (d) ASSESSABLE PENALTIES FOR FAILURE TO DIS-  
25 CLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.—

1 For purposes of sections 6111, 6112, 6707 and 6708 of  
2 the Internal Revenue Code of 1986—

3 (1) any COVID-related employee retention tax  
4 credit (whether or not the taxpayer claims such  
5 COVID-related employee retention tax credit) shall  
6 be treated as a listed transaction (and as a report-  
7 able transaction) with respect to any COVID-ERTC  
8 promoter if such promoter provides any aid, assist-  
9 ance, or advice with respect to any COVID-ERTC  
10 document relating to such COVID-related employee  
11 retention tax credit, and

12 (2) such COVID-ERTC promoter shall be  
13 treated as a material advisor with respect to such  
14 transaction.

15 (e) COVID-ERTC PROMOTER.—For purposes of  
16 this section—

17 (1) IN GENERAL.—The term “COVID-ERTC  
18 promoter” means, with respect to any COVID-  
19 ERTC document, any person which provides aid, as-  
20 sistance, or advice with respect to such document  
21 if—

22 (A) such person charges or receives a fee  
23 for such aid, assistance, or advice which is  
24 based on the amount of the refund or credit  
25 with respect to such document and, with respect

1 to such person's taxable year in which such per-  
2 son provided such assistance or the preceding  
3 taxable year, the aggregate gross receipts of  
4 such person for aid, assistance, and advice with  
5 respect to all COVID-ERTC documents exceeds  
6 20 percent of the gross receipts of such person  
7 for such taxable year, or

8 (B) with respect to such person's taxable  
9 year in which such person provided such assist-  
10 ance or the preceding taxable year—

11 (i) the aggregate gross receipts of  
12 such person for aid, assistance, and advice  
13 with respect to all COVID-ERTC docu-  
14 ments exceeds 50 percent of the gross re-  
15 ceipts of such person for such taxable year,  
16 or

17 (ii) both—

18 (I) such aggregate gross receipts  
19 exceeds 20 percent of the gross re-  
20 ceipts of such person for such taxable  
21 year, and

22 (II) the aggregate gross receipts  
23 of such person for aid, assistance, and  
24 advice with respect to all COVID-  
25 ERTC documents (determined after

1 application of paragraph (3)) exceeds  
2 \$500,000.

3 (2) EXCEPTION FOR CERTIFIED PROFESSIONAL  
4 EMPLOYER ORGANIZATIONS.—The term “COVID-  
5 ERTC promoter” shall not include a certified profes-  
6 sional employer organization (as defined in section  
7 7705 of the Internal Revenue Code of 1986).

8 (3) AGGREGATION RULE.—For purposes of  
9 paragraph (1)(B)(ii)(II), all persons treated as a  
10 single employer under subsection (a) or (b) of sec-  
11 tion 52 of the Internal Revenue Code of 1986, or  
12 subsection (m) or (o) of section 414 of such Code,  
13 shall be treated as 1 person.

14 (4) SHORT TAXABLE YEARS.—In the case of  
15 any taxable year of less than 12 months, paragraph  
16 (1) shall be applied with respect to the calendar year  
17 in which such taxable year begins (in addition to ap-  
18 plying to such taxable year).

19 (f) COVID-ERTC DOCUMENT.—For purposes of  
20 this section, the term “COVID-ERTC document” means  
21 any return, affidavit, claim, or other document related to  
22 any COVID-related employee retention tax credit, includ-  
23 ing any document related to eligibility for, or the calcula-  
24 tion or determination of any amount directly related to  
25 any COVID-related employee retention tax credit.

1 (g) COVID-RELATED EMPLOYEE RETENTION TAX  
2 CREDIT.—For purposes of this section, the term  
3 “COVID-related employee retention tax credit” means—

4 (1) any credit, or advance payment, under sec-  
5 tion 3134 of the Internal Revenue Code of 1986,  
6 and

7 (2) any credit, or advance payment, under sec-  
8 tion 2301 of the CARES Act.

9 (h) LIMITATION ON CREDIT AND REFUND OF  
10 COVID-RELATED EMPLOYEE RETENTION TAX CRED-  
11 ITS.—Notwithstanding section 6511 of the Internal Rev-  
12 enue Code of 1986 or any other provision of law, no credit  
13 or refund of any COVID-related employee retention tax  
14 credit shall be allowed or made after the date of the enact-  
15 ment of this Act, unless a claim for such credit or refund  
16 is filed by the taxpayer on or before January 31, 2024.

17 (i) AMENDMENTS TO EXTEND LIMITATION ON AS-  
18 SESSMENT.—

19 (1) IN GENERAL.—Section 3134(l) is amended  
20 to read as follows:

21 “(l) EXTENSION OF LIMITATION ON ASSESSMENT.—

22 “(1) IN GENERAL.—Notwithstanding section  
23 6501, the limitation on the time period for the as-  
24 sessment of any amount attributable to a credit

1 claimed under this section shall not expire before the  
2 date that is 6 years after the latest of—

3 “(A) the date on which the original return  
4 which includes the calendar quarter with re-  
5 spect to which such credit is determined is filed,

6 “(B) the date on which such return is  
7 treated as filed under section 6501(b)(2), or

8 “(C) the date on which the claim for credit  
9 or refund with respect to such credit is made.

10 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-  
11 COUNT IN DETERMINING IMPROPERLY CLAIMED  
12 CREDIT.—

13 “(A) IN GENERAL.—Notwithstanding sec-  
14 tion 6511, in the case of an assessment attrib-  
15 utable to a credit claimed under this section,  
16 the limitation on the time period for credit or  
17 refund of any amount attributable to a deduc-  
18 tion for improperly claimed ERTC wages shall  
19 not expire before the time period for such as-  
20 sessment expires under paragraph (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 (2) APPLICATION TO CARES ACT CREDIT.—Sec-  
6 tion 2301 of the CARES Act is amended by adding  
7 at the end the following new subsection:

8 “(o) EXTENSION OF LIMITATION ON ASSESSMENT.—

9 “(1) IN GENERAL.—Notwithstanding section  
10 6501 of the Internal Revenue Code of 1986, the lim-  
11 itation on the time period for the assessment of any  
12 amount attributable to a credit claimed under this  
13 section shall not expire before the date that is 6  
14 years after the latest of—

15 “(A) the date on which the original return  
16 which includes the calendar quarter with re-  
17 spect to which such credit is determined is filed,

18 “(B) the date on which such return is  
19 treated as filed under section 6501(b)(2) of  
20 such Code, or

21 “(C) the date on which the claim for credit  
22 or refund with respect to such credit is made.

23 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-  
24 COUNT IN DETERMINING IMPROPERLY CLAIMED  
25 CREDIT.—

1           “(A) IN GENERAL.—Notwithstanding sec-  
2           tion 6511 of such Code, in the case of an as-  
3           sessment attributable to a credit claimed under  
4           this section, the limitation on the time period  
5           for credit or refund of any amount attributable  
6           to a deduction for improperly claimed ERTC  
7           wages shall not expire before the time period  
8           for such assessment expires under paragraph  
9           (1).

10           “(B) IMPROPERLY CLAIMED ERTC  
11           WAGES.—For purposes of this paragraph, the  
12           term ‘improperly claimed ERTC wages’ means,  
13           with respect to an assessment attributable to a  
14           credit claimed under this section, the wages  
15           with respect to which a deduction would not  
16           have been allowed if the portion of the credit to  
17           which such assessment relates had been prop-  
18           erly claimed.”.

19           (j) EFFECTIVE DATES.—

20           (1) IN GENERAL.—Except as otherwise pro-  
21           vided in this subsection, the provisions of this sec-  
22           tion shall apply to aid, assistance, and advice pro-  
23           vided after March 12, 2020.

24           (2) DUE DILIGENCE REQUIREMENTS.—Sub-  
25           sections (b) and (c) shall apply to aid, assistance,

1 and advice provided after the date of the enactment  
2 of this Act.

3 (3) LIMITATION ON CREDIT AND REFUND OF  
4 COVID-RELATED EMPLOYEE RETENTION TAX CRED-  
5 ITS.—Subsection (h) shall apply to credits and re-  
6 funds allowed or made after the date of the enact-  
7 ment of this Act.

8 (4) AMENDMENTS TO EXTEND LIMITATION ON  
9 ASSESSMENT.—The amendments made by subsection  
10 (i) shall apply to assessments made after the date of  
11 the enactment of this Act.

12 (k) TRANSITION RULE WITH RESPECT TO REQUIRE-  
13 MENTS TO DISCLOSE INFORMATION, MAINTAIN CLIENT  
14 LISTS, ETC.—Any return under section 6111 of the Inter-  
15 nal Revenue Code of 1986, or list under section 6112 of  
16 such Code, required by reason of subsection (d) of this  
17 section to be filed or maintained, respectively, with respect  
18 to any aid, assistance, or advice provided by a COVID-  
19 ERTC promoter with respect to a COVID-ERTC docu-  
20 ment before the date of the enactment of this Act, shall  
21 not be required to be so filed or maintained (with respect  
22 to such aid, assistance or advice) before the date which  
23 is 90 days after the date of the enactment of this Act.

24 (l) PROVISIONS NOT TO BE CONSTRUED TO CREATE  
25 NEGATIVE INFERENCES.—

1           (1) NO INFERENCE WITH RESPECT TO APPLICA-  
2           TION OF KNOWLEDGE REQUIREMENT TO PRE-EN-  
3           ACTMENT CONDUCT OF COVID-ERTC PROMOTERS,  
4           ETC.—Subsection (b) shall not be construed to cre-  
5           ate any inference with respect to the proper applica-  
6           tion of section 6701(a)(3) of the Internal Revenue  
7           Code of 1986 with respect to any aid, assistance, or  
8           advice provided by any COVID-ERTC promoter on  
9           or before the date of the enactment of this Act (or  
10          with respect to any other aid, assistance, or advice  
11          to which such subsection does not apply).

12          (2) REQUIREMENTS TO DISCLOSE INFORMA-  
13          TION, MAINTAIN CLIENT LISTS, ETC.—Subsections  
14          (d) and (k) shall not be construed to create any in-  
15          ference with respect to whether any COVID-related  
16          employee retention tax credit is (without regard to  
17          subsection (d)) a listed transaction (or reportable  
18          transaction) with respect to any COVID-ERTC pro-  
19          moter; and, for purposes of subsection (k), a return  
20          or list shall not be treated as required (with respect  
21          to such aid, assistance, or advice) by reason of sub-  
22          section (d) if such return or list would be so re-  
23          quired without regard to subsection (d).

24          (m) REGULATIONS.—The Secretary (as defined in  
25          subsection (c)(5)) shall issue such regulations or other

1 guidance as may be necessary or appropriate to carry out  
2 the purposes of this section (and the amendments made  
3 by this section).

4 **SEC. 112206. EARNED INCOME TAX CREDIT REFORMS.**

5 (a) **EARNED INCOME TAX CREDIT CERTIFICATION**  
6 **PROGRAM.**—

7 (1) **ESTABLISHMENT OF PROGRAM.**—

8 (A) **IN GENERAL.**—Chapter 77 is amended  
9 by adding at the end the following new section:

10 **“SEC. 7531. EARNED INCOME TAX CREDIT CERTIFICATION**  
11 **PROGRAM.**

12 “(a) **IN GENERAL.**—To avoid duplicative and other  
13 erroneous claims under section 32 with respect to a child  
14 of the taxpayer, for taxable years beginning after Decem-  
15 ber 31, 2027, the Secretary shall establish a program  
16 under which, on the taxpayer’s application with respect  
17 to the child, the Secretary shall issue an EITC certificate  
18 for purposes of section 32 establishing such child’s status  
19 as a qualifying child only of the taxpayer for a taxable  
20 year.

21 “(b) **APPLICATION REQUIREMENTS.**—

22 “(1) **IN GENERAL.**—The Secretary shall not  
23 issue to a taxpayer an EITC certificate with respect  
24 to a child for a taxable year unless the taxpayer ap-  
25 plies under the program with respect to the child

1 and provides such information and supporting docu-  
2 mentation as the Secretary shall by regulation pre-  
3 scribe as necessary to establish such child as a quali-  
4 fying child only of the taxpayer for the taxable year.

5 “(2) TIME AND MANNER OF APPLICATION.—  
6 Such application shall be made, and such informa-  
7 tion and supporting documentation shall be pro-  
8 vided—

9 “(A) in such manner as may be provided  
10 by the Secretary for purposes of this section  
11 (including establishing an on-line portal), and

12 “(B) not later than the due date for the  
13 return of tax for the taxable year or (if later)  
14 when the return is filed.

15 “(3) COMPETING CLAIMS.—In the case of more  
16 than 1 taxpayer making an application with respect  
17 to a child under the program for a taxable year be-  
18 ginning during a calendar year, the Secretary shall  
19 not issue an EITC certificate to any such taxpayer  
20 with respect to such child for such a taxable year  
21 unless the Secretary can establish such child, based  
22 on information and supporting documentation pro-  
23 vided under paragraph (1), as the qualifying child  
24 only of one such taxpayer for such a taxable year.

1       “(c) TREATMENT OF CREDIT WITHOUT CERTIFI-  
2 CATION UNDER PROGRAM.—For taxable years beginning  
3 after December 31, 2027—

4           “(1) IN GENERAL.—In the case of a taxpayer  
5 who takes into account as a qualifying child under  
6 section 32 a child for whom an EITC certificate has  
7 not been issued for the taxable year to the tax-  
8 payer—

9           “(A) the Secretary shall not credit the por-  
10 tion of any overpayment for such taxable year  
11 that is attributable to the taxpayer taking into  
12 account such child as a qualifying child, unless  
13 the taxpayer obtains, not later than the due  
14 date for the return for the taxable year, an  
15 EITC certificate with respect to such child for  
16 such taxable year, and

17           “(B) if the taxpayer fails to so obtain an  
18 EITC certificate, such failure shall be treated—

19           “(i) as an omission of information re-  
20 quired by section 32 with respect to such  
21 child, and

22           “(ii) as arising out of a mathematical  
23 or clerical error and assessed according to  
24 section 6213(b)(1).

1           “(2) TERMINATION OF CERTIFICATION.—In the  
2 case of a taxpayer who for a taxable year takes into  
3 account as a qualifying child under section 32 a  
4 child for whom an EITC certificate is terminated for  
5 such taxable year, such termination shall be treated  
6 in the same manner as a failure to obtain an EITC  
7 certificate under paragraph (1)(B).

8           “(d) TRANSITION RULES FOR TAXABLE YEARS BE-  
9 GINNING BEFORE 2028.—

10           “(1) IN GENERAL.—If for any taxable year be-  
11 ginning after December 31, 2023, and before Janu-  
12 ary 1, 2027, more than 1 taxpayer makes a claim  
13 for credit under section 32 taking into account the  
14 same child as a qualifying child, then the Secretary  
15 shall send notice to each such taxpayer (by certified  
16 or registered mail to the last known address of the  
17 taxpayer) detailing the resultant treatment of such  
18 taxpayers under paragraph (2) with respect to such  
19 child for any subsequent taxable years beginning be-  
20 fore 2028.

21           “(2) SUBSEQUENT TAXABLE YEARS BEGINNING  
22 BEFORE 2028.—In the case of a child with respect  
23 to whom paragraph (1) applied by reason of claims  
24 for credit for a taxable year, for any subsequent tax-  
25 able years beginning before January 1, 2028—

1           “(A) subject to subparagraph (B), the Sec-  
2           retary shall not credit the portion of any over-  
3           payment for the taxable year that is attrib-  
4           utable to a taxpayer taking into account such  
5           child as a qualifying child under section 32  
6           until the 15th day of October following the end  
7           of the taxable year, and

8           “(B) if more than one taxpayer makes a  
9           claim for such credit for the taxable year taking  
10          into account such child as a qualifying child, so  
11          taking such child into account shall be treat-  
12          ed—

13                 “(i) as an omission of information re-  
14                 quired by section 32 with respect to such  
15                 child, and

16                 “(ii) as arising out of a mathematical  
17                 or clerical error and assessed according to  
18                 section 6213(b)(1).

19          “(e) **QUALIFYING CHILD.**—For purposes of this sec-  
20          tion, the term ‘qualifying child’ has the meaning given  
21          such term under section 32(c)(3).

22          “(f) **REBUTTAL OF TREATMENT.**—Treatment under  
23          subsection (e) or (d)(2)(B) as having omitted information  
24          required by section 32 may be rebutted by providing such  
25          information and supporting documentation as satisfac-

1 torily demonstrates the child is a qualifying child of the  
2 taxpayer for the taxable year.

3 “(g) RESTRICTIONS ON TAXPAYERS WHO IMPROP-  
4 ERLY USE PROGRAM.—

5 “(1) IN GENERAL.—A taxpayer shall not be  
6 permitted to apply for an EITC certificate under the  
7 program for any taxable year in the disallowance pe-  
8 riod.

9 “(2) DISALLOWANCE PERIOD.—For purposes of  
10 paragraph (1), the disallowance period is—

11 “(A) the period of 10 taxable years after  
12 the most recent taxable year for which there  
13 was a penalty imposed under 6720D on the tax-  
14 payer (but only if such penalty has been im-  
15 posed on such taxpayer more than once, at least  
16 one instance of which was due to fraud under  
17 section 6720D(b)),

18 “(B) the period of 2 taxable years after  
19 the most recent taxable year for which there  
20 was a penalty imposed under 6720D on the tax-  
21 payer (but only if such penalty has been im-  
22 posed on such taxpayer more than once due to  
23 reckless or intentional disregard of rules and  
24 regulations (but not imposed due to fraud)),  
25 and

1           “(C) any disallowance period with respect  
2           to the taxpayer under section 32(k)(1).

3           “(h) REGULATIONS.—The Secretary shall prescribe  
4 such rules as may be necessary or appropriate to carry  
5 out the program and purposes of this section, including—

6           “(1) a process for establishing alternating tax-  
7 able year treatment of a child as a qualifying child  
8 under a custodial arrangement,

9           “(2) notwithstanding subsection (d)(2), a proc-  
10 ess for—

11           “(A) establishing the status of a child as  
12 a qualifying child of the taxpayer under section  
13 32 for taxable years to which such subsection  
14 applies, and

15           “(B) allowing credit or refunds attrib-  
16 utable to such status,

17           “(3) a simplified process for re-certifying a  
18 child as a qualifying child only of the taxpayer for  
19 a taxable year, and

20           “(4) a process for terminating EITC certifi-  
21 cates in the case of competing claims with respect to  
22 a child or in cases in which issuance of the certifi-  
23 cate is determined by the Secretary to be erro-  
24 neous.”.

1 (B) CONFORMING AMENDMENT.—Section  
2 32 amended by adding at the end the following  
3 new subsection:

4 “(o) EITC CERTIFICATE WITH RESPECT TO QUALI-  
5 FYING CHILDREN.—For rules relating to EITC certifi-  
6 cates with respect to qualifying children and duplicate  
7 claims for the credit allowed under this section, see section  
8 7531.”.

9 (C) CLERICAL AMENDMENT.—The table of  
10 sections for chapter 77 is amended by adding at  
11 the end the following new item:

“Sec. 7531. Earned income tax credit certification program.”.

12 (2) PENALTIES FOR IMPROPER USE OF EITC  
13 CERTIFICATE PROGRAM.—

14 (A) IN GENERAL.—Part I of subchapter B  
15 of chapter 68 is amended by adding at the end  
16 the following new section:

17 **“SEC. 6720D. PENALTIES WITH RESPECT TO EITC CERTIFI-  
18 CATE PROGRAM.**

19 “(a) RECKLESS OR INTENTIONAL DISREGARD.—If—

20 “(1) any person makes a material misstatement  
21 or inaccurate representation in an application under  
22 section 7531 for an EITC certificate, and

23 “(2) such misstatement or representation was  
24 due to reckless or intentional disregard of rules and  
25 regulations (but not due to fraud),

1 such person shall pay a penalty of \$100 for each EITC  
2 certificate with respect to which such misstatement or rep-  
3 resentation was made.

4 “(b) FRAUD.—If a misstatement or representation  
5 described in subsection (a)(1) is due to fraud on the part  
6 of the person making such misstatement or representa-  
7 tion, in addition to any criminal penalty, such person shall  
8 pay a penalty of \$500 for each EITC certificate with re-  
9 spect to which such a misstatement or representation was  
10 made.”.

11 (B) CLERICAL AMENDMENT.—The table of  
12 sections for part I of subchapter B of chapter  
13 68 is amended by adding at the end the fol-  
14 lowing new item:

“Sec. 6720D. Penalties with respect to EITC certificate program.”.

15 (3) EFFECTIVE DATE.—The amendments made  
16 by this subsection shall apply to taxable years begin-  
17 ning after December 31, 2024.

18 (b) TASK FORCE TO DESIGN A PRIVATE DATA  
19 BOUNCING SYSTEM FOR IMPROVEMENTS TO THE EARNED  
20 INCOME TAX CREDIT.—Out of any money in the Treasury  
21 not otherwise appropriated, there is hereby appropriated  
22 \$10,000,000 for the fiscal year ending on September 30,  
23 2026, for necessary expenses of the Department of the  
24 Treasury, to establish, within 90 days following the date  
25 of the enactment of this Act, a task force to provide to

1 the Secretary of the Treasury a report on the following  
2 with respect to the administration of the earned income  
3 tax credit:

4 (1) Recommendations for improvement of the  
5 integrity of such administration.

6 (2) The potential use of third-party payroll and  
7 consumption datasets to verify income.

8 (3) The integration of automated databases to  
9 allow horizontal verification to reduce improper pay-  
10 ments, fraud, and abuse.

11 (c) INCREASED EARNED INCOME TAX CREDIT FOR  
12 PURPLE HEART RECIPIENTS WHOSE SOCIAL SECURITY  
13 DISABILITY BENEFITS ARE TERMINATED BY REASON OF  
14 WORK ACTIVITY.—

15 (1) IN GENERAL.—Section 32, as amended by  
16 the preceding provisions of this Act, is amended by  
17 adding at the end the following new subsection:

18 “(p) INCREASE IN CREDIT FOR PURPLE HEART RE-  
19 CIPIENTS WHOSE SOCIAL SECURITY DISABILITY BENE-  
20 FITS ARE TERMINATED BY REASON OF WORK ACTIV-  
21 ITY.—

22 “(1) IN GENERAL.—In the case of a specified  
23 Purple Heart recipient, the credit otherwise deter-  
24 mined under subsection (a) for the taxable year shall  
25 be increased (whether or not such specified Purple

1 Heart recipient is an eligible individual) by the sum  
2 of the SSDI benefit substitution amounts with re-  
3 spect to qualified benefit termination months during  
4 such taxable year.

5 “(2) SPECIFIED PURPLE HEART RECIPIENT.—  
6 For purposes of this subsection, the term ‘specified  
7 Purple Heart recipient’ means any individual—

8 “(A) who received the Purple Heart,

9 “(B) who received disability insurance ben-  
10 efit payments under section 223(a) of the So-  
11 cial Security Act, and

12 “(C) with respect to whom such disability  
13 insurance benefit payments ceased to be pay-  
14 able by reason of section 223(e)(1) of such Act.

15 “(3) QUALIFIED BENEFIT TERMINATION  
16 MONTH.—For purposes of this subsection—

17 “(A) IN GENERAL.—The term ‘qualified  
18 benefit termination month’ means, with respect  
19 to any specified Purple Heart recipient, each  
20 month during the 12-month period beginning  
21 with the first month with respect to which dis-  
22 ability insurance benefit payments described in  
23 paragraph (2)(B) ceased to be payable as de-  
24 scribed in paragraph (2)(C).

1           “(B) EXCEPTION FOR MONTHS FOR WHICH  
2           BENEFITS ARE REINSTATED, ETC.—Such term  
3           shall not include any month if the specified  
4           Purple Heart recipient receives any benefit pay-  
5           ment under section 223(a) of the Social Secu-  
6           rity Act with respect to such month.

7           “(4) SSDI BENEFIT SUBSTITUTION AMOUNT.—  
8           For purposes of this subsection, the term ‘SSDI  
9           benefit substitution amount’ means, with respect to  
10          any specified Purple Heart recipient for any quali-  
11          fied benefit termination month, an amount equal to  
12          the disability insurance benefit payment received by  
13          such recipient under section 223(a) of the Social Se-  
14          curity Act for the month immediately preceding the  
15          12-month period described in paragraph (3)(A).

16          “(5) CERTAIN EITC LIMITATIONS NOT APPLICA-  
17          BLE.—Subsections (a)(2), (d), (e), (f), and (i) shall  
18          not apply with respect to the increase under para-  
19          graph (1).”.

20          “(2) EFFECTIVE DATE.—The amendment made  
21          by this subsection shall apply to taxable years end-  
22          ing after the date of the enactment of this Act.

1 **SEC. 112207. TASK FORCE ON THE TERMINATION OF DI-**  
2 **RECT FILE.**

3 (a) **TERMINATION OF DIRECT FILE.**—As soon as  
4 practicable, and not later than 30 days after the date of  
5 the enactment of this Act, the Secretary of the Treasury  
6 shall ensure that the Internal Revenue Service Direct File  
7 program has been terminated.

8 (b) **APPROPRIATION FOR TASK FORCE TO DESIGN A**  
9 **BETTER PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE**  
10 **IRS AND PRIVATE SECTOR TAX PREPARATION SERVICES**  
11 **TO PROVIDE FOR FREE TAX FILING TO REPLACE THE**  
12 **EXISTING “FREE FILE” PROGRAM AND ANY “DIRECT**  
13 **EFILE” TAX RETURN SYSTEM.**—Out of any money in the  
14 Treasury not otherwise appropriated, there is hereby ap-  
15 propriated for the fiscal year ending September 30, 2026,  
16 for necessary expenses of the Department of the Treasury  
17 to deliver to Congress, within 90 days following the date  
18 of the enactment of this Act, a report on (1) the cost of  
19 a new public-private partnership to provide for free tax  
20 filing for up to 70 percent of all taxpayers calculated by  
21 adjusted gross income to replace free file and any IRS-  
22 run direct file programs; (2) taxpayer opinions and pref-  
23 erences regarding a taxpayer-funded, government-run  
24 service or a free service provided by the private sector;  
25 (3) assessment of the feasibility of a new approach, how  
26 to make the options consistent and simple for taxpayers

1 across all participating providers, how to provide features  
2 to address taxpayer needs; and (4) the cost (including op-  
3 tions for differential coverage based on taxpayer adjusted  
4 gross income and return complexity) of developing and  
5 running a free direct efile tax return system, including  
6 costs to build and administer each release, \$15,000,000,  
7 to remain available until September 30, 2026.

8 **SEC. 112208. INCREASE IN PENALTIES FOR UNAUTHORIZED**  
9 **DISCLOSURES OF TAXPAYER INFORMATION.**

10 (a) IN GENERAL.—Paragraphs (1), (2), (3), (4), and  
11 (5) of section 7213(a) are each amended by striking  
12 “\$5,000, or imprisonment of not more than 5 years” and  
13 inserting “\$250,000, or imprisonment of not more than  
14 10 years”.

15 (b) DISCLOSURES OF RETURN INFORMATION OF  
16 MULTIPLE TAXPAYERS TREATED AS MULTIPLE VIOLA-  
17 TIONS.—Section 7213(a) is amended by adding at the end  
18 the following new paragraph:

19 “(6) DISCLOSURES OF RETURN INFORMATION  
20 OF MULTIPLE TAXPAYERS TREATED AS MULTIPLE  
21 VIOLATIONS.—For purposes of this subsection, a  
22 separate violation occurs with respect to each tax-  
23 payer whose return or return information is dis-  
24 closed in violation of this subsection.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to disclosures made after the date  
3 of the enactment of this Act.

4 **SEC. 112209. RESTRICTION ON REGULATION OF CONTIN-**  
5 **GENCY FEES WITH RESPECT TO TAX RE-**  
6 **TURNS, ETC.**

7 The Secretary of the Treasury may not regulate, pro-  
8 hibit, or restrict the use of a contingent fee in connection  
9 with tax returns, claims for refund, or documents in con-  
10 nection with tax returns or claims for refund prepared on  
11 behalf of a taxpayer.

12 **Subtitle D—Increase in Debt Limit**

13 **SEC. 113001. MODIFICATION OF LIMITATION ON THE PUB-**  
14 **LIC DEBT.**

15 The limitation under section 3101(b) of title 31,  
16 United States Code, as most recently increased by section  
17 401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is  
18 increased by \$4,000,000,000,000.

