

Union Calendar No.

119TH CONGRESS
1ST SESSION

H. R. _____

[Report No. 119-]

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

IN THE HOUSE OF REPRESENTATIVES

MAY --, 2025

Mr. ARRINGTON, from the Committee on the Budget, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “One Big Beautiful Bill
5 Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—COMMITTEE ON AGRICULTURE

Subtitle A—Nutrition

Sec. 10001. Thrifty food plan.

Sec. 10002. Able bodied adults without dependents work requirements.

Sec. 10003. Able bodied adults without dependents waivers.

Sec. 10004. Availability of standard utility allowances based on receipt of en-
ergy assistance.

Sec. 10005. Restrictions on internet expenses.

Sec. 10006. Matching funds requirements.

Sec. 10007. Administrative cost sharing.

Sec. 10008. General work requirement age.

Sec. 10009. National Accuracy Clearinghouse.

Sec. 10010. Quality control zero tolerance.

Sec. 10011. National education and obesity prevention grant program repealer.

Sec. 10012. Alien SNAP eligibility.

Sec. 10012. Emergency food assistance.

Subtitle B—Investment in Rural America

Sec. 10101. Safety net.

Sec. 10102. Conservation.

Sec. 10103. Trade.

Sec. 10104. Research.

Sec. 10105. Secure rural schools; forestry.

Sec. 10106. Energy.

Sec. 10107. Horticulture.

Sec. 10108. Miscellaneous.

TITLE II—COMMITTEE ON ARMED SERVICES

Sec. 20001. Enhancement of Department of Defense resources for improving
the quality of life for military personnel.

Sec. 20002. Enhancement of Department of Defense resources for shipbuilding.

Sec. 20003. Enhancement of Department of Defense resources for integrated
air and missile defense.

- Sec. 20004. Enhancement of Department of Defense resources for munitions and defense supply chain resiliency.
- Sec. 20005. Enhancement of Department of Defense resources for scaling low-cost weapons into production.
- Sec. 20006. Enhancement of Department of Defense resources for improving the efficiency and cybersecurity of the Department of Defense.
- Sec. 20007. Enhancement of Department of Defense resources for air superiority.
- Sec. 20008. Enhancement of resources for nuclear forces.
- Sec. 20009. Enhancement of Department of Defense resources to improve capabilities of United States Indo-Pacific Command.
- Sec. 20010. Enhancement of Department of Defense resources for improving the readiness of the Armed Forces.
- Sec. 20011. Improving Department of Defense border support and counter-drug missions.
- Sec. 20012. Enhancement of military intelligence programs.
- Sec. 20013. Department of Defense oversight.
- Sec. 20014. Military construction projects authorized.
- Sec. 20015. Plan required.
- Sec. 20016. Limitation on availability of funds.

TITLE III—COMMITTEE ON EDUCATION AND WORKFORCE

Subtitle A—Student Eligibility

- Sec. 30001. Student eligibility.
- Sec. 30002. Amount of need; cost of attendance; median cost of college.

Subtitle B—Loan Limits

- Sec. 30011. Loan Limits.

Subtitle C—Loan Repayment

- Sec. 30021. Loan repayment.
- Sec. 30022. Deferment; forbearance.
- Sec. 30023. Loan rehabilitation.
- Sec. 30024. Public Service Loan Forgiveness.
- Sec. 30025. Student loan servicing.

Subtitle D—Pell Grants

- Sec. 30031. Eligibility.
- Sec. 30032. Workforce pell grants.
- Sec. 30033. Pell shortfall.

Subtitle E—Accountability

- Sec. 30041. Agreements with institutions.
- Sec. 30042. Campus-based aid programs.

Subtitle F—Regulatory Relief

- Sec. 30051. Regulatory relief.

Subtitle G—Limitation on Authority

- Sec. 30061. Limitation on authority of the Secretary to propose or issue regulations and executive actions.

TITLE IV—ENERGY AND COMMERCE

Subtitle A—Energy

- Sec. 41001. Rescissions relating to certain Inflation Reduction Act programs.
- Sec. 41002. FERC certificates and fees for certain energy infrastructure at international boundaries of the United States.
- Sec. 41003. Natural gas exports and imports.
- Sec. 41004. Funding for Department of Energy loan guarantee expenses.
- Sec. 41005. Expedited permitting.
- Sec. 41006. Carbon dioxide, hydrogen, and petroleum pipeline permitting.
- Sec. 41007. De-risking Compensation Program.
- Sec. 41008. Strategic Petroleum Reserve.
- Sec. 41009. Rescissions of previously appropriated unobligated funds.

Subtitle B—Environment

PART 1—REPEALS AND RESCISSIONS

- Sec. 42101. Repeal and rescission relating to clean heavy-duty vehicles.
- Sec. 42102. Repeal and rescission relating to grants to reduce air pollution at ports.
- Sec. 42103. Repeal and rescission relating to Greenhouse Gas Reduction Fund.
- Sec. 42104. Repeal and rescission relating to diesel emissions reductions.
- Sec. 42105. Repeal and rescission relating to funding to address air pollution.
- Sec. 42106. Repeal and rescission relating to funding to address air pollution at schools.
- Sec. 42107. Repeal and rescission relating to low emissions electricity program.
- Sec. 42108. Repeal and rescission relating to funding for section 211(o) of the Clean Air Act.
- Sec. 42109. Repeal and rescission relating to funding for implementation of the American Innovation and Manufacturing Act.
- Sec. 42110. Repeal and rescission relating to funding for enforcement technology and public information.
- Sec. 42111. Repeal and rescission relating to greenhouse gas corporate reporting.
- Sec. 42112. Repeal and rescission relating to environmental product declaration assistance.
- Sec. 42113. Repeal of funding for methane emissions and waste reduction incentive program for petroleum and natural gas systems.
- Sec. 42114. Repeal and rescission relating to greenhouse gas air pollution plans and implementation grants.
- Sec. 42115. Repeal and rescission relating to Environmental Protection Agency efficient, accurate, and timely reviews.
- Sec. 42116. Repeal and rescission relating to low-embodied carbon labeling for construction materials.
- Sec. 42117. Repeal and rescission relating to environmental and climate justice block grants.

PART 2—REPEAL OF EPA RULE RELATING TO MULTI-POLLUTANT EMISSIONS STANDARDS

- Sec. 42201. Repeal of EPA rule relating to multi-pollutant emissions standards for light- and medium-duty vehicles.

PART 3—REPEAL OF NHTSA RULE RELATING TO CAFE STANDARDS

6

Sec. 42301. Repeal of NHTSA rule relating to CAFE standards for passenger cars and light trucks.

Subtitle C—Communications

PART 1—SPECTRUM AUCTIONS

Sec. 43101. Identification and auction of spectrum.

PART 2—ARTIFICIAL INTELLIGENCE AND INFORMATION TECHNOLOGY
MODERNIZATION

Sec. 43201. Artificial intelligence and information technology modernization initiative.

Subtitle D—Health

PART 1—MEDICAID

SUBPART A—REDUCING FRAUD AND IMPROVING ENROLLMENT PROCESSES

Sec. 44101. Moratorium on implementation of rule relating to eligibility and enrollment in Medicare Savings Programs.

Sec. 44102. Moratorium on implementation of rule relating to eligibility and enrollment for Medicaid, CHIP, and the Basic Health Program.

Sec. 44103. Ensuring appropriate address verification under the Medicaid and CHIP programs.

Sec. 44104. Modifying certain State requirements for ensuring deceased individuals do not remain enrolled.

Sec. 44105. Medicaid provider screening requirements.

Sec. 44106. Additional Medicaid provider screening requirements.

Sec. 44107. Removing good faith waiver for payment reduction related to certain erroneous excess payments under Medicaid.

Sec. 44108. Increasing frequency of eligibility redeterminations for certain individuals.

Sec. 44109. Revising home equity limit for determining eligibility for long-term care services under the Medicaid program.

Sec. 44110. Prohibiting Federal financial participation under Medicaid and CHIP for individuals without verified citizenship, nationality, or satisfactory immigration status.

Sec. 44111. Reducing expansion FMAP for certain States providing payments for health care furnished to certain individuals.

SUBPART B—PREVENTING WASTEFUL SPENDING

Sec. 44121. Moratorium on implementation of rule relating to staffing standards for long-term care facilities under the Medicare and Medicaid programs.

Sec. 44122. Modifying retroactive coverage under the Medicaid and CHIP programs.

Sec. 44123. Ensuring accurate payments to pharmacies under Medicaid.

Sec. 44124. Preventing the use of abusive spread pricing in Medicaid.

Sec. 44125. Prohibiting Federal Medicaid and CHIP funding for gender transition procedures for minors.

Sec. 44126. Federal payments to prohibited entities.

SUBPART C—STOPPING ABUSIVE FINANCING PRACTICES

- Sec. 44131. Sunsetting eligibility for increased FMAP for new expansion States.
- Sec. 44132. Moratorium on new or increased provider taxes.
- Sec. 44133. Revising the payment limit for certain State directed payments.
- Sec. 44134. Requirements regarding waiver of uniform tax requirement for Medicaid provider tax.
- Sec. 44135. Requiring budget neutrality for Medicaid demonstration projects under section 1115.

SUBPART D—INCREASING PERSONAL ACCOUNTABILITY

- Sec. 44141. Requirement for States to establish Medicaid community engagement requirements for certain individuals.
- Sec. 44142. Modifying cost sharing requirements for certain expansion individuals under the Medicaid program.

PART 2—AFFORDABLE CARE ACT

- Sec. 44201. Addressing waste, fraud, and abuse in the ACA Exchanges.

PART 3—IMPROVING AMERICANS' ACCESS TO CARE

- Sec. 44301. Expanding and clarifying the exclusion for orphan drugs under the Drug Price Negotiation Program.
- Sec. 44302. Streamlined enrollment process for eligible out-of-state providers under Medicaid and CHIP.
- Sec. 44303. Delaying DSH reductions.
- Sec. 44304. Modifying update to the conversion factor under the physician fee schedule under the Medicare program.
- Sec. 44305. Modernizing and Ensuring PBM Accountability.

TITLE V—COMMITTEE ON FINANCIAL SERVICES

- Sec. 50001. Green and resilient retrofit program for multifamily family housing.
- Sec. 50002. Public Company Accounting Oversight Board.
- Sec. 50003. Bureau of Consumer Financial Protection.
- Sec. 50004. Consumer Financial Civil Penalty Fund.
- Sec. 50005. Financial Research Fund.

TITLE VI—COMMITTEE ON HOMELAND SECURITY

- Sec. 60001. Border barrier system construction, invasive species, and border security facilities improvements.
- Sec. 60002. U.S. Customs and Border Protection personnel and fleet vehicles.
- Sec. 60003. U.S. Customs and Border Protection technology, National Vetting Center, and other efforts to enhance border security.
- Sec. 60004. State and local law enforcement presidential residence protection.
- Sec. 60005. State homeland security grant program.

TITLE VII—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration Matters

PART 1—IMMIGRATION FEES

- Sec. 70001. Applicability of the immigration laws.
- Sec. 70002. Asylum fee.

- Sec. 70003. Employment authorization document fees.
- Sec. 70004. Parole fee.
- Sec. 70005. Special immigrant juvenile fee.
- Sec. 70006. Temporary protected status fee.
- Sec. 70007. Unaccompanied alien child sponsor fee.
- Sec. 70008. Visa integrity fee.
- Sec. 70009. Form I-94 fee.
- Sec. 70010. Yearly asylum fee.
- Sec. 70011. Fee for continuances granted in immigration court proceedings.
- Sec. 70012. Fee relating to renewal and extension of employment authorization for parolees.
- Sec. 70013. Fee relating to termination, renewal, and extension of employment authorization for asylum applicants.
- Sec. 70014. Fee relating to renewal and extension of employment authorization for aliens granted temporary protected status.
- Sec. 70015. Diversity immigrant visa fees.
- Sec. 70016. EOIR fees.
- Sec. 70017. ESTA fee.
- Sec. 70018. Immigration user fees.
- Sec. 70019. EVUS fee.
- Sec. 70020. Fee for sponsor of unaccompanied alien child who fails to appear in immigration court.
- Sec. 70021. Fee for aliens ordered removed in absentia.
- Sec. 70022. Customs and Border Protection inadmissible alien apprehension fee.
- Sec. 70023. Amendment to authority to apply for asylum.

PART 2—USE OF FUNDS

- Sec. 70100. Executive Office for Immigration Review.
- Sec. 70101. Adult alien detention capacity and family residential centers.
- Sec. 70102. Retention and signing bonuses for U.S. Immigration and Customs Enforcement personnel.
- Sec. 70103. Hiring of additional U.S. Immigration and Customs Enforcement personnel.
- Sec. 70104. U.S. Immigration and Customs Enforcement hiring capability.
- Sec. 70105. Transportation and removal operations.
- Sec. 70106. Information technology investments.
- Sec. 70107. Facilities upgrades.
- Sec. 70108. Fleet modernization.
- Sec. 70109. Promoting family unity.
- Sec. 70110. Funding section 287(g) of the Immigration and Nationality Act.
- Sec. 70111. Compensation for incarceration of criminal aliens.
- Sec. 70112. Office of the Principal Legal Advisor.
- Sec. 70113. Return of aliens arriving from contiguous territory.
- Sec. 70114. State and local participation in homeland security efforts.
- Sec. 70115. Unaccompanied alien children capacity.
- Sec. 70116. Department of Homeland Security criminal and gang checks for unaccompanied alien children.
- Sec. 70117. Department of Health and Human Services criminal and gang checks for unaccompanied alien children.
- Sec. 70118. Information about sponsors and adult residents of sponsor households.
- Sec. 70119. Repatriation of unaccompanied alien children.
- Sec. 70120. United States Secret Service.

9

- Sec. 70121. Combating drug trafficking and illegal drug use.
- Sec. 70122. Investigating and prosecuting immigration related matters.
- Sec. 70123. Expedited removal for criminal aliens.
- Sec. 70124. Removal of certain criminal aliens without further hearing.

Subtitle B—Regulatory Matters

- Sec. 70200. Review of agency rulemaking.
- Sec. 70201. Congressional review act compliance.

Subtitle C—Other Matters

- Sec. 70300. Limitation on donations made pursuant to settlement agreements to which the United States is a party.
- Sec. 70301. Solicitation of orders defined.
- Sec. 70302. Restriction of funds.

TITLE VIII—COMMITTEE ON NATURAL RESOURCES

Subtitle A—Energy and Mineral Resources

PART I—OIL AND GAS

- Sec. 80101. Onshore oil and gas lease sales.
- Sec. 80102. Noncompetitive leasing.
- Sec. 80103. Permit fees.
- Sec. 80104. Permitting fee for non-Federal land.
- Sec. 80105. Reinstate reasonable royalty rates.

PART II—GEOTHERMAL

- Sec. 80111. Geothermal leasing.
- Sec. 80112. Geothermal royalties.

PART III—ALASKA

- Sec. 80121. Coastal plain oil and gas leasing.
- Sec. 80122. National Petroleum Reserve—Alaska.

PART IV—MINING

- Sec. 80131. Superior National Forest lands in Minnesota.
- Sec. 80132. Ambler Road in Alaska.

PART V—COAL

- Sec. 80141. Coal leasing.
- Sec. 80142. Future coal leasing.
- Sec. 80143. Coal royalty.
- Sec. 80144. Authorization to mine Federal minerals.

PART VI—NEPA

- Sec. 80151. Project sponsor opt-in fees for environmental reviews.
- Sec. 80152. Rescission relating to environmental and climate data collection.

PART VII—MISCELLANEOUS

- Sec. 80161. Protest fees.

PART VIII—OFFSHORE OIL AND GAS LEASING

- Sec. 80171. Mandatory offshore oil and gas lease sales.
- Sec. 80172. Offshore commingling.
- Sec. 80173. Limitations on amount of distributed qualified outer Continental Shelf revenues.

PART IX—RENEWABLE ENERGY

- Sec. 80181. Renewable energy fees on Federal lands.
- Sec. 80182. Renewable energy revenue sharing.

Subtitle B—Water, Wildlife, and Fisheries

- Sec. 80201. Rescission of funds for investing in coastal communities and climate resilience.
- Sec. 80202. Rescission of funds for facilities of National Oceanic and Atmospheric Administration and national marine sanctuaries.
- Sec. 80203. Surface water storage enhancement.
- Sec. 80204. Water conveyance enhancement.

Subtitle C—Federal Lands

- Sec. 80301. Prohibition on the Implementation of the Rock Springs Field Office, Wyoming, Resource Management Plan.
- Sec. 80302. Prohibition on the Implementation of the Buffalo Field Office, Wyoming, Resource Management Plan.
- Sec. 80303. Prohibition on the Implementation of the Miles City Field Office, Montana, Resource Management Plan.
- Sec. 80304. Prohibition on the Implementation of the North Dakota Resource Management Plan.
- Sec. 80305. Prohibition on the Implementation of the Colorado River Valley Field Office and Grand Junction Field Office Resource Management Plans.
- Sec. 80306. Rescission of Forest Service Funds.
- Sec. 80307. Rescission of National Park Service and Bureau of Land Management Funds.
- Sec. 80308. Rescission of Bureau of Land Management and National Park Service Funds.
- Sec. 80309. Rescission of National Park Service Funds.
- Sec. 80310. Celebrating America's 250th Anniversary.
- Sec. 80311. Long-Term Contracts for the Forest Service.
- Sec. 80312. Long-Term Contracts for the Bureau of Land Management.
- Sec. 80313. Timber production for the Forest Service.
- Sec. 80314. Timber Production for the Bureau of Land Management.
- Sec. 80315. Bureau of Land Management Land in Nevada.
- Sec. 80316. Forest Service Land in Nevada.
- Sec. 80317. Federal land in Utah.

TITLE IX—COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

- Sec. 90001. Increase in FERS employee contribution requirements.
- Sec. 90002. Elimination of FERS annuity supplement.
- Sec. 90003. High-5 average pay for calculating CSRS and FERS pension.
- Sec. 90004. Election for at-will employment and lower FERS contributions for new Federal civil service hires.

- Sec. 90005. Filing fee for Merit Systems Protection Board claims and appeals.
Sec. 90006. FEHB protection.

TITLE X—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

- Sec. 100001. Coast Guard assets necessary to secure the maritime border and interdict migrants and drugs.
Sec. 100002. Changes to mandatory benefits programs to allow selected reserve orders for preplanned missions to secure maritime borders and interdict persons and drugs.
Sec. 100003. Vessel tonnage duties.
Sec. 100004. Registration fee on motor vehicles.
Sec. 100005. Deposit of registration fee on motor vehicles.
Sec. 100006. Motor carrier data.
Sec. 100007. IRA rescissions.
Sec. 100008. Air traffic control staffing and modernization.
Sec. 100009. John F. Kennedy Center for the Performing Arts appropriations.

TITLE XI—COMMITTEE ON WAYS AND MEANS, “THE ONE, BIG, BEAUTIFUL BILL”

- Sec. 110000. References to the Internal Revenue Code of 1986, etc.

Subtitle A—Make American Families and Workers Thrive Again

PART 1—PERMANENTLY PREVENTING TAX HIKES ON AMERICAN FAMILIES AND WORKERS

- Sec. 110001. Extension of modification of rates.
Sec. 110002. Extension of increased standard deduction and temporary enhancement.
Sec. 110003. Termination of deduction for personal exemptions.
Sec. 110004. Extension of increased child tax credit and temporary enhancement.
Sec. 110005. Extension of deduction for qualified business income and permanent enhancement.
Sec. 110006. Extension of increased estate and gift tax exemption amounts and permanent enhancement.
Sec. 110007. Extension of increased alternative minimum tax exemption and phase-out thresholds.
Sec. 110008. Extension of limitation on deduction for qualified residence interest.
Sec. 110009. Extension of limitation on casualty loss deduction.
Sec. 110010. Termination of miscellaneous itemized deduction.
Sec. 110011. Limitation on tax benefit of itemized deductions.
Sec. 110012. Termination of qualified bicycle commuting reimbursement exclusion.
Sec. 110013. Extension of limitation on exclusion and deduction for moving expenses.
Sec. 110014. Extension of limitation on wagering losses.
Sec. 110015. Extension of increased limitation on contributions to ABLE accounts and permanent enhancement.
Sec. 110016. Extension of savers credit allowed for ABLE contributions.
Sec. 110017. Extension of rollovers from qualified tuition programs to ABLE accounts permitted.

- Sec. 110018. Extension of treatment of certain individuals performing services in the Sinai Peninsula and enhancement to include additional areas.
- Sec. 110019. Extension of exclusion from gross income of student loans discharged on account of death or disability.

PART 2—ADDITIONAL TAX RELIEF FOR AMERICAN FAMILIES AND WORKERS

- Sec. 110101. No tax on tips.
- Sec. 110102. No tax on overtime.
- Sec. 110103. Enhanced deduction for seniors.
- Sec. 110104. No tax on car loan interest.
- Sec. 110105. Enhancement of employer-provided child care credit.
- Sec. 110106. Extension and enhancement of paid family and medical leave credit.
- Sec. 110107. Enhancement of adoption credit.
- Sec. 110108. Recognizing Indian tribal governments for purposes of determining whether a child has special needs for purposes of the adoption credit.
- Sec. 110109. Tax credit for contributions of individuals to scholarship granting organizations.
- Sec. 110110. Additional elementary, secondary, and home school expenses treated as qualified higher education expenses for purposes of 529 accounts.
- Sec. 110111. Certain postsecondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts.
- Sec. 110112. Reinstatement of partial deduction for charitable contributions of individuals who do not elect to itemize.
- Sec. 110113. Exclusion for certain employer payments of student loans under educational assistance programs made permanent and adjusted for inflation.
- Sec. 110114. Extension of rules for treatment of certain disaster-related personal casualty losses.
- Sec. 110115. MAGA accounts.
- Sec. 110116. MAGA accounts contribution pilot program.

PART 3—INVESTING IN HEALTH OF AMERICAN FAMILIES AND WORKERS

- Sec. 110201. Treatment of health reimbursement arrangements integrated with individual market coverage.
- Sec. 110202. Participants in CHOICE arrangement eligible for purchase of Exchange insurance under cafeteria plan.
- Sec. 110203. Employer credit for CHOICE arrangement.
- Sec. 110204. Individuals entitled to part A of Medicare by reason of age allowed to contribute to health savings accounts.
- Sec. 110205. Treatment of direct primary care service arrangements.
- Sec. 110206. Allowance of bronze and catastrophic plans in connection with health savings accounts.
- Sec. 110207. On-site employee clinics.
- Sec. 110208. Certain amounts paid for physical activity, fitness, and exercise treated as amounts paid for medical care.
- Sec. 110209. Allow both spouses to make catch-up contributions to the same health savings account.
- Sec. 110210. FSA and HRA terminations or conversions to fund HSAs.
- Sec. 110211. Special rule for certain medical expenses incurred before establishment of health savings account.

13

- Sec. 110212. Contributions permitted if spouse has health flexible spending arrangement.
- Sec. 110213. Increase in health savings account contribution limitation for certain individuals.
- Sec. 110214. Regulations.

Subtitle B—Make Rural America and Main Street Grow Again

PART 1—EXTENSION OF TAX CUTS AND JOBS ACT REFORMS FOR RURAL AMERICA AND MAIN STREET

- Sec. 111001. Extension of special depreciation allowance for certain property.
- Sec. 111002. Deduction of domestic research and experimental expenditures.
- Sec. 111003. Modified calculation of adjusted taxable income for purposes of business interest deduction.
- Sec. 111004. Extension of deduction for foreign-derived intangible income and global intangible low-taxed income.
- Sec. 111005. Extension of base erosion minimum tax amount.

PART 2—ADDITIONAL TAX RELIEF FOR RURAL AMERICA AND MAIN STREET

- Sec. 111101. Special depreciation allowance for qualified production property.
- Sec. 111102. Renewal and enhancement of opportunity zones.
- Sec. 111103. Increased dollar limitations for expensing of certain depreciable business assets.
- Sec. 111104. Repeal of revision to de minimis rules for third party network transactions.
- Sec. 111105. Increase in threshold for requiring information reporting with respect to certain payees.
- Sec. 111106. Repeal of excise tax on indoor tanning services.
- Sec. 111107. Exclusion of interest on loans secured by rural or agricultural real property.
- Sec. 111108. Treatment of certain qualified sound recording productions.
- Sec. 111109. Modifications to low-income housing credit.
- Sec. 111110. Increased gross receipts threshold for small manufacturing businesses.
- Sec. 111111. Global intangible low-taxed income determined without regard to certain income derived from services performed in the Virgin Islands.
- Sec. 111112. Extension and modification of clean fuel production credit.

PART 3—INVESTING IN THE HEALTH OF RURAL AMERICA AND MAIN STREET

- Sec. 111201. Expanding the definition of rural emergency hospital under the Medicare program.

Subtitle C—Make America Win Again

PART 1—WORKING FAMILIES OVER ELITES

- Sec. 112001. Termination of previously-owned clean vehicle credit.
- Sec. 112002. Termination of clean vehicle credit.
- Sec. 112003. Termination of qualified commercial clean vehicles credit.
- Sec. 112004. Termination of alternative fuel vehicle refueling property credit.
- Sec. 112005. Termination of energy efficient home improvement credit.
- Sec. 112006. Termination of residential clean energy credit.

- Sec. 112007. Termination of new energy efficient home credit.
- Sec. 112008. Phase-out and restrictions on clean electricity production credit.
- Sec. 112009. Phase-out and restrictions on clean electricity investment credit.
- Sec. 112010. Repeal of transferability of clean fuel production credit.
- Sec. 112011. Restrictions on carbon oxide sequestration credit.
- Sec. 112012. Phase-out and restrictions on zero-emission nuclear power production credit.
- Sec. 112013. Termination of clean hydrogen production credit.
- Sec. 112014. Phase-out and restrictions on advanced manufacturing production credit.
- Sec. 112015. Phase-out of credit for certain energy property.
- Sec. 112016. Income from hydrogen storage, carbon capture added to qualifying income of certain publicly traded partnerships treated as corporations.
- Sec. 112017. Limitation on amortization of certain sports franchises.
- Sec. 112018. Limitation on individual deductions for certain State and local taxes, etc.
- Sec. 112019. Excessive employee remuneration from controlled group members and allocation of deduction.
- Sec. 112020. Expanding application of tax on excess compensation within tax-exempt organizations.
- Sec. 112021. Modification of excise tax on investment income of certain private colleges and universities.
- Sec. 112022. Increase in rate of tax on net investment income of certain private foundations.
- Sec. 112023. Certain purchases of employee-owned stock disregarded for purposes of foundation tax on excess business holdings.
- Sec. 112024. Unrelated business taxable income increased by amount of certain fringe benefit expenses for which deduction is disallowed.
- Sec. 112025. Name and logo royalties treated as unrelated business taxable income.
- Sec. 112026. Exclusion of research income limited to publicly available research.
- Sec. 112027. Limitation on excess business losses of noncorporate taxpayers.
- Sec. 112028. 1-percent floor on deduction of charitable contributions made by corporations.
- Sec. 112029. Enforcement of remedies against unfair foreign taxes.
- Sec. 112030. Reduction of excise tax on firearms silencers.
- Sec. 112031. Modifications to de minimis entry privilege for commercial shipments.
- Sec. 112032. Limitation on drawback of taxes paid with respect to substituted merchandise.

PART 2—REMOVING TAXPAYER BENEFITS FOR ILLEGAL IMMIGRANTS

- Sec. 112101. Permitting premium tax credit only for certain individuals.
- Sec. 112102. Certain aliens treated as ineligible for premium tax credit.
- Sec. 112103. Disallowing premium tax credit during periods of Medicaid ineligibility due to alien status.
- Sec. 112104. Limiting Medicare coverage of certain individuals.
- Sec. 112105. Excise tax on remittance transfers.
- Sec. 112106. Social security number requirement for American opportunity and lifetime learning credits.

PART 3—PREVENTING FRAUD, WASTE, AND ABUSE

- Sec. 112201. Requiring Exchange verification of eligibility for health plan.
- Sec. 112202. Disallowing premium tax credit in case of certain coverage enrolled in during special enrollment period.
- Sec. 112203. Eliminating limitation on recapture of advance payment of premium tax credit.
- Sec. 112204. Implementing artificial intelligence tools for purposes of reducing and recouping improper payments under Medicare.
- Sec. 112205. Enforcement provisions with respect to COVID-related employee retention credits.
- Sec. 112206. Earned income tax credit reforms.
- Sec. 112207. Task force on the termination of Direct File.
- Sec. 112208. Postponement of tax deadlines for hostages and individuals wrongfully detained abroad.
- Sec. 112209. Termination of tax-exempt status of terrorist supporting organizations.
- Sec. 112210. Increase in penalties for unauthorized disclosures of taxpayer information.
- Sec. 112211. Restriction on regulation of contingency fees with respect to tax returns, etc.

Subtitle D—Increase in Debt Limit

- Sec. 113001. Modification of limitation on the public debt.

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).

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

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

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

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

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

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

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

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

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

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

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

15 “(K) For households with more than 10 per-
16 sons, such adjustment for each additional person
17 shall be 224 percent plus the product of 21 percent
18 and the difference in the number of persons in the
19 household and 10.

20 “(3) REEVALUATION OF MARKET BASKETS.—

21 “(A) EVALUATION.—Not earlier than Oc-
22 tober 1, 2028, and at not more frequently than
23 5-year intervals thereafter, the Secretary may
24 reevaluate the market baskets of the thrifty
25 food plan taking into consideration current food

1 prices, food composition data, consumption pat-
2 terns, and dietary guidance.

3 “(B) NOTICE.—Prior to any update of the
4 market baskets of the thrifty food plan based
5 on a reevaluation pursuant to subparagraph
6 (A), the methodology and results of any such
7 revelation shall be published in the Federal
8 Register with an opportunity for comment of
9 not less than 60 days.

10 “(C) COST NEUTRALITY.—The Secretary
11 shall not increase the cost of the thrifty food
12 plan based on a reevaluation or update under
13 this paragraph.

14 “(4) ALLOWABLE COST ADJUSTMENTS.—On
15 October 1 immediately following the effective date of
16 this paragraph and on each October 1 thereafter,
17 the Secretary shall—

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

24 “(B) make cost adjustments in the thrifty
25 food plan for urban and rural parts of Hawaii

1 and urban and rural parts of Alaska to reflect
2 the cost of food in urban and rural Hawaii and
3 urban and rural Alaska provided such cost ad-
4 justment shall not exceed the rate of increase
5 described in the Consumer Price Index for All
6 Urban Consumers, published by the Bureau of
7 Labor Statistics of the Department of Labor,
8 for the most recent 12-month period ending in
9 June; and

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

22 **SEC. 10002. ABLE BODIED ADULTS WITHOUT DEPENDENTS**
23 **WORK REQUIREMENTS.**

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

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

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

4 “(B) medically certified as physically or
5 mentally unfit for employment;

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

9 “(D) otherwise exempt under subsection
10 (d)(2);

11 “(E) a pregnant woman;

12 “(F) currently homeless;

13 “(G) a veteran;

14 “(H) 24 years of age or younger and was
15 in foster care under the responsibility of a State
16 on the date of attaining 18 years of age or such
17 higher age as the State has elected under sec-
18 tion 475(8)(B)(iii) of the Social Security Act
19 (42 U.S.C. 675(8)(B)(iii)); or

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

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

4 **SEC. 10003. ABLE BODIED ADULTS WITHOUT DEPENDENTS**
5 **WAIVERS.**

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

8 (1) by amending paragraph (4)(A) to read as
9 follows:

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

1 **SEC. 10004. AVAILABILITY OF STANDARD UTILITY ALLOW-**
2 **ANCES BASED ON RECEIPT OF ENERGY AS-**
3 **SISTANCE.**

4 (a) ALLOWANCE TO RECIPIENTS OF ENERGY ASSIST-
5 ANCE.—

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

11 (2) CONFORMING AMENDMENTS.—Section
12 2605(f)(2)(A) of the Low-Income Home Energy As-
13 sistance Act is amended by inserting “received by a
14 household with an elderly or disabled member” be-
15 fore “, consistent with section 5(e)(6)(C)(iv)(I)”.

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

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

22 (2) in subparagraph (B) by inserting “with an
23 elderly or disabled member” after “household” the
24 1st place it appears.

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

2 Section 5(e)(6) of the Food and Nutrition Act of
3 2008 (7 U.S.C. 2014(e)(6)) is amended by adding at the
4 end the following:

5 “(E) RESTRICTIONS ON INTERNET EX-
6 PENSES.—Service fees associated with internet
7 connection, including, but not limited to,
8 monthly subscriber fees (i.e., the base rate paid
9 by the household each month in order to receive
10 service, which may include high-speed internet),
11 taxes and fees charged to the household by the
12 provider that recur on regular bills, the cost of
13 modem rentals, and fees charged by the pro-
14 vider for initial installation, shall not be used in
15 computing the excess shelter expense deduc-
16 tion.”.

17 **SEC. 10006. MATCHING FUNDS REQUIREMENTS.**

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

20 (1) by striking “(a) Subject to” and inserting
21 the following:

22 “(a) PROGRAM.—

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

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

25 “(2) MATCHING FUNDS REQUIREMENTS.—

26 “(A) IN GENERAL.—

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

5 “(I) for each of fiscal years 2026 and
6 2027, 100 percent; and

7 “(II) for fiscal year 2028 and each
8 fiscal year thereafter, 95 percent.

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

13 “(I) for each of fiscal years 2026 and
14 2027, 0 percent; and

15 “(II) for fiscal year 2028 and each
16 fiscal year thereafter, 5 percent.

17 “(B) STATE QUALITY CONTROL INCENTIVE.—
18 Beginning in fiscal year 2028, any State that has a
19 payment error rate, as defined in section 16, for the
20 most recent complete fiscal year for which data is
21 available, of—

22 “(i) equal to or greater than 6 percent but
23 less than 8 percent, shall have its Federal share
24 of the cost of allotments described in paragraph

1 (1) for the current fiscal year equal 85 percent,
2 and its State share equal 15 percent;

3 “(ii) equal to or greater than 8 percent but
4 less than 10 percent, shall have its Federal
5 share of the cost of allotments described in
6 paragraph (1) for the current fiscal year equal
7 80 percent, and its State share equal 20 per-
8 cent; and

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

14 (b) RULE OF CONSTRUCTION.—The Secretary of Ag-
15 riculture may not pay towards the cost of allotments de-
16 scribed in paragraph (1) of section 4(a) of the Food and
17 Nutrition Act of 2008 (7 U.S.C. 2013(a)), as designated
18 by subsection (a), an amount greater than the applicable
19 Federal share described in paragraph (2) of such section
20 4(a), as added by subsection (a).

21 **SEC. 10007. ADMINISTRATIVE COST SHARING.**

22 Section 16(a) of the Food and Nutrition Act of 2008
23 (7 U.S.C. 2025(a)) is amended by striking “50 per cen-
24 tum” and inserting “25 percent”.

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

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

4 (1) in paragraph (1)(A), in the matter pre-
5 ceding clause (i), by striking “over the age of 15 and
6 under the age of 60” and inserting “over the age of
7 17 and under the age of 65”; and

8 (2) in paragraph (2)—

9 (A) by striking “child under age six” and
10 inserting “child under age seven”; and

11 (B) by striking “between 1 and 6 years of
12 age” and inserting “between 1 and 7 years of
13 age”.

14 **SEC. 10009. NATIONAL ACCURACY CLEARINGHOUSE.**

15 Section 11(x)(2) of the Food and Nutrition Act of
16 2008 (7 U.S.C. 2020(x)(2)) is amended by adding at the
17 end the following:

18 “(D) DATA SHARING TO PREVENT OTHER
19 MULTIPLE ISSUANCES.—A State agency shall
20 use each indication of multiple issuance, or each
21 indication that an individual receiving supple-
22 mental nutrition assistance program benefits in
23 1 State has applied to receive supplemental nu-
24 trition assistance program benefits in another
25 State, to prevent multiple issuances of other
26 Federal and State assistance program benefits

1 that a State agency administers through the in-
2 tegrated eligibility system that the State uses to
3 administer the supplemental nutrition assist-
4 ance program in the State.”.

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

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

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

10 (2) in subclause (II)—

11 (A) by striking “fiscal year thereafter” and
12 inserting “of fiscal years 2015 through 2025”;
13 and

14 (B) by striking the period at the end and
15 inserting “; and”; and

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

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

19 **SEC. 10011. NATIONAL EDUCATION AND OBESITY PREVEN-**
20 **TION GRANT PROGRAM REPEALER.**

21 The Food and Nutrition Act of 2008 (7 U.S.C. 2011
22 et seq.) is amended by striking section 28 (7 U.S.C.
23 2036a).

1 **SEC. 10012. ALIEN SNAP ELIGIBILITY.**

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

4 (1) in the 1st sentence—

5 (A) by striking “No” and inserting “In ad-
6 dition to the limitations on eligibility in the Per-
7 sonal Responsibility and Work Opportunity
8 Reconciliation Act of 1996, no”; and

9 (B) by striking “; or (C) an alien who en-
10 tered the United States prior to June 30, 1948,
11 or such subsequent date as is enacted by law,
12 has continuously maintained his or her resi-
13 dence in the United States since then, and is
14 not ineligible for citizenship, but who is deemed
15 to be lawfully admitted for permanent residence
16 as a result of an exercise of discretion by the
17 Attorney General pursuant to section 249 of
18 the Immigration and Nationality Act (8 U.S.C.
19 1259); or (D) an alien who has qualified for
20 conditional entry pursuant to sections 207 and
21 208 of the Immigration and Nationality Act (8
22 U.S.C. 1157 and 1158); or (E) an alien who is
23 lawfully present in the United States as a result
24 of an exercise of discretion by the Attorney
25 General for emergent reasons or reasons
26 deemed strictly in the public interest pursuant

1 to section 212(d)(5) of the Immigration and
2 Nationality Act (8 U.S.C. 1182(d)(5)); or (F)
3 an alien within the United States as to whom
4 the Attorney General has withheld deportation
5 pursuant to section 243 of the Immigration and
6 Nationality Act (8 U.S.C. 1253(h))”; and
7 (2) in the 2d sentence by striking “clauses (B)
8 through (F)” and inserting “paragraph (2)(B)”.

9 **SEC. 10012. EMERGENCY FOOD ASSISTANCE.**

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

13 **Subtitle B—Investment in Rural**
14 **America**

15 **SEC. 10101. SAFETY NET.**

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

19 “(19) REFERENCE PRICE.—

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

24 “(i) For wheat, \$6.35 per bushel.

25 “(ii) For corn, \$4.10 per bushel.

1 “(iii) For grain sorghum, \$4.40 per
2 bushel.

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

4 “(v) For oats, \$2.65 per bushel.

5 “(vi) For long grain rice, \$16.90 per
6 hundredweight.

7 “(vii) For medium grain rice, \$16.90
8 per hundredweight.

9 “(viii) For soybeans, \$10.00 per bush-
10 el.

11 “(ix) For other oilseeds, \$23.75 per
12 hundredweight.

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

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

16 “(xii) For lentils, \$23.75 per hundred-
17 weight.

18 “(xiii) For small chickpeas, \$22.65
19 per hundredweight.

20 “(xiv) For large chickpeas, \$25.65 per
21 hundredweight.

22 “(xv) For seed cotton, \$0.42 per
23 pound.

24 “(B) EFFECTIVENESS.—Effective begin-
25 ning with the 2031 crop year, the reference

1 prices defined in subparagraph (A) with respect
2 to a covered commodity shall equal the ref-
3 erence price in the previous crop year multiplied
4 by 1.005.

5 “(C) LIMITATION.—In no case shall a ref-
6 erence price for a covered commodity exceed
7 115 percent of the reference price for such cov-
8 ered commodity listed in subparagraph (A).”.

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

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

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

14 “(e) ADDITIONAL BASE ACRES.—

15 “(1) IN GENERAL.—As soon as practicable
16 after the date of enactment of this subsection, and
17 notwithstanding subsection (a), the Secretary shall
18 provide notice to owners of eligible farms pursuant
19 to paragraph (4) and allocate to those eligible farms
20 a total of not more than an additional 30,000,000
21 base acres in the manner provided in this subsection.

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

24 “(A) Information that the allocation is oc-
25 curring.

1 “(B) Information regarding the eligibility
2 of the farm for an allocation of base acres
3 under paragraph (4).

4 “(C) Information regarding how an owner
5 may appeal a determination of ineligibility for
6 an allocation of base acres under paragraph (4)
7 through an appeals process established by the
8 Secretary.

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

13 “(4) ELIGIBILITY.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (D), effective beginning with the 2026
16 crop year, a farm is eligible to receive an alloca-
17 tion of base acres if, with respect to the farm,
18 the amount described in subparagraph (B) ex-
19 ceeds the amount described in subparagraph
20 (C).

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

24 “(i) the 5-year average of—

1 “(I) the acreage planted on the
2 farm to all covered commodities for
3 harvest, grazing, haying, silage or
4 other similar purposes for the 2019
5 through 2023 crop years; and

6 “(II) any acreage on the farm
7 that the producers were prevented
8 from planting during the 2019
9 through 2023 crop years to covered
10 commodities because of drought,
11 flood, or other natural disaster, or
12 other condition beyond the control of
13 the producers, as determined by the
14 Secretary; plus

15 “(ii) the lesser of—

16 “(I) 15 percent of the total acres
17 on the farm; and

18 “(II) the 5-year average of—

19 “(aa) the acreage planted on
20 the farm to eligible noncovered
21 commodities for harvest, grazing,
22 hayage, silage, or other similar
23 purposes for the 2019 through
24 2023 crop years; and

1 “(bb) any acreage on the
2 farm that the producers were
3 prevented from planting during
4 the 2019 through 2023 crop
5 years to eligible noncovered com-
6 modities because of drought,
7 flood, or other natural disaster,
8 or other condition beyond the
9 control of the producers, as de-
10 termined by the Secretary.

11 “(C) TOTAL NUMBER OF BASE ACRES FOR
12 COVERED COMMODITIES.—The amount de-
13 scribed in this subparagraph, with respect to a
14 farm, is the total number of base acres for cov-
15 ered commodities on the farm (excluding unas-
16 signed crop base), as in effect on September 30,
17 2024.

18 “(D) EFFECT OF NO RECENT PLANTINGS
19 OF COVERED COMMODITIES.—In the case of a
20 farm for which the amount determined under
21 clause (i) of subparagraph (B) is equal to zero,
22 that farm shall be ineligible to receive an alloca-
23 tion of base acres under this subsection.

24 “(E) ACREAGE PLANTED ON THE FARM TO
25 ELIGIBLE NONCOVERED COMMODITIES DE-

1 FINED.—In this paragraph, the term ‘acreage
2 planted on the farm to eligible noncovered com-
3 modities’ means acreage planted on a farm to
4 commodities other than covered commodities,
5 trees, bushes, vines, grass, or pasture (including
6 cropland that was idle or fallow), as determined
7 by the Secretary.

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

11 “(A) be equal to the difference obtained by
12 subtracting the amount determined under sub-
13 paragraph (C) of paragraph (4) from the
14 amount determined under subparagraph (B) of
15 that paragraph; and

16 “(B) include unassigned crop base.

17 “(6) ALLOCATION OF ACRES.—

18 “(A) ALLOCATION.—The Secretary shall
19 allocate the number of base acres under para-
20 graph (5) among those covered commodities
21 planted on the farm at any time during the
22 2019 through 2023 crop years.

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

1 “(i) the 5-year average of—

2 “(I) the acreage planted on the
3 farm to each covered commodity for
4 harvest, grazing, haying, silage, or
5 other similar purposes for the 2019
6 through 2023 crop years; and

7 “(II) any acreage on the farm
8 that the producers were prevented
9 from planting during the 2019
10 through 2023 crop years to that cov-
11 ered commodity because of drought,
12 flood, or other natural disaster, or
13 other condition beyond the control of
14 the producers, as determined by the
15 Secretary; to

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

18 “(C) INCLUSION OF ALL 5 YEARS IN AVER-
19 AGE.—For the purpose of determining a 5-year
20 acreage average under subparagraph (B) for a
21 farm, the Secretary shall not exclude any crop
22 year in which a covered commodity was not
23 planted.

24 “(D) TREATMENT OF MULTIPLE PLANTING
25 OR PREVENTED PLANTING.—For the purpose of

1 determining under subparagraph (B) the acre-
2 age on a farm that producers planted or were
3 prevented from planting during the 2019
4 through 2023 crop years to covered commod-
5 ities, if the acreage that was planted or pre-
6 vented from being planted was devoted to an-
7 other covered commodity in the same crop year
8 (other than a covered commodity produced
9 under an established practice of double crop-
10 ping), the owner may elect the covered com-
11 modity to be used for that crop year in deter-
12 mining the 5-year average, but may not include
13 both the initial covered commodity and the sub-
14 sequent covered commodity.

15 “(E) LIMITATION.—The allocation of addi-
16 tional base acres among covered commodities on
17 a farm under this paragraph may not result in
18 a total number of base acres for the farm in ex-
19 cess of the total number of acres on the farm.

20 “(7) REDUCTION BY THE SECRETARY.—In car-
21 rying out this subsection, if the total number of eli-
22 gible acres allocated to base acres across all farms
23 in the United States under this subsection would ex-
24 ceed 30,000,000 acres, the Secretary shall apply an
25 across-the-board, pro-rata reduction to the number

1 of eligible acres to ensure the number of allocated
2 base acres under this subsection is equal to
3 30,000,000 acres.

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

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

11 “(B) if no such payment yield for the ap-
12 plicable covered commodity exists, a payment
13 yield—

14 “(i) equal to the average payment
15 yield for the covered commodity for the
16 county in which the farm is situated; or

17 “(ii) determined pursuant to section
18 1113(c).

19 “(9) TREATMENT OF NEW OWNERS.—In the
20 case of a farm for which the owner on the date of
21 enactment of this subsection was not the owner for
22 the 2019 through 2023 crop years, the Secretary
23 shall use the planting history of the prior owner or
24 owners of that farm for purposes of determining—

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

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

2 and

3 “(C) the allocation of acres under para-

4 graph (6).”.

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

7 (1) in subsection (a), in the matter preceding
8 paragraph (1) by striking “2023” and inserting
9 “2031”; and

10 (2) in subsection (c)—

11 (A) in the matter preceding paragraph (1),
12 by striking “2014 crop year or the 2019 crop
13 year, as applicable” and inserting “2014 crop
14 year, 2019 crop year, or 2026 crop year, as ap-
15 plicable”;

16 (B) in paragraph (1), by striking “2014
17 crop year or the 2019 crop year, as applicable,”
18 and inserting “2014 crop year, 2019 crop year,
19 or 2026 crop year, as applicable,”; and

20 (C) in paragraph (2)—

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

23 (ii) in subparagraph (B), by striking
24 the period at the end and inserting “;
25 and”; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(C) the same coverage for each covered
4 commodity on the farm for the 2026 through
5 2031 crop years as was applicable for the 2024
6 crop year.”.

7 (d) PRICE LOSS COVERAGE.—Section 1116 of the
8 Agricultural Act of 2014 (7 U.S.C. 9016) is amended—
9 (1) in subsection (a)(2), in the matter pre-
10 ceding subparagraph (A), by striking “2023” and
11 inserting “2031”;

12 (2) in subsection (c)(1)(B)—

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

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

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

19 (4) in subsection (g), by striking “2012 through
20 2016” each place it appears and inserting “2017
21 through 2021”.

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

1 (1) in subsection (a), in the matter preceding
2 paragraph (1), by striking “2023” and inserting
3 “2031”;

4 (2) in subsection (c)—

5 (A) in paragraph (1), by inserting “for
6 each of the 2014 through 2024 crop years and
7 90 percent of the benchmark revenue for each
8 of the 2025 through 2031 crop years” before
9 the period at the end;

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

12 (C) in paragraph (4)(B), in the subpara-
13 graph heading, by striking “2023” and inserting
14 “2031”;

15 (3) by amending subsection (d)(1)(B) to read
16 as follows:

17 “(B)(i) for each of the crop years 2014
18 through 2024, 10 percent of the benchmark
19 revenue for the crop year applicable under sub-
20 section (c); and

21 “(ii) for each of the crop years 2025
22 through 2031, 12.5 percent of the benchmark
23 revenue for the crop year applicable under sub-
24 section (c).”; and

1 (4) in subsections (e), (g)(5), and (i)(5), by
2 striking “2023” each place it appears and inserting
3 “2031”.

4 (f) EQUITABLE TREATMENT OF CERTAIN ENTI-
5 TIES.—

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

8 (A) in subsection (a)—

9 (i) by redesignating paragraph (5) as
10 paragraph (6); and

11 (ii) by inserting after paragraph (4)
12 the following:

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

15 “(A) a partnership (within the meaning of
16 subchapter K of chapter 1 of the Internal Rev-
17 enue Code of 1986);

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

20 “(C) a limited liability company that does
21 not affirmatively elect to be treated as a cor-
22 poration; and

23 “(D) a joint venture or general partner-
24 ship.”;

1 (B) in subsections (b) and (c), by striking
2 “except a joint venture or general partnership”
3 each place it appears and inserting “except a
4 qualified pass-through entity”; and

5 (C) in subsection (d), by striking “subtitle
6 B” and all that follows through the end and in-
7 serting “title I of the Agricultural Act of
8 2014.”.

9 (2) ATTRIBUTION OF PAYMENTS.—Section
10 1001(e)(3)(B)(ii) of the Food Security Act of 1985
11 (7 U.S.C. 1308(e)(3)(B)(ii)) is amended—

12 (A) in the clause heading, by striking
13 “JOINT VENTURES AND GENERAL PARTNER-
14 SHIPS” and inserting “QUALIFIED PASS-
15 THROUGH ENTITIES”;

16 (B) by striking “a joint venture or a gen-
17 eral partnership” and inserting “a qualified
18 pass-through entity”;

19 (C) by striking “joint ventures and general
20 partnerships” and inserting “qualified pass-
21 through entities”; and

22 (D) by striking “the joint venture or gen-
23 eral partnership” and inserting “the qualified
24 pass-through entity”.

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

4 (A) subparagraphs (A) and (B), by strik-
5 ing “in a general partnership, a participant in
6 a joint venture” each place it appears and in-
7 serting “a qualified pass-through entity”; and

8 (B) in subparagraph (C), by striking “a
9 general partnership, joint venture, or similar
10 entity” and inserting “a qualified pass-through
11 entity or a similar entity”.

12 (4) JOINT AND SEVERAL LIABILITY.—Section
13 1001B(d) of the Food Security Act of 1985 (7
14 U.S.C. 1308–2(d)) is amended by striking “partner-
15 ships and joint ventures” and inserting “qualified
16 pass-through entities”.

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

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

24 (1) in subsection (b)—

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

3 (B) by striking “\$125,000” and inserting
4 “\$155,000”;

5 (2) in subsection (c)—

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

8 (B) by striking “\$125,000” and inserting
9 “\$155,000”; and

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

11 “(i) ADJUSTMENT.—For the 2025 crop year and
12 each crop year thereafter, the Secretary shall annually ad-
13 just the amounts described in subsections (b) and (c) for
14 inflation based on the Consumer Price Index for All Urban
15 Consumers published by the Bureau of Labor Statistics
16 of the Department of Labor.”.

17 (h) ADJUSTED GROSS INCOME LIMITATION.—Sec-
18 tion 1001D(b) of the Food Security Act of 1985 (7 U.S.C.
19 1308–3a(b)) is amended—

20 (1) in paragraph (1), by striking “paragraph
21 (3)” and inserting “paragraphs (3) and (4)”; and

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

23 “(4) EXCEPTION FOR CERTAIN OPERATIONS.—

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

1 “(i) EXCEPTED PAYMENT OR BEN-
2 EFIT.—The term ‘excepted payment or
3 benefit’ means—

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

7 “(II) a payment or benefit under
8 section 196 of the Federal Agriculture
9 Improvement and Reform Act of 1996
10 (7 U.S.C. 7333); and

11 “(III) a payment or benefit de-
12 scribed in paragraph (2)(C) received
13 on or after October 1, 2024.

14 “(ii) FARMING, RANCHING, OR
15 SILVICULTURE ACTIVITIES.—The term
16 ‘farming, ranching, or silviculture activi-
17 ties’ includes agritourism, direct-to-con-
18 sumer marketing of agricultural products,
19 the sale of agricultural equipment by a
20 person or legal entity that owns such
21 equipment, and other agriculture-related
22 activities, as determined by the Secretary.

23 “(B) EXCEPTION.—In the case of an ex-
24 cepted payment or benefit, the limitation estab-
25 lished by paragraph (1) shall not apply to a

1 person or legal entity during a crop, fiscal, or
2 program year, as appropriate, if greater than or
3 equal to 75 percent of the average gross income
4 of the person or legal entity derives from farm-
5 ing, ranching, or silviculture activities.”.

6 (i) MARKETING LOANS.—

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

12 (2) LOAN RATES FOR NONRECOURSE MAR-
13 KETING ASSISTANCE LOANS.—Section 1202 of the
14 Agricultural Act of 2014 (7 U.S.C. 9032) is amend-
15 ed—

16 (A) in subsection (b)—

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

19 (ii) in the matter preceding paragraph
20 (1), by striking “2023” and inserting
21 “2025”;

22 (B) by redesignating subsection (c) and (d)
23 as subsections (d) and (e), respectively;

24 (C) by inserting after subsection (b) the
25 following:

1 “(c) 2026 THROUGH 2031 CROP YEARS.—For pur-
2 poses of each of the 2026 through 2031 crop years, the
3 loan rate for a marketing assistance loan under section
4 1201 for a loan commodity shall be equal to the following:

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

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

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

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

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

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

13 “(7) In the case of extra long staple cotton,
14 \$1.00 per pound.

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

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

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

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

23 “(A) Sunflower seed.

24 “(B) Rapeseed.

25 “(C) Canola.

1 “(D) Safflower.

2 “(E) Flaxseed.

3 “(F) Mustard seed.

4 “(G) Crambe.

5 “(H) Sesame seed.

6 “(I) Other oilseeds designated by the Sec-
7 retary.

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

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

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

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

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

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

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

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

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

23 (D) in subsection (d) (as so redesignated),
24 by striking “(a)(11) and (b)(11)” and inserting
25 “(a)(11), (b)(11), and (c)(11)”; and

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

3 “(e) SPECIAL RULE FOR SEED COTTON AND
4 CORN.—

5 “(1) IN GENERAL.—For purposes of section
6 1116(b)(2) and paragraphs (1)(B)(ii) and
7 (2)(A)(ii)(II) of section 1117(b), the loan rate shall
8 be deemed to equal—

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

10 “(B) for corn, \$3.30 per bushel.

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

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

17 (A) by striking “Effective” and inserting
18 the following:

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

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

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

24 “(2) PAYMENT OF COTTON STORAGE COSTS.—
25 Effective for each of the 2026 through 2031 crop

1 years, the Secretary shall make cotton storage pay-
2 ments for upland cotton and extra long staple cotton
3 available in the same manner as the Secretary pro-
4 vided storage payments for the 2006 crop of upland
5 cotton, except that the payment rate shall be equal
6 to the lesser of—

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

9 “(B) in the case of storage in—

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

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

14 (4) LOAN DEFICIENCY PAYMENTS.—

15 (A) CONTINUATION.—Section
16 1205(a)(2)(B) of the Agricultural Act of 2014
17 (7 U.S.C. 9035(a)(2)(B)) is amended by strik-
18 ing “2023” and inserting “2031”.

19 (B) PAYMENTS IN LIEU OF LDPS.—Section
20 1206 of the Agricultural Act of 2014 (7 U.S.C.
21 9036) is amended, in subsections (a) and (d),
22 by striking “2023” each place it appears and
23 inserting “2031”.

24 (5) SPECIAL COMPETITIVE PROVISIONS FOR
25 EXTRA LONG STAPLE COTTON.—Section 1208(a) of

1 the Agricultural Act of 2014 (7 U.S.C. 9038(a)) is
2 amended, in the matter preceding paragraph (1), by
3 striking “2026” and inserting “2032”.

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

9 (j) REPAYMENT OF MARKETING LOANS.—Section
10 1204 of the Agricultural Act of 2014 (7 U.S.C. 9034) is
11 amended—

12 (1) in subsection (b)—

13 (A) by redesignating paragraph (1) as sub-
14 paragraph (A) and indenting appropriately;

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

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

19 (C) by striking paragraph (2) and insert-
20 ing the following:

21 “(B)(i) in the case of long grain rice and
22 medium grain rice, the prevailing world market
23 price for the commodity, as determined and ad-
24 justed by the Secretary in accordance with this
25 section; or

1 “(ii) in the case of upland cotton, the low-
2 est prevailing world market price for the com-
3 modity, as determined and adjusted by the Sec-
4 retary in accordance with this section, during
5 the 30-day period following the day on which
6 the producer repays the marketing assistance
7 loan.

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

16 (2) in subsection (c)—

17 (A) by striking the period at the end and
18 inserting “; and”;

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

22 “(1) the loan rate”; and

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

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

4 (3) in subsection (d)—

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

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

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

14 “(1) IN GENERAL.—For purposes”; and

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

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

22 (4) in subsection (e)—

23 (A) in the subsection heading, by inserting
24 “EXTRA LONG STAPLE COTTON,” after “UP-
25 LAND COTTON,”;

1 (B) in paragraph (2)—

2 (i) in the paragraph heading, by in-
3 serting “UPLAND” before “COTTON”; and

4 (ii) in subparagraph (B), in the mat-
5 ter preceding clause (i), by striking
6 “2024” and inserting “2032”;

7 (C) by redesignating paragraph (3) as
8 paragraph (4); and

9 (D) by inserting after paragraph (2) the
10 following:

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

14 “(A) shall be adjusted to United States
15 quality and location, with the adjustment to in-
16 clude the average costs to market the com-
17 modity, including average transportation costs,
18 as determined by the Secretary; and

19 “(B) may be further adjusted, during the
20 period beginning on the date of enactment of
21 this paragraph and ending on July 31, 2032, if
22 the Secretary determines the adjustment is nec-
23 essary—

24 “(i) to minimize potential loan forfeit-
25 ures;

1 “(ii) to minimize the accumulation of
2 stocks of extra long staple cotton by the
3 Federal Government;

4 “(iii) to ensure that extra long staple
5 cotton produced in the United States can
6 be marketed freely and competitively, both
7 domestically and internationally; and

8 “(iv) to ensure an appropriate transi-
9 tion between current-crop and forward-
10 crop price quotations, except that the Sec-
11 retary may use forward-crop price
12 quotations prior to July 31 of a marketing
13 year only if—

14 “(I) there are insufficient cur-
15 rent-crop price quotations; and

16 “(II) the forward-crop price
17 quotation is the lowest such quotation
18 available.”.

19 (k) ECONOMIC ADJUSTMENT ASSISTANCE FOR TEX-
20 TILE MILLS.—Section 1207(c) of the Agricultural Act of
21 2014 (7 U.S.C. 9037(c)) is amended by striking para-
22 graph (2) and inserting the following:

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

1 “(A) for the period beginning on August 1,
2 2013, and ending on July 31, 2025, 3 cents per
3 pound; and

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

6 (l) SUGAR PROGRAM UPDATES.—

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

10 (A) in subsection (a)—

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

13 (ii) in paragraph (5), by striking
14 “2023 crop years.” and inserting “2024
15 crop years; and”; and

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

18 “(6) 24.00 cents per pound for raw cane sugar
19 for each of the 2025 through 2031 crop years.”;

20 (B) in subsection (b)—

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

23 (ii) in paragraph (2), by striking
24 “2023 crop years.” and inserting “2024
25 crop years; and”; and

1 (iii) by adding at the end the fol-
2 lowing:

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

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

9 (2) ADJUSTMENTS TO COMMODITY CREDIT COR-
10 PORATION STORAGE RATES.—Section 167 of the
11 Federal Agriculture Improvement and Reform Act of
12 1996 (7 U.S.C. 7287) is amended—

13 (A) by striking subsection (a) and insert-
14 ing the following:

15 “(a) IN GENERAL.—Notwithstanding any other pro-
16 vision of law, for the 2025 crop year and each subsequent
17 crop year, the Commodity Credit Corporation shall estab-
18 lish rates for the storage of forfeited sugar in an amount
19 that is not less than—

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

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

24 (B) in subsection (b)—

1 (i) in the subsection heading, by strik-
2 ing “SUBSEQUENT” and inserting
3 “PRIOR”; and

4 (ii) by striking “and subsequent” and
5 inserting “through 2024”.

6 (3) MODERNIZING BEET SUGAR ALLOT-
7 MENTS.—

8 (A) SUGAR ESTIMATES.—Section
9 359b(a)(1) of the Agricultural Adjustment Act
10 of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by
11 striking “2023” and inserting “2031”.

12 (B) ALLOCATION TO PROCESSORS.—Sec-
13 tion 359c(g)(2) of the Agricultural Adjustment
14 Act of 1938 (7 U.S.C. 1359cc(g)(2)) is amend-
15 ed—

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

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

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

22 “(B) EXCEPTION.—If the Secretary makes
23 an upward adjustment under paragraph (1)(A),
24 in adjusting allocations among beet sugar proc-

1 essors, the Secretary shall give priority to beet
2 sugar processors with available sugar.”.

3 (C) TIMING OF REASSIGNMENT.—Section
4 359e(b)(2) of the Agricultural Adjustment Act
5 of 1938 (7 U.S.C. 1359ee(b)(2)) is amended—

6 (i) by redesignating subparagraphs
7 (A) through (C) as clauses (i) through
8 (iii), respectively, and indenting appro-
9 priately;

10 (ii) in the matter preceding clause (i)
11 (as so redesignated), by striking “If the
12 Secretary determines that a sugar beet
13 processor who has been allocated a share
14 of the beet sugar allotment will be unable
15 to market that allocation” and inserting
16 the following:

17 “(A) IN GENERAL.—If the Secretary deter-
18 mines that a sugar beet processor who has been
19 allocated a share of the beet sugar allotment for
20 the crop year will be unable to market that allo-
21 cation”; and

22 (iii) by adding at the end the fol-
23 lowing:

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

1 “(i) make an initial determination fol-
2 lowing the publication of the World Agri-
3 cultural Supply and Demand Estimates (in
4 this subparagraph referred to as
5 ‘WASDE’) approved by the World Agricul-
6 tural Outlook Board for the month of Jan-
7 uary that is applicable to the crop year for
8 which a determination under subparagraph
9 (A) is made; and

10 “(ii) provide for an initial reassign-
11 ment under subparagraph (A)(i) not later
12 than 30 days after the date of the an-
13 nouncement of such WASDE.”.

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

18 “(c) REALLOCATION.—

19 “(1) INITIAL REALLOCATION.—Subject to para-
20 graph (3), following the establishment of the tariff-
21 rate quotas under subsection (a) for a quota year,
22 the United States Trade Representative, in consulta-
23 tion with the Secretary, shall—

1 “(A) determine which countries do not in-
2 tend to fulfill their allocation for the quota
3 year; and

4 “(B) reallocate any forecasted shortfall in
5 the fulfillment of the tariff-rate quotas as soon
6 as practicable.

7 “(2) SUBSEQUENT REALLOCATION.—Subject to
8 paragraph (3), not later than March 1 of a quota
9 year, the United States Trade Representative, in
10 consultation with the Secretary, shall reallocate any
11 additional forecasted shortfall in the fulfillment of
12 the tariff-rate quotas for raw cane sugar established
13 under subsection (a)(1) for that quota year.

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

16 “(A) the Agreement Suspending the Coun-
17 tervailing Duty Investigation on Sugar from
18 Mexico, signed December 19, 2014, is termi-
19 nated; and

20 “(B) no countervailing duty order under
21 subtitle A of title VII of the Tariff Act of 1930
22 (19 U.S.C. 1671 et seq.) is in effect with re-
23 spect to sugar from Mexico.

24 “(d) REFINED SUGAR.—

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

4 “(A) sugar beet producers and processors;

5 “(B) producers and processors of sugar
6 cane; and

7 “(C) refiners of raw cane sugar.

8 “(2) STUDY REQUIRED.—

9 “(A) IN GENERAL.—Not later than 180
10 days after the date of enactment of this sub-
11 section, the Secretary shall conduct a study on
12 whether the establishment of additional terms
13 and conditions with respect to refined sugar im-
14 ports is necessary and appropriate.

15 “(B) ELEMENTS.—In conducting the study
16 under subparagraph (A), the Secretary shall ex-
17 amine the following:

18 “(i) The need for—

19 “(I) defining ‘refined sugar’ as
20 having a minimum polarization of
21 99.8 degrees or higher;

22 “(II) establishing a standard for
23 color- or reflectance-based units for
24 refined sugar such as those utilized by

1 the International Commission of Uni-
2 form Methods of Sugar Analysis;

3 “(III) prescribing specifications
4 for packaging type for refined sugar;

5 “(IV) prescribing specifications
6 for transportation modes for refined
7 sugar;

8 “(V) requiring affidavits or other
9 evidence that sugar imported as re-
10 fined sugar will not undergo further
11 refining in the United States;

12 “(VI) prescribing appropriate
13 terms and conditions to avoid the cir-
14 cumvention of Federal laws relating to
15 any sugar imports; and

16 “(VII) establishing other defini-
17 tions, terms and conditions, or other
18 requirements.

19 “(ii) The potential impact of modifica-
20 tions described in each of subclauses (I)
21 through (VII) of clause (i) on the domestic
22 sugar industry.

23 “(iii) Whether, based on the needs de-
24 scribed in clause (i) and the impact de-
25 scribed in clause (ii), the establishment of

1 additional terms and conditions is appro-
2 priate.

3 “(C) CONSULTATION.—In conducting the
4 study under subparagraph (A), the Secretary
5 shall consult with representatives of the domes-
6 tic sugar industry, users of refined sugar, and
7 relevant State and Federal agencies.

8 “(D) REPORT.—Not later than 1 year
9 after the date of enactment of this subsection,
10 the Secretary shall submit to the Committee on
11 Agriculture of the House of Representatives
12 and the Committee on Agriculture, Nutrition,
13 and Forestry of the Senate a report that de-
14 scribes the findings of the study conducted
15 under subparagraph (A).

16 “(3) ESTABLISHMENT OF ADDITIONAL TERMS
17 AND CONDITIONS PERMITTED.—

18 “(A) IN GENERAL.—Based on the findings
19 in the report submitted under paragraph
20 (2)(D), and after providing notice to the Com-
21 mittee on Agriculture of the House of Rep-
22 resentatives and the Committee on Agriculture,
23 Nutrition, and Forestry of the Senate, the Sec-
24 retary may issue regulations in accordance with
25 subparagraph (B) to establish additional terms

1 and conditions with respect to refined sugar im-
2 ports that are necessary and appropriate.

3 “(B) PROMULGATION OF REGULATIONS.—
4 The Secretary may issue regulations under sub-
5 paragraph (A) if the regulations—

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

8 “(ii) are consistent with the require-
9 ments of this part, section 156 of the Fed-
10 eral Agriculture Improvement and Reform
11 Act of 1996 (7 U.S.C. 7272), and obliga-
12 tions under international trade agreements
13 that have been approved by Congress.”.

14 (5) CLARIFICATION OF TARIFF-RATE QUOTA
15 ADJUSTMENTS.—Section 359k(b)(1) of the Agricul-
16 tural Adjustment Act of 1938 (7 U.S.C.
17 1359kk(b)(1)) is amended, in the matter preceding
18 subparagraph (A)—

19 (A) by striking “Before” and inserting
20 “Notwithstanding any other provision of law,
21 before”; and

22 (B) by striking “if there is an” and insert-
23 ing “for the sole purpose of responding directly
24 to an”.

1 (6) PERIOD OF EFFECTIVENESS.—Section
2 359l(a) of the Agricultural Adjustment Act of 1938
3 (7 U.S.C. 1359ll(a)) is amended by striking “2023”
4 and inserting “2031”.

5 (m) DAIRY POLICY UPDATES.—

6 (1) DAIRY MARGIN COVERAGE PRODUCTION
7 HISTORY.—

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

13 (B) PRODUCTION HISTORY OF PARTICI-
14 PATING DAIRY OPERATIONS.—Section 1405 of
15 the Agricultural Act of 2014 (7 U.S.C. 9055)
16 is amended—

17 (i) by amending subsection (a) to read
18 as follows:

19 “(a) PRODUCTION HISTORY.—Except as provided in
20 subsection (b), the production history of a dairy operation
21 for dairy margin coverage is equal to the highest annual
22 milk marketings of the participating dairy operation dur-
23 ing any one of the 2021, 2022, or 2023 calendar years.”;
24 and

1 (ii) by amending subsection (b) to
2 read as follows:

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

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

12 “(2) An estimate of the actual milk marketings
13 of the participating dairy operation based on the
14 herd size of the participating dairy operation relative
15 to the national rolling herd average data published
16 by the Secretary.”.

17 (2) DAIRY MARGIN COVERAGE PAYMENTS.—
18 Section 1406(a)(1)(C) of the Agricultural Act of
19 2014 (7 U.S.C. 9056(a)(1)(C)) is amended by strik-
20 ing “5,000,000” and inserting “6,000,000” each
21 place it appears.

22 (3) PREMIUMS FOR DAIRY MARGINS.—

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

1 (i) in the heading, by striking
2 “5,000,000” and inserting “6,000,000”;
3 and

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

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

9 (i) in the heading, by striking
10 “5,000,000” and inserting “6,000,000”;
11 and

12 (ii) in paragraph (1), by striking
13 “5,000,000” and inserting “6,000,000”.

14 (C) PREMIUM DISCOUNTS.—Section
15 1407(g) of the Agricultural Act of 2014 (7
16 U.S.C. 9057(g)) is amended—

17 (i) in paragraph (1)—

18 (I) by striking “2019 through
19 2023” and inserting “2026 through
20 2031”; and

21 (II) by striking “January 2019”
22 and inserting “January 2026”; and

23 (ii) in paragraph (2), by striking
24 “2023” each place it appears and inserting
25 “2031”.

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

4 (n) SUSPENSION OF PERMANENT PRICE SUPPORT
5 AUTHORITY.—Section 1602 of the Agricultural Act of
6 2014 (7 U.S.C. 9092) is amended by striking “2023” each
7 place it appears and inserting “2031”.

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

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

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

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

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

4 “(D) \$10,000,000 shall be used to—

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

12 “(ii) publish the results of such sur-
13 veys biennially.”.

14 (p) LIVESTOCK SAFETY NET UPDATES.—

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

18 (A) by amending paragraph (2) to read as
19 follows:

20 “(2) PAYMENT RATES.—

21 “(A) LOSSES DUE TO PREDATION.—In-
22 demnity payments to an eligible producer on a
23 farm under paragraph (1)(A) shall be made at
24 a rate of 100 percent of the market value of the

1 affected livestock on the applicable date, as de-
2 termined by the Secretary.

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

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

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

20 “(i) the day before the date of death
21 of the livestock; or

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

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

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

10 “(B) PAYMENT RATE.—Additional pay-
11 ments under subparagraph (A) shall be made at
12 a rate—

13 “(i) determined by the Secretary; and

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

20 “(C) PAYMENT AMOUNT.—The amount of
21 a payment to an eligible producer that has in-
22 curred unborn livestock death losses shall be
23 equal to the payment rate determined under
24 subparagraph (B) multiplied, in the case of live-
25 stock described in—

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

3 “(ii) subparagraph (D) of such sub-
4 section, by 2;

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

7 “(iv) subparagraph (G) of such sub-
8 section, by the average number of birthed
9 animals (for one gestation cycle) for the
10 species of each such livestock, as deter-
11 mined by the Secretary.

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

19 (2) LIVESTOCK FORAGE DISASTER PROGRAM.—
20 Section 1501(c)(3)(D)(ii)(I) of the Agricultural Act
21 of 2014 (7 U.S.C. 9081(c)(3)(D)(ii)(I)) is amend-
22 ed—

23 (A) by striking “1 monthly payment” and
24 inserting “2 monthly payments”; and

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

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

14 “(bb) any of the 7 of the
15 previous 8 consecutive”.

16 (3) EMERGENCY ASSISTANCE FOR LIVESTOCK,
17 HONEY BEES, AND FARM-RAISED FISH.—Section
18 1501(d) of the Agricultural Act of 2014 (7 U.S.C.
19 9081(d)) is amended by adding at the end the fol-
20 lowing:

21 “(5) ASSISTANCE FOR LOSSES DUE TO BIRD
22 DEPREDATION.—

23 “(A) PAYMENTS.—Eligible producers on a
24 farm of farm-raised fish, including fish grown
25 as food for human consumption, shall be eligi-

1 ble to receive payments under this subsection to
2 aid in the reduction of losses due to piscivorous
3 birds.

4 “(B) PAYMENT RATE.—

5 “(i) IN GENERAL.—The payment rate
6 for payments under subparagraph (B)
7 shall be determined by the Secretary, tak-
8 ing into account—

9 “(I) costs associated with the de-
10 terrence of piscivorous birds;

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

13 “(III) costs associated with dis-
14 ease loss from bird depredation.

15 “(ii) MINIMUM RATE.—The payment
16 rate for payments under subparagraph (B)
17 shall be not less than \$600 per acre of
18 farm-raised fish.

19 “(C) PAYMENT AMOUNT.—The amount of
20 a payment under subparagraph (B) shall be the
21 product obtained by multiplying—

22 “(i) the applicable payment rate under
23 subparagraph (C); and

24 “(ii) 85 percent of the total number of
25 acres of farm-raised fish farms that the eli-

1 gible producer has in production for the
2 calendar year.”.

3 (4) TREE ASSISTANCE PROGRAM.—Section
4 1501(e) of the Agricultural Act of 2014 (7 U.S.C.
5 9081(e)) is amended—

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

9 (B) in paragraph (3)—

10 (i) in subparagraph (A)(i), by striking
11 “15 percent mortality (adjusted for normal
12 mortality)” and inserting “normal mor-
13 tality”; and

14 (ii) in subparagraph (B)—

15 (I) by striking “50” and insert-
16 ing “65”; and

17 (II) by striking “15 percent dam-
18 age or mortality (adjusted for normal
19 tree damage and mortality)” and in-
20 serting “normal tree damage or mor-
21 tality”.

22 (q) EMERGENCY ASSISTANCE FOR HONEYBEES.—In
23 determining honeybee colony losses eligible for assistance
24 under section 1501(d) of the Agricultural Act of 2014 (7

1 U.S.C. 9081(d)), the Secretary shall utilize a normal mor-
2 tality rate of 15 percent.

3 (r) BEGINNING AND VETERAN FARMER AND RANCH-
4 ER BENEFIT.—

5 (1) DEFINITIONS.—

6 (A) IN GENERAL.—Section 502(b) of the
7 Federal Crop Insurance Act (7 U.S.C. 1502(b))
8 is amended—

9 (i) in paragraph (3), by striking “5”
10 and inserting “10”; and

11 (ii) in paragraph (14)(B)—

12 (I) in clause (i), by adding “or”
13 at the end after the semicolon;

14 (II) in clause (ii), by striking “5
15 years; or” and inserting “10 years.”;
16 and

17 (III) in clause (iii), by striking
18 “5-year” and inserting “10-year”.

19 (B) CONFORMING AMENDMENT.—Section
20 522(c)(7) of the Federal Crop Insurance Act (7
21 U.S.C. 1522(c)(7)) is amended by striking sub-
22 paragraph (F).

23 (2) INCREASE IN ASSISTANCE.—Section
24 508(e)(8) of the Federal Crop Insurance Act (7
25 U.S.C. 1508(e)(8)) is amended—

1 (A) by striking “Notwithstanding” and in-
2 serting the following:

3 “(A) IN GENERAL.—Notwithstanding”;

4 (B) in subparagraph (A) (as so des-
5 ignated), by striking “is 10 percentage points
6 greater than” and inserting “is the number of
7 percentage points specified in subparagraph (B)
8 greater than”; and

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

10 “(B) PERCENTAGE POINTS ADJUST-
11 MENTS.—The percentage points referred to in
12 subparagraph (A) are the following:

13 “(i) For each of the first and second
14 reinsurance years that a beginning farmer
15 or rancher or veteran farmer or rancher
16 participates as a beginning farmer or
17 rancher or veteran farmer or rancher, re-
18 spectively, in the applicable policy or plan
19 of insurance, 15 percentage points.

20 “(ii) For the third reinsurance year
21 that a beginning farmer or rancher or vet-
22 eran farmer or rancher participates as a
23 beginning farmer or rancher or veteran
24 farmer or rancher, respectively, in the ap-

1 applicable policy or plan of insurance, 13 per-
2 centage points.

3 “(iii) For the fourth reinsurance year
4 that a beginning farmer or rancher or vet-
5 eran farmer or rancher participates as a
6 beginning farmer or rancher or veteran
7 farmer or rancher, respectively, in the ap-
8 plicable policy or plan of insurance, 11 per-
9 centage points.

10 “(iv) For each of the fifth through
11 tenth reinsurance years that a beginning
12 farmer or rancher or veteran farmer or
13 rancher participates as a beginning farmer
14 or rancher or veteran farmer or rancher,
15 respectively, in the applicable policy or
16 plan of insurance, 10 percentage points.”.

17 (s) AREA-BASED CROP INSURANCE COVERAGE AND
18 AFFORDABILITY.—

19 (1) COVERAGE LEVEL.—Section 508(c)(4) of
20 the Federal Crop Insurance Act (7 U.S.C.
21 1508(c)(4)) is amended—

22 (A) by amending subparagraph (A)(ii) to
23 read as follows:

24 “(ii) may be purchased at any level
25 not to exceed—

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

3 “(II) in the case of individual
4 yield or revenue coverage aggregated
5 across multiple commodities, 90 per-
6 cent; and

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

10 (B) in subparagraph (C)—

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

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

15 (2) PREMIUM COST SHARE.—Section
16 508(e)(2)(H)(i) of the Federal Crop Insurance Act
17 (7 U.S.C. 1508(e)(2)(H)(i)) is amended by striking
18 “65” and inserting “80”.

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

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

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

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

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

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

7 (u) ADMINISTRATIVE AND OPERATING EXPENSE AD-
8 JUSTMENTS.—Section 508(k) of the Federal Crop Insur-
9 ance Act (7 U.S.C. 1508(k)) is amended by adding at the
10 end the following:

11 “(10) ADDITIONAL EXPENSES.—

12 “(A) IN GENERAL.—Beginning with the
13 2026 reinsurance year and for each reinsurance
14 year thereafter, in addition to the terms and
15 conditions of the Standard Reinsurance Agree-
16 ment, to cover additional expenses for loss ad-
17 justment procedures, the Corporation shall pay
18 an additional administrative and operating ex-
19 pense subsidy to approved insurance providers
20 for eligible contracts.

21 “(B) PAYMENT AMOUNT.—In the case of
22 an eligible contract, the payment to an ap-
23 proved insurance provider required under sub-
24 paragraph (A) shall be the amount equal to 6
25 percent of the net book premium.

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

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

4 “(I) identified in State Group 2
5 or State Group 3 (as defined in the
6 Standard Reinsurance Agreement for
7 reinsurance year 2026); and

8 “(II) in which, with respect to an
9 insurance year, the loss ratio for eligi-
10 ble contracts is greater than 120 per-
11 cent of the total net book premium
12 written by all approved insurance pro-
13 viders.

14 “(ii) ELIGIBLE CONTRACTS.—The
15 term ‘eligible contract’—

16 “(I) means a crop insurance con-
17 tract entered into by an approved in-
18 surance provider in an eligible State;
19 and

20 “(II) does not include a contract
21 for—

22 “(aa) catastrophic risk pro-
23 tection under subsection (b);

24 “(bb) an area-based plan of
25 insurance or similar plan of in-

1 insurance, as determined by the
2 Corporation; or
3 “(cc) a policy under which
4 an approved insurance provider
5 does not incur loss adjustment
6 expenses, as determined by the
7 Corporation.

8 “(11) SPECIALTY CROPS.—

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

20 “(i) 17 percent of the premium used
21 to define loss ratio.

22 “(ii) The percent of the premium used
23 to define loss ratio that is otherwise appli-
24 cable for the reinsurance year under the

1 terms of the Standard Reinsurance Agree-
2 ment in effect for the reinsurance year.

3 “(B) OTHER CONTRACTS.—In carrying out
4 subparagraph (A), the Corporation shall not re-
5 duce, with respect to any reinsurance year, the
6 amount or the rate of reimbursement to ap-
7 proved insurance providers and agents under
8 the Standard Reinsurance Agreement described
9 in clause (ii) of such subparagraph for adminis-
10 trative and operating expenses with respect to
11 contracts covering agricultural commodities
12 that are not subject to such subparagraph.

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

17 “(12) A&O INFLATION ADJUSTMENT.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), for the 2026 reinsurance year, and
20 each reinsurance year thereafter, the Corpora-
21 tion shall increase the total administrative and
22 operating expense reimbursements otherwise re-
23 quired under the Standard Reinsurance Agree-
24 ment in effect for the reinsurance year in order
25 to account for inflation, in a manner consistent

1 with the increases provided with respect to the
2 2011 through 2015 reinsurance years under the
3 enclosure included in Risk Management Agency
4 Bulletin numbered MGR-10-007 and dated
5 June 30, 2010.

6 “(B) SPECIAL RULE FOR 2026 REINSUR-
7 ANCE YEAR.—The increase under subparagraph
8 (A) for the 2026 reinsurance year shall not ex-
9 ceed the percentage change for the preceding
10 reinsurance year included in the Consumer
11 Price Index for All Urban Consumers published
12 by the Bureau of Labor Statistics of the De-
13 partment of Labor.

14 “(C) ADMINISTRATION.—An increase
15 under subparagraph (A)—

16 “(i) shall apply with respect to all
17 contracts covering agricultural commodities
18 that were subject to an increase during the
19 period of the 2011 through 2015 reinsur-
20 ance years under the enclosure referred to
21 in that subparagraph; and

22 “(ii) shall not be considered to be a
23 renegotiation of the Standard Reinsurance
24 Agreement for purposes of paragraph
25 (8)(A).”.

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

6 “(A) \$4,000,000 for each of fiscal years
7 2009 through 2025; and

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

10 (w) REVIEWS, COMPLIANCE, AND INTEGRITY.—Sec-
11 tion 516(b)(2)(C)(i) of the Federal Crop Insurance Act
12 (7 U.S.C. 1516(b)(2)(C)(i)) is amended by striking “each
13 fiscal year” and inserting “each of fiscal years 2014
14 through 2025 and \$10,000,000 for fiscal year 2026 and
15 each fiscal year thereafter”.

16 (x) POULTRY INSURANCE PILOT PROGRAM.—Section
17 523 of the Federal Crop Insurance Act (7 U.S.C. 1523)
18 is amended by adding at the end the following:

19 “(j) POULTRY INSURANCE PILOT PROGRAM.—

20 “(1) IN GENERAL.—Notwithstanding subsection
21 (a)(2), the Corporation shall establish a pilot pro-
22 gram under which contract poultry growers, includ-
23 ing growers of broilers and laying hens, may elect to
24 receive index-based insurance from extreme weather-
25 related risk resulting in increased utility costs (in-

1 including costs of natural gas, propane, electricity,
2 water, and other appropriate costs, as determined by
3 the Corporation) associated with poultry production.

4 “(2) STAKEHOLDER ENGAGEMENT.—The Cor-
5 poration shall engage with poultry industry stake-
6 holders in establishing the pilot program under para-
7 graph (1).

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

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

19 “(A) in accordance with section 508(h);
20 and

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

1 **SEC. 10102. CONSERVATION.**

2 (a) GRASSROOTS SOURCE WATER PROTECTION PRO-
3 GRAM.—Section 1240O(b) of the Food Security Act of
4 1985 (16 U.S.C. 3839bb–2(b)) is amended—

5 (1) in paragraph (1), by striking “2023” and
6 inserting “2031”; and

7 (2) in paragraph (3)—

8 (A) in subparagraph (A), by striking the
9 “and” at the end;

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

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

13 “(C) \$1,000,000 beginning in fiscal year
14 2026, to remain available until expended.”.

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

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

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

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

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

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

6 (d) FUNDING.—

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

10 (A) in paragraph (2), by striking subpara-
11 graphs (A) through (F) and inserting the fol-
12 lowing:

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

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

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

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

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

18 and

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

20 and

21 (B) in paragraph (3)—

22 (i) in subparagraph (A), by striking
23 clauses (i) through (v) and inserting the
24 following:

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

3 “(ii) \$2,855,000,000 for fiscal year
4 2027;

5 “(iii) \$3,255,000,000 for fiscal year
6 2028;

7 “(iv) \$3,255,000,000 for fiscal year
8 2029;

9 “(v) \$3,255,000,000 for fiscal year
10 2030; and

11 “(vi) \$3,255,000,000 for fiscal year
12 2031; and”; and

13 (ii) in subparagraph (B), by striking
14 clauses (i) through (v) and inserting the
15 following:

16 “(i) \$1,300,000,000 for fiscal year
17 2026;

18 “(ii) \$1,325,000,000 for fiscal year
19 2027;

20 “(iii) \$1,350,000,000 for fiscal year
21 2028;

22 “(iv) \$1,375,000,000 for fiscal year
23 2029;

24 “(v) \$1,375,000,000 for fiscal year
25 2030; and

1 “(vi) \$1,375,000,000 for fiscal year
2 2031.”.

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

7 “(a) AVAILABILITY OF FUNDING.—Of the funds of
8 the Commodity Credit Corporation, the Secretary shall
9 use to carry out the program, to the maximum extent
10 practicable—

11 “(1) \$425,000,000 for fiscal year 2026;

12 “(2) \$450,000,000 for fiscal year 2027;

13 “(3) \$450,000,000 for fiscal year 2028;

14 “(4) \$450,000,000 for fiscal year 2029;

15 “(5) \$450,000,000 for fiscal year 2030; and

16 “(6) \$450,000,000 for fiscal year 2031.”.

17 (3) WATERSHED PROTECTION AND FLOOD PRE-
18 VENTION.—Section 15 of the Watershed Protection
19 and Flood Prevention Act (16 U.S.C. 1012a) is
20 amended—

21 (A) by striking “\$50,000,000 for fiscal
22 year 2019” and inserting “\$150,000,000 for
23 fiscal year 2026”; and

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

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

4 **SEC. 10103. TRADE.**

5 Section 203(f) of the Agricultural Trade Act of 1978
6 (7 U.S.C. 5623(f)) is amended—

7 (1) in paragraph (2)—

8 (A) by striking “For each of fiscal years”
9 and inserting “(A) IN GENERAL.—For each of
10 fiscal years”; and

11 (B) by adding at the end the following new
12 subparagraph:

13 “(B) FISCAL YEARS 2026 THROUGH 2031.—
14 For each of fiscal years 2026 through 2031, of
15 the funds of, or an equal value of commodities
16 owned by, the Commodity Credit Corporation,
17 the Secretary shall use to carry out this section
18 \$489,500,000, to remain available until ex-
19 pended.”;

20 (2) by redesignating paragraphs (4) and (5) as
21 paragraphs (5) and (6), respectively;

22 (3) by inserting after paragraph (3) the fol-
23 lowing new paragraph:

24 “(4) ALLOCATIONS FOR FISCAL YEARS 2026
25 THROUGH 2031.—

1 “(A) IN GENERAL.—For each of fiscal
2 years 2026 through 2031, the Secretary shall
3 allocate funds to carry out this section in ac-
4 cordance with the following:

5 “(i) MARKET ACCESS PROGRAM.—For
6 market access activities authorized under
7 subsection (b), of the funds of, or an equal
8 value of commodities owned by, the Com-
9 modity Credit Corporation, not less than
10 \$400,000,000 for each fiscal year.

11 “(ii) FOREIGN MARKET DEVELOP-
12 MENT COOPERATOR PROGRAM.—To carry
13 out subsection (c), of the funds of, or an
14 equal value of commodities owned by, the
15 Commodity Credit Corporation, not less
16 than \$69,000,000 for each fiscal year.

17 “(iii) E (KIKI) DE LA GARZA EMERG-
18 ING MARKETS PROGRAM.—To provide as-
19 sistance under subsection (d), of the funds
20 of, or an equal value of commodities owned
21 by, the Commodity Credit Corporation, not
22 more than \$8,000,000 for each fiscal year.

23 “(iv) TECHNICAL ASSISTANCE FOR
24 SPECIALTY CROPS.—To carry out sub-
25 section (e), of the funds of, or an equal

1 value of the commodities owned by, the
2 Commodity Credit Corporation,
3 \$9,000,000 for each fiscal year.

4 “(v) PRIORITY TRADE FUND.—

5 “(I) IN GENERAL.—In addition
6 to the amounts allocated under
7 clauses (i) through (iv), and notwith-
8 standing any limitations in those
9 clauses, as determined by the Sec-
10 retary, for 1 or more programs under
11 this section for authorized activities to
12 access, develop, maintain, and expand
13 markets for United States agricultural
14 commodities, \$3,500,000 for each fis-
15 cal year.

16 “(II) CONSIDERATIONS.—In allo-
17 cating funds made available under
18 subclause (I), the Secretary may con-
19 sider providing a greater allocation to
20 1 or more programs under this section
21 for which the amounts requested
22 under applications exceed available
23 funding for the 1 or more programs.

24 “(B) REALLOCATION.—Any funds allo-
25 cated under clauses (i) through (iv) of subpara-

1 graph (A) that remain unobligated one year
2 after the end of the fiscal year in which they
3 are first made available shall be reallocated to
4 the priority trade fund under subparagraph
5 (A)(v). To the maximum extent practicable, the
6 Secretary shall allocate such reallocated funds
7 to support exports of those types of United
8 States agricultural commodities eligible for as-
9 sistance under the program for which the funds
10 were originally allocated under subparagraph
11 (A).”; and

12 (4) in paragraph (6), as so redesignated, by in-
13 serting “, paragraph (4)(A)(v),” after “paragraph
14 (3)(A)(v)”.

15 **SEC. 10104. RESEARCH.**

16 (a) URBAN, INDOOR, AND OTHER EMERGING AGRI-
17 CULTURAL PRODUCTION RESEARCH, EDUCATION, AND
18 EXTENSION INITIATIVE.—Section 1672E(d)(1)(B) of the
19 Food, Agriculture, Conservation, and Trade Act of 1990
20 (7 U.S.C. 5925g(d)(1)(B)) is amended by striking “fiscal
21 year 2024, to remain available until expended” and insert-
22 ing “each of fiscal years 2024 through 2031”.

23 (b) FOUNDATION FOR FOOD AND AGRICULTURE RE-
24 SEARCH.—Section 7601(g)(1)(A) of the Agricultural Act

1 of 2014 (7 U.S.C. 5939(g)(1)(A)) is amended adding at
2 the end the following:

3 “(iv) FURTHER FUNDING.—Of the
4 funds of the Commodity Credit Corpora-
5 tion, the Secretary shall transfer to the
6 Foundation to carry out this section, to re-
7 main available until expended, not later
8 than 30 days after the date of enactment
9 of this clause, \$37,000,000.”.

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

14 (1) in subsection (a)—

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

16 (B) by redesignating paragraph (4) as
17 paragraph (3); and

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

20 “(1) MANDATORY FUNDING.—Of the funds of
21 the Commodity Credit Corporation, the Secretary
22 shall make available to carry out this section
23 \$60,000,000 for fiscal year 2026, to remain avail-
24 able until expended.”.

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

5 (1) in the subsection heading, by striking “AU-
6 THORIZATION OF APPROPRIATIONS” and inserting
7 “FUNDING”;

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

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

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

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

17 (A) in the paragraph heading, by striking
18 “IN GENERAL” and inserting “AUTHORIZATION
19 OF APPROPRIATIONS”; and

20 (B) by striking “Subject to paragraph (2)”
21 and inserting “Subject to paragraph (3)”.

22 (e) SPECIALTY CROP RESEARCH INITIATIVE.—Sec-
23 tion 412(k)(1)(B) of the Agricultural Research, Exten-
24 sion, and Education Reform Act of 1998 (7 U.S.C.
25 7632(k)(1)(B)) is amended by striking “section

1 \$80,000,000 for fiscal year 2014” and inserting the fol-
2 lowing: “section—

3 “(i) \$80,000,000 for each of fiscal
4 years 2014 through 2025; and
5 “(ii) \$175,000,000 for fiscal year
6 2026”.

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

9 (1) in the section heading by striking “**AU-**
10 **THORIZATION OF APPROPRIATIONS**” and insert-
11 ing “**FUNDING**”; and

12 (2) in subsection (a)—

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

15 “(a) IN GENERAL.—

16 “(1) AUTHORIZATION OF APPROPRIATIONS.—
17 Subject to”; and

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

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

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

2 (a) EXTENSION OF CERTAIN PROVISIONS OF SECURE
3 RURAL SCHOOLS AND COMMUNITY SELF-DETERMINA-
4 TION ACT OF 2000.—

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

7 (A) SECURE PAYMENTS.—Section 101 of
8 the Secure Rural Schools and Community Self-
9 Determination Act of 2000 (16 U.S.C. 7111) is
10 amended—

11 (i) in subsections (a) and (b), by
12 striking “2023” each place it appears and
13 inserting “2026”; and

14 (ii) by adding at the end the fol-
15 lowing:

16 “(e) SPECIAL RULE FOR FISCAL YEAR 2024 PAY-
17 MENTS.—

18 “(1) STATE PAYMENT.—If an eligible county in
19 a State that will receive a share of the State pay-
20 ment for fiscal year 2024 has already received, or
21 will receive, a share of the 25-percent payment for
22 fiscal year 2024 distributed to the State before the
23 date of enactment of this subsection—

24 “(A) if the amount of the State payment
25 exceeds the amount of the 25-percent payment,
26 the amount of the State payment shall be re-

1 duced by the amount of the share of the eligible
2 county of the 25-percent payment; or

3 “(B) if the amount of the State payment
4 is less than or equal to the amount of the 25-
5 percent payment, the eligible county—

6 “(i) may retain the amount of the
7 share of the eligible county of the 25-per-
8 cent payment; and

9 “(ii) if so retained, such amount shall
10 be treated as if it were received by the
11 county as a State payment for purposes of
12 this Act.

13 “(2) COUNTY PAYMENT.—If an eligible county
14 that will receive a county payment for fiscal year
15 2024 has already received a 50-percent payment for
16 fiscal year 2024—

17 “(A) if the amount of the county payment
18 exceeds the amount of the 50-percent payment,
19 the amount of the county payment shall be re-
20 duced by the amount of the 50-percent pay-
21 ment; or

22 “(B) if the amount of the county payment
23 is less than or equal to the amount of the 50-
24 percent payment, the eligible county—

1 “(i) may retain the amount of the 50-
2 percent payment; and

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

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

10 (B) DISTRIBUTION OF PAYMENTS TO ELI-
11 GIBLE COUNTIES.—Section 103(d)(2) of the Se-
12 cure Rural Schools and Community Self-Deter-
13 mination Act of 2000 (16 U.S.C. 7113(d)(2)) is
14 amended by striking “2023” and inserting
15 “2026”.

16 (2) PAYMENTS TO STATES AND COUNTIES.—
17 Section 102 of the Secure Rural Schools and Com-
18 munity Self-Determination Act of 2000 (16 U.S.C.
19 7112) is amended—

20 (A) in subsection (b)—

21 (i) in paragraph (1), by adding at the
22 end the following:

23 “(E) PAYMENTS FOR EACH OF FISCAL
24 YEARS 2024 AND 2025.—The election otherwise

1 required by subparagraph (A) shall not apply
2 for each of fiscal years 2024 and 2025.”; and

3 (ii) in paragraph (2), by adding at the
4 end the following:

5 “(C) FISCAL YEARS 2024 AND 2025.—The
6 election described in paragraph (1)(A) applica-
7 ble to a county in fiscal year 2023 shall be ef-
8 fective for each of fiscal years 2024 and
9 2025.”; and

10 (B) in subsection (d)—

11 (i) in paragraph (1), by adding at the
12 end the following:

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

20 (ii) in paragraph (3), by adding at the
21 end the following:

22 “(E) PAYMENTS FOR EACH OF FISCAL
23 YEARS 2024 AND 2025.—This paragraph does
24 not apply for each of fiscal years 2024 and
25 2025.”.

1 (3) EXTENSION OF AUTHORITY TO CONDUCT
2 SPECIAL PROJECTS ON FEDERAL LAND.—

3 (A) COMMITTEE ON COMPOSITION WAIVER
4 AUTHORITY.—Section 205(d)(6)(C) of the Se-
5 cure Rural Schools and Community Self-Deter-
6 mination Act of 2000 (16 U.S.C.
7 7125(d)(6)(C)) is amended by striking “2023”
8 and inserting “2026”.

9 (B) EXTENSION OF AUTHORITY.—Section
10 208 of the Secure Rural Schools and Commu-
11 nity Self-Determination Act of 2000 (16 U.S.C.
12 7128) is amended—

13 (i) in subsection (a), by striking
14 “2025” and inserting “2028”; and

15 (ii) in subsection (b), by striking
16 “2026” and inserting “2029”.

17 (4) EXTENSION OF AUTHORITY TO EXPEND
18 COUNTY FUNDS.—Section 305 of the Secure Rural
19 Schools and Community Self-Determination Act of
20 2000 (16 U.S.C. 7144) is amended—

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

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

1 (b) RESOURCE ADVISORY COMMITTEE PILOT PRO-
2 GRAM EXTENSION.—Section 205(g) of the Secure Rural
3 Schools and Community Self-Determination Act of 2000
4 (16 U.S.C. 7125(g)) is amended—

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

7 (2) by striking paragraph (6).

8 (c) TECHNICAL CORRECTIONS.—

9 (1) RESOURCE ADVISORY COMMITTEES.—Sec-
10 tion 205 of the Secure Rural Schools and Commu-
11 nity Self-Determination Act of 2000 (16 U.S.C.
12 7125) is amended—

13 (A) in subsection (c)—

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

16 (ii) in paragraph (3), by striking “the
17 date of the enactment of this Act” and in-
18 serting “October 3, 2008”; and

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

21 (2) USE OF PROJECT FUNDS.—Section
22 206(b)(2) of the Secure Rural Schools and Commu-
23 nity Self-Determination Act of 2000 (16 U.S.C.
24 7126(b)(2)) is amended by striking “concerned,”
25 and inserting “concerned”.

1 (d) RESCISSIONS.—

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

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

11 **SEC. 10106. ENERGY.**

12 (a) BIOBASED MARKETS PROGRAM.—Section
13 9002(k)(1) of the Farm Security and Rural Investment
14 Act of 2002 (7 U.S.C. 8102(k)(1)) is amended by striking
15 “2024” and inserting “2031”.

16 (b) BIOENERGY PROGRAM FOR ADVANCED
17 BIOFUELS.—Section 9005(g)(1)(F) of the Farm Security
18 and Rural Investment Act of 2002 (7 U.S.C.
19 8105(g)(1)(F)) is amended by striking “2024” and insert-
20 ing “2031”.

21 **SEC. 10107. HORTICULTURE.**

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

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

3 (2) by redesignating paragraph (6) as para-
4 graph (7);

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

7 “(6) \$75,000,000 for each of fiscal years 2018
8 through 2025; and”; and

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

12 (b) SPECIALTY CROP BLOCK GRANTS.—Section
13 101(l)(1) of the Specialty Crops Competitiveness Act of
14 2004 (7 U.S.C. 1621 note; Public Law 108–465) is
15 amended—

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

18 (2) by redesignating subparagraph (E) as sub-
19 paragraph (F);

20 (3) by inserting after subparagraph (D) the fol-
21 lowing:

22 “(E) \$85,000,000 for each of fiscal years
23 2018 through 2025; and”; and

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

4 (c) ORGANIC PRODUCTION AND MARKET DATA IN-
5 TIATIVE.—Section 7407(d)(1) of the Farm Security and
6 Rural Investment Act of 2002 (7 U.S.C. 5925c(d)(1)) is
7 amended—

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

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

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

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

15 (d) MODERNIZATION AND IMPROVEMENT OF INTER-
16 NATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA
17 COLLECTION FUNDING.—Section 2123(c)(4) of the Or-
18 ganic Foods Production Act of 1990 (7 U.S.C.
19 6522(c)(4)) is amended, in the matter preceding subpara-
20 graph (A), by striking “and \$1,000,000 for fiscal year
21 2024” and inserting “, \$1,000,000 for fiscal years 2024
22 and 2025, and \$5,000,000 for fiscal year 2026”.

23 (e) NATIONAL ORGANIC CERTIFICATION COST-SHARE
24 PROGRAM.—Section 10606(d)(1)(C) of the Farm Security
25 and Rural Investment Act of 2002 (7 U.S.C.

1 6523(d)(1)(C)) is amended by striking “for each of fiscal
2 years 2022 through 2024” and inserting “for each of fis-
3 cal years 2022 through 2031”.

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

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

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

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

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

17 **SEC. 10108. MISCELLANEOUS.**

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

22 “(1) MANDATORY FUNDING.—

23 “(A) FISCAL YEARS 2023 THROUGH
24 2025.—Of the funds of the Commodity Credit
25 Corporation, the Secretary shall make available

1 to carry out this section \$30,000,000 for each
2 of fiscal years 2023 through 2025, of which not
3 less than \$18,000,000 shall be made available
4 for each of those fiscal years to carry out sub-
5 section (b).

6 “(B) FISCAL YEARS 2026 THROUGH
7 2030.—Of the funds of the Commodity Credit
8 Corporation, the Secretary shall make available
9 to carry out this section \$233,000,000 for each
10 of fiscal years 2026 through 2030, of which—

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

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

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

20 “(C) SUBSEQUENT FISCAL YEARS.—Of the
21 funds of the Commodity Credit Corporation, the
22 Secretary shall make available to carry out this
23 section \$75,000,000 for fiscal year 2031 and
24 each fiscal year thereafter, of which not less
25 than \$45,000,000 shall be made available for

1 each of those fiscal years to carry out sub-
2 section (b).”.

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

6 (1) by striking “\$2,000,000 for fiscal year
7 2019, and”; and

8 (2) by inserting “and \$3,000,000 for fiscal year
9 2026” after “fiscal year 2024”.

10 (c) MISCELLANEOUS TRUST FUNDS.—

11 (1) PIMA AGRICULTURE COTTON TRUST
12 FUND.—Section 12314 of the Agricultural Act of
13 2014 (7 U.S.C. 2101 note; Public Law 113–79) is
14 amended—

15 (A) in subsection (b), in the matter pre-
16 ceding paragraph (1), by striking “2024” and
17 inserting “2031”; and

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

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

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

5 (4) EMERGENCY CITRUS DISEASE RESEARCH
6 AND DEVELOPMENT TRUST FUND.—Section
7 12605(d) of the Agriculture Improvement Act of
8 2018 (7 U.S.C. 7632 note; Public Law 115–334) is
9 amended by striking “2024” and inserting “2031”.

10 **TITLE II—COMMITTEE ON** 11 **ARMED SERVICES**

12 **SEC. 20001. ENHANCEMENT OF DEPARTMENT OF DEFENSE** 13 **RESOURCES FOR IMPROVING THE QUALITY** 14 **OF LIFE FOR MILITARY PERSONNEL.**

15 (a) APPROPRIATIONS.—In addition to amounts other-
16 wise available, there are appropriated to the Secretary of
17 Defense for fiscal year 2025, out of any money in the
18 Treasury not otherwise appropriated, to remain available
19 until September 30, 2029—

20 (1) \$230,480,000 for restoration and mod-
21 ernization costs under the Marine Corps Barracks
22 2030 initiative;

23 (2) \$119,000,000 for base operating support
24 costs under the Marine Corps Barracks 2030 initia-
25 tive;

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

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

6 (5) \$2,900,000,000 to supplement the basic al-
7 lowance for housing payable to members of the
8 Armed Forces, notwithstanding section 403 of title
9 37, United States Code;

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

13 (7) \$10,000,000 for the Defense Activity for
14 Non-Traditional Education Support's Online Aca-
15 demic Skills Course program for members of the
16 Armed Forces;

17 (8) \$100,000,000 for tuition assistance for
18 members of the Armed Forces pursuant to title 10,
19 United States Code;

20 (9) \$100,000,000 for child care fee assistance
21 for members of the Armed Forces under part II of
22 chapter 88 of title 10, United States Code;

23 (10) \$590,000,000 to increase the Temporary
24 Lodging Expense Allowance under chapter 8 of title
25 37, United States Code, to 21 days;

1 (11) \$100,000,000 for Department of Defense
2 Impact Aid payments to local educational agencies
3 under section 2008 of title 10, United States Code;

4 (12) \$10,000,000 for military spouse profes-
5 sional licensure under section 1784 of title 10,
6 United States Code;

7 (13) \$6,000,000 for Armed Forces Retirement
8 Home facilities; and

9 (14) \$100,000,000 for the Defense Community
10 Infrastructure Program.

11 (b) TEMPORARY INCREASE IN PERCENTAGE OF
12 VALUE OF AUTHORIZED INVESTMENT IN CERTAIN
13 PRIVATIZED MILITARY HOUSING PROJECTS.—

14 (1) IN GENERAL.—During the period beginning
15 on the date of the enactment of this section and
16 ending on September 30, 2029, the Secretary con-
17 cerned shall apply—

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

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

24 (2) SECRETARY CONCERNED DEFINED.—In this
25 subsection, the term “Secretary concerned” has the

1 meaning given such term in section 101 of title 10,
2 United States Code.

3 (c) TEMPORARY AUTHORITY FOR ACQUISITION OR
4 CONSTRUCTION OF PRIVATIZED MILITARY UNACCOM-
5 PANIED HOUSING.—Section 2881a of title 10, United
6 States Code, is amended—

7 (1) by striking the heading and inserting
8 **“Temporary authority for acquisition or**
9 **construction of privatized military unac-**
10 **companied housing”**;

11 (2) by striking “Secretary of the Navy” each
12 place it appears and inserting “Secretary con-
13 cerned”;

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

17 (4) in subsection (a)—

18 (A) by striking the heading and inserting
19 “IN GENERAL”; and

20 (B) by striking “carry out not more than
21 three pilot projects under the authority of this
22 section or another provision of this subchapter
23 to use the private sector” and inserting “use
24 the authority under this subchapter to enter

1 into contracts with appropriate private sector
2 entities”;

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

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

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

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

10 (B) by striking “September 30, 2009” and
11 inserting “September 30, 2029”.

12 **SEC. 20002. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
13 **RESOURCES FOR SHIPBUILDING.**

14 In addition to amounts otherwise available, there are
15 appropriated to the Secretary of Defense for fiscal year
16 2025, out of any money in the Treasury not otherwise ap-
17 propriated, to remain available until September 30,
18 2029—

19 (1) \$250,000,000 for the expansion of acceler-
20 ated Training in Defense Manufacturing program;

21 (2) \$250,000,000 for United States production
22 of turbine generators for shipbuilding industrial
23 base;

1 (3) \$450,000,000 for United States additive
2 manufacturing for wire production and machining
3 capacity for shipbuilding industrial base;

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

6 (5) \$85,000,000 for United States-made steel
7 plate for shipbuilding industrial base;

8 (6) \$50,000,000 for machining capacity for
9 naval propellers for shipbuilding industrial base;

10 (7) \$110,000,000 for rolled steel and fabrica-
11 tion facility for shipbuilding industrial base;

12 (8) \$400,000,000 for expansion of collaborative
13 campus for naval shipbuilding;

14 (9) \$450,000,000 for application of autonomy
15 and artificial intelligence to naval shipbuilding;

16 (10) \$500,000,000 for the adoption of advanced
17 manufacturing techniques in the maritime industrial
18 base;

19 (11) \$500,000,000 for additional dry-dock ca-
20 pability;

21 (12) \$50,000,000 for the expansion of cold
22 spray repair technologies;

23 (13) \$450,000,000 for additional maritime in-
24 dustrial workforce development programs;

1 (14) \$750,000,000 for additional supplier devel-
2 opment across the naval shipbuilding industrial base;

3 (15) \$250,000,000 for additional advanced
4 manufacturing processes across the naval ship-
5 building industrial base;

6 (16) \$4,600,000,000 for a second Virginia-class
7 submarine in fiscal year 2027;

8 (17) \$5,400,000,000 for two additional Guided
9 Missile Destroyer (DDG) ships;

10 (18) \$160,000,000 for advanced procurement
11 for Landing Ship Medium;

12 (19) \$1,803,941,000 for procurement of Land-
13 ing Ship Medium;

14 (20) \$295,000,000 for development of a second
15 Landing Craft Utility shipyard and production of
16 additional Landing Craft Utility;

17 (21) \$100,000,000 for the procurement of com-
18 mercial logistics ships;

19 (22) \$600,000,000 for the lease or purchase of
20 new ships through the National Defense Sealift
21 Fund;

22 (23) \$2,725,000,000 for the procurement of T-
23 AO oilers;

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

1 (25) \$300,000,000 for production of ship-to-
2 shore connectors;

3 (26) \$695,000,000 for the implementation of a
4 multi-ship amphibious warship contract;

5 (27) \$80,000,000 for accelerated development
6 of vertical launch system reloading at sea;

7 (28) \$250,000,000 for expansion of Navy corro-
8 sion control programs;

9 (29) \$159,000,000 for leasing of ships for Ma-
10 rine Corps operations;

11 (30) \$1,534,000,000 for expansion of small un-
12 manned surface vessel production;

13 (31) \$1,800,000,000 for expansion of medium
14 unmanned surface vessel production;

15 (32) \$1,300,000,000 for expansion of un-
16 manned underwater vehicle production;

17 (33) \$188,360,000 for the development and
18 testing of maritime robotic autonomous systems and
19 enabling technologies;

20 (34) \$174,000,000 for the development of a
21 Test Resource Management Center robotic autono-
22 mous systems proving ground;

23 (35) \$250,000,000 for the development, produc-
24 tion, and integration of wave-powered unmanned un-
25 derwater vehicles;

1 (36) \$2,100,000,000 for San Antonio-class Am-
2 phibious Transport Dock (LPD); and

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

5 **SEC. 20003. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
6 **RESOURCES FOR INTEGRATED AIR AND MIS-**
7 **SILE DEFENSE.**

8 (a) NEXT GENERATION MISSILE DEFENSE TECH-
9 NOLOGIES.—In addition to amounts otherwise available,
10 there are appropriated to the Secretary of Defense for fis-
11 cal year 2025, out of any money in the Treasury not other-
12 wise appropriated, to remain available until September 30,
13 2029—

14 (1) \$183,000,000 for Missile Defense Agency
15 special programs;

16 (2) \$250,000,000 for development and testing
17 of directed energy capabilities by the Under Sec-
18 retary for Research and Engineering;

19 (3) \$300,000,000 for classified military space
20 superiority programs run by the Strategic Capabili-
21 ties Office;

22 (4) \$500,000,000 for national security space
23 launch infrastructure;

24 (5) \$2,000,000,000 for air moving target indi-
25 cator military satellites;

1 (6) \$400,000,000 for expansion of Multi-Serv-
2 ice Advanced Capability Hypersonic Test Bed pro-
3 gram;

4 (7) \$5,600,000,000 for development of space-
5 based and boost phase intercept capabilities;

6 (8) \$2,400,000,000 for the development of mili-
7 tary non-kinetic missile defense effects; and

8 (9) \$7,200,000,000 for the development, pro-
9 curement, and integration of military space-based
10 sensors.

11 (b) LAYERED HOMELAND DEFENSE.—In addition to
12 amounts otherwise available, there are appropriated to the
13 Secretary of Defense for fiscal year 2025, out of any
14 money in the Treasury not otherwise appropriated, to re-
15 main available until September 30, 2029—

16 (1) \$2,200,000,000 for acceleration of
17 hypersonic defense systems;

18 (2) \$800,000,000 for accelerated development
19 and deployment of next-generation intercontinental
20 ballistic missile defense systems;

21 (3) \$408,000,000 for Army space and strategic
22 missile test range infrastructure restoration and
23 modernization in the United States Indo-Pacific
24 Command area of operations west of the inter-
25 national dateline;

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

3 (5) \$530,000,000 for the design and construc-
4 tion of Missile Defense Agency missile instrumenta-
5 tion range safety ship.

6 **SEC. 20004. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
7 **RESOURCES FOR MUNITIONS AND DEFENSE**
8 **SUPPLY CHAIN RESILIENCY.**

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

14 (1) \$400,000,000 for the development, produc-
15 tion, and integration of Navy and Air Force long-
16 range anti-ship missiles;

17 (2) \$380,000,000 for production capacity ex-
18 pansion for Navy and Air Force long-range anti-ship
19 missiles;

20 (3) \$490,000,000 for the development, produc-
21 tion, and integration of Navy and Air Force long-
22 range air-to-surface missiles;

23 (4) \$94,000,000 for the development, produc-
24 tion, and integration of alternative Navy and Air
25 Force long-range air-to-surface missiles;

1 (5) \$630,000,000 for the development, produc-
2 tion, and integration of long-range Navy air defense
3 and anti-ship missiles;

4 (6) \$688,000,000 for the development, produc-
5 tion, and integration of long-range multi-service
6 cruise missiles;

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

10 (8) \$70,000,000 for the development, produc-
11 tion, and integration of short-range Navy and Ma-
12 rine Corps anti-ship missiles;

13 (9) \$100,000,000 for the development of an
14 anti-ship seeker for short-range Army ballistic mis-
15 siles;

16 (10) \$175,000,000 for production capacity ex-
17 pansion for next-generation Army medium-range
18 ballistic missiles;

19 (11) \$50,000,000 for the mitigation of dimin-
20 ishing manufacturing sources for medium-range air-
21 to-air missiles;

22 (12) \$250,000,000 for the procurement of me-
23 dium-range air-to-air missiles;

24 (13) \$225,000,000 for the expansion of produc-
25 tion capacity for medium-range air-to-air missiles;

1 (14) \$50,000,000 for the development of second
2 sources for components of short-range air-to-air mis-
3 siles;

4 (15) \$325,000,000 for production capacity im-
5 provements for air-launched anti-radiation missiles;

6 (16) \$50,000,000 for the accelerated develop-
7 ment of Army next-generation medium-range anti-
8 ship ballistic missiles;

9 (17) \$114,000,000 for the production of Army
10 next-generation medium-range ballistic missiles;

11 (18) \$300,000,000 for the production of Army
12 medium-range ballistic missiles;

13 (19) \$85,000,000 for the accelerated develop-
14 ment of Army long-range ballistic missiles;

15 (20) \$400,000,000 for the production of heavy-
16 weight torpedoes;

17 (21) \$200,000,000 for the development, pro-
18 curement, and integration of commercial heavy-
19 weight torpedoes;

20 (22) \$70,000,000 for the improvement of
21 heavyweight torpedo maintenance activities;

22 (23) \$200,000,000 for the production of light-
23 weight torpedoes;

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

1 (25) \$50,000,000 for the development, procure-
2 ment, and integration of new underwater explosives;

3 (26) \$55,000,000 for the development, procure-
4 ment, and integration of lightweight multi-mission
5 torpedoes;

6 (27) \$80,000,000 for the production of
7 sonobuoys;

8 (28) \$150,000,000 for the development, pro-
9 curement, and integration of air-delivered long-range
10 maritime mines;

11 (29) \$61,000,000 for the acceleration of Navy
12 expeditionary loitering munitions deployment;

13 (30) \$50,000,000 for the acceleration of one-
14 way attack unmanned aerial systems with advanced
15 autonomy;

16 (31) \$1,000,000,000 for the expansion of the
17 one-way attack unmanned aerial systems industrial
18 base;

19 (32) \$3,500,000,000 for grants made pursuant
20 to the Industrial Base Fund established under sec-
21 tion 4817 of title 10, United States Code;

22 (33) \$1,000,000,000 for grants and purchase
23 commitments made pursuant to the Industrial Base
24 Fund established under section 4817 of title 10,
25 United States Code;

1 (34) \$200,000,000 for investments in solid
2 rocket motor industrial base through the Industrial
3 Base Fund established under section 4817 of title
4 10, United States Code;

5 (35) \$400,000,000 for investments in the
6 emerging solid rocket motor industrial base through
7 the Industrial Base Fund established under section
8 4817 of title 10, United States Code;

9 (36) \$42,000,000 for investments in second
10 sources for large-diameter solid rocket motors for
11 hypersonic missiles;

12 (37) \$1,000,000,000 for the creation of next-
13 generation automated munitions production fac-
14 tories;

15 (38) \$170,000,000 for the development of ad-
16 vanced radar depot for repair, testing, and produc-
17 tion of radar and electronic warfare systems;

18 (39) \$25,000,000 for the expansion of the De-
19 partment of Defense industrial base policy analysis
20 workforce;

21 (40) \$30,300,000 for the repair of Army mis-
22 siles;

23 (41) \$100,000,000 for the production of small
24 and medium ammunition;

1 (42) \$2,500,000,000 for additional activities to
2 improve the United States production of critical
3 minerals through the National Defense Stockpile,
4 authorized by subchapter III of chapter 5 of title 50,
5 United States Code;

6 (43) \$10,000,000 for the expansion of the De-
7 partment of Defense armaments cooperation work-
8 force;

9 (44) \$250,000,000 for the expansion of the De-
10 fense Exportability Features program;

11 (45) \$250,000,000 for the development of new
12 armaments cooperation programs;

13 (46) \$350,000,000 for production of Navy long-
14 range air and missile defense interceptors;

15 (47) \$93,000,000 for replacement of Navy long-
16 range air and missile defense interceptors;

17 (48) \$100,000,000 for development of a second
18 solid rocket motor source for Navy air defense and
19 anti ship missiles;

20 (49) \$65,000,000 for expansion of production
21 capacity of Missile Defense Agency long-range anti-
22 ballistic missiles;

23 (50) \$225,000,000 for expansion of production
24 capacity for Navy air defense and anti-ship missiles;

1 (51) \$103,300,000 for expansion of depot level
2 maintenance facility for Navy long-range air and
3 missile defense interceptors;

4 (52) \$18,000,000 for creation of domestic
5 source for guidance section of Navy short-range air
6 defense missiles;

7 (53) \$65,000,000 for integration of Army me-
8 dium-range air and missile defense interceptor with
9 Navy ships;

10 (54) \$176,100,000 for production of Army
11 long-range movable missile defense radar;

12 (55) \$100,000,000 for accelerated fielding of
13 Army short-range gun-based air and missile defense
14 system;

15 (56) \$40,000,000 for development of low-cost
16 alternatives to air and missile defense interceptors;

17 (57) \$50,000,000 for acceleration of Army
18 next-generation shoulder-fired air defense system;

19 (58) \$91,000,000 for production of Army next-
20 generation shoulder-fired air defense system;

21 (59) \$500,000,000 for development, production,
22 and integration of counter-unmanned aerial systems
23 programs;

1 (60) \$350,000,000 for development, production,
2 and integration of non-kinetic counter-unmanned
3 aerial systems programs;

4 (61) \$250,000,000 for development, production,
5 and integration of land-based counter-unmanned
6 aerial systems programs;

7 (62) \$200,000,000 for development, production,
8 and integration of ship-based counter-unmanned aer-
9 ial systems programs; and

10 (63) \$400,000,000 for acceleration of
11 hypersonic strike programs.

12 (b) APPROPRIATIONS.—In addition to amounts other-
13 wise available, there is appropriated to the Secretary of
14 Defense, out of any money in the Treasury not otherwise
15 appropriated, to remain available until September 30,
16 2029, \$500,000,000 to the “Department of Defense Cred-
17 it Program Account” to carry out the capital assistance
18 program, including loans, loan guarantees, and technical
19 assistance, established under section 149(e) of title 10,
20 United States Code, for the development of reliable
21 sources of critical minerals: *Provided, That*—

22 (1) such amounts are available to subsidize
23 gross obligations for the principal amount of direct
24 loans, and total loan principal, any part of which is

1 to be guaranteed, not to exceed \$100,000,000,000;

2 and

3 (2) such amounts are available to cover all costs

4 and expenditures as provided under section

5 149(e)(5)(B) of title 10, United States Code.

6 **SEC. 20005. ENHANCEMENT OF DEPARTMENT OF DEFENSE**

7 **RESOURCES FOR SCALING LOW-COST WEAP-**

8 **ONS INTO PRODUCTION.**

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

14 (1) \$25,000,000 for the Office of Strategic
15 Capital Global Technology Scout program;

16 (2) \$1,100,000,000 for the expansion of the
17 small unmanned aerial system industrial base;

18 (3) \$400,000,000 for the development and de-
19 ployment of the Joint Fires Network and associated
20 joint battle management capabilities;

21 (4) \$400,000,000 for the expansion of advanced
22 command-and-control tools to combatant commands
23 and military departments;

24 (5) \$100,000,000 for the development of shared
25 secure facilities for the defense industrial base;

1 (6) \$50,000,000 for the creation of additional
2 Defense Innovation Unit OnRamp Hubs;

3 (7) \$250,000,000 for the acceleration of Stra-
4 tegic Capabilities Office programs;

5 (8) \$650,000,000 for the expansion of Mission
6 Capabilities office joint prototyping and experimen-
7 tation activities for military innovation;

8 (9) \$500,000,000 for the accelerated develop-
9 ment and integration of advanced 5G/6G tech-
10 nologies for military use;

11 (10) \$25,000,000 for testing of simultaneous
12 transmit and receive technology for military spec-
13 trum agility;

14 (11) \$50,000,000 for the development, procure-
15 ment, and integration of high-altitude stratospheric
16 balloons for military use;

17 (12) \$120,000,000 for the development, pro-
18 curement, and integration of long-endurance un-
19 manned aerial systems for surveillance;

20 (13) \$40,000,000 for the development, procure-
21 ment, and integration of alternative positioning and
22 navigation technology to enable military operations
23 in contested electromagnetic environments;

1 (14) \$750,000,000 for the acceleration of inno-
2 vative military logistics and energy capability devel-
3 opment and deployment;

4 (15) \$120,000,000 for the acceleration of devel-
5 opment of small modular nuclear reactors for mili-
6 tary use;

7 (16) \$1,000,000,000 for the expansion of pro-
8 grams to accelerate the procurement and fielding of
9 innovative technologies;

10 (17) \$90,000,000 for the development of reus-
11 able hypersonic technology for military strikes and
12 intelligence;

13 (18) \$2,000,000,000 for the expansion of De-
14 fense Innovation Unit scaling of commercial tech-
15 nology for military use;

16 (19) \$500,000,000 to prevent delays in delivery
17 of attritable autonomous military capabilities;

18 (20) \$1,000,000,000 for the development, pro-
19 curement, and integration of low-cost cruise missiles;

20 (21) \$500,000,000 for the development, pro-
21 curement, and integration of exportable low-cost
22 cruise missiles;

23 (22) \$124,000,000 for improvements to Test
24 Resource Management Center artificial intelligence
25 capabilities;

1 (23) \$145,000,000 for the development of arti-
2 ficial intelligence to enable one-way attack un-
3 manned aerial systems and naval systems;

4 (24) \$250,000,000 for the development of the
5 Test Resource Management Center digital test envi-
6 ronment;

7 (25) \$250,000,000 for the advancement of the
8 artificial intelligence ecosystem;

9 (26) \$250,000,000 for the expansion of Cyber
10 Command artificial intelligence lines of effort;

11 (27) \$250,000,000 for the acceleration of the
12 Quantum Benchmarking Initiative;

13 (28) \$500,000,000 for the expansion and accel-
14 eration of qualification activities and technical data
15 management to enhance competition in defense in-
16 dustrial base;

17 (29) \$400,000,000 for the expansion of the de-
18 fense manufacturing technology program; and

19 (30) \$685,000,000 for military cryptographic
20 modernization activities.

21 (b) APPROPRIATIONS.—In addition to amounts other-
22 wise available, there are appropriated to the Secretary of
23 Defense, out of any money in the Treasury not otherwise
24 appropriated, to remain available until September 30,
25 2029, \$1,000,000,000 to the “Department of Defense

1 Credit Program Account” to carry out the capital assist-
2 ance program, including loans, loan guarantees, and tech-
3 nical assistance, established under section 149(e) of title
4 10, United States Code: *Provided*, That—

5 (1) such amounts are available to subsidize
6 gross obligations for the principal amount of direct
7 loans, and total loan principal, any part of which is
8 to be guaranteed, not to exceed \$100,000,000,000;
9 and

10 (2) such amounts are available to cover all costs
11 and expenditures as provided under section
12 149(e)(5)(B) of title 10, United States Code.

13 **SEC. 20006. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
14 **RESOURCES FOR IMPROVING THE EFFI-**
15 **CIENCY AND CYBERSECURITY OF THE DE-**
16 **PARTMENT OF DEFENSE.**

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,
21 2029—

22 (1) \$150,000,000 for business systems replace-
23 ment to accelerate the audits of the financial state-
24 ments of the Department of Defense pursuant to

1 chapter 9A and section 2222 of title 10, United
2 States Code;

3 (2) \$200,000,000 for the deployment of auto-
4 mation and artificial intelligence to accelerate the
5 audits of the financial statements of the Department
6 of Defense pursuant to chapter 9A and section 2222
7 of title 10, United States Code;

8 (3) \$10,000,000 for the improvement of the
9 budgetary and programmatic infrastructure of the
10 Office of the Secretary of Defense; and

11 (4) \$20,000,000 for defense cybersecurity pro-
12 grams of the Defense Advanced Research Projects
13 Agency.

14 **SEC. 20007. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
15 **RESOURCES FOR AIR SUPERIORITY.**

16 In addition to amounts otherwise available, there are
17 appropriated to the Secretary of Defense for fiscal year
18 2025, out of any money in the Treasury not otherwise ap-
19 propriated, to remain available until September 30,
20 2029—

21 (1) \$3,150,000,000 to increase F-15EX air-
22 craft production;

23 (2) \$361,220,000 to prevent the retirement of
24 F-22 aircraft;

- 1 (3) \$127,460,000 to prevent the retirement of
- 2 F-15E aircraft;
- 3 (4) \$50,000,000 to accelerate installation of F-
- 4 16 electronic warfare capability;
- 5 (5) \$116,000,000 for C-17A Mobility Aircraft
- 6 Connectivity;
- 7 (6) \$84,000,000 for KC-135 Mobility Aircraft
- 8 Connectivity;
- 9 (7) \$440,000,000 to increase C-130J produc-
- 10 tion;
- 11 (8) \$474,000,000 to increase EA-37B produc-
- 12 tion;
- 13 (9) \$300,000,000 for Air Force classified pro-
- 14 grams;
- 15 (10) \$678,000,000 to accelerate the Collabo-
- 16 rative Combat Aircraft program;
- 17 (11) \$400,000,000 to accelerate production of
- 18 the F-47 aircraft;
- 19 (12) \$230,000,000 for Navy classified pro-
- 20 grams;
- 21 (13) \$500,000,000 accelerate the FA/XX air-
- 22 craft;
- 23 (14) \$100,000,000 for production of Advanced
- 24 Aerial Sensors;

1 (15) \$160,000,000 to accelerate V-22 nacelle
2 improvement; and

3 (16) \$100,000,000 to accelerate production of
4 MQ-25 aircraft.

5 **SEC. 20008. ENHANCEMENT OF RESOURCES FOR NUCLEAR**
6 **FORCES.**

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

12 (1) \$1,500,000,000 for risk reduction activities
13 for the Sentinel intercontinental ballistic missile pro-
14 gram;

15 (2) \$4,500,000,000 for acceleration of the B-
16 21 long-range bomber aircraft;

17 (3) \$500,000,000 for improvements to the Min-
18 uteman III intercontinental ballistic missile system;

19 (4) \$100,000,000 for capability enhancements
20 to intercontinental ballistic missile reentry vehicles;

21 (5) \$148,000,000 for the expansion of D5 mis-
22 sile motor production;

23 (6) \$400,000,000 to accelerate the development
24 of Trident D5LE2 submarine-launched ballistic mis-
25 siles;

1 (7) \$2,000,000,000 to accelerate the develop-
2 ment, procurement, and integration of the nuclear-
3 armed sea-launched cruise missile;

4 (8) \$62,000,000 to convert Ohio-class sub-
5 marine tubes to accept additional missiles;

6 (9) \$22,000,000 to enhance nuclear deterrence
7 through classified programs;

8 (10) \$168,000,000 to accelerate the production
9 of the Survivable Airborne Operations Center pro-
10 gram;

11 (11) \$65,000,000 to accelerate the moderniza-
12 tion of nuclear command, control, and communica-
13 tions; and

14 (12) \$210,300,000 for the increased production
15 of MH-139 helicopters.

16 (b) NNSA APPROPRIATIONS.—In addition to
17 amounts otherwise available, there are appropriated to the
18 Administrator of the National Nuclear Security Adminis-
19 tration for fiscal year 2025, out of any money in the
20 Treasury not otherwise appropriated, to remain available
21 until September 30, 2029—

22 (1) \$200,000,000 to perform National Nuclear
23 Security Administration Phase 1 studies pursuant to
24 section 3211 of the National Nuclear Security Ad-
25 ministration Act (50 U.S.C. 2401);

1 (2) \$540,000,000 to address deferred mainte-
2 nance and repair needs of the National Nuclear Se-
3 curity Administration pursuant to section 3211 of
4 the National Nuclear Security Administration Act
5 (50 U.S.C. 2401);

6 (3) \$1,000,000,000 to accelerate the construc-
7 tion of National Nuclear Security Administration fa-
8 cilities pursuant to section 3211 of the National Nu-
9 clear Security Administration Act (50 U.S.C. 2401);

10 (4) \$400,000,000 to accelerate the develop-
11 ment, procurement, and integration of the warhead
12 for the nuclear-armed sea-launched cruise missile
13 pursuant to section 3211 of the National Nuclear
14 Security Administration Act (50 U.S.C. 2401);

15 (5) \$500,000,000 to accelerate primary capa-
16 bility modernization pursuant to section 3211 of the
17 National Nuclear Security Administration Act (50
18 U.S.C. 2401);

19 (6) \$500,000,000 to accelerate secondary capa-
20 bility modernization pursuant to section 3211 of the
21 National Nuclear Security Administration Act (50
22 U.S.C. 2401); and

23 (7) \$100,000,000 to accelerate domestic ura-
24 nium enrichment centrifuge deployment for defense
25 purposes pursuant to section 3211 of the National

1 Nuclear Security Administration Act (50 U.S.C.
2 2401).

3 **SEC. 20009. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
4 **RESOURCES TO IMPROVE CAPABILITIES OF**
5 **UNITED STATES INDO-PACIFIC COMMAND.**

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

11 (1) \$365,000,000 for Army exercises and oper-
12 ations in the Western Pacific area of operations;

13 (2) \$53,000,000 for Special Operations Com-
14 mand exercises and operations in the Western Pa-
15 cific area of operations;

16 (3) \$47,000,000 for Marine Corps exercises and
17 operations in Western Pacific area of operations;

18 (4) \$90,000,000 for Air Force exercises and op-
19 erations in Western Pacific area of operations;

20 (5) \$532,600,000 for the Pacific Air Force bi-
21 ennial large-scale exercise;

22 (6) \$19,000,000 for the development of naval
23 small craft capabilities;

24 (7) \$35,000,000 for military additive manufac-
25 turing capabilities in the United States Indo-Pacific

1 Command area of operations west of the inter-
2 national dateline;

3 (8) \$450,000,000 for the development of air-
4 fields within the area of operations of United States
5 Indo-Pacific Command;

6 (9) \$1,100,000,000 for development of infra-
7 structure within the area of operations of United
8 States Indo-Pacific Command;

9 (10) \$124,000,000 for mission networks for
10 United States Indo-Pacific Command;

11 (11) \$100,000,000 for Air Force regionally
12 based cluster pre-position base kits;

13 (12) \$25,000,000 to explore the revitalization
14 of existing Arctic naval infrastructure;

15 (13) \$90,000,000 for the accelerated develop-
16 ment of non-kinetic capabilities;

17 (14) \$20,000,000 for military exercises with
18 Taiwan;

19 (15) \$23,000,000 for anti-submarine sonar ar-
20 rays;

21 (16) \$30,000,000 for intelligence, surveillance,
22 and reconnaissance capabilities for United States Af-
23 rica Command;

1 (17) \$30,000,000 for intelligence, surveillance,
2 and reconnaissance capabilities for United States
3 Indo-Pacific Command;

4 (18) \$400,000,000 for the development, coordi-
5 nation, and deployment of economic competition ef-
6 fects within the Department of Defense;

7 (19) \$10,000,000 for the expansion of Depart-
8 ment of Defense workforce for economic competition;

9 (20) \$1,000,000,000 for offensive cyber oper-
10 ations;

11 (21) \$500,000,000 for the Joint Training
12 Team;

13 (22) \$300,000,000 for the procurement of mesh
14 network communications capabilities for Special Op-
15 erations Command Pacific;

16 (23) \$850,000,000 for activities to protect
17 United States interests and deter Chinese Com-
18 munist Party aggression through provision of mili-
19 tary support and assistance to the military, central
20 government security forces, and central government
21 security agencies of Taiwan;

22 (24) \$200,000,000 for acceleration of Guam
23 Defense System program;

24 (25) \$4,029,000,000 for classified military
25 space superiority programs;

1 (26) \$68,000,000 for Space Force facilities im-
2 provements;

3 (27) \$100,000,000 for ground moving target
4 indicator military satellites; and

5 (28) \$528,000,000 for DARC and
6 SILENTBARKER military space situational aware-
7 ness programs.

8 **SEC. 20010. ENHANCEMENT OF DEPARTMENT OF DEFENSE**
9 **RESOURCES FOR IMPROVING THE READI-**
10 **NESS OF THE ARMED FORCES.**

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) \$1,400,000,000 for a pilot program on
17 OPN-8 maritime spares and repair rotatable pool;

18 (2) \$700,000,000 for a pilot program on OPN-
19 8 maritime spares and repair rotatable pool for am-
20 phibious ships;

21 (3) \$2,118,000,000 for readiness packages to
22 keep Air Force aircraft mission capable;

23 (4) \$1,500,000,000 for Army depot moderniza-
24 tion and capacity enhancement;

1 (5) \$2,000,000,000 for Navy depot and ship-
2 yard modernization and capacity enhancement;

3 (6) \$250,000,000 for Air Force depot mod-
4 ernization and capacity enhancement;

5 (7) \$1,391,000,000 for the enhancement of
6 Special Operations Command equipment and readi-
7 ness;

8 (8) \$500,000,000 for National Guard unit
9 readiness;

10 (9) \$400,000,000 for Marine Corps readiness
11 and capabilities;

12 (10) \$20,000,000 for upgrades to Marine Corps
13 utility helicopters;

14 (11) \$310,000,000 for next-generation vertical
15 lift, assault, and intra-theater aeromedical evacu-
16 ation aircraft;

17 (12) \$75,000,000 for the procurement of anti-
18 lock braking systems for Army wheeled transport ve-
19 hicles;

20 (13) \$230,000,000 for the procurement of
21 Army wheeled combat vehicles;

22 (14) \$63,000,000 for the development of ad-
23 vanced rotary-wing engines;

1 (15) \$241,000,000 for the development, pro-
2 curement, and integration of Marine Corps amphib-
3 ious vehicles;

4 (16) \$250,000,000 for the procurement of
5 Army tracked combat transport vehicles; and

6 (17) \$98,000,000 for the enhancement of Army
7 light rotary-wing capabilities.

8 **SEC. 20011. IMPROVING DEPARTMENT OF DEFENSE BOR-**
9 **DER SUPPORT AND COUNTER-DRUG MIS-**
10 **SIONS.**

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, 2029,
15 \$5,000,000,000 for activities in support of border oper-
16 ations, including deployment of military personnel, oper-
17 ations and maintenance, counter-narcotics and counter-
18 transnational criminal organization mission support, the
19 operation of and construction in national defense areas,
20 the temporary detention of migrants on Department of
21 Defense installations, and the repatriation of persons in
22 support of law enforcement activities, pursuant to sections
23 272, 277, 284, and 2672 of title 10, United States Code.

1 **SEC. 20012. ENHANCEMENT OF MILITARY INTELLIGENCE**
2 **PROGRAMS.**

3 In addition to amounts otherwise available, there are
4 appropriated to the Secretary of Defense for fiscal year
5 2025, out of any money in the Treasury not otherwise ap-
6 propriated, to remain available until September 30, 2029,
7 \$2,000,000,000 for the enhancement of military intel-
8 ligence programs.

9 **SEC. 20013. DEPARTMENT OF DEFENSE OVERSIGHT.**

10 (a) OFFICE OF THE SECRETARY OF DEFENSE.—In
11 addition to amounts otherwise available, there is appro-
12 priated to the Inspector General of the Department of De-
13 fense for fiscal year 2025, out of any money in the Treas-
14 ury not otherwise appropriated, \$10,000,000, to remain
15 available through September 30, 2029, to carry out this
16 section.

17 (b) OVERSIGHT OF PROGRAMS.—The Inspector Gen-
18 eral shall monitor Department of Defense activities for
19 which funding is appropriated in this title, including—

20 (1) programs with mutual technological depend-
21 encies;

22 (2) programs with related data management
23 and data ownership considerations;

24 (3) programs particularly vulnerable to supply
25 chain disruptions and long lead time components;
26 and

1 (4) programs involving classified matters.

2 (c) CLASSIFIED MATTERS.—Not later than 30 days
3 after the date of the enactment of this title, the Chairs
4 of the Committees on Armed Services of the Senate and
5 House of Representatives shall jointly transmit to the De-
6 partment of Defense a classified memorandum regarding
7 amounts made available in this title related to classified
8 matters.

9 **SEC. 20014. MILITARY CONSTRUCTION PROJECTS AUTHOR-**
10 **IZED.**

11 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
12 are hereby authorized to be appropriated for military con-
13 struction, land acquisition, and military family housing
14 functions of each military department (as defined in sec-
15 tion 101(a) of title 10, United States Code) as specified
16 in this title.

17 (b) SPENDING PLAN.—Not later than 30 days after
18 the date of the enactment of this title, the Secretary of
19 each military department shall submit to the congressional
20 defense committees (as defined in section 101(a) of title
21 10, United States Code) a detailed spending plan by
22 project for all funds made available by this title to be ex-
23 pended on military construction projects.

1 **SEC. 20015. PLAN REQUIRED.**

2 (a) IN GENERAL.—Not later than 45 days after the
3 date of the enactment of this title, the Secretary of De-
4 fense shall submit to the Committees on Armed Services
5 of the Senate and the House of Representatives a spend-
6 ing, expenditure, or operating plan for amounts made
7 available pursuant to this title. Such plan shall include the
8 same level of detail as required for the report submitted
9 under section 8007 of division A of the Further Consoli-
10 dated Appropriations Act, 2024 (Public Law 118–47; 138
11 Stat. 482).

12 (b) EXPENDITURE REPORT.—Not later than one
13 year after the date of enactment of this title, and annually
14 thereafter, the Secretary shall submit to the Committees
15 on Armed Services of the Senate and the House of Rep-
16 resentative a report that includes a description of any ex-
17 penditures made pursuant to the plan required under sub-
18 section (a).

19 **SEC. 20016. LIMITATION ON AVAILABILITY OF FUNDS.**

20 The funds made available under this title may not
21 be used to enter into any agreement under which any pay-
22 ment of such funds could be outlaid or disbursed after
23 September 30, 2034.

1 **TITLE III—COMMITTEE ON**
2 **EDUCATION AND WORKFORCE**
3 **Subtitle A—Student Eligibility**

4 **SEC. 30001. STUDENT ELIGIBILITY.**

5 (a) IN GENERAL.—Section 484(a)(5) of the Higher
6 Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended
7 to read as follows:

8 “(5) be—

9 “(A) a citizen or national of the United
10 States;

11 “(B) an alien who is lawfully admitted for
12 permanent residence under the Immigration
13 and Nationality Act (8 U.S.C. 1101 et seq.);

14 “(C) an alien who—

15 “(i) is a citizen or national of the Re-
16 public of Cuba;

17 “(ii) is the beneficiary of an approved
18 petition under section 203(a) of the Immi-
19 gration and Nationality Act (8 U.S.C.
20 1153(a));

21 “(iii) meets all eligibility requirements
22 for an immigrant visa but for whom such
23 a visa is not immediately available;

1 “(iv) is not otherwise inadmissible
2 under section 212(a) of such Act (8 U.S.C.
3 8 U.S.C. 1182(a)); and

4 “(v) is physically present in the
5 United States pursuant to a grant of pa-
6 role in furtherance of the commitment of
7 the United States to the minimum level of
8 annual legal migration of Cuban nationals
9 to the United States specified in the U.S.-
10 Cuba Joint Communiqué on Migration,
11 done at New York September 9, 1994, and
12 reaffirmed in the Cuba-United States:
13 Joint Statement on Normalization of Mi-
14 gration, Building on the Agreement of
15 September 9, 1994, done at New York
16 May 2, 1995;

17 “(D) an alien described in section 401(a)
18 of the Additional Ukraine Supplemental Appro-
19 priations Act, 2022 (Public Law 117-128; 8
20 U.S.C. 1101 note);

21 “(E) an alien described in section 2502(a)
22 of the Afghanistan Supplemental Appropria-
23 tions Act, 2022 (division C of Public Law 117-
24 43; 8 U.S.C. 1101 note); or

1 “(F) an individual who lawfully resides in
2 the United States in accordance with a Com-
3 pact of Free Association referred to in section
4 402(b)(2)(G) of the Personal Responsibility and
5 Work Opportunity Reconciliation Act of 1996
6 (8 U.S.C. 1612(b)(2)(G)); and”.

7 (b) EFFECTIVE DATE AND APPLICATION.—The
8 amendment made by subsection (a) shall take effect on
9 July 1, 2025, and shall apply with respect to award year
10 2025–2026 and each subsequent award year, as deter-
11 mined under the Higher Education Act of 1965.

12 **SEC. 30002. AMOUNT OF NEED; COST OF ATTENDANCE; ME-**
13 **DIAN COST OF COLLEGE.**

14 (a) AMOUNT OF NEED.—Section 471 of the Higher
15 Education Act of 1965 (20 U.S.C. 1087kk) is amended
16 by amending paragraph (1) to read as follows:

17 “(1)(A) for award year 2025–2026, the cost of
18 attendance of such student; or

19 “(B) for award year 2026–2027, and each sub-
20 sequent award year, the median cost of college of the
21 program of study of such student, minus”.

22 (b) COST OF ATTENDANCE OF A PROGRAM OF
23 STUDY.—

24 (1) DETERMINATION OF COST OF ATTENDANCE
25 OF A PROGRAM OF STUDY.—

1 (A) IN GENERAL.—Section 472(a) of the
2 Higher Education Act of 1965 (20 U.S.C.
3 1087ll(a)) is amended—

4 (i) in paragraph (1), by striking “car-
5 rying the same academic workload” and in-
6 serting “enrolled in the same program of
7 study”;

8 (ii) in paragraph (2), by striking
9 “same course of study” and inserting
10 “same program of study”; and

11 (iii) in paragraph (14), by striking
12 “program” and inserting “program of
13 study”.

14 (B) EFFECTIVE DATE.—The amendments
15 made by subparagraph (A) shall take effect on
16 July 1, 2026, and shall apply with respect to
17 award year 2026–2027 and each subsequent
18 award year, as determined under the Higher
19 Education Act of 1965.

20 (2) DISCLOSURE.—Section 472(c) of the High-
21 er Education Act of 1965 (20 U.S.C. 1087ll(c)) is
22 amended—

23 (A) by inserting “of each program of study
24 at the institution” after “cost of attendance”;
25 and

1 (B) by striking “of the institution” and in-
2 serting “of such programs of study at the insti-
3 tution”.

4 (c) DETERMINATION OF MEDIAN COST OF COL-
5 LEGE.—Part F of title IV of the Higher Education Act
6 of 1965 (20 U.S.C. 1087kk) is amended by inserting after
7 section 472 (as so amended), the following:

8 **“SEC. 472A. DETERMINATION OF MEDIAN COST OF COL-**
9 **LEGE.**

10 “(a) IN GENERAL.—For the purpose of this title, the
11 term ‘median cost of college’, when used with respect to
12 a program of study, offered by one or more institutions
13 of higher education for an award year, means the median
14 of the cost of attendance of the program of study (as de-
15 termined under section 472) across all institutions of high-
16 er education offering such a program of study for the pre-
17 ceding award year.

18 “(b) PROGRAM OF STUDY DEFINED.—In this section
19 and section 472, and part D:

20 “(1) IN GENERAL.—The term ‘program of
21 study’—

22 “(A) means an eligible program at an in-
23 stitution of higher education that is classified
24 by a combination of—

25 “(i) one or more CIP codes; and

1 “(ii) one credential level, determined
2 by the credential awarded upon completion
3 of the program; and

4 “(B) does not include a program of study
5 abroad.

6 “(2) CIP CODE.—The term ‘CIP code’ means
7 the six-digit taxonomic identification code assigned
8 by an institution of higher education to a specific
9 program of study at the institution, determined by
10 the institution of higher education in accordance
11 with the Classification of Instructional Programs
12 published by the National Center for Education Sta-
13 tistics.

14 “(3) CREDENTIAL LEVEL.—

15 “(A) IN GENERAL.—The term ‘credential
16 level’ means the level of the degree or other cre-
17 dential awarded by an institution of higher edu-
18 cation to students who complete a program of
19 study of the institution. Each degree or other
20 credential awarded by an institution shall be
21 categorized by the institution as either under-
22 graduate credential level or graduate credential
23 level.

24 “(B) UNDERGRADUATE CREDENTIAL.—

25 When used with respect to a credential or cre-

1 dential level, the term ‘undergraduate creden-
2 tial’ includes credentials such as an under-
3 graduate certificate, an associate degree, a
4 bachelor’s degree, and a post-baccalaureate cer-
5 tificate (including the coursework specified in
6 paragraphs (3)(B) and (4)(B) of section
7 484(b)).

8 “(C) GRADUATE CREDENTIAL.—When
9 used with respect to a credential or credential
10 level, the term ‘graduate credential’ includes
11 credentials such as a master’s degree, a doc-
12 toral degree, a professional degree, and a post-
13 graduate certificate.”.

14 (d) EXEMPTION OF CERTAIN ASSETS.—

15 (1) IN GENERAL.—Section 480(f)(2) of the
16 Higher Education Act of 1965 (20 U.S.C.
17 1087vv(f)(2)) is amended—

18 (A) by striking “net value of the” and in-
19 serting the following: “net value of—

20 “(A) the”;

21 (B) by striking the period at the end and
22 inserting a semicolon; and

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

24 “(B) a family farm on which the family re-
25 sides; or

1 “(C) a small business with not more than
2 100 full-time or full-time equivalent employees
3 (or any part of such a small business) that is
4 owned and controlled by the family.”.

5 (2) EFFECTIVE DATE.—The amendments made
6 by paragraph (1) shall take effect on July 1, 2026,
7 and shall apply with respect to award year 2026–
8 2027 and each subsequent award year, as deter-
9 mined under the Higher Education Act of 1965.

10 **Subtitle B—Loan Limits**

11 **SEC. 30011. LOAN LIMITS.**

12 (a) TERMINATIONS OF AND RESTRICTIONS ON LOAN
13 AUTHORITY.—

14 (1) TERMINATION OF AUTHORITY TO MAKE
15 SUBSIDIZED LOANS TO UNDERGRADUATE STU-
16 DENTS.—Section 455(a)(3) of the Higher Education
17 Act of 1965 (20 U.S.C. 1087e(a)(3)) is amended by
18 adding at the end the following:

19 “(C) TERMINATION OF AUTHORITY TO
20 MAKE SUBSIDIZED LOANS TO UNDERGRADUATE
21 STUDENTS.—Notwithstanding any provision of
22 this part or part B, except as provided in para-
23 graph (4), for any period of instruction begin-
24 ning on or after July 1, 2026—

1 “(i) an undergraduate student shall
2 not be eligible to receive a Federal Direct
3 Stafford loan under this part; and

4 “(ii) the maximum annual amount of
5 Federal Direct Unsubsidized Stafford
6 loans such a student may borrow in any
7 academic year (as defined in section
8 481(a)(2)) or its equivalent shall be the
9 maximum annual amount for such student
10 determined under paragraph (5)).”.

11 (2) TERMINATION OF AUTHORITY TO MAKE
12 FEDERAL DIRECT PLUS LOANS TO ANY STUDENT
13 BORROWER.—Section 455(a)(3) of the Higher Edu-
14 cation Act of 1965 (20 U.S.C. 1087e(a)(3)) is fur-
15 ther amended by adding at the end the following:

16 “(D) TERMINATION OF AUTHORITY TO
17 MAKE FEDERAL DIRECT PLUS LOANS TO ANY
18 STUDENT BORROWER.—Notwithstanding any
19 provision of this part or part B, except as pro-
20 vided in paragraph (4), for any period of in-
21 struction beginning on or after July 1, 2026, a
22 graduate student or professional student shall
23 not be eligible to receive a Federal Direct
24 PLUS Loan under this part.”.

1 (3) RESTRICTION ON AUTHORITY TO MAKE
2 FEDERAL DIRECT PLUS LOANS TO ANY PARENT BOR-
3 ROWER.—Section 455(a)(3) of the Higher Education
4 Act of 1965 (20 U.S.C. 1087e(a)(3)) is further
5 amended by adding at the end the following:

6 “(E) RESTRICTION ON AUTHORITY TO
7 MAKE FEDERAL DIRECT PLUS LOANS TO ANY
8 PARENT BORROWER.—

9 “(i) IN GENERAL.—Notwithstanding
10 any provision of this part or part B, except
11 as provided in clause (ii) and paragraph
12 (4), for any period of instruction beginning
13 on or after July 1, 2026, a parent, on be-
14 half of a dependent student, shall not be
15 eligible to receive a Federal Direct PLUS
16 Loan under this part.

17 “(ii) EXCEPTION.—A parent may re-
18 ceive a Federal Direct PLUS Loan under
19 this part, on behalf of a dependent stu-
20 dent, in any academic year (as defined in
21 section 481(a)(2)) or its equivalent if—

22 “(I) such student borrows the
23 maximum annual amount of Federal
24 Direct Unsubsidized Stafford loans

1 such student may borrow in such aca-
2 demic year; and

3 “(II) such maximum annual
4 amount is less than the cost of at-
5 tendance of the program of study of
6 such student.”.

7 (4) CONFORMING AMENDMENTS.—Section
8 455(a)(3) of the Higher Education Act of 1965 (20
9 U.S.C. 1087e(a)(3)) is further amended—

10 (A) in the paragraph heading, by striking
11 “TERMINATION OF AUTHORITY TO MAKE IN-
12 TEREST SUBSIDIZED LOANS TO GRADUATE AND
13 PROFESSIONAL STUDENTS” and inserting
14 “TERMINATIONS OF AND RESTRICTIONS ON
15 LOAN AUTHORITY”;

16 (B) in subparagraph (A)—

17 (i) in the heading, by striking “IN
18 GENERAL” and inserting “TERMINATION
19 OF AUTHORITY TO MAKE SUBSIDIZED
20 LOANS TO GRADUATE AND PROFESSIONAL
21 STUDENTS”;

22 (ii) in the matter preceding clause (i),
23 by striking “beginning on or after July 1,
24 2012”;

1 (iii) in clause (i), by striking “a grad-
2 uate” and inserting “beginning on or after
3 July 1, 2012, a graduate”; and

4 (iv) in clause (ii), by striking “the
5 maximum annual amount of Federal” and
6 inserting “beginning on or after July 1,
7 2012, and ending June 30, 2026, the max-
8 imum annual amount of Federal”; and
9 (C) in subparagraph (B)—

10 (i) in the heading, by striking “EX-
11 CEPTION” and inserting “EXCEPTION FOR
12 SUBSIDIZED LOANS TO INDIVIDUALS EN-
13 ROLLED IN CERTAIN COURSE WORK”.

14 (ii) by striking “Subparagraph (A)”
15 and inserting “For any period of instruc-
16 tion beginning on or after July 1, 2012,
17 and ending June 30, 2026, subparagraph
18 (A)”.

19 (b) INTERIM RULES FOR ENROLLED BORROWERS.—
20 Section 455(a) of the Higher Education Act of 1965 (20
21 U.S.C. 1087e(a)) is amended by adding at the end the
22 following:

23 “(4) INTERIM EXCEPTION FOR CERTAIN STU-
24 DENTS.—

1 “(A) APPLICATION OF PRIOR LIMITS.—
2 Subparagraphs (C), (D), and (E) of paragraph
3 (3), and paragraphs (5) and (6), shall not
4 apply, during the expected time to credential
5 described in subparagraph (B), with respect to
6 an individual who, as of June 30, 2026—

7 “(i) is enrolled in a program of study
8 at an institution of higher education; and

9 “(ii) has received a loan (or on whose
10 behalf a loan was made) under this part
11 for such program of study.

12 “(B) EXPECTED TIME TO CREDENTIAL.—
13 For purposes of this paragraph, the expected
14 time to credential of an individual shall be
15 equal to the lesser of—

16 “(i) three academic years; or

17 “(ii) the period determined by calcu-
18 lating the difference between—

19 “(I) the program length (as de-
20 fined in section 420W) for the pro-
21 gram of study in which the individual
22 is enrolled; and

23 “(II) the period of such program
24 of study that such individual has com-

1 pleted as of the date of the determina-
2 tion under this subparagraph.”.

3 (c) LOAN LIMITS FOR UNSUBSIDIZED LOANS AND
4 CERTAIN FEDERAL DIRECT PLUS LOANS.—

5 (1) ANNUAL AND AGGREGATE UNSUBSIDIZED
6 LOAN LIMITS.—Section 455(a) of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1087e(a)) is further
8 amended by adding at the end the following:

9 “(5) ANNUAL AND AGGREGATE UNSUBSIDIZED
10 LOAN LIMITS.—

11 “(A) UNDERGRADUATE STUDENTS.—

12 “(i) ANNUAL LOAN LIMITS.—Notwith-
13 standing any provision of this part or part
14 B, subject to subparagraph (C) and except
15 as provided in paragraph (4), beginning on
16 July 1, 2026, the maximum annual
17 amount of Federal Direct Unsubsidized
18 Stafford loans that an undergraduate stu-
19 dent may borrow in any academic year (as
20 defined in section 481(a)(2)) or its equiva-
21 lent shall be the difference between—

22 “(I) the amount of the median
23 cost of college of the program of study
24 in which the student is enrolled; and

1 “(II) the amount of the Federal
2 Pell Grant under section 401 awarded
3 to the student for such academic year.

4 “(ii) AGGREGATE LIMITS.—Notwith-
5 standing any provision of this part or part
6 B, except as provided in paragraph (4), be-
7 ginning on July 1, 2026, the maximum ag-
8 gregate amount of Federal Direct Unsub-
9 sidized Stafford loans that a student may
10 borrow for programs of study that award
11 an undergraduate credential upon comple-
12 tion of such a program shall be \$50,000.

13 “(B) GRADUATE AND PROFESSIONAL STU-
14 DENTS.—

15 “(i) ANNUAL LIMITS.—Notwith-
16 standing any provision of this part or part
17 B, subject to subparagraph (C) and except
18 as provided in paragraph (4), beginning on
19 July 1, 2026, the maximum annual
20 amount of Federal Direct Unsubsidized
21 Stafford loans that a graduate student or
22 professional student may borrow in any
23 academic year (as defined in section
24 481(a)(2)) or its equivalent shall be the
25 amount of the median cost of college of the

1 program of study in which the student is
2 enrolled.

3 “(ii) AGGREGATE LIMITS.—Notwith-
4 standing any provision of this part or part
5 B, except as provided in paragraph (4), be-
6 ginning on July 1, 2026, the maximum ag-
7 gregate amount of Federal Direct Unsub-
8 sidized Stafford loans that, in addition to
9 the maximum aggregate amount described
10 in subparagraph (A)(ii)—

11 “(I) a graduate student—

12 “(aa) who is not (and has
13 not been) a professional student,
14 may borrow for programs of
15 study described in subparagraph
16 (D)(i) shall be \$100,000; or

17 “(bb) who is (or has been) a
18 professional student, may borrow
19 for programs of study described
20 in subparagraph (D)(i) shall be
21 an amount equal to—

22 “(AA) \$150,000, minus

23 “(BB) the amount such
24 student borrowed for pro-
25 grams of study described in

1 subclauses (I) and (II) of
2 subparagraph (D)(ii); and

3 “(II) a professional student—

4 “(aa) who is not (and has
5 not been) a graduate student,
6 may borrow for programs of
7 study described in subclauses (I)
8 and (II) of subparagraph (D)(ii)
9 shall be \$150,000; or

10 “(bb) who is (or has been) a
11 graduate student, may borrow for
12 programs of study described in
13 subclauses (I) and (II) of sub-
14 paragraph (D)(ii) shall be an
15 amount equal to—

16 “(AA) \$150,000, minus

17 “(BB) the amount such
18 student borrowed for pro-
19 grams of study described in
20 subparagraph (D)(i).

21 “(C) LESS THAN FULL-TIME ENROLL-
22 MENT.—In any case where a student is enrolled
23 in an program of study of an institution of
24 higher education on less than a full-time basis
25 during any academic year, the amount of a loan

1 that student may borrow for an academic year
2 (as defined in section 481(a)(2)) or its equiva-
3 lent shall be reduced in direct proportion to the
4 degree to which that student is not so enrolled
5 on a full-time basis, rounded to the nearest
6 whole percentage point, as provided in a sched-
7 ule of reductions published by the Secretary
8 computed for purposes of this paragraph.

9 “(D) DEFINITION.—For purposes of this
10 subsection:

11 “(i) GRADUATE STUDENT.—The term
12 ‘graduate student’ means a student en-
13 rolled in a program of study that awards
14 a graduate credential (other than a profes-
15 sional degree) upon completion of the pro-
16 gram.

17 “(ii) PROFESSIONAL STUDENT.—The
18 term ‘professional student’ means a stu-
19 dent enrolled in a program of study that—

20 “(I) awards a professional degree
21 upon completion of the program; or

22 “(II) provides the training de-
23 scribed in part 141 of title 14, Code
24 of Federal Regulations (or any suc-
25 cessor regulations).

1 “(iii) UNDERGRADUATE STUDENT.—

2 The term ‘undergraduate student’ means a
3 student enrolled in a program of study
4 that awards an undergraduate credential
5 upon completion of the program.”.

6 (2) ANNUAL AND AGGREGATE FEDERAL DIRECT
7 PLUS LOANS LIMITS FOR PARENT BORROWERS.—
8 Section 455(a) of the Higher Education Act of 1965
9 (20 U.S.C. 1087e(a)) is further amended by adding
10 at the end the following:

11 “(6) ANNUAL AND AGGREGATE FEDERAL DI-
12 RECT PLUS LOANS LIMITS FOR PARENT BOR-
13 ROWERS.—

14 “(A) ANNUAL LIMITS.—Notwithstanding
15 any provision of this part or part B, subject to
16 paragraph (3)(E) and except as provided in
17 paragraph (4), beginning on July 1, 2026, the
18 maximum annual amount of Federal Direct
19 PLUS loans that a parent may borrow, on be-
20 half of a dependent student, in any academic
21 year (as defined in section 481(a)(2)) or its
22 equivalent shall be the amount equal to—

23 “(i) the cost of attendance of the pro-
24 gram of study of such student; minus

1 “(ii) the maximum annual amount of
2 Federal Direct Unsubsidized Stafford
3 loans such student may borrow in such
4 academic year.

5 “(B) AGGREGATE LIMITS.—Notwith-
6 standing any provision of this part or part B,
7 subject to paragraph (3)(E) and except as pro-
8 vided in paragraph (4), beginning on July 1,
9 2026, the maximum aggregate amount of Fed-
10 eral Direct PLUS loans that a parent may bor-
11 row shall be \$50,000, without regard to the
12 number of dependent students on behalf of
13 whom such parent borrows such a loan.”.

14 (3) LIFETIME MAXIMUM AGGREGATE AMOUNT
15 FOR ALL STUDENTS.—Section 455(a) of the Higher
16 Education Act of 1965 (20 U.S.C. 1087e(a)) is fur-
17 ther amended by adding at the end the following:

18 “(7) LIFETIME MAXIMUM AGGREGATE AMOUNT
19 FOR ALL STUDENTS.—Notwithstanding any provi-
20 sion of this part or part B, except as provided in
21 paragraph (4), beginning on July 1, 2026, the max-
22 imum aggregate amount of loans made, insured, or
23 guaranteed under this title that a student may bor-
24 row, and that a parent may borrow on behalf of
25 such student, shall be \$200,000, without regard to

1 any amounts repaid, forgiven, canceled, or otherwise
2 discharged on any such loan.”.

3 (4) INSTITUTIONALLY DETERMINED LIMITS.—
4 Section 455(a) of the Higher Education Act of 1965
5 (20 U.S.C. 1087e(a)) is further amended by adding
6 at the end the following:

7 “(8) INSTITUTIONALLY DETERMINED LIMITS.—
8 Notwithstanding the annual loan limits described in
9 subparagraphs (A)(i) and (B)(i) of paragraph (5)
10 and subparagraph (A) of paragraph (6), beginning
11 on July 1, 2026, an institution of higher education
12 (at the discretion of a financial aid administrator at
13 the institution) may limit the total amount of loans
14 made under this part for a program of study for an
15 academic year (as defined in section 481(a)(2)) that
16 a student may borrow, and that a parent may bor-
17 row on behalf of such student, as long as any such
18 limit is applied consistently to all students enrolled
19 in such program of study.”.

20 **Subtitle C—Loan Repayment**

21 **SEC. 30021. LOAN REPAYMENT.**

22 (a) TRANSITION TO INCOME-BASED REPAYMENT
23 PLANS.—

24 (1) AUTHORITY TO TRANSITION TO INCOME-
25 BASED REPAYMENT PLANS.—

1 (A) AUTHORITY TO CARRY OUT TRANSI-
2 TION.—Beginning on the date of enactment of
3 this title, the Secretary of Education shall take
4 such steps as may be necessary to apply the re-
5 payment plan under section 493C of the Higher
6 Education Act of 1965 (as amended by this
7 title) to the loans of each borrower who, on the
8 day before such date of enactment, is in a re-
9 payment status in accordance with, or an ad-
10 ministrative forbearance associated with, an in-
11 come-contingent repayment plan authorized
12 under section 455(e) of the Higher Education
13 Act of 1965 (as in effect on the day before the
14 date of enactment of this title).

15 (B) DEADLINE FOR TRANSITION.—The
16 Secretary shall complete the application of the
17 repayment plan under section 493C to the loans
18 described in paragraph (1) as soon as prac-
19 ticable, but not later than 9 months after the
20 date of enactment of this title.

21 (2) LIMITATION OF REGULATORY AUTHOR-
22 ITY.—The Secretary may not establish, promulgate,
23 issue, or modify any regulations or guidance with re-
24 spect to any income-based repayment plan under the

1 Higher Education Act of 1965, except that the Sec-
2 retary may—

3 (A) during the 270-day period after the
4 date of enactment of this title, issue an interim
5 final rule as necessary for the application of the
6 repayment plan under section 493C of such Act
7 of 1965 in accordance with paragraph (1);

8 (B) during the 270-day period after the
9 date of enactment of this title, issue an interim
10 final rule as necessary to implement the amend-
11 ments to such section 493C made by subsection
12 (f) of this title; and

13 (C) during the 18-month period after the
14 date of enactment of this title, issue an interim
15 final rule as necessary to implement the in-
16 come-based Repayment Assistance Program
17 under section 455(q) of such Act of 1965 (as
18 added by this title).

19 (3) WAIVER OF NEGOTIATED RULEMAKING.—
20 Any guidance or regulations issued or modified in
21 accordance with subparagraph (A) or (B) of para-
22 graph (2) shall not be subject to negotiated rule-
23 making requirements under section 492 of the High-
24 er Education Act of 1965 (20 U.S.C. 1098a).

1 (b) REPAYMENT PLANS.—Section 455(d) of the
2 Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is
3 amended—

4 (1) in paragraph (1)—

5 (A) in the matter preceding subparagraph
6 (A), by inserting “before July 1, 2026, who has
7 not received a loan made under this part on or
8 after July 1, 2026,” after “made under this
9 part”;

10 (B) by amending subparagraph (D) to
11 read as follows:

12 “(D) beginning on July 1, 2026, the in-
13 come-based Repayment Assistance Plan under
14 subsection (q), provided that—

15 “(i) the borrower is required to pay
16 each outstanding loan of the borrower
17 made under this part under such Repay-
18 ment Assistance Plan;

19 “(ii) such Plan shall not be available
20 to borrowers with an excepted loan (as de-
21 fined in paragraph (7)); and

22 “(iii) the borrower may not change
23 the borrower’s selection of the Repayment
24 Assistance Plan except in accordance with
25 paragraph (7)(C).”; and

1 (C) in subparagraph (E)—

2 (i) by striking “that enables borrowers
3 who have a partial financial hardship to
4 make a lower monthly payment”; and

5 (ii) by striking “a Federal Direct Con-
6 solidation Loan, if the proceeds of such
7 loan were used to discharge the liability on
8 such Federal Direct PLUS Loan or a loan
9 under section 428B made on behalf of a
10 dependent student” and inserting “an ex-
11 cepted Consolidation Loan (as defined in
12 section 493C(a)(2))”;

13 (2) in paragraph (5), by amending subpara-
14 graph (B) to read as follows:

15 “(B) repay the loan pursuant to an in-
16 come-based repayment plan under subsection
17 (q) or section 493C, as applicable.”; and

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

19 “(6) TERMINATION AND LIMITATION OF REPAY-
20 MENT AUTHORITY.—

21 “(A) SUNSET OF REPAYMENT PLANS
22 AVAILABLE BEFORE JULY 1, 2026.—Paragraphs
23 (1) through (4) of this subsection shall only
24 apply to loans made under this part before July
25 1, 2026.

1 “(B) PROHIBITIONS.—The Secretary may
2 not, for any loan made under this part on or
3 after July 1, 2026—

4 “(i) authorize a borrower of such a
5 loan to repay such loan pursuant to a re-
6 payment plan that is not described in
7 paragraph (7)(A); or

8 “(ii) carry out or modify a repayment
9 plan that is not described in such para-
10 graph.

11 “(7) REPAYMENT PLANS FOR LOANS MADE ON
12 OR AFTER JULY 1, 2026.—

13 “(A) DESIGN AND SELECTION.—Beginning
14 on July 1, 2026, the Secretary shall offer a bor-
15 rower of a loan made under this part on or
16 after such date (including such a borrower who
17 also has a loan made under this part before
18 such date) two plans for repayment of the bor-
19 rower’s loans under this part, including prin-
20 cipal and interest on such loans. The borrower
21 shall be entitled to accelerate, without penalty,
22 repayment on such loans. The borrower may
23 choose—

24 “(i) a standard repayment plan—

1 “(I) with a fixed monthly repay-
2 ment amount paid over a fixed period
3 of time equal to the applicable period
4 determined under subclause (II); and

5 “(II) with the applicable period
6 of time for repayment determined
7 based on the total outstanding prin-
8 cipal of all loans of the borrower made
9 under this part before, on, or after
10 July 1, 2026, at the time the bor-
11 rower is entering repayment under
12 such plan, as follows—

13 “(aa) for a borrower with
14 total outstanding principal of less
15 than \$25,000, a period of 10
16 years;

17 “(bb) for a borrower with
18 total outstanding principal of not
19 less than \$25,000 and less than
20 \$50,000, a period of 15 years;

21 “(cc) for a borrower with
22 total outstanding principal of not
23 less than \$50,000 and less than
24 \$100,000, a period of 20 years;
25 and

1 “(dd) for a borrower with
2 total outstanding principal of
3 \$100,000 or more, a period of 25
4 years; or

5 “(ii) the income-based Repayment As-
6 sistance Plan under subsection (q).

7 “(B) SELECTION BY SECRETARY.—If a
8 borrower of a loan made under this part on or
9 after July 1, 2026, does not select a repayment
10 plan described in subparagraph (A), the Sec-
11 retary shall provide the borrower with the
12 standard repayment plan described in subpara-
13 graph (A)(i).

14 “(C) SELECTION AVAILABLE FOR EACH
15 NEW LOAN; SELECTION APPLIES TO ALL OUT-
16 STANDING LOANS.—Each time a borrower re-
17 ceives a loan made under this part on or after
18 July 1, 2026, the borrower may select either
19 the standard repayment plan under subpara-
20 graph (A)(i) or the Repayment Assistance Plan
21 under subparagraph (A)(ii), provided that the
22 borrower is required to pay each outstanding
23 loan of the borrower made under this part
24 under such selected repayment plan.

1 “(D) PERMISSIBLE CHANGES OF REPAY-
2 MENT PLAN.—

3 “(i) CHANGING FROM STANDARD RE-
4 PAYMENT PLAN.—A borrower may change
5 the borrower’s selection of the standard re-
6 payment plan under subparagraph (A)(i),
7 or the Secretary’s selection of such plan
8 for the borrower under subparagraph (C),
9 as the case may be, to the Repayment As-
10 sistance Plan under subparagraph (A)(ii)
11 at any time.

12 “(ii) LIMITED CHANGE FROM REPAY-
13 MENT ASSISTANCE PLAN.—A borrower
14 may not change the borrower’s selection of
15 the Repayment Assistance Plan under sub-
16 paragraph (A)(ii), except in accordance
17 with subparagraph (C).

18 “(E) SPECIAL RULE FOR EXCEPTED LOAN
19 BORROWERS WITH LOANS MADE ON OR AFTER
20 JULY 1, 2026.—

21 “(i) STANDARD REPAYMENT PLAN RE-
22 QUIRED.—Notwithstanding subparagraphs
23 (A) through (D), beginning on July 1,
24 2026, the Secretary shall require a bor-
25 rower who has an excepted loan and who

1 has received a loan made under this part
2 on or after such date to repay each out-
3 standing loan of the borrower made under
4 this part, including principal and interest
5 on such loans, under the standard repay-
6 ment plan under subparagraph (A)(i). The
7 borrower shall be entitled to accelerate,
8 without penalty, repayment on such loans.

9 “(ii) EXCEPTED LOAN DEFINED.—
10 For the purposes of this paragraph, the
11 term ‘excepted loan’ means a loan with an
12 outstanding balance that is—

13 “(I) a Federal Direct PLUS
14 Loan that is made on behalf of a de-
15 pendent student; or

16 “(II) a Federal Direct Consolida-
17 tion Loan, if the proceeds of such loan
18 were used to the discharge the liability
19 on—

20 “(aa) an excepted PLUS
21 loan, as defined in section
22 493C(a)(1); or

23 “(bb) an excepted consolida-
24 tion loan (as such term is defined
25 in section 493C(a)(2)(A), not-

1 withstanding subparagraph (B)
2 of such section).

3 “(F) TREATMENT OF BORROWERS WITH-
4 OUT LOANS MADE ON OR AFTER JULY 1, 2026.—
5 A borrower who has an outstanding loan (in-
6 cluding an excepted loan) made under this part
7 before July 1, 2026, and who has not received
8 a loan made under this part on or after July
9 1, 2026, shall not be eligible to change the bor-
10 rower’s selection of a repayment plan to the
11 standard repayment plan under subparagraph
12 (A)(i).”.

13 (c) ELIMINATION OF AUTHORITY TO PROVIDE IN-
14 COME CONTINGENT REPAYMENT PLANS.—

15 (1) REPEAL.—Subsection (e) of section 455 the
16 Higher Education Act of 1965 (20 U.S.C. 1087e(e))
17 is repealed.

18 (2) FURTHER AMENDMENTS TO ELIMINATE IN-
19 COME CONTINGENT REPAYMENT.—

20 (A) Section 428 of the Higher Education
21 Act of 1965 (20 U.S.C. 1078) is amended—

22 (i) in subsection (b)(1)(D), by striking
23 “be subject to income contingent repay-
24 ment in accordance with subsection (m)”
25 and inserting “be subject to income-based

1 repayment in accordance with subsection
2 (m)”; and

3 (ii) in subsection (m)—

4 (I) in the subsection heading, by
5 striking “INCOME CONTINGENT AND”;

6 (II) by amending paragraph (1)
7 to read as follows:

8 “(1) AUTHORITY OF SECRETARY TO RE-
9 QUIRE.—The Secretary may require borrowers who
10 have defaulted on loans made under this part that
11 are assigned to the Secretary under subsection
12 (c)(8) to repay those loans pursuant to an income-
13 based repayment plan under section 455(q) or sec-
14 tion 493C, as applicable.”; and

15 (III) in the heading of paragraph
16 (2), by striking “INCOME CONTINGENT
17 OR”.

18 (B) Section 428C of the Higher Education
19 Act of 1965 (20 U.S.C. 1078–3) is amended—

20 (i) in subsection (a)(3)(B)(i)(V)(aa),
21 by striking “for the purposes of obtaining
22 income contingent repayment or income-
23 based repayment” and inserting “for the
24 purposes of qualifying for an income-based

1 repayment plan under section 455(q) or
2 section 493C, as applicable”;

3 (ii) in subsection (b)(5), by striking
4 “be repaid either pursuant to income con-
5 tingent repayment under part D of this
6 title, pursuant to income-based repayment
7 under section 493C, or pursuant to any
8 other repayment provision under this sec-
9 tion” and inserting “be repaid pursuant to
10 an income-based repayment plan under
11 section 493C or any other repayment pro-
12 vision under this section”; and

13 (iii) in subsection (c)—

14 (I) in paragraph (2)(A), by strik-
15 ing “or by the terms of repayment
16 pursuant to income contingent repay-
17 ment offered by the Secretary under
18 subsection (b)(5)” and inserting “or
19 by the terms of repayment pursuant
20 to an income-based repayment plan
21 under section 493C”; and

22 (II) in paragraph (3)(B), by
23 striking “except as required by the
24 terms of repayment pursuant to in-
25 come contingent repayment offered by

1 the Secretary under subsection
2 (b)(5)” and inserting “except as re-
3 quired by the terms of repayment pur-
4 suant to an income-based repayment
5 plan under section 493C”.

6 (C) Section 485(d)(1) of the Higher Edu-
7 cation Act of 1965 (20 U.S.C. 1092(d)(1)) is
8 amended by striking “income-contingent and”.

9 (D) Section 494(a)(2) of the Higher Edu-
10 cation Act of 1965 (20 U.S.C. 1098h(a)(2)) is
11 amended—

12 (i) in the paragraph heading, by strik-
13 ing “INCOME-CONTINGENT AND INCOME-
14 BASED” and inserting “INCOME-BASED”;

15 (ii) in subparagraph (A)—

16 (I) in the matter preceding clause
17 (i), by striking “income-contingent
18 or”; and

19 (II) in clause (ii)(I), by inserting
20 “(as in effect on the day before the
21 date of repeal of subsection (e) of sec-
22 tion 455)” after “section 455(e)(8)”.

23 (d) REPAYMENT ASSISTANCE PLAN.—Section 455 of
24 the Higher Education Act of 1965 (20 U.S.C. 1087e) is

1 amended by adding at the end the following new sub-
2 section:

3 “(q) REPAYMENT ASSISTANCE PLAN.—

4 “(1) IN GENERAL.—Notwithstanding any other
5 provision of this Act, beginning on July 1, 2026, the
6 Secretary shall carry out an income-based repayment
7 plan (to be known as the ‘Repayment Assistance
8 Plan’), that shall have the following terms and con-
9 ditions:

10 “(A) The total monthly repayment amount
11 owed by a borrower for all of the loans of the
12 borrower that are repaid pursuant to the Re-
13 payment Assistance Plan shall be equal to the
14 applicable monthly payment of a borrower cal-
15 culated under paragraph (3)(B), except that the
16 borrower may not be precluded from repaying
17 an amount that exceeds such amount for any
18 month.

19 “(B) The Secretary shall apply the bor-
20 rower’s applicable monthly payment under this
21 paragraph first toward interest due on each
22 such loan, next toward any fees due on each
23 loan, and then toward the principal of each
24 loan.

1 “(C) Any principal due and not paid under
2 subparagraph (B) or paragraph (2)(B) shall be
3 deferred.

4 “(D) A borrower who is not in a period of
5 deferment or forbearance shall make an appli-
6 cable monthly payment for each month until the
7 earlier of—

8 “(i) the date on which the outstanding
9 balance of principal and interest due on all
10 of the loans of the borrower that are re-
11 paid pursuant to the Repayment Assist-
12 ance Plan is \$0; or

13 “(ii) the date on which the borrower
14 has made 360 qualifying monthly pay-
15 ments.

16 “(E) The Secretary shall repay or cancel
17 any outstanding balance of principal and inter-
18 est due on a loan made under this part to a
19 borrower—

20 “(i) who, for any period of time, par-
21 ticipated in the Repayment Assistance
22 Plan under this subsection;

23 “(ii) whose most recent payment for
24 such loan prior to the loan cancellation

1 under this subparagraph was made under
2 such Repayment Assistance Plan; and

3 “(iii) who has made 360 qualifying
4 monthly payments on such loan.

5 “(F) For the purposes of this subsection,
6 the term ‘qualifying monthly payment’ means
7 any of the following:

8 “(i) An on-time applicable monthly
9 payment under this subsection.

10 “(ii) An on-time monthly payment
11 under the standard repayment plan under
12 subsection (d)(7)(A)(i) of not less than the
13 monthly payment required under such
14 plan.

15 “(iii) A monthly payment under any
16 repayment plan of not less than the
17 monthly payment that would be required
18 under a standard repayment plan under
19 section 455(d)(1)(A) with a repayment pe-
20 riod of 10 years.

21 “(iv) A monthly payment under sec-
22 tion 493C of not less than the monthly
23 payment required under such section, in-
24 cluding a monthly payment equal to the

1 minimum payment amount permitted
2 under such section.

3 “(v) A monthly payment made before
4 the date of enactment of this subsection
5 under an income-contingent repayment
6 plan carried out under section
7 455(d)(1)(D) (or under an alternative re-
8 payment plan in lieu of repayment under
9 such an income-contingent repayment plan,
10 if placed in such an alternative repayment
11 plan by the Secretary) of not less than the
12 monthly payment required under such a
13 plan, including a monthly payment equal
14 to the minimum payment amount per-
15 mitted under such a plan.

16 “(vi) A month when the borrower did
17 not make a payment because the borrower
18 was in deferment due to an economic hard-
19 ship described in section 435(o).

20 “(vii) A month that ended before the
21 date of enactment of this subsection when
22 the borrower did not make a payment be-
23 cause the borrower was in a period
24 deferment or forbearance described in sec-
25 tion 685.209(k)(4)(iv) of title 34, Code of

1 Federal Regulations (as in effect on the
2 date of enactment of this subsection).

3 “(G) With respect to carrying out section
4 494(a)(2) for the Repayment Assistance Plan,
5 an individual may elect to opt out of the disclo-
6 sures required under section 494(a)(2)(A)(ii) in
7 accordance with the procedures established
8 under section 493C(c)(2)(B).

9 “(2) BALANCE ASSISTANCE FOR DISTRESSED
10 BORROWERS.—

11 “(A) INTEREST SUBSIDY.—With respect to
12 a borrower of a loan made under this part, for
13 each month for which such a borrower makes
14 an on-time applicable monthly payment re-
15 quired under paragraph (1)(A) and such
16 monthly payment is insufficient to pay the total
17 amount of interest that accrues for the month
18 on all loans of the borrower repaid pursuant to
19 the Repayment Assistance Plan under this sub-
20 section, the amount of interest accrued and not
21 paid for the month shall not be charged to the
22 borrower.

23 “(B) MATCHING PRINCIPAL PAYMENT.—
24 With respect to a borrower of a loan made
25 under this part and not in a period of

1 deferment or forbearance, for each month for
2 which a borrower makes an on-time applicable
3 monthly payment required under paragraph
4 (1)(A) and such monthly payment reduces the
5 total outstanding principal balance of all loans
6 of the borrower repaid pursuant to the Repay-
7 ment Assistance Plan under this subsection by
8 less than \$50, the Secretary shall reduce such
9 total outstanding principal balance of the bor-
10 rower by an amount that is equal to—

11 “(i) the amount that is the lesser of—

12 “(I) \$50; or

13 “(II) the total amount paid by
14 the borrower for such month pursuant
15 to paragraph (1)(A), minus

16 “(ii) the total amount paid by the bor-
17 rower for such month pursuant to para-
18 graph (1)(A) that is applied to such total
19 outstanding principal balance.

20 “(3) DEFINITIONS.—In this paragraph:

21 “(A) ADJUSTED GROSS INCOME.—The
22 term ‘adjusted gross income’, when used with
23 respect to a borrower, means the adjusted gross
24 income (as such term is defined in section 62
25 of the Internal Revenue Code of 1986) of the

1 borrower (and the borrower's spouse, as appli-
2 cable) for the most recent taxable year, except
3 that, in the case of a married borrower who
4 files a separate Federal income tax return, the
5 term does not include the adjusted gross income
6 of the borrower's spouse.

7 “(B) APPLICABLE MONTHLY PAYMENT.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (ii) or (iii), the term ‘appli-
10 cable monthly payment’ means, when used
11 with respect to a borrower, the amount
12 equal to—

13 “(I) the applicable base payment
14 of the borrower, divided by 12; minus

15 “(II) \$50 for each dependent
16 child of the borrower.

17 “(ii) MINIMUM AMOUNT.—In the case
18 of a borrower with an applicable monthly
19 payment amount calculated under clause
20 (i) that is less than \$10, the applicable
21 monthly payment of the borrower shall be
22 \$10.

23 “(iii) FINAL PAYMENT.—In the case
24 of a borrower whose total outstanding bal-
25 ance of principal and interest on all of the

1 loans of the borrower that are repaid pur-
2 suant to the Repayment Assistance Plan is
3 less than the applicable monthly payment
4 calculated pursuant to clause (i) or (ii), as
5 applicable, then the applicable monthly
6 payment of the borrower shall be the total
7 outstanding balance of principal and inter-
8 est on all such loans.

9 “(iv) BASE PAYMENT.—The amount
10 of the applicable base payment for a bor-
11 rower with an adjusted gross income of—

12 “(I) not more than \$10,000, is
13 \$120;

14 “(II) more than \$10,000 and not
15 more than \$20,000, is 1 percent of
16 such adjusted gross income;

17 “(III) more than \$20,000 and
18 not more than \$30,000, is 2 percent
19 of such adjusted gross income;

20 “(IV) more than \$30,000 and
21 not more than \$40,000, is 3 percent
22 of such adjusted gross income;

23 “(V) more than \$40,000 and not
24 more than \$50,000, is 4 percent of
25 such adjusted gross income;

1 “(VI) more than \$50,000 and
2 not more than \$60,000, is 5 percent
3 of such adjusted gross income;

4 “(VII) more than \$60,000 and
5 not more than \$70,000, is 6 percent
6 of such adjusted gross income;

7 “(VIII) more than \$70,000 and
8 not more than \$80,000, is 7 percent
9 of such adjusted gross income;

10 “(IX) more than \$80,000 and
11 not more than \$90,000, is 8 percent
12 of such adjusted gross income;

13 “(X) more than \$90,000 and not
14 more than \$100,000, is 9 percent of
15 such adjusted gross income; and

16 “(XI) more than \$100,000, is 10
17 percent of such adjusted gross in-
18 come.

19 “(v) DEPENDENT CHILD OF THE BOR-
20 ROWER.—For the purposes of this para-
21 graph, the term ‘dependent child of the
22 borrower’ means an individual who—

23 “(I) is under 17 years of age;
24 and

1 “(II) is the borrower’s dependent
2 child or another person who lives with
3 and receives more than one-half of
4 their support from the borrower.”.

5 (e) FEDERAL CONSOLIDATION LOANS.—Section
6 455(g) of the Higher Education Act of 1965 (20 U.S.C.
7 1087e(g)) is amended by adding at the end the following
8 new paragraph:

9 “(3) CONSOLIDATION LOANS MADE ON OR
10 AFTER JULY 1, 2026.—Notwithstanding subsections
11 (b)(5), (c)(2), and (c)(3)(A) and (B) of section
12 428C, a Federal Direct Consolidation Loan offered
13 to a borrower under this part on or after July 1,
14 2026, may only be repaid pursuant to a repayment
15 plan described in subsection (d)(7)(A)(i) or (ii) of
16 this section, as applicable, and the repayment sched-
17 ule of such a Consolidation Loan shall be determined
18 in accordance with such repayment plan.”.

19 (f) INCOME-BASED REPAYMENT.—

20 (1) AMENDMENTS.—

21 (A) EXCEPTED CONSOLIDATION LOAN DE-
22 FINED.—Section 493C(a)(2) of the Higher
23 Education Act of 1965 (20 U.S.C. 1098e(a)(2))
24 is amended to read as follows:

25 “(2) EXCEPTED CONSOLIDATION LOAN.—

1 “(A) IN GENERAL.—The term ‘excepted
2 consolidation loan’ means—

3 “(i) a consolidation loan under section
4 428C, or a Federal Direct Consolidation
5 Loan, if the proceeds of such loan were
6 used to the discharge the liability on an ex-
7 cepted PLUS loan; or

8 “(ii) a consolidation loan under sec-
9 tion 428C, or a Federal Direct Consolida-
10 tion Loan, if the proceeds of such loan
11 were used to discharge the liability on a
12 consolidation loan under section 428C or a
13 Federal Direct Consolidation Loan de-
14 scribed in clause (i).

15 “(B) EXCLUSION.—The term ‘excepted
16 consolidation loan’ does not include a Federal
17 Direct Consolidation Loan described in sub-
18 paragraph (A) that (on the day before the date
19 of enactment of this subparagraph) was being
20 repaid pursuant to the Income-Contingent Re-
21 payment (ICR) plan in accordance with section
22 685.209(a) of title 34, Code of Federal Regula-
23 tions (as in effect on June 30, 2023).”.

24 (B) TERMS OF INCOME-BASED REPAY-
25 MENT.—Section 493C(b) of the Higher Edu-

1 cation Act of 1965 (20 U.S.C. 1098e(b)) is
2 amended—

3 (i) by amending paragraph (1) to read
4 as follows:

5 “(1) a borrower of any loan made, insured, or
6 guaranteed under part B or D (other than an ex-
7 cepted PLUS loan or excepted consolidation loan),
8 may elect to have the borrower’s aggregate monthly
9 payment for all such loans not exceed the result de-
10 scribed in subsection (a)(3)(B) divided by 12;”;

11 (ii) in paragraph (3)—

12 (I) in subparagraph (B)—

13 (aa) in clause (i)—

14 (AA) by striking sub-
15 clause (II); and

16 (BB) by striking “the
17 borrower” and all the fol-
18 lows through “ends” and in-
19 serting “the borrower ends”;
20 and

21 (bb) in clause (ii)—

22 (AA) by striking sub-
23 clause (II);

24 (BB) by striking “the
25 borrower” and all the fol-

1 lows through “ends” and in-
2 serting “the borrower ends”;
3 and
4 (CC) by striking “or”
5 at the end;

6 (iii) by repealing paragraph (6);

7 (iv) in paragraph (7)(B)—

8 (I) in the matter preceding clause
9 (i), by striking “for a period of time
10 prescribed by the Secretary, not to ex-
11 ceed 25 years” and inserting the fol-
12 lowing: “for 25 years (in the case of
13 a borrower who is repaying at least
14 one loan for a program of study for
15 which a graduate credential (as de-
16 fined in section 472A)) is awarded, or,
17 for 20 years (in the case of a bor-
18 rower who is not repaying at least one
19 such loan)”;

20 (II) in clause (i), by inserting
21 “(as such paragraph was in effect on
22 the day before the date of the repeal
23 of paragraph (6))” after “paragraph
24 (6)”;

1 (III) in clause (iv), by inserting
2 “(as such section was in effect on the
3 day before the date of the repeal of
4 paragraph (6))” after “section
5 455(d)(1)(D)”; and
6 (v) in paragraph (8), by striking
7 “standard repayment plan” and inserting
8 “standard repayment plan under section
9 428(b)(9)(A)(i) or 455(d)(1)(A), or the
10 Repayment Assistance Program under sec-
11 tion 455(q)”.

12 (C) ELIGIBILITY DETERMINATIONS.—Sec-
13 tion 493C(c)(2) of the Higher Education Act of
14 1965 (20 U.S.C. 1098e(c)(2)) is further amend-
15 ed—

16 (i) in subparagraph (A), by inserting
17 “(as in effect on the day before the date of
18 repeal of subsection (e) of section 455)”
19 after “section 455(e)(1)”; and

20 (ii) in subparagraph (B), by inserting
21 “(as in effect on the day before the date of
22 repeal of subsection (e) of section 455)”
23 after “section 455(e)(8)”.

24 (D) TERMINATION OF SPECIAL TERMS FOR
25 NEW BORROWERS ON AND AFTER JULY 1,

1 2014.—Section 493C of the Higher Education
2 Act of 1965 (20 U.S.C. 1098e(e)) is further
3 amended by striking subsection (e).

4 (2) EFFECTIVE DATE AND APPLICATION.—The
5 amendments made by this subsection shall take ef-
6 fect on the date of enactment of this title, and shall
7 apply with respect to any borrower who is in repay-
8 ment before, on, or after the date of enactment of
9 this title.

10 **SEC. 30022. DEFERMENT; FORBEARANCE.**

11 (a) HEADING AMENDMENT.—Section 455(f) of the
12 Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is
13 amended by striking the subsection heading and inserting
14 the following: “DEFERMENT; FORBEARANCE”.

15 (b) SUNSET OF ECONOMIC HARDSHIP AND UNEM-
16 PLOYMENT DEFERMENTS.—Section 455(f) of the Higher
17 Education Act of 1965 (20 U.S.C.1087e(f)) is amended—

18 (1) in paragraph (2)—

19 (A) in subparagraph (B), by striking “not
20 in” and inserting “subject to paragraph (7), not
21 in”; and

22 (B) in subparagraph (D), by striking “not
23 in” and inserting “subject to paragraph (7), not
24 in”; and

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

1 “(7) SUNSET OF UNEMPLOYMENT AND ECO-
2 NOMIC HARDSHIP DEFERMENTS.—A borrower who
3 receives a loan made under this part on or after
4 July 1, 2025, shall not be eligible to defer such loan
5 under subparagraph (B) or (D) of paragraph (2).”.

6 (c) FORBEARANCE ON LOANS MADE UNDER THIS
7 PART ON OR AFTER JULY 1, 2025.—Section 455(f) of the
8 Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is
9 amended by adding at the end the following:

10 “(8) FORBEARANCE ON LOANS MADE UNDER
11 THIS PART ON OR AFTER JULY 1, 2025.—A borrower
12 who receives a loan made under this part on or after
13 July 1, 2025—

14 “(A) may only be eligible for a forbearance
15 on such loan pursuant to section 428(c)(3)(B)
16 that does not exceed 9 months during any 24-
17 month period; and

18 “(B) in the case of a borrower who is serv-
19 ing in a medical or dental internship or resi-
20 dency program (as such program is described in
21 section 428(c)(3)(A)(i)(I)), may be eligible for a
22 forbearance on such loan pursuant to
23 428(c)(3)(A)(i)(I), during which—

24 “(i) for the first 4 12-month intervals,
25 interest shall not accrue; and

1 “(ii) for any subsequent 12-month in-
2 terval, interest shall accrue.”.

3 **SEC. 30023. LOAN REHABILITATION.**

4 (a) UPDATING LOAN REHABILITATION LIMITS.—

5 (1) FFEL AND DIRECT LOANS.—Section
6 428F(a)(5) of the Higher Education Act of 1965
7 (20 U.S.C. 1078–6(a)(5)) is amended by striking
8 “one time” and inserting “two times”.

9 (2) PERKINS LOANS.—Section 464(h)(1)(D) of
10 the Higher Education Act of 1965 (20 U.S.C.
11 1087dd(h)(1)(D)) is amended by striking “once”
12 and inserting “twice”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection shall take effect on the date of en-
15 actment of this Act, and shall apply with respect to
16 any loan made, insured, or guaranteed under title IV
17 of the Higher Education Act of 1965 (20 U.S.C.
18 1070 et seq.).

19 (b) MINIMUM MONTHLY PAYMENT AMOUNT.—Sec-
20 tion 428F(a)(1)(B) of the Higher Education Act of 1965
21 (20 U.S.C. 1078–6(a)(1)(B)) is amended by adding at the
22 end the following: “With respect a loan made under part
23 D on or after July 1, 2025, a monthly payment amount
24 described in subparagraph (A) may not be less than \$10.”.

1 **SEC. 30024. PUBLIC SERVICE LOAN FORGIVENESS.**

2 (a) REPAYMENT ASSISTANCE PLAN.—Section
3 455(m)(1)(A) of the Higher Education Act of 1965 (20
4 U.S.C. 1087e(m)(1)(A)) is amended—

5 (1) in clause (iii), by striking “; or” and insert-
6 ing a semicolon;

7 (2) in clause (iv), by striking “; and” and in-
8 serting “(as in effect on the day before the date of
9 the repeal of subsection (e) of this section); or”; and

10 (3) by adding at the end the following new
11 clause:

12 “(v) on-time payments under the Re-
13 payment Assistance Plan under section
14 455(q); and”.

15 (b) PUBLIC SERVICE JOB.—Section 455(m)(3)(B) of
16 the Higher Education Act of 1965 (20 U.S.C.
17 1087e(m)(3)(B)) is amended—

18 (1) by redesignating clauses (i) and (ii) as sub-
19 clauses (I) and (II), respectively, and adjusting the
20 margins accordingly;

21 (2) by striking “The term” and inserting the
22 following:

23 “(i) IN GENERAL.—The term”; and

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

25 “(ii) EXCLUSION.—The term ‘public
26 service job’ does not include time served in

1 a medical or dental internship or residency
2 program (as such program is described in
3 section 428(c)(3)(A)(i)(I)) by an individual
4 who, as of June 30, 2025, has not bor-
5 rowed a Federal Direct PLUS Loan or a
6 Federal Direct Unsubsidized Stafford
7 Loan for a program of study that awards
8 a graduate credential upon completion of
9 such program.”.

10 **SEC. 30025. STUDENT LOAN SERVICING.**

11 Paragraph (1) of section 458(a) of the Higher Edu-
12 cation Act of 1965 (20 U.S.C. 1087h(a)(1)) is amended
13 to read as follows:

14 “(1) ADDITIONAL MANDATORY FUNDS FOR FIS-
15 CAL YEARS 2025 AND 2026.—For each of the fiscal
16 years 2025 and 2026 there shall be available to the
17 Secretary (in addition to any other amounts appro-
18 priated under any appropriations Act for administra-
19 tive costs under this part and part B and out of any
20 money in the Treasury not otherwise appropriated)
21 funds to be obligated for administrative costs under
22 this part and part B, including the costs of the di-
23 rect student loan programs under this part, not to
24 exceed \$500,000,000 in each such fiscal year.”.

1 **Subtitle D—Pell Grants**

2 **SEC. 30031. ELIGIBILITY.**

3 (a) FOREIGN INCOME AND FEDERAL PELL GRANT
4 ELIGIBILITY.—

5 (1) ADJUSTED GROSS INCOME DEFINED.—Sec-
6 tion 401(a)(2)(A) of the Higher Education Act of
7 1965 (20 U.S.C. 1070a(a)(2)(A)) is amended to
8 read as follows:

9 “(A) the term ‘adjusted gross income’
10 means—

11 “(i) in the case of a dependent stu-
12 dent, for the second tax year preceding the
13 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’s parents; plus

18 “(II) the foreign income (as de-
19 scribed in section 480(b)(5)) of the
20 student’s parents; and

21 “(ii) in the case of an independent
22 student, for the second tax year preceding
23 the academic year—

24 “(I) the adjusted gross income
25 (as defined in section 62 of the Inter-

1 nal Revenue Code of 1986) of the stu-
2 dent (and the student’s spouse, if ap-
3 plicable); plus

4 “(II) the foreign income (as de-
5 scribed in section 480(b)(5)) of the
6 student (and the student’s spouse, if
7 applicable);”.

8 (2) SUNSET.—Section 401(b)(1)(D) of the
9 Higher Education Act of 1965 (20 U.S.C.
10 1070a(b)(1)(D)) is amended by striking “A student”
11 and inserting “For each academic year beginning be-
12 fore July 1, 2025, a student”.

13 (3) CONFORMING AMENDMENT.—Section
14 479A(b)(1)(B) of the Higher Education Act of 1965
15 (20 U.S.C. 1087tt(b)(1)(B)) is amended—

16 (A) by striking clause (v); and

17 (B) by redesignating clauses (vi) and (vii)
18 as clauses (v) and (vi), respectively.

19 (b) DEFINITION OF FULL TIME ENROLLMENT FOR
20 FEDERAL PELL GRANT ELIGIBILITY.—Section 401(a)(2)
21 of the Higher Education Act of 1965 (20 U.S.C.
22 1070a(a)(2)) is further amended—

23 (1) in subparagraph (E), by striking “and”
24 after the semicolon;

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

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

5 “(G) notwithstanding section
6 481(a)(2)(A)(iii), the terms ‘full time’ and ‘full-
7 time’ (except with respect to subsection (d)(4)
8 when used as part of the term ‘normal full-time
9 workload’) mean, with respect to a student en-
10 rolled in an undergraduate course of study, the
11 student is expected to complete at least 30 se-
12 mester or trimester hours or 45 quarter credit
13 hours (or the clock hour equivalent) in each
14 academic year a student is enrolled in the
15 course of study.”.

16 (c) FEDERAL PELL GRANT INELIGIBILITY DUE TO
17 A HIGH STUDENT AID INDEX.—Section 401(b)(1) of the
18 Higher Education Act of 1965 (20 U.S.C. 1070a–1(b)(1))
19 is amended by adding at the end the following:

20 “(F) INELIGIBILITY OF STUDENTS WITH A
21 HIGH STUDENT AID INDEX.—Notwithstanding
22 subparagraphs (A) through (E), a student shall
23 not be eligible for a Federal Pell Grant under
24 this subsection for an academic year in which
25 the student has a student aid index that equals

1 or exceeds twice the amount of the total max-
2 imum Federal Pell Grant for such academic
3 year.”.

4 (d) NO FEDERAL PELL GRANT ELIGIBILITY FOR
5 STUDENTS ENROLLED LESS THAN HALF TIME.—Section
6 401 of the Higher Education Act of 1965 (20 U.S.C.
7 1070a) is further amended—

8 (1) in subsection (b)—

9 (A) by striking “(2) LESS” and inserting
10 “(2)(A) LESS”; and

11 (B) by inserting after subparagraph (A)
12 (as so designated by subparagraph (A) of this
13 subsection) the following new subparagraph:

14 “(B) LESS THAN HALF-TIME ENROLLMENT.—

15 Notwithstanding subparagraph (A), a student who
16 first receives a Federal Pell Grant on or after July
17 1, 2025, shall not be eligible for an award under this
18 subsection for any academic year beginning after
19 such date in which the student is enrolled in an eli-
20 gible program of an institution of higher education
21 on less than a half-time basis. The Secretary shall
22 update the schedule of reductions described in sub-
23 paragraph (A) in accordance with this subpara-
24 graph, including for students receiving the minimum
25 Federal Pell Grant.”;

1 (2) in subsection (c)(6)(A), by inserting “, and
2 the eligibility requirement of enrollment on at least
3 a half-time basis under subsection (b)(2),” after
4 “(b)(1)”; and

5 (3) in subsection (d)(5)(A), by inserting “(and
6 at least half time, in the case of a student who first
7 receives a Federal Pell Grant under subsection (b)
8 on or after July 1, 2025)” after “full time”.

9 (e) EFFECTIVE DATE AND APPLICATION.—The
10 amendments made by this section shall take effect on July
11 1, 2025, and shall apply with respect to award year 2025–
12 2026 and each subsequent award year.

13 **SEC. 30032. WORKFORCE PELL GRANTS.**

14 (a) IN GENERAL.—Section 401 of the Higher Edu-
15 cation Act of 1965 (20 U.S.C. 1070a) is amended by add-
16 ing at the end the following:—

17 “(k) WORKFORCE PELL GRANT PROGRAM.—

18 “(1) IN GENERAL.—For the award year begin-
19 ning on July 1, 2026, and each subsequent award
20 year, the Secretary shall award grants (to be known
21 as ‘Workforce Pell Grants’) to eligible students
22 under paragraph (2) in accordance with this sub-
23 section.

24 “(2) ELIGIBLE STUDENTS.—To be eligible to
25 receive a Workforce Pell Grant under this subsection

1 for any period of enrollment, a student shall meet
2 the eligibility requirements for a Federal Pell Grant
3 under this section, except that the student—

4 “(A) shall be enrolled, or accepted for en-
5 rollment, in an eligible program under section
6 481(b)(3) (hereinafter referred to as an ‘eligible
7 workforce program’); and

8 “(B) may not—

9 “(i) be enrolled, or accepted for enroll-
10 ment, in a program of study that leads to
11 a graduate credential; or

12 “(ii) have attained such a credential.

13 “(3) TERMS AND CONDITIONS OF AWARDS.—

14 The Secretary shall award Workforce Pell Grants
15 under this subsection in the same manner and with
16 the same terms and conditions as the Secretary
17 awards Federal Pell Grants under this section, ex-
18 cept that—

19 “(A) each use of the term ‘eligible pro-
20 gram’ (except in subsections (b)(9)(A) and
21 (d)(2)) shall be substituted by ‘eligible work-
22 force program under section 481(b)(3)’; and

23 “(B) a student who is eligible for a grant
24 equal to less than the amount of the minimum
25 Federal Pell Grant because the eligible work-

1 force program in which the student is enrolled
2 or accepted for enrollment is less than an aca-
3 demic year (in hours of instruction or weeks of
4 duration) may still be eligible for a Workforce
5 Pell Grant in an amount that is prorated based
6 on the length of the program.

7 “(4) PREVENTION OF DOUBLE BENEFITS.—No
8 eligible student described in paragraph (2) may con-
9 currently receive a grant under both this subsection
10 and—

11 “(A) subsection (b); or

12 “(B) subsection (c).

13 “(5) DURATION LIMIT.—Any period of study
14 covered by a Workforce Pell Grant awarded under
15 this subsection shall be included in determining a
16 student’s duration limit under subsection (d)(5).”.

17 (b) PROGRAM ELIGIBILITY FOR WORKFORCE PELL
18 GRANTS.—Section 481(b) of the Higher Education Act of
19 1965 (20 U.S.C. 1088(b)) is amended—

20 (1) by redesignating paragraphs (3) and (4) as
21 paragraphs (4) and (5), respectively; and

22 (2) by inserting after paragraph (2) the fol-
23 lowing:

1 “(3)(A) A program is an eligible program for pur-
2 poses of the Workforce Pell Grant program under section
3 401(k) only if—

4 “(i) it is a program of at least 150 clock hours
5 of instruction, but less than 600 clock hours of in-
6 struction, or an equivalent number of credit hours,
7 offered by an eligible institution during a minimum
8 of 8 weeks, but less than 15 weeks;

9 “(ii) it is not offered as a correspondence
10 course, as defined in 600.2 of title 34, Code of Fed-
11 eral Regulations (as in effect on September 20,
12 2020);

13 “(iii) the Governor of a State, after consulta-
14 tion with the State board, determines that the pro-
15 gram—

16 “(I) provides an education aligned with the
17 requirements of high-skill, high-wage (as identi-
18 fied by the State pursuant to section 122 of the
19 Carl D. Perkins Career and Technical Edu-
20 cation Act (20 U.S.C. 2342)), or in-demand in-
21 dustry sectors or occupations;

22 “(II) meets the hiring requirements of po-
23 tential employers in the sectors or occupations
24 described in subclause (I);

25 “(III) either—

1 “(aa) leads to a recognized postsec-
2 ondary credential that is stackable and
3 portable across more than one employer; or

4 “(bb) with respect to students en-
5 rolled in the program—

6 “(AA) prepares such students for
7 employment in an occupation for
8 which there is only one recognized
9 postsecondary credential; and

10 “(BB) provides such students
11 with such a credential upon comple-
12 tion of such program; and

13 “(IV) prepares students to pursue 1 or
14 more certificate or degree programs at 1 or
15 more institutions of higher education (which
16 may include the eligible institution providing
17 the program), including by ensuring—

18 “(aa) that a student, upon completion
19 of the program and enrollment in such a
20 related certificate or degree program, will
21 receive academic credit for the Workforce
22 Pell program that will be accepted toward
23 meeting such certificate or degree program
24 requirements; and

1 “(bb) the acceptability of such credit
2 toward meeting such certificate or degree
3 program requirements; and

4 “(iv) after the Governor of such State makes
5 the determination that the program meets the re-
6 quirements under clause (iii), the Secretary deter-
7 mines that—

8 “(I) the program has been offered by the
9 eligible institution for not less than 1 year prior
10 to the date on which the Secretary makes a de-
11 termination under this clause;

12 “(II) for each award year, the program has
13 a verified completion rate of at least 70 percent,
14 within 150 percent of the normal time for com-
15 pletion;

16 “(III) for each award year, the program
17 has a verified job placement rate of at least 70
18 percent, measured 180 days after completion;
19 and

20 “(IV) for each award year, the median
21 value-added earnings (as defined in section
22 420W) of students who completed such pro-
23 gram for the most recent year for which data
24 is available exceeds the median total price (as

1 defined in section 454(d)(3)(D)) charged to stu-
2 dents in such award year.

3 “(B) In this paragraph:

4 “(i) The term ‘eligible institution’ means
5 an institution of higher education (as defined in
6 section 102), or any other entity that has en-
7 tered into a program participation agreement
8 with the Secretary under section 487(a) (with-
9 out regard to whether that entity is accredited
10 by a national recognized accrediting agency or
11 association), which has not been subject, during
12 any of the preceding 3 years, to—

13 “(I) any suspension, emergency ac-
14 tion, or termination under this title;

15 “(II) in the case of an institution of
16 higher education, any adverse action by the
17 institution’s accrediting agency or associa-
18 tion that revokes or denies accreditation
19 for the institution; or

20 “(III) any final action by the State in
21 which the institution or other entity holds
22 its legal domicile, authorization, or accredi-
23 tation that revokes the institution’s or enti-
24 ty’s license or other authority to operate in
25 such State.

1 “(ii) The term ‘Governor’ means the chief
2 executive of a State.

3 “(iii) The terms ‘industry or sector part-
4 nership’, ‘in-demand industry sector or occupa-
5 tion’, ‘recognized postsecondary credential’, and
6 ‘State board’ have the meanings given such
7 terms in section 3 of the Workforce Innovation
8 and Opportunity Act.”.

9 (c) STUDENT ELIGIBILITY.—Section 484(a)(1) of the
10 Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)) is
11 amended by inserting “or, for purposes of section 401(k),
12 at an entity (other than an institution of higher education)
13 that meets the requirements of section 481(b)(3)(B)(i)”
14 after “section 487”.

15 (d) EFFECTIVE DATE; APPLICABILITY.—The amend-
16 ments made by this section shall take effect on July 1,
17 2026, and shall apply with respect to award year 2026–
18 2027 and each succeeding award year.

19 **SEC. 30033. PELL SHORTFALL.**

20 Section 401(b)(7)(A) of the Higher Education Act of
21 1965 (20 U.S.C. 1070a(b)(7)(A)) is amended—

22 (1) in clause (iii)—

23 (A) by striking “\$2,170,000,000” and in-
24 serting “\$5,351,000,000”; and

25 (B) by striking “and” at the end;

1 (2) in clause (iv)—

2 (A) by striking “\$1,236,000,000” and in-
3 serting “\$6,058,000,000”; and

4 (B) by striking “ and each succeeding fis-
5 cal year.” and inserting a semicolon; and

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

7 “(v) \$3,743,000,000 for fiscal year
8 2028; and

9 “(vi) \$1,236,000,000 for each suc-
10 ceeding fiscal year.”.

11 **Subtitle E—Accountability**

12 **SEC. 30041. AGREEMENTS WITH INSTITUTIONS.**

13 Section 454 of the Higher Education Act of 1965 (20
14 U.S.C. 1087d) is amended—

15 (1) in subsection (a)—

16 (A) in paragraph (5), by striking “and”
17 after the semicolon;

18 (B) by redesignating paragraph (6) as
19 paragraph (7); and

20 (C) by inserting after paragraph (5) the
21 following new paragraph:

22 “(6) provide annual reimbursements to the Sec-
23 retary in accordance with the requirements under
24 subsection (d); and”; and

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

3 “(d) REIMBURSEMENT REQUIREMENTS.—

4 “(1) ANNUAL REIMBURSEMENTS REQUIRED.—

5 Beginning in award year 2028–2029, each institu-
6 tion of higher education participating in the direct
7 student loan program under this part shall, for
8 qualifying student loans, remit to the Secretary, at
9 such time as the Secretary may specify, an annual
10 reimbursement for each student cohort of the insti-
11 tution, based on the non-repayment balance of such
12 cohort and calculated in accordance with paragraph
13 (3).

14 “(2) STUDENT COHORTS.—

15 “(A) COHORTS ESTABLISHED.—For each
16 institution of higher education participating in
17 the direct student loan program under this
18 part, the Secretary shall establish student co-
19 horts, beginning with award year 2027–2028,
20 as follows:

21 “(i) COMPLETING STUDENT CO-
22 HORT.—For each program of study at
23 such institution, a student cohort com-
24 prised of all students who received Federal
25 financial assistance under this title and

1 who completed such program during such
2 award year.

3 “(ii) UNDERGRADUATE NON-COM-
4 PLETING STUDENT COHORT.—For such in-
5 stitution, a student cohort comprised of all
6 students who received Federal financial as-
7 sistance under this title, who were enrolled
8 in the institution during the previous
9 award year in a program of study leading
10 to an undergraduate credential, and who at
11 the time the cohort is established—

12 “(I) have not completed such
13 program of study; and

14 “(II) are not enrolled at the in-
15 stitution in any program of study
16 leading to an undergraduate creden-
17 tial.

18 “(iii) GRADUATE NON-COMPLETING
19 STUDENT COHORT.—For each program of
20 study leading to a graduate credential at
21 such institution, a student cohort com-
22 prised of all students who received Federal
23 financial assistance under this title, who
24 were enrolled in such program during the

1 previous award year, and who at the time
2 the cohort is established—

3 “(I) have not completed such
4 program of study; and

5 “(II) are not enrolled in such
6 program.

7 “(B) QUALIFYING STUDENT LOAN.—For
8 the purposes of this subsection, the term ‘quali-
9 fying student loan’ means a loan made under
10 this part on or after July 1, 2027, that—

11 “(i) was made to a student included
12 in a student cohort of an institution or to
13 a parent on behalf of such a student;

14 “(ii) except in the case of a loan de-
15 scribed in clause (i) or (ii) of subparagraph
16 (C), is not included in any other student
17 cohort of any institution of higher edu-
18 cation;

19 “(iii) is not in—

20 “(I) a medical or dental intern-
21 ship or residency forbearance de-
22 scribed in section 428(c)(3)(A)(i)(I),
23 section 428B(a)(2), section 428H(a),
24 or section 685.205(a)(3) of title 34,
25 Code of Federal Regulations;

1 “(II) a graduate fellowship
2 deferment described in section
3 455(f)(2)(A)(ii);

4 “(III) rehabilitation training pro-
5 gram deferment described under sec-
6 tion 455(f)(2)(A)(ii);

7 “(IV) an in-school deferment de-
8 scribed under section 455(f)(2)(A)(i);

9 “(V) a cancer deferment de-
10 scribed under section 455(f)(3);

11 “(VI) a military service
12 deferment described under section
13 455(f)(2)(C); or

14 “(VII) a post-active duty student
15 deferment described under section
16 493D; and

17 “(iv) is not in default.

18 “(C) SPECIAL CIRCUMSTANCES.—

19 “(i) MULTIPLE CREDENTIALS.—In
20 the case of a student who completes two or
21 more programs of study during the same
22 award year, each qualifying student loan of
23 the student shall be included in the student
24 cohort for each of such program of study
25 for such award year.

1 “(ii) TREATMENT OF CERTAIN CON-
2 SOLIDATION LOANS.—A Federal Direct
3 Consolidation loan made under this title
4 shall not be considered a qualifying stu-
5 dent loan for a student cohort for an
6 award year if all of the loans included in
7 such consolidation loan are attributable to
8 another student cohort.

9 “(iii) CONSOLIDATION AFTER INCLU-
10 SION IN A STUDENT COHORT.—If a quali-
11 fying student loan is consolidated into a
12 consolidation loan under this title after
13 such qualifying student loan has been in-
14 cluded in a student cohort, the percentage
15 of the consolidation loan that was attrib-
16 utable to such student cohort at the time
17 of consolidation shall remain attributable
18 to the student cohort for the life of the
19 consolidation loan.

20 “(3) CALCULATION OF REIMBURSEMENT.—

21 “(A) REIMBURSEMENT PAYMENT FOR-
22 MULA.—For each student cohort of an institu-
23 tion of higher education established under this
24 subsection, the annual reimbursement for such
25 cohort shall be equal to—

1 “(i) the reimbursement percentage for
2 the cohort, determined in accordance with
3 subparagraph (B); multiplied by

4 “(ii) the non-repayment balance for
5 the cohort for the award year, determined
6 in accordance with subparagraph (C).

7 “(B) REIMBURSEMENT PERCENTAGE.—

8 The reimbursement percentage of a student co-
9 hort of an institution shall be determined by the
10 Secretary when the cohort is established, shall
11 remain constant for the life of the student co-
12 hort, and shall be determined as follows:

13 “(i) COMPLETING STUDENT CO-
14 HORTS.—The reimbursement percentage of
15 a completing student cohort shall be equal
16 to the percentage determined by—

17 “(I) subtracting from one the
18 quotient of—

19 “(aa) the median value-
20 added earnings of students who
21 completed such program of study
22 in the most recent award year for
23 which such earnings data is
24 available; divided by

1 “(bb) the median total price
2 charged to students included in
3 such cohort; and

4 “(II) multiplying the difference
5 determined under subclause (I) by
6 100.

7 “(ii) SPECIAL CIRCUMSTANCES FOR
8 COMPLETING STUDENT COHORTS.—

9 “(I) HIGH-RISK COHORTS.—Not-
10 withstanding clause (i), if the median
11 value-added earnings of a completing
12 student cohort under clause (i)(I)(aa)
13 is negative, the reimbursement per-
14 centage of the student cohort shall be
15 100 percent.

16 “(II) LOW-RISK COHORTS.—Not-
17 withstanding clause (i), if the median
18 value-added earnings of a completing
19 student cohort under clause (i)(I)(aa)
20 exceeds the median total price of such
21 cohort under clause (i)(I)(bb), the re-
22 imbursement percentage of the stu-
23 dent cohort shall be 0 percent.

24 “(iii) NON-COMPLETING STUDENT CO-
25 HORTS.—The reimbursement percentage of

1 a non-completing student cohort shall be
2 determined based on the most recent data
3 available in the award year in which the
4 cohort is established, and—

5 “(I) for an undergraduate non-
6 completing student cohort, shall be
7 equal to the percentage of under-
8 graduate students who received Fed-
9 eral financial assistance under this
10 title at such institution who—

11 “(aa) did not complete an
12 undergraduate program of study
13 at the institution within 150 per-
14 cent of the program length of
15 such program; or

16 “(bb) only in the case of a
17 two-year institution, did not,
18 within 6 years after first enroll-
19 ing at the two-year institution,
20 complete a program of study at a
21 four-year institution for which a
22 bachelor’s degree (or substan-
23 tially similar credential) is
24 awarded; and

1 “(II) for a graduate non-com-
2 pleting student cohort, shall be equal
3 to the percentage of students who re-
4 ceived Federal financial assistance
5 under this title at the institution for
6 the applicable graduate program of
7 study and who did not complete such
8 program of study within 150 percent
9 of the program length.

10 “(C) NON-REPAYMENT LOAN BALANCE.—

11 “(i) IN GENERAL.—For each award
12 year, the Secretary shall determine the
13 non-repayment loan balance for such
14 award year for each student cohort of an
15 institution of higher education by calcu-
16 lating the sum of—

17 “(I) for loans in such cohort, the
18 difference between the total amount of
19 payments due from all borrowers on
20 such loans during such year and the
21 total amount of payments made by all
22 such borrowers on such loans during
23 such year; plus

24 “(II) the total amount of interest
25 waived, paid, or otherwise not charged

1 by the Secretary during such year
2 under the income-based repayment
3 plan described in section 455(q); plus

4 “(III) the total amount of prin-
5 cipal and interest forgiven, cancelled,
6 waived, discharged, repaid, or other-
7 wise reduced by the Secretary under
8 any act during such year that is not
9 included in subclause (II) and was not
10 discharged or forgiven under section
11 437(a), 428J, or section 455(m).

12 “(ii) SPECIAL CIRCUMSTANCES.—For
13 the purpose of calculating the non-repay-
14 ment loan balance of student cohorts under
15 this paragraph, the Secretary shall—

16 “(I) for each qualifying student
17 loan in a student cohort that is in-
18 cluded in another student cohort be-
19 cause the student who borrowed such
20 loan completed two or more programs
21 of study during the same award year,
22 the sum of the amounts described in
23 subclauses (I) through (III) of clause
24 (i) for such qualifying student loan
25 shall be divided equally among each of

1 the student cohorts in which such loan
2 is included; and

3 “(II) for each consolidation loan
4 in a student cohort—

5 “(aa) determine the percent-
6 age of the outstanding principal
7 balance of the consolidation loan
8 attributable to such student co-
9 hort—

10 “(AA) at the time of
11 that loan was included in
12 such cohort, in the case of a
13 loan consolidated before in-
14 clusion in such cohort; or

15 “(BB) at the time of
16 consolidation, in the case of
17 a loan consolidated after in-
18 clusion in such cohort; and

19 “(bb) include in the calcula-
20 tions under clause (i) for such
21 student cohort only the percent-
22 age of the sum of the amounts
23 described in subclauses (I)
24 through (III) of clause (i) for the
25 consolidation loan for such year

1 that is equal to the percentage of
2 the consolidation loan determined
3 under item (aa).

4 “(D) TOTAL PRICE.—With respect to a
5 student who received Federal financial assist-
6 ance under this title and who completes a pro-
7 gram of study, the term ‘total price’ means the
8 total amount, before Federal financial assist-
9 ance under this title was applied, a student was
10 required to pay to complete the program of
11 study. A student’s total price shall be calculated
12 by the Secretary as the difference between—

13 “(i) the total amount of tuition and
14 fees that were charged to such student be-
15 fore the application of any Federal finan-
16 cial assistance provided under this title;
17 minus

18 “(ii) the total amount of grants and
19 scholarships described in section 480(i)
20 awarded to such student from non-Federal
21 sources for such program of study.

22 “(4) NOTIFICATION AND REMITTANCE.—Begin-
23 ning with the first award year for which reimburse-
24 ments are required under this subsection, and for
25 each succeeding award year, the Secretary shall—

1 “(A) notify each institution of higher edu-
2 cation of the amounts and due dates of each
3 annual reimbursement calculated under para-
4 graph (3) for each student cohort of the institu-
5 tion within 30 days of calculating such
6 amounts; and

7 “(B) require the institution to remit such
8 payments within 90 days of such notification.

9 “(5) PENALTY FOR LATE PAYMENTS.—

10 “(A) THREE-MONTH DELINQUENCY.—If
11 an institution fails to remit to the Secretary a
12 reimbursement for a student cohort as required
13 under this subsection within 90 days of receiv-
14 ing notification from the Secretary in accord-
15 ance with paragraph (4), the institution shall
16 pay to the Secretary, in addition to such reim-
17 bursement, interest on such reimbursement
18 payment, at a rate that is the average rate ap-
19 plicable to the loans in such student cohort.

20 “(B) TWELVE-MONTH DELINQUENCY.—If
21 an institution fails to remit to the Secretary a
22 reimbursement for a student cohort as required
23 under this subsection, plus interest owed in
24 under subparagraph (A), within 12 months of
25 receiving notification from the Secretary in ac-

1 cordance with paragraph (4), the institution
2 shall be ineligible to make direct loans to any
3 student enrolled in the program of study for
4 which the institution has failed to make the re-
5 imbursement payments until such payment is
6 made.

7 “(C) EIGHTEEN-MONTH DELINQUENCY.—
8 If an institution fails to remit to the Secretary
9 a reimbursement for a student cohort as re-
10 quired under this subsection, plus interest owed
11 under subparagraph (A), within 18 months of
12 receiving notification from the Secretary in ac-
13 cordance with paragraph (4), the institution
14 shall be ineligible to make direct loans or award
15 Federal Pell Grants under section 401 to any
16 student enrolled in the institution until such
17 payment is made.

18 “(D) TWO-YEAR DELINQUENCY.—If an in-
19 stitution fails to remit to the Secretary a reim-
20 bursement for a student cohort as required
21 under this subsection, plus interest owed under
22 subparagraph (A), within 2 years of receiving
23 notification from the Secretary in accordance
24 with paragraph (4), the institution shall be in-

1 eligible to participate in any program under this
2 title for a period of not less than 10 years.

3 “(6) RELIEF FOR VOLUNTARY CESSATION OF
4 FEDERAL DIRECT LOANS FOR A PROGRAM OF
5 STUDY.—The Secretary shall, upon the request of an
6 institution that voluntarily ceases to make Federal
7 Direct loans to students enrolled in a specific pro-
8 gram of study, reduce the amount of the annual re-
9 imbursement owed by the institution for each stu-
10 dent cohort associated with such program by 50 per-
11 cent if the institution assures the Secretary that the
12 institution will not make Federal Direct loans to any
13 student enrolled in such program of study (or any
14 substantially similar program of study, as deter-
15 mined by the Secretary) for a period of not less than
16 10 award years, beginning with the first award year
17 that begins after the date on which the Secretary re-
18 duces such reimbursement.

19 “(7) RESERVATION OF FUNDS FOR PROMISE
20 GRANTS.—Notwithstanding any other provision of
21 law, the Secretary shall reserve the funds remitted
22 to the Secretary as reimbursements in accordance
23 with this subsection, and such funds shall be made
24 available to the Secretary only for the purpose of

1 awarding PROMISE grants in accordance with sub-
2 part 11 of part A of this title.”.

3 **SEC. 30042. CAMPUS-BASED AID PROGRAMS.**

4 (a) PROMISE GRANTS.—Part A of title IV of the
5 Higher Education Act of 1965 (20 U.S.C. 1070c et seq.)
6 is amended by adding at the end the following:

7 **“Subpart 11—Promoting Real Opportunities to**
8 **Maximize Investments and Savings in Education**
9 **“SEC. 420S. PROMISE GRANTS.**

10 “For award year 2028–2029 and each succeeding
11 award year, from reserved funds remitted to the Secretary
12 in accordance with section 454(d) and additional funds
13 made available under section 420V, as necessary, the Sec-
14 retary shall award PROMISE grants to eligible institu-
15 tions to carry out the activities described in section
16 420U(c). PROMISE grants awarded under this subpart
17 shall be awarded on a noncompetitive basis to each eligible
18 institution that submits a satisfactory application under
19 section 420T for a 6-year period in an amount that is de-
20 termined in accordance with section 420U.

21 **“SEC. 420T. ELIGIBLE INSTITUTIONS; APPLICATION.**

22 “(a) ELIGIBLE INSTITUTION.—To be eligible for a
23 PROMISE grant under this subpart, an institution
24 shall—

1 “(1) be an institution of higher education under
2 section 102, except that an institution described in
3 section 102(a)(1)(C) shall not be an eligible institu-
4 tion under this subpart; and

5 “(2) meet the maximum total price guarantee
6 requirements under subsection (c).

7 “(b) APPLICATION.—An eligible institution seeking a
8 PROMISE grant under this subpart (including a renewal
9 of such a grant) shall submit to the Secretary an applica-
10 tion, at such time as the Secretary may require, containing
11 the information required under this subsection. Such ap-
12 plication shall—

13 “(1) demonstrate that the institution—

14 “(A) meets the maximum total price guar-
15 antee requirements under subsection (c); and

16 “(B) will continue to meet the maximum
17 total price guarantee requirements for each
18 award year during the grant period with respect
19 to students first enrolling at the institution for
20 each such award year;

21 “(2) describe how grant funds awarded under
22 this subpart will be used by the institution to carry
23 out activities related to—

24 “(A) increasing postsecondary afford-
25 ability, including—

1 “(i) the expansion and continuation of
2 the maximum total price guarantee re-
3 quirements under subsection (c); and

4 “(ii) any other activities to be carried
5 out by the institution to increase postsec-
6 ondary affordability and minimize the max-
7 imum total price for completion paid by
8 students receiving need-based student aid;

9 “(B) increasing postsecondary access,
10 which may include—

11 “(i) the activities described in section
12 485E of this Act; and

13 “(ii) any other activities to be carried
14 out by the institution to increase postsec-
15 ondary access and expand opportunities for
16 low- and middle-income students; and

17 “(C) increasing postsecondary student suc-
18 cess, which may include—

19 “(i) activities to improve completion
20 rates and reduce time to credential;

21 “(ii) activities to align programs of
22 study with the needs of employers, includ-
23 ing with respect to in-demand industry sec-
24 tors or occupations (as defined in section 3

1 of the Workforce Innovation and Oppor-
2 tunity Act (29 U.S.C. 3102)); and

3 “(iii) any other activities to be carried
4 out by the institution to increase value-
5 added earnings and postsecondary student
6 success;

7 “(3) describe—

8 “(A) how the institution will evaluate the
9 effectiveness of the institution’s use of grant
10 funds awarded under this subpart; and

11 “(B) how the institution will collect and
12 disseminate information on promising practices
13 developed with the use of such grant funds; and

14 “(4) in the case of an institution that has pre-
15 viously received a grant under this subpart, contain
16 the evaluation required under paragraph (3) for
17 each previous grant.

18 “(c) MAXIMUM TOTAL PRICE GUARANTEE REQUIRE-
19 MENTS.—As a condition of eligibility for a PROMISE
20 grant under this subpart, an institution shall—

21 “(1) for each award year beginning after the
22 date of enactment of this subpart, not later than 1
23 year before the start of each such award year (ex-
24 cept that, for the first award year beginning after
25 such date of enactment, the institution shall meet

1 these requirements as soon as practicable after such
2 date of enactment), determine the maximum total
3 price for completion, in accordance with subsection
4 (e), for each program of study at the institution ap-
5 plicable to students in each income category and stu-
6 dent aid index category (as determined by the Sec-
7 retary) and publish such information on the institu-
8 tion's website and in the institution's catalog, mar-
9 keting materials, or other official publications;

10 “(2) for the award year for which the institu-
11 tion is applying for a PROMISE grant, and at least
12 1 award year preceding such award year, provide to
13 each student who first enrolls, or plans to enroll, in
14 the institution during the award year and who re-
15 ceives Federal financial aid under this title a max-
16 imum total price guarantee, in accordance with this
17 section, for the minimum guarantee period applica-
18 ble to the student; and

19 “(3) provide to the Secretary an assurance that
20 the institution will continue to meet each of the
21 maximum total price guarantee requirements under
22 this subsection for students who first enroll, or plan
23 to enroll, in the institution during each award year
24 included in the grant period.

1 “(d) DURATION OF MINIMUM GUARANTEE PE-
2 RIOD.—

3 “(1) IN GENERAL.—The minimum period dur-
4 ing which a student shall be provided a guarantee
5 under subsection (c) with respect to the maximum
6 total price for completion of a program of study at
7 an institution shall be the average, for the 3 most
8 recent award years for which data are available, of
9 the median time to credential of students who com-
10 pleted any undergraduate program of study at the
11 institution during each such award year, except that
12 such minimum guarantee period shall not be less
13 than the program length of the program of study in
14 which the student is enrolled.

15 “(2) LIMITATION.—An institution shall not be
16 required to provide a maximum total price guarantee
17 under subsection (c) to a student after the conclu-
18 sion of the 6-year period beginning on the first day
19 on which the student enrolled at such institution.

20 “(e) DETERMINATION OF MAXIMUM TOTAL PRICE
21 FOR COMPLETION.—

22 “(1) IN GENERAL.—For the purposes of sub-
23 section (c), an institution shall determine, prior to
24 the first award year in which a student enrolls at
25 the institution, the maximum total price that may be

1 charged to the student for completion of a program
2 of study at the institution for the minimum guar-
3 antee period applicable to a student, before applica-
4 tion of any Federal Pell Grants or other Federal fi-
5 nancial aid under this title. Such a maximum total
6 price for completion shall be determined for students
7 in each income category and student aid index cat-
8 egory (as determined by the Secretary). In deter-
9 mining the maximum total price for completion to be
10 charged to each such category of students, the insti-
11 tution may consider the ability of a category of stu-
12 dents to pay tuition and fees, but may not include
13 in such consideration any Federal Pell Grants or
14 other Federal financial aid awards that may be
15 available to such category of students under this
16 title.

17 “(2) MULTIPLE MAXIMUM TOTAL PRICE GUAR-
18 ANTEES.—In the event that a student receives more
19 than 1 maximum total price guarantee because the
20 student is included in more than 1 category of stu-
21 dents for which the institution determines a max-
22 imum total price guarantee amount for the purposes
23 of subsection (c), the maximum total price guarantee
24 applicable to such student for the purposes of this

1 section shall be equal to the lowest such guarantee
2 amount.

3 **“SEC. 420U. GRANT AMOUNTS; FLEXIBLE USE OF FUNDS.**

4 “(a) GRANT AMOUNT FORMULA.—

5 “(1) FORMULA.—Subject to subsection (b) and
6 section 420V(b), the amount of a PROMISE grant
7 for an eligible institution for each year of the grant
8 period shall be calculated by the Secretary annually
9 and shall be equal to the amount determined by
10 multiplying—

11 “(A) the lesser of—

12 “(i) the difference determined by sub-
13 tracting one from the quotient of—

14 “(I) the average, for the 3 most
15 recent award years for which data are
16 available, of the median value-added
17 earnings for each such award year of
18 students who completed any program
19 of study of the institution; divided by

20 “(II) the average, for the 3 most
21 recent award years for which data are
22 available, of the maximum total price
23 for completion determined under sec-
24 tion 420T(e) applicable for each such
25 award year to students enrolled in the

1 institution in any program of study
2 who received financial aid under this
3 title; or

4 “(ii) the number two;

5 “(B) the average, for the 3 most recent
6 award years for which data are available, of the
7 total dollar amount of Federal Pell Grants
8 awarded to students enrolled in the institution
9 in each such award year; and

10 “(C) the average, for the 3 most recent
11 award years for which data are available, of the
12 percentage of low-income students who received
13 Federal financial assistance under this title who
14 were enrolled in the institution in each such
15 award year who—

16 “(i) completed a program of study at
17 the institution within 100 percent of the
18 program length of such program; or

19 “(ii) only in the case of a two-year in-
20 stitution or a less than two-year institu-
21 tion—

22 “(I) transfer to a four-year insti-
23 tution; and

24 “(II) within 4 years after first
25 enrolling at the two-year or less than

1 two-year institution, complete a pro-
2 gram of study at the four-year institu-
3 tion for which a bachelor's degree (or
4 substantially similar credential) is
5 awarded.

6 “(2) DEFINITION OF LOW-INCOME.—In this
7 section, the term ‘low-income’, when used with re-
8 spect to a student, means that the student’s family
9 income does not exceed the maximum income in the
10 lowest income category (as determined by the Sec-
11 retary).

12 “(b) MAXIMUM GRANT AMOUNT.—Notwithstanding
13 subsection (a), the maximum amount an eligible institu-
14 tion may receive annually for a grant under this subpart
15 shall be the amount equal to—

16 “(1) the average, for the 3 most recent award
17 years, of the number of students enrolled in the in-
18 stitution in an award year who receive Federal fi-
19 nancial aid under this title; multiplied by

20 “(2) \$5,000.

21 “(c) FLEXIBLE USE OF FUNDS.—A PROMISE
22 grant awarded under this subpart shall be used by an eli-
23 gible institution to—

1 “(1) carry out activities included in the institu-
2 tion’s application for such grant related to postsec-
3 ondary affordability, access, and student success;

4 “(2) evaluate the effectiveness of the activities
5 carried out with such grant in accordance with sec-
6 tion 420T(b)(3)(A); and

7 “(3) collect and disseminate promising practices
8 related to the activities carried out with such grant,
9 in accordance with section 420T(b)(3)(B).

10 **“SEC. 420V. AVAILABILITY OF FUNDS.**

11 “(a) USED OF RESERVED FUNDS.—

12 “(1) PRIMARY FUNDS.—To carry out this sub-
13 part, there shall be available to the Secretary any
14 funds remitted to the Secretary as reimbursements
15 in accordance with section 454(d) for any award
16 year.

17 “(2) SECONDARY FUNDS.—Beginning award
18 year 2028–2029, if the amounts made available to
19 the Secretary under paragraph (1) to carry out this
20 subpart in any award year are insufficient to fully
21 fund the PROMISE grants awarded under this sub-
22 part in such award year, there shall be available to
23 the Secretary, in addition to such amounts, any
24 funds returned to the Secretary under section 484B
25 in the previous award year.

1 “(b) REDUCTION OF GRANT AMOUNT IN CASE OF IN-
2 SUFFICIENT FUNDS.—

3 “(1) IN GENERAL.—If the amounts made avail-
4 able to the Secretary under subsection (a) to carry
5 out this subpart for an award year are not sufficient
6 to provide grants to each eligible institution in the
7 amount determined under section 420U for such
8 award year, the Secretary shall reduce each such
9 grant amount by the applicable percentage described
10 in paragraph (2).

11 “(2) APPLICABLE PERCENTAGE.—The applica-
12 ble percentage described in this paragraph is the
13 percentage determined by dividing—

14 “(A) the amounts made available under
15 subsection (a) for the award year described in
16 paragraph (1); by

17 “(B) the total amount that would be nec-
18 essary to provide grants to all eligible institu-
19 tions in the amounts determined under section
20 420U for such award year.

21 **“SEC. 420W. DEFINITIONS.**

22 “In this title:

23 “(1) VALUE-ADDED EARNINGS.—

24 “(A) IN GENERAL.—With respect to a stu-
25 dent who received Federal financial aid under

1 this title and who completed a program of study
2 offered by an institution of higher education,
3 the term ‘value-added earnings’ means—

4 “(i) the annual earnings of such stu-
5 dent measured during the applicable earn-
6 ings measurement period for such program
7 (as determined under subparagraph (C));
8 minus

9 “(ii) in the case of a student who
10 completed a program of study that
11 awards—

12 “(I) an undergraduate credential,
13 150 percent of the poverty line appli-
14 cable to a single individual as deter-
15 mined under section 673(2) of the
16 Community Services Block Grant Act
17 (42 U.S.C. 9902(2)) for such year; or

18 “(II) a graduate credential, 300
19 percent of the poverty line applicable
20 to a single individual as determined
21 under section 673(2) of the Commu-
22 nity Services Block Grant Act (42
23 U.S.C. 9902(2)) for such year.

24 “(B) GEOGRAPHIC ADJUSTMENT.—

1 “(i) IN GENERAL.—Except as pro-
2 vided in clause (ii), the Secretary shall use
3 the geographic location of the institution at
4 which a student completed a program of
5 study to adjust the value-added earnings of
6 the student calculated under subparagraph
7 (A) by dividing—

8 “(I) the difference between
9 clauses (i) and (ii) of such subpara-
10 graph; by

11 “(II) the most recent regional
12 price parity index of the Bureau of
13 Economics Analysis for the State or,
14 as applicable, metropolitan area in
15 which such institution is located.

16 “(ii) EXCEPTION.—The value-added
17 earnings of a student calculated under sub-
18 paragraph (A) shall not be adjusted based
19 on geographic location in accordance with
20 clause (i) if such student attended prin-
21 cipally through distance education.

22 “(C) EARNINGS MEASUREMENT PERIOD.—

23 “(i) IN GENERAL.—For the purpose
24 of calculating the value-added earnings of
25 a student, except as provided in clause (ii),

1 the annual earnings of a student shall be
2 measured—

3 “(I) in the case of a program of
4 study that awards an undergraduate
5 certificate, post baccalaureate certifi-
6 cate, or graduate certificate, 1 year
7 after the student completes such pro-
8 gram;

9 “(II) in the case of a program of
10 study that awards an associate’s de-
11 gree or master’s degree, 2 years after
12 the student completes such program;
13 and

14 “(III) in the case of a program of
15 study that awards a bachelor’s degree,
16 doctoral degree, or professional de-
17 gree, 4 years after the student com-
18 pletes such program.

19 “(ii) EXCEPTION.—The Secretary
20 may, as the Secretary determines appro-
21 priate based on the characteristics of a
22 program of study, extend an earnings
23 measurement period described in clause (i)
24 for a program of study that—

1 “(I) requires completion of an
2 additional educational program after
3 completion of the program of study in
4 order to obtain a licensure associated
5 with the credential awarded for such
6 program of study; and

7 “(II) when combined with the
8 program length of such additional
9 educational program for licensure, has
10 a total program length that exceeds
11 the relevant earnings measurement
12 period prescribed for such program of
13 study under clause (i),

14 except that in no case shall the annual
15 earnings of a student be measured more
16 than 1 year after the student completes
17 such additional educational program.

18 “(2) PROGRAM LENGTH.—The term ‘program
19 length’ means the minimum amount of time in
20 weeks, months, or years that is specified in the cata-
21 log, marketing materials, or other official publica-
22 tions of an institution of higher education for a full-
23 time student to complete the requirements for a spe-
24 cific program of study.”.

1 (b) INSTITUTIONAL REFUNDS.—Section 484B of the
2 Higher Education Act of 1965 (20 U.S.C. 1091b) is
3 amended by adding at the end the following:

4 “(f) RESERVATION OF FUNDS FOR PROMISE
5 GRANTS.—Notwithstanding any other provision of law,
6 the Secretary shall reserve the funds returned to the Sec-
7 retary under this section for 1 year after the return of
8 such funds for the purpose of awarding PROMISE grants
9 in accordance with subpart 4 of part A of this title.”.

10 **Subtitle F—Regulatory Relief**

11 **SEC. 30051. REGULATORY RELIEF.**

12 (a) 90/10 RULE.—Section 487 of the Higher Edu-
13 cation Act of 1965 (20 U.S.C. 1094) is amended—

14 (1) in subsection (a), by repealing paragraph
15 (24);

16 (2) by striking subsection (d); and

17 (3) by redesignating subsections (e) through (j)
18 as subsections (d) through (i), respectively.

19 (b) GAINFUL EMPLOYMENT.—The Higher Education
20 Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

21 (1) in section 101(b)(1), by striking “gainful
22 employment in”;

23 (2) in section 102—

24 (A) in subsection (b)(1)(A)(i), by striking
25 “gainful employment in”; and

1 (B) in subsection (c)(1)(A), by striking
2 “gainful employment in”; and
3 (3) in section 481(b)(1)(A)(i), by striking
4 “gainful employment in”.

5 (c) OTHER REPEALS.—The following regulations (in-
6 cluding any supplement or revision to such regulations)
7 are repealed and shall have no legal effect:

8 (1) CLOSED SCHOOL DISCHARGES.—Sections
9 674.33(g), 682.402(d), and 685.214 of title 34,
10 Code of Federal Regulations (relating to closed
11 school discharges), as added or amended by the final
12 regulations published by the Department of Edu-
13 cation in the Federal Register on November 1, 2022
14 (87 Fed. Reg. 65904 et seq.).

15 (2) BORROWER DEFENSE TO REPAYMENT.—
16 Subpart D of part 685 of title 34, Code of Federal
17 Regulations (relating to borrower defense to repay-
18 ment), as added or amended by the final regulations
19 published by the Department of Education in the
20 Federal Register on November 1, 2022 (87 Fed.
21 Reg. 65904 et seq.).

22 (d) EFFECT OF REPEAL.—Any regulations repealed
23 by subsection (c) that were in effect on June 30, 2023,
24 are restored and revived as if the repeal of such regula-
25 tions under such subsection had not taken effect.

1 (e) PROHIBITION.—The Secretary of Education may
2 not implement any rule, regulation, policy, or executive ac-
3 tion specified in this section (or a substantially similar
4 rule, regulation, policy, or executive action) unless author-
5 ity for such implementation is explicitly provided in an Act
6 of Congress.

7 **Subtitle G—Limitation on** 8 **Authority**

9 **SEC. 30061. LIMITATION ON AUTHORITY OF THE SEC-**
10 **RETARY TO PROPOSE OR ISSUE REGULA-**
11 **TIONS AND EXECUTIVE ACTIONS.**

12 Part G of title IV of the Higher Education Act of
13 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
14 after section 492 the following:

15 **“SEC. 492A. LIMITATION ON AUTHORITY OF THE SEC-**
16 **RETARY TO PROPOSE OR ISSUE REGULA-**
17 **TIONS AND EXECUTIVE ACTIONS.**

18 “(a) DRAFT REGULATIONS.—Beginning on the date
19 of enactment of this section, a draft regulation imple-
20 menting this title (as described in section 492(b)(1)) that
21 is determined by the Secretary to be economically signifi-
22 cant shall be subject to the following requirements (re-
23 gardless of whether negotiated rulemaking occurs):

1 “(1) The Secretary shall determine whether the
2 draft regulation, if implemented, would result in an
3 increase in a subsidy cost.

4 “(2) If the Secretary determines under para-
5 graph (1) that the draft regulation would result in
6 an increase in a subsidy cost, then the Secretary
7 may not take any further action with respect to such
8 regulation.

9 “(b) PROPOSED OR FINAL REGULATIONS AND EXEC-
10 UTIVE ACTIONS.—Beginning on the date of enactment of
11 this section, the Secretary may not issue a proposed rule,
12 final regulation, or executive action implementing this title
13 if the Secretary determines that the rule, regulation, or
14 executive action—

15 “(1) is economically significant; and

16 “(2) would result in an increase in a subsidy
17 cost.

18 “(c) RELATIONSHIP TO OTHER REQUIREMENTS.—
19 The analyses required under subsections (a) and (b) shall
20 be in addition to any other cost analysis required under
21 law for a regulation implementing this title, including any
22 cost analysis that may be required pursuant to Executive
23 Order 12866 (58 Fed. Reg. 51735; relating to regulatory
24 planning and review), Executive Order 13563 (76 Fed.

1 Reg. 3821; relating to improving regulation and regu-
2 latory review), or any related or successor orders.

3 “(d) DEFINITION.—In this section, the term ‘eco-
4 nomically significant’, when used with respect to a draft,
5 proposed, or final regulation or executive action, means
6 that the regulation or executive action is likely, as deter-
7 mined by the Secretary—

8 “(1) to have an annual effect on the economy
9 of \$100,000,000 or more; or

10 “(2) to adversely affect in a material way the
11 economy, a sector of the economy, productivity, com-
12 petition, jobs, the environment, public health or safe-
13 ty, or State, local, or tribal governments or commu-
14 nities.”.

15 **TITLE IV—ENERGY AND** 16 **COMMERCE**

17 **Subtitle A—Energy**

18 **SEC. 41001. RESCISSIONS RELATING TO CERTAIN INFLA-** 19 **TION REDUCTION ACT PROGRAMS.**

20 (a) STATE-BASED HOME ENERGY EFFICIENCY CON-
21 TRACTOR TRAINING GRANTS.—The unobligated balance
22 of any amounts made available under subsection (a) of
23 section 50123 of Public Law 117–169 (42 U.S.C. 18795b)
24 is rescinded.

1 (b) FUNDING FOR DEPARTMENT OF ENERGY LOAN
2 PROGRAMS OFFICE.—The unobligated balance of any
3 amounts made available under subsection (b) of section
4 50141 of Public Law 117–169 (136 Stat. 2042) is re-
5 scinded.

6 (c) ADVANCED TECHNOLOGY VEHICLE MANUFAC-
7 TURING.—The unobligated balance of any amounts made
8 available under subsection (a) of section 50142 of Public
9 Law 117–169 (136 Stat. 2044) is rescinded.

10 (d) ENERGY INFRASTRUCTURE REINVESTMENT FI-
11 NANCING.—The unobligated balance of any amounts made
12 available under subsection (a) of section 50144 of Public
13 Law 117–169 (136 Stat. 2044) is rescinded.

14 (e) TRIBAL ENERGY LOAN GUARANTEE PROGRAM.—
15 The unobligated balance of any amounts made available
16 under subsection (a) of section 50145 of Public Law 117–
17 169 (136 Stat. 2045) is rescinded.

18 (f) TRANSMISSION FACILITY FINANCING.—The un-
19 obligated balance of any amounts made available under
20 subsection (a) of section 50151 of Public Law 117–169
21 (42 U.S.C. 18715) is rescinded.

22 (g) GRANTS TO FACILITATE THE SITING OF INTER-
23 STATE ELECTRICITY TRANSMISSION LINES.—The unobli-
24 gated balance of any amounts made available under sub-

1 section (a) of section 50152 of Public Law 117–169 (42
2 U.S.C. 18715a) is rescinded.

3 (h) INTERREGIONAL AND OFFSHORE WIND ELEC-
4 TRICITY TRANSMISSION PLANNING, MODELING, AND
5 ANALYSIS.—The unobligated balance of any amounts
6 made available under subsection (a) of section 50153 of
7 Public Law 117–169 (42 U.S.C. 18715b) is rescinded.

8 (i) ADVANCED INDUSTRIAL FACILITIES DEPLOY-
9 MENT PROGRAM.—The unobligated balance of any
10 amounts made available under subsection (a) of section
11 50161 of Public Law 117–169 (42 U.S.C. 17113a) is re-
12 scinded.

13 **SEC. 41002. FERC CERTIFICATES AND FEES FOR CERTAIN**
14 **ENERGY INFRASTRUCTURE AT INTER-**
15 **NATIONAL BOUNDARIES OF THE UNITED**
16 **STATES.**

17 (a) DEFINITIONS.—In this section:

18 (1) CERTIFICATE OF CROSSING.—The term
19 “certificate of crossing” means a permit for the con-
20 struction, connection, operation, or maintenance of a
21 cross-border segment.

22 (2) COMMISSION.—The term “Commission”
23 means the Federal Energy Regulatory Commission.

24 (3) COVERED FACILITY.—The term “covered
25 facility” means—

1 (A) an oil, natural gas, hydrocarbon liq-
2 uids, refined petroleum products, hydrogen, or
3 carbon dioxide pipeline;

4 (B) a pipeline for the movement of any
5 other energy-related product; and

6 (C) an electric transmission facility.

7 (4) CROSS-BORDER SEGMENT.—The term
8 “cross-border segment” means a segment, as deter-
9 mined by the Commission, of a covered facility that
10 is located at an international boundary between—

11 (A) the United States and Canada; or

12 (B) the United States and Mexico.

13 (5) PRESIDENTIAL PERMIT.—The term “Presi-
14 dential permit” means a permit or other approval
15 issued or required by the President under or pursu-
16 ant to any provision of law, including under or pur-
17 suant to any Executive order, with respect to the
18 construction, connection, operation, or maintenance
19 of a cross-border segment.

20 (b) CERTIFICATE OF CROSSING AND FEE.—

21 (1) IN GENERAL.—The Commission shall, upon
22 payment of a fee in the amount of \$50,000 by a per-
23 son requesting a certificate of crossing, issue to such
24 person such certificate of crossing.

1 (2) TREATMENT OF FEE.—A fee paid under
2 this subsection shall not be considered a fee assessed
3 under section 3401 of the Omnibus Budget Rec-
4 onciliation Act of 1986 (42 U.S.C. 7178).

5 (c) PROHIBITION.—Except as provided in subsection
6 (d), no person may construct, connect, operate, or main-
7 tain a cross-border segment for the import or export of
8 oil, natural gas, hydrocarbon liquids, refined petroleum
9 products, hydrogen, carbon dioxide, or other energy-re-
10 lated products, or for the transmission of electricity, to
11 or from Canada or Mexico without obtaining a certificate
12 of crossing from the Commission under subsection (b) for
13 the applicable construction, connection, operation, or
14 maintenance.

15 (d) PREVIOUSLY AUTHORIZED FACILITIES.—Sub-
16 section (c) shall not apply to the construction, connection,
17 operation, or maintenance of a cross-border segment with
18 respect to which a Presidential permit that was issued be-
19 fore the date of enactment of this Act applies and is in
20 effect.

21 **SEC. 41003. NATURAL GAS EXPORTS AND IMPORTS.**

22 Section 3 of the Natural Gas Act (15 U.S.C. 717b)
23 is amended by adding at the end the following:

24 “(g) CHARGE FOR EXPORTATION OR IMPORTATION
25 OF NATURAL GAS.—The Secretary of Energy shall, by

1 rule, impose and collect, for each application to export nat-
2 ural gas from the United States to a foreign country with
3 which there is not in effect a free trade agreement requir-
4 ing national treatment for trade in natural gas, or to im-
5 port natural gas from such a foreign country, a non-
6 refundable charge of \$1,000,000, and, for purposes of sub-
7 section (a), the importation or exportation of natural gas
8 that is proposed in an application for which such a non-
9 refundable charge was imposed and collected shall be
10 deemed to be in the public interest, and such an applica-
11 tion shall be granted without modification or delay.”.

12 **SEC. 41004. FUNDING FOR DEPARTMENT OF ENERGY LOAN**
13 **GUARANTEE EXPENSES.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Secretary of Energy, out of any money
16 in the Treasury not otherwise appropriated, \$5,000,000,
17 to remain available for a period of five years for adminis-
18 trative expenses associated with carrying out section 116
19 of the Alaska Natural Gas Pipeline Act (15 U.S.C. 720n).

20 **SEC. 41005. EXPEDITED PERMITTING.**

21 The Natural Gas Act is amended by adding after sec-
22 tion 15 (15 U.S.C. 717n) the following:

23 **“SEC. 15A. EXPEDITED PERMITTING.**

24 **“(a) DEFINITIONS.—**In this section:

1 “(1) COVERED APPLICATION.—The term ‘cov-
2 ered application’ means an application for an au-
3 thorization under section 3 or a certificate of public
4 convenience and necessity under section 7, as appli-
5 cable, for activities that include construction.

6 “(2) FEDERAL AUTHORIZATION.—The term
7 ‘Federal authorization’ has the meaning given such
8 term in section 15(a).

9 “(b) EXPEDITED REVIEW.—

10 “(1) NOTIFICATION OF ELECTION AND PAY-
11 MENT OF FEE.—Prior to submitting a covered appli-
12 cation, an applicant may elect to obtain an expedited
13 review of all Federal authorizations required for the
14 approval of such covered application by—

15 “(A) submitting to the Commission a writ-
16 ten notification—

17 “(i) of the election; and

18 “(ii) that identifies each Federal au-
19 thorization required for the approval of the
20 covered application and each Federal,
21 State, interstate, or Tribal agency that will
22 consider an aspect of each such Federal
23 authorization; 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, inter-
11 state, or Tribal agency identified
12 under 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. 41006. CARBON DIOXIDE, HYDROGEN, AND PETRO-**
2 **LEUM PIPELINE PERMITTING.**

3 The Natural Gas Act is amended by inserting after
4 section 7 (15 U.S.C. 717f) the following:

5 **“SEC. 7A. CARBON DIOXIDE, HYDROGEN, AND PETROLEUM**
6 **PIPELINE PERMITTING.**

7 “(a) COVERED PIPELINE DEFINED.—In this section,
8 the term ‘covered pipeline’ means—

9 “(1) a pipeline or pipeline facility for the trans-
10 portation of carbon dioxide that is regulated under
11 chapter 601 of title 49, United States Code, pursu-
12 ant to section 60102(i) of such chapter;

13 “(2) a gas pipeline facility, as such term is de-
14 fined in section 60101 of title 49, United States
15 Code, for the transportation of hydrogen that is reg-
16 ulated under chapter 601 of such title; or

17 “(3) a hazardous liquid pipeline facility, as such
18 term is defined in section 60101 of title 49, United
19 States Code, for the transportation of petroleum or
20 a petroleum product that is regulated under chapter
21 601 of such title.

22 “(b) APPLICATION AND FEE.—Any person may sub-
23 mit to the Commission—

24 “(1) an application for a license authorizing the
25 whole or any part of the operation, sale, service, con-
26 struction, extension, or acquisition of a covered pipe-

1 line, which application shall be made in the same
2 manner as, and in accordance with the requirements
3 for, an application for a certificate of public conven-
4 ience and necessity under section 7(d); and

5 “(2) a fee in the amount of \$10,000,000 for the
6 consideration of such application.

7 “(c) PROCEDURE.—

8 “(1) IN GENERAL.—With respect to each appli-
9 cation for which a fee is submitted under subsection
10 (b), the Commission shall—

11 “(A) consider the application in accordance
12 with the procedures applicable to an application
13 for a certificate of public convenience and ne-
14 cessity under the matter preceding the proviso
15 in section 7(c)(1)(B), including the procedure
16 provided in section 7(e); and

17 “(B) in accordance with section 7(e), issue
18 the license for which the application was sub-
19 mitted or deny such application.

20 “(2) NECESSARY MODIFICATIONS.—For pur-
21 poses of this section, the Commission may modify
22 procedures in place under section 7 as the Commis-
23 sion determines necessary to apply such procedures
24 to the consideration, issuance, or denial of an appli-
25 cation under this section.

1 “(d) EFFECT OF LICENSE.—Notwithstanding any
2 other provision of law, if the Commission issues a license
3 under subsection (c)(1) of this section and the licensee is
4 in compliance with such license, no requirement of State
5 or local law that requires approval of the location of the
6 covered pipeline with respect to which the license is issued
7 may be enforced against the licensee.

8 “(e) APPLICATION TO OTHER PROVISIONS.—

9 “(1) EXTENSION OF FACILITIES; ABANDON-
10 MENT OF SERVICE.—For purposes of section 7—

11 “(A) subsection (b) of such section shall be
12 applied with respect to this section by sub-
13 stituting ‘licensee under section 7A’ for ‘nat-
14 ural-gas company’;

15 “(B) subsection (c)(2) of such section shall
16 be applied with respect to this section—

17 “(i) by substituting ‘licensee under
18 section 7A’ for ‘natural-gas company’; and

19 “(ii) by substituting ‘petroleum or a
20 petroleum product’ for ‘natural gas’ each
21 place it appears;

22 “(C) subsection (f)(1) shall be applied with
23 respect to this section—

1 “(i) by substituting ‘license under sec-
2 tion 7A’ for ‘authorization under this sec-
3 tion’; and

4 “(ii) by substituting ‘licensee under
5 section 7A’ for ‘natural-gas company’;

6 “(D) subsection (f)(2) shall be applied with
7 respect to this section—

8 “(i) by substituting ‘transported liquid
9 or gas is consumed’ for ‘gas is consumed’;
10 and

11 “(ii) by substituting ‘a liquid or gas to
12 another licensee under section 7A’ for ‘nat-
13 ural gas to another natural gas company’;

14 “(E) subsection (g) shall be applied with
15 respect to this section—

16 “(i) by substituting ‘licenses under
17 section 7A’ for ‘certificates of public con-
18 venience and necessity’; and

19 “(ii) by substituting ‘licensee under
20 section 7A’ for ‘natural-gas company’;

21 “(F) subsection (h) of such section shall be
22 applied with respect to this section—

23 “(i) by substituting ‘licensee under
24 section 7A’ for ‘holder of a certificate of
25 public convenience and necessity’; and

1 “(ii) by substituting ‘to carry out an
2 activity authorized by the license issued
3 under such section’ for ‘to construct, oper-
4 ate, and maintain a pipe line or pipe lines
5 for the transportation of natural gas, and
6 the necessary land or other property, in
7 addition to right-of-way, for the location of
8 compressor stations, pressure apparatus,
9 or other stations or equipment necessary to
10 the proper operation of such pipe line or
11 pipe lines’.

12 “(2) PROCESS COORDINATION; HEARINGS;
13 RULES OF PROCEDURE.—For purposes of applying
14 section 15 with respect to this section, each ref-
15 erence to an application in subsection (a) of such
16 section shall be considered to be a reference to an
17 application for a license under this section.

18 “(3) REHEARING; COURT REVIEW OF OR-
19 DERS.—For purposes of section 19—

20 “(A) subsection (b) of such section shall be
21 applied with respect to this section by sub-
22 stituting ‘person who submitted the relevant ap-
23 plication and paid a fee under section 7A’ for
24 ‘natural gas company’; and

1 “(B) subsection (d) of such section shall be
2 applied with respect to this section by sub-
3 stituting ‘covered pipeline with respect to which
4 an application and fee has been submitted
5 under section 7A’ for ‘facility subject to section
6 3 or section 7’ each place it appears.

7 “(4) ENFORCEMENT OF ACT; REGULATIONS
8 AND ORDERS.—For purposes of section 20(d), para-
9 graph (1) of such section shall be applied with re-
10 spect to this section by substituting ‘company that
11 is a licensee under section 7A’ for ‘natural gas com-
12 pany’.”.

13 **SEC. 41007. DE-RISKING COMPENSATION PROGRAM.**

14 (a) APPROPRIATION.—In addition to amounts other-
15 wise available, there is appropriated to the Secretary for
16 fiscal year 2026, out of any money in the Treasury not
17 otherwise appropriated, \$10,000,000, to remain available
18 through September 30, 2034, to carry out this section:
19 *Provided*, That no disbursements may be made under this
20 section after September 30, 2034.

21 (b) DE-RISKING COMPENSATION PROGRAM.—

22 (1) ESTABLISHMENT.—There is established in
23 the Department of Energy a program, to be known
24 as the De-Risking Compensation Program, to pro-
25 vide compensation to sponsors, with respect to cov-

1 ered energy projects, that suffer unrecoverable losses
2 due to qualifying Federal actions.

3 (2) ELIGIBILITY.—A sponsor may enroll in the
4 program with respect to a covered energy project
5 if—

6 (A) all approvals or permits required or
7 authorized under Federal law for the covered
8 energy project have been received, regardless of
9 whether a court order subsequently remands or
10 vacates such approvals or permits;

11 (B) the sponsor commenced construction of
12 the covered energy project or made capital ex-
13 penditures with respect to the covered energy
14 project in reliance on such approvals or per-
15 mits; and

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

20 (3) APPLICATION.—A sponsor may apply to en-
21 roll with respect to a covered energy project in the
22 program by submitting to the Secretary an applica-
23 tion containing such information as the Secretary
24 may require.

1 (4) ENROLLMENT.—Not later than 90 days
2 after the date on which the Secretary receives an ap-
3 plication submitted under paragraph (3), the Sec-
4 retary shall enroll the sponsor in the program for
5 the covered energy project with respect to which the
6 application was submitted if the Secretary deter-
7 mines that the sponsor meets the requirements of
8 paragraph (2) with respect to the covered energy
9 project.

10 (c) FEES AND PREMIUMS.—

11 (1) ENROLLMENT FEE.—Not later than 60
12 days after the date on which a sponsor is enrolled
13 in the program under subsection (b)(4), the sponsor
14 shall pay to the Secretary a one-time enrollment fee
15 equal to 5 percent of the sponsor capital contribu-
16 tion for the applicable covered energy project.

17 (2) ANNUAL PREMIUMS.—

18 (A) IN GENERAL.—The Secretary shall es-
19 tablish and annually collect a premium from
20 each sponsor enrolled in the program for each
21 covered energy project with respect to which the
22 sponsor is enrolled.

23 (B) REQUIREMENTS.—A premium estab-
24 lished and collected from a sponsor under sub-
25 paragraph (A) shall—

1 (i) be equal to 1.5 percent of the
2 sponsor capital contribution for the appli-
3 cable covered energy project; and

4 (ii) be paid beginning with the year of
5 enrollment and continuing until the earlier
6 of—

7 (I) fiscal year 2033; or

8 (II) the year in which the spon-
9 sor withdraws from the program with
10 respect to the applicable covered en-
11 ergy project.

12 (C) ADJUSTMENT.—The Secretary may
13 adjust the percentage required by subparagraph
14 (B)(i) once every two fiscal years to ensure
15 Fund solvency, except that—

16 (i) the Secretary may not vary such
17 percentage between sponsors or projects;
18 and

19 (ii) such percentage may not exceed 5
20 percent.

21 (D) PUBLICATION.—The Secretary shall
22 publish in the Federal Register not later than
23 60 days prior to the start of each fiscal year a
24 list of each premium to be collected for the fis-
25 cal year.

1 (d) COMPENSATION.—

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

7 (A) the sponsor paid the enrollment fee
8 and the premium for each year the sponsor was
9 enrolled in the program with respect to the cov-
10 ered energy project; and

11 (B) the sponsor demonstrates, in a request
12 submitted to the Secretary, that a qualifying
13 Federal action has been issued or taken that
14 has an effect described in subsection (g)(4)(B)
15 on the covered energy project.

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

18 (A) Information on each Federal approval
19 or permit relating to the covered energy project,
20 including the date on which such approval or
21 permit was issued.

22 (B) A certified accounting of capital ex-
23 penditures made in reliance on each such Fed-
24 eral approval or permit.

1 (C) A description of, and, if applicable, a
2 citation to, the applicable qualifying Federal ac-
3 tion.

4 (D) A causal statement showing how the
5 qualifying Federal action directly resulted in
6 unrecoverable losses or cessation of the covered
7 energy project and that absent the qualifying
8 Federal action the project would have otherwise
9 been viable.

10 (E) Any supporting economic analysis
11 demonstrating the financial effects of the cov-
12 ered energy project being rendered unviable.

13 (3) APPROVAL.—The Secretary shall approve a
14 request submitted under paragraph (1) and, subject
15 to paragraph (5), provide compensation to the appli-
16 cable sponsor if the Secretary determines that such
17 request is complete and in compliance with the re-
18 quirements of this section.

19 (4) LIMITATIONS ON DENIALS.—The Secretary
20 may not deny a request submitted under paragraph
21 (1) based on—

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

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

1 (5) LIMITATIONS ON COMPENSATION
2 AMOUNT.—

3 (A) SPONSORS.—The amount of compensa-
4 tion provided to a sponsor under this subsection
5 with respect to a covered energy project shall
6 not exceed the sponsor capital contribution for
7 the covered energy project.

8 (B) AVAILABLE FUNDS.—In determining
9 the amount of compensation to be provided to
10 a sponsor under this subsection—

11 (i) such amount may be any amount,
12 including zero, that is less than or equal to
13 the amount of the sponsor capital con-
14 tribution for the covered energy project, re-
15 gardless of the amount of capital expendi-
16 tures made by the sponsor (as certified
17 and included in the request pursuant to
18 paragraph (2)(B)); and

19 (ii) the Secretary shall determine such
20 amount in a manner that ensures no funds
21 will be obligated or expended in amounts
22 that exceed the amounts in the Fund at
23 the time of approval of the applicable re-
24 quest submitted under paragraph (1).

25 (e) DE-RISKING COMPENSATION FUND.—

1 (1) ESTABLISHMENT.—There is established a
2 fund, to be known as the De-Risking Compensation
3 Fund, consisting of such amounts as are deposited
4 in the Fund under this subsection or credited to the
5 Fund under subsection (f).

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

7 (A) shall remain available until September
8 30, 2034; and

9 (B) may be used, without further appro-
10 priation—

11 (i) to make compensation payments to
12 sponsors under this section; and

13 (ii) to administer the program.

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

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

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

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

24 (2) Amounts in the Fund shall be invested in
25 obligations of the United States in accordance with

1 the requirements of section 9702 of title 31, United
2 States Code.

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

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

6 (1) COVERED ENERGY PROJECT.—The term
7 “covered energy project” means a project located in
8 the United States for the development, extraction,
9 processing, transportation, or use of coal, coal by-
10 products, critical minerals, oil, natural gas, or nu-
11 clear energy with a total projected capital expendi-
12 ture of not less than \$30,000,000, as certified by the
13 Secretary.

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

17 (3) PROGRAM.—The term “program” means
18 the De-Risking Compensation Program established
19 in subsection (b)(1).

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

23 (A) issued or taken after a sponsor re-
24 ceived a Federal approval or permit for a cov-
25 ered energy project; and

1 (B) that revokes such approval or permit
2 or cancels, delays, or renders unviable the cov-
3 ered energy project regardless of whether the
4 regulation, administrative decision, or executive
5 action is responsive to a court order.

6 (5) SECRETARY.—The term “Secretary” means
7 the Secretary of Energy.

8 (6) SPONSOR.—The term “sponsor” means an
9 entity incorporated and headquartered in the United
10 States with an ownership or development interest in
11 a covered energy project.

12 (7) SPONSOR CAPITAL CONTRIBUTION.—The
13 term “sponsor capital contribution” means the pro-
14 jected capital expenditure of a sponsor for a covered
15 energy project, as certified by the Secretary at the
16 time of enrollment in the program, which shall in-
17 clude verifiable development, construction, permit-
18 ting, and financing costs directly related to the cov-
19 ered energy project.

20 **SEC. 41008. STRATEGIC PETROLEUM RESERVE.**

21 (a) APPROPRIATIONS.—In addition to amounts other-
22 wise available, there is appropriated to the Department
23 of Energy for fiscal year 2025, out of any money in the
24 Treasury not otherwise appropriated, to remain available
25 until September 30, 2029—

1 (1) \$218,000,000 for maintenance of, including
2 repairs to, storage facilities and related facilities (as
3 such terms are defined in section 152 of the Energy
4 Policy and Conservation Act (42 U.S.C. 6232)) of
5 the Strategic Petroleum Reserve; and

6 (2) \$1,321,000,000 to acquire, by purchase, pe-
7 troleum products for storage in the Strategic Petro-
8 leum Reserve.

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

12 **SEC. 41009. RESCISSIONS OF PREVIOUSLY APPROPRIATED**
13 **UNOBLIGATED FUNDS.**

14 (a) RESCISSIONS.—Except as provided in subsection
15 (b), of the unobligated balances appropriated and made
16 available to the Department of Energy—

17 (1) for the Office of the Inspector General,
18 \$8,052,100 is rescinded;

19 (2) for the Office of Clean Energy Demonstra-
20 tions, \$60,152,900 is rescinded;

21 (3) for the Office for Human Capital, \$76,900
22 is rescinded;

23 (4) for Federal Energy Management Programs,
24 \$53,442,200 is rescinded;

1 (5) for State and Community Energy Pro-
2 grams, \$262,506,100 is rescinded;

3 (6) for the Office of Minority Economic Impact,
4 \$2,783,100 is rescinded;

5 (7) for the Office of Energy Efficiency and Re-
6 newable Energy, \$401,850,700 is rescinded;

7 (8) for the Office of General Counsel, \$239,400
8 is rescinded;

9 (9) for the Office of Indian Energy Policy and
10 Programs, \$44,701,900 is rescinded;

11 (10) for the Office of Management, \$5,041,100
12 is rescinded;

13 (11) for the Office of the Secretary, \$1,019,400
14 is rescinded;

15 (12) for the Office of Public Affairs,
16 \$2,594,000 is rescinded; and

17 (13) for the Office of Policy, \$692,400 is re-
18 scinded.

19 (b) EXCLUSIONS.—The unobligated amounts re-
20 scinded under subsection (a) may not include amounts ap-
21 propriated and made available to the Department of En-
22 ergy—

23 (1) under Public Law 117–169 (commonly re-
24 ferred to as the Inflation Reduction Act of 2022);

1 (2) under the Infrastructure Investment and
2 Jobs Act (Public Law 117–58); or

3 (3) that were designated by the Congress as an
4 emergency requirement pursuant to the Balanced
5 Budget and Emergency Deficit Control Act of 1985
6 or a concurrent resolution on the budget, section
7 4001(a)(1) of S. Con. Res. 14 (117th Congress), or
8 section 1(e) of H. Res. 1151 (117th Congress) as
9 engrossed in the House of Representatives on June
10 8, 2022.

11 **Subtitle B—Environment**

12 **PART 1—REPEALS AND RESCISSIONS**

13 **SEC. 42101. REPEAL AND RESCISSION RELATING TO CLEAN** 14 **HEAVY-DUTY VEHICLES.**

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

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

21 **SEC. 42102. REPEAL AND RESCISSION RELATING TO** 22 **GRANTS TO REDUCE AIR POLLUTION AT** 23 **PORTS.**

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

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

5 **SEC. 42103. REPEAL AND RESCISSION RELATING TO**
6 **GREENHOUSE GAS REDUCTION FUND.**

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

9 (b) RESCISSION.—The unobligated balance of any
10 amounts made available under section 134 of the Clean
11 Air Act (42 U.S.C. 7434) (as in effect on the day before
12 the date of enactment of this Act) is rescinded.

13 **SEC. 42104. REPEAL AND RESCISSION RELATING TO DIESEL**
14 **EMISSIONS REDUCTIONS.**

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

17 (b) RESCISSION.—The unobligated balance of any
18 amounts made available under section 60104 of Public
19 Law 117–169 (as in effect on the day before the date of
20 enactment of this Act) is rescinded.

21 **SEC. 42105. REPEAL AND RESCISSION RELATING TO FUND-**
22 **ING TO ADDRESS AIR POLLUTION.**

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

1 (b) RESCISSION.—The unobligated balance of any
2 amounts made available under section 60105 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. 42106. REPEAL AND RESCISSION RELATING TO FUND-**
6 **ING TO ADDRESS AIR POLLUTION AT**
7 **SCHOOLS.**

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

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

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

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

1 **SEC. 42108. REPEAL AND RESCISSION RELATING TO FUND-**
2 **ING FOR SECTION 211(o) OF THE CLEAN AIR**
3 **ACT.**

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

6 (b) RESCISSION.—The unobligated balance of any
7 amounts made available under section 60108 of Public
8 Law 117–169 (as in effect on the day before the date of
9 enactment of this Act) is rescinded.

10 **SEC. 42109. REPEAL AND RESCISSION RELATING TO FUND-**
11 **ING FOR IMPLEMENTATION OF THE AMER-**
12 **ICAN INNOVATION AND MANUFACTURING**
13 **ACT.**

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

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

20 **SEC. 42110. REPEAL AND RESCISSION RELATING TO FUND-**
21 **ING FOR ENFORCEMENT TECHNOLOGY AND**
22 **PUBLIC INFORMATION.**

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

25 (b) RESCISSION.—The unobligated balance of any
26 amounts made available under section 60110 of Public

1 Law 117–169 (as in effect on the day before the date of
2 enactment of this Act) is rescinded.

3 **SEC. 42111. REPEAL AND RESCISSION RELATING TO**
4 **GREENHOUSE GAS CORPORATE REPORTING.**

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

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

11 **SEC. 42112. REPEAL AND RESCISSION RELATING TO ENVI-**
12 **RONMENTAL PRODUCT DECLARATION AS-**
13 **SISTANCE.**

14 (a) REPEAL.—Section 60112 of Public Law 117–169
15 (42 U.S.C. 4321 note) is repealed.

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

20 **SEC. 42113. REPEAL OF FUNDING FOR METHANE EMIS-**
21 **SIONS AND WASTE REDUCTION INCENTIVE**
22 **PROGRAM FOR PETROLEUM AND NATURAL**
23 **GAS SYSTEMS.**

24 (a) REPEAL AND RESCISSION.—Subsections (a) and
25 (b) of section 136 of the Clean Air Act (42 U.S.C. 7436)

1 are repealed and the unobligated balances of amounts
2 made available under those subsections (as in effect on
3 the day before the date of enactment of this Act) are re-
4 scinded.

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

7 (1) by redesignating subsections (c) through (i)
8 as subsections (a) through (g), respectively;

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

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

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

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

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

19 (A) by striking “subsections (e) and (f)”
20 and inserting “subsections (c) and (d)”;

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

1 **SEC. 42114. REPEAL AND RESCISSION RELATING TO**
2 **GREENHOUSE GAS AIR POLLUTION PLANS**
3 **AND IMPLEMENTATION GRANTS.**

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

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

10 **SEC. 42115. REPEAL AND RESCISSION RELATING TO ENVI-**
11 **RONMENTAL PROTECTION AGENCY EFFI-**
12 **CIENT, ACCURATE, AND TIMELY REVIEWS.**

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

15 (b) RESCISSION.—The unobligated balance of any
16 amounts made available under section 60115 of Public
17 Law 117–169 (as in effect on the day before the date of
18 enactment of this Act) is rescinded.

19 **SEC. 42116. REPEAL AND RESCISSION RELATING TO LOW-**
20 **EMBODIED CARBON LABELING FOR CON-**
21 **STRUCTION MATERIALS.**

22 (a) REPEAL.—Section 60116 of Public Law 117–169
23 (42 U.S.C. 4321 note) is repealed.

24 (b) RESCISSION.—The unobligated balance of any
25 amounts made available under section 60116 of Public

1 Law 117–169 (42 U.S.C. 4321 note) (as in effect on the
2 day before the date of enactment of this Act) is rescinded.

3 **SEC. 42117. REPEAL AND RESCISSION RELATING TO ENVI-**
4 **RONMENTAL AND CLIMATE JUSTICE BLOCK**
5 **GRANTS.**

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

8 (b) RESCISSION.—The unobligated balance of any
9 amounts made available under section 138 of the Clean
10 Air Act (42 U.S.C. 7438) (as in effect on the day before
11 the date of enactment of this Act) is rescinded.

12 **PART 2—REPEAL OF EPA RULE RELATING TO**
13 **MULTI-POLLUTANT EMISSIONS STANDARDS**

14 **SEC. 42201. REPEAL OF EPA RULE RELATING TO MULTI-**
15 **POLLUTANT EMISSIONS STANDARDS FOR**
16 **LIGHT- AND MEDIUM-DUTY VEHICLES.**

17 The final rule issued by the Environmental Protec-
18 tion Agency relating to “Multi-Pollutant Emissions Stand-
19 ards for Model Years 2027 and Later Light-Duty and Me-
20 dium-Duty Vehicles” (89 Fed. Reg. 27842 (April 18,
21 2024)) shall have no force or effect.

1 **PART 3—REPEAL OF NHTSA RULE RELATING TO**

2 **CAFE STANDARDS**

3 **SEC. 42301. REPEAL OF NHTSA RULE RELATING TO CAFE**

4 **STANDARDS FOR PASSENGER CARS AND**

5 **LIGHT TRUCKS.**

6 The final rule issued by the National Highway Traffic
7 Safety Administration relating to “Corporate Average
8 Fuel Economy Standards for Passenger Cars and Light
9 Trucks for Model Years 2027 and Beyond and Fuel Effi-
10 ciency Standards for Heavy-Duty Pickup Trucks and
11 Vans for Model Years 2030 and Beyond” (89 Fed. Reg.
12 52540 (June 24, 2024)) shall have no force or effect.

13 **Subtitle C—Communications**

14 **PART 1—SPECTRUM AUCTIONS**

15 **SEC. 43101. IDENTIFICATION AND AUCTION OF SPECTRUM.**

16 (a) IDENTIFICATION.—

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

1 and fixed broadband services, or a combination
2 thereof.

3 (2) WITHDRAWAL OR MODIFICATION OF FED-
4 ERAL GOVERNMENT ASSIGNMENTS.—The President,
5 acting through the Assistant Secretary, shall—

6 (A) withdraw or modify the assignments to
7 Federal Government stations of spectrum iden-
8 tified under paragraph (1) as necessary for the
9 Commission to comply with subsection (b); and
10 (B) not later than 30 days after com-
11 pleting any necessary withdrawal or modifica-
12 tion under subparagraph (A), notify the Com-
13 mission that the withdrawal or modification is
14 complete.

15 (3) RULE OF CONSTRUCTION.—Nothing in this
16 subsection may be construed to change the respec-
17 tive authorities of the Assistant Secretary and the
18 Commission with respect to spectrum allocated for
19 Federal use, non-Federal use, or shared Federal and
20 non-Federal use.

21 (b) AUCTION.—

22 (1) IN GENERAL.—The Commission shall,
23 through 1 or more systems of competitive bidding
24 under section 309(j) of the Communications Act of
25 1934 (47 U.S.C. 309(j)), grant licenses for the use

1 of the spectrum identified under subsection (a) on
2 an exclusive, licensed basis for mobile broadband
3 services, fixed broadband services, mobile and fixed
4 broadband services, or a combination thereof.

5 (2) SCHEDULE.—Notwithstanding paragraph
6 (15)(A) of section 309(j) of the Communications Act
7 of 1934 (47 U.S.C. 309(j)), the Commission shall
8 auction spectrum under paragraph (1) of this sub-
9 section according to the following schedule:

10 (A) Not later than 3 years after the date
11 of the enactment of this Act, the Commission
12 shall complete 1 or more systems of competitive
13 bidding for not less than 200 megahertz of such
14 spectrum.

15 (B) Not later than 6 years after the date
16 of the enactment of this Act, the Commission
17 shall complete 1 or more systems of competitive
18 bidding for any remaining spectrum required to
19 be auctioned under paragraph (1) after compli-
20 ance with subparagraph (A) of this paragraph.

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

1 (d) AUCTION AUTHORITY.—Section 309(j)(11) of the
2 Communications Act of 1934 (47 U.S.C. 309(j)(11)) is
3 amended by striking “grant a license or permit under this
4 subsection shall expire March 9, 2023” and all that fol-
5 lows and inserting “complete a system of competitive bid-
6 ding under this subsection shall expire September 30,
7 2034.”.

8 (e) DEFINITIONS.—In this section:

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

12 (2) COMMISSION.—The term “Commission”
13 means the Federal Communications Commission.

14 (3) COVERED BAND.—

15 (A) IN GENERAL.—The term “covered
16 band” means the band of frequencies between
17 1.3 gigahertz and 10 gigahertz, inclusive.

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

20 (i) The band of frequencies between
21 3.1 gigahertz and 3.45 gigahertz, inclusive.

22 (ii) The band of frequencies between
23 5.925 gigahertz and 7.125 gigahertz, inclu-
24 sive.

1 **PART 2—ARTIFICIAL INTELLIGENCE AND**
2 **INFORMATION TECHNOLOGY MODERNIZATION**
3 **SEC. 43201. ARTIFICIAL INTELLIGENCE AND INFORMATION**
4 **TECHNOLOGY MODERNIZATION INITIATIVE.**

5 (a) APPROPRIATION OF FUNDS.—There is hereby ap-
6 propriated to the Department of Commerce for fiscal year
7 2025, out of any funds in the Treasury not otherwise ap-
8 propriated, \$500,000,000, to remain available until Sep-
9 tember 30, 2035, to modernize and secure Federal infor-
10 mation technology systems through the deployment of
11 commercial artificial intelligence, the deployment of auto-
12 mation technologies, and the replacement of antiquated
13 business systems in accordance with subsection (b).

14 (b) AUTHORIZED USES.—The Secretary of Com-
15 merce shall use the funds appropriated under subsection
16 (a) for the following:

17 (1) To replace or modernize, within the Depart-
18 ment of Commerce, legacy business systems with
19 state-of-the-art commercial artificial intelligence sys-
20 tems and automated decision systems.

21 (2) To facilitate, within the Department of
22 Commerce, the adoption of artificial intelligence
23 models that increase operational efficiency and serv-
24 ice delivery.

25 (3) To improve, within the Department of Com-
26 merce, the cybersecurity posture of Federal informa-

1 tion technology systems through modernized archi-
2 tecture, automated threat detection, and integrated
3 artificial intelligence solutions.

4 (c) MORATORIUM.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), no State or political subdivision thereof
7 may enforce any law or regulation regulating artifi-
8 cial intelligence models, artificial intelligence sys-
9 tems, or automated decision systems during the 10-
10 year period beginning on the date of the enactment
11 of this Act.

12 (2) RULE OF CONSTRUCTION.—Paragraph (1)
13 may not be construed to prohibit the enforcement of
14 any law or regulation that—

15 (A) the primary purpose and effect of
16 which is to remove legal impediments to, or fa-
17 cilitate the deployment or operation of, an arti-
18 ficial intelligence model, artificial intelligence
19 system, or automated decision system;

20 (B) the primary purpose and effect of
21 which is to streamline licensing, permitting,
22 routing, zoning, procurement, or reporting pro-
23 cedures in a manner that facilitates the adop-
24 tion of artificial intelligence models, artificial

1 intelligence systems, or automated decision sys-
2 tems;

3 (C) does not impose any substantive de-
4 sign, performance, data-handling, documenta-
5 tion, civil liability, taxation, fee, or other re-
6 quirement on artificial intelligence models, arti-
7 ficial intelligence systems, or automated deci-
8 sion systems unless such requirement—

9 (i) is imposed under Federal law; or

10 (ii) in the case of a requirement im-
11 posed under a generally applicable law, is
12 imposed in the same manner on models
13 and systems, other than artificial intel-
14 ligence models, artificial intelligence sys-
15 tems, and automated decision systems,
16 that provide comparable functions to artifi-
17 cial intelligence models, artificial intel-
18 ligence systems, or automated decision sys-
19 tems; and

20 (D) does not impose a fee or bond un-
21 less—

22 (i) such fee or bond is reasonable and
23 cost-based; and

24 (ii) under such fee or bond, artificial
25 intelligence models, artificial intelligence

1 systems, and automated decision systems
2 are treated in the same manner as other
3 models and systems that perform com-
4 parable functions.

5 (d) DEFINITIONS.—In this section:

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

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

17 (3) ARTIFICIAL INTELLIGENCE SYSTEM.—The
18 term “artificial intelligence system” means any data
19 system, software, hardware, application, tool, or util-
20 ity that operates, in whole or in part, using artificial
21 intelligence.

22 (4) AUTOMATED DECISION SYSTEM.—The term
23 “automated decision system” means any computa-
24 tional process derived from machine learning, statis-
25 tical modeling, data analytics, or artificial intel-

1 ligence that issues a simplified output, including a
2 score, classification, or recommendation, to materi-
3 ally influence or replace human decision making.

4 **Subtitle D—Health**

5 **PART 1—MEDICAID**

6 **Subpart A—Reducing Fraud and Improving** 7 **Enrollment Processes**

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

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

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

23 The Secretary of Health and Human Services shall
24 not, during the period beginning on the date of the enact-
25 ment of this section and ending January 1, 2035, imple-

1 ment, administer, or enforce the provisions of the final
2 rule published by the Centers for Medicare & Medicaid
3 Services on April 2, 2024, and titled “Medicaid Program;
4 Streamlining the Medicaid, Children’s Health Insurance
5 Program, and Basic Health Program Application, Eligi-
6 bility Determination, Enrollment, and Renewal Processes”
7 (89 Fed. Reg. 22780).

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

11 (a) MEDICAID.—

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

14 (A) in subsection (a)—

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

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

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

21 “(88) provide—

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

1 rolled under such plan (or a waiver of such
2 plan) in accordance with subsection (vv); and

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

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

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

19 “(II) such other information with
20 respect to such individual as deter-
21 mined necessary by the Secretary for
22 purposes of preventing individuals
23 from simultaneously being enrolled
24 under State plans (or waivers of such
25 plans) of multiple States;

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

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

16 (B) by adding at the end the following new
17 subsections:

18 “(uu) PREVENTION OF ENROLLMENT UNDER MUL-
19 TIPLE STATE PLANS.—

20 “(1) IN GENERAL.—Not later than October 1,
21 2029, the Secretary shall establish a system to be
22 utilized by the Secretary and States to prevent an
23 individual from being simultaneously enrolled under
24 the State plans (or waivers of such plans) of mul-
25 tiple States. Such system shall—

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

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

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

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

21 “(A) for fiscal year 2026, \$10,000,000 for
22 purposes of establishing the system required
23 under this subsection, to remain available until
24 expended; and

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

4 “(vv) PROCESS TO OBTAIN ENROLLEE ADDRESS IN-
5 FORMATION.—

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

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

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

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

24 “(C) A managed care entity (as defined in
25 section 1932(a)(1)(B)) or prepaid inpatient

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

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

10 (2) CONFORMING AMENDMENTS.—

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

14 (i) by striking “In order” and insert-
15 ing “(A) In order”;

16 (ii) by striking “through the Public”
17 and inserting “through—
18 “(i) the Public”;

19 (iii) by striking the period at the end
20 and inserting “; and

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

24 (iv) by adding at the end the following
25 new subparagraph:

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

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

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

22 (b) CHIP.—

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

1 (A) by redesignating subparagraphs (H)
2 through (U) as subparagraphs (I) through (V),
3 respectively; and

4 (B) by inserting after subparagraph (G)
5 the following new subparagraph:

6 “(H) Section 1902(a)(88) (relating to ad-
7 dress information for enrollees and prevention
8 of simultaneous enrollments).”.

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

13 **SEC. 44104. MODIFYING CERTAIN STATE REQUIREMENTS**
14 **FOR ENSURING DECEASED INDIVIDUALS DO**
15 **NOT REMAIN ENROLLED.**

16 Section 1902 of the Social Security Act (42 U.S.C.
17 1396a), as amended by section 44103, is further amend-
18 ed—

19 (1) in subsection (a)—

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

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

24 (C) by inserting after paragraph (88) the
25 following new paragraph:

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

6 (2) by adding at the end the following new sub-
7 section:

8 “(ww) VERIFICATION OF CERTAIN ELIGIBILITY CRI-
9 TERIA.—

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

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

21 “(B) DISENROLLMENT UNDER STATE
22 PLAN.—If the State determines, based on infor-
23 mation obtained from the Death Master File,
24 that an individual enrolled for medical assist-

1 ance under the State plan (or waiver of such
2 plan) is deceased, the State shall—

3 “(i) treat such information as factual
4 information confirming the death of a ben-
5 eficiary for purposes of section 431.213(a)
6 of title 42, Code of Federal Regulations (or
7 any successor regulation);

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

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

16 “(C) REINSTATEMENT OF COVERAGE IN
17 THE EVENT OF ERROR.—If a State determines
18 that an individual was misidentified as deceased
19 based on information obtained from the Death
20 Master File and was erroneously disenrolled
21 from medical assistance under the State plan
22 (or waiver of such plan) based on such
23 misidentification, the State shall immediately
24 re-enroll such individual under the State plan

1 (or waiver of such plan), retroactive to the date
2 of such disenrollment.

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

11 **SEC. 44105. MEDICAID PROVIDER SCREENING REQUIRE-**
12 **MENTS.**

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

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

16 “(A) IN GENERAL.—The State”; and

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

19 “(B) ADDITIONAL PROVIDER SCREEN-
20 ING.—Beginning January 1, 2028, as part of
21 the enrollment (or reenrollment or revalidation
22 of enrollment) of a provider or supplier under
23 this title, and not less frequently than monthly
24 during the period that such provider or supplier
25 is so enrolled, the State conducts a check of any

1 database or similar system developed pursuant
2 to section 6401(b)(2) of the Patient Protection
3 and Affordable Care Act to determine whether
4 the Secretary has terminated the participation
5 of such provider or supplier under title XVIII,
6 or whether any other State has terminated the
7 participation of such provider or supplier under
8 such other State's State plan under this title
9 (or waiver of the plan), or such other State's
10 State child health plan under title XXI (or
11 waiver of the plan).".

12 **SEC. 44106. ADDITIONAL MEDICAID PROVIDER SCREENING**
13 **REQUIREMENTS.**

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

18 “(C) PROVIDER SCREENING AGAINST
19 DEATH MASTER FILE.—Beginning January 1,
20 2028, as part of the enrollment (or reenroll-
21 ment or revalidation of enrollment) of a pro-
22 vider or supplier under this title, and not less
23 frequently than quarterly during the period that
24 such provider or supplier is so enrolled, the
25 State conducts a check of the Death Master

1 File (as such term is defined in section 203(d)
2 of the Bipartisan Budget Act of 2013) to deter-
3 mine whether such provider or supplier is de-
4 ceased.”.

5 **SEC. 44107. REMOVING GOOD FAITH WAIVER FOR PAYMENT**
6 **REDUCTION RELATED TO CERTAIN ERRO-**
7 **NEOUS EXCESS PAYMENTS UNDER MEDICAID.**

8 (a) IN GENERAL.—Section 1903(u)(1) of the Social
9 Security Act (42 U.S.C. 1396b(u)(1)) is amended—
10 (1) in subparagraph (B)—

11 (A) by striking “The Secretary” and in-
12 serting “(i) Subject to clause (ii), the Sec-
13 retary”; and

14 (B) by adding at the end the following new
15 clause:

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

19 “(I) the amount of the reduction required
20 under subparagraph (A) for such fiscal year
21 (without application of this subparagraph); and

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

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

4 (3) in subparagraph (D)(i)—

5 (A) in subclause (I), by striking “and” at
6 the end;

7 (B) in subclause (II), by striking the pe-
8 riod at the end and inserting “, and”; and

9 (C) by adding at the end the following new
10 subclause:

11 “(III) payments (other than payments de-
12 scribed in subclause (I)) for items and services fur-
13 nished to an eligible individual who is not eligible for
14 medical assistance under the State plan (or a waiver
15 of such plan) with respect to such items and serv-
16 ices.”.

17 (b) **EFFECTIVE DATE.**—The amendments made by
18 subsection (a) shall apply beginning with respect to fiscal
19 year 2030.

20 **SEC. 44108. INCREASING FREQUENCY OF ELIGIBILITY RE-**
21 **DETERMINATIONS FOR CERTAIN INDIVID-**
22 **UALS.**

23 Section 1902(e)(14) of the Social Security Act (42
24 U.S.C. 1396a(e)(14)) is amended by adding at the end
25 the following new subparagraph:

1 “(L) FREQUENCY OF ELIGIBILITY REDE-
2 TERMINATIONS FOR CERTAIN INDIVIDUALS.—
3 Beginning on October 1, 2027, in the case of
4 an individual enrolled under subsection
5 (a)(10)(A)(i)(VIII), a State shall redetermine
6 the eligibility of such individual for medical as-
7 sistance under the State plan of such State (or
8 a waiver of such plan) once every 6 months.”.

9 **SEC. 44109. REVISING HOME EQUITY LIMIT FOR DETER-**
10 **MINING ELIGIBILITY FOR LONG-TERM CARE**
11 **SERVICES UNDER THE MEDICAID PROGRAM.**

12 (a) REVISING HOME EQUITY LIMIT.—Section
13 1917(f)(1) of the Social Security Act (42 U.S.C.
14 1396p(f)(1)) is amended—

15 (1) in subparagraph (B)—

16 (A) by striking “A State” and inserting
17 “(i) A State”;

18 (B) in clause (i), as inserted by subpara-
19 graph (A)—

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

23 (ii) by inserting “, in the case of an
24 individual’s home that is located on a lot

1 that is zoned for agricultural use,” after
2 “apply subparagraph (A)”;

3 (C) by adding at the end the following new
4 clause:

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

13 (2) in subparagraph (C)—

14 (A) by inserting “(other than the amount
15 specified in subparagraph (B)(ii) (relating to
16 certain non-agricultural homes))” after “speci-
17 fied in this paragraph”; and

18 (B) by adding at the end the following new
19 sentence: “In the case that application of the
20 preceding sentence would result in a dollar
21 amount (other than the amount specified in
22 subparagraph (B)(i) (relating to certain agricul-
23 tural homes)) exceeding \$1,000,000, such
24 amount shall be deemed to be equal to
25 \$1,000,000.”.

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

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

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

10 (2) in subsection (e)(14)(D)(iv)—

11 (A) by striking “Subparagraphs” and in-
12 serting

13 “(I) IN GENERAL.—Subpara-
14 graphs”; and

15 (B) by adding at the end the following new
16 subclause:

17 “(II) APPLICATION OF HOME EQ-
18 UITY INTEREST LIMIT.—Section
19 1917(f) shall apply for purposes of de-
20 termining the eligibility of an indi-
21 vidual for medical assistance with re-
22 spect to nursing facility services or
23 other long-term care services.”.

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

1 **SEC. 44110. PROHIBITING FEDERAL FINANCIAL PARTICIPA-**
2 **TION UNDER MEDICAID AND CHIP FOR INDI-**
3 **VIDUALS WITHOUT VERIFIED CITIZENSHIP,**
4 **NATIONALITY, OR SATISFACTORY IMMIGRA-**
5 **TION STATUS.**

6 (a) IN GENERAL.—

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

10 (A) by adding “and” at the end;

11 (B) by striking “to amounts” and inserting
12 “to—

13 “(A) amounts”; and

14 (C) by adding at the end the following new
15 subparagraph:

16 “(B) in the case that the State elects
17 under section 1902(a)(46)(C) to provide for
18 making medical assistance available to an indi-
19 vidual during—

20 “(i) the period in which the individual
21 is provided the reasonable opportunity to
22 present satisfactory documentary evidence
23 of citizenship or nationality under section
24 1902(ee)(2)(C) or subsection (x)(4);

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

1 “(iii) the period in which the indi-
2 vidual is provided the reasonable oppor-
3 tunity to submit evidence indicating a sat-
4 isfactory immigration status under section
5 1137(d)(4),

6 amounts expended for such medical assistance,
7 unless the citizenship or nationality of such in-
8 dividual or the satisfactory immigration status
9 of such individual (as applicable) is verified by
10 the end of such period;”.

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

15 (b) ELIMINATING STATE REQUIREMENT TO PROVIDE
16 MEDICAL ASSISTANCE DURING REASONABLE OPPOR-
17 TUNITY PERIOD.—

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

21 (A) by striking “under clauses (i) and (ii)
22 of section 1137(d)(4)(A)” and inserting “under
23 section 1137(d)(4)”;

24 (B) by inserting “, except that the State
25 shall not be required to make medical assist-

1 ance available to such individual during the pe-
2 riod in which such individual is provided such
3 reasonable opportunity if the State has not
4 elected the option under section
5 1902(a)(46)(C)” before the period at the end.

6 (2) SOCIAL SECURITY DATA MATCH.—Section
7 1902(ee) of the Social Security Act (42 U.S.C.
8 1396a(ee)) is amended—

9 (A) in paragraph (1)(B)(ii)—

10 (i) in subclause (II), by striking “(and
11 continues to provide the individual with
12 medical assistance during such 90-day pe-
13 riod)” and inserting “and, if the State has
14 elected the option under subsection
15 (a)(46)(C), continues to provide the indi-
16 vidual with medical assistance during such
17 90-day period”; and

18 (ii) in subclaus (III), by inserting “,
19 or denies eligibility for medical assistance
20 under this title for such individual, as ap-
21 plicable” after “under this title”; and

22 (B) in paragraph (2)(C)—

23 (i) by striking “under clauses (i) and
24 (ii) of section 1137(d)(4)(A)” and insert-
25 ing “under section 1137(d)(4)”; and

1 (ii) by inserting “, except that the
2 State shall not be required to make med-
3 ical assistance available to such individual
4 during the period in which such individual
5 is provided such reasonable opportunity if
6 the State has not elected the option under
7 section 1902(a)(46)(C)” before the period
8 at the end.

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

13 (A) in subparagraph (A)(ii), by inserting
14 “(except that such prohibition on delay, denial,
15 reduction, or termination of eligibility for bene-
16 fits under the Medicaid program under title
17 XIX shall apply only if the State has elected
18 the option under section 1902(a)(46)(C))” after
19 “has been provided”; and

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

1 the option under section 1902(a)(46)(C))” after
2 “status”.

3 (c) OPTION TO CONTINUE PROVIDING MEDICAL AS-
4 SISTANCE DURING REASONABLE OPPORTUNITY PE-
5 RIOD.—

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

9 (A) in subparagraph (A), by striking
10 “and” at the end;

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

13 (C) by inserting after subparagraph (B)(ii)
14 the following new subparagraph:

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

17 “(i) to an individual described in subpara-
18 graph (B) during the period in which such indi-
19 vidual is provided the reasonable opportunity to
20 present satisfactory documentary evidence of
21 citizenship or nationality under subsection
22 (ee)(2)(C) or section 1903(x)(4), or during the
23 90-day period described in subsection
24 (ee)(1)(B)(ii)(II); or

1 “(ii) to an individual who is not a citizen
2 or national of the United States during the pe-
3 riod in which such individual is provided the
4 reasonable opportunity to submit evidence indi-
5 cating a satisfactory immigration status under
6 section 1137(d)(4);”.

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

11 “(C) OPTION TO CONTINUE PROVIDING
12 CHILD HEALTH ASSISTANCE DURING REASON-
13 ABLE OPPORTUNITY PERIOD.—Section
14 1902(a)(46)(C) shall apply to States under this
15 title in the same manner as it applies to a State
16 under title XIX.”.

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

19 **SEC. 44111. REDUCING EXPANSION FMAP FOR CERTAIN**
20 **STATES PROVIDING PAYMENTS FOR HEALTH**
21 **CARE FURNISHED TO CERTAIN INDIVIDUALS.**

22 Section 1905 of the Social Security Act (42 U.S.C.
23 1395d) is amended—

24 (1) in subsection (y)—

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

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

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

11 “(i) provides any form of financial as-
12 sistance during such quarter, in whole or
13 in part, whether or not made under a
14 State plan (or waiver of such plan) under
15 this title or under another program estab-
16 lished by the State, and regardless of the
17 source of funding for such assistance, to or
18 on behalf of an alien who is not a qualified
19 alien or otherwise lawfully residing in the
20 United States for the purchasing of health
21 insurance coverage (as defined in section
22 2791(b)(1) of the Public Health Service
23 Act) for an alien who is not a qualified
24 alien or otherwise lawfully residing in the
25 United States; or

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

10 “(D) IMMIGRATION TERMS.—

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

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

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

1 described in clause (ii) of section
2 1905(y)(C) of the Social Security Act
3 or is provided with financial assist-
4 ance described in clause (i) of such
5 section, as applicable’; and

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

14 (2) in subsection (z)(2)—

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

18 (B) in subparagraph (B)(i)—

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

22 (ii) in subclause (II), by striking “for
23 the year” and inserting “for the quarter
24 for the State”.

1 **Subpart B—Preventing Wasteful Spending**

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

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

15 **SEC. 44122. MODIFYING RETROACTIVE COVERAGE UNDER**
16 **THE MEDICAID AND CHIP PROGRAMS.**

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

19 (1) by striking “him” and inserting “the indi-
20 vidual”;

21 (2) by striking “the third month” and inserting
22 “the month”;

23 (3) by striking “he” and inserting “the indi-
24 vidual”; and

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

1 (b) DEFINITION OF MEDICAL ASSISTANCE.—Section
2 1905(a) of the Social Security Act (42 U.S.C. 1396d(a))
3 is amended by striking “in or after the third month before
4 the month in which the recipient makes application for
5 assistance” and inserting “in or after the month before
6 the month in which the recipient makes application for
7 assistance”.

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

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

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

13 (3) by adding at the end the following new
14 clause:

15 “(vi) shall, in the case that the State
16 elects to provide child health or pregnancy-
17 related assistance to an individual for any
18 period prior to the month in which the in-
19 dividual made application for such assist-
20 ance (or application was made on behalf of
21 the individual), provide that such assist-
22 ance is not made available to such indi-
23 vidual for items and services included
24 under the State child health plan (or waiv-
25 er of such plan) that are furnished before

1 the month preceding the month in which
2 such individual made application (or appli-
3 cation was made on behalf of such indi-
4 vidual) for such assistance.”.

5 (d) **EFFECTIVE DATE.**—The amendments made by
6 this section shall apply to medical assistance and child
7 health and pregnancy-related assistance with respect to in-
8 dividuals whose eligibility for such medical assistance or
9 child health assistance is based on an application made
10 on or after October 1, 2026.

11 **SEC. 44123. ENSURING ACCURATE PAYMENTS TO PHAR-**
12 **MACIES UNDER MEDICAID.**

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

15 (1) in paragraph (1)(A)—

16 (A) by redesignating clause (ii) as clause
17 (iii); and

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

21 “(1) **DETERMINING PHARMACY ACTUAL ACQUI-**
22 **SITION COSTS.**—The Secretary shall conduct a sur-
23 vey of retail community pharmacy drug prices and
24 applicable non-retail pharmacy drug prices to deter-
25 mine national average drug acquisition cost bench-

1 marks (as such term is defined by the Secretary) as
2 follows:

3 “(A) USE OF VENDOR.—The Secretary
4 may contract services for—

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

17 “(ii) with respect to applicable non-re-
18 tail pharmacies—

19 “(I) the determination of survey
20 prices, separate from the survey prices
21 described in clause (i), of the non-re-
22 tail national average drug acquisition
23 cost for covered outpatient drugs that
24 represent a nationwide average of con-
25 sumer purchase prices for such drugs,

1 net of all discounts, rebates, and other
2 price concessions (to the extent any
3 information with respect to such dis-
4 counts, rebates, and other price con-
5 cessions is available) based on a
6 monthly survey of such pharmacies;
7 and

8 “(II) at the discretion of the Sec-
9 retary, for each type of applicable
10 non-retail pharmacy, the determina-
11 tion of survey prices, separate from
12 the survey prices described in clause
13 (i) or subclause (I) of this clause, of
14 the national average drug acquisition
15 cost for such type of pharmacy for
16 covered outpatient drugs that rep-
17 resent a nationwide average of con-
18 sumer purchase prices for such drugs,
19 net of all discounts, rebates, and other
20 price concessions (to the extent any
21 information with respect to such dis-
22 counts, rebates, and other price con-
23 cessions is available) based on a
24 monthly survey of such pharmacies;
25 and”;

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

4 (3) in subparagraph (D) of paragraph (1), by
5 striking clauses (ii) and (iii) and inserting the fol-
6 lowing:

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

10 “(iii) The vendor must differentiate,
11 in collecting and reporting survey data, for
12 all cost information collected, whether a
13 pharmacy is a retail community pharmacy
14 or an applicable non-retail pharmacy, in-
15 cluding whether such pharmacy is an affil-
16 iate (as defined in subsection (k)(14)),
17 and, in the case of an applicable non-retail
18 pharmacy, which type of applicable non-re-
19 tail pharmacy it is using the relevant phar-
20 macy type indicators included in the guid-
21 ance required by subsection (d)(2) of sec-
22 tion 44123 of the Act titled ‘An Act to
23 provide for reconciliation pursuant to title
24 II of H. Con. Res. 14’.”;

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

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

23 “(G) SURVEY INFORMATION.—Information
24 on national drug acquisition prices obtained
25 under this paragraph shall be made publicly

1 available in a form and manner to be deter-
2 mined by the Secretary and shall include at
3 least the following:

4 “(i) The monthly response rate to the
5 survey including a list of pharmacies not in
6 compliance with subparagraph (F).

7 “(ii) The sampling methodology and
8 number of pharmacies sampled monthly.

9 “(iii) Information on price concessions
10 to pharmacies, including discounts, re-
11 bates, and other price concessions, to the
12 extent that such information may be pub-
13 licly released and has been collected by the
14 Secretary as part of the survey.

15 “(H) PENALTIES.—

16 “(i) IN GENERAL.—Subject to clauses
17 (ii), (iii), and (iv), the Secretary shall en-
18 force the provisions of this paragraph with
19 respect to a pharmacy through the estab-
20 lishment of civil money penalties applicable
21 to a retail community pharmacy or an ap-
22 plicable non-retail pharmacy.

23 “(ii) BASIS FOR PENALTIES.—The
24 Secretary shall impose a civil money pen-
25 alty established under this subparagraph

1 on a retail community pharmacy or appli-
2 cable non-retail pharmacy if—

3 “(I) the retail pharmacy or appli-
4 cable non-retail pharmacy refuses or
5 otherwise fails to respond to a request
6 for information about prices in con-
7 nection with a survey under this sub-
8 section;

9 “(II) knowingly provides false in-
10 formation in response to such a sur-
11 vey; or

12 “(III) otherwise fails to comply
13 with the requirements established
14 under this paragraph.

15 “(iii) PARAMETERS FOR PEN-
16 ALTIES.—

17 “(I) IN GENERAL.—A civil money
18 penalty established under this sub-
19 paragraph may be assessed with re-
20 spect to each violation, and with re-
21 spect to each non-compliant retail
22 community pharmacy (including a
23 pharmacy that is part of a chain) or
24 non-compliant applicable non-retail
25 pharmacy (including a pharmacy that

1 is part of a chain), in an amount not
2 to exceed \$100,000 for each such vio-
3 lation.

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

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

20 “(I) LIMITATION ON USE OF APPLICABLE
21 NON-RETAIL PHARMACY PRICING INFORMA-
22 TION.—No State shall use pricing information
23 reported by applicable non-retail pharmacies
24 under subparagraph (A)(ii) to develop or inform

1 payment methodologies for retail community
2 pharmacies.”;

3 (5) in paragraph (2)—

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

10 (B) in subparagraph (B), by inserting
11 “and the basis for such dispensing fees” before
12 the semicolon;

13 (6) by redesignating paragraph (4) as para-
14 graph (5);

15 (7) by inserting after paragraph (3) the fol-
16 lowing new paragraph:

17 “(4) OVERSIGHT.—

18 “(A) IN GENERAL.—The Inspector General
19 of the Department of Health and Human Serv-
20 ices shall conduct periodic studies of the survey
21 data reported under this subsection, as appro-
22 priate, including with respect to substantial
23 variations in acquisition costs or other applica-
24 ble costs, as well as with respect to how internal
25 transfer prices and related party transactions

1 may influence the costs reported by pharmacies
2 that are affiliates (as defined in subsection
3 (k)(13)) or are owned by, controlled by, or re-
4 lated under a common ownership structure with
5 a wholesaler, distributor, or other entity that
6 acquires covered outpatient drugs relative to
7 costs reported by pharmacies not affiliated with
8 such entities. The Inspector General shall pro-
9 vide periodic updates to Congress on the results
10 of such studies, as appropriate, in a manner
11 that does not disclose trade secrets or other
12 proprietary information.

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

21 (A) by inserting “, and \$8,000,000 for
22 each of fiscal years 2026 through 2033,” after
23 “2010”; and

24 (B) by inserting “Funds appropriated
25 under this paragraph for each of fiscal years

1 2026 through 2033 shall remain available until
2 expended.” after the period.

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

5 (1) in the matter preceding paragraph (1), by
6 striking “In the section” and inserting “In this sec-
7 tion”; and

8 (2) by adding at the end the following new
9 paragraphs:

10 “(12) APPLICABLE NON-RETAIL PHARMACY.—

11 The term ‘applicable non-retail pharmacy’ means a
12 pharmacy that is licensed as a pharmacy by the
13 State and that is not a retail community pharmacy,
14 including a pharmacy that dispenses prescription
15 medications to patients primarily through mail and
16 specialty pharmacies. Such term does not include
17 nursing home pharmacies, long-term care facility
18 pharmacies, hospital pharmacies, clinics, charitable
19 or not-for-profit pharmacies, government phar-
20 macies, or low dispensing pharmacies (as defined by
21 the Secretary).

22 “(13) AFFILIATE.—The term ‘affiliate’ means
23 any entity that is owned by, controlled by, or related
24 under a common ownership structure with a phar-
25 macy benefit manager or a managed care entity or

1 other specified entity (as such terms are defined in
2 section 1903(m)(9)(D)).”.

3 (c) EFFECTIVE DATE.—

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

9 (2) DELAYED APPLICATION TO APPLICABLE
10 NON-RETAIL PHARMACIES.—The pharmacy survey
11 requirements established by the amendments to sec-
12 tion 1927(f) of the Social Security Act (42 U.S.C.
13 1396r–8(f)) made by this section shall apply to re-
14 tail community pharmacies beginning on the effec-
15 tive date described in paragraph (1), but shall not
16 apply to applicable non-retail pharmacies until the
17 first day of the first quarter that begins on or after
18 the date that is 18 months after the date of enact-
19 ment of this section.

20 (d) IDENTIFICATION OF APPLICABLE NON-RETAIL
21 PHARMACIES.—

22 (1) IN GENERAL.—Not later than January 1,
23 2027, the Secretary of Health and Human Services
24 shall, in consultation with stakeholders as appro-
25 priate, publish guidance specifying pharmacies that

1 meet the definition of applicable non-retail phar-
2 macies (as such term is defined in subsection
3 (k)(12) of section 1927 of the Social Security Act
4 (42 U.S.C. 1396r-8), as added by subsection (b)),
5 and that will be subject to the survey requirements
6 under subsection (f)(1) of such section, as amended
7 by subsection (a).

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

18 (e) IMPLEMENTATION.—

19 (1) IN GENERAL.—Notwithstanding any other
20 provision of law, the Secretary of Health and
21 Human Services may implement the amendments
22 made by this section by program instruction or oth-
23 erwise.

24 (2) NONAPPLICATION OF ADMINISTRATIVE PRO-
25 CEDURE ACT.—Implementation of the amendments

1 made by this section shall be exempt from the re-
2 quirements of section 553 of title 5, United States
3 Code.

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

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

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

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

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

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

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

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

12 “(I) is limited to—

13 “(aa) ingredient cost; and

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

21 “(II) is passed through in its en-
22 tirety (except as reduced under Fed-
23 eral or State laws and regulations in
24 response to instances of waste, fraud,
25 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.—

13 (1) IN GENERAL.—Notwithstanding any other
14 provision of law, the Secretary of Health and
15 Human Services may implement the amendments
16 made by this section by program instruction or oth-
17 erwise.

18 (2) NONAPPLICATION OF ADMINISTRATIVE PRO-
19 CEDURE ACT.—Implementation of the amendments
20 made by this section shall be exempt from the re-
21 quirements of section 553 of title 5, United States
22 Code.

23 (e) NONAPPLICATION OF PAPERWORK REDUCTION
24 ACT.—Chapter 35 of title 44, United States Code, shall
25 not apply to any data collection undertaken by the Sec-

1 retary of Health and Human Services under section
2 1927(e) of the Social Security Act (42 U.S.C. 1396r–
3 8(e)), as amended by this section.

4 **SEC. 44125. PROHIBITING FEDERAL MEDICAID AND CHIP**
5 **FUNDING FOR GENDER TRANSITION PROCE-**
6 **DURES FOR MINORS.**

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

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

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

13 (3) by inserting after paragraph (27) the fol-
14 lowing new paragraph:

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

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

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

1 (c) SPECIFIED GENDER TRANSITION PROCEDURES
2 DEFINED.—Section 1905 of the Social Security Act (42
3 U.S.C. 1396d) is amended by adding at the end the fol-
4 lowing new subsection:

5 “(kk) SPECIFIED GENDER TRANSITION PROCE-
6 DURES.—

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

16 “(A) Performing any surgery, including—

17 “(i) castration;

18 “(ii) sterilization;

19 “(iii) orchiectomy;

20 “(iv) scrotoplasty;

21 “(v) vasectomy;

22 “(vi) tubal ligation;

23 “(vii) hysterectomy;

24 “(viii) oophorectomy;

25 “(ix) ovariectomy;

- 1 “(x) metoidioplasty;
2 “(xi) clitoroplasty;
3 “(xii) reconstruction of the fixed part
4 of the urethra with or without a
5 metoidioplasty or a phalloplasty;
6 “(xiii) penectomy;
7 “(xiv) phalloplasty;
8 “(xv) vaginoplasty;
9 “(xvi) vaginectomy;
10 “(xvii) vulvoplasty;
11 “(xviii) reduction thyrochondroplasty;
12 “(xix) chondrolaryngoplasty;
13 “(xx) mastectomy; and
14 “(xxi) any plastic, cosmetic, or aes-
15 thetic surgery that feminizes or
16 masculinizes the facial or other body fea-
17 tures of an individual.
- 18 “(B) Any placement of chest implants to
19 create feminine breasts or any placement of
20 erection or testicular prostheses.
- 21 “(C) Any placement of fat or artificial im-
22 plants in the gluteal region.
- 23 “(D) Administering, prescribing, or dis-
24 pensing to an individual medications, includ-
25 ing—

1 “(i) gonadotropin-releasing hormone
2 (GnRH) analogues or other puberty-block-
3 ing drugs to stop or delay normal puberty;
4 and

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

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

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

18 “(B) Medically necessary procedures or
19 treatments to correct for—

20 “(i) a medically verifiable disorder of
21 sex development, including—

22 “(I) 46,XX chromosomes with
23 virilization;

24 “(II) 46,XY chromosomes with
25 undervirilization; and

1 “(III) both ovarian and testicular
2 tissue;

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

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

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

1 “(3) SEX.—For purposes of paragraph (1), the
2 term ‘sex’ means either male or female, as bio-
3 logically determined and defined in paragraphs (4)
4 and (5), respectively.

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

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

17 **SEC. 44126. FEDERAL PAYMENTS TO PROHIBITED ENTI-**
18 **TIES.**

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

1 ited entity or under a contract or other arrangement be-
2 tween a State and a covered organization.

3 (b) DEFINITIONS.—In this section:

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

7 (A) that, as of the date of enactment of
8 this Act—

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

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

20 (iii) provides for abortions, other than
21 an abortion—

22 (I) if the pregnancy is the result
23 of an act of rape or incest; or

24 (II) in the case where a woman
25 suffers from a physical disorder, phys-

1 ical injury, or physical illness, includ-
2 ing a life-endangering physical condi-
3 tion caused by or arising from the
4 pregnancy itself, that would, as cer-
5 tified by a physician, place the woman
6 in danger of death unless an abortion
7 is performed; and

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

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

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

1 inpatient health plan or prepaid ambulatory health
2 plan (as such terms are defined in section
3 1903(m)(9)(D) of such Act (42 U.S.C.
4 1396b(m)(9)(D))).

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

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

9 **SEC. 44131. SUNSETTING ELIGIBILITY FOR INCREASED**
10 **FMAP FOR NEW EXPANSION STATES.**

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

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

15 “(A) has not”;

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

19 (3) by adding at the end the following new sub-
20 paragraph:

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

1 **SEC. 44132. MORATORIUM ON NEW OR INCREASED PRO-**
2 **VIDER TAXES.**

3 Section 1903(w)(1)(A)(iii) of the Social Security Act
4 (42 U.S.C. 1396b(w)(1)(A)(iii)) is amended—

5 (1) by striking “or” at the end;

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

7 “(I) there”; and

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

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

17 “(III) on or after the date of the enact-
18 ment of this subclause, the State (or unit of
19 local government) increases the amount or rate
20 of tax imposed with respect to a class of health
21 care items or services (or with respect to a type
22 of provider or activity within such a class), or
23 increases the base of the tax such that the tax
24 is imposed with respect to a class of items or
25 services (or with respect to a type of provider
26 or activity within such a class) to which the tax

1 did not previously apply, but only to the extent
2 that such revenues are attributable to such in-
3 crease and only if such increase was not pro-
4 vided for in legislation or regulations enacted or
5 adopted prior to such date of enactment; or”.

6 **SEC. 44133. REVISING THE PAYMENT LIMIT FOR CERTAIN**
7 **STATE DIRECTED PAYMENTS.**

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

17 (b) GRANDFATHERING CERTAIN PAYMENTS.—In the
18 case of a payment described in section 438.6(c)(2)(iii) of
19 title 42, Code of Federal Regulations (or a successor regu-
20 lation) for which written prior approval was made before
21 the date of the enactment of this Act for the rating period
22 occurring as of such date of enactment, or a payment so
23 described for such rating period for which a preprint was
24 submitted to the Secretary of Health and Human Services
25 prior to such date of enactment, the revisions described

1 in subsection (a) shall not apply to such payment for such
2 rating period and for any subsequent rating period if the
3 amount of such payment does not exceed the amount of
4 such payment so approved.

5 (c) DEFINITIONS.—In this section:

6 (1) RATING PERIOD.—The term “rating pe-
7 riod” has the meaning given such term in section
8 438.2 of title 42, Code of Federal Regulations (or a
9 successor regulation).

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

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

20 (d) FUNDING.—There are appropriated out of any
21 monies in the Treasury not otherwise appropriated
22 \$7,000,000 for each of fiscal years 2026 through 2033
23 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 Federal expenditures compared to the

1 amount that such expenditures would otherwise be
2 in the absence of such project.

3 “(2) TREATMENT OF SAVINGS.—In the event
4 that Federal expenditures with respect to a State
5 under a Medicaid demonstration project are, during
6 an approval period for such project, less than the
7 amount of such expenditures that would have other-
8 wise been made in the absence of such project, the
9 Secretary shall specify the methodology to be used
10 with respect to any subsequent approval period for
11 such project for purposes of taking the difference be-
12 tween such 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 consec-
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 INDIVIDUAL.—For purposes of clause (i), the
20 term ‘specified excluded individual’ means
21 an individual, as determined by the State
22 (in accordance with standards specified by
23 the Secretary)—
24

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) furnished
17 to a specified individual.

18 “(ii) ITEM AND SERVICE LIMITA-
19 TION.—

20 “(I) IN GENERAL.—Except as
21 provided in subclause (II), in no case
22 may a deduction, cost sharing, or
23 similar charge imposed under the
24 State plan with respect to an item or

1 service furnished to a specified indi-
2 vidual exceed \$35.

3 “(II) SPECIAL RULES FOR PRE-
4SCRIPTION DRUGS.—In no case may a
5 deduction, cost sharing, or similar
6 charge imposed under the State plan
7 with respect to a prescription drug
8 furnished to a specified individual ex-
9 ceed the limit that would be applicable
10 under paragraph (2)(A)(i) or (2)(B)
11 of section 1916A(c) with respect to
12 such drug and individual if such drug
13 so furnished were subject to cost shar-
14 ing under such section.

15 “(iii) MAXIMUM LIMIT ON COST SHAR-
16ING.—The total aggregate amount of de-
17ductions, cost sharing, or similar charges
18 imposed under the State plan for all indi-
19 viduals in the family may not exceed 5 per-
20 cent of the family income of the family in-
21 volved, as applied on a quarterly or month-
22 ly basis (as specified by the State).

23 “(C) CASES OF NONPAYMENT.—Notwith-
24 standing subsection (e) or any other provision
25 of law, a State may permit a provider partici-

1 pating under the State plan to require, as a
2 condition for the provision of care, items, or
3 services to a specified individual entitled to
4 medical assistance under this title for such
5 care, items, or services, the payment of any de-
6 ductions, cost sharing, or similar charges au-
7 thorized to be imposed with respect to such
8 care, items, or services. Nothing in this sub-
9 paragraph shall be construed as preventing a
10 provider from reducing or waiving the applica-
11 tion of such deductions, cost sharing, or similar
12 charges on a case-by-case basis.

13 “(3) SPECIFIED INDIVIDUAL DEFINED.—For
14 purposes of this subsection, the term ‘specified indi-
15 vidual’ means an individual enrolled under section
16 1902(a)(10)(A)(i)(VIII) who has a family income (as
17 determined in accordance with section 1902(e)(14))
18 that exceeds the poverty line (as defined in section
19 2110(c)(5)) applicable to a family of the size in-
20 volved.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) REQUIRED APPLICATION.—Section
23 1902(a)(14) of the Social Security Act (42 U.S.C.
24 1396a(a)(14)) is amended by inserting “and provide
25 for imposition of such deductions, cost sharing, or

1 similar charges for medical assistance furnished to
2 specified individuals (as defined in paragraph (3) of
3 section 1916(k)) in accordance with paragraph (2)
4 of such section” after “section 1916”.

5 (2) NONAPPLICABILITY OF ALTERNATIVE COST
6 SHARING.—Section 1916A(a)(1) of the Social Secu-
7 rity Act (42 U.S.C. 1396o–1(a)(1)) is amended, in
8 the second sentence, by striking “or (j)” and insert-
9 ing “(j), or (k)”.

10 **PART 2—AFFORDABLE CARE ACT**

11 **SEC. 44201. ADDRESSING WASTE, FRAUD, AND ABUSE IN**
12 **THE ACA EXCHANGES.**

13 (a) CHANGES TO ENROLLMENT PERIODS FOR EN-
14 ROLLING IN EXCHANGES.—Section 1311 of the Patient
15 Protection and Affordable Care Act (42 U.S.C. 18031) is
16 amended—

17 (1) in subsection (c)(6)—

18 (A) by striking subparagraph (A);

19 (B) by striking “The Secretary” and in-
20 serting the following:

21 “(A) IN GENERAL.—The Secretary”;

22 (C) by redesignating subparagraphs (B)
23 through (D) as clauses (i) through (iii), respec-
24 tively, and adjusting the margins accordingly;

1 (D) in clause (i), as so redesignated, by
2 striking “periods, as determined by the Sec-
3 retary for calendar years after the initial enroll-
4 ment period;” and inserting the following: “pe-
5 riods for plans offered in the individual mar-
6 ket—

7 “(I) for enrollment for plan years
8 beginning before January 1, 2026, as
9 determined by the Secretary; and

10 “(II) for enrollment for plan
11 years beginning on or after January
12 1, 2026, beginning on November 1
13 and ending on December 15 of the
14 preceding calendar year;”;

15 (E) in clause (ii), as so redesignated, by
16 inserting “subject to subparagraph (B),” before
17 “special enrollment periods specified”; and

18 (F) by adding at the end the following new
19 subparagraph:

20 “(B) PROHIBITED SPECIAL ENROLLMENT
21 PERIOD.—With respect to plan years beginning
22 on or after January 1, 2026, the Secretary may
23 not require an Exchange to provide for a spe-
24 cial enrollment period for an individual on the
25 basis of the relationship of the income of such

1 individual to the poverty line, other than a spe-
2 cial enrollment period based on a change in cir-
3 cumstances or the occurrence of a specific
4 event.”; and

5 (2) in subsection (d), by adding at the end the
6 following new paragraphs:

7 “(8) PROHIBITED ENROLLMENT PERIODS.—An
8 Exchange may not provide for, with respect to en-
9 rollment for plan years beginning on or after Janu-
10 ary 1, 2026—

11 “(A) an annual open enrollment period
12 other than the period described in subpara-
13 graph (A)(i) of subsection (c)(6); or

14 “(B) a special enrollment period described
15 in subparagraph (B) of such subsection.

16 “(9) VERIFICATION OF ELIGIBILITY FOR SPE-
17 CIAL ENROLLMENT PERIODS.—

18 “(A) IN GENERAL.—With respect to enroll-
19 ment for plan years beginning on or after Janu-
20 ary 1, 2026, an Exchange shall verify that each
21 individual seeking to enroll in a qualified health
22 plan offered by the Exchange during a special
23 enrollment period selected under subparagraph
24 (B) is eligible to enroll during such special en-

1 rollment period prior to enrolling such indi-
2 vidual in such plan.

3 “(B) SELECTED SPECIAL ENROLLMENT
4 PERIODS.—For purposes of subparagraph (A),
5 an Exchange shall select one or more special
6 enrollment periods for a plan year with respect
7 to which such Exchange shall conduct the
8 verification required under subparagraph (A)
9 such that the Exchange conducts such
10 verification for not less than 75 percent of all
11 individuals enrolling in a qualified health plan
12 offered by the Exchange during any special en-
13 rollment period with respect to such plan
14 year.”.

15 (b) VERIFYING INCOME FOR INDIVIDUALS ENROLL-
16 ING IN A QUALIFIED HEALTH PLAN THROUGH AN EX-
17 CHANGE.—

18 (1) IN GENERAL.—Section 1411(e)(4) of the
19 Patient Protection and Affordable Care Act (42
20 U.S.C. 18081(e)(4)) is amended—

21 (A) by redesignating subparagraph (C) as
22 subparagraph (E); and

23 (B) by inserting after subparagraph (B)
24 the following new subparagraphs:

1 “(C) REQUIRING VERIFICATION OF IN-
2 COME AND FAMILY SIZE WHEN TAX DATA IS
3 UNAVAILABLE.—For plan years beginning on or
4 after January 1, 2026, for purposes of subpara-
5 graph (A), in the case that the Exchange re-
6 quests data from the Secretary of the Treasury
7 regarding an individual’s household income and
8 the Secretary of the Treasury does not return
9 such data, such information may not be verified
10 solely on the basis of the attestation of such in-
11 dividual with respect to such household income,
12 and the Exchange shall take the actions de-
13 scribed in subparagraph (A).

14 “(D) REQUIRING VERIFICATION OF IN-
15 COME IN THE CASE OF CERTAIN INCOME DIS-
16 CREPANCIES.—

17 “(i) IN GENERAL.—Subject to clause
18 (iii), for plan years beginning on or after
19 January 1, 2026, for purposes of subpara-
20 graph (A), in the case that a specified in-
21 come discrepancy described in clause (ii) of
22 this subparagraph exists with respect to
23 the information provided by an applicant
24 under subsection (b)(3), the household in-
25 come of such individual shall be treated as

1 inconsistent with information in the
2 records maintained by persons under sub-
3 section (c), or as not verified under sub-
4 section (d), and the Exchange shall take
5 the actions described in such subparagraph
6 (A).

7 “(ii) SPECIFIED INCOME DISCREP-
8 ANCY.—For purposes of clause (i), a speci-
9 fied income discrepancy exists with respect
10 to the information provided by an appli-
11 cant under subsection (b)(3) if—

12 “(I) the applicant attests to a
13 projected annual household income
14 that would qualify such applicant to
15 be an applicable taxpayer under sec-
16 tion 36B(c)(1)(A) of the Internal Rev-
17 enue Code of 1986 with respect to the
18 taxable year involved;

19 “(II) the Exchange receives data
20 from the Secretary of the Treasury or
21 the Commissioner of Social Security,
22 or other reliable, third party data,
23 that indicates that the household in-
24 come of such applicant is less than
25 the household income that would qual-

1 if such applicant to be an applicable
2 taxpayer under such section
3 36B(c)(1)(A) with respect to the tax-
4 able year involved;

5 “(III) such attested projected an-
6 nual household income exceeds the in-
7 come reflected in the data described in
8 subclause (II) by a reasonable thresh-
9 old established by the Exchange and
10 approved by the Secretary (which
11 shall be not less than 10 percent, and
12 may also be a dollar amount); and

13 “(IV) the Exchange has not as-
14 sessed or determined based on the
15 data described in subclause (II) that
16 the household income of the applicant
17 meets the applicable income-based eli-
18 gibility standard for the Medicaid pro-
19 gram under title XIX of the Social
20 Security Act or the State children’s
21 health insurance program under title
22 XXI of such Act.

23 “(iii) EXCLUSION OF CERTAIN INDIV-
24 IDUALS INELIGIBLE FOR MEDICAID.—
25 This subparagraph shall not apply in the

1 case of an applicant who is an alien law-
2 fully present in the United States, who is
3 not eligible for the Medicaid program
4 under title XIX of the Social Security Act
5 by reason of such alien status.”.

6 (2) REQUIRING INDIVIDUALS ON WHOSE BE-
7 HALF ADVANCE PAYMENTS OF THE PREMIUM TAX
8 CREDITS ARE MADE TO FILE AND RECONCILE ON AN
9 ANNUAL BASIS.—Section 1412(b) of the Patient
10 Protection and Affordable Care Act (42 U.S.C.
11 18082(b)) is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(3) ANNUAL REQUIREMENT TO FILE AND REC-
14 ONCILE.—

15 “(A) IN GENERAL.—For plan years begin-
16 ning on or after January 1, 2026, in the case
17 of an individual with respect to whom any ad-
18 vance payment of the premium tax credit allow-
19 able under section 36B of the Internal Revenue
20 Code of 1986 was made under this section to
21 the issuer of a qualified health plan for the rel-
22 evant prior tax year, an advance determination
23 of eligibility for such premium tax credit may
24 not be made under this subsection with respect
25 to such individual and such plan year if the Ex-

1 change determines, based on information pro-
2 vided by the Secretary of the Treasury, that
3 such individual—

4 “(i) has not filed an income tax re-
5 turn, as required under sections 6011 and
6 6012 of such Code (and implementing reg-
7 ulations), for the relevant prior tax year;
8 or

9 “(ii) as necessary, has not reconciled
10 (in accordance with subsection (f) of such
11 section 36B) the advance payment of the
12 premium tax credit made with respect to
13 such individual for such relevant prior tax
14 year.

15 “(B) RELEVANT PRIOR TAX YEAR.—For
16 purposes of subparagraph (A), the term ‘rel-
17 evant prior tax year’ means, with respect to the
18 advance determination of eligibility made under
19 this subsection with respect to an individual,
20 the taxable year for which tax return data
21 would be used for purposes of verifying the
22 household income and family size of such indi-
23 vidual (as described in section 1411(b)(3)(A)).

24 “(C) PRELIMINARY ATTESTATION.—If an
25 individual subject to subparagraph (A) attests

1 that such individual has fulfilled the require-
2 ments to file an income tax return for the rel-
3 evant prior tax year and, as necessary, to rec-
4 oncile the advance payment of the premium tax
5 credit made with respect to such individual for
6 such relevant prior tax year (as described in
7 clauses (i) and (ii) of such subparagraph), the
8 Secretary may make an initial advance deter-
9 mination of eligibility with respect to such indi-
10 vidual and may delay for a reasonable period
11 (as determined by the Secretary) any deter-
12 mination based on information provided by the
13 Secretary of the Treasury that such individual
14 has not fulfilled such requirements.

15 “(D) NOTICE.—If the Secretary deter-
16 mines that an individual did not meet the re-
17 quirements described in subparagraph (A) with
18 respect to the relevant prior tax year and noti-
19 fies the Exchange of such determination, the
20 Exchange shall comply with the notification re-
21 quirement described in section 155.305(f)(4)(i)
22 of title 45, Code of Federal Regulations (as in
23 effect with respect to plan year 2025).”.

24 (3) REMOVING AUTOMATIC EXTENSION OF PE-
25 RIOD TO RESOLVE INCOME INCONSISTENCIES.—The

1 Secretary of Health and Human Services shall revise
2 section 155.315(f) of title 45, Code of Federal Regu-
3 lations (or any successor regulation), to remove
4 paragraph (7) of such section such that, with respect
5 to enrollment for plan years beginning on or after
6 January 1, 2026, in the case that an Exchange es-
7 tablished under subtitle D of title I of the Patient
8 Protection and Affordable Care Act (42 U.S.C.
9 18021 et seq.) provides an individual applying for
10 enrollment in a qualified health plan with a 90-day
11 period to resolve an inconsistency in the application
12 of such individual pursuant to section
13 1411(e)(4)(A)(ii)(II) of such Act, the Exchange may
14 not provide for an automatic extension to such 90-
15 day period on the basis that such individual is re-
16 quired to present satisfactory documentary evidence
17 to verify household income.

18 (c) REVISING RULES ON ALLOWABLE VARIATION IN
19 ACTUARIAL VALUE OF HEALTH PLANS.—The Secretary
20 of Health and Human Services shall—

21 (1) revise section 156.140(c) of title 45, Code
22 of Federal Regulations (or a successor regulation),
23 to provide that, for plan years beginning on or after
24 January 1, 2026, the allowable variation in the actu-
25 arial value of a health plan applicable under such

1 section shall be the allowable variation for such plan
2 applicable under such section for plan year 2022;

3 (2) revise section 156.200(b)(3) of title 45,
4 Code of Federal Regulations (or a successor regula-
5 tion), to provide that, for plan years beginning on or
6 after January 1, 2026, the requirement for a quali-
7 fied health plan issuer described in such section is
8 that the issuer ensures that each qualified health
9 plan complies with benefit design standards, as de-
10 fined in section 156.20 of such title; and

11 (3) revise section 156.400 of title 45, Code of
12 Federal Regulations (or a successor regulation), to
13 provide that, for plan years beginning on or after
14 January 1, 2026, the term “de minimis variation for
15 a silver plan variation” means a minus 1 percentage
16 point and plus 1 percentage point allowable actuarial
17 value variation.

18 (d) UPDATING PREMIUM ADJUSTMENT PERCENTAGE
19 METHODOLOGY.—Section 1302(c)(4) of the Patient Pro-
20 tection and Affordable Care Act (42 U.S.C. 18022(c)(4))
21 is amended—

22 (1) by striking “For purposes” and inserting:

23 “(A) IN GENERAL.—For purposes”; and

24 (2) by adding at the end the following new sub-
25 paragraph:

1 “(B) UPDATE TO METHODOLOGY.—For
2 calendar years beginning with 2026, the pre-
3 mium adjustment percentage under this para-
4 graph for such calendar year shall be deter-
5 mined consistent with the methodology pub-
6 lished in the Federal Register on April 25,
7 2019 (84 Fed. Reg. 17537 through 17541).”.

8 (e) ELIMINATING THE FIXED-DOLLAR AND GROSS-
9 PERCENTAGE THRESHOLDS APPLICABLE TO EXCHANGE
10 ENROLLMENTS.—The Secretary of Health and Human
11 Services shall revise section 155.400(g) of title 45, Code
12 of Federal Regulations (or a successor regulation) to
13 eliminate, for plan years beginning on or after January
14 1, 2026, the gross premium percentage-based premium
15 payment threshold policy described in paragraph (2) of
16 such section and the fixed-dollar premium payment
17 threshold policy described in paragraph (3) of such sec-
18 tion.

19 (f) PROHIBITING AUTOMATIC REENROLLMENT FROM
20 BRONZE TO SILVER LEVEL QUALIFIED HEALTH PLANS
21 OFFERED BY EXCHANGES.—The Secretary of Health and
22 Human Services shall revise section 155.335(j) of title 45,
23 Code of Federal Regulations (or any successor regulation)
24 to remove paragraph (4) of such section such that, with
25 respect to reenrollments for plan years beginning on or

1 after January 1, 2026, an Exchange established under
2 subtitle D of title I of the Patient Protection and Afford-
3 able Care Act (42 U.S.C. 18021 et seq.) may not reenroll
4 an individual who was enrolled in a bronze level qualified
5 health plan in a silver level qualified health plan (as such
6 terms are defined in section 1301(a) and described in
7 1302(d) of such Act) unless otherwise permitted under
8 section 155.335(j) of title 45, Code of Federal Regula-
9 tions, as in effect on the day before the date of the enact-
10 ment of this section.

11 (g) REDUCING ADVANCE PAYMENTS OF PREMIUM
12 TAX CREDITS FOR CERTAIN INDIVIDUALS REENROLLED
13 IN EXCHANGES.—Section 1412 of the Patient Protection
14 and Affordable Care Act (42 U.S.C. 18082) is amended—

15 (1) in subsection (a)(3), by inserting “, subject
16 to subsection (c)(2)(C),” after “qualified health
17 plans”; and

18 (2) in subsection (c)(2)—

19 (A) in subparagraph (A), by striking
20 “The” and inserting “Subject to subparagraph
21 (C), the”; and

22 (B) by adding at the end the following new
23 subparagraph:

24 “(C) REDUCTION IN ADVANCE PAYMENT
25 FOR SPECIFIED REENROLLED INDIVIDUALS.—

1 “(i) IN GENERAL.—The amount of an
2 advance payment made under subpara-
3 graph (A) to reduce the premium payable
4 for a qualified health plan that provides
5 coverage to a specified reenrolled individual
6 for an applicable month shall be an
7 amount equal to the amount that would
8 otherwise be made under such subpara-
9 graph reduced by \$5 (or such higher
10 amount as the Secretary determines appro-
11 priate).

12 “(ii) DEFINITIONS.—In this subpara-
13 graph:

14 “(I) APPLICABLE MONTH.—The
15 term ‘applicable month’ means, with
16 respect to a specified reenrolled indi-
17 vidual, any month during a plan year
18 beginning on or after January 1,
19 2027 (or, in the case of an individual
20 reenrolled in a qualified health plan
21 by an Exchange established pursuant
22 to section 1321(c), January 1, 2026)
23 if, prior to the first day of such
24 month, such individual has failed to
25 confirm or update such information as

1 is necessary to redetermine the eligi-
2 bility of such individual for such plan
3 year pursuant to section 1411(f).

4 “(II) SPECIFIED REENROLLED
5 INDIVIDUAL.—The term ‘specified re-
6 enrolled individual’ means an indi-
7 vidual who is reenrolled in a qualified
8 health plan and with respect to whom
9 the advance payment made under sub-
10 paragraph (A) would, without applica-
11 tion of any reduction under this sub-
12 paragraph, reduce the premium pay-
13 able for a qualified health plan that
14 provides coverage to such an indi-
15 vidual to \$0.”.

16 (h) PROHIBITING COVERAGE OF GENDER TRANSI-
17 TION PROCEDURES AS AN ESSENTIAL HEALTH BENEFIT
18 UNDER PLANS OFFERED BY EXCHANGES.—

19 (1) IN GENERAL.—Section 1302(b)(2) of the
20 Patient Protection and Affordable Care Act (42
21 U.S.C. 18022(b)(2)) is amended by adding at the
22 end the following new subparagraph:

23 “(C) GENDER TRANSITION PROCE-
24 DURES.—For plan years beginning on or after
25 January 1, 2027, the essential health benefits

1 defined pursuant to paragraph (1) may not in-
2 clude items and services furnished for a gender
3 transition procedure.”.

4 (2) GENDER TRANSITION PROCEDURE DE-
5 FINED.—Section 1304 of the Patient Protection and
6 Affordable Care Act (42 U.S.C. 18024) is amended
7 by adding at the end the following new subsection:
8 “(f) GENDER TRANSITION PROCEDURE.—

9 “(1) IN GENERAL.—In this title, except as pro-
10 vided in paragraph (2), the term ‘gender transition
11 procedure’ means, with respect to an individual, any
12 of the following when performed for the purpose of
13 intentionally changing the body of such individual
14 (including by disrupting the body’s development, in-
15 hibiting its natural functions, or modifying its ap-
16 pearance) to no longer correspond to the individual’s
17 sex:

18 “(A) Performing any surgery, including—

19 “(i) castration;

20 “(ii) sterilization;

21 “(iii) orchiectomy;

22 “(iv) scrotoplasty;

23 “(v) vasectomy;

24 “(vi) tubal ligation;

25 “(vii) hysterectomy;

- 1 “(viii) oophorectomy;
2 “(ix) ovariectomy;
3 “(x) metoidioplasty;
4 “(xi) clitoroplasty;
5 “(xii) reconstruction of the fixed part
6 of the urethra with or without a
7 metoidioplasty or a phalloplasty;
8 “(xiii) penectomy;
9 “(xiv) phalloplasty;
10 “(xv) vaginoplasty;
11 “(xvi) vaginectomy;
12 “(xvii) vulvoplasty;
13 “(xviii) reduction thyrochondroplasty;
14 “(xix) chondrolaryngoplasty;
15 “(xx) mastectomy; and
16 “(xxi) any plastic, cosmetic, or aes-
17 thetic surgery that feminizes or
18 masculinizes the facial or other body fea-
19 tures of an individual.
20 “(B) Any placement of chest implants to
21 create feminine breasts or any placement of
22 erection or testicular protheseses.
23 “(C) Any placement of fat or artificial im-
24 plants in the gluteal region.

1 “(D) Administering, prescribing, or dis-
2 pensing to an individual medications, includ-
3 ing—

4 “(i) gonadotropin-releasing hormone
5 (GnRH) analogues or other puberty-block-
6 ing drugs to stop or delay normal puberty;
7 and

8 “(ii) testosterone, estrogen, or other
9 androgens to an individual at doses that
10 are supraphysiologic than would normally
11 be produced endogenously in a healthy in-
12 dividual of the same age and sex.

13 “(2) EXCEPTION.—Paragraph (1) shall not
14 apply to the following:

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

19 “(B) Medically necessary procedures or
20 treatments to correct for—

21 “(i) a medically verifiable disorder of
22 sex development, including—

23 “(I) 46,XX chromosomes with
24 virilization;

1 “(II) 46,XY chromosomes with
2 undervirilization; and

3 “(III) both ovarian and testicular
4 tissue;

5 “(ii) sex chromosome structure, sex
6 steroid hormone production, or sex hor-
7 mone action, if determined to be abnormal
8 by a physician through genetic or bio-
9 chemical testing;

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

21 “(iv) procedures to restore or recon-
22 struct the body of the individual in order
23 to correspond to the individual’s sex after
24 one or more previous procedures described
25 in paragraph (1), which may include the

1 removal of a pseudo phallus or breast aug-
2 mentation.

3 “(3) SEX.—For purposes of this subsection, the
4 term ‘sex’ means either male or female, as bio-
5 logically determined and defined by subparagraph
6 (A) and subparagraph (B).

7 “(A) FEMALE.—The term ‘female’ means
8 an individual who naturally has, had, will have,
9 or would have, but for a developmental or ge-
10 netic anomaly or historical accident, the repro-
11 ductive system that at some point produces,
12 transports, and utilizes eggs for fertilization.

13 “(B) MALE.—The term ‘male’ means an
14 individual who naturally has, had, will have, or
15 would have, but for a developmental or genetic
16 anomaly or historical accident, the reproductive
17 system that at some point produces, transports,
18 and utilizes sperm for fertilization.”.

19 (i) CLARIFYING LAWFUL PRESENCE FOR PURPOSES
20 OF THE EXCHANGES.—

21 (1) IN GENERAL.—Section 1312(f) of the Pa-
22 tient Protection and Affordable Care Act (42 U.S.C.
23 18032(f)) is amended by adding at the end the fol-
24 lowing new paragraph:

1 “(4) CLARIFICATION OF LAWFUL PRESENCE.—

2 In this title, the term ‘alien lawfully present in the
3 United States’ does not include an alien granted de-
4 ferred action under the Deferred Action for Child-
5 hood Arrivals process pursuant to the memorandum
6 of the Department of Homeland Security entitled
7 ‘Exercising Prosecutorial Discretion with Respect to
8 Individuals Who Came to the United States as Chil-
9 dren’ issued on June 15, 2012.”.

10 (2) COST-SHARING REDUCTIONS.—Section
11 1402(e)(2) of the Patient Protection and Affordable
12 Care Act (42 U.S.C. 18071(e)(2)) is amended by
13 adding at the end the following new sentence: “For
14 purposes of this section, an individual shall not be
15 treated as lawfully present if the individual is an
16 alien granted deferred action under the Deferred Ac-
17 tion for Childhood Arrivals process pursuant to the
18 memorandum of the Department of Homeland Secu-
19 rity entitled ‘Exercising Prosecutorial Discretion
20 with Respect to Individuals Who Came to the United
21 States as Children’ issued on June 15, 2012.”.

22 (3) PAYMENT PROHIBITION.—Section 1412(d)
23 of the Patient Protection and Affordable Care Act
24 (42 U.S.C. 18082(d)) is amended by adding at the
25 end the following new sentence: “For purposes of

1 the previous sentence, an individual shall not be
2 treated as lawfully present if the individual is an
3 alien granted deferred action under the Deferred Ac-
4 tion for Childhood Arrivals process pursuant to the
5 memorandum of the Department of Homeland Secu-
6 rity entitled ‘Exercising Prosecutorial Discretion
7 with Respect to Individuals Who Came to the United
8 States as Children’ issued on June 15, 2012.”.

9 (4) EFFECTIVE DATE.—The amendments made
10 by this section shall apply with respect to plan years
11 beginning on or after January 1, 2026.

12 (j) ENSURING APPROPRIATE APPLICATION OF GUAR-
13 ANTEED ISSUE REQUIREMENTS IN CASE OF NON-
14 PAYMENT OF PAST PREMIUMS.—

15 (1) IN GENERAL.—Section 2702 of the Public
16 Health Service Act (42 U.S.C. 300gg–1) is amended
17 by adding at the end the following new subsection:
18 “(e) NONPAYMENT OF PAST PREMIUMS.—

19 “(1) IN GENERAL.—A health insurance issuer
20 offering individual health insurance coverage may, to
21 the extent allowed under State law, deny such cov-
22 erage in the case of an individual who owes any
23 amount for premiums for individual health insurance
24 coverage offered by such issuer (or by a health in-
25 surance issuer in the same controlled group (as de-

1 fined in paragraph (3)) as such issuer) in which
2 such individual was previously enrolled.

3 “(2) ATTRIBUTION OF INITIAL PREMIUM PAY-
4 MENT TO OWED AMOUNT.—A health insurance
5 issuer offering individual health insurance coverage
6 may, in the case of an individual described in para-
7 graph (1) and to the extent allowed under State law,
8 attribute the initial premium payment for such cov-
9 erage applicable to such individual to the amount
10 owed by such individual for premiums for individual
11 health insurance coverage offered by such issuer (or
12 by a health insurance issuer in the same controlled
13 group as such issuer) in which such individual was
14 previously enrolled.

15 “(3) CONTROLLED GROUP DEFINED.—For pur-
16 poses of this subsection, the term ‘controlled group’
17 means a group of of two or more persons that is
18 treated as a single employer under section 52(a),
19 52(b), 414(m), or 414(o) of the Internal Revenue
20 Code of 1986.”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by paragraph (1) shall apply with respect to plan
23 years beginning on or after January 1, 2026.

1 **PART 3—IMPROVING AMERICANS’ ACCESS TO**
2 **CARE**

3 **SEC. 44301. EXPANDING AND CLARIFYING THE EXCLUSION**
4 **FOR ORPHAN DRUGS UNDER THE DRUG**
5 **PRICE NEGOTIATION PROGRAM.**

6 (a) IN GENERAL.—Section 1192(e) of the Social Se-
7 curity Act (42 U.S.C. 1320f–1(e)) is amended—

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

10 “(C) TREATMENT OF FORMER ORPHAN
11 DRUGS.—In calculating the amount of time that
12 has elapsed with respect to the approval of a
13 drug or licensure of a biological product under
14 subparagraph (A)(ii) and subparagraph (B)(ii),
15 respectively, the Secretary shall not take into
16 account any period during which such drug or
17 product was a drug described in paragraph
18 (3)(A).”; and

19 (2) in paragraph (3)(A)—

20 (A) by striking “only one rare disease or
21 condition” and inserting “one or more rare dis-
22 eases or conditions”; and

23 (B) by striking “such disease or condition”
24 and inserting “one or more rare diseases or
25 conditions (as such term is defined in section

1 526(a)(2) of the Federal Food, Drug, and Cos-
2 metic Act)’’.

3 (b) APPLICATION.—The amendments made by sub-
4 section (a) shall apply with respect to initial price applica-
5 bility years (as defined in section 1191(b) of the Social
6 Security Act (42 U.S.C. 1320f(b))) beginning on or after
7 January 1, 2028.

8 **SEC. 44302. STREAMLINED ENROLLMENT PROCESS FOR EL-**
9 **IGIBLE OUT-OF-STATE PROVIDERS UNDER**
10 **MEDICAID AND CHIP.**

11 (a) IN GENERAL.—Section 1902(kk) of the Social Se-
12 curity Act (42 U.S.C. 1396a(kk)) is amended by adding
13 at the end the following new paragraph:

14 “(10) STREAMLINED ENROLLMENT PROCESS
15 FOR ELIGIBLE OUT-OF-STATE PROVIDERS.—

16 “(A) IN GENERAL.—The State—

17 “(i) adopts and implements a process
18 to allow an eligible out-of-State provider to
19 enroll under the State plan (or a waiver of
20 such plan) to furnish items and services to,
21 or order, prescribe, refer, or certify eligi-
22 bility for items and services for, qualifying
23 individuals without the imposition of
24 screening or enrollment requirements by
25 such State that exceed the minimum nec-

1 essary for such State to provide payment
2 to an eligible out-of-State provider under
3 such State plan (or a waiver of such plan),
4 such as the provider's name and National
5 Provider Identifier (and such other infor-
6 mation specified by the Secretary); and

7 “(ii) provides that an eligible out-of-
8 State provider that enrolls as a partici-
9 pating provider in the State plan (or a
10 waiver of such plan) through such process
11 shall be so enrolled for a 5-year period, un-
12 less the provider is terminated or excluded
13 from participation during such period.

14 “(B) DEFINITIONS.—In this paragraph:

15 “(i) ELIGIBLE OUT-OF-STATE PRO-
16 VIDER.—The term ‘eligible out-of-State
17 provider’ means, with respect to a State, a
18 provider—

19 “(I) that is located in any other
20 State;

21 “(II) that—

22 “(aa) was determined by the
23 Secretary to have a limited risk
24 of fraud, waste, and abuse for
25 purposes of determining the level

1 of screening to be conducted
2 under section 1866(j)(2), has
3 been so screened under such sec-
4 tion 1866(j)(2), and is enrolled in
5 the Medicare program under title
6 XVIII; or

7 “(bb) was determined by the
8 State agency administering or su-
9 pervising the administration of
10 the State plan (or a waiver of
11 such plan) of such other State to
12 have a limited risk of fraud,
13 waste, and abuse for purposes of
14 determining the level of screening
15 to be conducted under paragraph
16 (1) of this subsection, has been
17 so screened under such para-
18 graph (1), and is enrolled under
19 such State plan (or a waiver of
20 such plan); and

21 “(III) that has not been—

22 “(aa) excluded from partici-
23 pation in any Federal health care
24 program pursuant to section
25 1128 or 1128A;

1 “(bb) excluded from partici-
2 pation in the State plan (or a
3 waiver of such plan) pursuant to
4 part 1002 of title 42, Code of
5 Federal Regulations (or any suc-
6 cessor regulation), or State law;
7 or

8 “(cc) terminated from par-
9 ticipating in a Federal health
10 care program or the State plan
11 (or a waiver of such plan) for a
12 reason described in paragraph
13 (8)(A).

14 “(ii) QUALIFYING INDIVIDUAL.—The
15 term ‘qualifying individual’ means an indi-
16 vidual under 21 years of age who is en-
17 rolled under the State plan (or waiver of
18 such plan).

19 “(iii) STATE.—The term ‘State’
20 means 1 of the 50 States or the District
21 of Columbia.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 1902(a)(77) of the Social Security
24 Act (42 U.S.C. 1396a(a)(77)) is amended by insert-
25 ing “enrollment,” after “screening,”.

1 (2) The subsection heading for section
2 1902(kk) of such Act (42 U.S.C. 1396a(kk)) is
3 amended by inserting “ENROLLMENT,” after
4 “SCREENING,”.

5 (3) Section 2107(e)(1)(G) of such Act (42
6 U.S.C. 1397gg(e)(1)(G)) is amended by inserting
7 “enrollment,” after “screening,”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply beginning on the date that is 4
10 years after the date of enactment of this Act.

11 **SEC. 44303. DELAYING DSH REDUCTIONS.**

12 (a) IN GENERAL.—Section 1923(f) of the Social Se-
13 curity Act (42 U.S.C. 1396r–4(f)) is amended—

14 (1) in paragraph (7)(A)—

15 (A) in clause (i)—

16 (i) in the matter preceding subclause
17 (I), by striking “2026 through 2028” and
18 inserting “2029 through 2031”; and

19 (ii) in subclause (II), by striking “or
20 period”; and

21 (B) in clause (ii), by striking “2026
22 through 2028” and inserting “2029 through
23 2031”; and

24 (2) in paragraph (8), by striking “2027” and
25 inserting “2031”.

1 (b) TENNESSEE DSH ALLOTMENT.—Section
2 1923(f)(6)(A)(vi) of the Social Security Act (42 U.S.C.
3 1396r-4(f)(6)(A)(vi)) is amended—

4 (1) in the header, by striking “2025” and insert-
5 ing “2028”; and

6 (2) by striking “fiscal year 2025” and inserting
7 “fiscal year 2028”.

8 **SEC. 44304. MODIFYING UPDATE TO THE CONVERSION FAC-**
9 **TOR UNDER THE PHYSICIAN FEE SCHEDULE**
10 **UNDER THE MEDICARE PROGRAM.**

11 Section 1848(d) of the Social Security Act (42 U.S.C.
12 1395w-4(d)) is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (A)—

15 (i) in the first sentence, by striking
16 “and ending with 2025”; and

17 (ii) by striking the second sentence;
18 and

19 (B) in subparagraph (D), by striking “(or,
20 beginning with 2026, applicable conversion fac-
21 tor)”; and

22 (2) by amending paragraph (20) to read as fol-
23 lows:

1 “(20) UPDATE FOR 2026 AND SUBSEQUENT
2 YEARS.—The update to the single conversion factor
3 established in paragraph (1)(A)—

4 “(A) for 2026 is 75 percent of the Sec-
5 retary’s estimate of the percentage increase in
6 the MEI (as defined in section 1842(i)(3)) for
7 the year; and

8 “(B) for 2027 and each subsequent year is
9 10 percent of the Secretary’s estimate of the
10 percentage increase in the MEI for the year.”.

11 **SEC. 44305. MODERNIZING AND ENSURING PBM ACCOUNT-**
12 **ABILITY.**

13 (a) IN GENERAL.—

14 (1) PRESCRIPTION DRUG PLANS.—Section
15 1860D–12 of the Social Security Act (42 U.S.C.
16 1395w–112) is amended by adding at the end the
17 following new subsection:

18 “(h) REQUIREMENTS RELATING TO PHARMACY BEN-
19 EFIT MANAGERS.—For plan years beginning on or after
20 January 1, 2028:

21 “(1) AGREEMENTS WITH PHARMACY BENEFIT
22 MANAGERS.—Each contract entered into with a
23 PDP sponsor under this part with respect to a pre-
24 scription drug plan offered by such sponsor shall
25 provide that any pharmacy benefit manager acting

1 on behalf of such sponsor has a written agreement
2 with the PDP sponsor under which the pharmacy
3 benefit manager, and any affiliates of such phar-
4 macy benefit manager, as applicable, agree to meet
5 the following requirements:

6 “(A) NO INCOME OTHER THAN BONA FIDE
7 SERVICE FEES.—

8 “(i) IN GENERAL.—The pharmacy
9 benefit manager and any affiliate of such
10 pharmacy benefit manager shall not derive
11 any remuneration with respect to any serv-
12 ices provided on behalf of any entity or in-
13 dividual, in connection with the utilization
14 of covered part D drugs, from any such en-
15 tity or individual other than bona fide serv-
16 ice fees, subject to clauses (ii) and (iii).

17 “(ii) INCENTIVE PAYMENTS.—For the
18 purposes of this subsection, an incentive
19 payment (as determined by the Secretary)
20 paid by a PDP sponsor to a pharmacy
21 benefit manager (or an affiliate of such
22 pharmacy benefit manager) that is per-
23 forming services on behalf of such sponsor
24 shall be deemed a ‘bona fide service fee’
25 (even if such payment does not otherwise

1 meet the definition of such term under
2 paragraph (7)(B)) if such payment is a
3 flat dollar amount, is consistent with fair
4 market value (as specified by the Sec-
5 retary), is related to services actually per-
6 formed by the pharmacy benefit manager
7 or affiliate of such pharmacy benefit man-
8 ager, on behalf of the PDP sponsor mak-
9 ing such payment, in connection with the
10 utilization of covered part D drugs, and
11 meets additional requirements, if any, as
12 determined appropriate by the Secretary.

13 “(iii) CLARIFICATION ON REBATES
14 AND DISCOUNTS USED TO LOWER COSTS
15 FOR COVERED PART D DRUGS.—Rebates,
16 discounts, and other price concessions re-
17 ceived by a pharmacy benefit manager or
18 an affiliate of a pharmacy benefit manager
19 from manufacturers, even if such price
20 concessions are calculated as a percentage
21 of a drug’s price, shall not be considered a
22 violation of the requirements of clause (i)
23 if they are fully passed through to a PDP
24 sponsor and are compliant with all regu-
25 latory and subregulatory requirements re-

1 lated to direct and indirect remuneration
2 for manufacturer rebates under this part,
3 including in cases where a PDP sponsor is
4 acting as a pharmacy benefit manager on
5 behalf of a prescription drug plan offered
6 by such PDP sponsor.

7 “(iv) EVALUATION OF REMUNERATION
8 ARRANGEMENTS.—Components of subsets
9 of remuneration arrangements (such as
10 fees or other forms of compensation paid
11 to or retained by the pharmacy benefit
12 manager or affiliate of such pharmacy ben-
13 efit manager), as determined appropriate
14 by the Secretary, between pharmacy ben-
15 efit managers or affiliates of such phar-
16 macy benefit managers, as applicable, and
17 other entities involved in the dispensing or
18 utilization of covered part D drugs (includ-
19 ing PDP sponsors, manufacturers, phar-
20 macies, and other entities as determined
21 appropriate by the Secretary) shall be sub-
22 ject to review by the Secretary, in con-
23 sultation with the Office of the Inspector
24 General of the Department of Health and
25 Human Services, as determined appro-

1 prie by the Secretary. The Secretary, in
2 consultation with the Office of the Inspec-
3 tor General, shall review whether remu-
4 neration under such arrangements is con-
5 sistent with fair market value (as specified
6 by the Secretary) through reviews and as-
7 sessments of such remuneration, as deter-
8 mined appropriate.

9 “(v) DISGORGEMENT.—The pharmacy
10 benefit manager shall disgorge any remu-
11 neration paid to such pharmacy benefit
12 manager or an affiliate of such pharmacy
13 benefit manager in violation of this sub-
14 paragraph to the PDP sponsor.

15 “(vi) ADDITIONAL REQUIREMENTS.—
16 The pharmacy benefit manager shall—

17 “(I) enter into a written agree-
18 ment with any affiliate of such phar-
19 macy benefit manager, under which
20 the affiliate shall identify and disgorge
21 any remuneration described in clause
22 (v) to the pharmacy benefit manager;
23 and

24 “(II) attest, subject to any re-
25 quirements determined appropriate by

1 the Secretary, that the pharmacy ben-
2 efit manager has entered into a writ-
3 ten agreement described in subclause
4 (I) with any relevant affiliate of the
5 pharmacy benefit manager.

6 “(B) TRANSPARENCY REGARDING GUARAN-
7 TEES AND COST PERFORMANCE EVALUA-
8 TIONS.—The pharmacy benefit manager shall—

9 “(i) define, interpret, and apply, in a
10 fully transparent and consistent manner
11 for purposes of calculating or otherwise
12 evaluating pharmacy benefit manager per-
13 formance against pricing guarantees or
14 similar cost performance measurements re-
15 lated to rebates, discounts, price conces-
16 sions, or net costs, terms such as—

17 “(I) ‘generic drug’, in a manner
18 consistent with the definition of the
19 term under section 423.4 of title 42,
20 Code of Federal Regulations, or a suc-
21 cessor regulation;

22 “(II) ‘brand name drug’, in a
23 manner consistent with the definition
24 of the term under section 423.4 of

1 title 42, Code of Federal Regulations,
2 or a successor regulation;

3 “(III) ‘specialty drug’;

4 “(IV) ‘rebate’; and

5 “(V) ‘discount’;

6 “(ii) identify any drugs, claims, or
7 price concessions excluded from any pric-
8 ing guarantee or other cost performance
9 measure in a clear and consistent manner;
10 and

11 “(iii) where a pricing guarantee or
12 other cost performance measure is based
13 on a pricing benchmark other than the
14 wholesale acquisition cost (as defined in
15 section 1847A(c)(6)(B)) of a drug, cal-
16 culate and provide a wholesale acquisition
17 cost-based equivalent to the pricing guar-
18 antee or other cost performance measure.

19 “(C) PROVISION OF INFORMATION.—

20 “(i) IN GENERAL.—Not later than
21 July 1 of each year, beginning in 2028, the
22 pharmacy benefit manager shall submit to
23 the PDP sponsor, and to the Secretary, a
24 report, in accordance with this subpara-
25 graph, and shall make such report avail-

1 able to such sponsor at no cost to such
2 sponsor in a format specified by the Sec-
3 retary under paragraph (5). Each such re-
4 port shall include, with respect to such
5 PDP sponsor and each plan offered by
6 such sponsor, the following information
7 with respect to the previous plan year:

8 “(I) A list of all drugs covered by
9 the plan that were dispensed includ-
10 ing, with respect to each such drug—

11 “(aa) the brand name, ge-
12 neric or non-proprietary name,
13 and National Drug Code;

14 “(bb) the number of plan
15 enrollees for whom the drug was
16 dispensed, the total number of
17 prescription claims for the drug
18 (including original prescriptions
19 and refills, counted as separate
20 claims), and the total number of
21 dosage units of the drug dis-
22 pensed;

23 “(cc) the number of pre-
24 scription claims described in item
25 (bb) by each type of dispensing

1 channel through which the drug
2 was dispensed, including retail,
3 mail order, specialty pharmacy,
4 long term care pharmacy, home
5 infusion pharmacy, or other types
6 of pharmacies or providers;

7 “(dd) the average wholesale
8 acquisition cost, listed as cost per
9 day’s supply, cost per dosage
10 unit, and cost per typical course
11 of treatment (as applicable);

12 “(ee) the average wholesale
13 price for the drug, listed as price
14 per day’s supply, price per dos-
15 age unit, and price per typical
16 course of treatment (as applica-
17 ble);

18 “(ff) the total out-of-pocket
19 spending by plan enrollees on
20 such drug after application of
21 any benefits under the plan, in-
22 cluding plan enrollee spending
23 through copayments, coinsurance,
24 and deductibles;

1 “(gg) total rebates paid by
2 the manufacturer on the drug as
3 reported under the Detailed DIR
4 Report (or any successor report)
5 submitted by such sponsor to the
6 Centers for Medicare & Medicaid
7 Services;

8 “(hh) all other direct or in-
9 direct remuneration on the drug
10 as reported under the Detailed
11 DIR Report (or any successor re-
12 port) submitted by such sponsor
13 to the Centers for Medicare &
14 Medicaid Services;

15 “(ii) the average pharmacy
16 reimbursement amount paid by
17 the plan for the drug in the ag-
18 gregate and disaggregated by dis-
19 pensing channel identified in item
20 (cc);

21 “(jj) the average National
22 Average Drug Acquisition Cost
23 (NADAC); and

24 “(kk) total manufacturer-de-
25 rived revenue, inclusive of bona

1 fide service fees, attributable to
2 the drug and retained by the
3 pharmacy benefit manager and
4 any affiliate of such pharmacy
5 benefit manager.

6 “(II) In the case of a pharmacy
7 benefit manager that has an affiliate
8 that is a retail, mail order, or spe-
9 cialty pharmacy, with respect to drugs
10 covered by such plan that were dis-
11 pensed, the following information:

12 “(aa) The percentage of
13 total prescriptions that were dis-
14 pensed by pharmacies that are an
15 affiliate of the pharmacy benefit
16 manager for each drug.

17 “(bb) The interquartile
18 range of the total combined costs
19 paid by the plan and plan enroll-
20 ees, per dosage unit, per course
21 of treatment, per 30-day supply,
22 and per 90-day supply for each
23 drug dispensed by pharmacies
24 that are not an affiliate of the
25 pharmacy benefit manager and

1 that are included in the phar-
2 macy network of such plan.

3 “(cc) 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 an affiliate of the phar-
11 macy benefit manager and that
12 are included in the pharmacy
13 network of such plan.

14 “(dd) The lowest total com-
15 bined cost paid by the plan and
16 plan enrollees, per dosage unit,
17 per course of treatment, per 30-
18 day supply, and per 90-day sup-
19 ply, for each drug that is avail-
20 able from any pharmacy included
21 in the pharmacy network of such
22 plan.

23 “(ee) The difference between
24 the average acquisition cost of
25 the affiliate, such as a pharmacy

1 or other entity that acquires pre-
2 scription drugs, that initially ac-
3 quires the drug and the amount
4 reported under subclause (I)(jj)
5 for each drug.

6 “(ff) A list inclusive of the
7 brand name, generic or non-pro-
8 prietary name, and National
9 Drug Code of covered part D
10 drugs subject to an agreement
11 with a covered entity under sec-
12 tion 340B of the Public Health
13 Service Act for which the phar-
14 macy benefit manager or an affil-
15 iate of the pharmacy benefit
16 manager had a contract or other
17 arrangement with such a covered
18 entity in the service area of such
19 plan.

20 “(III) Where a drug approved
21 under section 505(c) of the Federal
22 Food, Drug, and Cosmetic Act (re-
23 ferred to in this subclause as the ‘list-
24 ed drug’) is covered by the plan, the
25 following information:

1 “(aa) A list of currently
2 marketed generic drugs approved
3 under section 505(j) of the Fed-
4 eral Food, Drug, and Cosmetic
5 Act pursuant to an application
6 that references such listed drug
7 that are not covered by the plan,
8 are covered on the same for-
9 mulary tier or a formulary tier
10 typically associated with higher
11 cost-sharing than the listed drug,
12 or are subject to utilization man-
13 agement that the listed drug is
14 not subject to.

15 “(bb) The estimated average
16 beneficiary cost-sharing under
17 the plan for a 30-day supply of
18 the listed drug.

19 “(cc) Where a generic drug
20 listed under item (aa) is on a for-
21 mulary tier typically associated
22 with higher cost-sharing than the
23 listed drug, the estimated aver-
24 age cost-sharing that a bene-
25 ficiary would have paid for a 30-

1 day supply of each of the generic
2 drugs described in item (aa), had
3 the plan provided coverage for
4 such drugs on the same for-
5 mulary tier as the listed drug.

6 “(dd) A written justification
7 for providing more favorable cov-
8 erage of the listed drug than the
9 generic drugs described in item
10 (aa).

11 “(ee) The number of cur-
12 rently marketed generic drugs
13 approved under section 505(j) of
14 the Federal Food, Drug, and
15 Cosmetic Act pursuant to an ap-
16 plication that references such
17 listed drug.

18 “(IV) Where a reference product
19 (as defined in section 351(i) of the
20 Public Health Service Act) is covered
21 by the plan, the following information:

22 “(aa) A list of currently
23 marketed biosimilar biological
24 products licensed under section
25 351(k) of the Public Health

1 Service Act pursuant to an appli-
2 cation that refers to such ref-
3 erence product that are not cov-
4 ered by the plan, are covered on
5 the same formulary tier or a for-
6 mulary tier typically associated
7 with higher cost-sharing than the
8 reference product, or are subject
9 to utilization management that
10 the reference product is not sub-
11 ject to.

12 “(bb) The estimated average
13 beneficiary cost-sharing under
14 the plan for a 30-day supply of
15 the reference product.

16 “(cc) Where a biosimilar bi-
17 ological product listed under item
18 (aa) is on a formulary tier typi-
19 cally associated with higher cost-
20 sharing than the reference prod-
21 uct, the estimated average cost-
22 sharing that a beneficiary would
23 have paid for a 30-day supply of
24 each of the biosimilar biological
25 products described in item (aa),

1 had the plan provided coverage
2 for such products on the same
3 formulary tier as the reference
4 product.

5 “(dd) A written justification
6 for providing more favorable cov-
7 erage of the reference product
8 than the biosimilar biological
9 product described in item (aa).

10 “(ee) The number of cur-
11 rently marketed biosimilar bio-
12 logical products licensed under
13 section 351(k) of the Public
14 Health Service Act, pursuant to
15 an application that refers to such
16 reference product.

17 “(V) Total gross spending on
18 covered part D drugs by the plan, not
19 net of rebates, fees, discounts, or
20 other direct or indirect remuneration.

21 “(VI) The total amount retained
22 by the pharmacy benefit manager or
23 an affiliate of such pharmacy benefit
24 manager in revenue related to utiliza-
25 tion of covered part D drugs under

1 that plan, inclusive of bona fide serv-
2 ice fees.

3 “(VII) The total spending on cov-
4 ered part D drugs net of rebates, fees,
5 discounts, or other direct and indirect
6 remuneration by the plan.

7 “(VIII) An explanation of any
8 benefit design parameters under such
9 plan that encourage plan enrollees to
10 fill prescriptions at pharmacies that
11 are an affiliate of such pharmacy ben-
12 efit manager, such as mail and spe-
13 cialty home delivery programs, and re-
14 tail and mail auto-refill programs.

15 “(IX) The following information:

16 “(aa) A list of all brokers,
17 consultants, advisors, and audi-
18 tors that receive compensation
19 from the pharmacy benefit man-
20 ager or an affiliate of such phar-
21 macy benefit manager for refer-
22 rals, consulting, auditing, or
23 other services offered to PDP
24 sponsors related to pharmacy
25 benefit management services.

1 “(bb) The amount of com-
2 pensation provided by such phar-
3 macy benefit manager or affiliate
4 to each such broker, consultant,
5 advisor, and auditor.

6 “(cc) The methodology for
7 calculating the amount of com-
8 pensation provided by such phar-
9 macy benefit manager or affil-
10 iate, for each such broker, con-
11 sultant, advisor, and auditor.

12 “(X) A list of all affiliates of the
13 pharmacy benefit manager.

14 “(XI) A summary document sub-
15 mitted in a standardized template de-
16 veloped by the Secretary that includes
17 such information described in sub-
18 clauses (I) through (X).

19 “(ii) WRITTEN EXPLANATION OF CON-
20 TRACTS OR AGREEMENTS WITH DRUG
21 MANUFACTURERS.—

22 “(I) IN GENERAL.—The phar-
23 macy benefit manager shall, not later
24 than 30 days after the finalization of
25 any contract or agreement between

1 such pharmacy benefit manager or an
2 affiliate of such pharmacy benefit
3 manager and a drug manufacturer (or
4 subsidiary, agent, or entity affiliated
5 with such drug manufacturer) that
6 makes rebates, discounts, payments,
7 or other financial incentives related to
8 one or more covered part D drugs or
9 other prescription drugs, as applica-
10 ble, of the manufacturer directly or
11 indirectly contingent upon coverage,
12 formulary placement, or utilization
13 management conditions on any other
14 covered part D drugs or other pre-
15 scription drugs, as applicable, submit
16 to the PDP sponsor a written expla-
17 nation of such contract or agreement.

18 “(II) REQUIREMENTS.—A writ-
19 ten explanation under subclause (I)
20 shall—

21 “(aa) include the manufac-
22 turer subject to the contract or
23 agreement, all covered part D
24 drugs and other prescription
25 drugs, as applicable, subject to

1 the contract or agreement and
2 the manufacturers of such drugs,
3 and a high-level description of
4 the terms of such contract or
5 agreement and how such terms
6 apply to such drugs; and

7 “(bb) be certified by the
8 Chief Executive Officer, Chief Fi-
9 nancial Officer, or General Coun-
10 sel of such pharmacy benefit
11 manager, or affiliate of such
12 pharmacy benefit manager, as
13 applicable, or an individual dele-
14 gated with the authority to sign
15 on behalf of one of these officers,
16 who reports directly to the offi-
17 cer.

18 “(III) DEFINITION OF OTHER
19 PRESCRIPTION DRUGS.—For purposes
20 of this clause, the term ‘other pre-
21 scription drugs’ means prescription
22 drugs covered as supplemental bene-
23 fits under this part or prescription
24 drugs paid outside of this part.

25 “(D) AUDIT RIGHTS.—

1 “(i) IN GENERAL.—Not less than once
2 a year, at the request of the PDP sponsor,
3 the pharmacy benefit manager shall allow
4 for an audit of the pharmacy benefit man-
5 ager to ensure compliance with all terms
6 and conditions under the written agree-
7 ment described in this paragraph and the
8 accuracy of information reported under
9 subparagraph (C).

10 “(ii) AUDITOR.—The PDP sponsor
11 shall have the right to select an auditor.
12 The pharmacy benefit manager shall not
13 impose any limitations on the selection of
14 such auditor.

15 “(iii) PROVISION OF INFORMATION.—
16 The pharmacy benefit manager shall make
17 available to such auditor all records, data,
18 contracts, and other information necessary
19 to confirm the accuracy of information
20 provided under subparagraph (C), subject
21 to reasonable restrictions on how such in-
22 formation must be reported to prevent re-
23 disclosure of such information.

24 “(iv) TIMING.—The pharmacy benefit
25 manager must provide information under

1 clause (iii) and other information, data,
2 and records relevant to the audit to such
3 auditor within 6 months of the initiation of
4 the audit and respond to requests for addi-
5 tional information from such auditor with-
6 in 30 days after the request for additional
7 information.

8 “(v) INFORMATION FROM AFFILI-
9 ATES.—The pharmacy benefit manager
10 shall be responsible for providing to such
11 auditor information required to be reported
12 under subparagraph (C) or under clause
13 (iii) of this subparagraph that is owned or
14 held by an affiliate of such pharmacy ben-
15 efit manager.

16 “(2) ENFORCEMENT.—

17 “(A) IN GENERAL.—Each PDP sponsor
18 shall—

19 “(i) disgorge to the Secretary any
20 amounts disgorged to the PDP sponsor by
21 a pharmacy benefit manager under para-
22 graph (1)(A)(v);

23 “(ii) require, in a written agreement
24 with any pharmacy benefit manager acting
25 on behalf of such sponsor or affiliate of

1 such pharmacy benefit manager, that such
2 pharmacy benefit manager or affiliate re-
3 imburse the PDP sponsor for any civil
4 money penalty imposed on the PDP spon-
5 sor as a result of the failure of the phar-
6 macy benefit manager or affiliate to meet
7 the requirements of paragraph (1) that are
8 applicable to the pharmacy benefit man-
9 ager or affiliate under the agreement; and
10 “(iii) require, in a written agreement
11 with any such pharmacy benefit manager
12 acting on behalf of such sponsor or affil-
13 iate of such pharmacy benefit manager,
14 that such pharmacy benefit manager or af-
15 filiate be subject to punitive remedies for
16 breach of contract for failure to comply
17 with the requirements applicable under
18 paragraph (1).

19 “(B) REPORTING OF ALLEGED VIOLA-
20 TIONS.—The Secretary shall make available and
21 maintain a mechanism for manufacturers, PDP
22 sponsors, pharmacies, and other entities that
23 have contractual relationships with pharmacy
24 benefit managers or affiliates of such pharmacy
25 benefit managers to report, on a confidential

1 basis, alleged violations of paragraph (1)(A) or
2 subparagraph (C).

3 “(C) ANTI-RETALIATION AND ANTI-COER-
4 CION.—Consistent with applicable Federal or
5 State law, a PDP sponsor shall not—

6 “(i) retaliate against an individual or
7 entity for reporting an alleged violation
8 under subparagraph (B); or

9 “(ii) coerce, intimidate, threaten, or
10 interfere with the ability of an individual
11 or entity to report any such alleged viola-
12 tions.

13 “(3) CERTIFICATION OF COMPLIANCE.—

14 “(A) IN GENERAL.—Each PDP sponsor
15 shall furnish to the Secretary (at a time and in
16 a manner specified by the Secretary) an annual
17 certification of compliance with this subsection,
18 as well as such information as the Secretary de-
19 termines necessary to carry out this subsection.

20 “(B) IMPLEMENTATION.—Notwithstanding
21 any other provision of law, the Secretary may
22 implement this paragraph by program instruc-
23 tion or otherwise.

24 “(4) RULE OF CONSTRUCTION.—Nothing in
25 this subsection shall be construed as—

1 “(A) prohibiting flat dispensing fees or re-
2 imbursement or payment for ingredient costs
3 (including customary, industry-standard dis-
4 counts directly related to drug acquisition that
5 are retained by pharmacies or wholesalers) to
6 entities that acquire or dispense prescription
7 drugs; or

8 “(B) modifying regulatory requirements or
9 sub-regulatory program instruction or guidance
10 related to pharmacy payment, reimbursement,
11 or dispensing fees.

12 “(5) STANDARD FORMATS.—

13 “(A) IN GENERAL.—Not later than June
14 1, 2027, the Secretary shall specify standard,
15 machine-readable formats for pharmacy benefit
16 managers to submit annual reports required
17 under paragraph (1)(C)(i).

18 “(B) IMPLEMENTATION.—Notwithstanding
19 any other provision of law, the Secretary may
20 implement this paragraph by program instruc-
21 tion or otherwise.

22 “(6) CONFIDENTIALITY.—

23 “(A) IN GENERAL.—Information disclosed
24 by a pharmacy benefit manager, an affiliate of
25 a pharmacy benefit manager, a PDP sponsor,

1 or a pharmacy under this subsection that is not
2 otherwise publicly available or available for pur-
3 chase shall not be disclosed by the Secretary or
4 a PDP sponsor receiving the information, ex-
5 cept that the Secretary may disclose the infor-
6 mation for the following purposes:

7 “(i) As the Secretary determines nec-
8 essary to carry out this part.

9 “(ii) To permit the Comptroller Gen-
10 eral to review the information provided.

11 “(iii) To permit the Director of the
12 Congressional Budget Office to review the
13 information provided.

14 “(iv) To permit the Executive Direc-
15 tor of the Medicare Payment Advisory
16 Commission to review the information pro-
17 vided.

18 “(v) To the Attorney General for the
19 purposes of conducting oversight and en-
20 forcement under this title.

21 “(vi) To the Inspector General of the
22 Department of Health and Human Serv-
23 ices in accordance with its authorities
24 under the Inspector General Act of 1978

1 (section 406 of title 5, United States
2 Code), and other applicable statutes.

3 “(B) RESTRICTION ON USE OF INFORMA-
4 TION.—The Secretary, the Comptroller General,
5 the Director of the Congressional Budget Of-
6 fice, and the Executive Director of the Medicare
7 Payment Advisory Commission shall not report
8 on or disclose information disclosed pursuant to
9 subparagraph (A) to the public in a manner
10 that would identify—

11 “(i) a specific pharmacy benefit man-
12 ager, affiliate, pharmacy, manufacturer,
13 wholesaler, PDP sponsor, or plan; or

14 “(ii) contract prices, rebates, dis-
15 counts, or other remuneration for specific
16 drugs in a manner that may allow the
17 identification of specific contracting parties
18 or of such specific drugs.

19 “(7) DEFINITIONS.—For purposes of this sub-
20 section:

21 “(A) AFFILIATE.—The term ‘affiliate’
22 means, with respect to any pharmacy benefit
23 manager or PDP sponsor, any entity that, di-
24 rectly or indirectly—

1 “(i) owns or is owned by, controls or
2 is controlled by, or is otherwise related in
3 any ownership structure to such pharmacy
4 benefit manager or PDP sponsor; or

5 “(ii) acts as a contractor, principal, or
6 agent to such pharmacy benefit manager
7 or PDP sponsor, insofar as such con-
8 tractor, principal, or agent performs any of
9 the functions described under subpara-
10 graph (C).

11 “(B) BONA FIDE SERVICE FEE.—The term
12 ‘bona fide service fee’ means a fee that is reflec-
13 tive of the fair market value (as specified by the
14 Secretary, through notice and comment rule-
15 making) for a bona fide, itemized service actu-
16 ally performed on behalf of an entity, that the
17 entity would otherwise perform (or contract for)
18 in the absence of the service arrangement and
19 that is not passed on in whole or in part to a
20 client or customer, whether or not the entity
21 takes title to the drug. Such fee must be a flat
22 dollar amount and shall not be directly or indi-
23 rectly based on, or contingent upon—

1 “(i) drug price, such as wholesale ac-
2 quisition cost or drug benchmark price
3 (such as average wholesale price);

4 “(ii) the amount of discounts, rebates,
5 fees, or other direct or indirect remunera-
6 tion with respect to covered part D drugs
7 dispensed to enrollees in a prescription
8 drug plan, except as permitted pursuant to
9 paragraph (1)(A)(ii);

10 “(iii) coverage or formulary placement
11 decisions or the volume or value of any re-
12 ferrals or business generated between the
13 parties to the arrangement; or

14 “(iv) any other amounts or meth-
15 odologies prohibited by the Secretary.

16 “(C) PHARMACY BENEFIT MANAGER.—The
17 term ‘pharmacy benefit manager’ means any
18 person or entity that, either directly or through
19 an intermediary, acts as a price negotiator or
20 group purchaser on behalf of a PDP sponsor or
21 prescription drug plan, or manages the pre-
22 scription drug benefits provided by such spon-
23 sor or plan, including the processing and pay-
24 ment of claims for prescription drugs, the per-
25 formance of drug utilization review, the proc-

1 essing of drug prior authorization requests, the
2 adjudication of appeals or grievances related to
3 the prescription drug benefit, contracting with
4 network pharmacies, controlling the cost of cov-
5 ered part D drugs, or the provision of related
6 services. Such term includes any person or enti-
7 ty that carries out one or more of the activities
8 described in the preceding sentence, irrespective
9 of whether such person or entity calls itself a
10 ‘pharmacy benefit manager’.”.

11 (2) MA–PD PLANS.—Section 1857(f)(3) of the
12 Social Security Act (42 U.S.C. 1395w–27(f)(3)) is
13 amended by adding at the end the following new
14 subparagraph:

15 “(F) REQUIREMENTS RELATING TO PHAR-
16 MACY BENEFIT MANAGERS.—For plan years be-
17 ginning on or after January 1, 2028, section
18 1860D–12(h).”.

19 (3) NONAPPLICATION OF PAPERWORK REDUC-
20 TION ACT.—Chapter 35 of title 44, United States
21 Code, shall not apply to the implementation of this
22 subsection.

23 (4) FUNDING.—

24 (A) SECRETARY.—In addition to amounts
25 otherwise available, there is appropriated to the

1 Centers for Medicare & Medicaid Services Pro-
2 gram Management Account, out of any money
3 in the Treasury not otherwise appropriated,
4 \$113,000,000 for fiscal year 2025, to remain
5 available until expended, to carry out this sub-
6 section.

7 (B) OIG.—In addition to amounts other-
8 wise available, there is appropriated to the In-
9 specter General of the Department of Health
10 and Human Services, out of any money in the
11 Treasury not otherwise appropriated,
12 \$20,000,000 for fiscal year 2025, to remain
13 available until expended, to carry out this sub-
14 section.

15 (b) GAO STUDY AND REPORT ON PRICE-RELATED
16 COMPENSATION ACROSS THE SUPPLY CHAIN.—

17 (1) STUDY.—The Comptroller General of the
18 United States (in this subsection referred to as the
19 “Comptroller General”) shall conduct a study de-
20 scribing the use of compensation and payment struc-
21 tures related to a prescription drug’s price within
22 the retail prescription drug supply chain in part D
23 of title XVIII of the Social Security Act (42 U.S.C.
24 1395w–101 et seq.). Such study shall summarize in-
25 formation from Federal agencies and industry ex-

1 perts, to the extent available, with respect to the fol-
2 lowing:

3 (A) The type, magnitude, other features
4 (such as the pricing benchmarks used), and
5 prevalence of compensation and payment struc-
6 tures related to a prescription drug's price,
7 such as calculating fee amounts as a percentage
8 of a prescription drug's price, between inter-
9 mediaries in the prescription drug supply chain,
10 including—

- 11 (i) pharmacy benefit managers;
12 (ii) PDP sponsors offering prescrip-
13 tion drug plans and Medicare Advantage
14 organizations offering MA–PD plans;
15 (iii) drug wholesalers;
16 (iv) pharmacies;
17 (v) manufacturers;
18 (vi) pharmacy services administrative
19 organizations;
20 (vii) brokers, auditors, consultants,
21 and other entities that—

22 (I) advise PDP sponsors offering
23 prescription drug plans and Medicare
24 Advantage organizations offering MA–

1 PD plans regarding pharmacy bene-
2 fits; or

3 (II) review PDP sponsor and
4 Medicare Advantage organization con-
5 tracts with pharmacy benefit man-
6 agers; and

7 (viii) other service providers that con-
8 tract with any of the entities described in
9 clauses (i) through (vii) that may use
10 price-related compensation and payment
11 structures, such as rebate aggregators (or
12 other entities that negotiate or process
13 price concessions on behalf of pharmacy
14 benefit managers, plan sponsors, or phar-
15 macies).

16 (B) The primary business models and com-
17 pensation structures for each category of inter-
18 mediary described in subparagraph (A).

19 (C) Variation in price-related compensation
20 structures between affiliated entities (such as
21 entities with common ownership, either full or
22 partial, and subsidiary relationships) and unaf-
23 filiated entities.

24 (D) Potential conflicts of interest among
25 contracting entities related to the use of pre-

1 scription drug price-related compensation struc-
2 tures, such as the potential for fees or other
3 payments set as a percentage of a prescription
4 drug's price to advantage formulary selection,
5 distribution, or purchasing of prescription drugs
6 with higher prices.

7 (E) Notable differences, if any, in the use
8 and level of price-based compensation struc-
9 tures over time and between different market
10 segments, such as under part D of title XVIII
11 of the Social Security Act (42 U.S.C. 1395w-
12 101 et seq.) and the Medicaid program under
13 title XIX of such Act (42 U.S.C. 1396 et seq.).

14 (F) The effects of drug price-related com-
15 pensation structures and alternative compensa-
16 tion structures on Federal health care programs
17 and program beneficiaries, including with re-
18 spect to cost-sharing, premiums, Federal out-
19 lays, biosimilar and generic drug adoption and
20 utilization, drug shortage risks, and the poten-
21 tial for fees set as a percentage of a drug's
22 price to advantage the formulary selection, dis-
23 tribution, or purchasing of drugs with higher
24 prices.

1 (G) Other issues determined to be relevant
2 and appropriate by the Comptroller General.

3 (2) REPORT.—Not later than 2 years after the
4 date of enactment of this section, the Comptroller
5 General shall submit to Congress a report containing
6 the results of the study conducted under paragraph
7 (1), together with recommendations for such legisla-
8 tion and administrative action as the Comptroller
9 General determines appropriate.

10 (c) MEDPAC REPORTS ON AGREEMENTS WITH
11 PHARMACY BENEFIT MANAGERS WITH RESPECT TO PRE-
12 SCRIPTIION DRUG PLANS AND MA-PD PLANS.—

13 (1) IN GENERAL.—The Medicare Payment Ad-
14 visory Commission shall submit to Congress the fol-
15 lowing reports:

16 (A) INITIAL REPORT.—Not later than the
17 first March 15 occurring after the date that is
18 2 years after the date on which the Secretary
19 makes the data available to the Commission, a
20 report regarding agreements with pharmacy
21 benefit managers with respect to prescription
22 drug plans and MA–PD plans. Such report
23 shall include, to the extent practicable—

24 (i) a description of trends and pat-
25 terns, including relevant averages, totals,

1 and other figures for the types of informa-
2 tion submitted;

3 (ii) an analysis of any differences in
4 agreements and their effects on plan en-
5 rollee out-of-pocket spending and average
6 pharmacy reimbursement, and other im-
7 pacts; and

8 (iii) any recommendations the Com-
9 mission determines appropriate.

10 (B) FINAL REPORT.—Not later than 2
11 years after the date on which the Commission
12 submits the initial report under subparagraph
13 (A), a report describing any changes with re-
14 spect to the information described in subpara-
15 graph (A) over time, together with any rec-
16 ommendations the Commission determines ap-
17 propriate.

18 (2) FUNDING.—In addition to amounts other-
19 wise available, there is appropriated to the Medicare
20 Payment Advisory Commission, out of any money in
21 the Treasury not otherwise appropriated,
22 \$1,000,000 for fiscal year 2026, to remain available
23 until expended, to carry out this subsection.

1 **TITLE V—COMMITTEE ON**
2 **FINANCIAL SERVICES**

3 **SEC. 50001. GREEN AND RESILIENT RETROFIT PROGRAM**
4 **FOR MULTIFAMILY FAMILY HOUSING.**

5 The unobligated balance of amounts made available
6 under section 30002(a) of Public Law 117-169 (commonly
7 referred to as the “Inflation Reduction Act”; 136 Stat.
8 2027) are rescinded.

9 **SEC. 50002. PUBLIC COMPANY ACCOUNTING OVERSIGHT**
10 **BOARD.**

11 (a) During the period beginning on the date of enact-
12 ment of this Act and ending on the transfer date—

13 (1) all intellectual property retained by the
14 Public Company Accounting Oversight Board
15 (“Board”) in support of its programs for registra-
16 tion, standard-setting, and inspection shall be shared
17 with the Securities and Exchange Commission
18 (“Commission”); and

19 (2) pending enforcement and disciplinary ac-
20 tions of the Board shall be referred to the Commis-
21 sion or other regulators in accordance with section
22 105 of the Sarbanes-Oxley Act of 2002 (15 U.S.C.
23 7215).

24 (b) Effective on the transfer date—

1 (1) all unobligated fees collected under section
2 109(d) of the Sarbanes-Oxley Act of 2002 shall be
3 transferred to the general fund of the Treasury, and
4 the Commission may not collect fees under such sec-
5 tion 109(d);

6 (2) the duties and powers of the Board in effect
7 as of the day before the transfer date, other than
8 those described in section 107 of the Sarbanes-Oxley
9 Act of 2002 (15 U.S.C. 7217), shall be transferred
10 to the Commission;

11 (3) the Commission may not use funds to carry
12 out section 107 of the Sarbanes-Oxley Act of 2002
13 (15 U.S.C. 7217) for activities related to overseeing
14 the Board;

15 (4) the Board shall transfer all intellectual
16 property described in subsection (a)(1) to the Com-
17 mission;

18 (5) existing processes and regulations of the
19 Board, including existing Board auditing standards,
20 shall continue in effect unless modified through rule
21 making by the Commission; and

22 (6) any reference to the Board in any law, reg-
23 ulation, document, record, map, or other paper of
24 the United States shall be deemed a reference to the
25 Commission.

1 (c) Any employee of the Board as of the date of en-
2 actment of this Act may—

3 (1) be offered equivalent positions on the Com-
4 mission staff, as determined by the Commission, and
5 submit to the Commission’s standard employment
6 policies; and

7 (2) receive pay that is not higher than the high-
8 est paid employee of similarly situated employees of
9 the Commission.

10 (d) In this section, the term “transfer date” means
11 the date established by the Commission for purposes of
12 this section, except that such date may not be later than
13 the date that is 1 year after the date of enactment of this
14 Act.

15 **SEC. 50003. BUREAU OF CONSUMER FINANCIAL PROTEC-**
16 **TION.**

17 Section 1017(a)(2) of the Consumer Financial Pro-
18 tection Act of 2010 (12 U.S.C. 5497(a)(2)) is amended—

19 (1) in subparagraph (A)(iii)—

20 (A) by striking “12 percent” and inserting
21 “5 percent”; and

22 (B) by striking “2013” and inserting
23 “2025”; and

24 (2) by striking subparagraph (C) and inserting
25 the following:

1 “(C) LIMITATION ON UNOBLIGATED BAL-
2 ANCES.—With respect to a fiscal year, the
3 amount of unobligated balances of the Bureau
4 may not exceed 5 percent of the dollar amount
5 referred to in subparagraph (A)(iii), as adjusted
6 under subparagraph (B). The Director shall
7 transfer any excess amount of such unobligated
8 balances to the general fund of the Treasury.”.

9 **SEC. 50004. CONSUMER FINANCIAL CIVIL PENALTY FUND.**

10 Section 1017(d) of the Consumer Financial Protec-
11 tion Act of 2010 (12 U.S.C. 5497(d)) is amended—

12 (1) in paragraph (2)—

13 (A) in the first sentence, by inserting “di-
14 rect” before “victims”; and

15 (B) by striking the second sentence; and

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

17 “(3) TREATMENT OF EXCESS AMOUNTS.—With
18 respect to a civil penalty described under paragraph
19 (1), if the Bureau makes payments to all of the di-
20 rect victims of activities for which that civil penalty
21 was imposed, the Bureau shall transfer all amounts
22 that remain in the Civil Penalty Fund with respect
23 to that civil penalty to the general fund of the
24 Treasury.”.

1 **SEC. 50005. FINANCIAL RESEARCH FUND.**

2 Section 155 of the Financial Stability Act of 2010
3 (12 U.S.C. 5345) is amended by adding at the end the
4 following:

5 “(e) LIMITATION ON ASSESSMENTS AND THE FINAN-
6 CIAL RESEARCH FUND.—

7 “(1) LIMITATION ON ASSESSMENTS.—Assess-
8 ments may not be collected under subsection (d) if
9 the assessments would result in—

10 “(A) the Financial Research Fund exceed-
11 ing the average annual budget amount; or

12 “(B) the total assessments collected during
13 a single fiscal year exceeding the average an-
14 nual budget amount.

15 “(2) TRANSFER OF EXCESS FUNDS.—Any
16 amounts in the Financial Research Fund exceeding
17 the average annual budget amount shall be deposited
18 into the general fund of the Treasury.

19 “(3) AVERAGE ANNUAL BUDGET AMOUNT DE-
20 FINED.—In this subsection the term ‘average annual
21 budget amount’ means the annual average, over the
22 3 most recently completed fiscal years, of the ex-
23 penses of the Council in carrying out the duties and
24 responsibilities of the Council that were paid by the
25 Office using amounts obtained through assessments
26 under subsection (d).”.

**TITLE VI—COMMITTEE ON
HOMELAND SECURITY**

**SEC. 60001. BORDER BARRIER SYSTEM CONSTRUCTION,
INVASIVE SPECIES, AND BORDER SECURITY
FACILITIES IMPROVEMENTS.**

In addition to amounts otherwise available, there is appropriated to the Commissioner of U.S. Customs and Border Protection for fiscal year 2025, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2029, the following:

(1) \$46,500,000,000 for necessary expenses relating to the following:

(A) Construction, installation, or improvement of primary, waterborne, and secondary barriers.

(B) Access roads.

(C) Barrier system attributes, including cameras, lights, sensors, roads, and other detection technology.

(2) \$50,000,000 for necessary expenses relating to eradication and removal of the carrizo cane plant, salt cedar, or any other invasive plant species that impedes border security operations along the Rio Grande River.

1 (3) \$5,000,000,000 for necessary expenses re-
2 lating 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, NATIONAL VETTING CENTER,**
12 **AND OTHER EFFORTS TO ENHANCE BORDER**
13 **SECURITY.**

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) NATIONAL VETTING CENTER.—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 relating
9 to U.S. Customs and Border Protection's National Vetting
10 Center to support screening, vetting activities, and expan-
11 sion of the criminal history database of foreign nationals.

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 Olympics; and

14 (4) \$450,000,000, to remain available until
15 September 30, 2029, for the Operation Stonegarden
16 Grant Program.

17 **TITLE VII—COMMITTEE ON THE**
18 **JUDICIARY**

19 **Subtitle A—Immigration Matters**

20 **PART 1—IMMIGRATION FEES**

21 **SEC. 70001. APPLICABILITY OF THE IMMIGRATION LAWS.**

22 (a) **APPLICABILITY.**—Notwithstanding any provision
23 of the immigration laws (as defined under section 101 of
24 the Immigration and Nationality Act), the fees under this
25 subtitle shall apply.

1 (b) TERMS.—The terms used under this subtitle shall
2 have the meanings given such terms in section 101 of the
3 Immigration and Nationality Act.

4 (c) REFERENCES TO IMMIGRATION AND NATION-
5 ALITY ACT.—Except as otherwise expressly provided,
6 whenever this subtitle references a section or other provi-
7 sion, the reference shall be considered to be to a section
8 or other provision of the Immigration and Nationality Act.

9 **SEC. 70002. ASYLUM FEE.**

10 (a) IN GENERAL.—In addition to any other fee au-
11 thorized by law, the Secretary of Homeland Security or
12 the Attorney General, as applicable, shall impose a fee in
13 the amount specified in this section for a fiscal year on
14 each alien who files an application for asylum under sec-
15 tion 208 of the Immigration and Nationality Act at the
16 time such application is filed.

17 (b) INITIAL AMOUNT.—The amount specified in this
18 section for fiscal year 2025 shall be such amount as the
19 Secretary or Attorney General, as applicable, may by rule
20 provide, but in any event not less than \$1,000.

21 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
22 year 2026 and each fiscal year thereafter, the amount
23 specified in this section for a fiscal year shall be equal
24 to the sum of—

1 (1) the amount imposed under this section for
2 the prior fiscal year; and

3 (2) rounded to the next lowest multiple of \$10,
4 the amount referred to in paragraph (1), multiplied
5 by the percentage (if any) by which the Consumer
6 Price Index for All Urban Consumers for the month
7 of July preceding the date on which such adjustment
8 takes effect exceeds the Consumer Price Index for
9 All Urban Consumers for the same month of the
10 preceding calendar year.

11 (d) CREDITING CERTAIN FUNDS.—During any fiscal
12 year, the total amount of fees received under this section
13 shall be credited as follows:

14 (1) 50 percent of fees received from applica-
15 tions filed with the Attorney General shall be cred-
16 ited to the Executive Office for Immigration Review
17 to retain and spend without further appropriation.

18 (2) 50 percent of fees received from applica-
19 tions filed with the Secretary of Homeland Security
20 shall be credited to U.S. Citizenship and Immigra-
21 tion Services and deposited into the Immigration
22 Examinations Fee Account established under section
23 286(m) of the Immigration and Nationality Act (8
24 U.S.C. 1356(m)) to retain and spend without fur-
25 ther appropriation.

1 (3) Any amounts not credited to the Executive
2 Office for Immigration Review or U.S. Citizenship
3 and Immigration Services shall be credited as offset-
4 ting receipts and deposited into the general fund of
5 the Treasury.

6 (e) NO WAIVER.—A fee imposed under this section
7 shall not be waived or reduced.

8 **SEC. 70003. EMPLOYMENT AUTHORIZATION DOCUMENT**
9 **FEES.**

10 (a) ASYLUM APPLICANTS.—

11 (1) IN GENERAL.—In addition to any other fee
12 authorized by law, the Secretary of Homeland Secu-
13 rity shall impose on any alien who files an initial ap-
14 plication for employment authorization under section
15 208(d)(2) of the Immigration and Nationality Act a
16 fee in the amount specified in this subsection at the
17 time such initial employment authorization applica-
18 tion is filed. Each initial employment authorization
19 shall be valid for a period of not more than six
20 months.

21 (2) INITIAL AMOUNT.— For purposes of this
22 subsection, the amount specified in this subsection
23 for fiscal year 2025 shall be such amount as the
24 Secretary may by rule provide, but in any event not
25 less than \$550.

1 (3) SUBSEQUENT ADJUSTMENT.—Beginning in
2 fiscal year 2026 and each fiscal year thereafter, the
3 amount for a fiscal year shall be equal to the sum
4 of—

5 (A) the amount imposed under this section
6 for the prior fiscal year; and

7 (B) rounded to the next lowest multiple of
8 \$10, the amount referred to in subparagraph
9 (A), multiplied by the percentage (if any) by
10 which the Consumer Price Index for All Urban
11 Consumers for the month of July preceding the
12 date on which such adjustment takes effect ex-
13 ceeds the Consumer Price Index for All Urban
14 Consumers for the same month of the preceding
15 calendar year.

16 (4) CREDITING OF FUNDS.—25 percent of fees
17 received under this section shall be credited to U.S.
18 Citizenship and Immigration Services and deposited
19 into the Immigration Examinations Fee Account es-
20 tablished under section 286(m) of the Immigration
21 and Nationality Act (8 U.S.C. 1356(m)) to retain
22 and spend without further appropriation, of which
23 50 percent shall be used by U.S. Citizenship and Im-
24 migration Services to detect and prevent immigra-
25 tion benefit fraud. Any amounts not credited to U.S.

1 Citizenship and Immigration Services under this sec-
2 tion shall be credited as offsetting receipts and de-
3 posited into the general fund of the Treasury.

4 (5) NO WAIVER.—A fee imposed under this
5 subsection shall not be waived or reduced.

6 (b) PAROLE.—

7 (1) IN GENERAL.—In addition to any other fee
8 authorized by law, the Secretary of Homeland Secu-
9 rity shall impose on any alien paroled into the
10 United States a fee for any initial application for
11 employment authorization in an amount specified in
12 this subsection at the time such initial application is
13 filed. Each initial employment authorization shall be
14 valid for a period of not more than six months.

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 \$550.

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 sub-
25 section for the prior fiscal year; and

1 (B) rounded to the next lowest multiple of
2 \$10, 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 section shall be credited as offsetting re-
12 cepts and deposited into the general fund of the
13 Treasury.

14 (5) NO WAIVER.—A fee imposed under this
15 subsection shall not be waived or reduced.

16 (c) TEMPORARY PROTECTED STATUS.—

17 (1) IN GENERAL.—In addition to any other fee
18 authorized by law, for any alien who files an initial
19 application for employment authorization under sec-
20 tion 244(a)(1)(B) of the Immigration and Nation-
21 ality Act, the Secretary of Homeland Security shall
22 impose a fee in an amount specified in this sub-
23 section at the time such initial application is filed.
24 Each initial employment authorization shall be valid
25 for a period of not more than six months.

1 (2) INITIAL AMOUNT.—For purposes of this
2 subsection, the amount specified in this subsection
3 for fiscal year 2025 shall be such amount as the
4 Secretary may by rule provide, but in any event not
5 less than \$550.

6 (3) 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 (4) CREDITING OF CERTAIN FUNDS.—The fees
22 received under this section shall be credited as off-
23 setting receipts and deposited into the general fund
24 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 credited as offsetting receipts and depos-
7 ited in the general fund of the Treasury.

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 credited as offsetting receipts and depos-
15 ited in the general fund of the Treasury.

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 credited as offsetting receipts and depos-
11 ited in the general fund of the Treasury.

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 credited as follows:

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 cred-
5 ited as offsetting receipts and 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. 70008. VISA INTEGRITY FEE.**

10 (a) VISA INTEGRITY FEE.—

11 (1) IN GENERAL.—In addition to any other fee
12 authorized by law, the Secretary of State shall im-
13 pose a fee in an amount specified in this subsection
14 on each alien issued a nonimmigrant visa by the
15 State Department upon the issuance of such alien's
16 nonimmigrant visa.

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 \$250.

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 section
2 for the prior fiscal year; and

3 (B) rounded to the next lowest multiple of
4 \$1, 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 subsection that are not reimbursed in ac-
14 cordance with subsection (b) shall be credited as off-
15 setting receipts and deposited in the general fund of
16 the Treasury.

17 (5) NO WAIVER.—A fee imposed under this
18 subsection shall not be waived or reduced.

19 (b) FEE REIMBURSEMENT.—The Secretary of State
20 may reimburse to an alien a fee imposed under this section
21 on that alien for the issuance of a nonimmigrant visa after
22 the expiration of such nonimmigrant visa's period of valid-
23 ity if the alien demonstrates that—

24 (1) the alien has not sought admission during
25 such period of validity;

1 (2) the alien, after admission to the United
2 States pursuant to such nonimmigrant visa, com-
3 plied with all conditions of such nonimmigrant visa,
4 including the condition that an alien shall not accept
5 unauthorized employment, and that the alien de-
6 parted the United States not later than 5 days after
7 the date on which the alien was authorized to re-
8 main in the United States; or

9 (3) the alien filed to extend, change, or adjust
10 such status within the nonimmigrant visa's period of
11 validity.

12 **SEC. 70009. FORM I-94 FEE.**

13 (a) FEE AUTHORIZED.—In addition to any other fee
14 authorized by law, the Secretary of Homeland Security
15 shall impose a fee in an amount specified in subsection
16 (b) on any alien upon the alien's application for a Form
17 I-94 Arrival/Departure Record.

18 (b) FEE SPECIFIED.—

19 (1) INITIAL AMOUNT.—The amount specified in
20 this subsection for fiscal year 2025 shall be such
21 amount as the Secretary may by rule provide, but in
22 any event not less than \$24.

23 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
24 fiscal year 2026 and each fiscal year thereafter, the

1 amount specified in this subsection for a fiscal year
2 shall be equal to the sum of—

3 (A) the amount imposed under this section
4 for the prior fiscal year; and

5 (B) the amount referred to in subpara-
6 graph (A), multiplied by the percentage (if any)
7 by which the Consumer Price Index for All
8 Urban Consumers for the month of July pre-
9 ceding the date on which such adjustment takes
10 effect exceeds the Consumer Price Index for All
11 Urban Consumers for the same month of the
12 preceding calendar year.

13 (c) CREDITING OF FUNDS.—During any fiscal year,
14 the total amount of fees received under this section shall
15 be credited as follows:

16 (1) 20 percent of the fee collected under this
17 section for each application shall be deposited pursu-
18 ant to section 286(q)(2) of the Immigration and Na-
19 tionality Act (8 U.S.C. 1356(q)(2)) and made avail-
20 able to U.S. Customs and Border Protection to re-
21 tain and spend without further appropriation for the
22 purpose of processing Form I–94.

23 (2) Any amounts not credited to U.S. Customs
24 and Border Protection shall be credited as offsetting

1 receipts and deposited in the general fund of the
2 Treasury.

3 (d) NO WAIVER.—A fee imposed under this section
4 shall not be waived or reduced.

5 **SEC. 70010. YEARLY ASYLUM FEE.**

6 (a) FEE AUTHORIZED.—In addition to any other fee
7 authorized by law, for each calendar year that an alien's
8 application for asylum remains pending, the Secretary of
9 Homeland Security or the Attorney General, as applicable,
10 shall impose a fee in an amount specified in subsection
11 (b) on that alien.

12 (b) FEE SPECIFIED.—

13 (1) INITIAL AMOUNT.—The amount specified in
14 this subsection for fiscal year 2025 shall be such
15 amount as the Secretary and the Attorney General
16 may by rule provide, but in any event not less than
17 \$100.

18 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
19 fiscal year 2026 and each fiscal year thereafter, the
20 amount specified in this subsection for a fiscal year
21 shall be equal to the sum of—

22 (A) the amount imposed under this section
23 for the prior fiscal year; and

24 (B) the amount referred to in subpara-
25 graph (A), multiplied by the percentage (if any)

1 by which the Consumer Price Index for All
2 Urban Consumers for the month of July pre-
3 ceding the date on which such adjustment takes
4 effect exceeds the Consumer Price Index for All
5 Urban Consumers for the same month of the
6 preceding calendar year.

7 (c) CREDITING OF FUNDS.—The fees received under
8 this section shall be credited as offsetting receipts and de-
9 posited in the general fund of the Treasury.

10 (d) NO WAIVER.—A fee imposed under this section
11 shall not be waived or reduced.

12 **SEC. 70011. FEE FOR CONTINUANCES GRANTED IN IMMI-**
13 **GRATION COURT PROCEEDINGS.**

14 (a) IN GENERAL.—In addition to any other fee au-
15 thorized by law, the Attorney General shall impose a fee
16 in an amount specified in subsection (b) on any alien who
17 requests and is granted a continuance by an immigration
18 judge for each such continuance.

19 (b) FEE SPECIFIED.—

20 (1) INITIAL AMOUNT.—The amount specified in
21 this subsection for fiscal year 2025 shall be such
22 amount as the Attorney General may by rule pro-
23 vide, but in any event not less than \$100.

24 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
25 fiscal year 2026 and each fiscal year thereafter, the

1 amount specified in this subsection for a fiscal year
2 shall be equal to the sum of—

3 (A) the amount imposed under this section
4 for the prior fiscal year; and

5 (B) the amount referred to in subpara-
6 graph (A), multiplied by the percentage (if any)
7 by which the Consumer Price Index for All
8 Urban Consumers for the month of July pre-
9 ceding the date on which such adjustment takes
10 effect exceeds the Consumer Price Index for All
11 Urban Consumers for the same month of the
12 preceding calendar year.

13 (c) CREDITING OF CERTAIN FUNDS.—Amounts re-
14 ceived as fees under this section shall be credited as offset-
15 ting receipts and deposited in the general fund of the
16 Treasury.

17 (d) NO WAIVER.—A fee imposed under this section
18 shall not be waived or reduced, except no fee shall be im-
19 posed on any alien whose request for a continuance is
20 granted based on exceptional circumstances (as such term
21 is defined in section 240 of the Immigration and Nation-
22 ality Act).

1 **SEC. 70012. FEE RELATING TO RENEWAL AND EXTENSION**
2 **OF EMPLOYMENT AUTHORIZATION FOR PA-**
3 **ROLEES.**

4 (a) FEE IMPOSED.—In addition to any other fee au-
5 thorized by law, for a parolee who seeks a renewal or ex-
6 tension of employment authorization based on a grant of
7 parole, the Secretary of Homeland Security shall impose
8 a fee in an amount specified in subsection (b).

9 (b) FEE SPECIFIED.—

10 (1) INITIAL AMOUNT.—The amount specified in
11 this subsection for fiscal year 2025 shall be such
12 amount as the Secretary may by rule provide, but in
13 any event not less than \$550.

14 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
15 fiscal year 2026 and each fiscal year thereafter, the
16 amount specified in this subsection for a fiscal year
17 shall be equal to the sum of—

18 (A) the amount imposed under this sub-
19 section for the prior fiscal year; and

20 (B) rounded to the next lowest multiple of
21 \$10, the amount referred to in subparagraph
22 (A), multiplied by the percentage (if any) by
23 which the Consumer Price Index for All Urban
24 Consumers for the month of July preceding the
25 date on which such adjustment takes effect ex-
26 ceeds the Consumer Price Index for All Urban

1 Consumers for the same month of the preceding
2 calendar year.

3 (c) IN GENERAL.—The employment authorization for
4 any alien paroled into the United States, or any renewal
5 or extension thereof, shall be valid for a period of not more
6 than six months.

7 (d) CREDITING OF FUNDS.—The fees received under
8 this section shall be credited as offsetting receipts and de-
9 posited into the general fund of the Treasury.

10 (e) NO WAIVER.—A fee imposed under this sub-
11 section shall not be waived or reduced.

12 **SEC. 70013. FEE RELATING TO TERMINATION, RENEWAL,**
13 **AND EXTENSION OF EMPLOYMENT AUTHOR-**
14 **IZATION FOR ASYLUM APPLICANTS.**

15 (a) FEE IMPOSED.—In addition to any other fee au-
16 thorized by law, for any alien who applies for asylum and
17 who seeks a renewal or extension of employment author-
18 ization based on such application, the Secretary of Home-
19 land Security shall impose a fee of not less than \$550 for
20 each such renewal or extension, in accordance with sub-
21 section (b).

22 (b) EMPLOYMENT AUTHORIZATION.—The Secretary
23 of Homeland Security may provide employment authoriza-
24 tion to an applicant for asylum for a period of not more

1 than six months. Each renewal or extension thereof shall
2 also be valid for a period of not more than six months.

3 (c) TERMINATION.—Each initial employment author-
4 ization, or renewal or extension of such authorization,
5 shall terminate as follows:

6 (1) Immediately following the denial of an asy-
7 lum application by an asylum officer, unless the case
8 is referred to an immigration judge.

9 (2) On the date that is 30 days after the date
10 on which an immigration judge denies an asylum ap-
11 plication, unless the alien makes a timely appeal to
12 the Board of Immigration Appeals.

13 (3) Immediately following the denial by the
14 Board of Immigration Appeals of an appeal of a de-
15 nial of an asylum application.

16 (d) PROHIBITION.—The Secretary of Homeland Se-
17 curity shall not grant, renew, or extend employment au-
18 thorization to an alien if the alien was previously granted
19 employment authorization as an applicant for asylum and
20 the employment authorization was terminated pursuant to
21 a circumstance described in subsection (c), unless a Fed-
22 eral Court of Appeals remands the alien's case to the
23 Board of Immigration Appeals.

1 (e) CREDITING OF FUNDS.—The total amount of fees
2 received under this section shall be credited as offsetting
3 receipts and deposited in the general fund of the Treasury.

4 (f) NO WAIVER.—A fee imposed under this sub-
5 section shall not be waived or reduced.

6 **SEC. 70014. FEE RELATING TO RENEWAL AND EXTENSION**
7 **OF EMPLOYMENT AUTHORIZATION FOR**
8 **ALIENS GRANTED TEMPORARY PROTECTED**
9 **STATUS.**

10 (a) FEE IMPOSED.—In addition to any other fee au-
11 thorized by law, for any alien who seeks a renewal or ex-
12 tension of employment authorization based on a grant of
13 temporary protected status, the Secretary of Homeland
14 Security shall impose a fee in an amount specified in sub-
15 section (b) at the time of each such renewal or extension.

16 (b) FEE SPECIFIED.—

17 (1) INITIAL AMOUNT.—The amount specified in
18 this subsection for fiscal year 2025 shall be such
19 amount as the Secretary may by rule provide, but in
20 any event not less than \$550.

21 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
22 fiscal year 2026 and each fiscal year thereafter, the
23 amount specified in this subsection for a fiscal year
24 shall be equal to the sum of—

1 (A) the amount imposed under this sub-
2 section for the prior fiscal year; and

3 (B) rounded to the next lowest multiple of
4 \$10, the amount referred to in subparagraph
5 (A), multiplied by the percentage (if any) by
6 which the Consumer Price Index for All Urban
7 Consumers for the month of July preceding the
8 date on which such adjustment takes effect ex-
9 ceeds the Consumer Price Index for All Urban
10 Consumers for the same month of the preceding
11 calendar year.

12 (c) EMPLOYMENT AUTHORIZATION.—Any employ-
13 ment authorization for an alien granted temporary pro-
14 tected status, or any renewal or extension thereof, shall
15 be valid for a period of not more than six months.

16 (d) CREDITING OF FUNDS.—The fees received under
17 this section shall be credited as offsetting receipts and de-
18 posited into the general fund of the Treasury.

19 (e) NO WAIVER.—A fee imposed under this sub-
20 section shall not be waived or reduced.

21 **SEC. 70015. DIVERSITY IMMIGRANT VISA FEES.**

22 (a) FEE FOR FILING A DIVERSITY IMMIGRANT VISA
23 APPLICATION.—

24 (1) IN GENERAL.—In addition to any other fee
25 authorized by law, the Secretary of State shall im-

1 pose on any alien who files an application for a di-
2 versity immigrant visa as described in section 203(c)
3 of the Immigration and Nationality Act (8 U.S.C.
4 1153(c)) a fee in the amount specified in this sub-
5 section at the time such application is filed.

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 \$400.

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 (b) FEE FOR ALIENS WHO REGISTER FOR THE DI-
4 VERSITY IMMIGRANT VISA PROGRAM.—

5 (1) IN GENERAL.—In addition to any other fee
6 authorized by law, the Secretary of State shall im-
7 pose on any alien who registers for the diversity im-
8 migrant visa program, as described in section 203(c)
9 of the Immigration and Nationality Act (8 U.S.C.
10 1153(c)) a fee in the amount specified in this sub-
11 section at the time of registration.

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 Secretary may by rule
16 provide, but in any event not less than \$250.

17 (B) SUBSEQUENT ADJUSTMENT.—Begin-
18 ning in fiscal year 2026 and each fiscal year
19 thereafter, the amount specified in this sub-
20 section for a fiscal year shall be equal to the
21 sum of—

22 (i) the amount imposed under this
23 subsection for the prior fiscal year; and

24 (ii) the amount referred to in clause
25 (i), multiplied by the percentage (if any) by

1 which the Consumer Price Index for All
2 Urban Consumers for the month of July
3 preceding the date on which such adjust-
4 ment takes effect exceeds the Consumer
5 Price Index for All Urban Consumers for
6 the same month of the preceding calendar
7 year.

8 (c) CREDITING OF FUNDS.—During any fiscal year,
9 the total amount of fees received under this section shall
10 be credited as follows:

11 (1) 10 percent of fees received shall be credited
12 to the Department of State to retain and spend
13 without further appropriation to detect and prevent
14 fraud in the diversity immigrant visa program and
15 to offset costs associated with such program.

16 (2) 10 percent of fees received shall be credited
17 to U.S. Immigration and Customs Enforcement to
18 retain and spend without further appropriation for
19 the purpose of detention and immigration enforce-
20 ment and removal operations.

21 (3) Any amounts not credited under this sub-
22 section to the Department of State or U.S. Immigra-
23 tion and Customs Enforcement shall be credited as
24 offsetting receipts and deposited into the general
25 fund of the Treasury.

1 (d) NO WAIVER.—A fee imposed under this section
2 shall not be waived or reduced.

3 **SEC. 70016. EOIR FEES.**

4 (a) FEE FOR FILING AN APPLICATION TO ADJUST
5 STATUS TO THAT OF A LAWFUL PERMANENT RESI-
6 DENT.—

7 (1) IN GENERAL.—In addition to any other fees
8 authorized by law, the Attorney General shall impose
9 on any alien who files with an immigration court an
10 application to adjust the alien's status to that of a
11 lawful permanent resident, or whose application to
12 adjust status to that of a lawful permanent resident
13 is adjudicated in immigration court, a fee in the
14 amount specified in this subsection at the time such
15 application is filed, or, as applicable, prior to the ad-
16 judication of such application in immigration court.

17 (2) FEE SPECIFIED.—

18 (A) INITIAL AMOUNT.—The amount speci-
19 fied in this subsection for fiscal year 2025 shall
20 be such amount as the Attorney General may
21 by rule provide, but in any event not less than
22 \$1,500.

23 (B) SUBSEQUENT ADJUSTMENT.—Begin-
24 ning in fiscal year 2026 and each fiscal year
25 thereafter, the amount specified in this sub-

1 section for a fiscal year shall be equal to the
2 sum of—

3 (i) the amount imposed under this
4 subsection for the prior fiscal year; and

5 (ii) rounded to the next lowest mul-
6 tiple of \$10, the amount referred to in
7 clause (i), multiplied by the percentage (if
8 any) by which the Consumer Price Index
9 for All Urban Consumers for the month of
10 July preceding the date on which such ad-
11 justment takes effect exceeds the Con-
12 sumer Price Index for All Urban Con-
13 sumers for the same month of the pre-
14 ceding calendar year.

15 (3) CREDITING CERTAIN FUNDS.—During any
16 fiscal year, not more than 50 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 credited as offsetting receipts and deposited
25 into the general fund of the Treasury.

1 (b) FEE FOR FILING AN APPLICATION FOR WAIVER
2 OF GROUNDS OF INADMISSIBILITY.—

3 (1) IN GENERAL.—In addition to any other fees
4 authorized by law, the Attorney General shall impose
5 on any alien who files with an immigration court an
6 application for waiver of grounds of inadmissibility,
7 or whose application for waiver of grounds of inad-
8 missibility is adjudicated in immigration court, a fee
9 in the amount specified in this subsection at the
10 time such application is filed, or, as applicable, prior
11 to the adjudication of such application in immigra-
12 tion court.

13 (2) FEE SPECIFIED.—

14 (A) INITIAL AMOUNT.—The amount speci-
15 fied in this subsection for fiscal year 2025 shall
16 be such amount as the Attorney General may
17 by rule provide, but in any event not less than
18 \$1,050.

19 (B) SUBSEQUENT ADJUSTMENT.—Begin-
20 ning in fiscal year 2026 and each fiscal year
21 thereafter, the amount specified in this sub-
22 section for a fiscal year shall be equal to the
23 sum of—

24 (i) the amount imposed under this
25 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 the Im-
16 migration and Nationality Act and credited to the
17 Executive Office for Immigration Review to retain
18 and spend without further appropriation. Any
19 amounts not credited under the previous sentence
20 shall be credited as offsetting receipts and deposited
21 into the general fund of the Treasury.

22 (c) FEE FOR FILING AN APPLICATION FOR TEM-
23 PORARY PROTECTED STATUS.—

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 for temporary protected status, or whose
3 application for temporary protected status is adjudicated in immigration court, a fee in the amount
4 specified in this subsection at the time such application is filed or, as applicable, prior to the adjudication of such application in immigration court.

8 (2) FEE SPECIFIED.—

9 (A) INITIAL AMOUNT.—The amount specified in this subsection for fiscal year 2025 shall
10 be such amount as the Attorney General may
11 by rule provide, but in any event not less than
12 \$500.
13

14 (B) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal year 2026 and each fiscal year
15 thereafter, the amount specified in this subsection for a fiscal year shall be equal to the
16 sum of—
17
18

19 (i) the amount imposed under this
20 subsection for the prior fiscal year; and

21 (ii) rounded to the next lowest multiple of \$10, the amount referred to in
22 clause (i), multiplied by the percentage (if
23 any) by which the Consumer Price Index
24 for All Urban Consumers for the month of
25

1 July preceding the date on which such ad-
2 justment takes effect exceeds the Con-
3 sumer Price Index for All Urban Con-
4 sumers for the same month of the pre-
5 ceding calendar year.

6 (3) CREDITING CERTAIN FUNDS.—During any
7 fiscal year, not more than 25 percent of the total
8 amount of fees received under this section shall be
9 derived by transfer from the Immigration Examina-
10 tions Fee Account under section 286(n) of the Im-
11 migration and Nationality Act and credited to the
12 Executive Office for Immigration Review to retain
13 and spend without further appropriation. Any
14 amounts not credited under the previous sentence
15 shall be credited as offsetting receipts and deposited
16 into the general fund of the Treasury.

17 (d) FEE FOR FILING AN APPEAL FROM A DECISION
18 OF AN IMMIGRATION JUDGE.—

19 (1) IN GENERAL.—In addition to any other fees
20 authorized by law, the Attorney General shall impose
21 on any alien who files any appeal from a decision of
22 an immigration judge a fee in the amount specified
23 in this subsection at the time such appeal is filed.

24 (2) FEE SPECIFIED.—

1 (A) INITIAL AMOUNT.—The amount speci-
2 fied in this subsection for fiscal year 2025 shall
3 be such amount as the Attorney General may
4 by rule provide, but in any event not less than
5 \$900.

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) EXCEPTION.—The fee described in this sec-
24 tion shall not apply to the appeal of a bond decision.

1 (4) 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 credited as offsetting receipts and deposited
11 into the general fund of the Treasury.

12 (e) FEE FOR FILING AN APPEAL FROM A DECISION
13 OF AN OFFICER OF THE DEPARTMENT OF HOMELAND
14 SECURITY.—

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 an appeal from a decision of
18 an officer of the Department of Homeland Security
19 a fee in the amount specified in this subsection at
20 the time such appeal 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 \$900.

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 Immigra-
25 tion and Nationality and credited to the Executive

1 Office for Immigration Review to retain and spend
2 without further appropriation. Any amounts not
3 credited under the previous sentence shall be cred-
4 ited as offsetting receipts and deposited into the
5 general fund of the Treasury.

6 (f) FEE FOR FILING AN APPEAL FROM A DECISION
7 OF AN ADJUDICATING OFFICIAL IN A PRACTITIONER DIS-
8 CIPLINARY CASE.—

9 (1) IN GENERAL.—In addition to any other fees
10 authorized by law, the Attorney General shall impose
11 on any practitioner who files an appeal from a deci-
12 sion of an adjudicating official in a practitioner dis-
13 ciplinary case a fee in the amount specified in this
14 subsection at the time such appeal is filed.

15 (2) FEE SPECIFIED.—

16 (A) INITIAL AMOUNT.—The amount speci-
17 fied in this subsection for fiscal year 2025 shall
18 be such amount as the Attorney General may
19 by rule provide, but in any event not less than
20 \$1,325.

21 (B) SUBSEQUENT ADJUSTMENT.—Begin-
22 ning in fiscal year 2026 and each fiscal year
23 thereafter, the amount specified in this sub-
24 section for a fiscal year shall be equal to the
25 sum of—

1 (i) the amount imposed under this
2 subsection for the prior fiscal year; and

3 (ii) rounded to the next lowest mul-
4 tiple of \$10, the amount referred to in
5 clause (i), multiplied by the percentage (if
6 any) by which the Consumer Price Index
7 for All Urban Consumers for the month of
8 July preceding the date on which such ad-
9 justment takes effect exceeds the Con-
10 sumer Price Index for All Urban Con-
11 sumers for the same month of the pre-
12 ceding calendar year.

13 (3) CREDITING CERTAIN FUNDS.—During any
14 fiscal year, not more than 25 percent of the total
15 amount of fees received under this section shall be
16 derived by transfer from the Immigration Examina-
17 tions Fee Account under section 286(n) of the Im-
18 migration and Nationality Act and credited to the
19 Executive Office for Immigration Review to retain
20 and spend without further appropriation. Any
21 amounts not credited under the previous sentence
22 shall be credited as offsetting receipts and deposited
23 into the general fund of the Treasury.

24 (g) FEE FOR FILING A MOTION TO REOPEN OR A
25 MOTION TO RECONSIDER.—

1 (1) IN GENERAL.—In addition to any other fees
2 authorized by law, the Attorney General shall impose
3 on any alien who files a motion to reopen or motion
4 to reconsider a decision of an immigration judge or
5 the Board of Immigration Appeals a fee in the
6 amount specified in this subsection at the time such
7 motion is filed.

8 (2) FEE SPECIFIED.—

9 (A) INITIAL AMOUNT.—The amount speci-
10 fied in this subsection for fiscal year 2025 shall
11 be such amount as the Attorney General may
12 by rule provide, but in any event not less than
13 \$900.

14 (B) SUBSEQUENT ADJUSTMENT.—Begin-
15 ning in fiscal year 2026 and each fiscal year
16 thereafter, the amount specified in this sub-
17 section for a fiscal year shall be equal to the
18 sum of—

19 (i) the amount imposed under this
20 subsection for the prior fiscal year; and

21 (ii) rounded to the next lowest mul-
22 tiple of \$10, the amount referred to in
23 clause (i), multiplied by the percentage (if
24 any) by which the Consumer Price Index
25 for All Urban Consumers for the month of

1 July preceding the date on which such ad-
2 justment takes effect exceeds the Con-
3 sumer Price Index for All Urban Con-
4 sumers for the same month of the pre-
5 ceding calendar year.

6 (3) EXCEPTIONS.—The fee described in this
7 section shall not apply to any motion that is:

8 (A) a motion to reopen a removal order en-
9 tered in absentia if the motion is filed under
10 section 240(b)(5)(C)(ii) of the Immigration and
11 Nationality Act; or

12 (B) a motion to reopen a deportation order
13 entered in absentia if the motion is filed under
14 section 242B(c)(3)(B) of the Immigration and
15 Nationality Act, as the section existed prior to
16 April 1, 1997.

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 credited as offsetting receipts and deposited
2 into the general fund of the Treasury.

3 (h) FEE FOR FILING AN APPLICATION FOR SUSPEN-
4 SION OF DEPORTATION.—

5 (1) IN GENERAL.—In addition to any other fees
6 authorized by law, the Attorney General shall impose
7 on any alien who files with an immigration court an
8 application for suspension of deportation a fee in the
9 amount specified in this subsection at the time such
10 application is filed.

11 (2) FEE SPECIFIED.—

12 (A) INITIAL AMOUNT.—The amount speci-
13 fied in this subsection for fiscal year 2025 shall
14 be such amount as the Attorney General may
15 by rule provide, but in any event not less than
16 \$600.

17 (B) SUBSEQUENT ADJUSTMENT.—Begin-
18 ning in fiscal year 2026 and each fiscal year
19 thereafter, the amount specified in this sub-
20 section for a fiscal year shall be equal to the
21 sum of—

22 (i) the amount imposed under this
23 subsection for the prior fiscal year; and

24 (ii) rounded to the next lowest mul-
25 tiple of \$10, the amount referred to in

1 clause (i), multiplied by the percentage (if
2 any) by which the Consumer Price Index
3 for All Urban Consumers for the month of
4 July preceding the date on which such ad-
5 justment takes effect exceeds the Con-
6 sumer Price Index for All Urban Con-
7 sumers for the same month of the pre-
8 ceding calendar year.

9 (3) CREDITING CERTAIN FUNDS.—During any
10 fiscal year, not more than 25 percent of the total
11 amount of fees received under this section shall be
12 derived by transfer from the Immigration Examina-
13 tions Fee Account under section 286(n) of the Im-
14 migration and Nationality Act and credited to the
15 Executive Office for Immigration Review to retain
16 and spend without further appropriation. Any
17 amounts not credited under the previous sentence
18 shall be credited as offsetting receipts and deposited
19 into the general fund of the Treasury.

20 (i) FEE FOR FILING AN APPLICATION FOR CAN-
21 CELLATION OF REMOVAL FOR CERTAIN PERMANENT
22 RESIDENTS.—

23 (1) IN GENERAL.—In addition to any other fees
24 authorized by law, the Attorney General shall impose
25 on any alien who files with an immigration court an

1 application for cancellation of removal for certain
2 permanent residents a fee in the amount specified in
3 this subsection at the time such application is filed.

4 (2) FEE SPECIFIED.—

5 (A) INITIAL AMOUNT.—The amount speci-
6 fied in this subsection for fiscal year 2025 shall
7 be such amount as the Attorney General may
8 by rule provide, but in any event not less than
9 \$600.

10 (B) SUBSEQUENT ADJUSTMENT.—Begin-
11 ning in fiscal year 2026 and each fiscal year
12 thereafter, the amount specified in this sub-
13 section for a fiscal year shall be equal to the
14 sum of—

15 (i) the amount imposed under this
16 subsection for the prior fiscal year; and

17 (ii) rounded to the next lowest mul-
18 tiple of \$10, the amount referred to in
19 clause (i), multiplied by the percentage (if
20 any) by which the Consumer Price Index
21 for All Urban Consumers for the month of
22 July preceding the date on which such ad-
23 justment takes effect exceeds the Con-
24 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 credited as offsetting receipts and deposited
13 into the general fund of the Treasury.

14 (j) FEE FOR FILING AN APPLICATION FOR CAN-
15 CELLATION OF REMOVAL AND ADJUSTMENT OF STATUS
16 FOR CERTAIN NONPERMANENT RESIDENTS.—

17 (1) IN GENERAL.—In addition to any other fees
18 authorized by law, the Attorney General shall impose
19 on any alien who files with an immigration court an
20 application for cancellation of removal and adjust-
21 ment of status for certain nonpermanent residents a
22 fee in the amount specified in this subsection at the
23 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 Attorney General may
4 by rule provide, but in any event not less than
5 \$1,500.

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 credited as offsetting receipts and deposited
8 into the general fund of the Treasury.

9 (k) NO WAIVER.—Any fee imposed under this section
10 shall not be waived or reduced.

11 (l) CONDITION ON FUNDS.—No fees received under
12 this section shall be used to fund the Legal Orientation
13 Program or any successor program.

14 **SEC. 70017. ESTA FEE.**

15 Section 217(h)(3)(B) of the Immigration and Nation-
16 ality Act (8 U.S.C. 1187(h)(3)(B)) is amended—

17 (1) in clause (i)—

18 (A) in subclause (I), by striking “and” at
19 the end;

20 (B) in subclause (II)—

21 (i) by inserting after “an amount” the
22 following “of not less than \$10”; and

23 (ii) by striking the period at the end
24 and inserting “; and”; and

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

1 “(III) not less than \$13.”;

2 (2) in clause (ii)—

3 (A) by striking “Amounts collected under
4 clause (i)(I)” and inserting the following:

5 “(I) IN GENERAL.—Notwith-
6 standing any other provision of law, of
7 the amounts collected under clause
8 (i)(I) during a fiscal year, not more
9 than \$20,000,000”;

10 (B) by inserting before the period at the
11 end of the first sentence the following: “, and
12 the remainder of the amounts collected under
13 clause (i)(I) shall be credited as offsetting re-
14 cepts and deposited in the general fund of the
15 Treasury”; and

16 (C) by inserting after “to pay the costs in-
17 curred to administer the System.” the fol-
18 lowing: “Amounts collected under clause (i)(III)
19 shall be credited as offsetting receipts and de-
20 posited in the general fund of the Treasury.”;

21 (3) in clause (iii), by striking “2028” and in-
22 serting “2034”; and

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

24 “(iv) SUBSEQUENT ADJUSTMENT.—
25 Beginning in fiscal year 2026 and each fis-

1 cal year thereafter, the amount specified in
2 clause (i)(II) for a fiscal year shall be
3 equal to the sum of—

4 “(I) the amount imposed under
5 this subsection for the prior fiscal
6 year; and

7 “(II) the amount referred to in
8 subclause (I), multiplied by the per-
9 centage (if any) by which the Con-
10 sumer Price Index for All Urban Con-
11 sumers for the month of July pre-
12 ceding the date on which such adjust-
13 ment takes effect exceeds the Con-
14 sumer Price Index for All Urban Con-
15 sumers for the same month of the
16 preceding calendar year.”.

17 **SEC. 70018. IMMIGRATION USER FEES.**

18 Section 286 of the Immigration and Nationality Act
19 (8 U.S.C. 1356) is amended—

20 (1) in subsection (d)—

21 (A) by striking “In addition to any other
22 fee” and inserting the following:

23 “(1) IN GENERAL.—In addition to any other
24 fee”;

1 (B) by inserting “and except as provided
2 in subsection (e),” before “the Attorney General
3 shall charge and collect”;

4 (C) by striking “\$7” and inserting “a fee
5 in an amount specified in paragraph (2)”; and

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

7 “(2) INITIAL AMOUNT.—For purposes of this
8 section, the amount specified in this section for fis-
9 cal year 2025 shall be not less than \$10.

10 “(3) SUBSEQUENT ADJUSTMENT.—Beginning
11 in fiscal year 2026 and each fiscal year thereafter,
12 the amount specified in this subsection for a fiscal
13 year shall be equal to the sum of—

14 “(A) the amount imposed under this sub-
15 section for the prior fiscal year; and

16 “(B) rounded to the next lowest multiple
17 of \$0.25, the amount referred to in subpara-
18 graph (A), multiplied by the percentage (if any)
19 by which the Consumer Price Index for All
20 Urban Consumers for the month of July pre-
21 ceding the date on which such adjustment takes
22 effect exceeds the Consumer Price Index for All
23 Urban Consumers for the same month of the
24 preceding calendar year.

1 “(4) CREDITING OF AMOUNTS.—Of amounts
2 collected under this subsection \$1 per individual for
3 immigration inspection or preinspection as described
4 in this subsection shall be credited as offsetting re-
5 ceipts and deposited in the general fund of the
6 Treasury.

7 “(5) NO WAIVER.—A fee imposed under this
8 subsection shall not be waived or reduced.”; and

9 (2) in subsection (e)—

10 (A) by striking paragraph (1);

11 (B) by redesignating paragraphs (2) and
12 (3) as paragraphs (1) and (2); and

13 (C) in paragraph (2) (as redesignated by
14 subparagraph (B) above), by striking “The At-
15 torney General shall charge” and all that fol-
16 lows through “this requirement shall not apply
17 to” and inserting the following: “No fee shall be
18 charged under subsection (d) for”.

19 **SEC. 70019. EVUS FEE.**

20 (a) IN GENERAL.— In addition to any other fee au-
21 thorized by law, the Secretary of Homeland Security shall
22 impose on any alien subject to the Electronic Visa Update
23 System a fee in the amount specified in this section at
24 the time of such alien’s enrollment in the Electronic Visa
25 Update System.

1 (b) AMOUNT.—For purposes of this section, the
2 amount specified in this section for fiscal year 2025 shall
3 be such amount as the Secretary may by rule provide, but
4 in any event not less than \$30.

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
12 \$0.25, the amount referred to in paragraph (1),
13 multiplied by the percentage (if any) by which the
14 Consumer Price Index for All Urban Consumers for
15 the month of July preceding the date on which such
16 adjustment takes effect exceeds the Consumer Price
17 Index for All Urban Consumers for the same month
18 of the preceding calendar year.

19 (d) CREDITING OF FUNDS.—

20 (1) IN GENERAL.—The fees received under this
21 section shall be deposited into the CBP Electronic
22 Visa Update System Account, less \$5 per enrollment
23 which shall be credited as offsetting receipts and de-
24 posited into the general fund of the Treasury.

1 (2) ESTABLISHMENT.—Notwithstanding any
2 other provision of law, there is hereby established in
3 the Treasury of the United States a separate ac-
4 count which shall be known as the “CBP Electronic
5 Visa Update System Account”.

6 (3) APPROPRIATION.— Amounts deposited in
7 the CBP Electronic Visa Update System Account
8 are hereby appropriated to make payments and off-
9 set program costs as specified in this section without
10 further appropriation necessary and shall remain
11 available until expended for any U.S. Customs and
12 Border Protection costs associated with admin-
13 istering the Electronic Visa Update System.

14 (e) NO WAIVER.—A fee imposed under this section
15 shall not be waived or reduced.

16 **SEC. 70020. FEE FOR SPONSOR OF UNACCOMPANIED ALIEN**
17 **CHILD WHO FAILS TO APPEAR IN IMMIGRA-**
18 **TION COURT.**

19 (a) FEE IMPOSED.—In addition to any other fee au-
20 thorized by law, for the sponsor of an unaccompanied alien
21 child, the Secretary of Health and Human Services shall
22 impose a fee in an amount specified in subsection (b) prior
23 to the unaccompanied alien child’s release to such sponsor.

24 (b) FEE SPECIFIED.—

1 (1) INITIAL AMOUNT.—The amount specified in
2 this subsection for fiscal year 2025 shall be such
3 amount as the Secretary may by rule provide, but in
4 any event not less than \$5,000.

5 (2) SUBSEQUENT ADJUSTMENT.—Beginning in
6 fiscal year 2026 and each fiscal year thereafter, the
7 amount specified in this subsection for a fiscal year
8 shall be equal to the sum of—

9 (A) the amount imposed under this sub-
10 section for the prior fiscal year; and

11 (B) rounded to the next lowest multiple of
12 \$10, the amount referred to in subparagraph
13 (A), multiplied by the percentage (if any) by
14 which the Consumer Price Index for All Urban
15 Consumers for the month of July preceding the
16 date on which such adjustment takes effect ex-
17 ceeds the Consumer Price Index for All Urban
18 Consumers for the same month of the preceding
19 calendar year.

20 (c) FEE REIMBURSEMENT.—At the conclusion of an
21 unaccompanied alien child's immigration court pro-
22 ceedings as an unaccompanied alien child, or upon the
23 ending of such sponsor's sponsorship of such unaccom-
24 panied alien child, the Secretary of Health and Human
25 Services may reimburse to a sponsor a fee imposed under

1 this section if such sponsor demonstrates that the unac-
2 companied alien child in the care of such sponsor was not
3 ordered removed in absentia under section 240(b)(5) of
4 the Immigration and Nationality Act. In the case of a
5 sponsor of an unaccompanied alien child who was ordered
6 removed in absentia and such order was rescinded under
7 section 240(b)(5)(C) of the Immigration and Nationality
8 Act, the sponsor may seek reimbursement of the fee under
9 this section.

10 (d) CREDITING OF FUNDS.—The fees received under
11 this section shall be credited as offsetting receipts and de-
12 posited into the general fund of the Treasury.

13 (e) NO WAIVER.—A fee imposed under this sub-
14 section shall not be waived or reduced.

15 **SEC. 70021. FEE FOR ALIENS ORDERED REMOVED IN**
16 **ABSENTIA.**

17 (a) IN GENERAL.—As partial reimbursement for the
18 cost of arresting an alien described in this section, the Sec-
19 retary of Homeland Security shall impose a fee in an
20 amount specified in this section on any alien who—

21 (1) is ordered removed in absentia under sec-
22 tion 240(b)(5) of the Immigration and Nationality
23 Act (8 U.S.C. 1229a(b)(5)); and

24 (2) is subsequently arrested by U.S. Immigra-
25 tion and Customs Enforcement.

1 (b) INITIAL AMOUNT.—For purposes of this sub-
2 section, the amount specified in this subsection for fiscal
3 year 2025 shall be such amount as the Secretary may by
4 rule provide, but in any event not less than \$5,000.

5 (c) SUBSEQUENT ADJUSTMENT.—Beginning in fiscal
6 year 2026 and each fiscal year thereafter, the amount for
7 a fiscal year shall be equal to the sum of—

8 (1) the amount imposed under this section for
9 the prior fiscal year; and

10 (2) rounded to the next lowest multiple of \$10,
11 the amount referred to in paragraph (1), multiplied
12 by the percentage (if any) by which the Consumer
13 Price Index for All Urban Consumers for the month
14 of July preceding the date on which such adjustment
15 takes effect exceeds the Consumer Price Index for
16 All Urban Consumers for the same month of the
17 preceding calendar year.

18 (d) CREDITING OF FUNDS.—The fees received under
19 this section shall be credited as offsetting receipts and de-
20 posited into the general fund of the Treasury.

21 (e) NO WAIVER.—A fee imposed under this sub-
22 section shall not be waived or reduced.

23 (f) EXCEPTION.—The fee described in this section
24 shall not apply to any alien who was ordered removed in

1 absentia if such order was rescinded under section
2 240(b)(5)(C) of the Immigration and Nationality Act.

3 **SEC. 70022. CUSTOMS AND BORDER PROTECTION INADMIS-**
4 **SIBLE ALIEN APPREHENSION FEE.**

5 (a) FEE IMPOSED.—In addition to any other fee au-
6 thorized by law, for any inadmissible alien who is appre-
7 hended between ports of entry by U.S. Customs and Bor-
8 der Protection, the Secretary of Homeland Security shall
9 impose a fee in an amount specified in subsection (b) at
10 the time of such apprehension.

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) CREDITING OF FUNDS.—The fees received under
7 this section shall be credited as offsetting receipts and de-
8 posited into the general fund of the Treasury.

9 (d) NO WAIVER.—A fee imposed under this section
10 shall not be waived or reduced.

11 **SEC. 70023. AMENDMENT TO AUTHORITY TO APPLY FOR**
12 **ASYLUM.**

13 Section 208(d)(3) of the Immigration and Nationality
14 Act (8 U.S.C. 1158(d)(3)) is amended—

15 (1) in the first sentence, by striking “may” and
16 inserting “shall”;

17 (2) by striking “Such fees shall not exceed” and
18 all that follows; and

19 (3) by inserting after the first sentence “Noth-
20 ing in this paragraph shall be construed to limit the
21 authority of the Attorney General to set additional
22 adjudication and naturalization fees in accordance
23 with section 286(m).”.

1 **PART 2—USE OF FUNDS**

2 **SEC. 70100. EXECUTIVE OFFICE FOR IMMIGRATION RE-**
3 **VIEW.**

4 (a) APPROPRIATION.—In addition to amounts other-
5 wise available, there is appropriated to the Executive Of-
6 fice for Immigration Review for fiscal year 2025, out of
7 any money in the Treasury not otherwise appropriated,
8 \$1,250,000,000 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 purposes of—

12 (1) hiring the support staff necessary to sup-
13 port immigration judges;

14 (2) hiring immigration judges; and

15 (3) expanding courtroom capacity and infra-
16 structure.

17 **SEC. 70101. ADULT ALIEN DETENTION CAPACITY AND FAM-**
18 **ILY RESIDENTIAL CENTERS.**

19 (a) APPROPRIATION.—In addition to amounts other-
20 wise available, there is appropriated to U.S. Immigration
21 and Customs Enforcement for fiscal year 2025, out of any
22 money in the Treasury not otherwise appropriated,
23 \$45,000,000,000 to remain available until September 30,
24 2029, for the purposes described in subsection (b).

1 (b) USE OF FUNDS.—Amounts made available under
2 subsection (a) shall only be used for family residential cen-
3 ter capacity and single adult alien detention capacity.

4 (c) DURATION.—The Department of Homeland Secu-
5 rity may detain family units of aliens at family residential
6 centers, as described in subsections (b) and (d), pending
7 a decision on whether the aliens are to be removed from
8 the United States and, if such aliens are ordered removed
9 from the United States, until such aliens are removed.

10 (d) FAMILY RESIDENTIAL CENTER DEFINED.—In
11 this section, the term “family residential center” means
12 a facility used by the Department of Homeland Security
13 to detain family units of aliens (including alien children
14 who are not unaccompanied alien children) who are en-
15 countered or apprehended by the Department of Home-
16 land Security, regardless of whether the facility is licensed
17 by the State or a political subdivision of the State in which
18 the facility is located.

19 (e) DETENTION STANDARDS.—To efficiently utilize
20 the funding appropriated by this section, the detention
21 standards for the single adult detention capacity described
22 in subsection (b) shall be set in the sole discretion of the
23 Secretary of Homeland Security.

1 **SEC. 70102. RETENTION AND SIGNING BONUSES FOR U.S.**
2 **IMMIGRATION AND CUSTOMS ENFORCEMENT**
3 **PERSONNEL.**

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 \$858,000,000 to remain available until September 30,
9 2029, for the purposes described in subsections (b) and
10 (c).

11 (b) RETENTION BONUSES.—U.S. Immigration and
12 Customs Enforcement may provide retention bonuses to
13 any U.S. Immigration and Customs Enforcement agent,
14 officer, or attorney who commits to two years of additional
15 service with U.S. Immigration and Customs Enforcement
16 to carry out immigration enforcement.

17 (c) SIGNING BONUSES.—U.S. Immigration and Cus-
18 toms Enforcement shall provide a signing bonus to each
19 U.S. Immigration and Customs Enforcement agent, offi-
20 cer, or attorney who is hired on or after the date of enact-
21 ment of this Act and who commits to five years of service
22 with U.S. Immigration and Customs Enforcement to carry
23 out immigration enforcement.

24 (d) RULES FOR BONUSES.—U.S. Customs and Immi-
25 gration Enforcement shall provide qualifying individuals
26 with written service agreements that include—

1 (1) the commencement and termination dates of
2 the required service period (or provisions for the de-
3 termination thereof);

4 (2) the amount of the bonus; and

5 (3) other terms and conditions under which the
6 bonus is payable, subject to the requirements of this
7 subsection, including—

8 (A) the conditions under which the agree-
9 ment may be terminated before the agreed-upon
10 service period has been completed; and

11 (B) the effect of a termination described in
12 subparagraph (A).

13 **SEC. 70103. HIRING OF ADDITIONAL U.S. IMMIGRATION AND**
14 **CUSTOMS ENFORCEMENT PERSONNEL.**

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 \$8,000,000,000, 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 to hire additional per-
23 sonnel of U.S. Immigration and Customs Enforcement, in-
24 cluding officers, agents, and support staff, to carry out
25 immigration enforcement, and to prioritize and streamline

1 the hiring of retired U.S. Immigration and Customs En-
2 forcement personnel. There shall be a minimum of—

3 (1) 2,500 individuals hired in fiscal year 2025;

4 (2) 1,875 individuals hired in 2026;

5 (3) 1,875 individuals hired in 2027;

6 (4) 1,875 individuals hired in 2028; and

7 (5) 1,875 individuals hired in 2029.

8 **SEC. 70104. U.S. IMMIGRATION AND CUSTOMS ENFORCE-**
9 **MENT HIRING CAPABILITY.**

10 (a) APPROPRIATION.—In addition to amounts other-
11 wise available, there is appropriated to U.S. Immigration
12 and Customs Enforcement for fiscal year 2025, out of any
13 money in the Treasury not otherwise appropriated,
14 \$600,000,000, to remain available until September 30,
15 2029, for the purpose described in subsection (b).

16 (b) USE OF FUNDS.—The funds made available
17 under subsection (a) shall only be used for the purpose
18 of facilitating the recruitment, hiring, and onboarding of
19 additional U.S. Immigration and Customs Enforcement
20 personnel to carry out immigration enforcement, including
21 by investments in information technology, recruitment,
22 marketing, and staff necessary for such activities.

23 **SEC. 70105. TRANSPORTATION AND REMOVAL OPERATIONS.**

24 (a) APPROPRIATION.—In addition to amounts other-
25 wise available, there is appropriated to U.S. Immigration

1 and Customs Enforcement for fiscal year 2025, out of any
2 money in the Treasury not otherwise appropriated,
3 \$14,400,000,000, to remain available until September 30,
4 2029, for the purposes described in subsection (b).

5 (b) USE OF FUNDS.—Amounts made available under
6 subsection (a) shall only be used for transportation and
7 removal operations, including transportation of unaccom-
8 panied alien children, and for ensuring the departure of
9 aliens.

10 **SEC. 70106. INFORMATION TECHNOLOGY INVESTMENTS.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated to U.S. Immigration
13 and Customs Enforcement for fiscal year 2025, out of any
14 money in the Treasury not otherwise appropriated,
15 \$700,000,000 to remain available until September 30,
16 2029, for the purposes described in subsection (b).

17 (b) USE OF FUNDS.—Amounts made available under
18 subsection (a) shall only be used for U.S. Immigration and
19 Customs Enforcement information technology investments
20 to support enforcement and removal operations, including
21 to streamline fine and penalty collections.

22 **SEC. 70107. FACILITIES UPGRADES.**

23 (a) APPROPRIATION.—In addition to amounts other-
24 wise available, there is appropriated to U.S. Immigration
25 and Customs Enforcement for fiscal year 2025, out of any

1 money in the Treasury not otherwise appropriated,
2 \$550,000,000 to remain available until September 30,
3 2029, for the purposes described in subsection (b).

4 (b) USE OF FUNDS.—Amounts made available under
5 subsection (a) shall only be used for U.S. Immigration and
6 Customs Enforcement facility upgrades to support en-
7 forcement and removal operations.

8 **SEC. 70108. FLEET MODERNIZATION.**

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 \$250,000,000 to remain available until September 30,
14 2029, for the purposes described in subsection (b).

15 (b) USE OF FUNDS.—Amounts made available under
16 subsection (a) shall only be used for U.S. Immigration and
17 Customs Enforcement fleet modernization to support en-
18 forcement and removal operations.

19 **SEC. 70109. PROMOTING FAMILY UNITY.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to U.S. Immigration
22 and Customs Enforcement for fiscal year 2025, out of any
23 money in the Treasury not otherwise appropriated,
24 \$20,000,000 to remain available until September 30,
25 2029, for the purposes described in subsection (b).

1 (b) USE OF FUNDS.—The funds made available
2 under subsection (a) shall only be used to—

3 (1) maintain the care and custody, during the
4 period in which the charges described in subpara-
5 graph (A) are pending, of an alien who—

6 (A) is charged only with a misdemeanor of-
7 fense under section 275(a) of the Immigration
8 and Nationality Act (8 U.S.C. 1325(a)); and

9 (B) entered the United States with the
10 alien's child who has not attained 18 years of
11 age; and

12 (2) detain the alien with the alien's child.

13 **SEC. 70110. FUNDING SECTION 287(G) OF THE IMMIGRA-**
14 **TION AND NATIONALITY ACT.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the U.S. Immigra-
17 tion and Customs Enforcement for fiscal year 2025, out
18 of any money in the Treasury not otherwise appropriated,
19 \$650,000,000, to remain available until September 30,
20 2029, for the purposes described in subsection (b).

21 (b) USE OF FUNDS.—The amounts made available
22 under subsection (a) shall only be used for purposes of
23 facilitating and implementing agreements under section
24 287(g) of the Immigration and Nationality Act (8 U.S.C.
25 1357(g)).

1 **SEC. 70111. COMPENSATION FOR INCARCERATION OF**
2 **CRIMINAL ALIENS.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Department
5 of Justice for fiscal year 2025, out of any money in the
6 Treasury not otherwise appropriated, \$950,000,000, to re-
7 main available until September 30, 2029, for the purposes
8 described in subsection (b).

9 (b) USE OF FUNDS.—The amounts made available
10 under subsection (a) shall only be used to compensate a
11 State or political subdivision of a State, as may be appro-
12 priate, with respect to the incarceration of any alien
13 who—

14 (1) has been convicted of a felony or two or
15 more misdemeanors; and

16 (2)(A) entered the United States without in-
17 spection or at any time or place other than as des-
18 ignated by the Secretary of Homeland Security;

19 (B) was the subject of removal proceedings at
20 the time he or she was taken into custody by the
21 State or a political subdivision of the State; or

22 (C) was admitted as a nonimmigrant and, at
23 the time he or she was taken into custody by the
24 State or a political subdivision of the State, has
25 failed to maintain the nonimmigrant status in which

1 the alien was admitted, or to which it was changed,
2 or to comply with the conditions of any such status.

3 (c) LIMITATION.—The amounts made available under
4 subsection (a) shall not be used to compensate any State
5 or political subdivision of the State if the State or political
6 subdivision of the State prohibits or in any way restricts
7 a Federal, State, or local government entity, official, or
8 other personnel from any of the following:

9 (1) Complying with the immigration laws (as
10 defined in section 101(a)(17) of the Immigration
11 and Nationality Act (8 U.S.C. 1101(a)(17)).

12 (2) Assisting or cooperating with Federal law
13 enforcement entities, officials, or other personnel re-
14 garding the enforcement of the immigration laws.

15 (3) Undertaking any one of the following law
16 enforcement activities as they relate to information
17 regarding the citizenship or immigration status, law-
18 ful or unlawful, the inadmissibility or deportability,
19 and the custody status, of any individual:

20 (A) Making inquiries to any individual to
21 obtain such information regarding such indi-
22 vidual or any other individuals.

23 (B) Notifying the Federal Government re-
24 garding the presence of individuals who are en-
25 countered by law enforcement officials or other

1 personnel of a State or political subdivision of
2 a State.

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

6 **SEC. 70112. OFFICE OF THE PRINCIPAL LEGAL ADVISOR.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to U.S. Immigration
9 and Customs Enforcement for fiscal year 2025, out of any
10 money in the Treasury not otherwise appropriated,
11 \$1,320,000,000 to remain available until September 30,
12 2029, for the purposes described in subsection (b).

13 (b) USE OF FUNDS.—Amounts made available under
14 subsection (a) shall only be used for purposes of hiring
15 additional support staff and attorneys within the Office
16 of the Principal Legal Advisor to represent the Depart-
17 ment of Homeland Security in removal proceedings.

18 **SEC. 70113. RETURN OF ALIENS ARRIVING FROM CONTIG-**
19 **UOUS TERRITORY.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to the Department
22 of Homeland Security for fiscal year 2025, out of any
23 money in the Treasury not otherwise appropriated,
24 \$500,000,000 to remain available until September 30,
25 2029, for the purposes described in subsection (b).

1 (b) USE OF FUNDS.—The funds made available
2 under subsection (a) shall only be used for purposes of
3 return of aliens under section 235(b)(2)(C) of the Immi-
4 gration and Nationality Act (8 U.S.C. 1225(b)(2)(C)).

5 **SEC. 70114. STATE AND LOCAL PARTICIPATION IN HOME-**
6 **LAND SECURITY EFFORTS.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to U.S. Immigration
9 and Customs Enforcement for fiscal year 2025, out of any
10 money in the Treasury not otherwise appropriated,
11 \$787,000,000, to remain available until September 30,
12 2029, for the purpose described in subsection (b).

13 (b) USE OF FUNDS.—The funds made available
14 under subsection (a) shall only be used for the purpose
15 of ending the presence of criminal gangs and transnational
16 criminal organizations throughout the United States, com-
17 bating human smuggling and trafficking networks, sup-
18 porting immigration enforcement activities, and providing
19 reimbursement for State and local participation in such
20 efforts.

21 **SEC. 70115. UNACCOMPANIED ALIEN CHILDREN CAPACITY.**

22 (a) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated to the Office of Ref-
24 ugee Resettlement for fiscal year 2025, out of any money
25 in the Treasury not otherwise appropriated,

1 \$3,000,000,000 to remain available until September 30,
2 2029, for the purposes described in subsection (b).

3 (b) USE OF FUNDS.—The funds made available
4 under subsection (a) shall only be used for the Office of
5 Refugee Resettlement to house, transport, and supervise
6 unaccompanied alien children in the custody of the Office
7 of Refugee Resettlement pursuant to section 235 of the
8 William Wilberforce Trafficking Victims Protection Reau-
9 thorization Act of 2008.

10 **SEC. 70116. DEPARTMENT OF HOMELAND SECURITY CRIMI-**
11 **NAL AND GANG CHECKS FOR UNACCOM-**
12 **PANIED ALIEN CHILDREN.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to U.S. Customs and
15 Border Protection for fiscal year 2025, out of any money
16 in the Treasury not otherwise appropriated, \$20,000,000,
17 to remain available until September 30, 2029, for the pur-
18 poses described in subsection (b).

19 (b) USE OF FUNDS.—In the case of an unaccom-
20 panied alien child who has attained 12 years of age and
21 is encountered by U.S. Customs and Border Protection,
22 the funds made available under subsection (a) shall only
23 be used to—

24 (1) contact the consulate or embassy of the
25 country of nationality or last habitual residence of

1 such unaccompanied alien child to request such un-
2 accompanied alien child’s criminal record; and

3 (2) conduct an examination of such unaccom-
4 panied alien child for gang-related tattoos and other
5 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. 70117. DEPARTMENT OF HEALTH AND HUMAN SERV-**
11 **ICES CRIMINAL AND GANG CHECKS FOR UN-**
12 **ACCOMPANIED ALIEN CHILDREN.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Office of Ref-
15 ugee Resettlement for fiscal year 2025, out of any money
16 in the Treasury not otherwise appropriated, \$20,000,000,
17 to remain available until September 30, 2029, for the pur-
18 poses described in subsection (b).

19 (b) USE OF FUNDS.—In the case of each unaccom-
20 panied alien child who has attained 12 years of age, the
21 funds made available under subsection (a) shall only be
22 used for the purpose of making a determination pursuant
23 to section 235(c)(2)(A) of the William Wilberforce Traf-
24 ficking Victims Protection Reauthorization Act of 2008
25 about whether an unaccompanied alien child poses a dan-

1 ger to self or others or has been charged with having com-
2 mitted a criminal offense, to—

3 (1) contact the consulate or embassy of such
4 unaccompanied alien child’s country of nationality or
5 last habitual residence to request such unaccom-
6 panied alien child’s criminal record; and

7 (2) conduct an examination of the unaccom-
8 panied alien child for gang-related tattoos and other
9 gang-related markings.

10 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In
11 this section, the term “unaccompanied alien child” shall
12 have the meaning given such term in section 462(g) of
13 the Homeland Security Act of 2002.

14 **SEC. 70118. INFORMATION ABOUT SPONSORS AND ADULT**
15 **RESIDENTS OF SPONSOR HOUSEHOLDS.**

16 (a) APPROPRIATION.—In addition to amounts other-
17 wise available, there is appropriated to the Office of Ref-
18 ugee Resettlement for fiscal year 2025, out of any money
19 in the Treasury not otherwise appropriated, \$50,000,000,
20 to remain available until September 30, 2029, for the pur-
21 poses described in subsection (b).

22 (b) INFORMATION ABOUT INDIVIDUALS WITH WHOM
23 UNACCOMPANIED ALIEN CHILDREN ARE PLACED AND
24 RESIDE.—Before placing an unaccompanied alien child
25 with an individual pursuant to section 235(c) of the Wil-

1 liam Wilberforce Trafficking Victims Protection Reauthor-
2 ization Act of 2008, the Secretary of Health and Human
3 Services shall provide to the Secretary of Homeland Secu-
4 rity, regarding the individual with whom the child will be
5 placed and all adult residents of the individual's house-
6 hold, information on—

7 (1) the name of the individual and all adult
8 residents of the individual's household;

9 (2) the social security number of the individual
10 and all adult residents of the individual's household;

11 (3) the date of birth of the individual and all
12 adult residents of the individual's household;

13 (4) the validated location of the individual's res-
14 idence where the child will be placed;

15 (5) the immigration status of the individual and
16 all adult residents of the individual's household;

17 (6) contact information for the individual and
18 all adult residents of the individual's household; and

19 (7) the results of all background and criminal
20 records checks for the individual and all adult resi-
21 dents of the individual's household, which shall in-
22 clude at a minimum an investigation of the public
23 records sex offender registry, a public records back-
24 ground check, and a national criminal history check
25 based on fingerprints.

1 (c) UNACCOMPANIED ALIEN CHILD DEFINED.—In
2 this section, the term “unaccompanied alien child” shall
3 have the meaning given such term in section 462(g) of
4 the Homeland Security Act of 2002.

5 **SEC. 70119. REPATRIATION OF UNACCOMPANIED ALIEN**
6 **CHILDREN.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to the Department
9 of Homeland Security for fiscal year 2025, out of any
10 money in the Treasury not otherwise appropriated,
11 \$100,000,000, to remain available until September 30,
12 2029, for the purposes described in subsection (b).

13 (b) USE OF FUNDS.—Notwithstanding any other pro-
14 vision of law, the funds made available under subsection
15 (a) shall only be used to permit a specified unaccompanied
16 alien child to withdraw the child’s application for admis-
17 sion pursuant to section 235(a)(4) of the Immigration and
18 Nationality Act and return such child to the child’s coun-
19 try of nationality or country of last habitual residence.

20 (c) DEFINITIONS.—In this section—

21 (1) SPECIFIED UNACCOMPANIED ALIEN
22 CHILD.—The term “specified unaccompanied alien
23 child” means an unaccompanied alien child (as de-
24 fined in section 462(g) of the Homeland Security

1 Act of 2002) who the Secretary of Homeland Secu-
2 rity determines on a case-by-case basis—

3 (A) has been found by an immigration offi-
4 cer at a land border or port of entry of the
5 United States and is inadmissible under the Im-
6 migration and Nationality Act;

7 (B) has not been a victim of severe forms
8 of trafficking in persons, and there is no cred-
9 ible evidence that such child is at risk of being
10 trafficked upon return to the child's country of
11 nationality or of last habitual residence; and

12 (C) does not have a fear of returning to
13 the child's country of nationality or of last ha-
14 bitual residence owing to a credible fear of per-
15 secution.

16 (2) SEVERE FORMS OF TRAFFICKING IN PER-
17 SONS.—The term “severe forms of trafficking in
18 persons” shall have the meaning given such term in
19 section 103 of the Trafficking Victims Protection
20 Act of 2000.

21 **SEC. 70120. UNITED STATES SECRET SERVICE.**

22 (a) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated to the Director of the
24 United States Secret Service for fiscal year 2025, out of
25 any money in the Treasury not otherwise appropriated,

1 \$1,170,000,000 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 for additional United
5 States Secret Service resources, including personnel, train-
6 ing facilities, and technology.

7 **SEC. 70121. COMBATING DRUG TRAFFICKING AND ILLEGAL**
8 **DRUG USE.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise available, there is appropriated to the Department
11 of Justice for fiscal year 2025, out of any money in the
12 Treasury not otherwise appropriated, \$500,000,000 to re-
13 main available until September 30, 2029, for the purposes
14 described in subsection (b).

15 (b) USE OF FUNDS.—Amounts made available under
16 subsection (a) shall only be used for efforts to combat
17 drug trafficking, including of fentanyl and its precursor
18 chemicals, and illegal drug use.

19 **SEC. 70122. INVESTIGATING AND PROSECUTING IMMIGRA-**
20 **TION RELATED MATTERS.**

21 (a) APPROPRIATION.—In addition to amounts other-
22 wise available, there is appropriated to the Department
23 of Justice for fiscal year 2025, out of any money in the
24 Treasury not otherwise appropriated, \$600,000,000, to re-

1 main available until September 30, 2029, for the purposes
2 described in subsection (b).

3 (b) USE OF FUNDS.—Amounts made available under
4 subsection (a) shall only be used to investigate and pros-
5 ecute immigration matters, gang-related crimes involving
6 aliens, child trafficking and smuggling involving aliens,
7 voting by aliens, violations of the Alien Registration Act,
8 and violations of or fraud relating to title IV of the Per-
9 sonal Responsibility and Work Opportunity Act of 1996,
10 including through hiring Department of Justice personnel
11 to investigate and prosecute such matters.

12 **SEC. 70123. EXPEDITED REMOVAL FOR CRIMINAL ALIENS.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Department
15 of Homeland Security for fiscal year 2025, out of any
16 money in the Treasury not otherwise appropriated,
17 \$75,000,000, to remain available until September 30,
18 2029, for the purposes described in subsection (b).

19 (b) USE OF FUNDS.—The amounts made available
20 in subsection (a) shall only be used for applying the provi-
21 sions of section 235(b)(1) of the Immigration and Nation-
22 ality Act to any alien who is inadmissible under paragraph
23 (2) or (3) of section 212(a) of the Immigration and Na-
24 tionality Act, regardless of the period that such alien has
25 been physically present in the United States.

1 **SEC. 70124. REMOVAL OF CERTAIN CRIMINAL ALIENS WITH-**
2 **OUT FURTHER HEARING.**

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 \$25,000,000, to remain available until September 30,
8 2029, for the purposes described in subsection (b).

9 (b) USE OF FUNDS.—The amounts made available
10 in subsection (a) shall only be used for applying the provi-
11 sions of section 235(c) of the Immigration and Nationality
12 Act to any arriving alien that an immigration officer or
13 an immigration judge suspects may be inadmissible under
14 paragraph (2) or (3) of section 212(a) of the Immigration
15 and Nationality Act.

16 **Subtitle B—Regulatory Matters**

17 **SEC. 70200. REVIEW OF AGENCY RULEMAKING.**

18 (a) APPROPRIATION.—In addition to amounts other-
19 wise available, there is appropriated:

20 (1) To the Director of the Office of Manage-
21 ment and Budget for fiscal year 2025, out of any
22 money in the Treasury not otherwise appropriated,
23 \$10,000,000, to remain available through September
24 30, 2034, to carry out this section and the amend-
25 ments made by this section.

1 (2) To the Comptroller General of the United
2 States for fiscal year 2025, out of any money in the
3 Treasury not otherwise appropriated, \$10,000,000,
4 to remain available through September 30, 2034, to
5 carry out this section and the amendments made by
6 this section.

7 (b) USE OF FUNDS.—

8 (1) OFFICE OF MANAGEMENT AND BUDGET.—

9 The Director of the Office of Management and
10 Budget shall use amounts made available under sub-
11 section (a)(1) to pay expenses associated with imple-
12 menting the requirements of subsections (c) and (d).

13 (2) COMPTROLLER GENERAL.—The Comp-
14 troller General of the United States shall use
15 amounts made available under subsection (a)(2) to
16 pay expenses associated with implementing the re-
17 quirements of subsection (e).

18 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-
19 MAKING.—

20 (1) Chapter 8 of title 5, United States Code, is
21 amended by inserting at the end the following:

22 **“§ 809. Additional reporting requirements**

23 “(a) AGENCY REPORTS.—In the case of any rule for
24 which a report is submitted under section 801(a)(1)(A)
25 the agency shall also include in such report—

1 “(1) an estimate of the budgetary effects asso-
2 ciated with the enactment and enforcement of the
3 rule;

4 “(2) an analysis of the direct and reasonably
5 foreseeable indirect costs associated with the rule;

6 “(3) an analysis of any jobs added or lost with-
7 in each affected industry, as identified by North
8 American Industrial Classification System code, dif-
9 ferentiating between public and private sector jobs,
10 as a direct or indirect result of the rule;

11 “(4) a determination, by the Administrator of
12 the Office of Information and Regulatory Affairs of
13 the Office of Management and Budget, of whether
14 the rule is a major or nonmajor rule, including an
15 explanation of the finding specifically addressing
16 each criteria for a major rule contained within sub-
17 paragraphs (A) through (C) of section 804(2);

18 “(5) a list of information on which the rule is
19 based, including data, scientific and economic stud-
20 ies, and cost-benefit analyses;

21 “(6) a list of any other related regulatory ac-
22 tions that implement the same statutory provision or
23 regulatory objective as well as the estimated eco-
24 nomic effects of those actions;

1 “(7) an estimate of the effect on inflation of the
2 rule; and

3 “(8) a statement of the constitutional authority
4 authorizing the agency to make the rule.

5 “(b) COMPTROLLER GENERAL REPORTS.—If re-
6 quested in writing by a Member of Congress—

7 “(1) the Comptroller General of the United
8 States shall make a determination whether an agen-
9 cy action qualifies as a rule for purposes of this
10 chapter, and shall submit to Congress this deter-
11 mination not later than 60 days after the date of the
12 request; and

13 “(2) the Comptroller General shall make a de-
14 termination whether a rule is considered a major
15 rule for purposes of this chapter, and shall submit
16 to Congress this determination not later than 90
17 days after the date of the request.

18 “(c) DETERMINATION.—For purposes of this section,
19 a determination under this subsection (b) shall be deemed
20 to be a report under section 801(a)(1)(A).

21 **“§ 810. Approval of certain major rules**

22 “(a) APPROVAL REQUIRED.—Notwithstanding any
23 other provision of this chapter, a major rule that increases
24 revenues, as determined in section 809(a), shall not take

1 effect unless Congress enacts a joint resolution of approval
2 described in subsection (c).

3 “(b) EFFECT.—If a joint resolution of approval relat-
4 ing to a major rule that increases revenue is not enacted
5 into law by the end of 60 session days or legislative days,
6 as applicable, beginning on the date on which the report
7 referred to in section 801(a)(1)(A) is received by Congress
8 (excluding days either House of Congress is adjourned for
9 more than 3 days during a session of Congress), then the
10 rule described in that resolution shall be deemed not to
11 be approved and such rule shall not take effect.

12 “(c) RESOLUTION OF APPROVAL.—Section 802 shall
13 apply to a joint resolution of approval under this section
14 to the same extent as it does to a joint resolution of dis-
15 approval, except that the matter after the resolving clause
16 of a joint resolution of approval shall be as follows: ‘That
17 Congress approves the rule submitted by the _____
18 relating to _____.’ (The blank spaces being appro-
19 priately filled in).

20 “(d) RULEMAKING AUTHORITY.—The enactment of
21 a joint resolution of approval under this section shall not
22 be interpreted to serve as a grant or modification of statu-
23 tory authority by Congress for the promulgation of a rule,
24 shall not extinguish or affect any claim, whether sub-
25 stantive or procedural, against any alleged defect in a rule

1 or the rulemaking process, and shall not form part of the
2 record before the court in any judicial proceeding con-
3 cerning a rule except for purposes of determining whether
4 or not the rule is in effect.

5 “(e) JUDICIAL REVIEW.—Notwithstanding section
6 805, a court may determine whether a Federal agency has
7 completed the necessary requirements under this chapter
8 for a rule to take effect.

9 **“§ 811. Additional review of rules**

10 “(a) ADDITIONAL REVIEW.—In addition to the op-
11 portunity for review otherwise provided under this chap-
12 ter, notwithstanding any other provision under this chap-
13 ter, in the case of any rule for which a report is submitted
14 under section 801(a)(1)(A) which increases revenue as de-
15 termined under section 809(a) and which was submitted
16 during the final year of a President’s term, the procedures
17 described in section 802 shall apply to such rule in the
18 succeeding session of Congress, and a joint resolution may
19 contain one or more such rules.

20 “(b) RESOLUTION OF DISAPPROVAL.—In the case of
21 such a resolution containing one or more such rules under
22 this section, the matter after the resolving clause shall be
23 as follows: ‘That Congress disapproves the following rules:
24 the rule submitted by the ____ relating to ____; and the
25 rule submitted by the ____ relating to ____’. Such rules

1 shall have no force or effect.’ (The blank spaces being ap-
2 propriately filled in and additional clauses describing addi-
3 tional rules to be included as necessary).

4 **“§ 812. Review of rules currently in effect**

5 “(a) ANNUAL REVIEW.—Beginning on the date that
6 is 6 months after the date of enactment of this section
7 and annually thereafter for the 4 years following, each
8 agency shall designate not less than 20 percent of eligible
9 rules made by that agency for review, and shall submit
10 a report including each such eligible rule in the same man-
11 ner as a report under section 801(a)(1). Sections 801,
12 802, 809, 810, and 811 shall apply to each such rule, sub-
13 ject to subsection (c) of this section. No eligible rule pre-
14 viously designated may be designated again.

15 “(b) SUNSET FOR ELIGIBLE RULES NOT EX-
16 TENDED.—Beginning after the date that is 5 years after
17 the date of enactment of this section, if Congress has not
18 enacted a joint resolution of approval for that eligible rule,
19 that eligible rule shall not continue in effect.

20 “(c) APPROVAL OF RULES.—

21 “(1) Unless Congress approves all eligible rules
22 designated by executive agencies for review within
23 90 days after designation, they shall have no effect
24 and the Federal agency which originally promul-
25 gated such rules may not enforce such rules.

1 “(2) A single joint resolution of approval shall
2 apply to all eligible rules in a report designated for
3 a year as follows: ‘That Congress approves the rules
4 submitted by the_____ for the year _____.’ (The
5 blank spaces being appropriately filled in).

6 “(d) DEFINITION.—In this section the term ‘eligible
7 rule’ means a rule that is in effect as of the date of enact-
8 ment of this section.”.

9 (2) The table of chapters for chapter 8 of title
10 5, United States Code, is amended by inserting after
11 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.”.

12 (d) TECHNICAL AND CONFORMING AMENDMENTS.—
13 Chapter 8 of title 5, United States Code, is amended—

14 (1) in section 801(a)(3)—

15 (A) in subparagraph (B)(ii), by striking
16 “or” at the end;

17 (B) in subparagraph (C), by striking the
18 period at the end and inserting “; or”; and

19 (C) by inserting at the end the following:

20 “(D) in the case of a major rule that in-
21 creases revenue, such rule shall not take effect
22 unless Congress passes a joint resolution of ap-
23 proval described in section 810.”; and

1 (2) in section 804, by amending paragraph (3)
2 to read as follows:

3 “(3) The term ‘rule’ has the meaning given
4 such term in section 551, except that such term—

5 “(A) includes interpretative rules, general
6 statements of policy, and all other agency guid-
7 ance documents; and

8 “(B) does not include—

9 “(i) any rule of particular applica-
10 bility, including a rule that approves or
11 prescribes for the future rates, wages,
12 prices, services, or allowances therefore,
13 corporate or financial structures, reorga-
14 nizations, mergers, or acquisitions thereof,
15 or accounting practices or disclosures bear-
16 ing on any of the foregoing;

17 “(ii) any rule relating to agency man-
18 agement or personnel; or

19 “(iii) any rule of agency organization,
20 procedure, or practice that does not sub-
21 stantially affect the rights or obligations of
22 nonagency parties.”.

23 (e) GOVERNMENT ACCOUNTABILITY OFFICE STUDY
24 OF RULES.—

1 (1) IN GENERAL.—The Comptroller General of
2 the United States shall conduct a study to deter-
3 mine, as of the date of the enactment of this sec-
4 tion—

5 (A) how many rules (as such term is de-
6 fined in section 804 of title 5, United States
7 Code) were in effect;

8 (B) how many major rules (as such term
9 is defined in section 804 of title 5, United
10 States Code) were in effect; and

11 (C) the total estimated economic cost im-
12 posed by all such rules.

13 (2) REPORT.—Not later than 1 year after the
14 date of the enactment of this section, the Comp-
15 troller General of the United States shall submit a
16 report (and publish the report on the website of the
17 Comptroller General) to Congress that contains the
18 findings of the study conducted under subsection (e).

19 **SEC. 70201. CONGRESSIONAL REVIEW ACT COMPLIANCE.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to the Director of the
22 Office of Management and Budget for fiscal year 2025,
23 out of any money in the Treasury not otherwise appro-
24 priated, \$10,000,000, to remain available through Sep-
25 tember 30, 2034, to carry out this section.

1 (b) ANALYSIS.—The Administrator of the Office of
2 Information and Regulatory Affairs of the Office of Man-
3 agement and Budget shall use amounts appropriated
4 under this section to conduct de novo analysis of the direct
5 and reasonably foreseeable indirect costs of compliance as-
6 sociated with rules submitted under section 801(a)(1)(A)
7 of title 5, United States Code. The Administrator shall
8 use such analysis as the basis for determining whether a
9 rule is a major rule and publish each such analysis to the
10 regulatory review database of the Office of Information
11 and Regulatory Affairs prior to transmission of such rule
12 to each House of the Congress and the Comptroller Gen-
13 eral of the United States. The Administrator shall also
14 publish an estimate of the budgetary effects associated
15 with the promulgation and enforcement of such rules prior
16 to transmission.

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 or agent of the Government may not enter into or
23 enforce any settlement agreement on behalf of the United
24 States directing or providing for a payment to any person
25 or entity other than the United States, other than a pay-

1 ment that provides restitution for or otherwise directly
2 remedies actual harm (including to the environment) di-
3 rectly and proximately caused by the party making the
4 payment, or constitutes payment for services rendered in
5 connection with the case.

6 (b) PENALTY.—Any official or agent of the Govern-
7 ment who violates subsection (a) shall be subject to the
8 same penalties that would apply in the case of a violation
9 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 each Federal agency shall submit,
21 and make available on a publicly accessible website,
22 a report on any settlement agreement entered into
23 in violation of this section by that agency 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 OF FUNDS.**

20 No court of the United States may use appropriated
21 funds to enforce a contempt citation for failure to comply
22 with an injunction or temporary restraining order if no
23 security was given when the injunction or order was issued
24 pursuant to Federal Rule of Civil Procedure 65(c), wheth-

1 er issued prior to, on, or subsequent to the date of enact-
2 ment of this section.

3 **TITLE VIII—COMMITTEE ON**
4 **NATURAL RESOURCES**
5 **Subtitle A—Energy and Mineral**
6 **Resources**

7 **PART I—OIL AND GAS**

8 **SEC. 80101. ONSHORE OIL AND GAS LEASE SALES.**

9 (a) REQUIREMENT TO IMMEDIATELY RESUME ON-
10 SHORE OIL AND GAS LEASE SALES.—

11 (1) IN GENERAL.—The Secretary of the Inte-
12 rior shall immediately resume quarterly onshore oil
13 and gas lease sales in compliance with the Mineral
14 Leasing Act.

15 (2) REQUIREMENT.—The Secretary of the Inte-
16 rior shall ensure—

17 (A) that any oil and gas lease sale pursu-
18 ant to paragraph (1) is conducted immediately
19 on completion of all requirements under the
20 Mineral Leasing Act; and

21 (B) that the processes described in sub-
22 paragraph (A) are conducted in a timely man-
23 ner to ensure compliance with subsection (b)(1).

24 (3) LEASE OF OIL AND GAS LANDS.—Section
25 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C.

1 226(b)(1)(A)) is amended by inserting “Eligible
2 lands comprise all lands subject to leasing under this
3 Act and not excluded from leasing by a statutory or
4 regulatory prohibition. Land shall be considered
5 available under the preceding sentence if the land
6 has been designated as open for leasing under a land
7 use plan developed or revised under section 202 of
8 the Federal Land Policy and Management Act of
9 1976 and has been nominated for leasing through
10 the submission of an expression of interest, is sub-
11 ject to drainage (as described in subsection (j)) in
12 the absence of leasing, or is otherwise designated as
13 available pursuant to regulations issued by the Sec-
14 retary.” after “sales are necessary.”.

15 (b) QUARTERLY LEASE SALES.—

16 (1) IN GENERAL.—In accordance with the Min-
17 eral Leasing Act, each fiscal year, the Secretary of
18 the Interior shall conduct a minimum of four oil and
19 gas lease sales in each of the following States:

20 (A) Wyoming.

21 (B) New Mexico.

22 (C) Colorado.

23 (D) Utah.

24 (E) Montana.

25 (F) North Dakota.

1 (G) Oklahoma.

2 (H) Nevada.

3 (I) Alaska.

4 (J) Any other State in which there is land
5 available for oil and gas leasing under the Min-
6 eral Leasing Act or any other mineral leasing
7 law.

8 (2) REQUIREMENT.—In conducting a lease sale
9 under paragraph (1) in a State described in that
10 paragraph, the Secretary of the Interior shall offer
11 not less than 50 percent of all parcels nominated
12 that are available and eligible pursuant to the re-
13 quirements of the Mineral Leasing Act.

14 (3) REPLACEMENT SALES.—The Secretary of
15 the Interior shall conduct a replacement sale during
16 the same fiscal year if—

17 (A) a lease sale under paragraph (1) is
18 canceled, delayed, or deferred, including for a
19 lack of eligible parcels; or

20 (B) during a lease sale under paragraph
21 (1) the percentage of acreage that does not re-
22 ceive a bid is equal to or greater than 25 per-
23 cent of the acreage offered.

24 (c) LEASING OF OIL AND GAS.—Section 17 of the
25 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
5 16²/₃ 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
19 16²/₃ 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 the Mineral
3 Leasing Act, the Federal Oil and Gas Royalty Manage-
4 ment Act of 1982, or subpart 3162 of part 3160 of title
5 43, Code of Federal Regulations (or successor regula-
6 tions), but subject to any applicable State requirements,
7 the Secretary of the Interior shall not require a permit
8 to drill for an oil and gas lease under the Mineral Leasing
9 Act for an action occurring within an oil and gas drilling
10 or spacing unit if the leaseholder pays a fee of \$5,000
11 and—

12 (1) the Federal Government—

13 (A) owns less than 50 percent of the min-
14 erals within the oil and gas drilling or spacing
15 unit; and

16 (B) does not own or lease the surface es-
17 tate within the area directly impacted by the
18 action; or

19 (2) the well is located on non-Federal land over-
20 lying a non-Federal mineral estate, but some portion
21 of the wellbore traverses but does not produce from
22 the Federal mineral estate subject to the lease.

23 (b) NOTIFICATION.—For each State permit to drill
24 or drilling plan that would impact or extract oil and gas
25 owned by the Federal Government—

1 (1) each lessee of Federal minerals in the unit,
2 or designee of a lessee, shall—

3 (A) notify the Secretary of the Interior of
4 the submission of a State application for a per-
5 mit to drill or drilling plan on submission of the
6 application;

7 (B) provide a copy of the application de-
8 scribed in subparagraph (A) to the Secretary of
9 the Interior not later than 5 days after the date
10 on which the permit or plan is submitted; and

11 (C) pay to the Secretary of the Interior the
12 \$5,000 fee referenced in subsection (a) of this
13 section;

14 (2) each lessee, designee of a lessee, or applica-
15 ble State shall notify the Secretary of the Interior of
16 the approved State permit to drill or drilling plan
17 not later than 45 days after the date on which the
18 permit or plan is approved; and

19 (3) each lessee or designee of a lessee shall pro-
20 vide, prior to commencing drilling operations, agree-
21 ments authorizing the Secretary of the Interior to
22 enter non-Federal land, as necessary, for inspection
23 and enforcement of the terms of the Federal lease.

24 (c) EFFECT.—Nothing in this section affects the
25 amount of royalties due to the Federal Government from

1 the production of the Federal minerals within the oil and
2 gas drilling or spacing unit.

3 (d) REVENUE ALLOCATION.—Fees received under
4 this section shall be deposited into the Treasury as mis-
5 cellaneous receipts.

6 (e) AUTHORITY ON NON-FEDERAL LAND.—Section
7 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is
8 amended—

9 (1) by striking the subsection designation and
10 all that follows through “Secretary of the Interior,
11 or” in the first sentence and inserting the following:
12 “(g) REGULATION OF SURFACE DISTURBING ACTIVI-
13 TIES.—

14 “(1) IN GENERAL.—The Secretary of the Inte-
15 rior, or”; and

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

17 “(2) AUTHORITY ON NON-FEDERAL LAND.—

18 “(A) IN GENERAL.—In the case of an oil
19 and gas lease under this Act on land described
20 in subparagraph (B) located within an oil and
21 gas drilling or spacing unit, nothing in this Act
22 authorizes the Secretary of the Interior to—

23 “(i) require a bond to protect non-
24 Federal land;

1 “(ii) enter non-Federal land without
2 the consent of the applicable landowner;

3 “(iii) impose mitigation requirements;

4 or

5 “(iv) require approval for surface rec-
6 lamation.

7 “(B) LAND.—Land referred to in subpara-
8 graph (A) is land where—

9 “(i) the Federal Government—

10 “(I) owns less than 50 percent of
11 the minerals within the oil and gas
12 drilling or spacing unit; and

13 “(II) does not own or lease the
14 surface estate within the area directly
15 impacted by the action;

16 “(ii) the well is located on non-Fed-
17 eral land overlying a non-Federal mineral
18 estate, but some portion of the wellbore en-
19 ters and produces from the Federal min-
20 eral estate subject to the lease; or

21 “(iii) the well is located on non-Fed-
22 eral land overlying a non-Federal mineral
23 estate, but some portion of the wellbore
24 traverses but does not produce from the
25 Federal mineral estate subject to the lease.

1 “(C) NO FEDERAL ACTION.—An oil and
2 gas exploration or production activity carried
3 out under a lease described in subparagraph
4 (A)—

5 “(i) shall require no Federal action;
6 and

7 “(ii) may commence 30 days after the
8 leaseholder submits the State permit to the
9 Secretary.”.

10 **SEC. 80105. REINSTATE REASONABLE ROYALTY RATES.**

11 (a) OFFSHORE OIL AND GAS ROYALTY RATE.—Sec-
12 tion 8(a)(1) of the Outer Continental Shelf Lands Act (43
13 U.S.C. 1337(a)(1)) is amended—

14 (1) in subparagraph (A), by striking “not less
15 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
16 during the 10-year period beginning on the date of
17 enactment of the Act titled ‘An Act to provide for
18 reconciliation pursuant to title II of S. Con. Res.
19 14’, and not less than $16\frac{2}{3}$ percent thereafter,” and
20 inserting “not less than 12.5 percent, but not more
21 than $18\frac{3}{4}$ percent,”;

22 (2) in subparagraph (C), by striking “not less
23 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
24 during the 10-year period beginning on the date of
25 enactment of the Act titled ‘An Act to provide for

1 reconciliation pursuant to title II of S. Con. Res.
2 14', and not less than $16\frac{2}{3}$ percent thereafter," and
3 inserting "not less than 12.5 percent, but not more
4 than $18\frac{3}{4}$ percent,";

5 (3) in subparagraph (F), by striking "not less
6 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
7 during the 10-year period beginning on the date of
8 enactment of the Act titled 'An Act to provide for
9 reconciliation pursuant to title II of S. Con. Res.
10 14', and not less than $16\frac{2}{3}$ percent thereafter," and
11 inserting "not less than 12.5 percent, but not more
12 than $18\frac{3}{4}$ percent,"; and

13 (4) in subparagraph (H), by striking "not less
14 than $16\frac{2}{3}$ percent, but not more than $18\frac{3}{4}$ percent,
15 during the 10-year period beginning on the date of
16 enactment of the Act titled 'An Act to provide for
17 reconciliation pursuant to title II of S. Con. Res.
18 14', and not less than $16\frac{2}{3}$ percent thereafter," and
19 inserting "not less than 12.5 percent, but not more
20 than $18\frac{3}{4}$ percent,".

21 (b) ONSHORE OIL AND GAS ROYALTY RATES.—Sec-
22 tion 17 of the Mineral Leasing Act (30 U.S.C. 226) is
23 amended—

24 (1) in subsection (b)—

1 (A) in paragraph (1)(A), by striking “the
2 Act titled ‘An Act to provide for reconciliation
3 pursuant to title II of S. Con. Res. 14’, 16²/₃”
4 and inserting “subsection (s), 12.5”; and

5 (B) in paragraph (2)(A)(ii), by striking
6 “16²/₃ percent” and inserting “16²/₃ percent or,
7 in the case of a lease issued on or after the date
8 of enactment of subsection (s), 12.5 percent”;

9 (2) in subsection (l), by striking “16²/₃ percent”
10 each place it appears and inserting “16²/₃ percent
11 or, in the case of a lease issued on or after the date
12 of enactment of subsection (s), 12.5 percent”; and

13 (3) in subsection (n)(1)(C), by striking “16²/₃
14 percent” and inserting “16²/₃ percent or, in the case
15 of a lease issued on or after the date of enactment
16 of subsection (s), 12.5 percent”.

17 **PART II—GEOTHERMAL**

18 **SEC. 80111. GEOTHERMAL LEASING.**

19 Section 4(b) of the Geothermal Steam Act of 1970
20 (30 U.S.C. 1003(b)) is amended—

21 (1) in paragraph (2), by striking “2 years” and
22 inserting “year”; and

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

24 “(5) REPLACEMENT SALES.—If a lease sale
25 under paragraph (2) for a year is canceled or de-

1 layed, the Secretary of the Interior shall conduct a
2 replacement sale during the same year.

3 “(6) REQUIREMENT.—In conducting a lease
4 sale under paragraph (2) in a State described in
5 that paragraph, the Secretary of the Interior shall
6 offer all nominated parcels eligible for geothermal
7 development and utilization under a land use plan
8 developed or revised under section 202 of the Fed-
9 eral Land Policy and Management Act of 1976 that
10 is in effect for the State.”.

11 **SEC. 80112. GEOTHERMAL ROYALTIES.**

12 Section 5(a)(1) of the Geothermal Steam Act of 1970
13 (30 U.S.C. 1004(a)(1)) is amended—

14 (1) in subparagraph (A)—

15 (A) by inserting “with respect to each elec-
16 tric generating facility producing electricity,”
17 before “not less than”; and

18 (B) by inserting by “by such facility” after
19 “produced”; and

20 (2) in subparagraph (B)—

21 (A) by inserting “with respect to each elec-
22 tric generating facility producing electricity,”
23 before “not less than”; and

24 (B) by inserting by “by such facility” after
25 “produced”.

1 **PART III—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) RIGHTS-OF-WAY.—The Secretary shall issue
16 any rights-of-way, easements, authorizations, per-
17 mits, verifications, extensions, biological opinions, in-
18 cidental take statements, and any other approvals
19 across the Coastal Plain to facilitate the exploration,
20 development, production, or transportation of oil or
21 gas under a lease issued under a lease sale con-
22 ducted under this subsection or reissued pursuant to
23 subsection (c).

24 (4) LEASING CERTAINTY.—The rights-of-way,
25 easements, authorizations, permits, verifications, ex-

1 tensions, biological opinions, incidental take state-
2 ments, and any other approvals or orders described
3 in paragraph (3) and the record of decision de-
4 scribed in subsection (b)(2)(B) shall be considered to
5 satisfy the requirements of—

6 (A) the Alaska National Interest Lands
7 Conservation Act;

8 (B) the National Environmental Policy Act
9 of 1969;

10 (C) Public Law 115–97;

11 (D) the Endangered Species Act of 1973;

12 (E) subchapter II of chapter 5 of title 5,
13 United States Code, and chapter 7 of title 5,
14 United States Code; and

15 (F) the Marine Mammal Protection Act of
16 1972.

17 (e) LEASE ISSUANCE.—Leases shall be reissued or
18 issued under subsections (c) and (d)—

19 (1) not later than 60 days after payment by the
20 successful bidder of the remainder of the bonus bid,
21 if any, and the annual rental for the first lease year;

22 (2) in accordance with the applicable regula-
23 tions, as in effect on January 6, 2021; and

24 (3) in accordance with the terms and conditions
25 from the record of decision described in the notice

1 of availability of the Bureau of Land Management
2 entitled “Notice of Availability of the Record of De-
3 cision for the Final Environmental Impact State-
4 ment for the Coastal Plain Oil and Gas Leasing
5 Program, Alaska” (85 Fed. Reg. 51754 (August 21,
6 2020)).

7 (f) GEOPHYSICAL SURVEYS.—Not later than 30 days
8 after the date on which the Secretary receives a complete
9 application pursuant to section 3152.1 of title 43, Code
10 of Federal Regulations (or any successor regulations), to
11 conduct oil and gas geophysical exploration operations in
12 the Coastal Plain, the Secretary shall approve such appli-
13 cation.

14 (g) RECEIPTS.—Notwithstanding section 35 of the
15 Mineral Leasing Act (30 U.S.C. 191) and section
16 20001(b)(5) of Public Law 115–97 (16 U.S.C. 668dd
17 note), of the amount of adjusted bonus, rental, and royalty
18 receipts derived from the oil and gas program and oper-
19 ations on the Coastal Plain pursuant to this section—

20 (1)(A) for fiscal years 2025 through 2034, 50
21 percent shall be paid to the State of Alaska; and

22 (B) for fiscal year 2035 and thereafter, 90 per-
23 cent shall be paid to the State of Alaska; and

24 (2) the balance shall be deposited into the
25 Treasury as miscellaneous receipts.

1 (h) JUDICIAL PRECLUSION.—

2 (1) IN GENERAL.—Except as provided in para-
3 graph (2), no court shall have jurisdiction to review
4 any action taken by the Secretary, the Administrator
5 of the Environmental Protection Agency, a State or
6 municipal government administrative agency, or any
7 other Federal agency (acting pursuant to Federal
8 law) to—

9 (A) reissue a lease pursuant to subsection
10 (c) or issue a lease under a lease sale conducted
11 under subsection (d); or

12 (B) grant or issue a right-of-way, ease-
13 ment, authorization, permit, verification, bio-
14 logical opinion, incidental take statement, or
15 other approval for a lease reissued pursuant to
16 subsection (c) or issued under a lease sale con-
17 ducted under subsection (d), whether reissued
18 or issued prior to, on, or after the date of the
19 enactment of this Act, and including any law-
20 suit or any other action pending in a court as
21 of the date of enactment of this Act.

22 (2) PETITION BY LEASEHOLDER.—

23 (A) IN GENERAL.—A leaseholder or the
24 State of Alaska may obtain a review of an al-
25 leged failure by the Secretary to act in accord-

1 ance with this section or with any law per-
2 taining to granting or issuing a lease, right-of-
3 way, easement, authorization, permit,
4 verification, biological opinion, incidental take
5 statement, or other approval related to a lease
6 under this section by filing a written petition
7 with a court of competent jurisdiction seeking
8 an order.

9 (B) DEADLINES.—If a court of competent
10 jurisdiction finds pursuant to subparagraph (A)
11 that an agency has failed to act in accordance
12 with this section or with any law pertaining to
13 granting or issuing a lease, right-of-way, ease-
14 ment, authorization, permit, verification, bio-
15 logical opinion, incidental take statement, or
16 other approval related to a lease under this sec-
17 tion, the court shall set a schedule and deadline
18 for the agency to act as soon as practicable,
19 which shall not exceed 90 days from the date
20 on which the order of the court is issued, unless
21 the court determines a longer time period is
22 necessary to comply with applicable law.

1 **SEC. 80122. NATIONAL PETROLEUM RESERVE—ALASKA.**

2 (a) RESTORATION OF NPR—A OIL AND GAS PRO-
3 GRAM.—Effective beginning on the date of enactment of
4 this Act, the Secretary shall—

5 (1) expeditiously restore and resume the Pro-
6 gram for domestic energy production to generate
7 Federal revenue, subject to the requirements of sec-
8 tion 107 of the Naval Petroleum Reserves Produc-
9 tion Act of 1976 (42 U.S.C. 6506a); and

10 (2) cease to implement, administer, or enforce
11 the regulations contained in part 2360 of title 43,
12 Code of Federal Regulations (as in effect on the
13 date of the enactment of this Act).

14 (3) DEFINITIONS.—In this subsection:

15 (A) PROGRAM.—The term “Program”
16 means the competitive oil and gas leasing, ex-
17 ploration, development, and production program
18 established under section 107 of the Naval Pe-
19 troleum Reserves Production Act of 1976 (42
20 U.S.C. 6506a).

21 (B) SECRETARY.—The term “Secretary”
22 means the Secretary of the Interior.

23 (b) PURPOSE.—The Naval Petroleum Reserves Pro-
24 duction Act of 1976 is amended by inserting before section
25 101 (42 U.S.C. 6501) the following:

1 **“SEC. 1. PURPOSE.**

2 “The purpose of this Act is to require and facilitate
3 a leasing program in the National Petroleum Reserve in
4 Alaska for the expeditious exploration, development, and
5 production of petroleum to meet the energy needs of the
6 Nation and the world. In order to accomplish this purpose,
7 the Secretary shall, in consultation with the State of Alas-
8 ka and the North Slope Borough, Alaska, expedite admin-
9 istration of the Program for domestic energy production
10 and Federal revenue as prescribed in section 107(d) of the
11 Naval Petroleum Reserves Production Act of 1976 (42
12 U.S.C. 6506a(d)).”.

13 (c) REQUIRED LEASE SALES.—Section 107(d) of the
14 Naval Petroleum Reserves Production Act of 1976 (42
15 U.S.C. 6506a(d)) is amended—

16 (1) by striking “FIRST LEASE SALE.—The first
17 lease” and inserting “REQUIRED LEASE SALES.—

18 “(1) FIRST LEASE SALE.—The first lease”; and

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

20 “(2) SUBSEQUENT LEASE SALES.—

21 “(A) IN GENERAL.—Subject to subpara-
22 graph (B), beginning in the first full calendar
23 year after the date of enactment of this para-
24 graph, the Secretary shall conduct an oil and
25 gas lease sale in the reserve not less frequently
26 than once every two years.

1 “(B) ACREAGES.—The Secretary shall
2 offer not fewer than 4,000,000 acres in each
3 lease sale conducted under subparagraph (A).

4 “(C) TERMS AND STIPULATIONS FOR NPR—
5 A LEASE SALES.—In conducting lease sales
6 under this paragraph, the Secretary shall offer
7 the same lease form as lease form AK-3130-1
8 (March 2018) and the same lease terms, eco-
9 nomic conditions, and stipulations as described
10 in the NPR-A record of decision published by
11 the Bureau of Land Management entitled ‘Na-
12 tional Petroleum Reserve in Alaska Integrated
13 Activity Plan Record of Decision’ (December
14 2020).”.

15 (d) RECEIPTS.—Section 107(l) of the Naval Petro-
16 leum Reserves Production Act of 1976 (42 U.S.C.
17 6506a(l)) is amended—

18 (1) by striking “All receipts from” and insert-
19 ing the following:

20 “(1) IN GENERAL.—Except as provided in para-
21 graph (2), all receipts from”; and

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

23 “(2) PERCENT SHARE FOR FISCAL YEAR 2035
24 AND THEREAFTER.—Beginning in fiscal year 2035,
25 of the receipts described in paragraph (1)—

1 “(A) 90 percent shall be paid to the State
2 of Alaska; and

3 “(B) 10 percent shall be paid into the
4 Treasury of the United States.”.

5 (e) FACILITATION.—Section 107(n)(2) of the Naval
6 Petroleum Reserves Production Act of 1976 (42 U.S.C.
7 6506a(n)(2)) is amended to read as follows:

8 “(2) SUBSEQUENT LEASE SALES.—The detailed
9 environmental study and assessments that have been
10 conducted and identified in the document titled ‘No-
11 tice of Availability of the National Petroleum Re-
12 serve in Alaska Integrated Activity Plan Final Envi-
13 ronmental Impact Statement’ (85 Fed. Reg. 38388
14 (June 26, 2020)) are deemed to fulfill the require-
15 ments of the National Environmental Policy Act of
16 1969 with regard to the oil and gas lease sales re-
17 quired by subsection (d)(2).”.

18 (f) GEOPHYSICAL SURVEYS; JUDICIAL PRE-
19 CLUSION.—Section 107 of the Naval Petroleum Reserves
20 Production Act of 1976 (42 U.S.C. 6506a) is amended
21 by adding at the end the following:

22 “(q) GEOPHYSICAL SURVEYS.—Not later than 30
23 days after the date on which the Secretary of the Interior
24 receives a complete application pursuant to section 3152.1
25 of title 43, Code of Federal Regulations (or any successor

1 regulations), to conduct oil and gas geophysical explo-
2 ration operations in the National Petroleum Reserve in
3 Alaska, the Secretary of the Interior shall approve such
4 application.

5 “(r) JUDICIAL PRECLUSION.—

6 “(1) IN GENERAL.—Except as provided in para-
7 graph (2), no court shall have jurisdiction to review
8 any action taken by the Secretary of the Interior, a
9 State or municipal government administrative agen-
10 cy, or any other Federal agency (acting pursuant to
11 Federal law) to grant or issue a right-of-way, ease-
12 ment, authorization, permit, verification, biological
13 opinion, incidental take statement, or other approval
14 for a lease issued under this Act, whether issued
15 prior to, on, or after the date of the enactment of
16 this subsection, and including any lawsuit or any
17 other action pending in a court as of the date of en-
18 actment of this subsection.

19 “(2) PETITION BY LEASEHOLDER.—

20 “(A) IN GENERAL.—A leaseholder or the
21 State of Alaska may obtain a review of an al-
22 leged failure by the Secretary of the Interior to
23 act in accordance with this Act by filing a writ-
24 ten petition with a court of competent jurisdic-
25 tion seeking an order.

1 “(B) DEADLINES.—If a court of com-
2 petent jurisdiction finds pursuant to subpara-
3 graph (A) that an agency has failed to act in
4 accordance with this Act, the court shall set a
5 schedule and deadline for the agency to act as
6 soon as practicable, which shall not exceed 90
7 days from the date on which the order of the
8 court is issued, unless the court determines a
9 longer time period is necessary to comply with
10 applicable law.”.

11 **PART IV—MINING**

12 **SEC. 80131. SUPERIOR NATIONAL FOREST LANDS IN MIN-**
13 **NESOTA.**

14 (a) RESCISSION.—The Public Land Order of the Bu-
15 reau of Land Management titled “Public Land Order No.
16 7917 for Withdrawal of Federal Lands; Cook, Lake, and
17 Saint Louis Counties, MN” (88 Fed. Reg. 6308; published
18 January 31, 2023) is hereby rescinded and shall have no
19 force or effect.

20 (b) REINSTATEMENT, ISSUANCE, AND MODIFICATION
21 OF CERTAIN HARDROCK MINERAL LEASES.—

22 (1) REINSTATEMENT AND TERM MODIFICA-
23 TION.—

24 (A) REINSTATEMENT.—Notwithstanding
25 Reorganization Plan No. 3 of 1946 (5 U.S.C.

1 App.), section 2478 of the Revised Statutes (43
2 U.S.C. 1457c), the Act of June 30, 1950 (64
3 Stat. 311; 16 U.S.C. 508b), and the Act of
4 March 4, 1917 (39 Stat. 1150; 16 U.S.C. 520),
5 and not later than 5 calendar days after the
6 date of the enactment of this section, the Sec-
7 retary shall reinstate each covered lease.

8 (B) LEASE TERM.—Upon reinstatement of
9 each covered lease under subparagraph (A)—

10 (i) each covered lease shall have an
11 initial term of 20 years from the date of
12 such reinstatement and a right to succes-
13 sive renewals in accordance with paragraph
14 (4);

15 (ii) the Secretary shall toll the initial
16 term of a covered lease during any period
17 in which permitting activities of the cov-
18 ered lease are delayed by legal or adminis-
19 trative proceedings not initiated by the
20 holder of the covered lease; and

21 (iii) the Secretary shall extend the ini-
22 tial term of a covered lease by a period
23 equal to any tolling period under clause
24 (ii).

1 (C) APPLICABLE TERMS.—Except as modi-
2 fied by this section, all terms and conditions of
3 each covered lease shall be in accordance with
4 the original terms of the covered lease.

5 (2) REVENUE PROVISIONS.—

6 (A) REINSTATEMENT FEE.—Upon rein-
7 statement of each covered lease under para-
8 graph (1)(A), the holder of a covered lease shall
9 pay to the Secretary a one-time fee of \$100 per
10 acre of the covered lease.

11 (B) SUPPLEMENTAL RENTAL.—In addition
12 to the rental payment specified in the reinstated
13 covered lease, the holder of a covered lease shall
14 pay to the Secretary an annual supplemental
15 rental of \$10 per acre of the covered lease dur-
16 ing years 6 through 10 of the initial term of the
17 covered lease.

18 (C) REVENUE ALLOCATION.—All revenues
19 collected under this paragraph shall be depos-
20 ited in the Treasury as miscellaneous receipts.

21 (3) GRANT OF PREFERENCE RIGHT HARDROCK
22 MINERAL LEASE.—

23 (A) CONGRESSIONAL GRANT.—Notwith-
24 standing Reorganization Plan No. 3 of 1946 (5
25 U.S.C. App.), section 2478 of the Revised Stat-

1 utes (43 U.S.C. 1457c), the Act of June 30,
2 1950 (64 Stat. 311; 16 U.S.C. 508b), and the
3 Act of March 4, 1917 (39 Stat. 1150; 16
4 U.S.C. 520), and in recognition of the valid ex-
5 isting rights created through the finding of a
6 valuable mineral deposit as determined by the
7 issuance of a Notice of Preliminary Valuable
8 Deposit Determination from the Bureau of
9 Land Management, Congress hereby grants to
10 any holder of a Notice of Preliminary Valuable
11 Deposit Determination issued between January
12 20, 2017, and January 20, 2021, a preference
13 right hardrock mineral lease subject to the
14 terms described in this paragraph.

15 (B) LEASE TERMS.—Each preference right
16 hardrock mineral lease granted under subpara-
17 graph (A) shall—

18 (i) have an initial term of 20 years
19 from the date of such grant and a right to
20 successive renewals in accordance with
21 paragraph (4);

22 (ii) except as provided in clause (iv),
23 be subject to the same terms and condi-
24 tions as adjacent covered leases, as modi-
25 fied by this section;

1 (iii) be deemed part of the unified
2 mining operation with adjacent covered
3 leases for purposes of mine planning and
4 operations; and

5 (iv) not be required to meet the dili-
6 gence requirements of adjacent covered
7 leases until the date on which the first
8 term of the preference right hardrock min-
9 eral lease after the lease is renewed under
10 paragraph (4) begins.

11 (C) REVENUE PROVISIONS.—

12 (i) IN GENERAL.—Upon the grant of
13 each preference right hardrock mineral
14 lease under subparagraph (A), the holder
15 of each lease shall pay to the Secretary—

16 (I) a one-time issuance fee of
17 \$250 per acre of the preference right
18 hardrock mineral lease;

19 (II) an annual rental payment of
20 \$1 per acre of the preference right
21 hardrock mineral lease per year; and

22 (III) a production royalty in ac-
23 cordance with the terms and condi-
24 tions described in subparagraph
25 (B)(ii).

1 (ii) DEPOSIT OF AMOUNTS.—Amounts
2 collected under this subparagraph shall be
3 deposited in the Treasury as miscellaneous
4 receipts.

5 (4) RENEWAL PROVISIONS.—

6 (A) RENEWAL QUALIFICATION.—If, during
7 the last 2 years of each initial or renewal term
8 of a lease reinstated, granted, or renewed under
9 this subsection, the holder of the lease requests
10 renewal, the Secretary shall renew the lease in
11 accordance with this paragraph.

12 (B) RENEWAL PROCESS.—

13 (i) IN GENERAL.—Not later than 90
14 days before the date on which the term of
15 a lease for which the holder of the lease re-
16 quests renewal under subparagraph (A)
17 ends, the holder of the lease shall pay to
18 the Secretary a renewal fee of \$100 per
19 acre of the lease.

20 (ii) RENEWAL REQUIRED.—Upon re-
21 ceipt of a renewal request under subpara-
22 graph (A) and the renewal fee required
23 under clause (i) of this subparagraph, the
24 Secretary shall renew the lease that is the

1 subject of the renewal request for an addi-
2 tional 10-year term.

3 (C) RENEWAL CONDITIONS.—

4 (i) IN GENERAL.—

5 (I) MINE PLAN OF OPERATIONS
6 NOT REQUIRED DURING INITIAL
7 TERM.—Approval of a mine plan of
8 operations is not required during the
9 initial term of a lease reinstated or
10 granted under this subsection.

11 (II) MINIMUM PRODUCTION RE-
12 QUIREMENTS.—Minimum production
13 requirements as described in adjacent
14 covered leases shall begin with respect
15 to a lease reinstated or granted under
16 this subsection on the date that is 5
17 years after the approval of a mine
18 plan of operations for such lease.

19 (ii) ANNUAL RENTAL PAYMENTS.—

20 The annual rental payment for a lease re-
21 newed under this subsection shall be \$2
22 per acre more than the annual rental pay-
23 ment of such lease during the preceding
24 term of such lease.

25 (5) JUDICIAL REVIEW.—

1 (A) IN GENERAL.—The reinstatement,
2 modification, or grant of a lease, or a combina-
3 tion thereof, under this section is not subject to
4 judicial review.

5 (B) EXCEPTION.—Notwithstanding sub-
6 paragraph (A), the holder of a lease reinstated,
7 modified, or granted under this subsection may
8 seek review of an alleged failure by the Sec-
9 retary to act in accordance with this section.

10 (6) DEFINITIONS.—In this section:

11 (A) COVERED LEASE.—The term “covered
12 lease” means a hardrock mineral lease—

13 (i) located within the Superior Na-
14 tional Forest in the State of Minnesota;

15 (ii) issued or renewed in between Jan-
16 uary 20, 2017, and January 19, 2021; and

17 (iii) cancelled or otherwise rescinded
18 between January 20, 2021, and January
19 20, 2025.

20 (B) SECRETARY.—The term “Secretary”
21 means the Secretary of the Interior.

22 **SEC. 80132. AMBLER ROAD IN ALASKA.**

23 (a) ANILCA.—Section 201(4)(b) of the Alaska Na-
24 tional Interest Lands Conservation Act (16 U.S.C.
25 410hh(4)(b)) is amended by adding at the end “In accord-

1 ance with the provisions of this subsection, each Federal
2 agency shall approve each authorization within its jurisdic-
3 tion with respect to the surface transportation corridor
4 and each such Federal agency shall promptly issue, in ac-
5 cordance with applicable law, such rights-of-way, permits,
6 licenses, leases, certificates, or other authorizations as are
7 necessary with respect to the establishment of the surface
8 transportation corridor, including the Secretary, who shall
9 permit such access across all Federal land and public
10 lands, including across the Western (Kobuk River) unit
11 of the Gates of the Arctic National Preserve administered
12 by the National Park Service and the Central Yukon Plan-
13 ning Area administered by the Bureau of Land Manage-
14 ment. Each such authorization shall be deemed to satisfy
15 all requirements of all applicable Federal law and shall
16 not be subject to judicial review.” ”.

17 (b) REINSTATEMENT OF JOINT RECORD OF DECI-
18 SION.—Not later than 90 days after the date of the enact-
19 ment of this subtitle, the Secretary shall—

20 (1) rescind the record of decision published by
21 the Bureau of Land Management titled “Ambler
22 Road Supplemental Environmental Impact State-
23 ment” (June 2024);

24 (2) reinstate, as amended if the Secretary de-
25 termines necessary, and publish in the Federal Reg-

1 ister the Joint Record of Decision, which selected
2 Alternative A as the preferred alternative; and

3 (3) issue to the Applicant all Federal rights-of-
4 way on Federal land and public lands, and any asso-
5 ciated permits, approvals, or other authorizations, as
6 necessary to implement the Joint Record of Decision
7 published under paragraph (2).

8 (c) RENTAL PAYMENTS.—The rental fee paid by the
9 Applicant to the Bureau of Land Management for a right-
10 of-way issued pursuant to subsection (b)(3) shall be
11 \$500,000 for each of fiscal years 2025 through 2034.

12 (d) RECEIPTS.—Receipts derived from adjusted rent-
13 al receipts under subsection (c) shall be deposited into the
14 Treasury as miscellaneous receipts.

15 (e) JUDICIAL REVIEW.—

16 (1) IN GENERAL.—An action taken by the Sec-
17 retary pursuant to this section is not subject to judi-
18 cial review.

19 (2) EXCEPTION.—Notwithstanding paragraph
20 (1), the Applicant may seek review of an alleged fail-
21 ure by the Secretary to act in accordance with this
22 section.

23 (f) DEFINITIONS.—In this section:

24 (1) ALTERNATIVE A.—The term “Alternative
25 A” means Alternative A as described in “Section 2

1 (Alternatives)” of the document titled “Ambler Road
2 Environmental Impact Statement, Final, Volume 1:
3 Chapters 1–3, Appendices A–F) (March 2020)”.

4 (2) APPLICANT.—The term “Applicant” has
5 the meaning given the term in the document titled
6 “Ambler Road Environmental Impact Statement,
7 Final, Volume 1: Chapters 1–3, Appendices A–F)
8 (March 2020)”.

9 (3) FEDERAL LAND.—The term “Federal land”
10 has the meaning given such term in section 102 of
11 the Alaska National Interest Lands Conservation
12 Act (16 U.S.C. 3102).

13 (4) JOINT RECORD OF DECISION.—The term
14 “Joint Record of Decision” means the Joint Record
15 of Decision as described in the document titled
16 “Ambler Road Environmental Impact Statement
17 Joint Record of Decision (July 2020)”.

18 (5) PUBLIC LANDS.—The term “public lands”
19 has the meaning given such term in section 102 of
20 the Alaska National Interest Lands Conservation
21 Act (16 U.S.C. 3102).

22 (6) SECRETARY.—The term “Secretary” means
23 the Secretary of the Interior.

1 **PART V—COAL**

2 **SEC. 80141. COAL LEASING.**

3 (a) MANDATORY LEASING AND OTHER REQUIRED
4 APPROVALS.—Not later than 90 days after the date of en-
5 actment of this Act in the case of a pending application,
6 or not later than 90 days after the date of submission in
7 the case of an application submitted after the date of the
8 enactment of this Act, the Secretary of the Interior shall—

9 (1) with respect to each qualified application—

10 (A) if not previously published for public
11 comment, publish any required environmental
12 review;

13 (B) finalize the fair market value of the
14 applicable coal tract;

15 (C) hold a lease sale with respect to the
16 applicable coal tract;

17 (D) take all other intermediate actions nec-
18 essary to grant the qualified application; and

19 (E) after completing the actions required
20 by subparagraphs (A) through (D), grant the
21 qualified application and issue the applicable
22 lease to the person that submitted the qualified
23 application if that person submitted the highest
24 bid in the lease sale held under subparagraph
25 (C); and

1 (2) with respect to previously issued coal leases,
2 grant any additional approvals of the Department of
3 the Interior required for mining activities to com-
4 mence.

5 (b) LEASES FOR KNOWN RECOVERABLE COAL RE-
6 SOURCES.—Notwithstanding section 2(a)(3)(A) of the
7 Mineral Leasing Act (30 U.S.C. 201(a)(3)(A)) and section
8 202 of the Federal Land Policy and Management Act of
9 1976 (43 U.S.C. 1712), not later than 90 days after the
10 date of enactment of this Act, the Secretary of the Interior
11 shall make available for lease known recoverable coal re-
12 sources of not less than 4,000,000 additional acres on
13 Federal land west of the 100th meridian located in the
14 48 contiguous States and Alaska, but which shall not in-
15 clude any Federal land within—

16 (1) a National Monument;

17 (2) a National Recreation Area;

18 (3) a component of the National Wilderness
19 Preservation System;

20 (4) a component of the National Wild and See-
21 nic Rivers System;

22 (5) a component of the National Trails System;

23 (6) a National Conservation Area;

24 (7) a unit of the National Wildlife Refuge Sys-
25 tem;

1 (8) a unit of the National Fish Hatchery Sys-
2 tem;

3 (9) a unit of the National Park System;

4 (10) a National Preserve;

5 (11) a National Seashore or National Lake-
6 shore;

7 (12) a National Historic Site;

8 (13) a National Memorial;

9 (14) a National Battlefield, National Battlefield
10 Park, National Battlefield Site, or National Military
11 Park; or

12 (15) a National Historical Park.

13 (c) DEFINITIONS.—In this section:

14 (1) COAL LEASE.—The term “coal lease”
15 means a lease entered into by the United States as
16 lessor, through the Bureau of Land Management,
17 and an applicant on Bureau of Land Management
18 Form 3400–012, or a successor form that contains
19 terms of a coal lease.

20 (2) QUALIFIED APPLICATION.—The term
21 “qualified application” means an application for a
22 coal lease pending as of the date of enactment of
23 this Act or submitted within 90 days thereafter
24 under the lease by application program administered

1 by the Bureau of Land Management pursuant to the
2 Mineral Leasing Act.

3 **SEC. 80142. FUTURE COAL LEASING.**

4 Secretarial Order 3338, issued by the Secretary of
5 the Interior on January 15, 2016, or any other actions
6 limiting the Federal coal leasing program, shall have no
7 force or effect.

8 **SEC. 80143. COAL ROYALTY.**

9 (a) RATE.—Section 7(a) of the Mineral Leasing Act
10 (30 U.S.C. 207(a)) is amended by striking “12½ per cen-
11 tum” and inserting “12½ percent, except such amount
12 shall be not more than 7 percent during the period that
13 begins on the date of enactment of subsection (s) of sec-
14 tion 17 and ends September 30, 2034,”.

15 (b) RETROACTIVITY.—The amendment made by sub-
16 section (a) shall apply to a coal lease—

17 (1) issued under section 2 of the Mineral Leas-
18 ing Act (30 U.S.C. 201) before, on, or after the date
19 of the enactment of this subtitle; and

20 (2) that has not been terminated.

21 (c) ADVANCE ROYALTIES.—With respect to a lease
22 issued under section 2 of the Mineral Leasing Act (30
23 U.S.C. 201) for which the lessee has paid advance roy-
24 ties under section 7(b) of that Act (30 U.S.C. 207(b)),
25 the Secretary of the Interior shall provide to the lessee

1 a credit for the difference between the amount paid by
2 the lessee in advance royalties for the lease before the date
3 of the enactment of this subtitle and the amount the lessee
4 would have been required to pay if the amendment made
5 by subsection (a) had been made before the lessee paid
6 advance royalties for the lease.

7 **SEC. 80144. AUTHORIZATION TO MINE FEDERAL MINERALS.**

8 (a) IN GENERAL.—All Federal coal reserves leased
9 under Federal Coal Lease MTM 97988 located within the
10 covered Federal land are authorized to be mined in accord-
11 ance with the Bull Mountains Mining Plan Modification.

12 (b) DEFINITIONS.—In this section:

13 (1) BULL MOUNTAINS MINING PLAN MODIFICA-
14 TION.—The term “Bull Mountains Mining Plan
15 Modification” means the Mine No. 1, Amendment 3
16 mining plan modification for Federal coal lease
17 MTM 97988 described in the memorandum of the
18 Department of the Interior titled “Recommendation
19 regarding the previously approved mining plan modi-
20 fication for Federal Lease MTM–97988 at Signal
21 Peak Energy, LLC’s Bull Mountains Mine No.1, lo-
22 cated in Musselshell and Yellowstone Counties, Mon-
23 tana” (November 18, 2020).

1 (2) COVERED FEDERAL LAND.—The term “cov-
2 ered Federal land” means the following land com-
3 prising approximately 800 acres:

4 (A) The NE $\frac{1}{4}$ of sec. 8, T. 6 N., R. 27
5 E., Montana Principal Meridian.

6 (B) The SW $\frac{1}{4}$ of sec. 10, T. 6 N., R. 27
7 E., Montana Principal Meridian.

8 (C) The W $\frac{1}{2}$, SE $\frac{1}{4}$ of sec. 22, T. 6 N.,
9 R. 27 E., Montana Principal Meridian.

10 **PART VI—NEPA**

11 **SEC. 80151. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-** 12 **MENTAL REVIEWS.**

13 The National Environmental Policy Act of 1969 is
14 amended by inserting after section 111 (42 U.S.C. 4336e)
15 the following:

16 **“SEC. 112. PROJECT SPONSOR OPT-IN FEES FOR ENVIRON-** 17 **MENTAL REVIEWS.**

18 “(a) PROCESS.—

19 “(1) PROJECT SPONSOR.—A project sponsor
20 who intends to pay a fee under this section for the
21 preparation, or supervision of the preparation, of an
22 environmental assessment or environmental impact
23 statement with respect to the project of the project
24 sponsor shall submit to the Council—

25 “(A) a description of the project; and

1 “(B) a declaration of whether the project
2 sponsor intends to prepare the environmental
3 assessment or environmental impact statement
4 under section 107(f) of this title.

5 “(2) COUNCIL ON ENVIRONMENTAL QUALITY.—
6 Not later than 15 days after the receipt of the infor-
7 mation described in paragraph (1), the Council shall
8 provide to the project sponsor that submitted such
9 information notice of—

10 “(A) the relevant lead agency; and

11 “(B) the amount of the fee, as determined
12 under subsection (b).

13 “(3) PAYMENT OF FEE.—A project sponsor
14 may pay a fee under this section after receipt of the
15 notice described in paragraph (2).

16 “(4) DEADLINE FOR ENVIRONMENTAL REVIEWS
17 FOR WHICH A FEE IS PAID.—Notwithstanding sec-
18 tion 107(g)(1)—

19 “(A) an environmental assessment for
20 which a fee was paid under this section shall be
21 completed by not later than 6 months after the
22 sooner of, as applicable, the dates described in
23 clauses (i), (ii), and (iii) of section
24 107(g)(1)(B); and

1 “(B) an environmental impact statement
2 for which a fee was paid under this section shall
3 be completed by not later than 1 year after the
4 sooner of, as applicable, the dates described in
5 clauses (i), (ii), and (iii) of section
6 107(g)(1)(A).

7 “(b) FEE AMOUNT.—The amount of a fee under this
8 section shall be—

9 “(1) in the case of an environmental assessment
10 or environmental impact statement to be prepared
11 by the lead agency, 125 percent of the anticipated
12 costs to prepare the environmental assessment or en-
13 vironmental impact statement; and

14 “(2) in the case of an environmental assessment
15 or environmental impact statement to be prepared in
16 whole or in part by a project sponsor under section
17 107(f), 125 percent of the anticipated costs to su-
18 pervise preparation of, and (as applicable) prepare,
19 the environmental assessment or environmental im-
20 pact statement.

21 “(c) ADMINISTRATIVE AND JUDICIAL REVIEW.—

22 “(1) EA; EIS.—There shall be no administra-
23 tive or judicial review of an environmental assess-
24 ment or environmental impact statement for which
25 a fee is paid under this section.

1 “(2) FONSI; ROD.—An action for administra-
2 tive or judicial review of a finding of no significant
3 impact or record of decision that is associated with
4 an environmental assessment or environmental im-
5 pact statement described in paragraph (1) may not
6 challenge the finding of no significant impact or
7 record of decision based on an alleged issue with the
8 environmental assessment or environmental impact
9 statement.

10 “(d) REVENUE ALLOCATION.—Fees received under
11 this section shall be deposited into the Treasury as mis-
12 cellaneous receipts.”.

13 **SEC. 80152. RESCISSION RELATING TO ENVIRONMENTAL**
14 **AND CLIMATE DATA COLLECTION.**

15 The unobligated balance of any amounts made avail-
16 able under section 60401 of Public Law 117–169 is re-
17 scinded.

18 **PART VII—MISCELLANEOUS**

19 **SEC. 80161. PROTEST FEES.**

20 Section 17 of the Mineral Leasing Act (30 U.S.C.
21 226) is further amended by adding at the end the fol-
22 lowing:

23 “(t) PROTEST FILING FEE.—

24 “(1) IN GENERAL.—Before processing any pro-
25 test under this Act, the Secretary shall collect a fil-

1 ing fee in the amount described in paragraph (2)
2 from the protestor to recover the cost for processing
3 documents filed for the protest.

4 “(2) AMOUNT.—The amount described in this
5 paragraph is calculated as follows:

6 “(A) For each protest filed in a submission
7 not exceeding 10 pages in length, the base filing
8 fee shall be \$150.

9 “(B) For each protest filed in a submission
10 exceeding 10 pages in length, in addition to the
11 base filing fee, an assessment of \$5 per page in
12 excess of 10 pages shall apply.

13 “(C) For each protest filed in a submission
14 that includes more than one oil and gas lease
15 parcel, right-of-way, or application for permit to
16 drill, an additional assessment of \$10 per addi-
17 tional lease parcel, right-of-way, or application
18 for permit to drill shall apply.

19 “(3) ADJUSTMENT.—

20 “(A) IN GENERAL.—Beginning on January
21 1, 2026, and annually thereafter, the Secretary
22 shall adjust the filing fees established in this
23 subsection to whole dollar amounts to reflect
24 changes in the Producer Price Index, as pub-

1 lished by the Bureau of Labor Statistics, for
2 the previous 12 months.

3 “(B) PUBLICATION OF ADJUSTED FILING
4 FEES.—At least 30 days before an adjustment
5 to a filing fee under this paragraph takes effect,
6 the Secretary shall publish notification of the
7 adjustment in the Federal Register.

8 “(4) REVENUE ALLOCATION.—All revenues col-
9 lected under this paragraph shall be deposited in the
10 Treasury as miscellaneous receipts.”.

11 **PART VIII—OFFSHORE OIL AND GAS LEASING**

12 **SEC. 80171. MANDATORY OFFSHORE OIL AND GAS LEASE**
13 **SALES.**

14 (a) IN GENERAL.—

15 (1) GULF OF AMERICA.—

16 (A) IN GENERAL.—Notwithstanding sec-
17 tion 18 of the Outer Continental Shelf Lands
18 Act (43 U.S.C. 1344), the Secretary shall hold
19 not fewer than 30 lease sales in the Gulf of
20 America during the 15-year period beginning on
21 the date of the enactment of this 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 as the Proposed Final Program Area in

1 Figure S–1 of the 2017–2022 Outer Conti-
2 nental Shelf Oil and Gas Leasing Proposed
3 Final Program referenced in the notice of avail-
4 ability published by the Bureau of Ocean En-
5 ergy Management titled “Notice of Availability
6 of the 2017–2022 Outer Continental Shelf Oil
7 and Gas Leasing Proposed Final Program” (81
8 Fed. Reg. 84612; published November 23,
9 2016).

10 (C) ACREAGE REQUIREMENT.—For each
11 lease sale held under this paragraph, the Sec-
12 retary shall offer for lease—

13 (i) not fewer than 80,000,000 acres;

14 or

15 (ii) if there are fewer than 80,000,000
16 acres that are unleased, all such unleased
17 acres.

18 (D) TIMING REQUIREMENT.—Of the not
19 fewer than 30 lease sales required under this
20 paragraph, the Secretary shall hold not fewer
21 than 1 lease sale on or before each of the fol-
22 lowing dates:

23 (i) August 15, 2025.

24 (ii) March 15, 2026.

25 (iii) August 15, 2026.

- 1 (iv) March 15, 2027.
- 2 (v) August 15, 2027.
- 3 (vi) March 15, 2028.
- 4 (vii) August 15, 2028.
- 5 (viii) March 15, 2029.
- 6 (ix) August 15, 2029.
- 7 (x) March 15, 2030.
- 8 (xi) August 15, 2030.
- 9 (xii) March 15, 2031.
- 10 (xiii) August 15, 2031.
- 11 (xiv) March 15, 2032.
- 12 (xv) August 15, 2032.
- 13 (xvi) March 15, 2033.
- 14 (xvii) August 15, 2033.
- 15 (xviii) March 15, 2034.
- 16 (xix) August 15, 2034.
- 17 (xx) March 15, 2035.
- 18 (xxi) August 15, 2035.
- 19 (xxii) March 15, 2036.
- 20 (xxiii) August 15, 2036.
- 21 (xxiv) March 15, 2037.
- 22 (xxv) August 15, 2037.
- 23 (xxvi) March 15, 2038.
- 24 (xxvii) August 15, 2038.
- 25 (xxviii) March 15, 2039.

1 (xxix) August 15, 2039.

2 (xxx) March 15, 2040.

3 (E) LEASE TERMS AND CONDITIONS.—

4 (i) IN GENERAL.—For each lease sale
5 held under this paragraph, the Secretary
6 shall offer the same lease form, lease
7 terms, economic conditions, and stipula-
8 tions 4 through 10 as contained in the Bu-
9 reau of Ocean Energy Management final
10 notice of sale titled “Gulf of Mexico Outer
11 Continental Shelf Region-Wide Oil and
12 Gas Lease Sale 254” (85 Fed. Reg. 8010;
13 published February 12, 2020).

14 (ii) UPDATE.—The Secretary is au-
15 thorized to update stipulations 1 through 3
16 of the final notice of sale titled “Gulf of
17 Mexico Outer Continental Shelf Region-
18 Wide Oil and Gas Lease Sale 254” (85
19 Fed. Reg. 8010; published February 12,
20 2020) to reflect current conditions for
21 lease sales held under this paragraph.

22 (2) COOK INLET PLANNING AREA.—

23 (A) IN GENERAL.—Notwithstanding sec-
24 tion 18 of the Outer Continental Shelf Lands
25 Act (43 U.S.C. 1344), the Secretary shall hold

1 not fewer than 6 lease sales in the Cook Inlet
2 Planning Area during the 10-year period begin-
3 ning on the date of the enactment of this sec-
4 tion.

5 (B) LOCATION REQUIREMENT.—For each
6 lease sale held under this paragraph, the Sec-
7 retary may offer for lease only an area identi-
8 fied in Figure S–2 of the 2017–2022 Outer
9 Continental Shelf Oil and Gas Leasing Pro-
10 posed Final Program referenced in the notice of
11 availability published by the Bureau of Ocean
12 Energy Management titled “Notice of Avail-
13 ability of the 2017–2022 Outer Continental
14 Shelf Oil and Gas Leasing Proposed Final Pro-
15 gram” (81 Fed. Reg. 84612; published Novem-
16 ber 23, 2016).

17 (C) ACREAGE REQUIREMENT.—For each
18 lease sale held under this paragraph, the Sec-
19 retary shall offer for lease—

20 (i) not fewer than 1,000,000 acres; or
21 (ii) if there are fewer than 1,000,000
22 acres that are unleased, all such unleased
23 acres.

24 (D) TIMING REQUIREMENT.—Of the not
25 fewer than 6 lease sales required under this

1 paragraph, the Secretary shall hold not fewer
2 than 1 lease sale on or before each of the fol-
3 lowing dates:

4 (i) March 15, 2026.

5 (ii) March 15, 2027.

6 (iii) August 15, 2028.

7 (iv) March 15, 2030.

8 (v) August 15, 2031.

9 (vi) March 15, 2032.

10 (E) LEASE TERMS AND CONDITIONS.—For
11 each lease sale held under this paragraph, the
12 Secretary shall offer the same lease form, lease
13 terms, economic conditions, and stipulations as
14 contained in the final notice of sale titled
15 “Outer Continental Shelf Cook Inlet, Alaska,
16 Oil and Gas Lease Sale 244” (82 Fed. Reg.
17 23163; published May 22, 2017).

18 (F) REVENUE SHARING.—Notwithstanding
19 section 8(g) and 9 of the Outer Continental
20 Shelf Lands Act (43 U.S.C. 1337(g) and 1338),
21 and beginning in fiscal year 2035, of the bo-
22 nuses, rents, royalties, and other revenues de-
23 rived from leases issued pursuant to this para-
24 graph—

1 (i) 90 percent shall be paid to the
2 State of Alaska; and

3 (ii) 10 percent shall be deposited in
4 the Treasury as miscellaneous receipts.

5 (b) LEASE SALES HELD UNDER PROPOSED FINAL
6 PROGRAM.—The lease sales held under this section may
7 be in addition to the lease sales held under the Proposed
8 Final Program for the 2024–2029 National Outer Conti-
9 nental Shelf Oil and Gas Leasing Program referenced in
10 the notice of availability published by the Bureau of Ocean
11 Energy Management titled “Notice of Availability of the
12 2024–2029 National Outer Continental Shelf Oil and Gas
13 Leasing Proposed Final Program and Final Pro-
14 grammatic Environmental Impact Statement” (88 Fed.
15 Reg. 67798; published October 2, 2023).

16 (c) OTHER REQUIREMENTS.—During the period be-
17 ginning on the date of the enactment of this section and
18 ending on the date that is 2 years after the date on which
19 the last lease sale required to be held under this section
20 is held, with respect to each lease sale held, lease issued,
21 and any activity that requires a Federal authorization and
22 is associated with a lease issued pursuant to this title, the
23 Outer Continental Shelf Lands Act, or section 50264 of
24 Public Law 117–169 in the Gulf of America—

1 (1) adherence with the Biological Opinion shall
2 satisfy the Secretary’s obligations under the Endan-
3 gered Species Act of 1973 and the Marine Mammal
4 Protection Act of 1972;

5 (2) the final programmatic environmental im-
6 pact statement referenced in the notice of avail-
7 ability titled “Final Programmatic Environmental
8 Impact Statement for the 2017–2022 Outer Conti-
9 nental Shelf (OCS) Oil and Gas Leasing Program”
10 (81 Fed. Reg. 83870; published November 22,
11 2016), the Record of Decision related to such final
12 programmatic environmental impact statement, and
13 the final environmental impact statement referenced
14 in the notice of availability titled “Final Environ-
15 mental Impact Statement for Outer Continental
16 Shelf, Gulf of Mexico, 2017–2022 Oil and Gas Lease
17 Sales 249, 250, 251, 252, 253, 254, 256, 257, 259,
18 and 261” (82 Fed. Reg. 13363; published March 10,
19 2017) shall satisfy the Secretary’s obligations under
20 the National Environmental Policy Act of 1969 and
21 division A of subtitle III of title 54, United States
22 Code; and

23 (3) the consistency determinations prepared by
24 the Bureau of Ocean Energy Management under
25 section 307 of the Coastal Zone Management Act of

1 1972 (16 U.S.C. 1456) for Lease Sale 261 for the
2 States of Texas, Louisiana, Mississippi, Alabama,
3 and Florida shall satisfy the Secretary's obligations
4 under that section (16 U.S.C. 1456).

5 (d) WAIVER OF CERTAIN REQUIREMENTS UNDER
6 OUTER CONTINENTAL SHELF LANDS ACT.—The Sec-
7 retary may waive any requirement under the Outer Conti-
8 nental Shelf Lands Act that the Secretary determines
9 would delay issuance of a lease under a lease sale held
10 under this section.

11 (e) ISSUANCE OF LEASES.—If the Secretary receives
12 an acceptable bid for an area offered in a lease sale held
13 under this section, the Secretary shall—

14 (1) in accordance with section 8 of the Outer
15 Continental Shelf Lands Act (43 U.S.C. 1337), ac-
16 cept the highest acceptable bid for such area; and

17 (2) not later than 90 days after the date on
18 which the applicable lease sale ends, issue a lease of
19 the area to the highest responsible qualified bidder.

20 (f) NOMINATION OF AREAS FOR INCLUSION IN
21 LEASE SALE BY GOVERNOR.—

22 (1) IN GENERAL.—The Secretary shall establish
23 a process through which the Governor of a State
24 may nominate for leasing under a lease sale held

1 under this section an area of the outer Continental
2 Shelf that is—

3 (A) adjacent to the waters of the State;

4 and

5 (B) unleased and available for leasing.

6 (2) INCLUSION OF NOMINATED AREA.—If under
7 paragraph (1) the Governor of a State nominates an
8 area described in that paragraph for leasing under
9 a lease sale held under this section, the Secretary
10 shall include the area in the next scheduled lease
11 sale under subsection (a)(1)(D).

12 (g) GEOLOGICAL AND GEOPHYSICAL SURVEYS.—Not
13 later than 30 days after the date on which the Secretary
14 receives a complete application pursuant to section 551.5
15 of title 30, Code of Federal Regulations (as in effect on
16 September 22, 2015), to conduct a geological or geo-
17 physical survey pursuant to oil and gas activities on the
18 outer Continental Shelf, the Secretary shall approve such
19 application.

20 (h) LEASE SALE 259 AND LEASE SALE 261
21 LEASES.—

22 (1) LEASING REVENUE CERTAINTY.—A lease
23 awarded under Lease Sale 259 or Lease Sale 261,
24 which has been fully executed by the Secretary, shall
25 not be set aside, vacated, enjoined, suspended, or

1 cancelled except in accordance with section 5 of the
2 Outer Continental Shelf Lands Act (43 U.S.C.
3 1334).

4 (2) NO ADDITIONAL TERMS OR CONDITIONS.—

5 The Secretary shall not impose any additional terms
6 or conditions on a lease awarded under Lease Sale
7 259 or Lease Sale 261, which has been fully exe-
8 cuted by the Secretary, that were not included in the
9 Bureau of Ocean Energy Management final notice of
10 sale titled “Gulf of Mexico Outer Continental Shelf
11 Oil and Gas Lease Sale 259” (88 Fed. Reg. 12404;
12 published Feb. 27, 2023) or the final notice of sale
13 titled “Gulf of Mexico Outer Continental Shelf Oil
14 and Gas Lease Sale 261” (88 Fed. Reg. 80750;
15 published on Nov. 20, 2023).

16 (i) JUDICIAL REVIEW.—Section 23(c)(2) of the Outer
17 Continental Shelf Lands Act (43 U.S.C. 1349(c)(2)) is
18 amended to read as follows:

19 “(2) Any action of the Secretary to approve, require
20 modification of, or disapprove any exploration plan, devel-
21 opment and production plan, bidding procedure, lease sale,
22 lease issuance, or permit or authorization related to oil
23 and gas exploration, development, or production under
24 this Act, or any inaction by the Secretary resulting in the
25 failure to hold a lease sale under any Federal law requir-

1 ing oil and gas lease sales on the outer Continental Shelf,
2 shall be subject to judicial review only in a United States
3 court of appeals for a circuit in which an affected State
4 is located.”.

5 (j) DEFINITIONS.—In this section:

6 (1) ACCEPTABLE BID.—The term “acceptable
7 bid” means a bid that meets the requirements of the
8 document published by the Bureau of Ocean Energy
9 Management titled “Summary of Procedures for De-
10 termining Bid Adequacy at Offshore Oil and Gas
11 Lease Sales Effective March 2016, with Central
12 Gulf of Mexico Sale 241 and Eastern Gulf of Mexico
13 Sale 226”.

14 (2) BIOLOGICAL OPINION.—The term “Biologi-
15 cal Opinion”—

16 (A) means the biological opinion issued by
17 the National Marine Fisheries Service titled
18 “Biological Opinion on the Federally Regulated
19 Oil and Gas Program Activities in the Gulf of
20 Mexico” and the incidental take statement asso-
21 ciated with such biological opinion (published
22 March 12, 2020, and updated April 26, 2021);
23 and

24 (B) does not include sections 3.3.1 through
25 3.3.3 of such biological opinion.

1 (3) LEASE.—The term “lease” means an oil
2 and gas lease.

3 (4) LEASE SALE 259.—The term “Lease Sale
4 259” means the lease sale held by the Bureau of
5 Ocean Energy Management on March 29, 2023.

6 (5) LEASE SALE 261.—The term “Lease Sale
7 261” means the lease sale held by the Bureau of
8 Ocean Energy Management on December 20, 2023.

9 (6) OUTER CONTINENTAL SHELF.—The term
10 “outer Continental Shelf” has the meaning given
11 such term in section 2 of the Outer Continental
12 Shelf Lands Act (43 U.S.C. 1331).

13 (7) SECRETARY.—The term “Secretary” means
14 the Secretary of the Interior.

15 **SEC. 80172. OFFSHORE COMMINGLING.**

16 The Secretary of the Interior shall approve operator
17 requests to commingle production from multiple reservoirs
18 within a single wellbore completed on the Outer Conti-
19 nental Shelf of the Gulf of America unless conclusive evi-
20 dence establishes that such commingling—

21 (1) could not be conducted in a safe manner; or

22 (2) would result in the ultimate recovery from
23 such formations being reduced.

1 **SEC. 80173. LIMITATIONS ON AMOUNT OF DISTRIBUTED**
2 **QUALIFIED OUTER CONTINENTAL SHELF**
3 **REVENUES.**

4 Section 105(f)(1) of the Gulf of Mexico Energy Secu-
5 rity Act of 2006 (43 U.S.C. 1331 note) is amended—

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

8 (2) in subparagraph (C), by striking “2055.”
9 and inserting “2024;”; and

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

11 “(D) \$650,000,000 for each of fiscal years
12 2025 through 2034; and

13 “(E) \$500,000,000 for each of fiscal years
14 2035 through 2055.”.

15 **PART IX—RENEWABLE ENERGY**

16 **SEC. 80181. RENEWABLE ENERGY FEES ON FEDERAL**
17 **LANDS.**

18 (a) ACREAGE RENT FOR WIND AND SOLAR RIGHTS-
19 OF-WAY.—

20 (1) IN GENERAL.—Under the second sentence
21 of section 504(g) of the Federal Land Policy and
22 Management Act of 1976 (43 U.S.C. 1764(g)), the
23 Secretary shall, subject to paragraph (3) and not
24 later than January 1 of each calendar year, collect
25 from the holder of a right-of-way for a renewable en-

1 ergy project an acreage rent in an amount based on
2 the equation described in paragraph (2).

3 (2) CALCULATION OF ACREAGE RENT RATE.—

4 (A) EQUATION.—The amount of an acre-
5 age rent collected under paragraph (1) shall be
6 determined using the following equation: Acre-
7 age rent = $A \times B \times ((1 + C)^D)$.

8 (B) DEFINITIONS.—For purposes of sub-
9 paragraph (A):

10 (i) The letter “A” means the Per-Acre
11 Rate.

12 (ii) The letter “B” means the Encum-
13 brance Factor.

14 (iii) The letter “C” means the Annual
15 Adjustment Factor.

16 (iv) The letter “D” means the year in
17 the term of the right-of-way.

18 (3) PAYMENT UNTIL PRODUCTION.—The holder
19 of a right-of-way for a renewable energy project shall
20 pay an acreage rent collected under paragraph (1)
21 until the date on which energy generation begins.

22 (b) CAPACITY FEES.—

23 (1) IN GENERAL.—The Secretary shall, subject
24 to paragraph (2), annually collect a capacity fee
25 from the holder of a right-of-way for a renewable en-

1 ergy project based on the amount described in para-
2 graph (2).

3 (2) CALCULATION OF CAPACITY FEE.—The
4 amount of a capacity fee collected under paragraph
5 (1) shall be equal to the greater of—

6 (A) an amount equal to the acreage rent
7 described in subsection (a); and

8 (B) 4.58 percent of the gross proceeds
9 from the sale of electricity produced by the re-
10 newable energy project.

11 (3) MULTIPLE-USE REDUCTION FACTOR.—

12 (A) APPLICATION.—The holder of a right-
13 of-way for a wind energy generation project
14 may request that the Secretary apply a 10-per-
15 cent Multiple-Use Reduction Factor to the
16 amount of a capacity fee determined under
17 paragraph (2) by submitting to the Secretary
18 an application for approval.

19 (B) APPROVAL.—The Secretary may ap-
20 prove an application submitted under subpara-
21 graph (A) if not less than 25 percent of the
22 land within the area of the right-of-way is au-
23 thorized for use, occupancy, or development
24 with respect to an activity other than the gen-

1 eration of wind energy for the entirety of the
2 year in which the capacity fee is collected.

3 (C) LATE DETERMINATION.—If the Sec-
4 retary approves an application under subpara-
5 graph (B) for a wind energy generation project
6 after the date on which the holder of the right-
7 of-way for the project begins paying a capacity
8 fee, the Secretary shall apply the Multiple-Use
9 Reduction Factor to the capacity fee in the fol-
10 lowing years. Under this subparagraph, the
11 Secretary may not refund the holder of a right-
12 of-way for the difference in the amount of a ca-
13 pacity fee paid in a previous year.

14 (c) LATE PAYMENT FEE; TERMINATION.—

15 (1) IN GENERAL.—The Secretary may charge
16 the holder of a right-of-way for a renewable energy
17 project a late payment fee if the Secretary does not
18 receive payment for the acreage rent under sub-
19 section (a) or the capacity fee under subsection (b)
20 by the date that is 15 days after the date on which
21 the payment was due.

22 (2) TERMINATION OF RIGHT-OF-WAY.—The
23 Secretary may terminate a right-of-way for a renew-
24 able energy project if the Secretary does not receive
25 payment for the acreage rent under subsection (a)

1 or the capacity fee under subsection (b) by the date
2 that is 90 days after the date on which the payment
3 was due.

4 (d) REVENUE ACCURACY, TRANSPARENCY, AND AC-
5 COUNTABILITY.—The Secretary shall document, verify,
6 and make publicly available the respective amount of wind
7 and solar energy revenues collected under this section on
8 the Department of the Interior’s Natural Resources Rev-
9 enue Data website.

10 (e) ENSURING FEE CERTAINTY.—Section 3103 of
11 the Energy Act of 2020 (43 U.S.C. 3003) is repealed.

12 (f) DEFINITIONS.—In this section:

13 (1) ANNUAL ADJUSTMENT FACTOR.—The term
14 “Annual Adjustment Factor” means 3 percent.

15 (2) ENCUMBRANCE FACTOR.—The term “En-
16 cumbrance Factor” means—

17 (A) 100 percent for solar energy genera-
18 tion facilities; and

19 (B) 10 percent for wind energy generation
20 facilities.

21 (3) PER-ACRE RATE.—The term “Per-Acre
22 Rate” means the average of per-acre pastureland
23 rental rates published in the Cash Rents Survey by
24 the National Agricultural Statistics Service for the
25 State in which the right-of-way is located over the

1 5 calendar-year period preceding the issuance or re-
2 newal of the right-of-way.

3 (4) PROJECT.—The term “project” means a
4 system described in section 2801.9(a)(4) of title 43,
5 Code of Federal Regulations (as such section is in
6 effect on the date of the enactment of this Act).

7 (5) PUBLIC LANDS.—The term “public lands”
8 means—

9 (A) public lands as such term is defined in
10 section 103 of the Federal Land Policy and
11 Management Act of 1976 (43 U.S.C. 1702);
12 and

13 (B) the lands of the National Forest Sys-
14 tem as described in section 11(a) of the Forest
15 and Rangeland Renewable Resources Planning
16 Act of 1974 (16 U.S.C. 1609(a)).

17 (6) RENEWABLE ENERGY PROJECT.—The term
18 “renewable energy project” means a project located
19 on public lands that uses wind or solar energy to
20 generate energy.

21 (7) RIGHT-OF-WAY.—The term “right-of-way”
22 has the meaning given such term in section 103 of
23 the Federal Land Policy and Management Act of
24 1976 (43 U.S.C. 1702).

1 (8) SECRETARY.—The term “Secretary”
2 means—

3 (A) the Secretary of the Interior with re-
4 spect to land controlled or administered by the
5 Secretary of the Interior; or

6 (B) the Secretary of Agriculture with re-
7 spect to the lands of the National Forest Sys-
8 tem controlled or administered by the Secretary
9 of Agriculture.

10 **SEC. 80182. RENEWABLE ENERGY REVENUE SHARING.**

11 (a) DISPOSITION OF REVENUE.—

12 (1) DISPOSITION OF REVENUES.—Beginning on
13 January 1, 2026, the amounts collected from a re-
14 newable energy project as bonus bids, rentals, fees,
15 or other payments under a right-of-way, permit,
16 lease, or other authorization shall be—

17 (A) deposited in the general fund of the
18 Treasury; and

19 (B) without further appropriation or fiscal
20 year limitation, allocated as follows:

21 (i) 25 percent shall be paid from
22 amounts in the general fund of the Treas-
23 ury to the State within the boundaries of
24 which the revenue is derived.

1 (ii) 25 percent shall be paid from
2 amounts in the general fund of the Treas-
3 ury to each county within the boundaries
4 of which the revenue is derived, to be allo-
5 cated among each such county based on
6 the percentage of land from which the rev-
7 enue is derived.

8 (2) PAYMENTS TO STATES AND COUNTIES.—

9 (A) IN GENERAL.—The amounts paid to
10 States and counties under paragraph (1) shall
11 be used consistent with section 35 of the Min-
12 eral Leasing Act (30 U.S.C. 191).

13 (B) PAYMENTS IN LIEU OF TAXES.—A
14 payment to a county under paragraph (1) shall
15 be in addition to a payment in lieu of taxes re-
16 ceived by the county under chapter 69 of title
17 31, United States Code.

18 (C) TIMING.—The amounts required to be
19 paid under paragraph (1)(B) for an applicable
20 fiscal year shall be made available not later
21 than the fiscal year that immediately follows
22 the fiscal year for which the amounts were col-
23 lected.

24 (b) DEFINITIONS.—In this section:

1 (1) COVERED LAND.—The term “covered land”
2 means land that is—

3 (A) public lands administered by the Sec-
4 retary; and

5 (B) not excluded from the development of
6 solar or wind energy under—

7 (i) a land use plan; or

8 (ii) other Federal law.

9 (2) PUBLIC LANDS.—The term “public lands”
10 means—

11 (A) public lands as such term is defined in
12 section 103 of the Federal Land Policy and
13 Management Act of 1976 (43 U.S.C. 1702);
14 and

15 (B) lands of the National Forest System
16 as described in section 11(a) of the Forest and
17 Rangeland Renewable Resources Planning Act
18 of 1974 (16 U.S.C. 1609(a)).

19 (3) RENEWABLE ENERGY PROJECT.—The term
20 “renewable energy project” means a system de-
21 scribed in section 2801.9(a)(4) of title 43, Code of
22 Federal Regulations (as such section is in effect on
23 the date of the enactment of this Act), located on
24 covered land that uses wind or solar energy to gen-
25 erate energy.

1 (4) SECRETARY.—The term “Secretary”
2 means—

3 (A) the Secretary of the Interior with re-
4 spect to land controlled or administered by the
5 Secretary of the Interior; or

6 (B) the Secretary of Agriculture with re-
7 spect to the lands of the National Forest Sys-
8 tem controlled or administered by the Secretary
9 of Agriculture.

10 **Subtitle B—Water, Wildlife, and** 11 **Fisheries**

12 **SEC. 80201. RESCISSION OF FUNDS FOR INVESTING IN** 13 **COASTAL COMMUNITIES AND CLIMATE RE-** 14 **SILIENCE.**

15 There is hereby rescinded the unobligated balance of
16 funds made available by section 40001 of Public Law
17 117–169.

18 **SEC. 80202. RESCISSION OF FUNDS FOR FACILITIES OF NA-** 19 **TIONAL OCEANIC AND ATMOSPHERIC ADMIN-** 20 **ISTRATION AND NATIONAL MARINE SANC-** 21 **TUARIES.**

22 There is hereby rescinded the unobligated balance of
23 funds made available by section 40002 of Public Law
24 117–169.

1 **SEC. 80203. SURFACE WATER STORAGE ENHANCEMENT.**

2 In addition to amounts otherwise available, there is
3 appropriated to the Secretary of the Interior, acting
4 through the Commissioner of Reclamation, for fiscal year
5 2025, out of any money in the Treasury not otherwise ap-
6 propriated, \$2,000,000,000, to remain available through
7 September 30, 2034, for construction and associated ac-
8 tivities that increase the capacity of existing Bureau of
9 Reclamation surface water storage facilities, in a manner
10 as determined by the Secretary: *Provided*, That, for the
11 purposes of section 203 of the Reclamation Reform Act
12 of 1982 (43 U.S.C. 390cc) or section 3404(a) of the Rec-
13 lamation Projects Authorization and Adjustment Act of
14 1992 (Public Law 102–575), a contract or agreement en-
15 tered into pursuant to this section shall not be treated as
16 a new or amended contract. None of the funds provided
17 under this section shall be reimbursable or subject to
18 matching or cost-share requirements.

19 **SEC. 80204. WATER CONVEYANCE ENHANCEMENT.**

20 In addition to amounts otherwise available, there is
21 appropriated to the Secretary of the Interior, acting
22 through the Commissioner of Reclamation, for fiscal year
23 2025, out of any money in the Treasury not otherwise ap-
24 propriated, \$500,000,000, to remain available through
25 September 30, 2034, for construction and associated ac-
26 tivities that restore or increase the capacity of existing Bu-

1 bureau of Reclamation conveyance facilities, in a manner as
2 determined by the Secretary. None of the funds provided
3 under this section shall be reimbursable or subject to
4 matching or cost-share requirements.

5 **Subtitle C—Federal Lands**

6 **SEC. 80301. PROHIBITION ON THE IMPLEMENTATION OF** 7 **THE ROCK SPRINGS FIELD OFFICE, WYO-** 8 **MING, RESOURCE MANAGEMENT PLAN.**

9 The Secretary of the Interior shall not implement, ad-
10 minister, or enforce the Record of Decision and Approved
11 Resource Management Plan referred to in the notice of
12 availability titled “Notice of Availability of the Record of
13 Decision and Approved Resource Management Plan for
14 the Rock Springs Field Office, Wyoming” published by the
15 Bureau of Land Management on January 7, 2025 (80
16 Fed. Reg. 1186).

17 **SEC. 80302. PROHIBITION ON THE IMPLEMENTATION OF** 18 **THE BUFFALO FIELD OFFICE, WYOMING, RE-** 19 **SOURCE MANAGEMENT PLAN.**

20 The Secretary of the Interior shall not implement, ad-
21 minister, or enforce the Record of Decision and Approved
22 Resource Management Plan Amendment referred to in the
23 notice of availability titled “Notice of Availability of the
24 Record of Decision and Approved Resource Management
25 Plan Amendment for the Buffalo Field Office, Wyoming”

1 published by the Bureau of Land Management on Novem-
2 ber 27, 2024 (89 Fed. Reg. 93650).

3 **SEC. 80303. PROHIBITION ON THE IMPLEMENTATION OF**
4 **THE MILES CITY FIELD OFFICE, MONTANA,**
5 **RESOURCE MANAGEMENT PLAN.**

6 The Secretary of the Interior shall not implement, ad-
7 minister, or enforce the Record of Decision and Approved
8 Resource Management Plan Amendment referred to in the
9 notice of availability titled “Notice of Availability of the
10 Record of Decision and Approved Resource Management
11 Plan Amendment for the Miles City Field Office, Mon-
12 tana” published by the Bureau of Land Management on
13 November 27, 2024 (89 Fed. Reg. 93650).

14 **SEC. 80304. PROHIBITION ON THE IMPLEMENTATION OF**
15 **THE NORTH DAKOTA RESOURCE MANAGE-**
16 **MENT PLAN.**

17 The Secretary of the Interior shall not implement, ad-
18 minister, or enforce the Record of Decision and Approved
19 Resource Management Plan referred to in the notice of
20 availability titled “Record of Decision and Approved Re-
21 source Management Plan for the North Dakota Resource
22 Management Plan/Environmental Impact Statement,
23 North Dakota” published by the Bureau of Land Manage-
24 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 There is hereby rescinded the unobligated balances
15 of amounts made available by section 23001(a)(4) of Pub-
16 lic Law 117–169.

17 **SEC. 80307. RESCISSION OF NATIONAL PARK SERVICE AND**
18 **BUREAU OF LAND MANAGEMENT FUNDS.**

19 There is hereby rescinded the unobligated balances
20 of amounts made available by section 50221 of Public Law
21 117–169.

22 **SEC. 80308. RESCISSION OF BUREAU OF LAND MANAGE-**
23 **MENT AND NATIONAL PARK SERVICE FUNDS.**

24 There is hereby rescinded the unobligated balances
25 of amounts made available by section 50222 of Public Law
26 117–169.

1 **SEC. 80309. RESCISSION OF NATIONAL PARK SERVICE**
2 **FUNDS.**

3 There is hereby rescinded the unobligated balances
4 of amounts made available by section 50223 of Public Law
5 117–169.

6 **SEC. 80310. CELEBRATING AMERICA'S 250TH ANNIVERSARY.**

7 In addition to amounts otherwise available, there is
8 appropriated to the Secretary of the Interior for fiscal year
9 2025, out of any money in the Treasury not otherwise ap-
10 propriated, to remain available through fiscal year 2028—

11 (1) \$150,000,000 for events, celebrations, and
12 activities related to the observance and commemora-
13 tion of the 250th anniversary of the founding of the
14 United States; and

15 (2) \$40,000,000 to carry out Executive Order
16 13934 of July 3, 2020 (85 Fed. Reg. 41165), Exec-
17 utive Order 13978 of January 18, 2021 (86 Fed.
18 Reg. 6809), and Executive Order 14189 of January
19 29, 2025 (90 Fed. Reg. 8849) to establish and
20 maintain a statuary park to be known as the Na-
21 tional Garden of American Heroes.

22 **SEC. 80311. LONG-TERM CONTRACTS FOR THE FOREST**
23 **SERVICE.**

24 (a) IN GENERAL.—For each of fiscal years 2025
25 through 2034, the Chief of the Forest Service (in this sec-
26 tion referred to as the “Chief”) shall enter into not less

1 than one long-term contract or agreement with private
2 persons or other public or private entities under section
3 14(a) of the National Forest Management Act (16 U.S.C.
4 472a(a)) with respect to covered National Forest System
5 lands in each region of the Forest Service that contains
6 covered National Forest System lands.

7 (b) TERMS.—

8 (1) IN GENERAL.—Except as provided in para-
9 graphs (2) and (3), the Chief shall enter into con-
10 tracts or agreements under subsection (a) in accord-
11 ance with section 3903 of title 41, United States
12 Code, and section 14 of the National Forest Man-
13 agement Act (16 U.S.C. 472a).

14 (2) CONTRACT LENGTH.—The period of a con-
15 tract or agreement under subsection (a) shall be for
16 at least 20 years, with options for extensions and re-
17 newals as determined by the Chief.

18 (3) CANCELLATION CEILINGS.—A contract or
19 agreement entered into under subsection (a) shall in-
20 clude provisions for a cancellation ceiling consistent
21 with section 604(d) of the Healthy Forests Restora-
22 tion Act of 2003 (16 U.S.C. 6591c(d)).

23 (c) RECEIPTS.—Any monies derived from an agree-
24 ment or contract under this section by the Chief shall be
25 deposited in the general fund of the Treasury.

1 (d) COVERED NATIONAL FOREST SYSTEM LANDS
2 DEFINED.—In this section, the term “covered National
3 Forest System lands” means the proclaimed National For-
4 est System lands reserved or withdrawn from the public
5 domain of the United States.

6 **SEC. 80312. LONG-TERM CONTRACTS FOR THE BUREAU OF**
7 **LAND MANAGEMENT.**

8 (a) IN GENERAL.—For each of fiscal years 2025
9 through 2034, the Director of the Bureau of Land Man-
10 agement (in this section referred to as the “Director”)
11 shall enter into not less than one long-term contract or
12 agreement with private persons or other public or private
13 entities under section 1 of the Materials Act of 1947 (30
14 U.S.C. 601) with respect to vegetative materials on cov-
15 ered public lands.

16 (b) TERMS.—

17 (1) IN GENERAL.—Except as provided in para-
18 graphs (2) and (3), the Director shall enter into con-
19 tracts or agreements under subsection (a) in accord-
20 ance with section 3903 of title 41, United States
21 Code, and section 2(a) of the Materials Act of 1947
22 (30 U.S.C. 602(a)).

23 (2) CONTRACT LENGTH.—The period of a con-
24 tract or agreement under subsection (a) shall be for

1 at least 20 years, with options for extensions and re-
2 newals as determined by the Director.

3 (3) CANCELLATION CEILINGS.—A contract or
4 agreement entered into under subsection (a) shall in-
5 clude provisions for a cancellation ceiling consistent
6 with section 604(d) of the Healthy Forests Restora-
7 tion Act of 2003 (16 U.S.C. 6591c(d)).

8 (c) RECEIPTS.—Any monies derived from an agree-
9 ment or contract under this section by the Director shall
10 be deposited in the general fund of the Treasury.

11 (d) COVERED PUBLIC LANDS DEFINED.—The term
12 “covered public lands” has the meaning given the term
13 “public lands” in section 103 of the Federal Land Policy
14 and Management Act of 1976 (43 U.S.C. 1702), except
15 that the term includes Coos Bay Wagon Road Grant lands
16 and Oregon and California Railroad Grant lands.

17 **SEC. 80313. TIMBER PRODUCTION FOR THE FOREST SERV-**
18 **ICE.**

19 (a) IN GENERAL.—Not later than 1 year after the
20 date of enactment of this title, the Secretary of Agri-
21 culture, acting through the Chief of the Forest Service or
22 their designee, shall direct timber harvest on covered Na-
23 tional Forest System lands in amounts that—

1 (1) in total, equal or exceed the volume that is
2 25 percent higher than the total volume harvested
3 on such lands during fiscal year 2024; and

4 (2) are in accordance with the applicable forest
5 plan, including the allowable sale quantity or prob-
6 able sale quantity, as applicable, of timber applicable
7 to such lands on the date of enactment of this title.

8 (b) DEFINITIONS.—In this section:

9 (1) COVERED NATIONAL FOREST SYSTEM
10 LANDS.—

11 (A) IN GENERAL.—Except as provided in
12 subparagraph (B), the term “covered National
13 Forest System lands” means the proclaimed
14 National Forest System lands reserved or with-
15 drawn from the public domain of the United
16 States.

17 (B) EXCLUSIONS.—The term “covered Na-
18 tional Forest System lands” does not include
19 lands—

20 (i) that are included in the National
21 Wilderness Preservation System;

22 (ii) that are located within a national
23 or State-specific inventoried roadless area
24 established by the Secretary of Agriculture
25 through regulation, unless—

1 (I) the forest management activ-
2 ity to be carried out under such au-
3 thority is consistent with the forest
4 plan applicable to the area; or

5 (II) the activity is allowed under
6 the applicable roadless rule governing
7 such lands, including—

8 (aa) the Idaho roadless rule
9 under subpart C of part 294 of
10 title 36, Code of Federal Regula-
11 tions;

12 (bb) the Colorado roadless
13 rule under subpart D of part 294
14 of title 36, Code of Federal Reg-
15 ulations; or

16 (cc) any other roadless rule
17 developed after the date of the
18 enactment of this section by the
19 Secretary with respect to a spe-
20 cific State; or

21 (iii) on which timber harvesting for
22 any purpose is prohibited by Federal stat-
23 ute.

24 (2) FOREST PLAN.—The term “forest plan”
25 means a land and resource management plan pre-

1 pared by the Forest Service for a unit of the Na-
2 tional Forest System pursuant to section 6 of the
3 Forest and Rangeland Renewable Resources Plan-
4 ning Act of 1974 (16 U.S.C. 1604).

5 **SEC. 80314. TIMBER PRODUCTION FOR THE BUREAU OF**
6 **LAND MANAGEMENT.**

7 (a) IN GENERAL.—Not later than 1 year after the
8 date of enactment of this title, the Secretary of the Inte-
9 rior, acting through the Director of the Bureau of Land
10 Management or their designee, shall direct timber harvest
11 on covered public lands in amounts that—

12 (1) in total, equal or exceed the volume that is
13 25 percent higher than the total volume harvested
14 on such lands during fiscal year 2024; and

15 (2) are in accordance with the applicable forest
16 plan.

17 (b) DEFINITIONS.—In this section:

18 (1) COVERED PUBLIC LANDS.—

19 (A) IN GENERAL.—Except as provided in
20 subparagraph (B), the term “covered public
21 lands” has the meaning given the term “public
22 lands” in section 103 of the Federal Land Pol-
23 icy and Management Act of 1976 (43 U.S.C.
24 1702), except that the term includes Coos Bay

1 Wagon Road Grant lands and Oregon and Cali-
2 fornia Railroad Grant lands.

3 (B) EXCLUSIONS.—The term “covered
4 public lands” does not include lands—

5 (i) that are included in the National
6 Wilderness Preservation System; or

7 (ii) on which timber harvesting for
8 any purpose is prohibited by Federal stat-
9 ute.

10 (2) FOREST PLAN.—The term “forest plan”
11 means a land use plan prepared by the Bureau of
12 Land Management for public lands pursuant to sec-
13 tion 202 of the Federal Land Policy and Manage-
14 ment Act of 1976 (43 U.S.C. 1712).

15 **SEC. 80315. BUREAU OF LAND MANAGEMENT LAND IN NE-**
16 **VADA.**

17 (a) LYON COUNTY.—

18 (1) IN GENERAL.—Not later than 2 years after
19 the date of enactment of this title, the Secretary of
20 the Interior (referred to in this section as the “Sec-
21 retary”), in accordance with this section and the
22 Federal Land Policy and Management Act of 1976
23 (43 U.S.C. 1701), shall identify and offer for sale to
24 the City of Fernley, Nevada, all right, title, and in-

1 terest of the United States in and to the Federal
2 land—

3 (A) located in Lyon County, Nevada; and

4 (B) identified as “Fernley Land Convey-
5 ance Boundary” on the map entitled “Fernley
6 Economic Development Act” and dated October
7 6, 2020.

8 (2) COSTS.—As a condition of the conveyance
9 of the Federal land under paragraph (1), the City
10 of Fernley, Nevada, shall pay—

11 (A) an amount equal to the appraised
12 value determined in accordance with subsection
13 (e)(2); and

14 (B) all costs related to the conveyance of
15 the Federal land to the City, including all sur-
16 veys, appraisals, and other associated adminis-
17 trative costs.

18 (b) CLARK COUNTY.—

19 (1) IN GENERAL.—Not later than 2 years after
20 the date of enactment of this title, the Secretary, in
21 accordance with this section and the Federal Land
22 Policy and Management Act of 1976 (43 U.S.C.
23 1701), shall identify and offer for sale all right, title,
24 and interest of the United States in and to Federal

1 land located in Clark County, Nevada that has been
2 identified—

3 (A) as suitable for disposal in the Las
4 Vegas Resource Management Plan in existence
5 on the date of enactment of this title; or

6 (B) as “Modified Existing Disposal” on
7 the map entitled “Southern Nevada Economic
8 Development and Conservation Act Disposal
9 Map” and dated February 6, 2025.

10 (2) COMPLIANCE WITH LOCAL PLANNING AND
11 ZONING LAWS.—Before carrying out a sale of Fed-
12 eral land under paragraph (1), Clark County shall
13 submit to the Secretary a certification that any enti-
14 ty selected to purchase land through a competitive
15 bidding process under subsection (e)(1)(A) has
16 agreed to comply with—

17 (A) zoning ordinances of the county; and

18 (B) any master plan for the area approved
19 by the county or region.

20 (3) AFFORDABLE HOUSING.—

21 (A) IN GENERAL.—Upon the request Clark
22 County, the Secretary shall make the Federal
23 land identified as “Modified Existing Disposal”
24 on the map entitled “Southern Nevada Eco-
25 nomic Development and Conservation Act Dis-

1 posal Map” and dated February 6, 2025 avail-
2 able at less than fair market value for afford-
3 able housing, in accordance with section 7(b) of
4 the Southern Nevada Public Land Management
5 Act of 1998 (Public Law 105–263; 112 Stat.
6 2349).

7 (B) EXEMPTION FROM NOTICE OF REALTY
8 ACTION REQUIREMENT.—If any entity seeks to
9 use covered land for affordable housing pur-
10 poses under subparagraph (A), the entity—

11 (i) shall not be required to comply no-
12 tice of realty action requirements with re-
13 spect to the covered land; but

14 (ii) before using the covered land for
15 affordable housing purposes, shall provide
16 for a period of not less than 14 days ade-
17 quate public notice of the use of the cov-
18 ered land.

19 (4) SAVINGS CLAUSE.—Nothing in this section
20 shall be construed to affect Federal lands previously
21 identified for disposal under the Southern Nevada
22 Public Land Management Act of 1998 (Public Law
23 105–263; 112 Stat. 2343) nor the disposition of pro-
24 ceeds for such lands prior to the date of enactment
25 of this title.

1 (c) WASHOE COUNTY.—

2 (1) IN GENERAL.—Not later than 2 years after
3 the date of enactment of this title, the Secretary, in
4 accordance with this section and the Federal Land
5 Policy and Management Act of 1976 (43 U.S.C.
6 1701), shall identify and offer for sale all right, title,
7 and interest of the United States in and to Federal
8 land located in Washoe County, Nevada, that has
9 been identified—

10 (A) as suitable for disposal in the Carson
11 City Consolidated Resource Management Plan
12 in existence on the date of enactment of this
13 title; or

14 (B) as “BLM Land for Disposal” on the
15 map entitled “Washoe County Land Disposals”
16 and dated February 7, 2025.

17 (2) EVALUATION OF ADDITIONAL LAND FOR
18 POTENTIAL DISPOSAL.—

19 (A) IN GENERAL.—The Secretary shall,
20 not later than 1 year after the date of enact-
21 ment of this title, evaluate the parcels of Fed-
22 eral land depicted as “Additional BLM Land
23 Potentially Available for Disposal” on the map
24 entitled “Washoe County Land Disposals” and
25 dated February 7, 2025, to assess the suit-

1 ability of the evaluated Federal land for dis-
2 posal in accordance with section 203(a) of the
3 Federal Land Policy and Management Act of
4 1976 (43 U.S.C. 1713(a)).

5 (B) SALE.—The parcels of Federal land
6 identified by the Secretary as suitable for dis-
7 posal under subparagraph (A) may be offered
8 for sale in accordance with this section.

9 (3) JOINT SELECTION REQUIRED; DETERMINA-
10 TION REGARDING SUITABILITY FOR AFFORDABLE
11 HOUSING.—

12 (A) IN GENERAL.—The Secretary and
13 Washoe County shall jointly select which par-
14 cels of the Federal land described in paragraph
15 (2)(A) and identified as suitable for disposal in
16 subparagraph (B) to offer for sale under this
17 subsection.

18 (B) DETERMINATION.—During the selec-
19 tion process under subparagraph (A), the Sec-
20 retary and Washoe County shall evaluate
21 whether any parcels of the Federal land de-
22 scribed in that subparagraph are suitable for
23 affordable housing.

24 (C) CONVEYANCE.—If a parcel of Federal
25 land is determined to be suitable for affordable

1 housing under subparagraph (B), on request of
2 a State or local governmental entity, the appli-
3 cable parcel of Federal land shall be made
4 available at less than fair market value to the
5 governmental entity in accordance with section
6 7(b) of the Southern Nevada Public Land Man-
7 agement Act of 1998 (Public Law 105–263;
8 112 Stat. 2349).

9 (D) SURVEY.—The exact acreage and legal
10 description of a parcel of Federal land to be
11 conveyed under subparagraph (C) shall be de-
12 termined by a survey satisfactory to the Sec-
13 retary.

14 (4) COMPLIANCE WITH LOCAL PLANNING AND
15 ZONING LAWS.—Before carrying out a sale of Fed-
16 eral land under paragraph (2), Washoe County shall
17 submit to the Secretary a certification that any enti-
18 ty selected to purchase land through a competitive
19 bidding process under subsection (e)(1)(A) has
20 agreed to comply with—

21 (A) Washoe County zoning ordinances; and

22 (B) any master plan for the area approved
23 by Washoe County or region.

24 (5) POSTPONEMENT; EXCLUSION FROM SALE.—

25 At the request of Washoe County, the Secretary

1 shall postpone or exclude from sale all or a portion
2 of the Federal land described in paragraph (2).

3 (6) AFFORDABLE HOUSING.—

4 (A) DETERMINATION REGARDING SUIT-
5 ABILITY FOR AFFORDABLE HOUSING.—Not
6 later than 90 days after the date of enactment
7 of this title, the Secretary shall conduct a re-
8 view of the Federal land described in subpara-
9 graph (C) to determine the suitability of the
10 Federal land for affordable housing.

11 (B) AUTHORIZATION.—Upon the request
12 of a State or local governmental entity, the Sec-
13 retary shall make the Federal land described in
14 subparagraph (C) available at less than fair
15 market value for affordable housing, in accord-
16 ance with section 7(b) of the Southern Nevada
17 Public Land Management Act of 1998 (Public
18 Law 105–263; 112 Stat. 2349).

19 (C) DESCRIPTION OF FEDERAL LAND.—
20 The Federal land referred to in subparagraphs
21 (A) and (B) is the land identified as “BLM
22 Land for Disposal Only for Affordable Hous-
23 ing” on the map entitled “Washoe County Land
24 Disposals” and dated February 7, 2025.

1 (D) EXEMPTION FROM NOTICE OF REALTY
2 ACTION REQUIREMENT.—If any entity seeks to
3 use covered land for affordable housing pur-
4 poses under subparagraph (B), the entity—

5 (i) shall not be required to comply no-
6 tice of realty action requirements with re-
7 spect to the covered land; but

8 (ii) before using the covered land for
9 affordable housing purposes, shall provide
10 for a period of not less than 14 days ade-
11 quate public notice of the use of the cov-
12 ered land.

13 (d) PERSHING COUNTY CHECKERBOARD RESOLU-
14 TION AND DISPOSAL.—

15 (1) SALE OR EXCHANGE OF ELIGIBLE LAND.—

16 (A) AUTHORIZATION OF CONVEYANCE.—

17 Not later than 2 years after the date of the en-
18 actment of this title, the Secretary, in accord-
19 ance with this section and subject to valid exist-
20 ing rights, shall conduct sales or exchanges of
21 all right, title, and interest of the United States
22 in and to the eligible land.

23 (B) JOINT SELECTION REQUIRED.—After
24 providing public notice, the Secretary and the
25 County shall jointly select parcels of eligible

1 land to be offered for sale or exchange under
2 subparagraph (A).

3 (C) LAND EXCHANGES.—

4 (i) IN GENERAL.—An exchange of eli-
5 gible land under subparagraph (A) shall be
6 consistent with section 206(a) of the Fed-
7 eral Land Policy and Management Act of
8 1976 (43 U.S.C. 1716).

9 (ii) EQUAL VALUE EXCHANGE.—

10 (I) IN GENERAL.—The value of
11 the eligible land and private land to
12 be exchanged under subparagraph
13 (A)—

14 (aa) shall be equal; or

15 (bb) shall be made equal in
16 accordance with subclause (II).

17 (II) EQUALIZATION.—

18 (aa) SURPLUS OF ELIGIBLE
19 LAND.—With respect to the eligi-
20 ble land and private land to be
21 exchanged under subparagraph
22 (A), if the value of the eligible
23 land exceeds the value of the pri-
24 vate land, the value of the eligible

667

1 land and the private land shall be
2 equalized by—

3 (AA) the owner of the
4 private land making a cash
5 equalization payment to the
6 Secretary;

7 (BB) adding private
8 land to the exchange; or

9 (CC) removing eligible
10 land from the exchange.

11 (bb) SURPLUS OF PRIVATE
12 LAND.—With respect to the eligi-
13 ble land and private land to be
14 exchanged under subparagraph
15 (A), if the value of the private
16 land exceeds the value of the eli-
17 gible land, the value of the pri-
18 vate land and the eligible land
19 shall be equalized by—

20 (AA) the Secretary
21 making a cash equalization
22 payment to the owner of the
23 private land, in accordance
24 with section 206(b) of the
25 Federal Land Policy and

1 Management Act of 1976
2 (43 U.S.C. 1716(b));
3 (BB) adding eligible
4 land to the exchange; or
5 (CC) removing private
6 land from the exchange.

7 (iii) ADJACENT LAND.—To the extent
8 practicable, the Secretary shall seek to
9 enter into agreements with one or more
10 owners of private land adjacent to the eli-
11 gible land for the exchange of the private
12 land for the eligible land, if the Secretary
13 determines that the exchange would con-
14 solidate Federal land ownership and facili-
15 tate improved Federal land management.

16 (D) DEADLINE FOR SALE OR EXCHANGE;
17 EXCLUSIONS.—

18 (i) DEADLINE.—Not later than 2
19 years after the date on which the eligible
20 land is jointly selected under subparagraph
21 (B), the Secretary shall offer for sale or
22 exchange the parcels of eligible land jointly
23 selected under that subparagraph.

24 (ii) POSTPONEMENT OR EXCLU-
25 SION.—The Secretary or the County may

1 postpone or exclude from sale or exchange
2 all or a portion of the eligible land jointly
3 selected under subparagraph (B) for emer-
4 gency ecological or safety reasons.

5 (2) SALE OF ENCUMBERED LAND.—

6 (A) AUTHORIZATION OF CONVEYANCE.—

7 Not later than 2 years after the date of the en-
8 actment of this title and subject to valid exist-
9 ing rights held by third parties, the Secretary
10 shall offer to convey to qualified entities, for
11 fair market value, the remaining right, title,
12 and interest of the United States, in and to the
13 encumbered land.

14 (B) OFFER TO CONVEY.—Not later than
15 180 days after the date on which the Secretary
16 receives a fair market offer from a qualified en-
17 tity for the conveyance of encumbered land, the
18 Secretary shall accept the fair market value
19 offer.

20 (C) CONVEYANCE.—Not later than 180
21 days after the date of acceptance by the Sec-
22 retary of an offer from a qualified entity under
23 subparagraph (B) and completion of a sale for
24 all or part of the applicable portion of encum-
25 bered land to the highest qualified entity, the

1 Secretary, by delivery of an appropriate deed,
2 patent, or other valid instrument of conveyance,
3 shall convey to the qualified entity all remaining
4 right, title, and interest of the United States in
5 and to the applicable portion of the encumbered
6 land.

7 (D) MERGER.—Subject to valid existing
8 rights held by third parties, on delivery of the
9 instrument of conveyance to the qualified entity
10 under subparagraph (C), the prior interests in
11 the locatable minerals and the right to use the
12 surface for mineral purposes held by the quali-
13 fied entity under a mining claim, millsite, tun-
14 nel site, or any other Federal land use author-
15 ization applicable to the encumbered land in-
16 cluded in the instrument of conveyance, shall
17 merge with all right, title, and interest conveyed
18 to the qualified entity by the United States
19 under this section to ensure that the qualified
20 entity receives fee simple title to the purchased
21 encumbered land.

22 (3) DEFINITIONS.—In this subsection:

23 (A) COUNTY.—The term “County” means
24 Pershing County, Nevada.

1 (B) ELIGIBLE LAND.—The term “eligible
2 land” means any land administered by the Sec-
3 retary, acting through the Director of the Bu-
4 reau of Land Management—

5 (i) that is within the area identified
6 on the Map as “Checkerboard Lands Reso-
7 lution Area” that is designated for disposal
8 by the Secretary through—

9 (I) the Winnemucca Consolidated
10 Resource Management Plan; or

11 (II) any subsequent amendment
12 or revision to the management plan
13 that is undertaken with full public in-
14 volvement;

15 (ii) that is the land identified on the
16 Map as “Additional Lands Eligible for
17 Disposal”; and

18 (iii) that is not encumbered land.

19 (C) ENCUMBERED LAND.—The term “en-
20 cumbered land” means any land administered
21 by the Secretary, acting through the Director of
22 the Bureau of Land Management, within the
23 area identified on the Map as “Checkerboard
24 Resolution Area” that is encumbered by mining
25 claims, millsites, or tunnel sites.

1 (D) MAP.—The term “Map” means the
2 map titled “Pershing County Checkerboard
3 Lands Resolution” and dated July 8, 2024.

4 (E) QUALIFIED ENTITY.—The term
5 “qualified entity” means, with respect to a por-
6 tion of encumbered land—

7 (i) the owner of a mining claim, mill-
8 site, or tunnel site located on a portion of
9 the encumbered land on the date of the en-
10 actment of this title; and

11 (ii) a successor in interest of an owner
12 described in clause (i).

13 (e) APPRAISALS AND METHODS OF SALE.—

14 (1) METHOD OF SALE.—The sale or exchange
15 of eligible lands under this section shall be—

16 (A) through a competitive bidding process;

17 (B) for not less than fair market value, in
18 accordance with paragraphs (2) and (3); and

19 (C) subject to valid existing rights.

20 (2) APPRAISALS.—Any sales or exchanges car-
21 ried out under this section shall be for not less than
22 fair market value, based on an appraisal that is con-
23 ducted in accordance with—

24 (A) the Uniform Appraisal Standards for
25 Federal Land Acquisitions; and

1 (B) the Uniform Standards of Professional
2 Appraisal Practice.

3 (3) MASS APPRAISALS.—Not later than 2 years
4 after the date of the enactment of this title, and
5 every 5 years thereafter, the Secretary shall—

6 (A) conduct a mass appraisal of eligible
7 land to be sold or exchanged under this section;

8 (B) prepare an evaluation analysis for each
9 land transaction under this section; and

10 (C) make available to the public the results
11 of the mass appraisals conducted under sub-
12 paragraph (A).

13 (f) COSTS.—The qualified entity or entity selected
14 through a competitive bidding process to purchase or ex-
15 change land, as appropriate, shall pay all costs associated
16 with sales or exchanges carried out under this section.

17 (g) DISPOSITION OF PROCEEDS.—Amounts received
18 from the sale of land under this section shall be deposited
19 in the general fund of the Treasury.

20 (h) MAP AND LEGAL DESCRIPTION.—

21 (1) IN GENERAL.—Not later than 2 years after
22 the date of enactment of this title, the Secretary
23 shall finalize the maps and legal descriptions of the
24 land to be sold or exchanged under this section.

1 (2) CONTROLLING DOCUMENT.—In the case of
2 a discrepancy between the maps and legal descrip-
3 tions finalized under paragraph (1), the map shall
4 control.

5 (3) CORRECTIONS.—The Secretary may correct
6 minor errors in the maps or the legal descriptions fi-
7 nalized under paragraph (1).

8 (4) MAP ON FILE.—The maps and legal de-
9 scriptions finalized under paragraph (1) shall be
10 kept on file and available for public inspection in
11 each appropriate office of the Bureau of Land Man-
12 agement.

13 (i) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion shall be construed as authorizing the conveyance of
15 any lands administered by the National Park Service.

16 **SEC. 80316. FOREST SERVICE LAND IN NEVADA.**

17 (a) IN GENERAL.—Not later than 2 years after the
18 date of enactment of this title, the Secretary of Agri-
19 culture (referred to in this section as the “Secretary”),
20 in accordance with this section, shall identify and offer
21 for sale, subject to subsection (b), all right, title, and inter-
22 est of the United States in and to covered Federal land
23 located in Washoe County, Nevada.

24 (b) JOINT SELECTION REQUIRED; DETERMINATION
25 REGARDING SUITABILITY FOR AFFORDABLE HOUSING.—

1 (1) IN GENERAL.—The Secretary and Washoe
2 County shall jointly select which parcels of covered
3 Federal land to offer for sale under subsection (a).

4 (2) DETERMINATION.—During the selection
5 process under paragraph (1), the Secretary and
6 Washoe County shall evaluate whether any parcels
7 of the Federal land described in that paragraph are
8 suitable for affordable housing.

9 (3) CONVEYANCE.—If a parcel of Federal land
10 is determined to be suitable for affordable housing
11 under paragraph (2), on request of a State or local
12 governmental entity, the applicable parcel of Federal
13 land shall be made available at less than fair market
14 value to the governmental entity in accordance with
15 section 7(b) of the Southern Nevada Public Land
16 Management Act of 1998 (Public Law 105–263;
17 112 Stat. 2349).

18 (4) SURVEY.—The exact acreage and legal de-
19 scription of a parcel of Federal land to be conveyed
20 under paragraph (3) shall be determined by a survey
21 satisfactory to the Secretary.

22 (5) COMPLIANCE WITH LOCAL PLANNING AND
23 ZONING LAWS.—Before carrying out a sale of cov-
24 ered Federal land under subsection (a), Washoe
25 County shall submit to the Secretary a certification

1 that any entity selected to purchase covered Federal
2 land through a competitive bidding process under
3 subsection (d)(1)(A) has agreed to comply with—

4 (A) Washoe County zoning ordinances; and
5 (B) any master plan for the area approved
6 by Washoe County or region.

7 (6) POSTPONEMENT; EXCLUSION FROM SALE.—

8 At the request of Washoe County, the Secretary
9 shall postpone or exclude from sale all or a portion
10 of the Federal land described in subsection (a).

11 (c) AFFORDABLE HOUSING.—

12 (1) DETERMINATION REGARDING SUITABILITY
13 FOR AFFORDABLE HOUSING.—Not later than 90
14 days after the date of enactment of this title, the
15 Secretary shall conduct a review of the additional
16 Federal land to determine the suitability of the addi-
17 tional Federal land for affordable housing.

18 (2) AUTHORIZATION.—Upon the request of a
19 State or local governmental entity and subject to
20 valid existing rights, the Secretary shall make the
21 additional Federal land available at less than fair
22 market value for affordable housing, in accordance
23 with section 7(b) of the Southern Nevada Public
24 Land Management Act of 1998 (Public Law 105–
25 263; 112 Stat. 2349).

1 (d) APPRAISALS AND METHOD OF SALE.—

2 (1) METHOD OF SALE.—The sale or exchange
3 of any lands under this section shall be—

4 (A) through a competitive bidding process;

5 (B) except as provided in subsections
6 (b)(3) and (c), for not less than fair market
7 value, in accordance with paragraphs (2) and
8 (3); and

9 (C) subject to valid existing rights.

10 (2) APPRAISALS.—Any sales or exchanges car-
11 ried out under this section shall be for not less than
12 fair market value, based on an appraisal that is con-
13 ducted in accordance with—

14 (A) the Uniform Appraisal Standards for
15 Federal Land Acquisitions; and

16 (B) the Uniform Standards of Professional
17 Appraisal Practice.

18 (3) MASS APPRAISALS.—Not later than 2 years
19 after the date of the enactment of this title, and
20 every 5 years thereafter, the Secretary shall—

21 (A) conduct a mass appraisal of eligible
22 land to be sold or exchanged under this section;

23 (B) prepare an evaluation analysis for each
24 land transaction under this section; and

1 (C) make available to the public the results
2 of the mass appraisals conducted under sub-
3 paragraph (A).

4 (e) COSTS OF CONVEYANCE.—Any entity selected to
5 purchase covered Federal land or additional Federal land
6 under this section shall pay all costs associated with the
7 sale.

8 (f) DISPOSITION OF PROCEEDS.—The proceeds from
9 the sale of additional Federal land and covered Federal
10 land required under this section shall be deposited in the
11 general fund of the Treasury.

12 (g) MAP AND LEGAL DESCRIPTION.—

13 (1) IN GENERAL.—Not later than 2 years after
14 the date of enactment of this title, the Secretary
15 shall finalize the maps and legal descriptions of the
16 additional Federal land and covered Federal land to
17 be sold under this section.

18 (2) CONTROLLING DOCUMENT.—In the case of
19 a discrepancy between the maps and legal descrip-
20 tions finalized under paragraph (1), the map shall
21 control.

22 (3) CORRECTIONS.—The Secretary and Washoe
23 County, by mutual agreement, may correct minor er-
24 rors in the maps or the legal descriptions finalized
25 under paragraph (1).

1 (4) MAP ON FILE.—The maps and legal de-
2 scriptions finalized under paragraph (1) shall be
3 kept on file and available for public inspection in
4 each appropriate office of the Bureau of Land Man-
5 agement.

6 (h) RULE OF CONSTRUCTION.—Nothing in this sec-
7 tion shall be construed as authorizing the conveyance of
8 any lands administered by the National Park Service.

9 (i) DEFINITIONS.—In this section:

10 (1) ADDITIONAL FEDERAL LAND.—The term
11 “additional Federal land” means the Federal land
12 identified as “USFS Land for Disposal Only for Af-
13 fordable Housing” on the map entitled “Washoe
14 County Land Disposals” and dated February 7,
15 2025.

16 (2) COVERED FEDERAL LAND.—The term “cov-
17 ered Federal land” means “USFS Land for Dis-
18 posal” on the map entitled “Washoe County Land
19 Disposal” and dated February 7, 2025.

20 **SEC. 80317. FEDERAL LAND IN UTAH.**

21 (a) CONVEYANCE OF BUREAU OF LAND MANAGE-
22 MENT LAND TO COVERED ENTITY.—Not later than 180
23 days after the date of enactment of this title, the Secretary
24 shall convey to the covered entity all right, title, and inter-
25 est of the United States in and to the covered land.

1 (b) REQUIREMENTS.—The conveyance of covered
2 land under this section shall be—

3 (1) subject to valid existing rights; and

4 (2) for not less than fair market value, based
5 on an appraisal that is conducted in accordance
6 with—

7 (A) the Uniform Appraisal Standards for
8 Federal Land Acquisitions; and

9 (B) the Uniform Standards of Professional
10 Appraisal Practice.

11 (c) COSTS OF CONVEYANCE.—The covered entity
12 shall pay all costs associated with the conveyances re-
13 quired under subsection (a).

14 (d) PROCEEDS FROM CONVEYANCE.—The proceeds
15 from the conveyances required under subsection (a) shall
16 be deposited in the general fund of the Treasury.

17 (e) MAP AND LEGAL DESCRIPTION.—

18 (1) IN GENERAL.—Not later than 120 days
19 after the date of enactment of this title, the Sec-
20 retary shall finalize the maps and legal descriptions
21 of the covered land to be conveyed under this sec-
22 tion.

23 (2) CONTROLLING DOCUMENT.—In the case of
24 a discrepancy between the maps and legal descrip-

1 tions finalized under paragraph (1), the map shall
2 control.

3 (3) CORRECTIONS.—The Secretary and the cov-
4 ered entity, by mutual agreement, may correct minor
5 errors in the maps or the legal descriptions finalized
6 under paragraph (1).

7 (4) MAP ON FILE.—The maps and legal de-
8 scriptions finalized under paragraph (1) shall be
9 kept on file and available for public inspection in
10 each appropriate office of the Forest Service.

11 (f) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion shall be construed as authorizing the conveyance of
13 any lands administered by the National Park Service.

14 (g) DEFINITIONS.—In this section:

15 (1) COVERED ENTITY.—The term “covered en-
16 tity” means the following:

17 (A) Beaver County, Utah, with respect to
18 covered land depicted on the map entitled
19 “Beaver County Land Conveyance” and dated
20 March 8, 2025.

21 (B) The City of St. George, Utah, with re-
22 spect to covered land depicted on the map enti-
23 tled “City of St. George, Utah, Land Convey-
24 ance” and dated March 28, 2025.

1 (C) Washington County, Utah, with re-
2 spect to covered land depicted on—

3 (i) the map entitled “Washington
4 County Land Conveyance - East Half” and
5 dated April 11, 2025; and

6 (ii) the map entitled “Washington
7 County Land Conveyance - West Half”
8 and dated April 9, 2025.

9 (D) Washington County Water Conser-
10 vancy District, with respect to covered land de-
11 picted on the map entitled “Washington County
12 Water Conservancy District Land Conveyance”
13 and dated March 27, 2025.

14 (2) COVERED LAND.—The term “covered land”
15 means the following:

16 (A) On the map entitled “Beaver County
17 Land Conveyance” and dated March 8, 2025,
18 the following parcels:

19 (i) The approximately 10.32 acres de-
20 picted as “Parcel 1”.

21 (ii) The approximately 10.81 acres de-
22 picted as “Parcel 2”.

23 (iii) The approximately 40.83 acres
24 depicted as “Parcel 3”.

1 (B) On the map entitled “City of St.
2 George, Utah, Land Conveyance” and dated
3 March 28, 2025, the following parcels:

4 (i) The approximately 203.37 acres
5 depicted as “Airport”.

6 (ii) The approximately 16.48 acres de-
7 picted as “Brigham Road”.

8 (iii) The approximately 9.57 acres de-
9 picted as “Curly Hollow”.

10 (iv) The approximately 11.52 acres
11 depicted as “Devario Site”.

12 (v) The approximately 105.55 acres
13 depicted as “Graveyard Dam”.

14 (vi) The approximately 4.88 acres de-
15 picted as “Gunlock Arsenic Plant”.

16 (vii) The approximately 1.17 acres de-
17 picted as “Gunlock Filter Station”.

18 (viii) The approximately 0.92 acres
19 depicted as “Gunlock#1”.

20 (ix) The approximately 0.92 acres de-
21 picted as “Gunlock#2”.

22 (x) The approximately 0.92 acres de-
23 picted as “Gunlock#3”.

24 (xi) The approximately 0.92 acres de-
25 picted as “Gunlock#4”.

1 (xii) The approximately 0.92 acres de-
2 picted as “Gunlock#5”.

3 (xiii) The approximately 0.92 acres
4 depicted as “Gunlock#6”.

5 (xiv) The approximately 0.92 acres
6 depicted as “Gunlock#7”.

7 (xv) The approximately 1.1 acres de-
8 picted as “Gunlock#8”.

9 (xvi) The approximately 0.92 acres
10 depicted as “Gunlock#9”.

11 (xvii) The approximately 0.92 acres
12 depicted as “Gunlock#10”.

13 (xviii) The approximately 4.34 acres
14 depicted as “Man O War Connector”.

15 (xix) The approximately 36.56 acres
16 depicted as “Sun River”.

17 (xx) The approximately 31.22 acres
18 depicted as “Treatment Plant”.

19 (xxi) The approximately 3.75 acres
20 depicted as “Virgin River Site”.

21 (xxii) The approximately 82.27 acres
22 depicted as “Western Corridor (100’
23 ROW)”.

1 (C) On the map entitled “Washington
2 County Land Conveyance - East Half” and
3 dated April 11, 2025, the following parcels:

4 (i) The approximately 330.58 acres
5 depicted as “Parcel 1”.

6 (ii) The approximately 287.02 acres
7 depicted as “Parcel 2”.

8 (iii) The approximately 279.72 acres
9 depicted as “Parcel 3”.

10 (iv) The approximately 10.67 acres
11 depicted as “Parcel 4”.

12 (v) The approximately 213.56 acres
13 depicted as “Parcel 6”.

14 (vi) The approximately 180.51 acres
15 depicted as “Parcel 11”.

16 (vii) The approximately 186.14 acres
17 depicted as “Parcel 12”.

18 (viii) The approximately 153.74 acres
19 depicted as “Parcel 13”.

20 (ix) The approximately 711.56 acres
21 depicted as “Parcel 15”.

22 (x) The approximately 52.28 acres de-
23 picted as “Parcel 16”.

24 (xi) The approximately 197.52 acres
25 depicted as “Parcel 17”.

1 (xii) The approximately 311.5 acres
2 depicted as “Parcel 19”.

3 (xiii) The approximately 628.76 acres
4 depicted as “Parcel 20”.

5 (xiv) The approximately 364.31 acres
6 depicted as “Parcel 21”.

7 (xv) The approximately 921.52 acres
8 depicted as “Parcel 22”.

9 (xvi) The approximately 129.77 acres
10 depicted as “Parcel 23”.

11 (D) On the map entitled “Washington
12 County Land Conveyance-West Half” and
13 dated April 9, 2025, the following parcels:

14 (i) The approximately 338.6 acres de-
15 picted as “Parcel 5”.

16 (ii) The approximately 487.13 acres
17 depicted as “Parcel 7”.

18 (iii) The approximately 121.08 acres
19 depicted as “Parcel 8”.

20 (iv) The approximately 64.58 acres
21 depicted as “Parcel 9”.

22 (v) The approximately 62.49 acres de-
23 picted as “Parcel 10”.

24 (vi) The approximately 404.63 acres
25 depicted as “Parcel 14”.

1 (vii) The approximately 55.01 acres
2 depicted as “Parcel 18”.

3 (E) On the map entitled “Washington
4 County Water Conservancy District Land Con-
5 veyance” and dated March 27, 2025, the fol-
6 lowing parcels:

7 (i) The approximately 35.955036
8 acres depicted as “Parcel 01”.

9 (ii) The approximately 22.836384
10 acres depicted as “Parcel 02”.

11 (iii) The approximately 29.321031
12 acres depicted as “Parcel 04”.

13 (iv) The approximately 5.307719
14 acres depicted as “Parcel 05”.

15 (v) The approximately 5.256227 acres
16 depicted as “Parcel 06”.

17 (vi) The approximately 18.162944
18 acres depicted as “Parcel 07”.

19 (vii) The approximately 10.199554
20 acres depicted as “Parcel 08”.

21 (viii) The approximately 32.490829
22 acres depicted as “Parcel 09”.

23 (ix) The approximately 2.609287
24 acres depicted as “Parcel 10”.

1 (x) The approximately 4.358646 acres
2 depicted as “Parcel 11”.

3 (xi) The approximately 534.961903
4 acres depicted as “Parcel 12”.

5 (xii) The approximately 0.213103
6 acres depicted as “Parcel 13”.

7 (xiii) The approximately 2.977254
8 acres depicted as “Parcel 14”.

9 (xiv) The approximately 13.315086
10 acres depicted as “Parcel 15”.

11 (xv) The approximately 418.173711
12 acres depicted as “Parcel 16”.

13 (xvi) The approximately 3.00085
14 acres depicted as “Parcel 17”.

15 (xvii) The approximately 8.453333
16 acres depicted as “Parcel 18”.

17 (xviii) The approximately 10.754291
18 acres depicted as “Parcel 19”.

19 (xix) The approximately 3.067501
20 acres depicted as “Parcel 20”.

21 (xx) The approximately 4.995197
22 acres depicted as “Parcel 21”.

23 (xxi) The approximately 11.596129
24 acres depicted as “Parcel 22”.

1 (xxii) The approximately
2 3,197.320604 acres depicted as “Parcel
3 23”.

4 (3) SECRETARY.—The term “Secretary” means
5 the Secretary of the Interior, acting through the Di-
6 rector of the Bureau of Land Management.

7 **TITLE IX—COMMITTEE ON OVER-**
8 **SIGHT AND GOVERNMENT RE-**
9 **FORM**

10 **SEC. 90001. INCREASE IN FERS EMPLOYEE CONTRIBUTION**
11 **REQUIREMENTS.**

12 Section 8422(a)(3) of title 5, United States Code, is
13 amended—

14 (1) in subparagraph (A), by amending the table
15 to read as follows:

“Employee	7	January 1, 1987, to
		December 31, 1998.
	7.25	January 1, 1999, to
		December 31, 1999.
	7.4	January 1, 2000, to
		December 31, 2000.
	7	January 1, 2001, to
		December 31, 2025.
	8.8	January 1, 2026, to
		December 31, 2026.
Congressional employee	10.6	After December 31,
		2026.
	7.5	January 1, 1987, to
		December 31, 1998.
	7.75	January 1, 1999, to
		December 31, 1999.
	7.9	January 1, 2000, to
		December 31, 2000.
	7.5	January 1, 2001, to
		December 31, 2025.
	9.3	January 1, 2026, to
		December 31, 2026.
	11.1	After December 31,
		2026.
Member	7.5	January 1, 1987, to
		December 31, 1998.

	7.75	January 1, 1999, to December 31, 1999.
	7.9	January 1, 2000, to December 31, 2000.
	8	January 1, 2001, to December 31, 2002.
	7.5	January 1, 2003, to December 31, 2025.
	9.3	January 1, 2026, to December 31, 2026.
	11.1	After December 31, 2026.
Law enforcement officer, Firefighter, member of the Capitol Police, member of the Supreme Court Police, or air traffic controller	7.5	January 1, 1987, to December 31, 1998.
	7.75	January 1, 1999, to December 31, 1999.
	7.9	January 1, 2000, to December 31, 2000.
	7.5	After December 31, 2000.
Nuclear materials courier	7	January 1, 1987, to October 16, 1998.
	7.5	October 17, 1998, to December 31, 1998.
	7.75	January 1, 1999, to December 31, 1999.
	7.9	January 1, 2000, to December 31, 2000.
	7.5	After December 31, 2000.
Customs and border protection officer	7.5	After June 29, 2008.”; and

1 (2) in subparagraph (B), by amending the table

2 to read as follows:

“Employee	9.3	January 1, 2013, to December 31, 2025.
	9.95	January 1, 2026, to December 31, 2026.
	10.6	After December 31, 2026.
Congressional employee	9.3	January 1, 2013, to December 31, 2025.
	9.95	January 1, 2026, to December 31, 2026.
	10.6	After December 31, 2026.
Member	9.3	January 1, 2013, to December 31, 2025.
	9.95	January 1, 2026, to December 31, 2026.
	10.6	After December 31, 2026.
Law enforcement officer, Firefighter, member of the Capitol Police, member of the Supreme Court Police, or air traffic controller	9.8	After December 31, 2012.
Nuclear materials courier	9.8	After December 31, 2012.
Customs and border protection officer	9.8	After December 31, 2012.”.

1 **SEC. 90002. ELIMINATION OF FERS ANNUITY SUPPLEMENT.**

2 (a) IN GENERAL.—Section 8421(a) of title 5, United
3 States Code, is amended—

4 (1) in paragraph (1), by inserting “separated
5 from service under section 8425” after “individual”;
6 and

7 (2) in paragraph (2), by inserting “separated
8 from service under section 8425” after “an indi-
9 vidual”.

10 (b) APPLICABILITY.—The amendments made by this
11 section shall not apply with respect to any individual enti-
12 tled to an annuity supplement under section 8421 of title
13 5, United States Code, prior to the date of the enactment
14 of this Act.

15 **SEC. 90003. HIGH-5 AVERAGE PAY FOR CALCULATING CSRS**
16 **AND FERS PENSION.**

17 (a) CSRS.—Section 8331(4) of title 5, United States
18 Code, is amended to read as follows:

19 “(4) ‘average pay’ means—

20 “(A) except as provided under subpara-
21 graph (B), the largest annual rate resulting
22 from averaging an employee’s or Member’s
23 rates of basic pay in effect over any 3 consecu-
24 tive years of creditable service or, in the case of
25 an annuity under subsection (d) or (e)(1) of
26 section 8341 of this title based on service of

1 less than 3 years, over the total service, with
2 each rate weighted by the time it was in effect;
3 and

4 “(B) with respect to an employee or Mem-
5 ber who retires on or after January 1, 2027,
6 other than an individual entitled to an annuity
7 under subsection (c) or (e) of section 8336, the
8 largest annual rate resulting from averaging an
9 employee’s or Member’s rates of basic pay in ef-
10 fect over any 5 consecutive years of creditable
11 service or, in the case of an annuity under sub-
12 section (d) or (e)(1) of section 8341 of this title
13 based on service of less than 5 years, over the
14 total service, with each rate weighted by the
15 time it was in effect;”.

16 (b) FERS.—Section 8401(3) of title 5, United States
17 Code, is amended to read as follows:

18 “(3) the term ‘average pay’ means—

19 “(A) except as provided under subpara-
20 graph (B), the largest annual rate resulting
21 from averaging an employee’s or Member’s
22 rates of basic pay in effect over any 3 consecu-
23 tive years of service or, in the case of an annu-
24 ity under this chapter based on service of less

1 than 3 years, over the total service, with each
2 rate weighted by the period it was in effect; and

3 “(B) with respect to an employee or Mem-
4 ber who retires on or after January 1, 2027,
5 other than an individual entitled to an annuity
6 under subsection (d) or (e) of section 8412, the
7 largest annual rate resulting from averaging the
8 employee’s or Member’s rates of basic pay in ef-
9 fect over any 5 consecutive years of service or,
10 in the case of an annuity under this chapter
11 based on service of less than 5 years, over the
12 total service, with each rate weighted by the pe-
13 riod it was in effect;”.

14 (c) CONFORMING AMENDMENT.—Section 302(a) of
15 the Federal Employee’s Retirement System Act of 1986
16 (5 U.S.C. 8331 note) is amended by striking paragraph
17 (6) and inserting the following:

18 “(6)(A) For purposes of any computation under
19 paragraph (4) or (5), the average pay to be used
20 shall be—

21 “(i) except as provided under clause (ii),
22 the largest annual rate resulting from averaging
23 the individual’s rates of basic pay in effect over
24 any 3 consecutive years of creditable service or,
25 in the case of an annuity based on service of

1 less than 3 years, over the total period of serv-
2 ice so creditable, with each rate weighted by the
3 period it was in effect; and

4 “(ii) with respect to an individual who re-
5 tires on or after January 1, 2027, other than
6 an individual entitled to an annuity under sub-
7 section (d) or (e) of section 8412 of title 5,
8 United States Code, the largest annual rate re-
9 sulting from averaging the individual’s rates of
10 basic pay in effect over any 5 consecutive years
11 of creditable service or, in the case of an annu-
12 ity based on service of less than 5 years, over
13 the total period of service so creditable, with
14 each rate weighted by the period it was in ef-
15 fect.

16 “(B) For purposes of subparagraph (A), service
17 shall be considered creditable if it would be consid-
18 ered creditable for purposes of determining average
19 pay under chapter 83 or 84 of title 5, United States
20 Code.”.

21 **SEC. 90004. ELECTION FOR AT-WILL EMPLOYMENT AND**
22 **LOWER FERS CONTRIBUTIONS FOR NEW FED-**
23 **ERAL CIVIL SERVICE HIRES.**

24 (a) ELECTION.—

1 (1) IN GENERAL.—Subchapter I of chapter 33
2 of title 5, United States Code, is amended by adding
3 at the end the following:

4 **“§ 3330g. Election for at-will employment and lower**
5 **FERS contributions**

6 “(a) ELECTION.—

7 “(1) IN GENERAL.—Not later than the last day
8 of the probationary period (if any) for an individual
9 initially appointed to a covered position after the
10 date of the enactment of this section, such individual
11 may make an irrevocable election to be employed on
12 an at-will basis, subject to the requirements of this
13 section.

14 “(2) FAILURE TO MAKE ELECTION.—An indi-
15 vidual who does not make the election under para-
16 graph (1) shall be subject to the requirements of
17 section 8422(a)(3)(D).

18 “(b) AT-WILL EMPLOYMENT.—Notwithstanding any
19 other provision of law, including chapters 43 and 75 of
20 this title, any individual who makes an affirmative election
21 under subsection (a)(1) shall—

22 “(1) be considered an at-will employee; and

23 “(2) may be subject to an adverse action up to
24 and including removal, without notice or right to ap-
25 peal, by the head of the agency at which the indi-

1 vidual is employed for good cause, bad cause, or no
2 cause at all.

3 “(c) APPLICATION OF OTHER LAWS.—Notwith-
4 standing any other requirement of this section, this section
5 shall not be construed to reduce, extinguish, or otherwise
6 effect any right or remedy available to any individual who
7 elects to be an at-will employee under subsection (a)(1)
8 under any of the following provisions of law:

9 “(1) The protections relating to prohibited per-
10 sonnel practices (as that term is defined in section
11 2302).

12 “(2) The Congressional Accountability Act of
13 1995, in the case of employees of the legislative
14 branch who are subject to this section.

15 “(d) COVERED POSITION.—In this section, the term
16 ‘covered position’—

17 “(1) means—

18 “(A) any position in the competitive serv-
19 ice;

20 “(B) a career appointee position in the
21 Senior Executive Service;

22 “(C) a position in the excepted service; and

23 “(2) does not include any position—

24 “(A) excepted from the competitive service
25 because of its confidential, policy-determining,

1 policy-making, or policy-advocating character;
2 or

3 “(B) excluded from the coverage of section
4 2302 (by operation of subsection (a)(2)(B) of
5 such section) or chapter 75.”.

6 (2) CLERICAL AMENDMENT.—The table of sec-
7 tions for such subchapter is amended by adding
8 after the item relating to section 3330f the fol-
9 lowing:

“3330g. Election for at-will employment and lower FERS contributions.”.

10 (b) INCREASE IN FERS CONTRIBUTIONS.—Section
11 8422(a) of title 5, United States Code, is amended by add-
12 ing at the end the following:

13 “(D) The applicable percentage under this
14 paragraph for civilian service by any individual
15 who elects not to be employed on an at-will
16 basis under section 3330g shall be equal to the
17 percentage required under subparagraph (C),
18 increased by 5 percentage points.”.

19 (c) APPLICATION.—This section and the amendments
20 made by this section shall apply to individuals initially ap-
21 pointed to positions in the civil service subject to such sec-
22 tion and amendments appointed on or after the date of
23 the enactment of this Act.

1 **SEC. 90005. FILING FEE FOR MERIT SYSTEMS PROTECTION**

2 **BOARD CLAIMS AND APPEALS.**

3 (a) IN GENERAL.—Section 7701 of title 5, United
4 States Code, is amended—

5 (1) in redesignating subsection (k) as sub-
6 section (l); and

7 (2) by inserting after subsection (j) the fol-
8 lowing:

9 “(k)(1) The Board shall establish and collect a filing
10 fee to be paid by any employee, former employee, or appli-
11 cant for employment filing a claim or appeal with the
12 Board under this title, or under any other law, rule, or
13 regulation, consistent with the requirements of this sub-
14 section.

15 “(2) The filing fee under paragraph (1) shall—

16 “(A) be in an amount equal to the filing fee for
17 a civil action, suit, or proceeding under section
18 1914(a) of title 28;

19 “(B) be paid on the date the individual submits
20 a claim or appeal to the Board; and

21 “(C) if the individual is the prevailing party
22 under such claim or appeal, be returned to such in-
23 dividual.

24 “(3) The filing fee under this subsection shall not be
25 required for any—

1 “(A) action brought by the Special Counsel
2 under section 1214, 1215, or 1216; or

3 “(B) any claim or appeal of a prohibited per-
4 sonnel practice described in section 2302(b)(8) or
5 2302(b)(9)(A)(i), (B), (C), or (D) or in section
6 1221.

7 “(4) On the date that a claim or appeal with respect
8 to which the individual is not the prevailing party has not
9 been appealed and is no longer appealable because the
10 time for taking an appeal has expired, or which has been
11 appealed under section 7703 and the appeals process for
12 which is completed, the fee collected under paragraph (1)
13 shall, except as provided in paragraph (2)(C), be deposited
14 into the miscellaneous receipts of the Treasury.”.

15 (b) APPLICATION.—The fee required under the
16 amendment made by subsection (a) shall apply to any
17 claim or appeal filed with the Merit Systems Protection
18 Board after the date that is 3 months after the date of
19 the enactment of this section.

20 **SEC. 90006. FEHB PROTECTION.**

21 (a) FEHB IMPROVEMENTS.—

22 (1) DEFINITIONS.—In this subsection:

23 (A) DIRECTOR.—The term “Director”
24 means the Director of the Office of Personnel
25 Management.

1 (B) EMPLOYING OFFICE.—The term “em-
2 ploying office” has the meaning given the term
3 in section 890.101(a) of title 5, Code of Federal
4 Regulations, or any successor regulation.

5 (C) HEALTH BENEFITS PLAN; MEMBER OF
6 FAMILY.—The terms “health benefits plan” and
7 “member of family” have the meanings given
8 those terms in section 8901 of title 5, United
9 States Code.

10 (D) INSPECTOR GENERAL.—The term “In-
11 spector General” means the Inspector General
12 of the Office of Personnel Management.

13 (E) OPEN SEASON.—The term “open sea-
14 son” means an open season described in section
15 890.301(f) of title 5, Code of Federal Regula-
16 tions, or any successor regulation.

17 (F) PROGRAM.—The term “Program”
18 means the health insurance programs carried
19 out under chapter 89 of title 5, United States
20 Code, including the program carried out under
21 section 8903c of that title.

22 (G) QUALIFYING LIFE EVENT.—The term
23 “qualifying life event” has the meaning given
24 the term in section 892.101 of title 5, Code of

1 Federal Regulations, or any successor regula-
2 tion.

3 (2) VERIFICATION REQUIREMENTS.—

4 (A) IN GENERAL.—Not later than 1 year
5 after the date of the enactment of this Act, the
6 Director shall issue regulations and implement
7 a process to verify—

8 (i) the veracity of any qualifying life
9 event through which an enrollee in the
10 Program seeks to add a member of family
11 with respect to the enrollee to a health
12 benefits plan under the Program; and

13 (ii) that, when an enrollee in the Pro-
14 gram seeks to add a member of family
15 with respect to the enrollee to the health
16 benefits plan of the enrollee under the Pro-
17 gram, including during any open season,
18 the individual so added is a qualifying
19 member of family with respect to the en-
20 rollee.

21 (B) RECORD RETENTION.—The process
22 implemented under subparagraph (A) shall re-
23 quire the records used for a verification de-
24 scribed in such subparagraph under such proc-
25 ess with respect to an individual enrolled in a

1 health benefits plan under the Program to be
2 provided to the Office of Personnel Manage-
3 ment and retained by the Office of Personnel
4 Management until the expiration of a six-year
5 period beginning after the date of such
6 verification in which such individual is not en-
7 rolled in a health benefits plan under the Pro-
8 gram.

9 (3) FRAUD RISK ASSESSMENT.—In any fraud
10 risk assessment conducted with respect to the Pro-
11 gram on or after the date of the enactment of this
12 Act, the Director shall include an assessment of in-
13 dividuals who are enrolled in, or covered under, a
14 health benefits plan under the Program even though
15 those individuals are not eligible to be so enrolled or
16 covered.

17 (4) FAMILY MEMBER ELIGIBILITY
18 VERIFICATION AUDIT.—

19 (A) IN GENERAL.—During the 5-year pe-
20 riod beginning 1 year after the date of the en-
21 actment of this Act, the Director, in coordina-
22 tion with the head of each employing office,
23 shall conduct a comprehensive audit regarding
24 members of family who are covered under an

1 enrollment in a health benefits plan under the
2 Program.

3 (B) CONTENTS.—In conducting an audit
4 required by subparagraph (A), the Director, in
5 coordination with the head of each employing
6 office, shall review marriage certificates, birth
7 certificates, and other appropriate documents
8 that are necessary to determine eligibility to en-
9 roll in a health benefits plan under the Pro-
10 gram.

11 (C) RECORD RETENTION.—All records per-
12 taining to the eligibility of an individual to be
13 enrolled in, or covered under, a health benefits
14 plan under the Program obtained by the Direc-
15 tor or the head of the relevant employing office
16 in the audit required by subparagraph (A) shall
17 be retained by the Office of Personnel Manage-
18 ment until the expiration of a six-year period
19 beginning after the date of such audit in which
20 such individual is not enrolled in, or covered
21 under, a health benefits plan under the Pro-
22 gram.

23 (D) REFERRAL TO INSPECTOR GEN-
24 ERAL.—The Director shall refer any instances
25 of individuals enrolled in, or covered under, a

1 health benefits plan under the Program who are
2 not eligible to be so enrolled or covered that are
3 identified in the audit required by subparagraph
4 (A) to the Inspector General.

5 (5) DISENROLLMENT OR REMOVAL.—

6 (A) IN GENERAL.—Not later than 6
7 months after the date of the enactment of this
8 Act, the Director shall develop a process by
9 which any individual enrolled in, or covered
10 under, a health benefits plan under the Pro-
11 gram who is not eligible to be so enrolled or
12 covered shall be disenrolled or removed from en-
13 rollment in a health benefits plan under the
14 Program.

15 (B) NOTIFY INSPECTOR GENERAL.—The
16 Director shall notify the Inspector General of
17 each individual disenrolled or removed from en-
18 rollment in a health benefits plan under the
19 Program under the process developed under
20 subparagraph (A).

21 (b) EARNED BENEFITS AND HEALTHCARE ADMINIS-
22 TRATIVE SERVICES ASSOCIATED OVERSIGHT AND AUDIT
23 FUNDING.—

24 (1) IN GENERAL.—Section 8909(a)(2) of title
25 5, United States Code, is amended by striking “Con-

1 gress.” and inserting “Congress, except that the
2 amounts authorized under subsection (b)(2) for the
3 Office shall not be subject to the limitations that
4 may be specified annually by Congress.”.

5 (2) OVERSIGHT.—Section 8909(b) of title 5,
6 United States Code, is amended—

7 (A) by redesignating paragraph (2) as
8 paragraph (5); and

9 (B) by inserting after paragraph (1) the
10 following:

11 “(2) In addition to the funds provided under
12 paragraph (1), amounts of all contributions shall be
13 available for the Office to develop, maintain, and
14 conduct ongoing eligibility verification and oversight
15 over the enrollment and eligibility systems with re-
16 spect to benefits under this chapter, including the
17 Postal Service Health Benefits Program under sec-
18 tion 8903c. Amounts for the Office under this para-
19 graph shall not be available in excess of the fol-
20 lowing amounts in the following fiscal years:

21 “(A) In fiscal year 2026, \$36,792,000.

22 “(B) In fiscal year 2027, \$44,733,161.

23 “(C) In fiscal year 2028, \$50,930,778.

24 “(D) In fiscal year 2029, \$54,198,238.

25 “(E) In fiscal year 2030, \$54,855,425.

1 “(F) In fiscal year 2031, \$56,062,244.

2 “(G) In fiscal year 2032, \$57,295,613.

3 “(H) In fiscal year 2033, \$58,556,117.

4 “(I) In fiscal year 2034, \$59,844,351.

5 “(J) In fiscal year 2035 and each fiscal
6 year thereafter, the amount equal to the dollar
7 limit for the immediately preceding fiscal year,
8 increased by 2.2. percent.

9 “(3) In fiscal year 2026, \$80,000,000, to be de-
10 rived from all contributions and to remain available
11 until expended, shall be available for the Office to
12 conduct the audit required under section
13 90006(a)(4) of the Act titled ‘An Act to provide for
14 reconciliation pursuant to title II of H. Con. Res.
15 14’. Of such amount, the Office may transfer funds
16 as the Director of the Office determines necessary to
17 an employing office (as that term is defined in sec-
18 tion 890.101(a) of title 5, Code of Federal Regula-
19 tions, or any successor regulation) in order to con-
20 duct the required audit.

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 90006 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. CHANGES TO MANDATORY BENEFITS PRO-**
9 **GRAMS TO ALLOW SELECTED RESERVE OR-**
10 **DERS FOR PREPLANNED MISSIONS TO SE-**
11 **CURE MARITIME BORDERS AND INTERDICT**
12 **PERSONS AND DRUGS.**

13 (a) IN GENERAL.—Subchapter I of chapter 37 of title
14 14, United States Code, is amended by adding at the end
15 the following:

16 **“§ 3715. Selected reserve: order to active duty for**
17 **preplanned missions in support of the ac-**
18 **tive component**

19 “(a) AUTHORITY.—When the Commandant deter-
20 mines that it is necessary to augment the active forces
21 for a preplanned mission in support of Coast Guard re-
22 quirements, the Commandant may, subject to subsection
23 (b), order any member of the Selected Reserve, without
24 the consent of the member, to active duty for not more
25 than 365 consecutive days.

1 “(b) LIMITATIONS.—Members of the Selected Re-
2 serve may be ordered to active duty under this section only
3 if—

4 “(1) the manpower and associated costs of such
5 active duty are specifically included and identified in
6 the materials submitted to Congress by the Sec-
7 retary of the department in which the Coast Guard
8 is operating, in support of the budget for the fiscal
9 year or years in which such members are anticipated
10 to be ordered to active duty; and

11 “(2) the budget information on such costs in-
12 cludes a description of the mission for which such
13 members are anticipated to be ordered to active duty
14 and the anticipated length of time of the order of
15 such members to active duty on an involuntary
16 basis.

17 “(c) EXCLUSION FROM STRENGTH LIMITATIONS.—
18 Members of the Selected Reserve ordered to active duty
19 under this section shall not be counted in computing au-
20 thorized strength in members on active duty or the total
21 number of members in grade under this title or any other
22 law.

23 “(d) TERMINATION OF DUTY.—Whenever any mem-
24 ber of the Selected Reserve is ordered to active duty under
25 subsection (a), such service may be terminated—

1 “(1) by order of the Commandant; or

2 “(2) by law.

3 “(e) CONSIDERATIONS FOR INVOLUNTARY ORDER TO
4 ACTIVE DUTY.—In determining which members of the Se-
5 lected Reserve will be ordered to duty without their con-
6 sent under subsection (a), appropriate consideration shall
7 be given to—

8 “(1) the length and nature of previous service,
9 to assure such sharing of exposure to hazards as na-
10 tional security and military requirements will reason-
11 ably allow;

12 “(2) the frequency of assignments during serv-
13 ice career;

14 “(3) family responsibilities; and

15 “(4) employment necessary to maintain the na-
16 tional health, safety, or interest.

17 “(f) POLICIES AND PROCEDURES.—The Com-
18 mandant may prescribe policies and procedures to carry
19 out this section, including on determinations with respect
20 to orders to active duty under subsection (e).”.

21 (b) CLERICAL AMENDMENT.—The analysis for chap-
22 ter 37 of title 14, United States Code, is amended by in-
23 serting after the item relating to section 3714 the fol-
24 lowing:

“3715. Selected reserve: order to active duty for preplanned missions in support
of the active component”.

1 (c) DEFINITIONS.—Section 3301(1)(B) of title 38,
2 United States Code is amended by striking “section 712
3 of title 14.” and inserting “section 3713 or 3715 of title
4 14.”.

5 (d) REEMPLOYMENT RIGHTS OF PERSONS WHO
6 SERVE IN THE UNIFORMED SERVICES.—Section
7 4312(c)(4)(A) of title 38, United States Code is amended
8 by striking “712 of title 14;” and inserting “section 3713
9 or 3715 of title 14;”.

10 (e) MEDICAL AND DENTAL CARE FOR MEMBERS AND
11 CERTAIN FORMER MEMBERS.—Section 1074(d)(2) of
12 title 10, United States Code is amended by inserting “,
13 or section 3715 of title 14,” after “section 101(a)(13)(B)
14 of this title”.

15 (f) HEALTH BENEFITS.—Section 1145(a)(2)(B) of
16 title 10, United States Code is amended by inserting “,
17 or section 3715 of title 14,” after “section 101(a)(13)(B)
18 of this title”.

19 (g) AGE AND SERVICE REQUIREMENTS.—Section
20 12731(f)(2)(B)(i) of title 10, United States Code is
21 amended by inserting “, or section 3715 of title 14,” after
22 “section 101(a)(13)(B) of this title”.

23 **SEC. 100003. VESSEL TONNAGE DUTIES.**

24 Section 60301 of title 46, United States Code, is
25 amended—

1 (1) in subsection (a) by striking “, for fiscal
2 years 2006 through 2010, and 2 cents per ton, not
3 to exceed a total of 10 cents per ton per year, for
4 each fiscal year thereafter,”; and

5 (2) in subsection (b) by striking “, for fiscal
6 years 2006 through 2010, and 6 cents per ton, not
7 to exceed a total of 30 cents per ton per year, for
8 each fiscal year thereafter,”.

9 **SEC. 100004. REGISTRATION FEE ON MOTOR VEHICLES.**

10 (a) IN GENERAL.—Chapter 1 of title 23, United
11 States Code, is amended by adding at the end the fol-
12 lowing:

13 **“§ 180. Registration fee on motor vehicles.**

14 “(a) IN GENERAL.—The Administrator of the Fed-
15 eral Highway Administration shall impose for each year
16 the following registration fee amounts on the owner of a
17 vehicle registered for operation by a State motor vehicle
18 department:

19 “(1) \$250 for a covered electric vehicle.

20 “(2) \$100 for a covered hybrid vehicle.

21 “(b) WITHHOLDING OF FUNDS FOR NONCOMPLI-
22 ANCE.—The Administrator shall withhold, from amounts
23 required to be apportioned to any State under section
24 104(b), an amount equal to 125 percent to the amount
25 required to be remitted under subsection (c)(2). The Ad-

1 ministrator shall withhold the amount on the first day of
2 each fiscal year beginning after September 30, 2026, in
3 which the State does not meet the requirements of sub-
4 section (c).

5 “(c) COLLECTION AND REMITTANCE OF FEE.—

6 “(1) COLLECTION OF FEE.—A State motor ve-
7 hicle department shall—

8 “(A) incorporate the collection of the fees
9 established under subsection (a) into the vehicle
10 registration and renewal processes administered
11 by such department, so long as such fees are
12 imposed for each year in which the fees are re-
13 quired; or

14 “(B) obtain approval from the Adminis-
15 trator to establish an alternate means of com-
16 pliance for the collection of such fees that is ac-
17 ceptable to the Administrator.

18 “(2) REMITTANCE OF FEE.—Not later than 30
19 days after the last day of each month, a State motor
20 vehicle department shall remit to the Administrator
21 the balance of the total fee amounts collected under
22 this section in the preceding month less the portion
23 reserved for administrative expenses under sub-
24 section (e).

1 “(d) FEE ASSESSMENT.—The amounts specified in
2 subsection (a) shall be increased on an annual basis to
3 account for the rate of inflation each fiscal year in accord-
4 ance with the Consumer Price Index for All Urban Con-
5 sumers of the Bureau of Labor Statistics.

6 “(e) ADMINISTRATIVE EXPENSES.—In any fiscal
7 year in which a State is in compliance with this section,
8 such State may retain an amount not to exceed 1 percent
9 of the total fees collected under this section for adminis-
10 trative expenses.

11 “(f) APPLICABILITY OF FEES.—The fees imposed
12 under paragraphs (1) and (2) of subsection (a) shall ter-
13minate on October 1, 2035.

14 “(g) DEFINITIONS.—In this section:

15 “(1) COVERED ELECTRIC VEHICLE.—The term
16 ‘covered electric vehicle’ means a covered motor vehi-
17 cle with an electric motor as the sole means of pro-
18 pulsion of such vehicle.

19 “(2) COVERED MOTOR VEHICLE.—The term
20 ‘covered motor vehicle’ has the meaning given the
21 term ‘motor vehicle’ under section 154(a) but ex-
22 cludes a motor vehicle that is a covered farm vehicle
23 or commercial motor vehicle (as such terms are de-
24 fined in section 390.5 of title 49, Code of Federal
25 Regulations).

1 “(3) COVERED HYBRID VEHICLE.—The term
2 ‘covered hybrid vehicle’ means a covered motor vehi-
3 cle propelled by a combination of an electric motor
4 and an internal combustion engine or other power
5 source and components thereof.”.

6 (b) IMPLEMENTATION OF CERTAIN PROCESSES.—

7 (1) IMPLEMENTATION.—The Administrator of
8 the Federal Highway Administration shall provide
9 grants to State motor vehicle departments to imple-
10 ment a process to carry out section 180 of title 23,
11 United States Code.

12 (2) FUNDING.—Out of any money in the Treas-
13 ury not otherwise appropriated, \$104,000,000 is to
14 remain available until September 30, 2029, begin-
15 ning in the first fiscal year following the date of en-
16 actment of this Act, for grants under paragraph (1).

17 (3) ELIGIBLE AMOUNTS.—Each State motor ve-
18 hicle department may receive not more than
19 \$2,000,000 under this subsection.

20 (c) REGULATIONS.—The Administrator shall issue
21 such regulations and guidance as are necessary to—

22 (1) carry out section 180 of title 23, United
23 States Code (as added by this Act); and

1 (2) establish a process for the timely and accu-
2 rate remittance of fees collected under such section
3 through an electronic method.

4 (d) REPORT.—Not later than 2 years after the date
5 of enactment of this Act, the Administrator shall submit
6 to the Committee on Transportation and Infrastructure
7 of the House of Representatives and the Committee on
8 Environment and Public Works of the Senate a report on
9 the status of the implementation of section 180 of title
10 23, United States Code (as added by this Act).

11 (e) CLERICAL AMENDMENT.—The analysis for chap-
12 ter 1 of title 23, United States Code, is amended by add-
13 ing at the end the following:

“180. Registration fee on motor vehicles.”.

14 **SEC. 100005. DEPOSIT OF REGISTRATION FEE ON MOTOR**
15 **VEHICLES.**

16 Any amounts accrued pursuant to section 180 of title
17 23, United States Code (as added by this Act), shall be
18 deposited into the Highway Trust Fund.

19 **SEC. 100006. MOTOR CARRIER DATA.**

20 (a) PUBLIC CONFIRMATION OF AUTHORIZED MOTOR
21 CARRIERS.—There is appropriated \$5,000,000 to the Ad-
22 ministrator of the Federal Motor Carrier Safety Adminis-
23 tration to establish a public website to present data on
24 motor carriers, as such term is defined in section 13102
25 of title 49, United States Code, in a manner that indicates

1 whether each motor carrier meets or does not meet all Ad-
2 ministration operating requirements, including by dis-
3 playing 1 of the following statements for each motor car-
4 rier:

5 (1) “This motor carrier meets Federal Motor
6 Carrier Safety Administration operating require-
7 ments and is authorized to operate on the nation’s
8 roadways.”.

9 (2) “This motor carrier does not meet Federal
10 Motor Carrier Safety Administration operating re-
11 quirements and is not authorized to operate on the
12 nation’s roadways.”.

13 (b) USAGE FEE.—The Administrator shall assess an
14 annual fee of \$100 on each person seeking access to the
15 website established under subsection (a). In each fiscal
16 year through fiscal year 2033, monies collected under this
17 subsection shall be—

18 (1) credited to the account in the Treasury
19 from which the Administrator incurs expenses for
20 establishing, maintaining, and updating the website
21 required to be established under subsection (a); and

22 (2) available for establishing, maintaining, and
23 updating such website without further appropriation.

24 (c) DETERMINATION.—A broker, freight forwarder,
25 or household goods freight forwarder, as such terms are

1 defined in section 13102 of title 49, United States Code,
2 that uses the website established under subsection (a) to
3 ensure that a motor carrier engaged by such broker,
4 freight forwarder, or household goods freight forwarder
5 meets Federal Motor Carrier Safety Administration oper-
6 ating requirements shall be considered to have taken rea-
7 sonable and prudent determinations in engaging such
8 motor carrier.

9 **SEC. 100007. IRA RESCISSIONS.**

10 (a) REPEAL OF FUNDING FOR ALTERNATIVE FUEL
11 AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.—
12 The unobligated balances of amounts made available to
13 carry out section 40007 of Public Law 117–169 (49
14 U.S.C. 44504 note) (as in effect on the day before the
15 date of enactment of this Act) are permanently rescinded.

16 (b) REPEAL OF FUNDING FOR NEIGHBORHOOD AC-
17 CESS AND EQUITY GRANT PROGRAM.—The unobligated
18 balances of amounts made available to carry out section
19 177 of title 23, United States Code, (as in effect on the
20 day before the date of enactment of this Act) are perma-
21 nently rescinded.

22 (c) REPEAL OF FUNDING FOR FEDERAL BUILDING
23 ASSISTANCE.—The unobligated balances of amounts made
24 available to carry out section 60502 of Public Law 117–

1 169 (136 Stat. 2083) (as in effect on the day before the
2 date of enactment of this Act) are permanently rescinded.

3 (d) REPEAL OF FUNDING FOR USE OF LOW-CARBON
4 MATERIALS FOR FEDERAL BUILDING ASSISTANCE.— The
5 unobligated balances of amounts made available to carry
6 out section 60503 of Public Law 117–169 (136 Stat.
7 2083) (as in effect on the day before the date of enactment
8 of this Act) are permanently rescinded.

9 (e) REPEAL OF FUNDING FOR GENERAL SERVICES
10 ADMINISTRATION EMERGING TECHNOLOGIES.—The un-
11 obligated balances of amounts made available to carry out
12 section 60504 of Public Law 117–169 (136 Stat. 2083)
13 (as in effect on the day before the date of enactment of
14 this Act) are permanently rescinded.

15 (f) REPEAL OF ENVIRONMENTAL REVIEW IMPLE-
16 MENTATION FUNDS.—The unobligated balances of
17 amounts made available to carry out section 178 of title
18 23, United States Code, (as in effect on the day before
19 the date of enactment of this Act) are permanently re-
20 scinded.

21 (g) REPEAL OF FUNDING FOR LOW-CARBON TRANS-
22 PORTATION MATERIALS GRANTS.— The unobligated bal-
23 ances of amounts made available to carry out section 179
24 of title 23, United States Code, (as in effect on the day

1 before the date of enactment of this Act) are permanently
2 rescinded.

3 **SEC. 100008. AIR TRAFFIC CONTROL STAFFING AND MOD-**
4 **ERNIZATION.**

5 (a) IN GENERAL.—For the purpose of the acquisi-
6 tion, construction, sustainment, improvement, and oper-
7 ation of facilities and equipment necessary to improve or
8 maintain aviation safety, and for personnel expenses re-
9 lated to such facilities and equipment, in addition to
10 amounts otherwise made available, there is appropriated
11 to the Administrator of the Federal Aviation Administra-
12 tion for fiscal year 2025, out of any money in the Treasury
13 not otherwise appropriated, to remain available until Sep-
14 tember 30, 2029—

15 (1) \$2,160,000,000 for air traffic control tower
16 and terminal radar approach control facility replace-
17 ment, of which not less than \$240,000,000 shall be
18 available for Contract Tower Program air traffic
19 control tower replacement and airport sponsor-
20 owned air traffic control tower replacement;

21 (2) \$3,000,000,000 for radar systems replace-
22 ment;

23 (3) \$4,750,000,000 for telecommunications in-
24 frastructure and systems replacement;

(4) \$500,000,000 for runway safety projects, airport surface surveillance projects, and to carry out section 347 of the FAA Reauthorization Act of 2024;

5 (5) \$550,000,000 for unstaffed infrastructure
6 sustainment and replacement;

7 (6) \$300,000,000 to carry out section 619 of
8 the FAA Reauthorization Act of 2024;

9 (7) \$260,000,000 to carry out section 44745 of
10 title 49, United States Code; and

(8) \$1,000,000,000 for air traffic controller recruitment, retention, training, and advanced training technologies.

(b) QUARTERLY REPORTING.—Not later than 180 days after the date of enactment of this Act, and every 90 days thereafter, the Administrator shall submit to Congress a report that describes any expenditures under this section.

19 SEC. 100009. JOHN F. KENNEDY CENTER FOR THE PER-
20 FORMING ARTS APPROPRIATIONS.

21 In addition to amounts otherwise made available,
22 there is appropriated for fiscal year 2025, out of any
23 money in the Treasury not otherwise appropriated—

(1) \$241,750,000 for necessary expenses for capital repair and restoration of the building and

1 site of the John F. Kennedy Center for the Per-
2 forming Arts, to remain available until September
3 30, 2029;

4 (2) \$7,707,000 for necessary expenses for the
5 operation, maintenance, and security of the John F.
6 Kennedy Center for the Performing Arts, to remain
7 available until September 30, 2027; and

8 (3) \$7,200,000 for administrative expenses of
9 the John F. Kennedy Center for the Performing
10 Arts to carry out the purposes of this section, to re-
11 main available until September 30, 2029.

12 **TITLE XI—COMMITTEE ON WAYS**
13 **AND MEANS, “THE ONE, BIG,**
14 **BEAUTIFUL BILL”**

15 **SEC. 110000. REFERENCES TO THE INTERNAL REVENUE**
16 **CODE OF 1986, ETC.**

17 (a) REFERENCES.—Except as otherwise expressly
18 provided, whenever in this title, an amendment or repeal
19 is expressed in terms of an amendment to, or repeal of,
20 a section or other provision, the reference shall be consid-
21 ered to be made to a section or other provision of the In-
22 ternal Revenue Code of 1986.

23 (b) CERTAIN RULES REGARDING EFFECT OF RATE
24 CHANGES NOT APPLICABLE.—Section 15 of the Internal
25 Revenue Code of 1986 shall not apply to any change in

1 rate of tax by reason of any provision of, or amendment
2 made by, this title.

3 **Subtitle A—Make American**
4 **Families and Workers Thrive Again**
5 **PART 1—PERMANENTLY PREVENTING TAX HIKES**
6 **ON AMERICAN FAMILIES AND WORKERS**

7 **SEC. 110001. EXTENSION OF MODIFICATION OF RATES.**

8 (a) IN GENERAL.—Section 1(j) is amended—

9 (1) in paragraph (1), by striking “, and before
10 January 1, 2026”, and

11 (2) by striking “2018 THROUGH 2025” in the
12 heading and inserting “BEGINNING AFTER 2017”.

13 (b) INFLATION ADJUSTMENT.—Section 1(j)(3)(B)(i)
14 is amended by inserting “in the case of any taxable year
15 beginning after December 31, 2025, solely for purposes
16 of determining the dollar amounts at which the 35-percent
17 rate bracket ends and the 37-percent rate bracket begins,”
18 before “subsection (f)(3)”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

22 **SEC. 110002. EXTENSION OF INCREASED STANDARD DEDUC-**
23 **TION AND TEMPORARY ENHANCEMENT.**

24 (a) IN GENERAL.—Section 63(c)(7) is amended—

1 (1) by striking “, and before January 1, 2026”

2 in the matter preceding subparagraph (A), and

3 (2) by striking “2018 THROUGH 2025” in the

4 heading and inserting “BEGINNING AFTER 2017”.

5 (b) TEMPORARY ADDITIONAL INCREASE IN STAND-

6 ARD DEDUCTION.—Section 63(c)(7) is amended by adding

7 at the end the following new subparagraph:

8 “(C) TEMPORARY ADDITIONAL INCREASE

9 IN STANDARD DEDUCTION.—In the case of any

10 taxable year beginning after December 31,

11 2024, and before January 1, 2029—

12 “(i) the dollar amount otherwise in ef-

13 fect under paragraph (2)(B) shall be in-

14 creased by \$1,500, and

15 “(ii) the dollar amount otherwise in

16 effect under paragraph (2)(C) shall be in-

17 creased by \$1,000.”.

18 (c) RECALCULATION OF INFLATION ADJUSTMENT.—

19 Section 63(c)(7)(B)(ii)(II) is amended by striking “, de-

20 termined by substituting ‘2017’ for ‘2016’ in subpara-

21 graph (A)(ii) thereof”.

22 (d) EFFECTIVE DATE.—

23 (1) IN GENERAL.—The amendments made by

24 subsection (a) shall apply to taxable years beginning

25 after December 31, 2025.

1 (2) TEMPORARY ADDITIONAL INCREASE IN
2 STANDARD DEDUCTION.—The amendment made by
3 subsection (b) shall apply to taxable years beginning
4 after December 31, 2024.

5 **SEC. 110003. TERMINATION OF DEDUCTION FOR PERSONAL**
6 **EXEMPTIONS.**

7 (a) IN GENERAL.—Section 151(d)(5) is amended—

8 (1) by striking “and before January 1, 2026”,
9 and

10 (2) by striking “2018 THROUGH 2025” in the
11 heading and inserting “BEGINNING AFTER 2017”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

15 **SEC. 110004. EXTENSION OF INCREASED CHILD TAX CREDIT**
16 **AND TEMPORARY ENHANCEMENT.**

17 (a) EXTENSION OF EXPANDED CHILD TAX CRED-
18 IT.—Section 24(h) is amended—

19 (1) in paragraph (1), by striking “and before
20 January 1, 2026,”, and

21 (2) by striking “2018 THROUGH 2025” in the
22 heading and inserting “BEGINNING AFTER 2017”.

23 (b) INCREASE IN CHILD TAX CREDIT.—Section
24 24(h)(2) is amended to read as follows:

1 “(2) CREDIT AMOUNT.—Subsection (a) shall be
2 applied by substituting—

3 “(A) in the case of taxable years beginning
4 after December 31, 2024, and before December
5 31, 2028, ‘\$2,500’ for ‘\$1,000’, or

6 “(B) in the case of any subsequent taxable
7 year, ‘\$2,000’ for ‘\$1,000’.”.

8 (c) SOCIAL SECURITY NUMBER REQUIRED.—Section
9 24(h)(7) is amended to read as follows:

10 “(7) SOCIAL SECURITY NUMBER REQUIRED.—

11 “(A) IN GENERAL.—No credit shall be al-
12 lowed under this section to a taxpayer with re-
13 spect to any qualifying child unless the taxpayer
14 includes on the return of tax for the taxable
15 year—

16 “(i) such individual’s social security
17 number,

18 “(ii) the social security number of
19 such qualifying child, and

20 “(iii) if the individual is married, the
21 social security number of such individual’s
22 spouse.

23 “(B) SOCIAL SECURITY NUMBER.—For
24 purposes of this paragraph, the term ‘social se-
25 curity number’ means a social security number

1 issued to an individual by the Social Security
2 Administration, but only if the social security
3 number is issued—

4 “(i) to a citizen of the United States
5 or pursuant to subclause (I) (or that por-
6 tion of subclause (III) that relates to sub-
7 clause (I)) of section 205(c)(2)(B)(i) of the
8 Social Security Act, and

9 “(ii) before the due date for such re-
10 turn.

11 “(C) MARRIED INDIVIDUALS.—Rules simi-
12 lar to the rules of section 32(d) shall apply to
13 this section.”.

14 (d) INFLATION ADJUSTMENTS.—

15 (1) IN GENERAL.—Section 24(i) is amended to
16 read as follows:

17 “(i) INFLATION ADJUSTMENTS.—

18 “(1) MAXIMUM AMOUNT OF REFUNDABLE
19 CREDIT.—In the case of a taxable year beginning
20 after 2024, the \$1,400 amount in subsection (h)(5)
21 shall be increased by an amount equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3) for the calendar
25 year in which the taxable year begins, deter-

1 mined by substituting ‘2017’ for ‘2016’ in sub-
2 paragraph (A)(ii) thereof.

3 “(2) SPECIAL RULE FOR ADJUSTMENT OF
4 CREDIT AMOUNT.—In the case of a taxable year be-
5 ginning after 2028, the \$2,000 amount in subsection
6 (h)(2)(B), shall be increased by an amount equal
7 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 the taxable year begins, deter-
12 mined by substituting ‘2024’ for ‘2016’ in sub-
13 paragraph (A)(ii) thereof.

14 “(3) ROUNDING.—If any increase under this
15 subsection is not a multiple of \$100, such increase
16 shall be rounded to the next lowest multiple of
17 \$100.”.

18 (e) CONFORMING AMENDMENT.—Section 24(h)(5) is
19 amended to read as follows:

20 “(5) MAXIMUM AMOUNT OF REFUNDABLE
21 CREDIT.—The amount determined under subsection
22 (d)(1)(A) with respect to any qualifying child shall
23 not exceed \$1,400, and such subsection shall be ap-
24 plied without regard to paragraph (4) of this sub-
25 section.”.

1 (f) TREATMENT OF CERTAIN BENEFITS OF MEM-
2 BERS OF RELIGIOUS AND APOSTOLIC ASSOCIATIONS AS
3 EARNED INCOME.—Section 24(d)(1) is amended by add-
4 ing at the end the following: “For purposes of subpara-
5 graph (B), any amount treated as a dividend received
6 under the last sentence of section 501(d) shall be treated
7 as earned income which is taken into account in com-
8 puting taxable income for the taxable year.”.

9 (g) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2024.

12 **SEC. 110005. EXTENSION OF DEDUCTION FOR QUALIFIED**
13 **BUSINESS INCOME AND PERMANENT EN-**
14 **HANCEMENT.**

15 (a) MADE PERMANENT.—Section 199A is amended
16 by striking subsection (i).

17 (b) INCREASE IN DEDUCTION.—Subsections (a)(2),
18 (b)(1)(B), and (b)(2)(A) of section 199A are each amend-
19 ed by striking “20 percent” and inserting “23 percent”.

20 (c) MODIFICATION OF LIMITATIONS BASED ON TAX-
21 ABLE INCOME.—

22 (1) IN GENERAL.—Section 199A(b)(3) is
23 amended to read as follows:

1 “(3) MODIFICATION OF DETERMINATION OF
2 COMBINED QUALIFIED BUSINESS INCOME AMOUNT
3 BASED ON TAXABLE INCOME.—

4 “(A) EXCEPTION FROM LIMITATIONS.—In
5 the case of any taxpayer whose taxable income
6 for the taxable year does not exceed the thresh-
7 old amount—

8 “(i) paragraph (2) shall be applied
9 without regard to subparagraph (B), and

10 “(ii) a specified service trade or busi-
11 ness shall not fail to be treated as a quali-
12 fied trade or business solely by reason of
13 subsection (d)(1)(A).

14 “(B) PHASE-IN OF LIMITATIONS.—In the
15 case of any taxpayer whose taxable income for
16 the taxable year exceeds the threshold amount,
17 the sum described in paragraph (1)(A) (deter-
18 mined without regard to this subparagraph)
19 shall instead be an amount (if greater) equal to
20 the excess (if any) of—

21 “(i) the sum described in paragraph
22 (1)(A) (determined by applying the rules of
23 clauses (i) and (ii) of subparagraph (A)),
24 over

25 “(ii) the limitation phase-in amount.

1 “(C) LIMITATION PHASE-IN AMOUNT.—

2 For purposes of subparagraph (B), the limita-
3 tion phase-in amount shall be an amount equal
4 to 75 percent of the excess (if any) of—

5 “(i) the taxable income of the tax-
6 payer for the taxable year, over

7 “(ii) the threshold amount.”.

8 (2) CONFORMING AMENDMENT.—Section
9 199A(d) is amended by striking paragraph (3).

10 (d) DEDUCTION FOR QUALIFIED BUSINESS INCOME
11 TO APPLY TO CERTAIN INTEREST DIVIDENDS OF QUALI-
12 FIED BUSINESS DEVELOPMENT COMPANIES.—

13 (1) IN GENERAL.—Subsections (b)(1)(B) and
14 (c)(1) of section 199A are each amended by insert-
15 ing “, qualified BDC interest dividends,” after
16 “qualified REIT dividends”.

17 (2) QUALIFIED BDC INTEREST DIVIDEND DE-
18 FINED.—Section 199A(e) is amended by adding at
19 the end the following new paragraph:

20 “(5) QUALIFIED BDC INTEREST DIVIDEND.—

21 “(A) IN GENERAL.—The term ‘qualified
22 BDC interest dividend’ means any dividend
23 from an electing business development company
24 received during the taxable year which is attrib-
25 utable to net interest income of such company

1 which is properly allocable to a qualified trade
2 or business of such company.

3 “(B) ELECTING BUSINESS DEVELOPMENT
4 COMPANY.—For purposes of this paragraph, the
5 term ‘electing business development company’
6 means a business development company (as de-
7 fined in section 2(a) of the Investment Com-
8 pany Act of 1940) which has an election in ef-
9 fect under section 851 to be treated as a regu-
10 lated investment company.”.

11 (e) MODIFIED INFLATION ADJUSTMENT.—Section
12 199A(e)(2)(B) is amended—

13 (1) by striking “2018” and inserting “2025”,
14 and

15 (2) in clause (ii), by striking “, determined by
16 substituting ‘calendar year 2017’ for ‘calendar year
17 2016’ in subparagraph (A)(ii) thereof”.

18 (f) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2025.

21 **SEC. 110006. EXTENSION OF INCREASED ESTATE AND GIFT**
22 **TAX EXEMPTION AMOUNTS AND PERMANENT**
23 **ENHANCEMENT.**

24 (a) IN GENERAL.—Section 2010(c)(3) is amended—

1 (1) in subparagraph (A) by striking
2 “\$5,000,000” and inserting “\$15,000,000”,

3 (2) in subparagraph (B)—

4 (A) in the matter preceding clause (i), by
5 striking “2011” and inserting “2026”, and

6 (B) in clause (ii), by striking “calendar
7 year 2010” and inserting “calendar year
8 2025”, and

9 (3) by striking subparagraph (C).

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2025.

13 **SEC. 110007. EXTENSION OF INCREASED ALTERNATIVE MIN-**
14 **IMUM TAX EXEMPTION AND PHASE-OUT**
15 **THRESHOLDS.**

16 (a) IN GENERAL.—Section 55(d)(4) is amended—

17 (1) in subparagraph (A), by striking “, and be-
18 fore January 1, 2026”, and

19 (2) by striking “2018 THROUGH 2025” in the
20 heading and inserting “BEGINNING AFTER 2017”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2025.

1 **SEC. 110008. EXTENSION OF LIMITATION ON DEDUCTION**
2 **FOR QUALIFIED RESIDENCE INTEREST.**

3 (a) IN GENERAL.—Section 163(h)(3)(F) is amend-
4 ed—

5 (1) in clause (i), by striking “, and before Jan-
6 uary 1, 2026”,

7 (2) by striking clause (ii) and redesignating
8 clauses (iii) and (iv) as clauses (ii) and (iii), respec-
9 tively, and

10 (3) by striking “2018 THROUGH 2025” in the
11 heading and inserting “BEGINNING AFTER 2017”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

15 **SEC. 110009. EXTENSION OF LIMITATION ON CASUALTY**
16 **LOSS DEDUCTION.**

17 (a) IN GENERAL.—Section 165(h)(5) is amended—

18 (1) in subparagraph (A), by striking “and be-
19 fore January 1, 2026,” and

20 (2) by striking “2018 THROUGH 2025” in the
21 heading and inserting “BEGINNING AFTER 2017”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2025.

1 **SEC. 110010. TERMINATION OF MISCELLANEOUS ITEMIZED**
2 **DEDUCTION.**

3 (a) IN GENERAL.—Section 67(g) is amended—

4 (1) by striking “, and before January 1, 2026”,
5 and

6 (2) by striking “2018 THROUGH 2025” and in
7 the heading inserting “BEGINNING AFTER 2017”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 **SEC. 110011. LIMITATION ON TAX BENEFIT OF ITEMIZED**
12 **DEDUCTIONS.**

13 (a) IN GENERAL.—Section 68 is amended to read as
14 follows:

15 **“SEC. 68. LIMITATION ON TAX BENEFIT OF ITEMIZED DE-**
16 **DUCTIONS.**

17 “(a) IN GENERAL.—In the case of an individual, the
18 amount of the itemized deductions otherwise allowable for
19 the taxable year (determined without regard to this sec-
20 tion) shall be reduced by 2/37 of the lesser of—

21 “(1) such amount of itemized deductions, or

22 “(2) so much of the taxable income of the tax-
23 payer for the taxable year (determined without re-
24 gard to this section and increased by such amount
25 of itemized deductions) as exceeds the dollar amount

1 at which the 37 percent rate bracket under section
2 1 begins with respect to the taxpayer.

3 “(b) COORDINATION WITH OTHER LIMITATIONS.—
4 This section shall be applied after the application of any
5 other limitation on the allowance of any itemized deduc-
6 tion.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

10 **SEC. 110012. TERMINATION OF QUALIFIED BICYCLE COM-**
11 **MUTING REIMBURSEMENT EXCLUSION.**

12 (a) IN GENERAL.—Section 132(f)(8) is amended by
13 striking “, and before January 1, 2026”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2025.

17 **SEC. 110013. EXTENSION OF LIMITATION ON EXCLUSION**
18 **AND DEDUCTION FOR MOVING EXPENSES.**

19 (a) TERMINATION OF DEDUCTION.—Section 217(k)
20 is amended—

21 (1) by striking “, and before January 1, 2026”,
22 and

23 (2) by striking “2018 THROUGH 2025” in the
24 heading and inserting “BEGINNING AFTER 2017”.

1 (b) TERMINATION OF REIMBURSEMENT.—Section
2 132(g)(2) is amended—

3 (1) by striking “, and before January 1, 2026”,
4 and

5 (2) by striking “2018 THROUGH 2025” in the
6 heading and inserting “BEGINNING AFTER 2017”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

10 **SEC. 110014. EXTENSION OF LIMITATION ON WAGERING**
11 **LOSSES.**

12 (a) IN GENERAL.—Section 165(d) is amended by
13 striking “and before January 1, 2026,”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2025.

17 **SEC. 110015. EXTENSION OF INCREASED LIMITATION ON**
18 **CONTRIBUTIONS TO ABLE ACCOUNTS AND**
19 **PERMANENT ENHANCEMENT.**

20 (a) IN GENERAL.—Section 529A(b)(2)(B) is amend-
21 ed—

22 (1) in clause (i), by inserting “(determined by
23 substituting ‘1996’ for ‘1997’ in paragraph (2)(B)
24 thereof)” after “section 2503(b)”, and

1 (2) in clause (ii), by striking “before January
2 1, 2026”.

3 (b) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided in this subsection, the amendments made by
6 this section shall apply to contributions made after
7 December 31, 2025.

8 (2) MODIFIED INFLATION ADJUSTMENT.—The
9 amendment made by subsection (a)(1) shall apply to
10 taxable years beginning after December 31, 2025.

11 **SEC. 110016. EXTENSION OF SAVERS CREDIT ALLOWED FOR**
12 **ABLE CONTRIBUTIONS.**

13 (a) IN GENERAL.—Section 25B(d)(1) is amended to
14 read as follows:

15 “(1) IN GENERAL.—The term ‘qualified retire-
16 ment savings contributions’ means, with respect to
17 any taxable year, the sum of—

18 “(A) the amount of contributions made by
19 the eligible individual during such taxable year
20 to the ABLE account (within the meaning of
21 section 529A) of which such individual is the
22 designated beneficiary, and

23 “(B) in the case of any taxable year begin-
24 ning before January 1, 2027—

1 “(i) the amount of the qualified retire-
2 ment contributions (as defined in section
3 219(e)) made by the eligible individual,

4 “(ii) the amount of—

5 “(I) any elective deferrals (as de-
6 fined in section 402(g)(3)) of such in-
7 dividual, and

8 “(II) any elective deferral of com-
9 pensation by such individual under an
10 eligible deferred compensation plan
11 (as defined in section 457(b)) of an
12 eligible employer described in section
13 457(e)(1)(A), and

14 “(iii) the amount of voluntary em-
15 ployee contributions by such individual to
16 any qualified retirement plan (as defined
17 in section 4974(c)).”.

18 (b) COORDINATION WITH SECURE 2.0 ACT OF
19 2022 AMENDMENT.—Paragraph (1) of section 103(e) of
20 the SECURE 2.0 Act of 2022 is repealed, and the Inter-
21 nal Revenue Code of 1986 shall be applied and adminis-
22 tered as though such paragraph were never enacted.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years ending after De-
25 cember 31, 2025.

1 **SEC. 110017. EXTENSION OF ROLLOVERS FROM QUALIFIED**
2 **TUITION PROGRAMS TO ABLE ACCOUNTS**
3 **PERMITTED.**

4 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is
5 amended by striking “before January 1, 2026,”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years beginning after
8 December 31, 2025.

9 **SEC. 110018. EXTENSION OF TREATMENT OF CERTAIN INDI-**
10 **VIDUALS PERFORMING SERVICES IN THE**
11 **SINAI PENINSULA AND ENHANCEMENT TO IN-**
12 **CLUDE ADDITIONAL AREAS.**

13 (a) TREATMENT MADE PERMANENT.—Section
14 11026(a) of Public Law 115–97 is amended by striking
15 “with respect to the applicable period,”.

16 (b) KENYA, MALI, BURKINA FASO, AND CHAD IN-
17 CLUDED AS HAZARDOUS DUTY AREAS.—Section
18 11026(b) of Public Law 115–97 is amended to read as
19 follows:

20 “(b) QUALIFIED HAZARDOUS DUTY AREA.—For
21 purposes of this section, the term ‘qualified hazardous
22 duty area’ means—

23 “(1) the Sinai Peninsula of Egypt, if as of De-
24 cember, 22, 2017, any member of the Armed Forces
25 of the United States is entitled to special pay under
26 section 310 of title 37, United States Code (relating

1 to special pay; duty subject to hostile fire or immi-
2 nent danger), for services performed in such loca-
3 tion, and

4 “(2) Kenya, Mali, Burkina Faso, and Chad if,
5 as of the date of the enactment of this paragraph,
6 any member of the Armed Forces of the United
7 States is entitled to special pay under such section,
8 for services performed in such location.

9 Such term includes any such location only during the pe-
10 riod such entitlement is in effect with respect to such loca-
11 tion.”.

12 (c) CONFORMING AMENDMENT.—Section 11026 of
13 Public Law 115–97 is amended by striking subsections (c)
14 and (d).

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on January 1, 2026.

17 **SEC. 110019. EXTENSION OF EXCLUSION FROM GROSS IN-**
18 **COME OF STUDENT LOANS DISCHARGED ON**
19 **ACCOUNT OF DEATH OR DISABILITY.**

20 (a) IN GENERAL.—Section 108(f)(5) is amended to
21 read as follows:

22 “(5) DISCHARGES ON ACCOUNT OF DEATH OR
23 DISABILITY.—

24 “(A) IN GENERAL.—In the case of an indi-
25 vidual, gross income does not include any

1 amount which (but for this subsection) would
2 be includible in gross income for such taxable
3 year by reason of the discharge (in whole or in
4 part) of any loan described in subparagraph
5 (B), if such discharge was—

6 “(i) pursuant to subsection (a) or (d)
7 of section 437 of the Higher Education
8 Act of 1965 or the parallel benefit under
9 part D of title IV of such Act (relating to
10 the repayment of loan liability),

11 “(ii) pursuant to section 464(c)(1)(F)
12 of such Act, or

13 “(iii) otherwise discharged on account
14 of death or total and permanent disability
15 of the student.

16 “(B) LOANS DISCHARGED.—A loan is de-
17 scribed in this subparagraph if such loan is—

18 “(i) a student loan (as defined in
19 paragraph (2)), or

20 “(ii) a private education loan (as de-
21 fined in section 140(a) of the Consumer
22 Credit Protection Act (15 U.S.C. 1650(a)).

23 “(C) SOCIAL SECURITY NUMBER REQUIRE-
24 MENT.—

1 “(i) IN GENERAL.—Subparagraph (A)
2 shall not apply with respect to any dis-
3 charge during any taxable year unless the
4 taxpayer includes on the return of tax for
5 such taxable year—

6 “(I) the taxpayer’s social security
7 number, and

8 “(II) if the taxpayer is married,
9 the social security number of such
10 taxpayers’s spouse.

11 “(ii) SOCIAL SECURITY NUMBER.—
12 For purposes of this subparagraph, the
13 term ‘social security number’ has the
14 meaning given such term in section
15 24(h)(7).

16 “(iii) MARRIED INDIVIDUALS.—Rules
17 similar to the rules of section 32(d) shall
18 apply to this subparagraph.”.

19 (b) OMISSION OF CORRECT SOCIAL SECURITY NUM-
20 BER TREATED AS MATHEMATICAL OR CLERICAL
21 ERROR.—Section 6213(g)(2) is amended by striking
22 “and” at the end of subparagraph (U), by striking the
23 period at the end of subparagraph (V) and inserting “,
24 and”, and by inserting after subparagraph (V) the fol-
25 lowing new subparagraph:

1 “(W) an omission of a correct social secu-
2 rity number required under section
3 108(f)(5)(C) (relating to discharges on account
4 of death or disability).”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to discharges after December 31,
7 2025.

8 **PART 2—ADDITIONAL TAX RELIEF FOR**
9 **AMERICAN FAMILIES AND WORKERS**

10 **SEC. 110101. NO TAX ON TIPS.**

11 (a) DEDUCTION ALLOWED.—Part VII of subchapter
12 B of chapter 1 is amended by redesignating section 224
13 as section 225 and by inserting after section 223 the fol-
14 lowing new section:

15 **“SEC. 224. QUALIFIED TIPS.**

16 “(a) IN GENERAL.—There shall be allowed as a de-
17 duction an amount equal to the qualified tips received dur-
18 ing the taxable year that are included on statements fur-
19 nished to the individual pursuant to section 6041(d)(3),
20 6041A(e)(3), 6050W(f)(2), 6051(a)(18), or reported by
21 the taxpayer on Form 4137 (or successor).

22 “(b) TIPS RECEIVED IN COURSE OF TRADE OR BUSI-
23 NESS.—In the case of qualified tips received by an indi-
24 vidual during any taxable year in the course of any trade
25 or business of such individual, such qualified tips shall be

1 taken into account under subsection (a) only to the extent
2 that the gross receipts of the taxpayer from such trade
3 or business for such taxable year (including such qualified
4 tips) exceeds the sum of—

5 “(1) cost of goods sold that are allocable to
6 such receipts, plus

7 “(2) other expenses, losses, or deductions (other
8 than the deduction allowed under this section),
9 which are properly allocable to such receipts.

10 “(c) QUALIFIED TIPS.—For purposes of this sec-
11 tion—

12 “(1) IN GENERAL.—The term ‘qualified tip’
13 means any cash tip received by an individual in an
14 occupation which traditionally and customarily re-
15 ceived tips on or before December 31, 2024, as pro-
16 vided by the Secretary.

17 “(2) EXCLUSIONS.—Such term shall not in-
18 clude any amount received by an individual unless—

19 “(A) such amount is paid voluntarily with-
20 out any consequence in the event of non-
21 payment, is not the subject of negotiation, and
22 is determined by the payor,

23 “(B) the trade or business in the course of
24 which the individual receives such amount is

1 not a specified service trade or business (as de-
2 fined in section 199A(d)(2)),

3 “(C) such individual is not a highly com-
4 pensated employee (as defined in section
5 414(q)(1)) of any employer for the calendar
6 year in which the taxable year begins, and does
7 not receive earned income in excess of the dollar
8 amount in effect under section 414(q)(1)(B)(i)
9 for such calendar year, and

10 “(D) such other requirements as may be
11 established by the Secretary in regulations or
12 other guidance are satisfied.

13 “(d) 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 “(e) REGULATIONS.—The Secretary shall prescribe
24 such regulations or other guidance as may be necessary
25 to prevent reclassification of income as qualified tips, in-

cluding regulations or other guidance to prevent abuse of the deduction allowed by this section.

“(f) TERMINATION.—No deduction shall be allowed under this section for any taxable year beginning after December 31, 2028.”.

(b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—Section 63(b) is amended by striking “and” at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting “and”, and by adding at the end the following new paragraph:

“(5) the deduction provided in section 224.”.

(c) OMISSION OF CORRECT SOCIAL SECURITY NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking “and” at the end of subparagraph (V), by striking the period at the end of subparagraph (W) and inserting “, and”, and by inserting after subparagraph (W) the following new subparagraph:

“(X) an omission of a correct social security number required under section 224(d) (relating to deduction for qualified tips).”.

(d) EXCLUSION FROM QUALIFIED BUSINESS INCOME.—Section 199A(c)(4) is amended by striking “and” at the end of subparagraph (B), by striking the period

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

3 “(D) any amount with respect to which a
4 deduction is allowable to the taxpayer under
5 section 224(a) for the taxable year.”.

6 (e) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE
7 BUSINESS.—Section 45B(b)(2) is amended to read as fol-
8 lows:

9 (1) IN GENERAL.—

10 “(2) APPLICATION ONLY TO CERTAIN LINES OF
11 BUSINESS.—In applying paragraph (1) there shall
12 be taken into account only tips received from cus-
13 tomers or clients in connection with the following
14 services:

15 “(A) The providing, delivering, or serving
16 of food or beverages for consumption, if the tip-
17 ping of employees delivering or serving food or
18 beverages by customers is customary.

19 “(B) The providing of any of the following
20 services to a customer or client if the tipping of
21 employees providing such services is customary:

22 “(i) Barbering and hair care.

23 “(ii) Nail care.

24 “(iii) Esthetics.

25 “(iv) Body and spa treatments.”.

1 (2) CREDIT DETERMINED WITH RESPECT TO
2 MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B)
3 is amended—

4 (A) by striking “as in effect on January 1,
5 2007, and”, and

6 (B) by inserting “, and in the case of food
7 or beverage establishments, as in effect on Jan-
8 uary 1, 2007” after “without regard to section
9 3(m) of such Act”.

10 (f) REPORTING REQUIREMENTS.—

11 (1) RETURNS FOR PAYMENTS MADE IN THE
12 COURSE OF A TRADE OR BUSINESS.—

13 (A) STATEMENT FURNISHED TO SEC-
14 RETARY.— Section 6041(a) is amended by in-
15 serting “(including a separate accounting of
16 any such amounts properly designated as tips
17 and whether such tips are received in an occu-
18 pation described in section 224(c)(1))” after
19 “such gains, profits, and income”.

20 (B) STATEMENT FURNISHED TO PAYEE.—
21 Section 6041(d) is amended by striking “and”
22 at the end of paragraph (1), by striking the pe-
23 riod at the end of paragraph (2) and inserting
24 “, and”, and by inserting after paragraph (2)
25 the following new paragraph:

1 “(3) in the case of compensation to non-employ-
2 ees, the portion of payments that have been properly
3 designated as tips and whether such tips are re-
4 ceived in an occupation described in section
5 224(c)(1).”.

6 (2) RETURNS FOR PAYMENTS MADE FOR SERV-
7 ICES AND DIRECT SALES.—

8 (A) STATEMENT FURNISHED TO SEC-
9 RETARY.— Section 6041A(a) is amended by in-
10 sserting “(including a separate accounting of
11 any such amounts properly designated as tips
12 and whether such tips are received in an occu-
13 pation described in section 224(c)(1))” after
14 “amount of such payments”.

15 (B) STATEMENT FURNISHED TO PAYEE.—
16 Section 6041A(e) is amended by striking “and”
17 at the end of paragraph (1), by striking the pe-
18 riod at the end of paragraph (2) and inserting
19 “, and”, and by inserting after paragraph (2)
20 the following new paragraph:

21 “(3) the portion of payments that have been
22 properly designated as tips and whether such tips
23 are received in an occupation described in section
24 224(c)(1).”.

1 (3) RETURNS RELATING TO THIRD PARTY SET-
2 TLEMENT ORGANIZATIONS.—

3 (A) STATEMENT FURNISHED TO SEC-
4 RETARY.—Section 6050W(a) is amended by
5 striking “and” at the end of paragraph (1), by
6 striking the period at the end of paragraph (2)
7 and inserting “and”, and by adding at the end
8 the following new paragraph:

9 “(3) in the case of a third party settlement or-
10 ganization, the portion of reportable payment trans-
11 actions that have been properly designated by payors
12 as tips and whether such tips are received in an oc-
13 cupation described in section 224(c)(1).”.

14 (B) STATEMENT FURNISHED TO PAYEE.—
15 Section 6050W(f)(2) is amended by inserting
16 “(including a separate accounting of any such
17 amounts that have been properly designated by
18 payors as tips and whether such tips are re-
19 ceived in an occupation described in section
20 224(c)(1))” after “reportable payment trans-
21 actions”.

22 (4) RETURNS RELATED TO WAGES.—Section
23 6051(a) is amended by striking “and” at the end of
24 paragraph (16), by striking the period at the end of
25 paragraph (17) and inserting “, and”, and by insert-

1 ing after paragraph (17) the following new para-
2 graph:

3 “(18) the total amount of tips reported by the
4 employee under section 6053(a).”.

5 (g) CLERICAL AMENDMENT.—The table of sections
6 for part VII of subchapter B of chapter 1 is amended by
7 redesignating the item relating to section 224 as relating
8 to section 225 and by inserting after the item relating to
9 section 223 the following new item:

 “Sec. 224. Qualified tips.”.

10 (h) PUBLISHED LIST OF OCCUPATIONS TRADITION-
11 ALLY RECEIVING TIPS.—Not later than 90 days after the
12 date of the enactment of this Act, the Secretary of the
13 Treasury (or the Secretary’s delegate) shall publish a list
14 of occupations which traditionally and customarily re-
15 ceived tips on or before December 31, 2024, for purposes
16 of section 224(c)(1) (as added by subsection (a)).

17 (i) WITHHOLDING.—The Secretary of the Treasury
18 (or the Secretary’s delegate) shall modify the tables and
19 procedures prescribed under section 3402(a) to take into
20 account the deduction allowed under section 224 (as added
21 by this Act).

22 (j) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2024.

1 **SEC. 110102. NO TAX ON OVERTIME.**

2 (a) DEDUCTION ALLOWED.—Part VII of subchapter
3 B of chapter 1, as amended by the preceding provisions
4 of this Act, is amended by redesignating section 225 as
5 section 226 and by inserting after section 224 the fol-
6 lowing new section:

7 **“SEC. 225. QUALIFIED OVERTIME COMPENSATION.**

8 “(a) IN GENERAL.—There shall be allowed as a de-
9 duction an amount equal to the qualified overtime com-
10 pensation received during the taxable year.

11 “(b) QUALIFIED OVERTIME COMPENSATION.—

12 “(1) IN GENERAL.—For purposes of this sec-
13 tion, the term ‘qualified overtime compensation’
14 means overtime compensation paid to an individual
15 required under section 7 of the Fair Labor Stand-
16 ards Act of 1938 that is in excess of the regular rate
17 (as used in such section) at which such individual is
18 employed.

19 “(2) EXCLUSIONS.—Such term shall not in-
20 clude—

21 “(A) any qualified tip (as defined in sec-
22 tion 224(c)), or

23 “(B) any amount received by an individual
24 during a taxable year if such individual is a
25 highly compensated employee (as defined in sec-
26 tion 414(q)(1)) of any employer for the cal-

1 endar year in which the taxable year begins, or
2 receives earned income in excess of the dollar
3 amount in effect under section 414(q)(1)(B)(i)
4 for such calendar year.

5 “(c) SOCIAL SECURITY NUMBER REQUIRED.—

6 “(1) IN GENERAL.—No deduction shall be al-
7 lowed under this section unless the taxpayer includes
8 on the return of tax for the taxable year—

9 “(A) such individual’s social security num-
10 ber (as defined in section 24(h)(7)), and

11 “(B) if the individual is married, the social
12 security number of such individual’s spouse.

13 “(2) MARRIED INDIVIDUALS.—Rules similar to
14 the rules of section 32(d) shall apply to this section.

15 “(d) REGULATIONS.—The Secretary shall issue such
16 regulations or other guidance as may be necessary or ap-
17 propriate to carry out the purposes of this section.

18 “(e) TERMINATION.—No deduction shall be allowed
19 under this section for any taxable year beginning after De-
20 cember 31, 2028.”.

21 (b) DEDUCTION ALLOWED TO NON-ITEMIZERS.—
22 Section 63(b), as amended by the preceding provisions of
23 this Act, is amended by striking “and” at the end of para-
24 graph (4), by striking the period at the end of paragraph

1 (5) and inserting “and”, and by adding at the end the
2 following new paragraph:

3 “(6) the deduction provided in section 225.”.

4 (c) REQUIREMENT TO INCLUDE OVERTIME COM-
5 PENSATION ON W-2.—Section 6051(a), as amended by the
6 preceding provision of this Act, is amended by striking
7 “and” at the end of paragraph (17), by striking the period
8 at the end of paragraph (18) and inserting “, and”, and
9 by inserting after paragraph (18) the following new para-
10 graph:

11 “(19) the total amount of qualified overtime
12 compensation (as defined in section 225(b)).”.

13 (d) OMISSION OF CORRECT SOCIAL SECURITY NUM-
14 BER TREATED AS MATHEMATICAL OR CLERICAL
15 ERROR.—Section 6213(g)(2), as amended by the pre-
16 ceding provisions of this Act, is amended by striking
17 “and” at the end of subparagraph (W), by striking the
18 period at the end of subparagraph (X) and inserting “,
19 and”, and by inserting after subparagraph (X) the fol-
20 lowing new subparagraph:

21 “(Y) an omission of a correct social secu-
22 rity number required under section 225(c) (re-
23 lating to deduction for qualified overtime).”.

24 (e) CLERICAL AMENDMENT.—The table of sections
25 for part VII of subchapter B of chapter 1, as amended

1 by the preceding provisions of this Act, is amended by re-
2 designating the item relating to section 225 as an item
3 relating to section 226 and by inserting after the item re-
4 lating to section 224 the following new item:

“Sec. 225. Qualified overtime compensation.”.

5 (f) WITHHOLDING.—The Secretary of the Treasury
6 (or the Secretary’s delegate) shall modify the tables and
7 procedures prescribed under section 3402(a) to take into
8 account the deduction allowed under section 225 (as added
9 by this Act).

10 (g) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2024.

13 **SEC. 110103. ENHANCED DEDUCTION FOR SENIORS.**

14 (a) IN GENERAL.—Section 63(f) is amended by add-
15 ing at the end the following new paragraph:

16 “(5) BONUS ADDITIONAL AMOUNT FOR SEN-
17 IORS.—

18 “(A) IN GENERAL.—In the case of any
19 taxable year beginning after December 31,
20 2024, and before January 1, 2029, the dollar
21 amount in effect under paragraph (1) shall be
22 increased by \$4,000.

23 “(B) LIMITATION BASED ON MODIFIED
24 ADJUSTED GROSS INCOME.—In the case of any
25 taxpayer for any taxable year, the \$4,000

1 amount in subparagraph(A) shall be reduced
2 (but not below zero) by 4 percent of so much
3 of the taxpayer's modified adjusted gross in-
4 come as exceeds \$75,000 (\$150,000 in the case
5 of a joint return).

6 “(C) MODIFIED ADJUSTED GROSS IN-
7 COME.—For purposes of this paragraph, the
8 term ‘modified adjusted gross income’ means
9 the adjusted gross income of the taxpayer for
10 the taxable year increased by any amount ex-
11 cluded from gross income under section 911,
12 931, or 933.

13 “(D) SOCIAL SECURITY NUMBER RE-
14 QUIRED.—

15 “(i) IN GENERAL.—Subparagraph (A)
16 shall not apply unless the taxpayer in-
17 cludes on the return of tax for the taxable
18 year—

19 “(I) such individual's social secu-
20 rity number (as defined in section
21 24(h)(7)), and

22 “(II) if the individual is married,
23 the social security number of such in-
24 dividual's spouse.

1 “(ii) MARRIED INDIVIDUALS.—Rules
2 similar to the rules of section 32(d) shall
3 apply to this section.

4 “(E) COORDINATION WITH INFLATION AD-
5 JUSTMENT.—Subsection (c)(4) shall not apply
6 to any dollar amount contained in this para-
7 graph.

8 “(F) ALLOWANCE TO SENIORS WHO ELECT
9 TO ITEMIZE.—In the case of a taxpayer who
10 elects to itemize deductions for any taxable year
11 beginning after December 31, 2024, and before
12 January 1, 2029, there shall be allowed as a de-
13 duction the aggregate increase which would be
14 determined under subparagraph (A) (deter-
15 mined after the application of subparagraphs
16 (B), (D), and (E)) with respect to such tax-
17 payer for such taxable year if such taxpayer did
18 not so elect to itemize deductions for such tax-
19 able year.”.

20 (b) 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 (X), by striking the
25 period at the end of subparagraph (Y) and inserting “,

1 and”, and by inserting after subparagraph (Y) the fol-
2 lowing new subparagraph:

3 “(Z) an omission of a correct social secu-
4 rity number required under section 63(f)(5)(D)
5 (relating to bonus additional amount for sen-
6 iors).”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2024.

10 **SEC. 110104. NO TAX ON CAR LOAN INTEREST.**

11 (a) IN GENERAL.—Section 163(h) is amended by re-
12 designating paragraph (4) as paragraph (5) and by insert-
13 ing after paragraph (3) the following new paragraph:

14 “(4) SPECIAL RULES FOR TAXABLE YEARS
15 2024 THROUGH 2028 RELATING TO QUALIFIED PAS-
16 Senger VEHICLE LOAN INTEREST.—

17 “(A) IN GENERAL.—In the case of taxable
18 years beginning after December 31, 2024, and
19 before January 1, 2029, for purposes of this
20 subsection the term ‘personal interest’ shall not
21 include qualified passenger vehicle loan interest.

22 “(B) QUALIFIED PASSENGER VEHICLE
23 LOAN INTEREST DEFINED.—

24 “(i) IN GENERAL.—For purposes of
25 this paragraph, the term ‘qualified pas-

1 senger vehicle loan interest’ means any in-
2 terest which is paid or accrued during the
3 taxable year on indebtedness incurred by
4 the taxpayer after December 31, 2024, for
5 the purchase of, and that is secured by a
6 first lien on, an applicable passenger vehi-
7 cle for personal use.

8 “(ii) EXCEPTIONS.—Such term shall
9 not include any amount paid or incurred
10 on any of the following:

11 “(I) A loan to finance fleet sales.

12 “(II) A personal cash loan se-
13 cured by a vehicle previously pur-
14 chased by the taxpayer.

15 “(III) A loan incurred for the
16 purchase of a commercial vehicle that
17 is not used for personal purposes.

18 “(IV) Any lease financing.

19 “(V) A loan to finance the pur-
20 chase of a vehicle with a salvage title.

21 “(VI) A loan to finance the pur-
22 chase of a vehicle intended to be used
23 for scrap or parts.

24 “(C) LIMITATIONS.—

1 “(i) DOLLAR LIMIT.—The amount of
2 interest taken into account by a taxpayer
3 under subparagraph (B) for any taxable
4 year shall not exceed \$10,000.

5 “(ii) LIMITATION BASED ON MODI-
6 FIED ADJUSTED GROSS INCOME.—

7 “(I) IN GENERAL.—The amount
8 which is otherwise allowable as a de-
9 duction under subsection (a) as quali-
10 fied passenger vehicle loan interest
11 (determined without regard to this
12 clause and after the application of
13 clause (i)) shall be reduced (but not
14 below zero) by \$200 for each \$1,000
15 (or portion thereof) by which the
16 modified adjusted gross income of the
17 taxpayer for the taxable year exceeds
18 \$100,000 (\$200,000 in the case of a
19 joint return).

20 “(II) MODIFIED ADJUSTED
21 GROSS INCOME.—For purposes of this
22 clause, the term ‘modified adjusted
23 gross income’ means the adjusted
24 gross income of the taxpayer for the
25 taxable year increased by any amount

1 excluded from gross income under sec-
2 tion 911, 931, or 933.

3 “(D) APPLICABLE PASSENGER VEHICLE.—

4 The term ‘applicable passenger vehicle’ means
5 any vehicle—

6 “(i)(I) which is manufactured pri-
7 marily for use on public streets, roads, and
8 highways,

9 “(II) which has at least 2 wheels, and

10 “(III) which is a car, minivan, van,
11 sport utility vehicle, pickup truck, or mo-
12 torcycle,

13 “(ii) which is an all-terrain vehicle
14 (designed for use on land), or

15 “(iii) any trailer, camper, or vehicle
16 (designed for use on land) which—

17 “(I) is designed to provide tem-
18 porary living quarters for recreational,
19 camping, or seasonal use, and

20 “(II) is a motor vehicle or is de-
21 signed to be towed by, or affixed to,
22 a motor vehicle.

23 Such term shall not include any vehicle the
24 final assembly of which did not occur within the
25 United States.

1 “(E) OTHER DEFINITIONS AND SPECIAL
2 RULES.—For purposes of this paragraph—

3 “(i) ALL-TERRAIN VEHICLE.—The
4 term ‘all-terrain vehicle’ means any motor-
5 ized vehicle which has 3 or 4 wheels, a seat
6 designed to be straddled by the operator,
7 and handlebars for steering control.

8 “(ii) FINAL ASSEMBLY.—For pur-
9 poses of subparagraph (D), the term ‘final
10 assembly’ means the process by which a
11 manufacturer produces a vehicle at, or
12 through the use of, a plant, factory, or
13 other place from which the vehicle is deliv-
14 ered to a dealer or importer with all com-
15 ponent parts necessary for the mechanical
16 operation of the vehicle included with the
17 vehicle, whether or not the component
18 parts are permanently installed in or on
19 the vehicle.

20 “(iii) TREATMENT OF REFI-
21 NANCING.—Indebtedness described in sub-
22 paragraph (B) shall include indebtedness
23 that results from refinancing any indebted-
24 ness described in such subparagraph, and
25 that is secured by a first lien on the appli-

1 cable passenger vehicle with respect to
2 which the refinanced indebtedness was in-
3 curred, but only to the extent the amount
4 of such resulting indebtedness does not ex-
5 ceed the amount of such refinanced indebt-
6 edness.

7 “(iv) RELATED PARTIES.—Indebted-
8 ness described in subparagraph (B) shall
9 not include any indebtedness owed to a
10 person who is related (within the meaning
11 of section 267(b) or 707(b)(1)) to the tax-
12 payer.”.

13 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
14 PAYER ITEMIZES.—Section 62(a) is amended by inserting
15 after paragraph (21) the following new paragraph:

16 “(22) QUALIFIED PASSENGER VEHICLE LOAN
17 INTEREST.—So much of the deduction allowed by
18 section 163(a) as is attributable to the exception
19 under section 163(h)(4)(A).”.

20 (c) REPORTING.—Subpart B of part III of sub-
21 chapter A of chapter 61 is amended by adding at the end
22 the following new section:

1 **“SEC. 6050AA. RETURNS RELATING TO APPLICABLE PAS-**
2 **SENGER VEHICLE LOAN INTEREST RECEIVED**
3 **IN TRADE OR BUSINESS FROM INDIVIDUALS.**

4 “(a) IN GENERAL.—Any person—

5 “(1) who is engaged in a trade or business, and

6 “(2) who, in the course of such trade or busi-
7 ness, receives from any individual interest aggre-
8 gating \$600 or more for any calendar year on a
9 specified passenger vehicle loan,

10 shall make the return described in subsection (b) with re-
11 spect to each individual from whom such interest was re-
12 ceived at such time as the Secretary may provide.

13 “(b) FORM AND MANNER OF RETURNS.—A return
14 is described in this subsection if such return—

15 “(1) is in such form as the Secretary may pre-
16 scribe, and

17 “(2) contains—

18 “(A) the name and address of the indi-
19 vidual from whom the interest described in sub-
20 section (a)(2) was received,

21 “(B) the amount of such interest received
22 for the calendar year,

23 “(C) the amount of outstanding principal
24 on the specified passenger vehicle loan as of the
25 beginning of such calendar year,

1 “(D) the date of the origination of such
2 loan,

3 “(E) the year, make, and model of the ap-
4 plicable passenger vehicle which secures such
5 loan (or such other description of such vehicle
6 as the Secretary may prescribe), and

7 “(F) such other information as the Sec-
8 retary may prescribe.

9 “(c) STATEMENTS TO BE FURNISHED TO INDIVID-
10 UALS WITH RESPECT TO WHOM INFORMATION IS RE-
11 QUIRED.—Every person required to make a return under
12 subsection (a) shall furnish to each individual whose name
13 is required to be set forth in such return a written state-
14 ment showing—

15 “(1) the name, address, and phone number of
16 the information contact of the person required to
17 make such return, and

18 “(2) the information described in subpara-
19 graphs (B), (C), (D), and (E) of subsection (b)(2)
20 with respect to such individual (and such informa-
21 tion as is described in subsection (b)(2)(F) with re-
22 spect to such individual as the Secretary may pro-
23 vide for purposes of this subsection).

24 The written statement required under the preceding sen-
25 tence shall be furnished on or before January 31 of the

1 year following the calendar year for which the return
2 under subsection (a) was required to be made.

3 “(d) DEFINITIONS.—For purposes of this section—

4 “(1) IN GENERAL.—Terms used in this section
5 which are also used in paragraph (4) of section
6 163(h) shall have the same meaning as when used
7 in such paragraph.

8 “(2) SPECIFIED PASSENGER VEHICLE LOAN.—

9 The term ‘specified passenger vehicle loan’ means
10 the indebtedness described in section 163(h)(4)(B)
11 with respect to any applicable passenger vehicle.

12 “(e) REGULATIONS.—The Secretary shall issue such
13 regulations or other guidance as may be necessary or ap-
14 propriate to carry out the purposes of this section, includ-
15 ing regulations or other guidance to prevent the duplicate
16 reporting of information under this section.”.

17 (d) CONFORMING AMENDMENTS.—

18 (1) Section 56(e)(1)(B) is amended by striking
19 “section 163(h)(4)” and inserting “section
20 163(h)(5)”.

21 (2) The table of sections for subpart B of part
22 III of subchapter A of chapter 61 is amended by
23 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.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to indebtedness incurred after De-
3 cember 31, 2024.

4 **SEC. 110105. ENHANCEMENT OF EMPLOYER-PROVIDED**
5 **CHILD CARE CREDIT.**

6 (a) INCREASE OF AMOUNT OF QUALIFIED CHILD
7 CARE EXPENDITURES TAKEN INTO ACCOUNT.—Section
8 45F(a)(1) is amended by striking “25 percent” and in-
9 serting “40 percent (50 percent in the case of an eligible
10 small business)”.

11 (b) INCREASE OF MAXIMUM CREDIT AMOUNT.—Sub-
12 section (b) of section 45F is amended to read as follows:

13 “(b) DOLLAR LIMITATION.—

14 “(1) IN GENERAL.—The credit allowable under
15 subsection (a) for any taxable year shall not exceed
16 \$500,000 (\$600,000 in the case of an eligible small
17 business).

18 “(2) INFLATION ADJUSTMENT.—In the case of
19 any taxable year beginning after 2026, the
20 \$500,000 and \$600,000 amounts in paragraph (1)
21 shall be increased by an amount equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3) for the calendar
25 year in which the taxable year begins, deter-

1 mined by substituting ‘calendar year 2025’ for
2 ‘calendar year 2016’ in subparagraph (A)(ii)
3 thereof.”.

4 (c) ELIGIBLE SMALL BUSINESS.—Section 45F(c) is
5 amended by adding at the end the following new para-
6 graph:

7 “(4) ELIGIBLE SMALL BUSINESS.—The term
8 ‘eligible small business’ means a business that meets
9 the gross receipts test of section 448(c), deter-
10 mined—

11 “(A) by substituting ‘5-taxable-year’ for ‘3-
12 taxable-year’ in paragraph (1) thereof, and

13 “(B) by substituting ‘5-year’ for ‘3-year’
14 each place such term appears in paragraph
15 (3)(A) thereof.”.

16 (d) CREDIT ALLOWED FOR THIRD-PARTY INTER-
17 MEDIARIES.—Section 45F(c)(1)(A)(iii) is amended by in-
18 serting “, or under a contract with an intermediate entity
19 that contracts with one or more qualified child care facili-
20 ties to provide such child care services” before the period
21 at the end.

22 (e) TREATMENT OF JOINTLY OWNED OR OPERATED
23 CHILD CARE FACILITY.—Section 45F(c)(2) is amended
24 by adding at the end the following new subparagraph:

1 “(C) TREATMENT OF JOINTLY OWNED OR
2 OPERATED CHILD CARE FACILITY.—A facility
3 shall not fail to be treated as a qualified child
4 care facility of the taxpayer merely because
5 such facility is jointly owned or operated by the
6 taxpayer and other persons.”.

7 (f) REGULATIONS AND GUIDANCE.—Section 45F is
8 amended by adding at the end the following new sub-
9 section:

10 “(g) REGULATIONS AND GUIDANCE.—The Secretary
11 shall issue such regulations or other guidance as may be
12 necessary to carry out the purposes of this section, includ-
13 ing guidance to carry out the purposes of paragraphs
14 (1)(A)(iii) and (2)(C) of subsection (c).”.

15 (g) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to amounts paid or incurred after
17 December 31, 2025.

18 **SEC. 110106. EXTENSION AND ENHANCEMENT OF PAID FAM-**
19 **ILY AND MEDICAL LEAVE CREDIT.**

20 (a) IN GENERAL.—Section 45S is amended—

21 (1) in subsection (a)—

22 (A) by striking paragraph (1) and insert-
23 ing the following:

24 “(1) IN GENERAL.—For purposes of section 38,
25 in the case of an eligible employer, the paid family

1 and medical leave credit is an amount equal to ei-
2 ther of the following (as elected by such employer):

3 “(A) The applicable percentage of the
4 amount of wages paid to qualifying employees
5 with respect to any period in which such em-
6 ployees are on family and medical leave.

7 “(B) If such employer has an insurance
8 policy with regards to the provision of paid
9 family and medical leave which is in force dur-
10 ing the taxable year, the applicable percentage
11 of the total amount of premiums paid or in-
12 curred by such employer during such taxable
13 year with respect to such insurance policy.”,
14 and

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

16 “(3) RATE OF PAYMENT DETERMINED WITH-
17 OUT REGARD TO WHETHER LEAVE IS TAKEN.—For
18 purposes of determining the applicable percentage
19 with respect to paragraph (1)(B), the rate of pay-
20 ment under the insurance policy shall be determined
21 without regard to whether any qualifying employees
22 were on family and medical leave during the taxable
23 year.”,

24 (2) in subsection (b)(1), by striking “credit al-
25 lowed” and inserting “wages taken into account”,

1 (3) in subsection (c), by striking paragraphs (3)
2 and (4) and inserting the following:

3 “(3) AGGREGATION RULE.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), all persons which are treated
6 as a single employer under subsections (b) and
7 (c) of section 414 shall be treated as a single
8 employer.

9 “(B) EXCEPTION.—

10 “(i) IN GENERAL.—Subparagraph (A)
11 shall not apply to any person who estab-
12 lishes to the satisfaction of the Secretary
13 that such person has a substantial and le-
14 gitimate business reason for failing to pro-
15 vide a written policy described in para-
16 graph (1) or (2).

17 “(ii) SUBSTANTIAL AND LEGITIMATE
18 BUSINESS REASON.—For purposes of
19 clause (i), the term ‘substantial and legiti-
20 mate business reason’ shall not include the
21 operation of a separate line of business,
22 the rate of wages or category of jobs for
23 employees (or any similar basis), or the ap-
24 plication of State or local laws relating to
25 family and medical leave, but may include

1 the grouping of employees of a common
2 law employer.

3 “(4) TREATMENT OF BENEFITS MANDATED OR
4 PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For
5 purposes of this section, any leave which is paid by
6 a State or local government or required by State or
7 local law—

8 “(A) except as provided in subparagraph
9 (B), shall be taken into account in determining
10 the amount of paid family and medical leave
11 provided by the employer, and

12 “(B) shall not be taken into account in de-
13 termining the amount of the paid family and
14 medical leave credit under subsection (a).”,
15 (4) in subsection (d)—

16 (A) in paragraph (1), by inserting “(or, at
17 the election of the employer, for not less than
18 6 months)” after “1 year or more”, and

19 (B) in paragraph (2)—

20 (i) by inserting “, as determined on
21 an annualized basis (pro-rata for part-time
22 employees),” after “compensation”, and

23 (ii) by striking the period at the end
24 and inserting “, and”, and

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

1 “(3) is customarily employed for not less than
2 20 hours per week.”, and

3 (5) by striking subsection (i).

4 (b) NO DOUBLE BENEFIT.—Section 280C(a) is
5 amended—

6 (1) by striking “45S(a)” and inserting
7 “45S(a)(1)(A)”, and

8 (2) by inserting after the first sentence the fol-
9 lowing: “No deduction shall be allowed for that por-
10 tion of the premiums paid or incurred for the tax-
11 able year which is equal to that portion of the paid
12 family and medical leave credit which is determined
13 for the taxable year under section 45S(a)(1)(B).”

14 (c) OUTREACH.—

15 (1) SBA AND RESOURCE PARTNERS.—Each
16 district office of the Small Business Administration
17 and each resource partner of the Small Business Ad-
18 ministration, including small business development
19 centers described in section 21 of the Small Busi-
20 ness Act (15 U.S.C. 648)), women’s business centers
21 described in section 29 of such Act (15 U.S.C. 656),
22 each chapter of the Service Corps of Retired Execu-
23 tives described in section 8(b)(1)(B) of such Act (15
24 U.S.C. 637(b)(1)(B)), and Veteran Business Out-
25 reach Centers described in section 32 of such Act

1 (15 U.S.C. 657b), shall conduct outreach to relevant
2 parties regarding the paid family and medical leave
3 credit under section 45S of the Internal Revenue
4 Code of 1986, including through—

5 (A) targeted communications, education,
6 training, and technical assistance; and

7 (B) the development of a written paid fam-
8 ily leave policy, as described in paragraphs (1)
9 and (2) of section 45S(c) of the Internal Rev-
10 enue Code of 1986.

11 (2) INTERNAL REVENUE SERVICE.—The Sec-
12 retary of the Treasury (or the Secretary’s delegate)
13 shall perform targeted outreach to employers and
14 other relevant entities regarding the availability and
15 requirements of the paid family and medical leave
16 credit under section 45S of the Internal Revenue
17 Code of 1986, including providing relevant informa-
18 tion as part of Internal Revenue Service communica-
19 tions that are regularly issued to entities that pro-
20 vide payroll services, tax professionals, and small
21 businesses.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2025.

1 **SEC. 110107. ENHANCEMENT OF ADOPTION CREDIT.**

2 (a) IN GENERAL.—Section 23(a) is amended by add-
3 ing at the end the following new paragraph:

4 “(4) PORTION OF CREDIT REFUNDABLE.—So
5 much of the credit allowed under paragraph (1) as
6 does not exceed \$5,000 shall be treated as a credit
7 allowed under subpart C and not as a credit allowed
8 under this subpart.”.

9 (b) ADJUSTMENTS FOR INFLATION.—Section 23(h)
10 is amended to read as follows:

11 “(h) ADJUSTMENTS FOR INFLATION.—

12 “(1) IN GENERAL.—In the case of a taxable
13 year beginning after December 31, 2002, each of the
14 dollar amounts in paragraphs (3) and (4) of sub-
15 section (a) and paragraphs (1) and (2)(A)(i) of sub-
16 section (b) shall be increased by an amount equal
17 to—

18 “(A) such dollar amount, multiplied by

19 “(B) the cost-of-living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year in which the taxable year begins, deter-
22 mined by substituting ‘calendar year 2001’ for
23 ‘calendar year 2016’ in subparagraph (A)(ii)
24 thereof.

25 “(2) ROUNDING.—If any amount as increased
26 under paragraph (1) is not a multiple of \$10, such

1 amount shall be rounded to the nearest multiple of
2 \$10.

3 “(3) SPECIAL RULE FOR REFUNDABLE POR-
4 TION.—In the case of the dollar amount in sub-
5 section (a)(4), paragraph (1) shall be applied—

6 “(A) by substituting ‘2025’ for ‘2002’ in
7 the matter preceding subparagraph (A), and

8 “(B) by substituting ‘calendar year 2024’
9 for ‘calendar year 2001’ in subparagraph (B)
10 thereof.”.

11 (c) EXCLUSION OF REFUNDABLE PORTION OF CRED-
12 IT FROM CARRYFORWARD.—Section 23(c)(1) is amended
13 by striking “credit allowable under subsection (a)” and in-
14 serting “portion of the credit allowable under subsection
15 (a) which is allowed under this subpart”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2024.

19 **SEC. 110108. RECOGNIZING INDIAN TRIBAL GOVERNMENTS**
20 **FOR PURPOSES OF DETERMINING WHETHER**
21 **A CHILD HAS SPECIAL NEEDS FOR PURPOSES**
22 **OF THE ADOPTION CREDIT.**

23 (a) IN GENERAL.—Section 23(d)(3) is amended—

24 (1) in subparagraph (A), by inserting “or In-
25 dian tribal government” after “a State”, and

1 (2) in subparagraph (B), by inserting “or In-
2 dian tribal government” after “such State”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2024.

6 **SEC. 110109. TAX CREDIT FOR CONTRIBUTIONS OF INDIVID-**
7 **UALS TO SCHOLARSHIP GRANTING ORGANI-**
8 **ZATIONS.**

9 (a) ALLOWANCE OF CREDIT.—

10 (1) IN GENERAL.—Subpart A of part IV of sub-
11 chapter A of chapter 1 is amended by inserting after
12 section 25E the following new section:

13 **“SEC. 25F. QUALIFIED ELEMENTARY AND SECONDARY EDU-**
14 **CATION SCHOLARSHIPS.**

15 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
16 dividual, there shall be allowed as a credit against the tax
17 imposed by this chapter for the taxable year an amount
18 equal to the aggregate amount of qualified contributions
19 made by the taxpayer during the taxable year.

20 “(b) LIMITATIONS.—

21 “(1) IN GENERAL.—The credit allowed under
22 subsection (a) to any taxpayer for any taxable year
23 shall not exceed an amount equal to the greater of—

24 “(A) 10 percent of the adjusted gross in-
25 come of the taxpayer for the taxable year, or

1 “(B) \$5,000.

2 “(2) ALLOCATION OF VOLUME CAP.—The credit
3 allowed under subsection (a) to any taxpayer for any
4 taxable year shall not exceed the amount of the vol-
5 ume cap allocated by the Secretary to such taxpayer
6 under subsection (g) with respect to qualified con-
7 tributions made by the taxpayer during the taxable
8 year.

9 “(3) REDUCTION BASED ON STATE CREDIT.—
10 The amount allowed as a credit under subsection (a)
11 for a taxable year shall be reduced by the amount
12 allowed as a credit on any State tax return of the
13 taxpayer for qualified contributions made by the tax-
14 payer during the taxable year.

15 “(c) DEFINITIONS.—For purposes of this section—

16 “(1) ELIGIBLE STUDENT.—The term ‘eligible
17 student’ means an individual who—

18 “(A) is a member of a household with an
19 income which is not greater than 300 percent
20 of the area median gross income (as such term
21 is used in section 42), and

22 “(B) is eligible to enroll in a public ele-
23 mentary or secondary school.

24 “(2) QUALIFIED CONTRIBUTION.—The term
25 ‘qualified contribution’ means a charitable contribu-

1 tion (as defined by section 170(c)) to a scholarship
2 granting organization in the form of cash or market-
3 able securities.

4 “(3) QUALIFIED ELEMENTARY OR SECONDARY
5 EDUCATION EXPENSE.—The term ‘qualified elemen-
6 tary or secondary education expense’ means the fol-
7 lowing expenses in connection with enrollment or at-
8 tendance at, or for students enrolled at or attending,
9 an elementary or secondary public, private, or reli-
10 gious school:

11 “(A) Tuition.

12 “(B) Curriculum and curricular materials.

13 “(C) Books or other instructional mate-
14 rials.

15 “(D) Online educational materials.

16 “(E) Tuition for tutoring or educational
17 classes outside of the home, including at a tu-
18 toring facility, but only if the tutor or instruc-
19 tor is not related to the student and—

20 “(i) is licensed as a teacher in any
21 State,

22 “(ii) has taught at an eligible edu-
23 cational institution, or

24 “(iii) is a subject matter expert in the
25 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) 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-
24 able year, any contribution made to such organization dur-

1 ing the first taxable year beginning after the date of such
2 determination shall not be treated as a qualified contribu-
3 tion (as defined in section 25F(c)(2)) for purposes of sec-
4 tion 25F.

5 “(b) REQUIREMENT.—The requirement described in
6 this subsection is that the amount of receipts of the schol-
7 arship granting organization for the taxable year which
8 are distributed before the distribution deadline with re-
9 spect to such receipts shall not be less than the required
10 distribution amount with respect to such taxable year.

11 “(c) DEFINITIONS.—For purposes of this section—

12 “(1) REQUIRED DISTRIBUTION AMOUNT.—

13 “(A) IN GENERAL.—The required distribu-
14 tion amount with respect to a taxable year is
15 the amount equal to 100 percent of the total re-
16 cepts of the scholarship granting organization
17 for such taxable year—

18 “(i) reduced by the sum of such re-
19 cepts that are retained for reasonable ad-
20 ministrative expenses for the taxable year
21 or are carried to the succeeding taxable
22 year under subparagraph (C), and

23 “(ii) increased by the amount of the
24 carryover under subparagraph (C) from
25 the preceding taxable year.

1 “(B) SAFE HARBOR FOR REASONABLE AD-
2 MINISTRATIVE EXPENSES.—For purposes of
3 subparagraph (A)(i), if the percentage of total
4 receipts of a scholarship granting organization
5 for a taxable year which are used for adminis-
6 trative purposes is equal to or less than 10 per-
7 cent, such expenses shall be deemed to be rea-
8 sonable for purposes of such subparagraph.

9 “(C) CARRYOVER.—With respect to the
10 amount of the total receipts of a scholarship
11 granting organization with respect to any tax-
12 able year, an amount not greater than 15 per-
13 cent of such amount may, at the election of
14 such organization, be carried to the succeeding
15 taxable year.

16 “(2) DISTRIBUTIONS.—The term ‘distribution’
17 includes amounts which are formally committed but
18 not distributed. A formal commitment described in
19 the preceding sentence may include contributions set
20 aside for eligible students for more than one year.

21 “(3) DISTRIBUTION DEADLINE.—The distribu-
22 tion deadline with respect to receipts for a taxable
23 year is the first day of the third taxable year fol-
24 lowing the taxable year in which such receipts are
25 received by the scholarship granting organization.”.

1 (2) CLERICAL AMENDMENT.—The table of sub-
2 chapters for chapter 42 is amended by adding at the
3 end the following new item:

 “SUBCHAPTER I—SCHOLARSHIP GRANTING ORGANIZATIONS”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years ending after De-
6 cember 31, 2025.

7 **SEC. 110110. ADDITIONAL ELEMENTARY, SECONDARY, AND**
8 **HOME SCHOOL EXPENSES TREATED AS**
9 **QUALIFIED HIGHER EDUCATION EXPENSES**
10 **FOR PURPOSES OF 529 ACCOUNTS.**

11 (a) IN GENERAL.—Section 529(c)(7) is amended to
12 read as follows:

13 “(7) TREATMENT OF ELEMENTARY AND SEC-
14 ONDARY TUITION.—Any reference in this section to
15 the term ‘qualified higher education expense’ shall
16 include a reference to the following expenses in con-
17 nection with enrollment or attendance at, or for stu-
18 dents enrolled at or attending, an elementary or sec-
19 ondary public, private, or religious school:

20 “(A) Tuition.

21 “(B) Curriculum and curricular materials.

22 “(C) Books or other instructional mate-
23 rials.

24 “(D) Online educational materials.

1 “(E) Tuition for tutoring or educational
2 classes outside of the home, including at a tu-
3 toring facility, but only if the tutor or instruc-
4 tor is not related to the student and—

5 “(i) is licensed as a teacher in any
6 State,

7 “(ii) has taught at an eligible edu-
8 cational institution, or

9 “(iii) is a subject matter expert in the
10 relevant subject.

11 “(F) Fees for a nationally standardized
12 norm-referenced achievement test, an advanced
13 placement examination, or any examinations re-
14 lated to college or university admission.

15 “(G) Fees for dual enrollment in an insti-
16 tution of higher education.

17 “(H) Educational therapies for students
18 with disabilities provided by a licensed or ac-
19 credited practitioner or provider, including oc-
20 cupational, behavioral, physical, and speech-lan-
21 guage therapies.

22 Such term shall include expenses for the purposes
23 described in subparagraphs (A) through (H) in con-
24 nection with a homeschool (whether treated as a

1 homeschool or a private school for purposes of appli-
2 cable State law).”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to distributions made after the
5 date of the enactment of this Act.

6 **SEC. 110111. CERTAIN POSTSECONDARY CREDENTIALING**
7 **EXPENSES TREATED AS QUALIFIED HIGHER**
8 **EDUCATION EXPENSES FOR PURPOSES OF**
9 **529 ACCOUNTS.**

10 (a) IN GENERAL.—Section 529(e)(3) is amended by
11 adding at the end the following new subparagraph:

12 “(C) CERTAIN POSTSECONDARY
13 CREDENTIALING EXPENSES.—The term ‘quali-
14 fied higher education expenses’ includes quali-
15 fied postsecondary credentialing expenses (as
16 defined in subsection (f)).”.

17 (b) QUALIFIED POSTSECONDARY CREDENTIALING
18 EXPENSES.—Section 529 is amended by redesignating
19 subsection (f) as subsection (g) and by inserting after sub-
20 section (e) the following new subsection:

21 “(f) QUALIFIED POSTSECONDARY CREDENTIALING
22 EXPENSES.—For purposes of this section—

23 “(1) IN GENERAL.—The term ‘qualified post-
24 secondary credentialing expenses’ means—

1 “(A) tuition, fees, books, supplies, and
2 equipment required for the enrollment or at-
3 tendance of a designated beneficiary in a recog-
4 nized postsecondary credential program, or any
5 other expense incurred in connection with en-
6 rollment in or attendance at a recognized post-
7 secondary credential program if such expense
8 would, if incurred in connection with enrollment
9 or attendance at an eligible educational institu-
10 tion, be covered under subsection (e)(3)(A),

11 “(B) fees for testing if such testing is re-
12 quired to obtain or maintain a recognized post-
13 secondary credential, and

14 “(C) fees for continuing education if such
15 education is required to maintain a recognized
16 postsecondary credential.

17 “(2) RECOGNIZED POSTSECONDARY CREDEN-
18 TIAL PROGRAM.—The term ‘recognized postsec-
19 ondary credential program’ means any program to
20 obtain a recognized postsecondary credential if—

21 “(A) such program is included on a State
22 list prepared under section 122(d) of the Work-
23 force Innovation and Opportunity Act (29
24 U.S.C. 3152(d)),

1 “(B) such program is listed in the
2 WEAMS Public directory (or successor direc-
3 tory) maintained by the Department of Vet-
4 erans Affairs,

5 “(C) an examination (developed or admin-
6 istered by an organization widely recognized as
7 providing reputable credentials in the occupa-
8 tion) is required to obtain or maintain such cre-
9 dential and such organization recognizes such
10 program as providing training or education
11 which prepares individuals to take such exam-
12 ination, or

13 “(D) such program is identified by the
14 Secretary, after consultation with the Secretary
15 of Labor, as being a reputable program for ob-
16 taining a recognized postsecondary credential
17 for purposes of this subsection.

18 “(3) RECOGNIZED POSTSECONDARY CREDEN-
19 TIAL.—The term ‘recognized postsecondary creden-
20 tial’ means—

21 “(A) any postsecondary employment cre-
22 dential that is industry recognized, including—

23 “(i) any postsecondary employment
24 credential issued by a program that is ac-
25 credited by the Institute for Credentialing

1 Excellence, the National Commission on
2 Certifying Agencies, or the American Na-
3 tional Standards Institute,

4 “(ii) any postsecondary employment
5 credential that is included in the
6 Credentialing Opportunities On-Line
7 (COOL) directory of credentialing pro-
8 grams (or successor directory) maintained
9 by the Department of Defense or by any
10 branch of the Armed Services, and

11 “(iii) any postsecondary employment
12 credential identified for purposes of this
13 clause by the Secretary, after consultation
14 with the Secretary of Labor, as being in-
15 dustry recognized,

16 “(B) any certificate of completion of an
17 apprenticeship that is registered and certified
18 with the Secretary of Labor under the National
19 Apprenticeship Act (29 U.S.C. 50),

20 “(C) any occupational or professional li-
21 cense issued or recognized by a State or the
22 Federal Government (and any certification that
23 satisfies a condition for obtaining such a li-
24 cense), and

1 “(D) any recognized postsecondary creden-
2 tial as defined in section 3 of the Workforce In-
3 novation and Opportunity Act (29 U.S.C.
4 3102).”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to distributions made after the
7 date of the enactment of this Act.

8 **SEC. 110112. REINSTATEMENT OF PARTIAL DEDUCTION**
9 **FOR CHARITABLE CONTRIBUTIONS OF INDIV-**
10 **IDUALS WHO DO NOT ELECT TO ITEMIZE.**

11 (a) IN GENERAL.—Section 170(p) is amended—

12 (1) by striking “\$300 (\$600” and inserting
13 “\$150 (\$300”, and

14 (2) by striking “in 2021” and inserting “after
15 December 31, 2024, and before January 1, 2029”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2024.

19 **SEC. 110113. EXCLUSION FOR CERTAIN EMPLOYER PAY-**
20 **MENTS OF STUDENT LOANS UNDER EDU-**
21 **CATIONAL ASSISTANCE PROGRAMS MADE**
22 **PERMANENT AND ADJUSTED FOR INFLATION.**

23 (a) IN GENERAL.—Section 127(c)(1)(B) is amended
24 by striking “in the case of payments made before January
25 1, 2026,”.

1 (b) INFLATION ADJUSTMENT.—Section 127 is
2 amended—

3 (1) by redesignating subsection (d) as sub-
4 section (e), and

5 (2) by inserting after subsection (c) the fol-
6 lowing new subsection:

7 “(d) INFLATION ADJUSTMENT.—

8 “(1) IN GENERAL.—In the case of any taxable
9 year beginning after 2026, both of the \$5,250
10 amounts in subsection (a)(2) shall be increased by
11 an amount equal to—

12 “(A) such dollar amount, multiplied by

13 “(B) the cost-of-living adjustment deter-
14 mined under section 1(f)(3) for the calendar
15 year in which the taxable year begins, deter-
16 mined by substituting ‘calendar year 2025’ for
17 ‘calendar year 2016’ in subparagraph (A)(ii)
18 thereof.

19 “(2) ROUNDING.—If any increase under para-
20 graph (1) is not a multiple of \$50, such increase
21 shall be rounded to the nearest multiple of \$50.”.

22 (c) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to payments made after December
24 31, 2025.

1 **SEC. 110114. EXTENSION OF RULES FOR TREATMENT OF**
2 **CERTAIN DISASTER-RELATED PERSONAL**
3 **CASUALTY LOSSES.**

4 For purposes of applying section 304(b) of the Tax-
5 payer Certainty and Disaster Tax Relief Act of 2020 (divi-
6 sion EE of Public Law 116–260), section 301 of such Act
7 shall be applied by substituting the date of the enactment
8 of this section for “the date of the enactment of this Act”
9 each place it appears.

10 **SEC. 110115. MAGA ACCOUNTS.**

11 (a) IN GENERAL.—Subchapter F of chapter 1 is
12 amended by adding at the end the following new part:

13 **“PART IX—MAGA ACCOUNTS**

14 **“SEC. 530A. MAGA ACCOUNTS.**

15 “(a) GENERAL RULE.—A MAGA account shall be ex-
16 empt from taxation under this subtitle. Notwithstanding
17 the preceding sentence, such account shall be subject to
18 the taxes imposed by section 511 (relating to imposition
19 of tax on unrelated business income of charitable organiza-
20 tions).

21 “(b) MAGA ACCOUNT.—For purposes of this sec-
22 tion—

23 “(1) IN GENERAL.—The term ‘money account
24 for growth and advancement’ or ‘MAGA account’
25 means a trust created or organized in the United
26 States for the exclusive benefit of an individual and

1 which is designated (in such manner as the Sec-
2 retary shall prescribe) at the time of the establish-
3 ment of the trust as a MAGA account, but only if
4 the written governing instrument creating the trust
5 meets the following requirements:

6 “(A) The individual establishing the ac-
7 count shall provide to the trustee the social se-
8 curity number of such individual and of the ac-
9 count beneficiary.

10 “(B) Except in the case of a qualified roll-
11 over contribution described in subsection (e), no
12 contribution will be accepted—

13 “(i) before January 1, 2026,

14 “(ii) unless it is in cash,

15 “(iii) unless the account beneficiary
16 has not attained age 18, and

17 “(iv) if such contribution would result
18 in aggregate contributions for the taxable
19 year exceeding the contribution limit speci-
20 fied in subsection (e)(1).

21 “(C) No distribution (other than a dis-
22 tribution of a qualified rollover contribution)
23 will be allowed—

24 “(i) before the date on which the ac-
25 count beneficiary attains age 18, or

1 “(ii) in the case of such an account
2 the account beneficiary of which has not
3 attained age 25, if the aggregate distribu-
4 tions from such account exceeds the
5 amount that is $\frac{1}{2}$ the cash equivalent
6 value of the account on the date on which
7 the account beneficiary attains age 18.

8 “(D) The account beneficiary has not at-
9 tained age 8 on the date of the establishment
10 of the account.

11 “(E) The trustee is a bank (as defined in
12 section 408(n)) or another person who dem-
13 onstrates to the satisfaction of the Secretary
14 that the manner in which that person will ad-
15 minister the trust will be consistent with the re-
16 quirements of this section or who has so dem-
17 onstrated with respect to any individual retire-
18 ment plan.

19 “(F) The interest of an individual in the
20 balance of his account is nonforfeitable.

21 “(G) The assets of the trust shall not be
22 commingled with other property except in a
23 common trust fund or common investment
24 fund.

1 “(H) No part of the trust funds will be in-
2 vested in any asset other than eligible invest-
3 ments.

4 “(2) ELIGIBLE INVESTMENTS.—The term ‘eligi-
5 ble investments’ means stock of a regulated invest-
6 ment company (within the meaning of section 851)
7 which—

8 “(A) tracks a well-established index of
9 United States equities (or which invests in an
10 equivalent diversified portfolio of United States
11 equities),

12 “(B) does not use leverage,

13 “(C) minimizes fees and expenses, and

14 “(D) meets such other criteria as the Sec-
15 retary determines appropriate for purposes of
16 this section.

17 “(3) ACCOUNT BENEFICIARY.—The term ‘ac-
18 count beneficiary’ means the individual on whose be-
19 half the MAGA account was established.

20 “(c) TREATMENT OF CONTRIBUTIONS.—

21 “(1) CONTRIBUTION LIMIT.—The contribution
22 limit for any taxable year is \$5,000.

23 “(2) CONTRIBUTIONS FROM TAX EXEMPT
24 SOURCES AND ROLLOVER CONTRIBUTIONS.—The
25 amount contributed to a MAGA account for pur-

1 poses of paragraph (1) shall be determined without
2 regard to—

3 “(A) a qualified rollover contribution,

4 “(B) any contribution from the Federal
5 Government or any State, local, or tribal gov-
6 ernment, or

7 “(C) any contribution made through the
8 program established under subsection (l).

9 “(3) COST-OF-LIVING ADJUSTMENT.—

10 “(A) IN GENERAL.—In the case of any
11 taxable year beginning in a calendar year after
12 2026, the \$5,000 amount under paragraph (1)
13 shall be increased by an amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-
16 termined under section 1(f)(3) for the cal-
17 endar year, determined by substituting
18 ‘calendar year 2025’ for ‘calendar year
19 2016’ in subparagraph (A)(ii) thereof.

20 “(B) ROUNDING.—If any increase under
21 subparagraph (A) is not a multiple of \$100,
22 such amount shall be rounded to the next lower
23 multiple of \$100.

24 “(d) DISTRIBUTIONS.—

1 “(1) AMOUNTS ALLOCABLE TO INVESTMENT IN
2 THE CONTRACT.—A distribution from a MAGA ac-
3 count of an amount allocable to the investment in
4 the contract shall not be includible in the gross in-
5 come of the distributee.

6 “(2) AMOUNTS ALLOCABLE TO INCOME ON THE
7 CONTRACT USED FOR QUALIFIED EXPENSES.—A
8 distribution from a MAGA account of an amount al-
9 locable to income on the contract and which is used
10 exclusively to pay for qualified expenses shall be in-
11 cludible in net capital gain of the distributee under
12 section 1(h)(12).

13 “(3) AMOUNTS INCLUDIBLE IN GROSS IN-
14 COME.—Any distribution from a MAGA account
15 which is not described in paragraph (1) or (2) shall
16 be includible in the gross income of the distributee.

17 “(4) QUALIFIED EXPENSES.—For purposes of
18 this subsection, the term ‘qualified expenses’ means
19 any of the following expenses paid or incurred for
20 the benefit of the account beneficiary:

21 “(A) Qualified higher education expenses
22 (as defined in section 529(e)(3)) determined
23 without regard to section 529(c)(7).

24 “(B) Qualified post-secondary credentialing
25 expenses (as defined in section 529(f)).

1 “(C) Under regulations provided by the
2 Secretary, amounts paid or incurred with re-
3 spect to any small businesses for which the ben-
4 eficiary has obtained any small business loan,
5 small farm loan, or similar loan.

6 “(D) Any amount used for the purchase
7 (as defined in section 36(c)(3)) of the principal
8 residence (as used in section 121) of the ac-
9 count beneficiary if such account beneficiary is
10 a first-time homebuyer (as defined in section
11 36(c)(1)) with respect to such purchase.

12 “(5) EXCEPTIONS.—Paragraphs (2) and (3)
13 shall not apply to any distribution which is a quali-
14 fied rollover contribution.

15 “(6) ADDITIONAL TAX ON CERTAIN DISTRIBU-
16 TIONS.—In the case of a distributee who has not at-
17 tained age 30, the tax imposed by this chapter on
18 the account beneficiary for any taxable year in which
19 there is a distribution from a MAGA account of such
20 beneficiary which is includible in gross income under
21 paragraph (3) shall be increased by 10 percent of
22 the amount which is so includible.

23 “(e) QUALIFIED ROLLOVER CONTRIBUTION.—For
24 purposes of this section, the term ‘qualified rollover con-
25 tribution’ means an amount which is paid in a direct trust-

1 ee-to-trustee transfer from a MAGA account maintained
2 for the benefit of the account beneficiary to a MAGA ac-
3 count maintained for such beneficiary.

4 “(f) TREATMENT AFTER DEATH OF ACCOUNT BENE-
5 FICIARY.—Rules similar to the rules of section 223(f)(8)
6 shall apply for purposes of this section.

7 “(g) DETERMINATIONS OF AGGREGATE DISTRIBUTU-
8 TIONS AND INVESTMENT IN CONTRACT IN THE CASE OF
9 CERTAIN ROLLOVER CONTRIBUTIONS.—In the case of a
10 qualified rollover contribution which is described in sub-
11 section (e)(2), any determination required under this sec-
12 tion of the amount of the investment of the contract or
13 of aggregate distributions from the MAGA account shall
14 be determined with respect to the aggregate of such
15 amounts for all MAGA accounts of the same account bene-
16 ficiary.

17 “(h) CUSTODIAL ACCOUNTS.—For purposes of this
18 section, a custodial account shall be treated as a trust
19 under this section if—

20 “(1) the custodial account would, except for the
21 fact that it is not a trust, constitute a trust which
22 meets the requirements of subsection (b)(1), and

23 “(2) the assets of such account are held by a
24 bank (as defined in section 408(n)) or another per-
25 son who demonstrates, to the satisfaction of the Sec-

1 retary, that the manner in which he will administer
2 the account will be consistent with the requirements
3 of this section.

4 For purposes of this title, in the case of a custodial ac-
5 count treated as a trust by reason of the preceding sen-
6 tence, the person holding the assets of such account shall
7 be treated as the trustee thereof.

8 “(i) TERMINATION.—

9 “(1) AGE 31.—Upon the date on which the ac-
10 count beneficiary attains age 31, a MAGA account
11 shall cease to be a MAGA account and the amount
12 in such account shall be treated as distributed for
13 purposes of subsection (d).

14 “(2) MULTIPLE ACCOUNTS OF ONE BENE-
15 FICIARY.—

16 “(A) IN GENERAL.—In the case of any du-
17 plicate MAGA account of any account bene-
18 ficiary other than a MAGA account which is es-
19 tablished by the deposit through a qualified roll-
20 over contribution of the entire amount of an-
21 other MAGA account of the account bene-
22 ficiary—

23 “(i) such duplicate MAGA account
24 shall cease to be a MAGA account and the
25 amount in such account shall be treated as

1 distributed for purposes of subsection (d),
2 and

3 “(ii) there is imposed an excise tax on
4 the account beneficiary in an amount equal
5 to so much of cash value of the account as
6 is allocable to income on the contract.

7 “(B) WITHHOLDING REQUIREMENT.—In
8 the case of an account terminated under sub-
9 paragraph (A), the trustee shall deduct and
10 withhold upon the amount to be distributed the
11 amount in excess described in subparagraph
12 (A)(ii).

13 “(C) NOTIFICATION.—The Secretary, upon
14 determining that a duplicate account exists,
15 shall provide a notice to the account beneficiary
16 of such duplicate account (and the account cus-
17 todian, in the case of a custodial account) and
18 to each trustee of any MAGA account of the ac-
19 count beneficiary of such duplicate account
20 which identifies each MAGA account of such
21 beneficiary and the trustee of each such ac-
22 count.

23 “(D) DUPLICATE ACCOUNT.—For purposes
24 of this paragraph, the term ‘duplicate account’
25 means—

1 “(i) in the case of an account bene-
2 ficiary for the benefit of whom an account
3 was established by the Secretary under
4 section 6434, any other MAGA account of
5 such account beneficiary, or

6 “(ii) in the case of any other account
7 beneficiary, any MAGA account established
8 after the first MAGA account established
9 for the benefit of such account beneficiary.

10 “(j) INVESTMENT IN THE CONTRACT.—For purposes
11 of this section, rules similar to the rules applied to a quali-
12 fied tuition program (as defined in section 529(b)) under
13 section 72(e)(9) shall apply for purposes of determining
14 the investment in the contract, except that such amount
15 shall be determined without regard to any contribution
16 which is described in subsection (c)(2).

17 “(k) REPORTS.—The trustee of a MAGA account
18 shall make such reports regarding such account to the
19 Secretary and to the beneficiary of the account with re-
20 spect to contributions, distributions, the amount of invest-
21 ment in the contract, and such other matters as the Sec-
22 retary may require. The reports required by this sub-
23 section shall be filed at such time and in such manner
24 and furnished to such individuals at such time and in such
25 manner as may be required.

1 “(l) CONTRIBUTIONS TO PREDOMINATELY UNRE-
2 LATED CHILDREN.—The Secretary shall establish a pro-
3 gram through which contributions may be made to the
4 MAGA accounts of a large group of account beneficiaries
5 if—

6 “(1) the contribution is made by any person de-
7 scribed in any paragraph of section 501(c) and ex-
8 empt from taxation under section 501(a),

9 “(2) such accounts are selected on the basis of
10 the location of the residence of the account bene-
11 ficiaries, the school district in which such bene-
12 ficiaries attend school, or another basis the Sec-
13 retary determines appropriate, and

14 “(3) all individuals who are account bene-
15 ficiaries of such an account who meet the selected
16 criteria receive an equal portion of the contribu-
17 tion.”.

18 (b) DISTRIBUTION TAXED AT SAME RATE AS NET
19 CAPITAL GAINS.—Section 1(h) is amended by adding at
20 the end the following new paragraph:

21 “(12) DISTRIBUTIONS FROM MAGA ACCOUNT
22 TAXED AS NET CAPITAL GAIN.—For purposes of this
23 subsection, the term ‘net capital gain’ means the net
24 capital gain (determined without regard to this para-
25 graph) increased by the amount includible in net

1 capital gain under this paragraph by reason of sec-
2 tion 530A(d)(2).”.

3 (c) TAX ON EXCESS CONTRIBUTIONS.—

4 (1) IN GENERAL.—Section 4973(a) is amended
5 by striking “or” at the end of paragraph (5), by in-
6 serting “or” at the end of paragraph (6), and by in-
7 serting after paragraph (6) the following new para-
8 graph:

9 “(7) a MAGA account (as defined in section
10 530A(b)),”.

11 (2) EXCESS CONTRIBUTION.—Section 4973 is
12 amended by adding at the end the following new
13 subsection:

14 “(i) EXCESS CONTRIBUTIONS TO A MAGA AC-
15 COUNT.—For purposes of this section, in the case of
16 MAGA accounts (within the meaning of section 530A), the
17 term ‘excess contributions’ means the sum of—

18 “(1) the amount by which the amount contrib-
19 uted for the calendar year to such account (other
20 than qualified rollover contributions (as defined in
21 section 530A(e))) exceeds the contribution limit
22 under section 530A(c)(1) (determined without re-
23 gard to contributions described in section
24 530A(c)(2)), and

1 “(2) the amount determined under this sub-
2 section for the preceding calendar year, reduced by
3 the excess (if any) of the maximum amount allow-
4 able as a contribution under section 530A(c)(1) (as
5 so determined) for the calendar year over the
6 amount contributed to the account for the calendar
7 year (other than qualified rollover contributions (as
8 so defined)).”.

9 (d) DISCLOSURE OF RETURN INFORMATION TO FA-
10 CILITATE CERTAIN CONTRIBUTIONS.—Section 6103(l) is
11 amended by adding at the end the following new para-
12 graph:

13 “(23) DISCLOSURE OF RETURN INFORMATION
14 TO ENABLE CERTAIN CONTRIBUTIONS TO MAGA AC-
15 COUNTS.—Upon written request signed by the head
16 of the bureau or office of the Department of the
17 Treasury requesting the inspection or disclosure, the
18 Secretary may disclose the following return informa-
19 tion with respect to a MAGA account (as defined in
20 section 503A(b)) to officers and employees of such
21 bureau or office to the extent that such disclosure is
22 necessary to carry out section 530A(l):

23 “(A) Information necessary to identify the
24 account holders in a particular class of bene-

1 ficiaries identified by a donor as the intended
2 recipients.

3 “(B) The name, address, and social secu-
4 rity number of a beneficiary.

5 “(C) The account custodian and the ad-
6 dress of such custodian.

7 “(D) The account number.

8 “(E) The routing number.

9 “(F) To the extent determined by the Sec-
10 retary in regulations, such other return infor-
11 mation as the Secretary determines necessary
12 to ensure proper routing of funds

13 Return information disclosed under this paragraph
14 may only be used to identify account holders in a
15 particular class of beneficiaries or for the proper
16 routing of funds and may not be redisclosed by the
17 Secretary.”.

18 (e) FAILURE TO PROVIDE REPORTS ON MAGA AC-
19 COUNTS.—Section 6693(a)(2) is amended by striking
20 “and” at the end of subparagraph (E), by striking the
21 period at the end of subparagraph (F) and inserting “,
22 and”, and by adding at the end the following new subpara-
23 graph:

24 “(G) section 530A(h) (relating to MAGA
25 accounts).”.

1 (f) CONFORMING AMENDMENT.—The table of parts
2 for subchapter F of chapter 1 is amended by adding at
3 the end the following new item:

“PART IX. MAGA ACCOUNTS”.

4 (g) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2024.

7 **SEC. 110116. MAGA ACCOUNTS CONTRIBUTION PILOT PRO-**
8 **GRAM.**

9 (a) IN GENERAL.—Subchapter B of chapter 65 is
10 amended by adding at the end the following new section:

11 **“SEC. 6434. MAGA ACCOUNTS CONTRIBUTION PILOT PRO-**
12 **GRAM.**

13 “(a) IN GENERAL.—In the case of any taxpayer with
14 respect to whom an eligible individual is a qualifying child,
15 there shall be allowed a one-time credit of \$1,000 with
16 respect to each such eligible individual who is a qualifying
17 child of such taxpayer which shall be payable by the Sec-
18 retary only to the MAGA account with respect to which
19 such eligible individual is the account beneficiary.

20 “(b) ACCOUNT ESTABLISHED BY SECRETARY.—

21 “(1) IN GENERAL.—In the case of any eligible
22 individual that the Secretary determines is not the
23 account beneficiary of any MAGA account as of the
24 qualifying date of such eligible individual, the Sec-

1 retary shall establish an account for the benefit of
2 such eligible individual.

3 “(2) QUALIFYING DATE.—For purposes of
4 paragraph (1), the term ‘qualifying date’ means,
5 with respect to an eligible individual, the first date
6 on which a return of tax is filed by an individual
7 with respect to whom such eligible individual is a
8 qualifying child with respect to the taxable year to
9 which such return relates.

10 “(3) NOTIFICATION.—In the case of any eligible
11 individual for the benefit of whom the Secretary es-
12 tablishes an account under paragraph (1), the Sec-
13 retary shall—

14 “(A) notify any individual with respect to
15 whom such eligible individual is a qualifying
16 child for the taxable year described in para-
17 graph (2) of the establishment of such account,
18 and

19 “(B) shall provide an opportunity to such
20 individual to elect to decline the application of
21 this subsection to such qualifying child.

22 “(4) DETERMINATION OF DEFAULT TRUST-
23 EE.—For purposes of selecting a trustee for an ac-
24 count established under paragraph (1), the Sec-
25 retary shall take into account—

1 “(A) the history of reliability and regu-
2 latory compliance of such trustee,

3 “(B) the customer service experience of
4 such trustee,

5 “(C) the costs imposed by such trustee on
6 the account or account beneficiary, and

7 “(D) to the extent practicable, the pref-
8 erences of any individual described in para-
9 graph (3)(A) with respect to such eligible indi-
10 vidual.

11 “(c) ELIGIBLE INDIVIDUAL.—For purposes of sub-
12 section (a), the term eligible individual means an indi-
13 vidual—

14 “(1) who is born after December 31, 2024, and
15 before January 1, 2029, and

16 “(2) who is a United States citizen at birth.

17 “(d) SOCIAL SECURITY NUMBER REQUIRED.—

18 “(1) IN GENERAL.—No credit shall be allowed
19 under subsection (a) to a taxpayer unless such tax-
20 payer includes on the return of tax for the taxable
21 year—

22 “(A) such individual’s social security num-
23 ber,

1 “(B) if such individual is married, the so-
2 cial security number of such individual’s spouse,
3 and

4 “(C) the social security number of the eli-
5 gible individual with respect to whom such cred-
6 it is allowed.

7 “(2) SOCIAL SECURITY NUMBER DEFINED.—
8 For purposes of paragraph (1), the term ‘social se-
9 curity number’ shall have the meaning given such
10 term in section 24(h)(7).

11 “(e) DEFINITIONS.—For purposes of this section—

12 “(1) QUALIFYING CHILD.—The term qualifying
13 child has the meaning given such term in section
14 152(c).

15 “(2) MAGA ACCOUNT; ACCOUNT BENE-
16 FICIARY.—The terms ‘MAGA account’ and ‘account
17 beneficiary’ have the meaning given such terms in
18 section 530A(b).”.

19 (b) PENALTY FOR NEGLIGENT CLAIM OR FRAUDU-
20 LENT CLAIM.—Part I of subchapter A of chapter 68 of
21 subtitle F is amended by adding at the end the following
22 new section:

1 **“SEC. 6659. IMPROPER CLAIM FOR MAGA ACCOUNT CON-**
2 **TRIBUTION PILOT PROGRAM CREDIT.**

3 “(a) IN GENERAL.—In the case of any taxpayer that
4 makes an excessive claim for a credit under section
5 6434—

6 “(1) if such excess is a result of negligence or
7 disregard of the rules or regulations, there shall be
8 imposed a penalty of \$500, or

9 “(2) if such excess is a result of fraud, there
10 shall be imposed a penalty of \$1,000.

11 “(b) DEFINITIONS.—The terms ‘negligence’ and ‘dis-
12 regard’ have the same meaning as when such terms are
13 used in section 6662.”.

14 (c) OMISSION OF CORRECT SOCIAL SECURITY NUM-
15 BER TREATED MATHEMATICAL OR CLERICAL ERROR.—
16 Section 6213(g)(2), as amended by the preceding provi-
17 sions of this Act, is amended by striking “and” at the
18 end of subparagraph (Y), by striking the period at the
19 end of subparagraph (Z) and inserting “, and”, and by
20 inserting after subparagraph (Z) the following new sub-
21 paragraph:

22 “(AA) an omission of a correct social secu-
23 rity number required under section 6434(d)(1)
24 (relating to the MAGA accounts contribution
25 pilot program).”.

26 (d) CLERICAL AMENDMENTS.—

1 (1) The table of sections for subchapter B of
2 chapter 65 is amended by adding at the end the fol-
3 lowing new item:

“Sec. 6434. MAGA accounts contribution pilot program.”.

4 (2) The table of sections for part I of sub-
5 chapter A of chapter 68 of subtitle F is amended by
6 inserting after the item relating to section 6658 the
7 following new item:

“Sec. 6659. Improper claim for MAGA account contribution pilot program
credit.”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2024.

11 **PART 3—INVESTING IN HEALTH OF AMERICAN**
12 **FAMILIES AND WORKERS**
13 **SEC. 110201. TREATMENT OF HEALTH REIMBURSEMENT AR-**
14 **RANGEMENTS INTEGRATED WITH INDIV-**
15 **IDUAL MARKET COVERAGE.**

16 (a) IN GENERAL.—Section 9815(b) is amended—

17 (1) by striking “EXCEPTION.—Notwithstanding
18 subsection (a)” and inserting the following: “EXCEP-
19 TIONS.—

20 “(1) SELF-INSURED GROUP HEALTH PLANS.—
21 Notwithstanding subsection (a)”, and

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

1 “(2) CUSTOM HEALTH OPTION AND INDIVIDUAL
2 CARE EXPENSE ARRANGEMENTS.—

3 “(A) IN GENERAL.—For purposes of this
4 subchapter, a custom health option and indi-
5 vidual care expense arrangement shall be treat-
6 ed as meeting the requirements of section 9802
7 and sections 2705, 2711, 2713, and 2715 of
8 title XXVII of the Public Health Service Act.

9 “(B) CUSTOM HEALTH OPTION AND INDI-
10 VIDUAL CARE EXPENSE ARRANGEMENTS DE-
11 FINED.—For purposes of this section, the term
12 ‘custom health option and individual care ex-
13 pense arrangement’ means a health reimburse-
14 ment arrangement—

15 “(i) which is an employer-provided
16 group health plan funded solely by em-
17 ployer contributions to provide payments
18 or reimbursements for medical care subject
19 to a maximum fixed dollar amount for a
20 period,

21 “(ii) under which such payments or
22 reimbursements may only be made for
23 medical care provided during periods dur-
24 ing which the individual is covered—

1 “(I) under individual health in-
2 surance coverage (other than coverage
3 that consists solely of excepted bene-
4 fits), or

5 “(II) under part A and B of title
6 XVIII of the Social Security Act or
7 part C of such title,

8 “(iii) which meets the nondiscrimina-
9 tion requirements of subparagraph (C),

10 “(iv) which meets the substantiation
11 requirements of subparagraph (D), and

12 “(v) which meets the notice require-
13 ments of subparagraph (E).

14 “(C) NONDISCRIMINATION.—

15 “(i) IN GENERAL.—An arrangement
16 meets the requirements of this subpara-
17 graph if an employer offering such ar-
18 rangement to an employee within a speci-
19 fied class of employee—

20 “(I) offers such arrangement to
21 all employees within such specified
22 class on the same terms, and

23 “(II) does not offer any other
24 group health plan (other than an ac-
25 count-based group health plan or a

1 group health plan that consists solely
2 of excepted benefits) to any employees
3 within such specified class.

4 In the case of an employer who offers a
5 group health plan provided through health
6 insurance coverage in the small group mar-
7 ket (that is subject to section 2701 of the
8 Public Health Service Act) to all employees
9 within such specified class, subclause (II)
10 shall not apply to such group health plan.

11 “(ii) SPECIFIED CLASS OF EM-
12 PLOYEE.—For purposes of this subpara-
13 graph, any of the following may be des-
14 ignated as a specified class of employee:

15 “(I) Full-time employees.

16 “(II) Part-time employees.

17 “(III) Salaried employees.

18 “(IV) Non-salaried employees.

19 “(V) Employees whose primary
20 site of employment is in the same rat-
21 ing area.

22 “(VI) Employees who are in-
23 cluded in a unit of employees covered
24 under a collective bargaining agree-
25 ment to which the employer is subject

1 (determined under rules similar to the
2 rules of section 105(h)).

3 “(VII) Employees who have not
4 met a group health plan, or health in-
5 surance issuer offering group health
6 insurance coverage, waiting period re-
7 quirement that satisfies section 2708
8 of the Public Health Service Act.

9 “(VIII) Seasonal employees.

10 “(IX) Employees who are non-
11 resident aliens and who receive no
12 earned income (within the meaning of
13 section 911(d)(2)) from the employer
14 which constitutes income from sources
15 within the United States (within the
16 meaning of section 861(a)(3)).

17 “(X) Such other classes of em-
18 ployees as the Secretary may des-
19 ignate.

20 An employer may designate (in such man-
21 ner as is prescribed by the Secretary) two
22 or more of the classes described in the pre-
23 ceding subclauses as the specified class of
24 employees to which the arrangement is of-

1 ferred for purposes of applying this sub-
2 paragraph.

3 “(iii) SPECIAL RULE FOR NEW
4 HIRES.—An employer may designate pro-
5 spectively so much of a specified class of
6 employees as are hired after a date set by
7 the employer. Such subclass of employees
8 shall be treated as the specified class for
9 purposes of applying clause (i).

10 “(iv) RULES FOR DETERMINING TYPE
11 OF EMPLOYEE.—For purposes for clause
12 (ii), any determination of full-time, part-
13 time, or seasonal employment status shall
14 be made under rules similar to the rules of
15 section 105(h) or 4980H, whichever the
16 employer elects for the plan year. Such
17 election shall apply with respect to all em-
18 ployees of the employer for the plan year.

19 “(v) PERMITTED VARIATION.—For
20 purposes of clause (i)(I), an arrangement
21 shall not fail to be treated as provided on
22 the same terms within a specified class
23 merely because the maximum dollar
24 amount of payments and reimbursements
25 which may be made under the terms of the

1 arrangement for the year with respect to
2 each employee within such class—

3 “(I) increases as additional de-
4 pendents of the employee are covered
5 under the arrangement, and

6 “(II) increases with respect to a
7 participant as the age of the partici-
8 pant increases, but not in excess of an
9 amount equal to 300 percent of the
10 lowest maximum dollar amount with
11 respect to such a participant deter-
12 mined without regard to age.

13 “(D) SUBSTANTIATION REQUIREMENTS.—
14 An arrangement meets the requirements of this
15 subparagraph if the arrangement has reason-
16 able procedures to substantiate—

17 “(i) that the participant and any de-
18 pendents are, or will be, enrolled in cov-
19 erage described in subparagraph (B)(ii) as
20 of the beginning of the plan year of the ar-
21 rangement (or as of the beginning of cov-
22 erage under the arrangement in the case of
23 an employee who first becomes eligible to
24 participate in the arrangement after the
25 date notice is given with respect to the

1 plan under subparagraph (E) (determined
2 without regard to clause (iii) thereof), and

3 “(ii) any requests made for payment
4 or reimbursement of medical care under
5 the arrangement and that the participant
6 and any dependents remain so enrolled.

7 “(E) NOTICE.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (iii), an arrangement meets
10 the requirements of this subparagraph if,
11 under the arrangement, each employee eli-
12 gible to participate is, not later than 60
13 days before the beginning of the plan year,
14 given written notice of the employee’s
15 rights and obligations under the arrange-
16 ment which—

17 “(I) is sufficiently accurate and
18 comprehensive to apprise the employee
19 of such rights and obligations, and

20 “(II) is written in a manner cal-
21 culated to be understood by the aver-
22 age employee eligible to participate.

23 “(ii) NOTICE REQUIREMENTS.—Such
24 notice shall include such information as the
25 Secretary may by regulation prescribe.

1 “(iii) NOTICE DEADLINE FOR CER-
2 TAIN EMPLOYEES.—In the case of an em-
3 ployee—

4 “(I) who first becomes eligible to
5 participate in the arrangement after
6 the date notice is given with respect
7 to the plan under clause (i) (deter-
8 mined without regard to this clause),
9 or

10 “(II) whose employer is first es-
11 tablished fewer than 120 days before
12 the beginning of the first plan year of
13 the arrangement,
14 the requirements of this subparagraph
15 shall be treated as met if the notice re-
16 quired under clause (i) is provided not
17 later than the date the arrangement may
18 take effect with respect to such em-
19 ployee.”.

20 (b) INCLUSION OF CHOICE ARRANGMENT PER-
21 MITTED BENEFITS ON W-2.—

22 (1) IN GENERAL.—Section 6051(a), as amend-
23 ed by the preceding provisions of this Act, is amend-
24 ed by striking “and” at the end of paragraph (17),
25 by striking the period at the end of paragraph (18)

1 and inserting “, and”, and by inserting after para-
2 graph (18) the following new paragraph:

3 “(19) the total amount of permitted benefits for
4 enrolled individuals under a custom health option
5 and individual care expense arrangement (as defined
6 in section 9815(b)(2)) with respect to such em-
7 ployee.”.

8 (c) TREATMENT OF CURRENT RULES RELATING TO
9 CERTAIN ARRANGEMENTS.—

10 (1) NO INFERENCE.—To the extent not incon-
11 sistent with the amendments made by this section—

12 (A) no inference shall be made from such
13 amendments with respect to the rules pre-
14 scribed in the Federal Register on June 20,
15 2019, (84 Fed. Reg. 28888) relating to health
16 reimbursement arrangements and other ac-
17 count-based group health plans, and

18 (B) any reference to custom health option
19 and individual care expense arrangements shall
20 for purposes of such rules be treated as includ-
21 ing a reference to individual coverage health re-
22 imbursement arrangements.

23 (2) OTHER CONFORMING OF RULES.—The Sec-
24 retary of the Treasury, the Secretary of Health and
25 Human Services, and the Secretary of Labor shall

1 modify such rules as may be necessary to conform
2 to the amendments made by this section.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to plan years beginning after De-
5 cember 31, 2025.

6 **SEC. 110202. PARTICIPANTS IN CHOICE ARRANGEMENT ELI-**
7 **GIBLE FOR PURCHASE OF EXCHANGE INSUR-**
8 **ANCE UNDER CAFETERIA PLAN.**

9 (a) IN GENERAL.—Section 125(f)(3) is amended by
10 adding at the end the following new subparagraph:

11 “(C) EXCEPTION FOR PARTICIPANTS IN
12 CHOICE ARRANGEMENT.—Subparagraph (A)
13 shall not apply in the case of an employee par-
14 ticipating in a custom health option and indi-
15 vidual care expense arrangement (within the
16 meaning of section 9815(b)(2)) offered by the
17 employee’s employer.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to taxable years beginning after
20 December 31, 2025.

21 **SEC. 110203. EMPLOYER CREDIT FOR CHOICE ARRANGE-**
22 **MENT.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-
24 chapter A of chapter 1 is amended by adding at the end
25 the following new section:

1 **“SEC. 45BB. EMPLOYER CREDIT FOR CHOICE ARRANGE-**
2 **MENT.**

3 “(a) IN GENERAL.—For purposes of section 38, in
4 the case of an eligible employer, the CHOICE arrange-
5 ment credit determined under this section for any taxable
6 year is an amount, with respect to each employee enrolled
7 during the credit period in a CHOICE arrangement main-
8 tained by the employer, equal to—

9 “(1) \$100 multiplied by the number of months
10 for which the employee is so enrolled during the first
11 year in the credit period, and

12 “(2) one-half of the dollar amount in effect
13 under paragraph (1) for the taxable year, multiplied
14 by the number of months for which the employee is
15 so enrolled during the second year of the credit pe-
16 riod.

17 “(b) ARRANGEMENT MUST CONSTITUTE MINIMUM
18 ESSENTIAL COVERAGE.—An employee shall not be taken
19 into account under subsection (a) unless such employee’s
20 eligibility for the CHOICE arrangement (determined with-
21 out regard to the employee being enrolled) would cause
22 the employee to be treated under section 36B(c)(2) as
23 being eligible for minimum essential coverage consisting
24 of an eligible employer-sponsored plan (as defined in sec-
25 tion 5000A(f)(2)).

26 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) CHOICE ARRANGEMENT.—The term
2 ‘CHOICE arrangement’ means a custom health op-
3 tion and individual care expense arrangement (as de-
4 fined in section 9815(b)(2)(B)).

5 “(2) CREDIT PERIOD.—The credit period with
6 respect to an eligible employer is the first 2 one-year
7 periods beginning with the month during which the
8 employer first establishes a CHOICE arrangement
9 on behalf of employees of the employer.

10 “(3) ELIGIBLE EMPLOYER.—The term ‘eligible
11 employer’ means, with respect to any taxable year
12 beginning in a calendar year, an employer who is not
13 an applicable large employer for the calendar year
14 under section 4980H.

15 “(d) INFLATION ADJUSTMENT.—

16 “(1) IN GENERAL.—In the case of any taxable
17 year beginning in a calendar year after 2026, the
18 dollar amount in subsection (a) shall be increased by
19 an amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which such taxable year begins by sub-
24 stituting ‘calendar year 2025’ for ‘calendar year
25 2016’ in subparagraph (A)(ii) thereof.

1 “(2) ROUNDING.—If any amount after adjust-
2 ment under paragraph (1) is not a multiple of \$10,
3 such amount shall be rounded to the next lower mul-
4 tiple of \$10.”.

5 (b) CREDIT MADE PART OF GENERAL BUSINESS
6 CREDIT.—Section 38(b) is amended by striking “plus” at
7 the end of paragraph (40), by striking the period at the
8 end of paragraph (41) and inserting “, plus”, and by add-
9 ing at the end the following new paragraph:

10 “(42) the CHOICE arrangement credit deter-
11 mined under section 45BB(a).”.

12 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
13 IMUM TAX.—Section 38(c)(4)(B) is amended—

14 (1) by redesignating clauses (x), (xi), and (xii)
15 as clauses (xi), (xii), and (xiii), respectively, and

16 (2) by inserting after clause (ix) the following
17 new clause:

18 “(x) the credit determined under sec-
19 tion 45BB,”.

20 (d) CLERICAL AMENDMENT.—The table of sections
21 for subpart D of part IV of subchapter A of chapter 1
22 is amended by adding at the end the following new item:

 “Sec. 45BB. Employer credit for CHOICE arrangement.”.

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2025.

1 **SEC. 110204. INDIVIDUALS ENTITLED TO PART A OF MEDI-**
2 **CARE BY REASON OF AGE ALLOWED TO CON-**
3 **TRIBUTE TO HEALTH SAVINGS ACCOUNTS.**

4 (a) IN GENERAL.—Section 223(c)(1)(B) is amended
5 by striking “and” at the end of clause (ii), by striking
6 the period at the end of clause (iii) and inserting “, and”,
7 and by adding at the end the following new clause:

8 “(iv) entitlement to hospital insurance
9 benefits under part A of title XVIII of the
10 Social Security Act by reason of section
11 226(a) of such Act.”.

12 (b) TREATMENT OF HEALTH INSURANCE PUR-
13 CHASED FROM ACCOUNT.—Section 223(d)(2)(C)(iv) is
14 amended by inserting “and who is not an eligible indi-
15 vidual” after “who has attained the age specified in sec-
16 tion 1811 of the Social Security Act”.

17 (c) COORDINATION WITH PENALTY ON DISTRIBU-
18 TIONS NOT USED FOR QUALIFIED MEDICAL EX-
19 PENSES.—Section 223(f)(4)(C) is amended by striking
20 “Subparagraph (A)” and inserting “Except in the case of
21 an eligible individual, subparagraph (A)”

22 (d) CONFORMING AMENDMENT.—Section 223(b)(7)
23 is amended by inserting “(other than an entitlement to
24 benefits described in subsection (c)(1)(B)(iv))” after “So-
25 cial Security Act”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to months beginning after Decem-
3 ber 31, 2025.

4 **SEC. 110205. TREATMENT OF DIRECT PRIMARY CARE SERV-**
5 **ICE ARRANGEMENTS.**

6 (a) IN GENERAL.—Section 223(c)(1) is amended by
7 adding at the end the following new subparagraph:

8 “(E) TREATMENT OF DIRECT PRIMARY
9 CARE SERVICE ARRANGEMENTS.—

10 “(i) IN GENERAL.—A direct primary
11 care service arrangement shall not be
12 treated as a health plan for purposes of
13 subparagraph (A)(ii).

14 “(ii) DIRECT PRIMARY CARE SERVICE
15 ARRANGEMENT.—For purposes of this sub-
16 paragraph—

17 “(I) IN GENERAL.—The term ‘di-
18 rect primary care service arrange-
19 ment’ means, with respect to any indi-
20 vidual, an arrangement under which
21 such individual is provided medical
22 care (as defined in section 213(d))
23 consisting solely of primary care serv-
24 ices provided by primary care practi-
25 tioners (as defined in section

1 1833(x)(2)(A) of the Social Security
2 Act, determined without regard to
3 clause (ii) thereof), if the sole com-
4 pensation for such care is a fixed peri-
5 odic fee.

6 “(II) LIMITATION.—With respect
7 to any individual for any month, such
8 term shall not include any arrange-
9 ment if the aggregate fees for all di-
10 rect primary care service arrange-
11 ments (determined without regard to
12 this subclause) with respect to such
13 individual for such month exceed
14 \$150 (twice such dollar amount in the
15 case of an individual with any direct
16 primary care service arrangement (as
17 so determined) that covers more than
18 one individual).

19 “(iii) CERTAIN SERVICES SPECIFI-
20 CALLY EXCLUDED FROM TREATMENT AS
21 PRIMARY CARE SERVICES.—For purposes
22 of this subparagraph, the term ‘primary
23 care services’ shall not include—

24 “(I) procedures that require the
25 use of general anesthesia,

1 “(II) prescription drugs (other
2 than vaccines), and

3 “(III) laboratory services not
4 typically administered in an ambula-
5 tory primary care setting.

6 The Secretary, after consultation with the
7 Secretary of Health and Human Services,
8 shall issue regulations or other guidance
9 regarding the application of this clause.”.

10 (b) DIRECT PRIMARY CARE SERVICE ARRANGEMENT
11 FEES TREATED AS MEDICAL EXPENSES.—Section
12 223(d)(2)(C) is amended by striking “or” at the end of
13 clause (iii), by striking the period at the end of clause (iv)
14 and inserting “, or”, and by adding at the end the fol-
15 lowing new clause:

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

18 (c) INFLATION ADJUSTMENT.—Section 223(g)(1) is
19 amended—

20 (1) by inserting “, (c)(1)(E)(ii)(II),” after
21 “(b)(2)” each place it appears, and

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

1 serting “, and”, and by inserting after clause (ii) the
2 following new clause:

3 “(iii) in the case of the dollar amount
4 in subsection (c)(1)(E)(ii)(II) for taxable
5 years beginning in calendar years after
6 2026, ‘calendar year 2025’.”.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to months beginning after Decem-
9 ber 31, 2025.

10 **SEC. 110206. ALLOWANCE OF BRONZE AND CATASTROPHIC**
11 **PLANS IN CONNECTION WITH HEALTH SAV-**
12 **INGS ACCOUNTS.**

13 (a) IN GENERAL.—Section 223(c)(2) is amended by
14 adding at the end the following new subparagraph:

15 “(H) BRONZE AND CATASTROPHIC PLANS
16 TREATED AS HIGH DEDUCTIBLE HEALTH
17 PLANS.—The term ‘high deductible health plan’
18 shall include any plan—

19 “(i) available as individual coverage
20 through an Exchange established under
21 section 1311 or 1321 of the Patient Pro-
22 tection and Affordable Care Act, and

23 “(ii) described in subsection (d)(1)(A)
24 or (e) of section 1302 of such Act.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to months beginning after Decem-
3 ber 31, 2025.

4 **SEC. 110207. ON-SITE EMPLOYEE CLINICS.**

5 (a) IN GENERAL.—Section 223(c)(1), as amended by
6 the preceding provisions of this Act, is amended by adding
7 at the end the following new subparagraph:

8 “(F) SPECIAL RULE FOR QUALIFIED ITEMS
9 AND SERVICES.—

10 “(i) IN GENERAL.—For purposes of
11 subparagraph (A)(ii), an individual shall
12 not be treated as covered under a health
13 plan described in subclauses (I) and (II) of
14 such subparagraph merely because the in-
15 dividual is eligible to receive, or receives,
16 qualified items and services—

17 “(I) at a healthcare facility lo-
18 cated at a facility owned or leased by
19 the employer of the individual (or of
20 the individual’s spouse), or

21 “(II) at a healthcare facility op-
22 erated primarily for the benefit of em-
23 ployees of the employer of the indi-
24 vidual (or of the individual’s spouse).

1 “(ii) QUALIFIED ITEMS AND SERVICES
2 DEFINED.—For purposes of this subpara-
3 graph, the term ‘qualified items and serv-
4 ices’ means the following:

5 “(I) Physical examination.

6 “(II) Immunizations, including
7 injections of antigens provided by em-
8 ployees.

9 “(III) Drugs or biologicals other
10 than a prescribed drug (as such term
11 is defined in section 213(d)(3)).

12 “(IV) Treatment for injuries oc-
13 ccurring in the course of employment.

14 “(V) Preventive care for chronic
15 conditions (as defined in clause (iv)).

16 “(VI) Drug testing.

17 “(VII) Hearing or vision
18 screenings and related services.

19 “(iii) AGGREGATION.—For purposes
20 of clause (i), all persons treated as a single
21 employer under subsection (b), (c), (m), or
22 (o) of section 414 shall be treated as a sin-
23 gle employer.

24 “(iv) PREVENTIVE CARE FOR CHRON-
25 IC CONDITIONS.—For purposes of this sub-

1 paragraph, the term ‘preventive care for
2 chronic conditions’ means any item or
3 service specified in the Appendix of Inter-
4 nal Revenue Service Notice 2019–45 which
5 is prescribed to treat an individual diag-
6 nosed with the associated chronic condition
7 specified in such Appendix for the purpose
8 of preventing the exacerbation of such
9 chronic condition or the development of a
10 secondary condition, including any amend-
11 ment, addition, removal, or other modifica-
12 tion made by the Secretary (pursuant to
13 the authority granted to the Secretary
14 under paragraph (2)(C)) to the items or
15 services specified in such Appendix subse-
16 quent to the date of publication of such
17 Notice.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to months in taxable years begin-
20 ning after December 31, 2025.

21 **SEC. 110208. CERTAIN AMOUNTS PAID FOR PHYSICAL AC-**
22 **TIVITY, FITNESS, AND EXERCISE TREATED AS**
23 **AMOUNTS PAID FOR MEDICAL CARE.**

24 (a) IN GENERAL.—Section 223(d)(2)(A) is amended
25 by adding at the end the following: “For purposes of this

1 subparagraph, amounts paid for qualified sports and fit-
2 ness expenses shall be treated as paid for medical care.”.

3 (b) QUALIFIED SPORTS AND FITNESS EXPENSES.—
4 Section 223(d)(2) is amended by adding at the end the
5 following new subparagraph:

6 “(E) QUALIFIED SPORTS AND FITNESS EX-
7 PENSES.—For purposes of this paragraph—

8 “(i) IN GENERAL.—The term ‘quali-
9 fied sports and fitness expenses’ means
10 amounts paid exclusively for the sole pur-
11 pose of participating in a physical activity
12 including—

13 “(I) for membership at a fitness
14 facility, or

15 “(II) for participation or instruc-
16 tion in physical exercise or physical
17 activity.

18 “(ii) OVERALL DOLLAR LIMITA-
19 TION.—

20 “(I) IN GENERAL.—The aggre-
21 gate amount treated as qualified
22 sports and fitness expenses with re-
23 spect to any taxpayer for any taxable
24 year shall not exceed \$500 (\$1,000 in
25 the case of a joint return or a head of

1 household (as defined in section
2 2(b))).

3 “(II) MONTHLY LIMIT.—The
4 amount taken into account under sub-
5 paragraph (A) as paid for partici-
6 pating in a physical activity during a
7 month beginning during the taxable
8 year shall not exceed an amount equal
9 to 1/12 of the amount in effect with
10 respect to the taxpayer for the taxable
11 year under subclause (I).

12 “(iii) FITNESS FACILITY.—For pur-
13 poses of clause (i)(I), the term ‘fitness fa-
14 cility’ means a facility—

15 “(I) which provides instruction in
16 a program of physical exercise, offers
17 facilities for the preservation, mainte-
18 nance, encouragement, or development
19 of physical fitness, or serves as the
20 site of such a program of a State or
21 local government,

22 “(II) which is not a private club
23 owned and operated by its members,

24 “(III) which does not offer golf,
25 hunting, sailing, or riding facilities,

1 “(IV) the health or fitness com-
2 ponent of which is not incidental to its
3 overall function and purpose, and

4 “(V) which is fully compliant
5 with the State of jurisdiction and
6 Federal anti-discrimination laws.

7 “(iv) TREATMENT OF PERSONAL
8 TRAINERS, EXERCISE VIDEOS, ETC.—The
9 term ‘qualified sports and fitness expenses’
10 shall not include any amount paid for—

11 “(I) videos, books, or similar ma-
12 terials,

13 “(II) remote or virtual instruc-
14 tion in a physical exercise or physical
15 activity, unless such instruction is live,
16 or

17 “(III) one-on-one personal train-
18 ing.

19 “(v) PROGRAMS WHICH INCLUDE
20 COMPONENTS OTHER THAN PHYSICAL EX-
21 ERCISE AND PHYSICAL ACTIVITY.—Rules
22 similar to the rules of section 213(d)(6)
23 shall apply in the case of any program that
24 includes physical exercise or physical activ-
25 ity and also other components. For pur-

1 poses of the preceding sentence, travel and
2 accommodations shall be treated as a separate
3 component.

4 “(vi) MEMBERSHIP, PARTICIPATION,
5 AND INSTRUCTION MUST BE CONTINUING.—An amount shall not be treated
6 as paid for the purpose of participating in
7 a physical activity unless—

8 “(I) in the case of a membership
9 at a fitness facility, such membership
10 is for more than 1 day, and

11 “(II) in the case of participation
12 or instruction in physical exercise or
13 physical activity, the amount paid
14 constitutes payment for more than 1
15 occasion of such participation or instruction.
16

17 “(vii) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2026, each
18 dollar amount in clause (ii)(I) shall be increased by an amount equal to—
19

20 “(I) such dollar amount, multiplied by
21
22
23
24

1 “(II) the cost-of-living adjust-
2 ment determined under section 1(f)(3)
3 for the calendar year in which such
4 taxable year begins by substituting
5 ‘calendar year 2025’ for ‘calendar
6 year 2016’ in subparagraph (A)(ii)
7 thereof.

8 If any increase under the preceding sen-
9 tence is not a multiple of \$50, such in-
10 crease shall be rounded to the nearest mul-
11 tiple of \$50.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2025.

15 **SEC. 110209. ALLOW BOTH SPOUSES TO MAKE CATCH-UP**
16 **CONTRIBUTIONS TO THE SAME HEALTH SAV-**
17 **INGS ACCOUNT.**

18 (a) IN GENERAL.—Section 223(b)(5) is amended to
19 read as follows:

20 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS
21 WITH FAMILY COVERAGE.—

22 “(A) IN GENERAL.—In the case of individ-
23 uals who are married to each other, if both
24 spouses are eligible individuals and either
25 spouse has family coverage under a high de-

1 ductible health plan as of the first day of any
2 month—

3 “(i) the limitation under paragraph
4 (1) shall be applied by not taking into ac-
5 count any other high deductible health
6 plan coverage of either spouse (and if such
7 spouses both have family coverage under
8 separate high deductible health plans, only
9 one such coverage shall be taken into ac-
10 count),

11 “(ii) such limitation (after application
12 of clause (i)) shall be reduced by the ag-
13 gregate amount paid to Archer MSAs of
14 such spouses for the taxable year, and

15 “(iii) such limitation (after application
16 of clauses (i) and (ii)) shall be divided
17 equally between such spouses unless they
18 agree on a different division.

19 “(B) TREATMENT OF ADDITIONAL CON-
20 TRIBUTION AMOUNTS.—If both spouses referred
21 to in subparagraph (A) have attained age 55
22 before the close of the taxable year, the limita-
23 tion referred to in subparagraph (A)(iii) which
24 is subject to division between the spouses shall
25 include the additional contribution amounts de-

1 terminated under paragraph (3) for both spouses.
2 In any other case, any additional contribution
3 amount determined under paragraph (3) shall
4 not be taken into account under subparagraph
5 (A)(iii) and shall not be subject to division be-
6 tween the spouses.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

10 **SEC. 110210. FSA AND HRA TERMINATIONS OR CONVER-**
11 **SIONS TO FUND HSAs.**

12 (a) IN GENERAL.—Section 106(e)(2) is amended to
13 read as follows:

14 “(2) QUALIFIED HSA DISTRIBUTION.—For
15 purposes of this subsection—

16 “(A) IN GENERAL.—The term ‘qualified
17 HSA distribution’ means, with respect to any
18 employee, a distribution from a health flexible
19 spending arrangement or health reimbursement
20 arrangement of such employee contributed di-
21 rectly to a health savings account of such em-
22 ployee if—

23 “(i) such distribution is made in con-
24 nection with such employee establishing
25 coverage under a high deductible health

1 plan (as defined in section 223(c)(2)) if
2 during the 4-year period preceding the
3 date the employee so establishes coverage
4 the employee was not covered under such
5 a high deductible health plan, and

6 “(ii) such arrangement is described in
7 section 223(c)(1)(B)(v) with respect to any
8 portion of the plan year remaining after
9 such distribution is made, if such employee
10 remains enrolled in such arrangement.

11 “(B) DOLLAR LIMITATION.—The aggre-
12 gate amount of distributions from health flexi-
13 ble spending arrangements and health reim-
14 bursement arrangements of any employee which
15 may be treated as qualified HSA distributions
16 in connection with an establishment of coverage
17 described in subparagraph (A)(i) shall not ex-
18 ceed the dollar amount in effect under section
19 125(i)(1) (twice such amount in the case of cov-
20 erage which is described in section
21 223(b)(2)(B)).”.

22 (b) PARTIAL REDUCTION OF LIMITATION ON DE-
23 DUCTIBLE HSA CONTRIBUTIONS.—Section 223(b)(4) is
24 amended by striking “and” at the end of subparagraph
25 (B), by striking the period at the end of subparagraph

1 (C) and inserting “, and”, and by inserting after subpara-
2 graph (C) the following new subparagraph:

3 “(D) so much of any qualified HSA dis-
4 tribution (as defined in section 106(e)(2)) made
5 to a health savings account of such individual
6 during the taxable year as does not exceed the
7 aggregate increases in the balance of the ar-
8 rangement from which such distribution is
9 made which occur during the portion of the
10 plan year which precedes such distribution
11 (other than any balance carried over to such
12 plan year and determined without regard to any
13 decrease in such balance during such portion of
14 the plan year).”.

15 (c) CONVERSION TO HSA-COMPATIBLE ARRANGE-
16 MENT FOR REMAINDER OF PLAN YEAR.—Section
17 223(c)(1)(B), as amended by this preceding provisions of
18 this Act, is amended by striking “and” at the end of clause
19 (iii), by striking the period at the end of clause (iv) and
20 inserting “, and”, and by adding at the end the following
21 new clause:

22 “(v) coverage under a health flexible
23 spending arrangement or health reimburse-
24 ment arrangement for the portion of the
25 plan year after a qualified HSA distribu-

1 tion (as defined in section 106(e)(2) deter-
2 mined without regard to subparagraph
3 (A)(ii) thereof) is made, if the terms of
4 such arrangement which apply for such
5 portion of the plan year are such that, if
6 such terms applied for the entire plan
7 year, then such arrangement would not be
8 taken into account under subparagraph
9 (A)(ii) of this paragraph for such plan
10 year.”.

11 (d) INCLUSION OF QUALIFIED HSA DISTRIBUTIONS
12 ON W-2.—

13 (1) IN GENERAL.—Section 6051(a), as amend-
14 ed by the preceding provisions of this Act, is amend-
15 ed by striking “and” at the end of paragraph (18),
16 by striking the period at the end of paragraph (19)
17 and inserting “, and”, and by inserting after para-
18 graph (19) the following new paragraph:

19 “(20) the amount of any qualified HSA dis-
20 tribution (as defined in section 106(e)(2)) with re-
21 spect to such employee.”.

22 (2) CONFORMING AMENDMENT.—Section
23 6051(a)(12) is amended by inserting “(other than
24 any qualified HSA distribution, as defined in section
25 106(e)(2))” before the comma at the end.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to distributions made after Decem-
3 ber 31, 2025.

4 **SEC. 110211. SPECIAL RULE FOR CERTAIN MEDICAL EX-**
5 **PENSES INCURRED BEFORE ESTABLISHMENT**
6 **OF HEALTH SAVINGS ACCOUNT.**

7 (a) IN GENERAL.—Section 223(d)(2), as amended by
8 the preceding provisions of this Act, is amended by adding
9 at the end the following new subparagraph:

10 “(F) TREATMENT OF CERTAIN MEDICAL
11 EXPENSES INCURRED BEFORE ESTABLISHMENT
12 OF ACCOUNT.—If a health savings account is
13 established during the 60-day period beginning
14 on the date that coverage of the account bene-
15 ficiary under a high deductible health plan be-
16 gins, then, solely for purposes of determining
17 whether an amount paid is used for a qualified
18 medical expense, such account shall be treated
19 as having been established on the date that
20 such coverage begins.”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply with respect to coverage beginning
23 after December 31, 2025.

1 **SEC. 110212. CONTRIBUTIONS PERMITTED IF SPOUSE HAS**
2 **HEALTH FLEXIBLE SPENDING ARRANGE-**
3 **MENT.**

4 (a) CONTRIBUTIONS PERMITTED IF SPOUSE HAS A
5 HEALTH FLEXIBLE SPENDING ARRANGEMENT.—Section
6 223(c)(1)(B), as amended by this preceding provisions of
7 this Act, is amended by striking “and” at the end of clause
8 (iv), by striking the period at the end of clause (v) and
9 inserting “, and”, and by adding at the end the following
10 new clause:

11 “(vi) coverage under a health flexible
12 spending arrangement of the spouse of the
13 individual for any plan year of such ar-
14 rangement if the aggregate reimburse-
15 ments under such arrangement for such
16 year do not exceed the aggregate expenses
17 which would be eligible for reimbursement
18 under such arrangement if such expenses
19 were determined without regard to any ex-
20 penses paid or incurred with respect to
21 such individual.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to plan years beginning after De-
24 cember 31, 2025.

1 **SEC. 110213. INCREASE IN HEALTH SAVINGS ACCOUNT CON-**
2 **TRIBUTION LIMITATION FOR CERTAIN INDIVIDUALS.**
3 **VIDUALS.**

4 (a) INCREASE.—

5 (1) IN GENERAL.—Section 223(b) is amended
6 by adding at the end the following new paragraph:

7 “(9) INCREASE IN LIMITATION FOR CERTAIN
8 TAXPAYERS.—

9 “(A) IN GENERAL.—The applicable limita-
10 tion under subparagraphs (A) and (B) of para-
11 graph (2) shall be increased by \$4,300 and
12 \$8,550, respectively.

13 “(B) LIMITATION BASED ON MODIFIED
14 ADJUSTED GROSS INCOME.—The amount of the
15 increase under subparagraph (A) (determined
16 without regard to this subparagraph) shall be
17 reduced (but not below zero) by the amount
18 which bears the same ratio to the amount of
19 such increase (as so determined) as—

20 “(i) the excess (if any) of—

21 “(I) the taxpayer’s adjusted
22 gross income for such taxable year,
23 over

24 “(II) \$75,000 (\$150,000 in the
25 case of a joint return, if the eligible

1 individual has family coverage), bears
2 to
3 “(ii) \$25,000 (\$50,000 in the case of
4 a joint return, if the eligible individual has
5 family coverage).

6 For purposes of the preceding sentence, ad-
7 justed gross income shall be determined in the
8 same manner as under section 219(g)(3)(A),
9 except determined without regard to any deduc-
10 tion allowed under this section.”.

11 (2) ONLY TO APPLY TO EMPLOYEE CONTRIBU-
12 TIONS.—Section 106(d)(1) is amended by inserting
13 “and section 223(b)(9)” after “determined without
14 regard to this subsection”.

15 (b) INFLATION ADJUSTMENT.—Section 223(g), as
16 amended by the preceding provisions of this Act, is amend-
17 ed—

18 (1) by inserting “, (b)(9)(A), (b)(9)(B)(i)(II),”
19 before “and (c)(2)(A)” each place it appears,

20 (2) by striking “clauses (ii) and (ii)” in para-
21 graph (1)(B)(i) and inserting “clauses (ii), (iii), and
22 (iv)”,

23 (3) by striking “and” at the end of paragraph
24 (1)(B)(ii),

1 (4) by striking the period at the end of para-
2 graph (1)(B)(iii) and inserting “, and”, and

3 (5) by inserting after paragraph (1)(B)(iii) the
4 following new clause:

5 “(iv) in the case of the dollar amounts
6 in subsections (b)(9)(A) and
7 (b)(9)(B)(i)(II), ‘calendar year 2025’.”.

8 (c) EFFECTIVE DATE.—

9 (1) SUBSECTION (a).—The amendments made
10 by subsection (a) shall apply to taxable years begin-
11 ning after December 31, 2025.

12 (2) SUBSECTION (b).—The amendments made
13 by subsection (b) shall apply to taxable years begin-
14 ning after December 31, 2026.

15 **SEC. 110214. REGULATIONS.**

16 The Secretary of the Treasury and the Secretary of
17 Health and Human Services may each prescribe such rules
18 and other guidance as may be necessary or appropriate
19 to carry out the amendments made by this part.

1 **Subtitle B—Make Rural America**
2 **and Main Street Grow Again**

3 **PART 1—EXTENSION OF TAX CUTS AND JOBS ACT**
4 **REFORMS FOR RURAL AMERICA AND MAIN**
5 **STREET**

6 **SEC. 111001. EXTENSION OF SPECIAL DEPRECIATION AL-**
7 **LOWANCE FOR CERTAIN PROPERTY.**

8 (a) IN GENERAL.—Section 168(k) is amended—

9 (1) in paragraph (2)—

10 (A) by striking “January 1, 2027” each
11 place it appears and inserting “January 1,
12 2030”, and

13 (B) in subparagraph (B)—

14 (i) in clause (i)(II), by striking “Janu-
15 ary 1, 2028” and inserting “January 1,
16 2031”, and

17 (ii) in the heading of clause (ii), by
18 striking “PRE-JANUARY 1, 2027 BASIS” and
19 inserting “PRE-JANUARY 1, 2030 BASIS”,

20 (2) in paragraph (5)(A), by striking “January
21 1, 2027” and inserting “January 1, 2030”, and

22 (3) in paragraph (6)—

23 (A) in subparagraph (A)—

24 (i) by inserting “in the case of prop-
25 erty acquired by the taxpayer before Janu-

1 ary 20, 2025,” after “Except as otherwise
2 provided in this paragraph”, and

3 (ii) by striking “and” at the end of
4 clause (iv), by striking the period at the
5 end of clause (v) and inserting “, and”,
6 and by adding at the end the following new
7 clause:

8 “(vi) in the case of property placed in
9 service after December 31, 2026, 0 per-
10 cent.”,

11 (B) in subparagraph (B)—

12 (i) by striking “In the case of prop-
13 erty described” and inserting “In the case
14 of property acquired by the taxpayer before
15 January 20, 2025 and described”, and

16 (ii) by striking “and” at the end of
17 clause (iv), by striking the period at the
18 end of clause (v) and inserting “, and”,
19 and by adding at the end the following new
20 clause:

21 “(vi) in the case of property placed in
22 service after December 31, 2027, 0 per-
23 cent.”,

24 (C) in subparagraph (C), by inserting
25 “and” at the end of clause (iii), by striking

1 clauses (iv) and (v), and by adding at the end
2 the following new clause:

3 “(iv) in the case of a plant which is
4 planted or grafted after January 19, 2025,
5 and before January 1, 2030, 100 per-
6 cent.”, and

7 (D) by adding at the end the following new
8 subparagraph:

9 “(D) RULE FOR PROPERTY ACQUIRED
10 AFTER JANUARY 19, 2025.—

11 “(i) IN GENERAL.—In the case of
12 property acquired by the taxpayer after
13 January 19, 2025 and placed in service
14 after such date and before January 1,
15 2030 (January 1, 2031, in the case of
16 property described in subparagraph (B) or
17 (C) of paragraph (2)), the term ‘applicable
18 percentage’ means 100 percent.

19 “(ii) ACQUISITION DATE DETERMINA-
20 TION.—For purposes of clause (i), property
21 shall not be treated as acquired after the
22 date on which a written binding contract is
23 entered into for such acquisition.”.

24 (b) CONFORMING AMENDMENT.—Section
25 460(c)(6)(B) is amended by striking “which” and all that

1 follows through the period and inserting “which has a re-
2 covery period of 7 years or less.”.

3 (c) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided by para-
5 graph (2), the amendments made by this section
6 shall apply to property acquired after January 19,
7 2025 and placed in service after such date.

8 (2) SPECIFIED PLANTS.—The amendments
9 made by this section shall apply to specified plants
10 planted or grafted after January 19, 2025.

11 **SEC. 111002. DEDUCTION OF DOMESTIC RESEARCH AND EX-**
12 **PERIMENTAL EXPENDITURES.**

13 (a) SUSPENSION OF AMORTIZATION FOR DOMESTIC
14 RESEARCH AND EXPERIMENTAL EXPENDITURES.—Sec-
15 tion 174 is amended by adding at the end the following
16 new subsection:

17 “(e) SUSPENSION OF APPLICATION TO DOMESTIC
18 RESEARCH AND EXPERIMENTAL EXPENDITURES.—In the
19 case of any domestic research or experimental expendi-
20 tures (as defined in section 174A(b)), this section shall
21 not apply to such expenditures paid or incurred in taxable
22 years beginning after December 31, 2024, and before Jan-
23 uary 1, 2030.”.

24 (b) REINSTATEMENT OF EXPENSING FOR DOMESTIC
25 RESEARCH AND EXPERIMENTAL EXPENDITURES.—Part

1 VI of subchapter B of chapter 1 is amended by inserting
2 after section 174 the following new section:

3 **“SEC. 174A. TEMPORARY RULES FOR DOMESTIC RESEARCH**
4 **AND EXPERIMENTAL EXPENDITURES.**

5 “(a) TREATMENT AS EXPENSES.—Notwithstanding
6 section 263, there shall be allowed as a deduction any do-
7 mestic research or experimental expenditures which are
8 paid or incurred by the taxpayer during the taxable year.

9 “(b) DOMESTIC RESEARCH OR EXPERIMENTAL EX-
10 PENDITURES.—For purposes of this section, the term ‘do-
11 mestic research or experimental expenditures’ means re-
12 search or experimental expenditures paid or incurred by
13 the taxpayer in connection with the taxpayer’s trade or
14 business other than such expenditures which are attrib-
15 utable to foreign research (within the meaning of section
16 41(d)(4)(F)).

17 “(c) AMORTIZATION OF CERTAIN DOMESTIC RE-
18 SEARCH AND EXPERIMENTAL EXPENDITURES.—

19 “(1) IN GENERAL.—At the election of the tax-
20 payer, made in accordance with regulations or other
21 guidance provided by the Secretary, in the case of
22 domestic research or experimental expenditures
23 which would (but for subsection (a)) be chargeable
24 to capital account but not chargeable to property of
25 a character which is subject to the allowance under

1 section 167 (relating to allowance for depreciation,
2 etc.) or section 611 (relating to allowance for deple-
3 tion), subsection (a) shall not apply and the tax-
4 payer shall—

5 “(A) charge such expenditures to capital
6 account, and

7 “(B) be allowed an amortization deduction
8 of such expenditures ratably over such period of
9 not less than 60 months as may be selected by
10 the taxpayer (beginning with the midpoint of
11 the taxable year in which such expenditures are
12 paid or incurred).

13 “(2) TIME FOR AND SCOPE OF ELECTION.—The
14 election provided by paragraph (1) may be made for
15 any taxable year, but only if made not later than the
16 time prescribed by law for filing the return for such
17 taxable year (including extensions thereof). The
18 method so elected, and the period selected by the
19 taxpayer, shall be adhered to in computing taxable
20 income for the taxable year for which the election is
21 made and for all subsequent taxable years unless,
22 with the approval of the Secretary, a change to a
23 different method (or to a different period) is author-
24 ized with respect to part or all of such expenditures.
25 The election shall not apply to any expenditure paid

1 or incurred during any taxable year before the tax-
2 able year for which the taxpayer makes the election.

3 “(d) SPECIAL RULES.—

4 “(1) LAND AND OTHER PROPERTY.—This sec-
5 tion shall not apply to any expenditure for the acqui-
6 sition or improvement of land, or for the acquisition
7 or improvement of property to be used in connection
8 with the research or experimentation and of a char-
9 acter which is subject to the allowance under section
10 167 (relating to allowance for depreciation, etc.) or
11 section 611 (relating to allowance for depletion); but
12 for purposes of this section allowances under section
13 167, and allowances under section 611, shall be con-
14 sidered as expenditures.

15 “(2) EXPLORATION EXPENDITURES.—This sec-
16 tion shall not apply to any expenditure paid or in-
17 curred for the purpose of ascertaining the existence,
18 location, extent, or quality of any deposit of ore or
19 other mineral (including oil and gas).

20 “(3) SOFTWARE DEVELOPMENT.—For purposes
21 of this section, any amount paid or incurred in con-
22 nection with the development of any software shall
23 be treated as a research or experimental expendi-
24 ture.

25 “(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(c)(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(c)
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 **PART 2—ADDITIONAL TAX RELIEF FOR RURAL**
9 **AMERICA AND MAIN STREET**

10 **SEC. 111101. SPECIAL DEPRECIATION ALLOWANCE FOR**
11 **QUALIFIED PRODUCTION PROPERTY.**

12 (a) IN GENERAL.—Section 168 is amended by adding
13 at the end the following new subsection:

14 “(n) SPECIAL ALLOWANCE FOR QUALIFIED PRODUC-
15 TION PROPERTY.—

16 “(1) IN GENERAL.—In the case of any qualified
17 production property—

18 “(A) the depreciation deduction provided
19 by section 167(a) for the taxable year in which
20 such property is placed in service shall include
21 an allowance equal to 100 percent of the ad-
22 justed basis of the qualified production prop-
23 erty, and

24 “(B) the adjusted basis of the qualified
25 production property shall be reduced by the

1 amount of such deduction before computing the
2 amount otherwise allowable as a depreciation
3 deduction under this chapter for such taxable
4 year and any subsequent taxable year.

5 “(2) QUALIFIED PRODUCTION PROPERTY.—For
6 purposes of this subsection—

7 “(A) IN GENERAL.—The term ‘qualified
8 production property’ means that portion of any
9 nonresidential real property—

10 “(i) to which this section applies,

11 “(ii) which is used by the taxpayer as
12 an integral part of a qualified production
13 activity,

14 “(iii) which is placed in service in the
15 United States or any possession of the
16 United States,

17 “(iv) the original use of which com-
18 mences with the taxpayer,

19 “(v) the construction of which begins
20 after January 19, 2025, and before Janu-
21 ary 1, 2029,

22 “(vi) with respect to which the tax-
23 payer has elected the application of this
24 subsection, and

1 “(vii) which is placed in service before
2 January 1, 2033.

3 “(B) SPECIAL RULE FOR CERTAIN PROP-
4 ERTY NOT PREVIOUSLY USED IN QUALIFIED
5 PRODUCTION ACTIVITIES.—

6 “(i) IN GENERAL.—In the case of
7 property acquired by the taxpayer during
8 the period described in subparagraph
9 (A)(v), the requirements of clauses (iv) and
10 (v) of subparagraph (A) shall be treated as
11 satisfied if such property was not used in
12 a qualified production activity (determined
13 without regard to the second sentence of
14 subparagraph (D)) by any person at any
15 time during the period beginning on Janu-
16 ary 1, 2021, and ending on May 12, 2025.

17 “(ii) WRITTEN BINDING CON-
18 TRACTS.—For purposes of determining
19 under clause (i)—

20 “(I) whether such property is ac-
21 quired before the period described in
22 subparagraph (A)(v), such property
23 shall be treated as acquired not later
24 than the date on which the taxpayer

1 enters into a written binding contract
2 for such acquisition, and

3 “(II) whether such property is
4 acquired after such period, such prop-
5 erty shall be treated as acquired not
6 earlier than such date.

7 “(C) EXCLUSION OF OFFICE SPACE,
8 ETC.—The term ‘qualified production property’
9 shall not include that portion of any nonresi-
10 dential real property which is used for offices,
11 administrative services, lodging, parking, sales
12 activities, research activities, software engineer-
13 ing activities, or other functions unrelated to
14 manufacturing, production, or refining of tan-
15 gible personal property.

16 “(D) QUALIFIED PRODUCTION ACTIVITY.—
17 The term ‘qualified production activity’ means
18 the manufacturing, production, or refining of a
19 qualified product. The activities of any taxpayer
20 do not constitute manufacturing, production, or
21 refining of a qualified product unless the activi-
22 ties of such taxpayer result in a substantial
23 transformation of the property comprising the
24 product.

1 “(E) PRODUCTION.—The term ‘produc-
2 tion’ shall not include activities other than agri-
3 cultural production and chemical production.

4 “(F) QUALIFIED PRODUCT.—The term
5 ‘qualified product’ means any tangible personal
6 property.

7 “(G) SYNDICATION.—For purposes of sub-
8 paragraph (A)(iv), rules similar to the rules of
9 subsection (k)(2)(E)(iii) shall apply.

10 “(3) DEDUCTION ALLOWED IN COMPUTING
11 MINIMUM TAX.—For purposes of determining alter-
12 native minimum taxable income under section 55,
13 the deduction under section 167 for qualified pro-
14 duction property shall be determined under this sec-
15 tion without regard to any adjustment under section
16 56.

17 “(4) COORDINATION WITH CERTAIN OTHER
18 PROVISIONS.—

19 “(A) OTHER SPECIAL DEPRECIATION AL-
20 LOWANCES.—The term ‘qualified production
21 property’ shall not include any property to
22 which subsection (k), (l), or (m) applies. For
23 purposes of subsections (k)(7), (l)(3)(D), and
24 (m)(2)(B)(iii), qualified production property to

1 which this subsection applies shall be treated as
2 a separate class of property.

3 “(B) ALTERNATIVE DEPRECIATION PROP-
4 ERTY.—The term ‘qualified production prop-
5 erty’ shall not include any property to which the
6 alternative depreciation system under sub-
7 section (g) applies. For purposes of subsection
8 (g)(7)(A), qualified production property to
9 which this subsection applies shall be treated as
10 separate nonresidential real property.

11 “(5) RECAPTURE.—If, at any time during the
12 10-year period beginning on the date that any quali-
13 fied production property is placed in service by the
14 taxpayer, such property ceases to be used as de-
15 scribed in paragraph (2)(A)(ii) and is used by the
16 taxpayer in a productive use not described in para-
17 graph (2)(A)(ii)—

18 “(A) section 1245 shall be applied—

19 “(i) by treating such property as hav-
20 ing been disposed of by the taxpayer as of
21 the first time such property is so used in
22 a productive use not described in para-
23 graph (2)(A)(ii), and

24 “(ii) by treating the amount described
25 in subparagraph (B) of section 1245(a)(1)

1 with respect to such disposition as being
2 not less than the amount described in sub-
3 paragraph (A) of such section, and

4 “(B) the basis of the taxpayer in such
5 property, and the taxpayer’s allowance for de-
6 preciation with respect to such property, shall
7 be appropriately adjusted to take into account
8 amounts recognized by reason of subparagraph
9 (A).

10 “(6) REGULATIONS.—The Secretary shall issue
11 such regulations or other guidance as may be nec-
12 essary or appropriate to carry out the purposes of
13 this subsection, including regulations or other guid-
14 ance—

15 “(A) regarding what constitutes a substan-
16 tial transformation of property, and

17 “(B) providing for the application of para-
18 graph (5) with respect to a change in use de-
19 scribed in such paragraph by a transferee fol-
20 lowing a fully or partially tax free transfer of
21 qualified production property.”.

22 (b) TREATMENT OF QUALIFIED PRODUCTION PROP-
23 erty AS SECTION 1245 PROPERTY.—Section 1245(a)(3)
24 is amended by striking “or” at the end of subparagraph
25 (E), by striking the period at the end of subparagraph

1 (F) and inserting “, or”, and by adding at the end the
2 following new subparagraph:

3 “(G) any qualified production property (as
4 defined in section 168(n)(2)).”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to property placed in service after
7 the date of the enactment of this Act.

8 **SEC. 111102. RENEWAL AND ENHANCEMENT OF OPPOR-**
9 **TUNITY ZONES.**

10 (a) MODIFICATION OF LOW-INCOME COMMUNITY
11 DEFINITION.—Section 1400Z-1(c)(1) is amended—

12 (1) by striking “COMMUNITIES.—The term”
13 and inserting the following: “COMMUNITIES.—

14 “(A) IN GENERAL.—The term”, and

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

16 “(B) MODIFICATIONS.—For purposes of
17 subparagraph (A), section 45D(e)(1) shall be
18 applied in subparagraph (B) thereof, by sub-
19 stituting ‘70 percent’ for ‘80 percent’ each
20 place it appears.

21 “(C) CERTAIN CENSUS TRACTS DIS-
22 ALLOWED.—The term ‘low-income community’
23 shall not include any population census tract
24 if—

1 “(i) in the case of a tract not located
2 within a metropolitan area, the median
3 family income for such tract is at least 125
4 percent of statewide median family income,
5 or

6 “(ii) in the case of a tract located
7 within a metropolitan area, the median
8 family income for such tract is at least 125
9 percent of the metropolitan area median
10 family income.”.

11 (b) NEW ROUND OF QUALIFIED OPPORTUNITY ZONE
12 DESIGNATIONS.—

13 (1) IN GENERAL.—Section 1400Z–1 is amended
14 by adding at the end the following new subsection:

15 “(g) NEW ROUND OF QUALIFIED OPPORTUNITY
16 ZONE DESIGNATIONS.—

17 “(1) IN GENERAL.—In addition to designations
18 under subsection (b), and under rules similar to the
19 rules of such subsection, the Secretary shall des-
20 ignate tracts nominated by the chief executive offi-
21 cers of States for purposes of this section.

22 “(2) NUMBER OF DESIGNATIONS; PROPORTION
23 OF RURAL AREAS DESIGNATED.—

24 “(A) IN GENERAL.—Of the low-income
25 communities within a State, the Secretary may

1 designate under this subsection not more than
2 25 percent as qualified opportunity zones, of
3 which at least the lesser of the following shall
4 be qualified opportunity zones which are com-
5 prised entirely of a rural area:

6 “(i) The applicable percentage of the
7 total number of qualified opportunity zone
8 designations which may be made within
9 the State under this subsection.

10 “(ii) All low-income communities with-
11 in the State which are comprised entirely
12 of a rural area.

13 “(B) APPLICABLE PERCENTAGE.—For
14 purposes of this paragraph, the applicable per-
15 centage shall be, for any calendar year during
16 which a designation is made, the greater of—

17 “(i) 33 percent, or

18 “(ii) the percentage of the United
19 States population living within a rural area
20 for the preceding calendar year.

21 “(3) RURAL AREA.—Whether a low-income
22 community is comprised entirely of a rural area shall
23 be determined by the Secretary in consultation with
24 the Secretary of Agriculture. For purposes of this
25 subsection, the term ‘rural area’ has the meaning

1 given such term by section 343(a)(13)(A) of the
2 Consolidated Farm and Rural Development Act.

3 “(4) PERIOD FOR WHICH DESIGNATION IS IN
4 EFFECT.—A designation as a qualified opportunity
5 zone under this subsection shall remain in effect for
6 the period beginning on January 1, 2027, and end-
7 ing on December 31, 2033.

8 “(5) CONTIGUOUS TRACTS NOT ELIGIBLE.—
9 Subsection (e) shall not apply to designations made
10 under this subsection.”.

11 (2) ELECTION WITH RESPECT TO NEW ROUND
12 OF ZONES.—Section 1400Z–2(a)(2)(B) is amended
13 by striking “December 31, 2026” and inserting
14 “December 31, 2033”.

15 (3) YEAR OF INCLUSION.—Section 1400Z–
16 2(b)(1)(B) is amended to read as follows:

17 “(B)(i) December 31, 2026, in the case of
18 an amount invested before January 1, 2027,
19 and

20 “(ii) December 31, 2033, in the case of an
21 amount invested after December 31, 2026, and
22 before January 1, 2034.”.

23 (4) WINDING DOWN INITIAL ZONE DESIGNA-
24 TIONS.—Section 1400Z–1(f) is amended—

1 (A) by striking “and ending” and all that
2 follows and inserting the following: “and ending
3 on December 31, 2026.”, and

4 (B) by striking “A designation” and in-
5 serting “Except as provided in subsection
6 (g)(4), a designation”.

7 (c) MODIFICATION OF OPPORTUNITY ZONE INVEST-
8 MENT INCENTIVES.—

9 (1) CONSOLIDATED BASIS INCREASES; RURAL
10 ZONE BASIS INCREASE.—Section 1400Z-2(b)(2)(B)
11 is amended by adding at the end the following new
12 clauses:

13 “(v) CONSOLIDATED BASIS INCREASE
14 FOR INVESTMENTS AFTER 2026.—In the
15 case of investments made after December
16 31, 2026—

17 “(I) clauses (iii) and (iv) shall
18 not apply, and

19 “(II) for any such investment
20 held by the taxpayer for at least 5
21 years, the basis of such adjustment
22 shall be increased by an amount equal
23 to 10 percent of the amount of gain
24 deferred by reason of subsection
25 (a)(1)(A).

1 “(vi) SPECIAL RULE FOR RURAL OP-
2 PORTUNITY FUNDS.—Clause (v) shall be
3 applied by substituting ‘30 percent’ for ‘10
4 percent’ in the case of an investment in a
5 qualified rural opportunity fund.

6 “(vii) QUALIFIED RURAL OPPOR-
7 TUNITY FUND.—For purposes of clause
8 (vi), a ‘qualified rural opportunity fund’
9 means a qualified opportunity fund that
10 holds at least 90 percent of its assets in
11 qualified opportunity zone property
12 which—

13 “(I) is qualified opportunity zone
14 business property substantially all of
15 the use of which, during substantially
16 all of the fund’s holding period for
17 such property, was in a qualified op-
18 portunity zone comprised entirely of a
19 rural area, or

20 “(II) is qualified opportunity
21 zone stock, or a qualified opportunity
22 zone partnership interest, in a quali-
23 fied opportunity zone business in
24 which substantially all of the tangible
25 property owned or leased is qualified

1 opportunity zone business property
2 described in subsection (d)(3)(A)(i)
3 and substantially all the use of which
4 is in a qualified opportunity zone com-
5 prised entirely of a rural area.

6 For purposes of the preceding sentence,
7 property held in the fund shall be meas-
8 ured under rules similar to the rules of
9 subsection (d)(1).”.

10 (2) LIMITED TREATMENT OF ORDINARY IN-
11 COME.—Section 1400Z-2(a) is amended by adding
12 at the end the following new paragraph:

13 “(3) SPECIAL RULE FOR ORDINARY INCOME.—
14 In the case of any ordinary income of the taxpayer
15 for the taxable year—

16 “(A) the taxpayer may elect the applica-
17 tion of paragraph (1) with respect to so much
18 of ordinary income as does not exceed \$10,000
19 (reduced by the amount of any income with re-
20 spect to which an election pursuant to this
21 paragraph has previously been made), and

22 “(B) subsection (b)(2)(B) shall not apply
23 to the investment with respect to such elec-
24 tion.”.

1 (3) SPECIAL RULE FOR IMPROVEMENT OF EX-
2 ISTING STRUCTURES IN RURAL AREAS, INCLUDING
3 FOR DATA CENTERS.—Section 1400Z–2(d)(2)(D)(ii)
4 is amended by inserting “(50 percent of such ad-
5 justed basis in the case of property in a qualified op-
6 portunity zone comprised entirely of a rural area)”
7 after “the adjusted basis of such property”.

8 (d) INFORMATION REPORTING ON QUALIFIED OP-
9 PORTUNITY FUNDS AND QUALIFIED RURAL OPPOR-
10 TUNITY FUNDS.—

11 (1) FILING REQUIREMENTS FOR FUNDS AND
12 INVESTORS.—Subpart A of part III of subchapter A
13 of chapter 61 is amended by inserting after section
14 6039J the following new sections:

15 **“SEC. 6039K. RETURNS WITH RESPECT TO QUALIFIED OP-**
16 **PORTUNITY FUNDS AND QUALIFIED RURAL**
17 **OPPORTUNITY FUNDS.**

18 “(a) IN GENERAL.—Every qualified opportunity fund
19 shall file an annual return (at such time and in such man-
20 ner as the Secretary may prescribe) containing the infor-
21 mation described in subsection (b).

22 “(b) INFORMATION FROM QUALIFIED OPPORTUNITY
23 FUNDS.—The information described in this subsection
24 is—

1 “(1) the name, address, and taxpayer identifica-
2 tion number of the qualified opportunity fund,

3 “(2) whether the qualified opportunity fund is
4 organized as a corporation or a partnership,

5 “(3) the value of the total assets held by the
6 qualified opportunity fund as of each date described
7 in section 1400Z–2(d)(1),

8 “(4) the value of all qualified opportunity zone
9 property held by the qualified opportunity fund on
10 each such date,

11 “(5) with respect to each investment held by
12 the qualified opportunity fund in qualified oppor-
13 tunity zone stock or a qualified opportunity zone
14 partnership interest—

15 “(A) the name, address, and taxpayer
16 identification number of the corporation in
17 which such stock is held or the partnership in
18 which such interest is held, as the case may be,

19 “(B) each North American Industry Clas-
20 sification System (NAICS) code that applies to
21 the trades or businesses conducted by such cor-
22 poration or partnership,

23 “(C) the population census tracts in which
24 the qualified opportunity zone business property
25 of such corporation or partnership is located,

1 “(D) the amount of the investment in such
2 stock or partnership interest as of each date de-
3 scribed in section 1400Z–2(d)(1),

4 “(E) the value of tangible property held by
5 such corporation or partnership on each such
6 date which is owned by such corporation or
7 partnership,

8 “(F) the value of tangible property held by
9 such corporation or partnership on each such
10 date which is leased by such corporation or
11 partnership,

12 “(G) the approximate number of residen-
13 tial units (if any) for any real property held by
14 such corporation or partnership, and

15 “(H) the approximate average monthly
16 number of full-time equivalent employees of
17 such corporation or partnership for the year
18 (within numerical ranges identified by the Sec-
19 retary) or such other indication of the employ-
20 ment impact of such corporation or partnership
21 as determined appropriate by the Secretary,

22 “(6) with respect to the items of qualified op-
23 portunity zone business property held by the quali-
24 fied opportunity fund—

1 “(A) the North American Industry Classi-
2 fication System (NAICS) code that applies to
3 the trades or businesses in which such property
4 is held,

5 “(B) the population census tract in which
6 the property is located,

7 “(C) whether the property is owned or
8 leased,

9 “(D) the aggregate value of the items of
10 qualified opportunity zone property held by the
11 qualified opportunity fund as of each date de-
12 scribed in section 1400Z-2(d)(1), and

13 “(E) in the case of real property, number
14 of residential units (if any),

15 “(7) the approximate average monthly number
16 of full-time equivalent employees for the year of the
17 trades or businesses of the qualified opportunity
18 fund in which qualified opportunity zone business
19 property is held (within numerical ranges identified
20 by the Secretary) or such other indication of the em-
21 ployment impact of such trades or businesses as de-
22 termined appropriate by the Secretary,

23 “(8) with respect to each person who disposed
24 of an investment in the qualified opportunity fund
25 during the year—

1 “(A) the name and taxpayer identification
2 number of such person,

3 “(B) the date or dates on which the invest-
4 ment disposed was acquired, and

5 “(C) the date or dates on which any such
6 investment was disposed and the amount of the
7 investment disposed, and

8 “(9) such other information as the Secretary
9 may require.

10 “(c) STATEMENT REQUIRED TO BE FURNISHED TO
11 INVESTORS.—Every person required to make a return
12 under subsection (a) shall furnish to each person whose
13 name is required to be set forth in such return by reason
14 of subsection (b)(8) a written statement showing—

15 “(1) the name, address and phone number of
16 the information contact of the person required to
17 make such return, and

18 “(2) the information required to be shown on
19 such return by reason of subsection (b)(8) with re-
20 spect to the person whose name is required to be so
21 set forth.

22 “(d) DEFINITIONS.—For purposes of this section—

23 “(1) IN GENERAL.—Any term used in this sec-
24 tion which is also used in subchapter Z of chapter

1 1 shall have the meaning given such term under
2 such subchapter.

3 “(2) FULL-TIME EQUIVALENT EMPLOYEES.—

4 The term ‘full-time equivalent employees’ means,
5 with respect to any month, the sum of—

6 “(A) the number of full-time employees (as
7 defined in section 4980H(c)(4)) for the month,
8 plus

9 “(B) the number of employees determined
10 (under rules similar to the rules of section
11 4980H(c)(2)(E)) by dividing the aggregate
12 number of hours of service of employees who
13 are not full-time employees for the month by
14 120.

15 “(e) APPLICATION TO QUALIFIED RURAL OPPOR-
16 TUNITY FUNDS.—Every qualified rural opportunity fund
17 (as defined in section 1400Z–2(b)(2)(B)(vii)) shall file the
18 annual return required under subsection (a), and the
19 statements required under subsection (c), applied—

20 “(1) by substituting ‘qualified rural oppor-
21 tunity’ for ‘qualified opportunity’ each place it ap-
22 pears,

23 “(2) by substituting ‘section 1400Z–
24 2(b)(2)(B)(vii)’ for ‘section 1400Z–2(d)(1)’ each
25 place it appears, and

1 “(3) 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, a qualified rural opportunity
5 zone business, or qualified opportunity zone business
6 property as stock, an interest, a business, or prop-
7 erty, respectively, described in (I) or (II), as the case
8 may be, of section 1400Z-2(b)(2)(B)(vii).

9 **“SEC. 6039L. INFORMATION REQUIRED FROM QUALIFIED**
10 **OPPORTUNITY ZONE BUSINESSES AND**
11 **QUALIFIED RURAL OPPORTUNITY ZONE**
12 **BUSINESSES.**

13 “(a) IN GENERAL.—Every applicable qualified oppor-
14 tunity zone business shall furnish to the qualified oppor-
15 tunity fund described in subsection (b) a written state-
16 ment in such manner and setting forth such information
17 as the Secretary may by regulations prescribe for purposes
18 of enabling such qualified opportunity fund to meet the
19 requirements of section 6039K(b)(5).

20 “(b) APPLICABLE QUALIFIED OPPORTUNITY ZONE
21 BUSINESS.—For purposes of subsection (a), the term ‘ap-
22 plicable qualified opportunity zone business’ means any
23 qualified opportunity zone business—

24 “(1) which is a trade or business of a qualified
25 opportunity fund,

1 “(2) in which a qualified opportunity fund holds
2 qualified opportunity zone stock, or

3 “(3) in which a qualified opportunity fund holds
4 a qualified opportunity zone partnership interest.

5 “(c) OTHER TERMS.—Any term used in this section
6 which is also used in subchapter Z of chapter 1 shall have
7 the meaning given such term under such subchapter.

8 “(d) APPLICATION TO QUALIFIED RURAL OPPOR-
9 TUNITY BUSINESSES.—Every applicable qualified rural
10 opportunity zone business (as defined in subsection (b) de-
11 termined after application of the substitutions described
12 in this sentence) shall furnish the written statement re-
13 quired under subsection (a), applied—

14 “(1) by substituting ‘qualified rural oppor-
15 tunity’ for ‘qualified opportunity’ each place it ap-
16 pears, and

17 “(2) by treating any reference (after the appli-
18 cation of paragraph (1)) to qualified rural oppor-
19 tunity zone stock, a qualified rural opportunity zone
20 partnership interest, or a qualified rural opportunity
21 zone business as stock, an interest, or a business, re-
22 spectively, described in (I) or (II), as the case may
23 be, of section 1400Z–2(b)(2)(B)(vii).”.

24 (2) PENALTIES.—

1 (A) IN GENERAL.—Part II of subchapter
2 B of chapter 68 is amended by inserting after
3 section 6725 the following new section:

4 **“SEC. 6726. FAILURE TO COMPLY WITH INFORMATION RE-**
5 **PORTING REQUIREMENTS RELATING TO**
6 **QUALIFIED OPPORTUNITY FUNDS AND**
7 **QUALIFIED RURAL OPPORTUNITY FUNDS.**

8 “(a) IN GENERAL.—In the case of any person re-
9 quired to file a return under section 6039K fails to file
10 a complete and correct return under such section in the
11 time and in the manner prescribed therefor, such person
12 shall pay a penalty of \$500 for each day during which
13 such failure continues.

14 “(b) LIMITATION.—

15 “(1) IN GENERAL.—The maximum penalty
16 under this section on failures with respect to any 1
17 return shall not exceed \$10,000.

18 “(2) LARGE QUALIFIED OPPORTUNITY
19 FUNDS.—In the case of any failure described in sub-
20 section (a) with respect to a fund the gross assets
21 of which (determined on the last day of the taxable
22 year) are in excess of \$10,000,000, paragraph (1)
23 shall be applied by substituting ‘\$50,000’ for
24 ‘\$10,000’.

1 “(c) PENALTY IN CASES OF INTENTIONAL DIS-
2 REGARD.—If a failure described in subsection (a) is due
3 to intentional disregard, then—

4 “(1) subsection (a) shall be applied by sub-
5 stituting ‘\$2,500’ for ‘\$500’,

6 “(2) subsection (b)(1) shall be applied by sub-
7 stituting ‘\$50,000’ for ‘\$10,000’, and

8 “(3) subsection (b)(2) shall be applied by sub-
9 stituting ‘\$250,000’ for ‘\$50,000’.

10 “(d) INFLATION ADJUSTMENT.—

11 “(1) IN GENERAL.—In the case of any failure
12 relating to a return required to be filed in a calendar
13 year beginning after 2025, each of the dollar
14 amounts in subsections (a), (b), and (c) shall be in-
15 creased by an amount equal to such dollar amount
16 multiplied by the cost-of-living adjustment deter-
17 mined under section 1(f)(3) for the calendar year
18 determined by substituting ‘calendar year 2024’ for
19 ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

20 “(2) ROUNDING.—

21 “(A) IN GENERAL.—If the \$500 dollar
22 amount in subsection (a) and (c)(1) or the
23 \$2,500 amount in subsection (c)(1), after being
24 increased under paragraph (1), is not a mul-

1 tiple of \$10, such dollar amount shall be round-
2 ed to the next lowest multiple of \$10.

3 “(B) ASSET THRESHOLD.—If the
4 \$10,000,000 dollar amount in subsection (b)(2),
5 after being increased under paragraph (1), is
6 not a multiple of \$10,000, such dollar amount
7 shall be rounded to the next lowest multiple of
8 \$10,000.

9 “(C) OTHER DOLLAR AMOUNTS.—If any
10 dollar amount in subsection (b) or (c) (other
11 than any amount to which subparagraph (A) or
12 (B) applies), after being increased under para-
13 graph (1), is not a multiple of \$1,000, such dol-
14 lar amount shall be rounded to the next lowest
15 multiple of \$1,000.”.

16 (B) INFORMATION REQUIRED TO BE SENT
17 TO OTHER TAXPAYERS.—Section 6724(d)(2) is
18 amended—

19 (i) by striking “or” at the end of sub-
20 paragraph (KK),

21 (ii) by striking the period at the end
22 of the subparagraph (LL) and inserting a
23 comma, and

24 (iii) by inserting after subparagraph
25 (LL) the following new subparagraphs:

1 “(MM) section 6039K(c) (relating to dis-
2 position of qualified opportunity fund invest-
3 ments), or

4 “(NN) section 6039L (relating to informa-
5 tion required from certain qualified opportunity
6 zone businesses and qualified rural opportunity
7 zone businesses).”.

8 (3) ELECTRONIC FILING.—Section 6011(e) is
9 amended by adding at the end the following new
10 paragraph:

11 “(8) QUALIFIED OPPORTUNITY FUNDS AND
12 QUALIFIED RURAL OPPORTUNITY FUNDS.—Notwith-
13 standing paragraphs (1) and (2), any return filed by
14 a qualified opportunity fund or qualified rural oppor-
15 tunity fund shall be filed on magnetic media or other
16 machine-readable form.”.

17 (4) CLERICAL AMENDMENTS.—

18 (A) The table of sections for subpart A of
19 part III of subchapter A of chapter 61 is
20 amended by inserting after the item relating to
21 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.”.

22 (B) The table of sections for part II of
23 subchapter B of chapter 68 is amended by in-

1 serting after the item relating to section 6725
2 the following new item:

“Sec. 6726. Failure to comply with information reporting requirements relating
to qualified opportunity funds and qualified rural opportunity
funds.”.

3 (5) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to taxable years begin-
5 ning after the date of the enactment of this Act.

6 (e) SECRETARY REPORTING OF DATA ON OPPOR-
7 TUNITY ZONE AND RURAL OPPORTUNITY ZONE TAX IN-
8 CENTIVES.—

9 (1) IN GENERAL.—As soon as practical after
10 the date of the enactment of this Act, and annually
11 thereafter, the Secretary of the Treasury, or the
12 Secretary’s delegate (referred to in this section as
13 the “Secretary”), in consultation with the Director
14 of the Bureau of the Census and such other agencies
15 as the Secretary determines appropriate, shall make
16 publicly available a report on qualified opportunity
17 funds.

18 (2) INFORMATION INCLUDED.—The report re-
19 quired under paragraph (1) shall include, to the ex-
20 tent available, the following information:

21 (A) The number of qualified opportunity
22 funds.

23 (B) The aggregate dollar amount of assets
24 held in qualified opportunity funds.

1 (C) The aggregate dollar amount of invest-
2 ments made by qualified opportunity funds in
3 qualified opportunity fund property, stated sep-
4 arately for each North American Industry Clas-
5 sification System (NAICS) code.

6 (D) The percentage of population census
7 tracts designated as qualified opportunity zones
8 that have received qualified opportunity fund
9 investments.

10 (E) For each population census tract des-
11 ignated as a qualified opportunity zone, the ap-
12 proximate average monthly number of full-time
13 equivalent employees of the qualified oppor-
14 tunity zone businesses in such qualified oppor-
15 tunity zone for the preceding 12-month period
16 (within numerical ranges identified by the Sec-
17 retary) or such other indication of the employ-
18 ment impact of such qualified opportunity fund
19 businesses as determined appropriate by the
20 Secretary.

21 (F) The percentage of the total amount of
22 investments made by qualified opportunity
23 funds in—

24 (i) qualified opportunity zone property
25 which is real property; and

1 (ii) other qualified opportunity zone
2 property.

3 (G) For each population census tract, the
4 aggregate approximate number of residential
5 units resulting from investments made by quali-
6 fied opportunity funds in real property.

7 (H) The aggregate dollar amount of in-
8 vestments made by qualified opportunity funds
9 in each population census tract.

10 (3) ADDITIONAL INFORMATION.—

11 (A) IN GENERAL.—Beginning with the re-
12 port submitted under paragraph (1) for the 6th
13 year after the date of the enactment of this Act,
14 the Secretary shall include in such report the
15 impacts and outcomes of a designation of a
16 population census tract as a qualified oppor-
17 tunity zone as measured by economic indicators,
18 such as job creation, poverty reduction, new
19 business starts, and other metrics as deter-
20 mined by the Secretary.

21 (B) SEMI-DECENNIAL INFORMATION.—

22 (i) IN GENERAL.—In the case of any
23 report submitted under paragraph (1) in
24 the 6th year or the 11th year after the
25 date of the enactment of this Act, the Sec-

1 retary shall include the following informa-
2 tion:

3 (I) For population census tracts
4 designated as a qualified opportunity
5 zone, a comparison (based on aggre-
6 gate information) of the factors listed
7 in clause (iii) between the 5-year pe-
8 riod ending on the date of the enact-
9 ment of Public Law 115–97 and the
10 most recent 5-year period for which
11 data is available.

12 (II) For population census tracts
13 designated as a qualified opportunity
14 zone, a comparison (based on aggre-
15 gate information) of the factors listed
16 in clause (iii) for the most recent 5-
17 year period for which data is available
18 between such population census tracts
19 and a similar population census tracts
20 that were not designated as a quali-
21 fied opportunity zone.

22 (ii) CONTROL GROUPS.—For purposes
23 of clause (i), the Secretary may combine
24 population census tracts into such groups

1 as the Secretary determines appropriate
2 for purposes of making comparisons.

3 (iii) FACTORS LISTED.—The factors
4 listed in this clause are the following:

5 (I) The unemployment rate.

6 (II) The number of persons
7 working in the population census
8 tract, including the percentage of such
9 persons who were not residents in the
10 population census tract in the pre-
11 ceding year.

12 (III) Individual, family, and
13 household poverty rates.

14 (IV) Median family income of
15 residents of the population census
16 tract.

17 (V) Demographic information on
18 residents of the population census
19 tract, including age, income, edu-
20 cation, race, and employment.

21 (VI) The average percentage of
22 income of residents of the population
23 census tract spent on rent annually.

24 (VII) The number of residences
25 in the population census tract.

1 (VIII) The rate of home owner-
2 ship in the population census tract.

3 (IX) The average value of resi-
4 dential property in the population cen-
5 sus tract.

6 (X) The number of affordable
7 housing units in the population census
8 tract.

9 (XI) The number and percentage
10 of residents in the population census
11 tract that were not employed for the
12 preceding year.

13 (XII) The number of new busi-
14 ness starts in the population census
15 tract.

16 (XIII) The distribution of em-
17 ployees in the population census tract
18 by North American Industry Classi-
19 fication System (NAICS) code.

20 (4) PROTECTION OF IDENTIFIABLE RETURN IN-
21 FORMATION.—In making reports required under this
22 subsection, the Secretary—

23 (A) shall establish appropriate procedures
24 to ensure that any amounts reported do not dis-
25 close taxpayer return information that can be

1 associated with any particular taxpayer or com-
2 petitive or proprietary information, and

3 (B) if necessary to protect taxpayer return
4 information, may combine information required
5 with respect to individual population census
6 tracts into larger geographic areas.

7 (5) DEFINITIONS.—Any term used in this sub-
8 section which is also used in subchapter Z of chapter
9 1 of the Internal Revenue Code of 1986 shall have
10 the meaning given such term under such subchapter.

11 (6) REPORTS ON QUALIFIED RURAL OPPOR-
12 TUNITY FUNDS.—The Secretary shall make publicly
13 available, with respect to qualified rural opportunity
14 funds, separate reports as required under this sub-
15 section, applied—

16 (A) by substituting “qualified rural oppor-
17 tunity” for “qualified opportunity” each place it
18 appears,

19 (B) by substituting a reference to this Act
20 for “Public Law 115–97”, and

21 (C) by treating any reference (after the ap-
22 plication of subparagraph (A)) to qualified rural
23 opportunity zone stock, qualified rural oppor-
24 tunity zone partnership interest, qualified rural
25 opportunity zone business, or qualified oppor-

1 tunity zone business property as stock, interest,
2 business, or property, respectively, described in
3 (I) or (II), as the case may be, of section
4 1400Z-2(b)(2)(B)(vii) of the Internal Revenue
5 Code of 1986.

6 **SEC. 111103. INCREASED DOLLAR LIMITATIONS FOR EX-**
7 **PENSING OF CERTAIN DEPRECIABLE BUSI-**
8 **NESS ASSETS.**

9 (a) IN GENERAL.—Section 179(b) is amended—
10 (1) in paragraph (1), by striking “\$1,000,000”
11 and inserting “\$2,500,000”, and
12 (2) in paragraph (2), by striking “\$2,500,000”
13 and inserting “\$4,000,000”.

14 (b) CONFORMING AMENDMENTS.—Section
15 179(b)(6)(A) is amended—
16 (1) by inserting “(2025 in the case of the dollar
17 amounts in paragraphs (1) and (2))” after “In the
18 case of any taxable year beginning after 2018”, and
19 (2) in clause (ii), by striking “determined by
20 substituting ‘calendar year 2017’ for ‘calendar year
21 2016’ in subparagraph (A)(ii) thereof.” and insert-
22 ing “determined by substituting in subparagraph
23 (A)(ii) thereof—

1 “(I) in the case of amounts in
2 paragraphs (1) and (2), ‘calendar year
3 2024’ for ‘calendar year 2016’, and

4 “(II) in the case of the amount
5 in paragraph (5)(A), ‘calendar year
6 2017’ for ‘calendar year 2016’.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service in
9 taxable years beginning after December 31, 2024.

10 **SEC. 111104. REPEAL OF REVISION TO DE MINIMIS RULES**
11 **FOR THIRD PARTY NETWORK TRANS-**
12 **ACTIONS.**

13 (a) REINSTATEMENT OF EXCEPTION FOR DE MINI-
14 MIS PAYMENTS AS IN EFFECT PRIOR TO ENACTMENT OF
15 AMERICAN RESCUE PLAN ACT OF 2021.—

16 (1) IN GENERAL.—Section 6050W(e) is amend-
17 ed to read as follows:

18 “(e) EXCEPTION FOR DE MINIMIS PAYMENTS BY
19 THIRD PARTY SETTLEMENT ORGANIZATIONS.—A third
20 party settlement organization shall be required to report
21 any information under subsection (a) with respect to third
22 party network transactions of any participating payee only
23 if—

1 “(1) the amount which would otherwise be re-
2 ported under subsection (a)(2) with respect to such
3 transactions exceeds \$20,000, and

4 “(2) the aggregate number of such transactions
5 exceeds 200.”.

6 (2) EFFECTIVE DATE.—The amendment made
7 by this subsection shall take effect as if included in
8 section 9674 of the American Rescue Plan Act.

9 (b) APPLICATION OF DE MINIMIS RULE FOR THIRD
10 PARTY NETWORK TRANSACTIONS TO BACKUP WITH-
11 HOLDING.—

12 (1) IN GENERAL.—Section 3406(b) is amended
13 by adding at the end the following new paragraph:

14 “(8) OTHER REPORTABLE PAYMENTS INCLUDE
15 PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-
16 WORK TRANSACTIONS ONLY WHERE AGGREGATE
17 TRANSACTIONS EXCEED REPORTING THRESHOLD
18 FOR THE CALENDAR YEAR.—

19 “(A) IN GENERAL.—Any payment in set-
20 tlement of a third party network transaction re-
21 quired to be shown on a return required under
22 section 6050W which is made during any cal-
23 endar year shall be treated as a reportable pay-
24 ment only if—

1 “(i) the aggregate number of trans-
2 actions with respect to the participating
3 payee during such calendar year exceeds
4 the number of transactions specified in
5 section 6050W(e)(2), and

6 “(ii) the aggregate amount of trans-
7 actions with respect to the participating
8 payee during such calendar year exceeds
9 the dollar amount specified in section
10 6050W(e)(1) at the time of such payment.

11 “(B) EXCEPTION IF THIRD PARTY NET-
12 WORK TRANSACTIONS MADE IN PRIOR YEAR
13 WERE REPORTABLE.—Subparagraph (A) shall
14 not apply with respect to payments to any par-
15 ticipating payee during any calendar year if one
16 or more payments in settlement of third party
17 network transactions made by the payor to the
18 participating payee during the preceding cal-
19 endar year were reportable payments.”.

20 (2) EFFECTIVE DATE.—The amendment made
21 by this subsection shall apply to calendar years be-
22 ginning after December 31, 2024.

1 **SEC. 111105. INCREASE IN THRESHOLD FOR REQUIRING IN-**
2 **FORMATION REPORTING WITH RESPECT TO**
3 **CERTAIN PAYEES.**

4 (a) IN GENERAL.—Section 6041(a) is amended by
5 striking “\$600” and inserting “\$2,000”.

6 (b) INFLATION ADJUSTMENT.—Section 6041 is
7 amended by adding at the end the following new sub-
8 section:

9 “(h) INFLATION ADJUSTMENT.—In the case of any
10 calendar year after 2026, the dollar amount in subsection
11 (a) shall be increased by an amount equal to—

12 “(1) such dollar amount, multiplied by

13 “(2) the cost-of-living adjustment determined
14 under section 1(f)(3) for such calendar year, deter-
15 mined by substituting ‘calendar year 2025’ for ‘cal-
16 endar year 2016’ in subparagraph (A)(ii) thereof.

17 If any increase under the preceding sentence is not a mul-
18 tiple of \$100, such increase shall be rounded to the nearest
19 multiple of \$100.”.

20 (c) APPLICATION TO REPORTING ON REMUNERATION
21 FOR SERVICES.—Section 6041A(a)(2) is amended by
22 striking “is \$600 or more” and inserting “equals or ex-
23 ceeds the dollar amount in effect for such calendar year
24 under section 6041(a)”.

25 (d) APPLICATION TO BACKUP WITHHOLDING.—Sec-
26 tion 3406(b)(6) is amended—

1 (1) by striking “\$600” in subparagraph (A)
2 and inserting “the dollar amount in effect for such
3 calendar year under section 6041(a)”, and

4 (2) by striking “ONLY WHERE AGGREGATE FOR
5 CALENDAR YEAR IS \$600 OR MORE” in the heading
6 and inserting “ONLY IF IN EXCESS OF THRESHOLD”.

7 (e) CONFORMING AMENDMENTS.—

8 (1) The heading of section 6041(a) is amended
9 by striking “OF \$600 OR MORE” and inserting “EX-
10 CEEDING THRESHOLD”.

11 (2) Section 6041(a) is amended by striking
12 “taxable year” and inserting “calendar year”.

13 (f) EFFECTIVE DATE.—The amendments made by
14 this section shall apply with respect to payments made
15 after December 31, 2025.

16 **SEC. 111106. REPEAL OF EXCISE TAX ON INDOOR TANNING**
17 **SERVICES.**

18 (a) IN GENERAL.—Subtitle D is amended by striking
19 chapter 49 and by striking the item relating to such chap-
20 ter in the table of chapters of such subtitle.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to services performed after the
23 date of the enactment of this Act.

1 **SEC. 111107. EXCLUSION OF INTEREST ON LOANS SECURED**
2 **BY RURAL OR AGRICULTURAL REAL PROP-**
3 **ERTY.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
5 ter 1 is amended by inserting after section 139I the fol-
6 lowing new section:

7 **“SEC. 139J. INTEREST ON LOANS SECURED BY RURAL OR**
8 **AGRICULTURAL REAL PROPERTY.**

9 “(a) IN GENERAL.—Gross income shall not include
10 25 percent of the interest received by a qualified lender
11 on any qualified real estate loan.

12 “(b) QUALIFIED LENDER.—For purposes of this sec-
13 tion, the term ‘qualified lender’ means—

14 “(1) any bank or savings association the depos-
15 its of which are insured under the Federal Deposit
16 Insurance Act (12 U.S.C. 1811 et seq.),

17 “(2) any State- or federally-regulated insurance
18 company,

19 “(3) any entity wholly owned, directly or indi-
20 rectly, by a company that is treated as a bank hold-
21 ing company for purposes of section 8 of the Inter-
22 national Banking Act of 1978 (12 U.S.C. 3106) if—

23 “(A) such entity is organized, incor-
24 porated, or established under the laws of the
25 United States or any State of the United
26 States, and

1 “(B) the principal place of business of
2 such entity is in the United States (including
3 any territory of the United States),

4 “(4) any entity wholly owned, directly or indi-
5 rectly, by a company that is considered an insurance
6 holding company under the laws of any State if such
7 entity satisfies the requirements described in sub-
8 paragraphs (A) and (B) of paragraph (3), and

9 “(5) with respect to interest received on a quali-
10 fied real estate loan secured by real estate described
11 in subsection (c)(3)(A), any federally chartered in-
12 strumentality of the United States established under
13 section 8.1(a) of the Farm Credit Act of 1971 (12
14 U.S.C. 2279aa-1(a)).

15 “(c) QUALIFIED REAL ESTATE LOAN.—For purposes
16 of this section—

17 “(1) IN GENERAL.—The term ‘qualified real es-
18 tate loan’ means any loan—

19 “(A) secured by—

20 “(i) rural or agricultural real estate,
21 or

22 “(ii) a leasehold mortgage (with a sta-
23 tus as a lien) on rural or agricultural real
24 estate,

1 “(B) made to a person other than a speci-
2 fied foreign entity (as defined in section
3 7701(a)(51)), and

4 “(C) made after the date of the enactment
5 of this section and before January 1, 2029.

6 For purposes of the preceding sentence, the deter-
7 mination of whether property securing such loan is
8 rural or agricultural real estate shall be made as of
9 the time the interest income on such loan is accrued.

10 “(2) REFINANCINGS.—For purposes of sub-
11 paragraphs (A) and (C) of paragraph (1), a loan
12 shall not be treated as made after the date of the
13 enactment of this section to the extent that the pro-
14 ceeds of such loan are used to refinance a loan
15 which was made on or before the date of the enact-
16 ment of this section (or, in the case of any series of
17 refinancings, the original loan was made on or be-
18 fore such date).

19 “(3) RURAL OR AGRICULTURAL REAL ES-
20 TATE.—The term ‘rural or agricultural real estate’
21 means—

22 “(A) any real property which is substan-
23 tially used for the production of one or more
24 agricultural products,

1 “(B) any real property which is substan-
2 tially used in the trade or business of fishing or
3 seafood processing, and

4 “(C) any aquaculture facility.

5 Such term shall not include any property which is
6 not located in a State or a possession of the United
7 States.

8 “(4) AQUACULTURE FACILITY.—The term
9 ‘aquaculture facility’ means any land, structure, or
10 other appurtenance that is used for aquaculture (in-
11 cluding any hatchery, rearing pond, raceway, pen, or
12 incubator).

13 “(d) COORDINATION WITH SECTION 265.—Qualified
14 real estate loans shall be treated as obligations described
15 in section 265(a)(2) the interest on which is wholly exempt
16 from the taxes imposed by this subtitle.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for part III of subchapter B of chapter 1 is amended by
19 inserting after the item relating to section 139I the fol-
20 lowing new item:

 “Sec. 139J. Interest on loans secured by rural or agricultural real property.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years ending after the
23 date of the enactment of this Act.

1 **SEC. 111108. TREATMENT OF CERTAIN QUALIFIED SOUND**
2 **RECORDING PRODUCTIONS.**

3 (a) ELECTION TO TREAT COSTS AS EXPENSES.—
4 Section 181(a)(1) is amended by striking “qualified film
5 or television production, and any qualified live theatrical
6 production,” and inserting “qualified film or television
7 production, any qualified live theatrical production, and
8 any qualified sound recording production”.

9 (b) DOLLAR LIMITATION.—Section 181(a)(2) is
10 amended by adding at the end the following new subpara-
11 graph:

12 “(C) QUALIFIED SOUND RECORDING PRO-
13 Duction.—Paragraph (1) shall not apply to so
14 much of the aggregate cost of any qualified
15 sound recording production, or to so much of
16 the aggregate, cumulative cost of all such quali-
17 fied sound recording productions in the taxable
18 year, as exceeds \$150,000.”.

19 (c) NO OTHER DEDUCTION OR AMORTIZATION DE-
20 Duction ALLOWABLE.—Section 181(b) is amended by
21 striking “qualified film or television production or any
22 qualified live theatrical production” and inserting “quali-
23 fied film or television production, any qualified live theat-
24 rical production, or any qualified sound recording produc-
25 tion”.

1 (d) ELECTION.—Section 181(c)(1) is amended by
2 striking “qualified film or television production or any
3 qualified live theatrical production” and inserting “quali-
4 fied film or television production, any qualified live theat-
5 rical production, or any qualified sound recording produc-
6 tion”.

7 (e) QUALIFIED SOUND RECORDING PRODUCTION
8 DEFINED.—Section 181 is amended by redesignating sub-
9 sections (f) and (g) as subsections (g) and (h), respec-
10 tively, and by inserting after subsection (e) the following
11 new subsection:

12 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—
13 For purposes of this section, the term ‘qualified sound re-
14 cording production’ means a sound recording (as defined
15 in section 101 of title 17, United States Code) produced
16 and recorded in the United States.”.

17 (f) APPLICATION OF TERMINATION.—Section 181(g)
18 is amended by striking “qualified film and television pro-
19 ductions or qualified live theatrical productions” and in-
20 serting “qualified film and television productions, qualified
21 live theatrical productions, and qualified sound recording
22 productions”.

23 (g) BONUS DEPRECIATION.—

24 (1) QUALIFIED SOUND RECORDING PRODUC-
25 TION AS QUALIFIED PROPERTY.—Section

1 168(k)(2)(A)(i), as amended by the preceding provi-
2 sions of this Act, is amended—

3 (A) by striking “or” at the end of sub-
4 clause (IV), by striking “and” and inserting
5 “or” at the end of subclause (V), and by insert-
6 ing after subclause (V) the following:

7 “(VI) which is a qualified sound
8 recording production (as defined in
9 subsection (f) of section 181) which is
10 placed in service before January 1,
11 2029, for which a deduction would
12 have been allowable under section 181
13 without regard to subsections (a)(2)
14 and (h) of such section or this sub-
15 section, and”, and

16 (B) in subclauses (IV) and (V) (as so
17 amended) by striking “without regard to sub-
18 sections (a)(2) and (g)” both places it appears
19 and inserting “without regard to subsections
20 (a)(2) and (h)”.

21 (2) PRODUCTION PLACED IN SERVICE.—Section
22 168(k)(2)(H) is amended by striking “and” at the
23 end of clause (i), by striking the period at the end
24 of clause (ii) and inserting “, and”, and by adding
25 after clause (ii) the following:

1 “(iii) a qualified sound recording pro-
2 duction shall be considered to be placed in
3 service at the time of initial release or
4 broadcast.”.

5 (h) CONFORMING AMENDMENTS.—

6 (1) The heading for section 181 is amended to
7 read as follows: “**TREATMENT OF CERTAIN**
8 **QUALIFIED PRODUCTIONS.**”.

9 (2) The table of sections for part VI of sub-
10 chapter B of chapter 1 is amended by striking the
11 item relating to section 181 and inserting the fol-
12 lowing new item:

“Sec. 181. Treatment of certain qualified productions.”.

13 (i) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to productions commencing in tax-
15 able years ending after the date of the enactment of this
16 Act.

17 **SEC. 111109. MODIFICATIONS TO LOW-INCOME HOUSING**
18 **CREDIT.**

19 (a) STATE HOUSING CREDIT CEILING INCREASE FOR
20 LOW-INCOME HOUSING CREDIT.—

21 (1) IN GENERAL.—Section 42(h)(3)(I) is
22 amended—

23 (A) by striking “and 2021,” and inserting
24 “2021, 2026, 2027, 2028, and 2029,” and

1 (B) by striking “2018, 2019, 2020, AND
2 2021” in the heading and inserting “CERTAIN
3 CALENDAR YEARS”.

4 (2) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply to calendar years after
6 2025.

7 (b) TAX-EXEMPT BOND FINANCING REQUIRE-
8 MENT.—

9 (1) IN GENERAL.—Section 42(h)(4) is amended
10 by striking subparagraph (B) and inserting the fol-
11 lowing:

12 “(B) SPECIAL RULE WHERE MINIMUM
13 PERCENT OF BUILDINGS IS FINANCED WITH
14 TAX-EXEMPT BONDS SUBJECT TO VOLUME
15 CAP.—For purposes of subparagraph (A), para-
16 graph (1) shall not apply to any portion of the
17 credit allowable under subsection (a) with re-
18 spect to a building if—

19 “(i) 50 percent or more of the aggre-
20 gate basis of such building and the land on
21 which the building is located is financed by
22 1 or more obligations described in subpara-
23 graph (A), or

24 “(ii)(I) 25 percent or more of the ag-
25 gregate basis of such building and the land

1 on which the building is located is financed
2 by 1 or more qualified obligations, and

3 “(II) 1 or more of such qualified obli-
4 gations—

5 “(aa) are part of an issue the
6 issue date of which is after December
7 31, 2025, and

8 “(bb) provide the financing for
9 not less than 5 percent of the aggre-
10 gate basis of such building and the
11 land on which the building is located.

12 “(C) QUALIFIED OBLIGATION.—For pur-
13 poses of subparagraph (B)(ii), the term ‘quali-
14 fied obligation’ means an obligation which is de-
15 scribed in subparagraph (A) and which is part
16 of an issue the issue date of which is before
17 January 1, 2030.”.

18 (2) EFFECTIVE DATE.—

19 (A) IN GENERAL.—The amendment made
20 by this subsection shall apply to buildings
21 placed in service in taxable years beginning
22 after December 31, 2025.

23 (B) REHABILITATION EXPENDITURES
24 TREATED AS SEPARATE NEW BUILDING.—In
25 the case of any building with respect to which

1 any expenditures are treated as a separate new
2 building under section 42(e) of the Internal
3 Revenue Code of 1986, for purposes of sub-
4 paragraph (A), both the existing building and
5 the separate new building shall be treated as
6 having been placed in service on the date such
7 expenditures are treated as placed in service
8 under section 42(e)(4) of such Code.

9 (c) TEMPORARY INCLUSION OF INDIAN AREAS AND
10 RURAL AREAS AS DIFFICULT DEVELOPMENT AREAS FOR
11 PURPOSES OF CERTAIN BUILDINGS.—

12 (1) IN GENERAL.—Section 42(d)(5)(B)(iii)(I) is
13 amended by inserting before the period the fol-
14 lowing: “, and, in the case of buildings placed in
15 service after December 31, 2025 and before January
16 1, 2030, any Indian area or rural area”.

17 (2) INDIAN AREA; RURAL AREA.—Section
18 42(d)(5)(B)(iii) is amended by redesignating sub-
19 clause (II) as subclause (IV) and by inserting after
20 subclause (I) the following new subclauses:

21 “(II) INDIAN AREA.—For pur-
22 poses of subclause (I), the term ‘In-
23 dian area’ means any Indian area (as
24 defined in section 4(11) of the Native
25 American Housing Assistance and

1 Self Determination Act of 1996 (25
2 U.S.C. 4103(11))) and any housing
3 area (as defined in section 801(5) of
4 such Act (25 U.S.C. 4221(5))).

5 “(III) RURAL AREA.—For pur-
6 poses of subclause (I), the term ‘rural
7 area’ means any non-metropolitan
8 area, or any rural area as defined by
9 section 520 of the Housing Act of
10 1949, which is identified by the quali-
11 fied allocation plan under subsection
12 (m)(1)(B).”.

13 (3) ELIGIBLE BUILDINGS.—Section
14 42(d)(5)(B)(iii), as amended by paragraph (2), is
15 further amended by adding at the end the following
16 new subclause:

17 “(V) SPECIAL RULE FOR BUILD-
18 INGS IN INDIAN AREAS.—In the case
19 of an area which is a difficult develop-
20 ment area solely because it is an In-
21 dian area, a building shall not be
22 treated as located in such area unless
23 such building is assisted or financed
24 under the Native American Housing
25 Assistance and Self Determination

1 Act of 1996 (25 U.S.C. 4101 et seq.)
2 or the project sponsor is an Indian
3 tribe (as defined in section
4 45A(c)(6)), a tribally designated hous-
5 ing entity (as defined in section 4(22)
6 of such Act (25 U.S.C. 4103(22))), or
7 wholly owned or controlled by such an
8 Indian tribe or tribally designated
9 housing entity.”.

10 (4) EFFECTIVE DATE.—The amendments made
11 by this subsection shall apply to buildings placed in
12 service after December 31, 2025.

13 **SEC. 111110. INCREASED GROSS RECEIPTS THRESHOLD**
14 **FOR SMALL MANUFACTURING BUSINESSES.**

15 (a) IN GENERAL.—Section 448(c) is amended by re-
16 designating paragraph (4) as paragraph (5) and by insert-
17 ing after paragraph (3) the following new paragraph:

18 “(4) GROSS RECEIPTS TEST FOR MANUFAC-
19 TURING TAXPAYERS.—In the case of a manufac-
20 turing taxpayer, paragraph (1) shall be applied by
21 substituting ‘\$80,000,000’ for ‘\$25,000,000’.”.

22 (b) INFLATION ADJUSTMENT.—Section 448(c)(5) (as
23 so redesignated) is amended by striking “the dollar
24 amount in paragraph (1) shall be increased” and inserting

1 “the dollar amounts in paragraphs (1) and (4) shall each
2 be increased”.

3 (c) MANUFACTURING TAXPAYER DEFINED.—Section
4 448(d) is amended by redesignating paragraph (8) as
5 paragraph (9) and by inserting after paragraph (7) the
6 following new paragraph:

7 “(8) MANUFACTURING TAXPAYER.—

8 “(A) IN GENERAL.—The term ‘manufac-
9 turing taxpayer’ means a corporation or part-
10 nership substantially all the gross receipts of
11 which during the 3-taxable-year period de-
12 scribed in subsection (c)(1) are derived from
13 the lease, rental, license, sale, exchange, or
14 other disposition of qualified products.

15 “(B) QUALIFIED PRODUCT.—For purposes
16 of subparagraph (A), the term ‘qualified prod-
17 uct’ means a product that is both—

18 “(i) tangible personal property which
19 is not a food or beverage prepared in the
20 same building as a retail establishment in
21 which substantially similar property is sold
22 to the public, and

23 “(ii) produced or manufactured by the
24 taxpayer in a manner which results in a
25 substantial transformation (within the

1 meaning of section 168(n)(2)(D)) of the
2 property comprising the product.

3 “(C) AGGREGATION RULE.—Solely for pur-
4 poses of determining whether a taxpayer is a
5 manufacturing taxpayer under subparagraph
6 (A)—

7 “(i) gross receipts shall be determined
8 under the rules of paragraphs (2) and (3)
9 of subsection (c), and

10 “(ii) for purposes of subsection (c)(2),
11 in applying section 52(b), the term ‘trade
12 or business’ shall include any activity
13 treated as a trade or business under para-
14 graph (5) or (6) of section 469(c) (deter-
15 mined without regard to the phrase ‘To
16 the extent provided in regulations’ in such
17 paragraph (6)).”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 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 the period at the end of subclause (V) and in-
8 serting “, and”, and by adding at the end the following
9 new subclause:

10 “(VI) in the case of any specified
11 United States shareholder, any quali-
12 fied Virgin Islands services income.”.

13 (b) DEFINITIONS AND SPECIAL RULES.—Section
14 951A(c)(2) is amended by adding at the end the following
15 new subparagraph:

16 “(C) PROVISIONS RELATED TO QUALIFIED
17 VIRGIN ISLANDS SERVICES INCOME.—For pur-
18 poses of subparagraph (A)(i)(VI)—

19 “(i) QUALIFIED VIRGIN ISLANDS
20 SERVICES INCOME.—The term ‘qualified
21 Virgin Islands services income’ means any
22 gross income which satisfies all of the fol-
23 lowing requirements:

24 “(I) Such gross income is com-
25 pensation for labor or personal serv-
26 ices performed in the Virgin Islands

1 by a corporation formed under the
2 laws of the Virgin Islands.

3 “(II) Such gross income is attrib-
4 utable to services performed from
5 within the Virgin Islands by individ-
6 uals for the benefit of such corpora-
7 tion.

8 “(III) Such gross income is effec-
9 tively connected with the conduct of a
10 trade or business within the Virgin Is-
11 lands.

12 “(ii) SPECIFIED UNITED STATES
13 SHAREHOLDER.—The term ‘specified
14 United States shareholder’ means any
15 United States shareholder which is—

16 “(I) an individual, trust, or es-
17 tate, or

18 “(II) a closely held C corporation
19 (as defined in section 469(j)(1)) if
20 such corporation acquired its direct or
21 indirect equity interest in the foreign
22 corporation which derived the quali-
23 fied Virgin Islands services income be-
24 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 **PART 3—INVESTING IN THE HEALTH OF RURAL**
19 **AMERICA AND MAIN STREET**
20 **SEC. 111201. EXPANDING THE DEFINITION OF RURAL**
21 **EMERGENCY HOSPITAL UNDER THE MEDI-**
22 **CARE PROGRAM.**

23 (a) IN GENERAL.—Section 1861(kkk) of the Social
24 Security Act (42 U.S.C. 1395x(kkk)) is amended—

25 (1) in paragraph (2)—

1 (A) in subparagraph (A), by striking “the
2 detailed transition plan” and all that follows
3 through “such paragraph” and inserting “the
4 detailed transition plan described in clause
5 (i)(I) of such paragraph or the assessment of
6 health care needs described in clause (i)(II) of
7 such paragraph, as applicable,”;

8 (B) in subparagraph (D)(vi), by striking
9 the period at the end and inserting “; and”;
10 and

11 (C) by adding at the end the following new
12 subparagraph:

13 “(E) in the case of a facility described in para-
14 graph (3)(B)—

15 “(i) submits an application under section
16 1866(j) to enroll under this title as a rural
17 emergency hospital—

18 “(I) in the case that such facility is
19 located in a State that, as of January 1,
20 2027, provides for the licensing of rural
21 emergency hospitals under State or appli-
22 cable local law (as described in paragraph
23 (5)(A)), not later than December 31, 2027;
24 and

1 “(II) in the case that such facility is
2 located in a State that, as of January 1,
3 2027, does not provide for the licensing of
4 such rural emergency hospitals under State
5 or applicable local law (as so described),
6 not later than the date that is 1 year after
7 the date on which such State begins to
8 provide for such licensing; and

9 “(ii) in the case that such facility is lo-
10 cated less than 35 miles away from the nearest
11 hospital, critical access hospital, or rural emer-
12 gency hospital as of the date on which such fa-
13 cility submits an application under section
14 1866(j) to enroll under this title as a rural
15 emergency hospital, beginning not later than 1
16 year after the end of the first full cost reporting
17 period for which the facility is so enrolled, dem-
18 onstrates annually, in a form and manner de-
19 termined appropriate by the Secretary, that
20 more than 50 percent of the services furnished
21 for the most recent cost reporting period (as de-
22 termined by the Secretary) were services de-
23 scribed in paragraph (1)(A)(i), as determined
24 based on discharges of individuals entitled to

1 benefits under part A or enrolled under part B
2 during such cost reporting period.”;

3 (2) in paragraph (3)—

4 (A) by redesignating subparagraphs (A)
5 and (B) as clauses (i) and (ii), respectively, and
6 adjusting the margins accordingly;

7 (B) by striking “A facility” and inserting:
8 “(A) IN GENERAL.—A facility”; and

9 (C) by adding at the end the following new
10 subparagraph:

11 “(B) ADDITIONAL FACILITIES.—Beginning
12 January 1, 2027, a facility described in this para-
13 graph shall also include a facility that—

14 “(i) at any time during the period begin-
15 ning January 1, 2014, and ending December
16 26, 2020—

17 “(I) was a critical access hospital; or

18 “(II) was a subsection (d) hospital (as
19 defined in section 1886(d)(1)(B)) with not
20 more than 50 beds located in a county (or
21 equivalent unit of local government) in a
22 rural area (as defined in section
23 1886(d)(2)(D)); and

1 “(ii) as of December 27, 2020, was not en-
2 rolled in the program under this title under sec-
3 tion 1866(j).”; and

4 (3) in paragraph (4)—

5 (A) in subparagraph (A)(i)—

6 (i) in subclause (IV), by striking the
7 period at the end and inserting “; and”;

8 (ii) by redesignating subclauses (I)
9 through (IV) as items (aa) through (dd),
10 respectively, and adjusting the margins ac-
11 cordingly;

12 (iii) by striking “including a detailed”
13 and inserting “including—

14 “(I) except in the case of a facility de-
15 scribed in paragraph (3)(B), a detailed”;
16 and

17 (iv) by adding at the end the following
18 new subclause:

19 “(II) in the case of a facility described
20 in paragraph (3)(B), an assessment of the
21 health care needs of the county (or equiva-
22 lent unit of local government) in which
23 such facility is located, which shall in-
24 clude—

1 “(aa) a description of the services
2 furnished by the facility during the
3 period that such facility was enrolled
4 in the program under this title under
5 section 1866(j);

6 “(bb) a description of the reasons
7 that the facility, as of December 27,
8 2020, was no longer so enrolled;

9 “(cc) the population of such
10 county (or equivalent unit);

11 “(dd) the percentage of such pop-
12 ulation who are individuals entitled to
13 benefits under part A or enrolled
14 under part B; and

15 “(ee) a description of any lack of
16 access to health care services experi-
17 enced by such individuals, and an ex-
18 planation of how reopening the facility
19 as a rural emergency hospital would
20 mitigate such lack of access.”.

21 (b) AMENDMENTS TO PAYMENT RULES.—Section
22 1834(x) of the Social Security Act (42 U.S.C. 1395m(x))
23 is amended—

24 (1) in paragraph (1), by inserting “, except
25 that, in the case of a facility described in section

1 1861(kkk)(3)(B) that, as of the date on which such
2 facility submits an application under section 1866(j)
3 to enroll under this title as a rural emergency hos-
4 pital, is located less than 35 miles away from the
5 nearest hospital, critical access hospital, or rural
6 emergency hospital, such increase shall not apply”
7 before the period at the end; and

8 (2) in paragraph (2)(A), by inserting “(other
9 than a facility described in section 1861(kkk)(3)(B)
10 that, as of the date on which such facility submits
11 an application under section 1866(j) to enroll under
12 this title as a rural emergency hospital, is located
13 less than 10 miles away from the nearest hospital,
14 critical access hospital, or rural emergency hos-
15 pital)” after “rural emergency hospital”.

16 **Subtitle C—Make America Win**
17 **Again**

18 **PART 1—WORKING FAMILIES OVER ELITES**

19 **SEC. 112001. TERMINATION OF PREVIOUSLY-OWNED CLEAN**
20 **VEHICLE CREDIT.**

21 (a) IN GENERAL.—Section 25E(g) is amended by
22 striking “December 31, 2032” and inserting “December
23 31, 2025”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to vehicles acquired after Decem-
3 ber 31, 2025.

4 **SEC. 112002. TERMINATION OF CLEAN VEHICLE CREDIT.**

5 (a) IN GENERAL.—Section 30D is amended—

6 (1) by redesignating subsection (h) as sub-
7 section (i), and

8 (2) in subsection (i), as so redesignated, by
9 striking “December 31, 2032” and inserting “De-
10 cember 31, 2026”.

11 (b) SPECIAL RULE FOR TAXABLE YEAR 2026.—Sec-
12 tion 30D is amended by inserting after subsection (g) the
13 following new subsection:

14 “(h) SPECIAL RULE FOR TAXABLE YEAR 2026.—

15 “(1) IN GENERAL.—With respect to any vehicle
16 placed in service after December 31, 2025, such ve-
17 hicle shall not be treated as a new clean vehicle for
18 purposes of this section if, during the period begin-
19 ning on December 31, 2009, and ending on Decem-
20 ber 31, 2025, the number of covered vehicles manu-
21 factured by the manufacturer of such vehicle which
22 are sold for use in the United States is greater than
23 200,000.

24 “(2) COVERED VEHICLES.—For purposes of
25 this subsection, the term ‘covered vehicles’ means—

1 “(A) with respect to vehicles placed in
2 service before January 1, 2023, new qualified
3 plug-in electric drive motor vehicles (as defined
4 in subsection (d)(1), as in effect on December
5 31, 2022), and

6 “(B) new clean vehicles.

7 “(3) CONTROLLED GROUPS.—Rules similar to
8 the rules of section 30B(f)(4) shall apply for pur-
9 poses of this subsection.”.

10 (c) CONFORMING AMENDMENTS.—Section 30D(e) is
11 amended—

12 (1) in paragraph (1)(B)—

13 (A) in clause (iii), by inserting “and” after
14 the comma at the end,

15 (B) in clause (iv), by striking “, and” and
16 inserting a period, and

17 (C) by striking clause (v), and

18 (2) in paragraph (2)(B)—

19 (A) in clause (ii), by inserting “and” after
20 the comma at the end,

21 (B) in clause (iii), by striking the comma
22 at the end and inserting a period, and

23 (C) by striking clauses (iv) through (vi).

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to vehicles placed in service after
3 December 31, 2025.

4 **SEC. 112003. TERMINATION OF QUALIFIED COMMERCIAL**
5 **CLEAN VEHICLES CREDIT.**

6 (a) IN GENERAL.—Section 45W(g) is amended to
7 read as follows:

8 “(g) TERMINATION.—

9 “(1) IN GENERAL.—No credit shall be deter-
10 mined under this section with respect to any vehicle
11 acquired after December 31, 2025.

12 “(2) EXCEPTION FOR BINDING CONTRACTS.—
13 Paragraph (1) shall not apply with respect to vehi-
14 cles placed in service before January 1, 2033, and
15 acquired pursuant to a written binding contract en-
16 tered into before May 12, 2025.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to vehicles acquired after Decem-
19 ber 31, 2025.

20 **SEC. 112004. TERMINATION OF ALTERNATIVE FUEL VEHI-**
21 **CLE REFUELING PROPERTY CREDIT.**

22 (a) IN GENERAL.—Section 30C(i) is amended by
23 striking “December 31, 2032” and inserting “December
24 31, 2025”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service after
3 December 31, 2025.

4 **SEC. 112005. TERMINATION OF ENERGY EFFICIENT HOME**
5 **IMPROVEMENT CREDIT.**

6 (a) IN GENERAL.—Section 25C(i) is amended to read
7 as follows:

8 “(i) TERMINATION.—This section shall not apply
9 with respect to any property placed in service after Decem-
10 ber 31, 2025.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 25C(d)(2)(C) is amended to read as
13 follows:

14 “(C) Any oil furnace or hot water boiler
15 which is placed in service before January 1,
16 2026, and—

17 “(i) meets or exceeds 2021 Energy
18 Star efficiency criteria, and

19 “(ii) is rated by the manufacturer for
20 use with fuel blends at least 20 percent of
21 the volume of which consists of an eligible
22 fuel.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property placed in service after
25 December 31, 2025.

1 **SEC. 112006. TERMINATION OF RESIDENTIAL CLEAN EN-**
2 **ERGY CREDIT.**

3 (a) IN GENERAL.—Section 25D(h) is amended by
4 striking “December 31, 2034” and inserting “December
5 31, 2025”.

6 (b) CONFORMING AMENDMENTS.—Section 25D(g) is
7 amended—

8 (1) in paragraph (2), by inserting “and” after
9 the comma at the end,

10 (2) in paragraph (3), by striking “January 1,
11 2033, 30 percent,” and inserting “January 1, 2026,
12 30 percent.”, and

13 (3) by striking paragraphs (4) and (5).

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to property placed in service after
16 December 31, 2025.

17 **SEC. 112007. TERMINATION OF NEW ENERGY EFFICIENT**
18 **HOME CREDIT.**

19 (a) IN GENERAL.—Section 45L(h) is amended to
20 read as follows:

21 “(h) TERMINATION.—This section shall not apply to
22 any qualified new energy efficient home acquired after De-
23 cember 31, 2025 (December 31, 2026, in the case of any
24 home for which construction began before May 12,
25 2025).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to homes acquired after December
3 31, 2025.

4 **SEC. 112008. PHASE-OUT AND RESTRICTIONS ON CLEAN**
5 **ELECTRICITY PRODUCTION CREDIT.**

6 (a) PHASE-OUT.—Section 45Y(d) is amended—

7 (1) in paragraph (1), in the matter preceding
8 subparagraph (A), by striking “the construction of
9 which begins during a calendar year described in
10 paragraph (2)” and inserting “which is placed in
11 service after December 31, 2028,”, and

12 (2) by striking paragraphs (2) and (3) and in-
13 serting the following new paragraph:

14 “(2) PHASE-OUT PERCENTAGE.—The phase-out
15 percentage under this paragraph is equal to—

16 “(A) for a facility placed in service during
17 calendar year 2029, 80 percent,

18 “(B) for a facility placed in service during
19 calendar year 2030, 60 percent,

20 “(C) for a facility placed in service during
21 calendar year 2031, 40 percent, and

22 “(D) for a facility placed in service after
23 December 31, 2031, 0 percent.”.

24 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
25 EIGN ENTITIES.—Section 45Y is amended—

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

3 “(E) MATERIAL ASSISTANCE FROM PRO-
4 HIBITED FOREIGN ENTITIES.—The term ‘quali-
5 fied facility’ shall not include any facility for
6 which construction begins after the date that is
7 one year after the date of the enactment of this
8 subparagraph if the construction of such facility
9 includes any material assistance from a prohib-
10 ited foreign entity (as defined in section
11 7701(a)(52)).”, and

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

14 “(13) RESTRICTIONS RELATING TO PROHIB-
15 ITED FOREIGN ENTITIES.—

16 “(A) IN GENERAL.—No credit determined
17 under subsection (a) shall be allowed under sec-
18 tion 38 for any taxable year beginning after the
19 date of enactment of this paragraph if the tax-
20 payer is a specified foreign entity (as defined in
21 section 7701(a)(51)(B)).

22 “(B) OTHER PROHIBITED FOREIGN ENTI-
23 TIES.—No credit determined under subsection
24 (a) shall be allowed under section 38 for any
25 taxable year beginning after the date which is

1 2 years after the date of enactment of this
2 paragraph if—

3 “(i) the taxpayer is a foreign-influ-
4 enced entity (as defined in section
5 7701(a)(51)(D)), or

6 “(ii) during such taxable year, the
7 taxpayer—

8 “(I) makes a payment of divi-
9 dends, interest, compensation for serv-
10 ices, rentals or royalties, guarantees
11 or any other fixed, determinable, an-
12 nual, or periodic amount to a prohib-
13 ited foreign entity (as defined in sec-
14 tion 7701(a)(51)) in an amount which
15 is equal to or greater than 5 percent
16 of the total of such payments made by
17 such taxpayer during such taxable
18 year which are related to the produc-
19 tion of electricity, or

20 “(II) makes payments described
21 in subclause (I) to more than 1 pro-
22 hibited foreign entity (as so defined)
23 in an amount which, in the aggregate,
24 is equal to or greater than 15 percent
25 of the total of such payments made by

1 such taxpayer during such taxable
2 year which are related to the produc-
3 tion of electricity.”.

4 (c) REPEAL OF TRANSFERABILITY.—Section
5 6418(f)(1) is amended—

6 (1) in subparagraph (A), by striking clause
7 (vii), and

8 (2) in subparagraph (B), by striking “(v), or
9 (vii)” and inserting “or (v)”.

10 (d) DEFINITIONS RELATING TO PROHIBITED FOR-
11 EIGN ENTITIES.—Section 7701(a) is amended by adding
12 at the end the following new paragraphs:

13 “(51) PROHIBITED FOREIGN ENTITY.—

14 “(A) IN GENERAL.—The term ‘prohibited
15 foreign entity’ means a specified foreign entity
16 or a foreign-influenced entity.

17 “(B) SPECIFIED FOREIGN ENTITY.—For
18 purposes of subparagraph (A), the term ‘speci-
19 fied foreign entity’ means—

20 “(i) a foreign entity of concern de-
21 scribed in subparagraph (A), (B), (D), or
22 (E) of section 9901(8) of the William M.
23 (Mac) Thornberry National Defense Au-
24 thorization Act for Fiscal Year 2021 (Pub-
25 lic Law 116–283; 15 U.S.C. 4651),

1 “(ii) an entity identified as a Chinese
2 military company operating in the United
3 States in accordance with section 1260H
4 of the William M. (Mac) Thornberry Na-
5 tional Defense Authorization Act for Fiscal
6 Year 2021 (Public Law 116–283; 10
7 U.S.C. 113 note),

8 “(iii) an entity included on a list re-
9 quired by clause (i), (ii), (iv), or (v) of sec-
10 tion 2(d)(2)(B) of Public Law 117–78
11 (135 Stat. 1527),

12 “(iv) an entity specified under section
13 154(b) of the National Defense Authoriza-
14 tion Act for Fiscal Year 2024 (Public Law
15 118–31; 10 U.S.C. note prec. 4651), or

16 “(v) a foreign-controlled entity.

17 “(C) FOREIGN-CONTROLLED ENTITY.—For
18 purposes of subparagraph (B), the term ‘for-
19 eign-controlled entity’ means—

20 “(i) the government of a covered na-
21 tion (as defined in section 4872(f)(2) of
22 title 10, United States Code),

23 “(ii) a person who is a citizen, na-
24 tional, or resident of a covered nation, pro-
25 vided that such person is not an individual

1 who is a citizen or lawful permanent resi-
2 dent of the United States,

3 “(iii) an entity or a qualified business
4 unit (as defined in section 989(a)) incor-
5 porated or organized under the laws of, or
6 having its principal place of business in, a
7 covered nation, or

8 “(iv) an entity (including subsidiary
9 entities) controlled (as determined under
10 subparagraph (F)) by an entity described
11 in clause (i), (ii), or (iii).

12 “(D) FOREIGN-INFLUENCED ENTITY.—For
13 purposes of subparagraph (A), the term ‘for-
14 eign-influenced entity’ means an entity—

15 “(i) with respect to which, during the
16 taxable year—

17 “(I) a specified foreign entity has
18 the direct or indirect authority to ap-
19 point a covered officer of such entity,

20 “(II) a single specified foreign
21 entity owns at least 10 percent of
22 such entity,

23 “(III) one or more specified for-
24 eign entities own in the aggregate at
25 least 25 percent of such entity, or

1 “(IV) at least 25 percent of the
2 debt of such entity is held in the ag-
3 gregate by one or more specified for-
4 eign entities, or

5 “(ii) which, during the previous tax-
6 able year—

7 “(I) makes a payment of divi-
8 dends, interest, compensation for serv-
9 ices, rentals or royalties, guarantees
10 or any other fixed, determinable, an-
11 nual, or periodic amount to a specified
12 foreign entity in an amount which is
13 equal to or greater than 10 percent of
14 the total of such payments made by
15 such entity during such taxable year,
16 or

17 “(II) makes payments described
18 in subclause (I) to more than 1 speci-
19 fied foreign entity in an amount
20 which, in the aggregate, is equal to or
21 greater than 25 percent of the total of
22 such payments made by such entity
23 during such taxable year.

1 Clause (ii) shall not apply unless such enti-
2 ty makes such payments knowingly (or has
3 reason to know).

4 “(E) COVERED OFFICER.—For purposes of
5 this paragraph, the term ‘covered officer’
6 means, with respect to an entity—

7 “(i) a member of the board of direc-
8 tors, board of supervisors, or equivalent
9 governing body,

10 “(ii) an executive-level officer, includ-
11 ing the president, chief executive officer,
12 chief operating officer, chief financial offi-
13 cer, general counsel, or senior vice presi-
14 dent, or

15 “(iii) an individual having powers or
16 responsibilities similar to those of officers
17 or members described in clause (i) or (ii).

18 “(F) DETERMINATION OF CONTROL.—For
19 purposes of subparagraph (C)(iv), the term
20 ‘control’ means—

21 “(i) in the case of a corporation, own-
22 ership (by vote or value) of more than 50
23 percent of the stock in such corporation,

24 “(ii) in the case of a partnership,
25 ownership of more than 50 percent of the

1 profits interests or capital interests in such
2 partnership, or

3 “(iii) in any other case, ownership of
4 more than 50 percent of the beneficial in-
5 terests in the entity.

6 “(G) DETERMINATION OF OWNERSHIP.—

7 For purposes of this section, section 318 (relat-
8 ing to constructive ownership of stock) shall
9 apply for purposes of determining ownership of
10 stock in a corporation. Similar principles shall
11 apply for purposes of determining ownership of
12 interests in any other entity.

13 “(H) REGULATIONS AND GUIDANCE.—The
14 Secretary may prescribe such regulations and
15 guidance as may be necessary or appropriate to
16 carry out the provisions of this paragraph.

17 “(52) MATERIAL ASSISTANCE FROM A PROHIB-
18 ITED FOREIGN ENTITY.—

19 “(A) IN GENERAL.—The term ‘material
20 assistance from a prohibited foreign entity’
21 means, with respect to any property—

22 “(i) any component, subcomponent, or
23 applicable critical mineral (as defined in
24 section 45X(c)(6)) included in such prop-
25 erty that is extracted, processed, recycled,

1 manufactured, or assembled by a prohib-
2 ited foreign entity, and

3 “(ii) any design of such property
4 which is based on any copyright or patent
5 held by a prohibited foreign entity or any
6 know-how or trade secret provided by a
7 prohibited foreign entity.

8 “(B) EXCLUSION.—

9 “(i) IN GENERAL.—The term ‘mate-
10 rial assistance from a prohibited foreign
11 entity’ shall not include any assembly part
12 or constituent material, provided that such
13 part or material is not acquired directly
14 from a prohibited foreign entity.

15 “(ii) ASSEMBLY PART.—For purposes
16 of this subparagraph, the term ‘assembly
17 part’ means a subcomponent or collection
18 of subcomponents which is—

19 “(I) not uniquely designed for
20 use in the construction of a qualified
21 facility described in section 45Y or
22 48E or an eligible component de-
23 scribed in section 45X, and

1 “(II) not exclusively or predomi-
2 nantly produced by prohibited foreign
3 entities.

4 “(iii) CONSTITUENT MATERIAL.—For
5 purposes of this subparagraph, the term
6 ‘constituent material’ means any material
7 which is—

8 “(I) not uniquely formulated for
9 use in a qualified facility described in
10 section 45Y or 48E or an eligible
11 component described in section 45X,
12 and

13 “(II) not exclusively or predomi-
14 nantly produced, processed, or ex-
15 tracted by prohibited foreign entities.

16 “(iv) REGULATIONS AND GUID-
17 ANCE.—The Secretary may prescribe such
18 regulations and guidance as may be nec-
19 essary or appropriate to carry out the pro-
20 visions of this paragraph.”.

21 (e) EFFECTIVE DATES.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), the amendments made by this section
24 shall apply to taxable years beginning after the date
25 of enactment of this Act.

1 (2) OTHER PROVISIONS.—The amendment
2 made by subsection (c) shall apply to facilities for
3 which construction begins after the date that is 2
4 years after the date of enactment of this Act.

5 **SEC. 112009. PHASE-OUT AND RESTRICTIONS ON CLEAN**
6 **ELECTRICITY INVESTMENT CREDIT.**

7 (a) PHASE-OUT.—Section 48E(e) is amended—

8 (1) in paragraph (1), in the matter preceding
9 subparagraph (A), by striking “the construction of
10 which begins during a calendar year described in
11 paragraph (2)” and inserting “which is placed in
12 service after December 31, 2028,” and

13 (2) by striking paragraphs (2) and (3) and in-
14 serting the following:

15 “(2) PHASE-OUT PERCENTAGE.—The phase-out
16 percentage under this paragraph is equal to—

17 “(A) for any qualified investment with re-
18 spect to any qualified facility or energy storage
19 technology placed in service during calendar
20 year 2029, 80 percent,

21 “(B) for any qualified investment with re-
22 spect to any qualified facility or energy storage
23 technology placed in service during calendar
24 year 2030, 60 percent,

1 “(C) for any qualified investment with re-
2 spect to any qualified facility or energy storage
3 technology placed in service during calendar
4 year 2031, 40 percent, and

5 “(D) for any qualified investment with re-
6 spect to any qualified facility or energy storage
7 technology placed in service after December 31,
8 2031, 0 percent.”.

9 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
10 EIGN ENTITIES.—

11 (1) IN GENERAL.—Section 48E is amended—

12 (A) in subsection (b)(3), by adding at the
13 end the following new subparagraph:

14 “(D) MATERIAL ASSISTANCE FROM PRO-
15 HIBITED FOREIGN ENTITIES.—The term ‘quali-
16 fied facility’ shall not include any facility the
17 construction of which begins after the date that
18 is one year after the date of the enactment of
19 this subparagraph if the construction of such
20 facility includes any material assistance from a
21 prohibited foreign entity (as defined in section
22 7701(a)(52)).”, and

23 (B) in subsection (c), by adding at the end
24 the following new paragraph:

1 “(3) MATERIAL ASSISTANCE FROM PROHIBITED
2 FOREIGN ENTITIES.—The term ‘energy storage tech-
3 nology’ shall not include any property the construc-
4 tion of which begins after the date that is one year
5 after the date of the enactment of this paragraph if
6 the construction of such property includes any mate-
7 rial assistance from a prohibited foreign entity (as
8 defined in section 7701(a)(52)).”.

9 (2) RESTRICTIONS RELATING TO PROHIBITED
10 FOREIGN ENTITIES.—Section 48E(d) is amended by
11 adding at the end the following new paragraph:

12 “(6) RESTRICTIONS RELATING TO PROHIBITED
13 FOREIGN ENTITIES.—

14 “(A) IN GENERAL.—No credit determined
15 under subsection (a) shall be allowed under sec-
16 tion 38 for any taxable year beginning after the
17 date of enactment of this paragraph if the tax-
18 payer is a specified foreign entity (as defined in
19 section 7701(a)(51)(B)).

20 “(B) OTHER PROHIBITED FOREIGN ENTI-
21 TIES.—No credit determined under subsection
22 (a) shall be allowed under section 38 for any
23 taxable year beginning after the date which is
24 2 years after the date of enactment of this
25 paragraph if—

1 “(i) the taxpayer is a foreign-influ-
2 enced entity (as defined in section
3 7701(a)(51)(D)), or

4 “(ii) during such taxable year, the
5 taxpayer—

6 “(I) makes a payment of divi-
7 dends, interest, compensation for serv-
8 ices, rentals or royalties, guarantees
9 or any other fixed, determinable, an-
10 nual, or periodic amount to a prohib-
11 ited foreign entity (as defined in sec-
12 tion 7701(a)(51)) in an amount which
13 is equal to or greater than 5 percent
14 of the total of such payments made by
15 such taxpayer during such taxable
16 year which are related to the produc-
17 tion of electricity or storage of energy,
18 or

19 “(II) makes payments described
20 in subclause (I) to more than 1 pro-
21 hibited foreign entity (as so defined)
22 in an amount which, in the aggregate,
23 is equal to or greater than 15 percent
24 of the total of such payments made by
25 such taxpayer during such taxable

1 year which are related to the produc-
2 tion of electricity or storage of en-
3 ergy.”.

4 (3) RECAPTURE.—Section 50(a) is amended—

5 (A) by redesignating paragraphs (4)
6 through (6) as paragraphs (5) through (7), re-
7 spectively,

8 (B) by inserting after paragraph (3) the
9 following new paragraph:

10 “(4) PAYMENTS TO PROHIBITED FOREIGN EN-
11 TITIES.—

12 “(A) IN GENERAL.—If there is an applica-
13 ble payment made by a specified taxpayer be-
14 fore the close of the 10-year period beginning
15 on the date such taxpayer placed in service in-
16 vestment credit property which is eligible for
17 the clean electricity investment credit under
18 section 48E(a), then the tax under this chapter
19 for the taxable year in which such applicable
20 payment occurs shall be increased by 100 per-
21 cent of the aggregate decrease in the credits al-
22 lowed under section 38 for all prior taxable
23 years which would have resulted solely from re-
24 ducing to zero any credit determined under sec-
25 tion 46 which is attributable to the clean elec-

1 tricity investment credit under section 48E(a)
2 with respect to such property.

3 “(B) APPLICABLE PAYMENT.—For pur-
4 poses of this paragraph, the term ‘applicable
5 payment’ means, with respect to any taxable
6 year, a payment or payments described in sub-
7 clause (I) or (II) of section 48E(d)(6)(B)(ii).

8 “(C) SPECIFIED TAXPAYER.—For pur-
9 poses of this paragraph, the term ‘specified tax-
10 payer’ means any taxpayer who has been al-
11 lowed a credit under section 48E(a) for any
12 taxable year beginning after the date which is
13 2 years after the date of enactment of this
14 paragraph.”,

15 (C) in paragraph (5), as redesignated by
16 subparagraph (A), by striking “or any applica-
17 ble transaction to which paragraph (3)(A) ap-
18 plies,” and inserting “any applicable trans-
19 action to which paragraph (3)(A) applies, or
20 any applicable payment to which paragraph
21 (4)(A) applies,” and

22 (D) in paragraph (7), as redesignated by
23 subparagraph (A), by striking “or (3)” and in-
24 serting “(3), or (4)”.

1 (c) REPEAL OF TRANSFERABILITY.—Section 6418,
2 as amended by section 112008, is amended—

3 (1) in subsection (f)(1)(A), by striking clause
4 (xi), and

5 (2) in subsection (g)(3), by striking “clauses
6 (ix) through (xi)” and inserting “clause (ix) or (x)”.

7 (d) CONFORMING AMENDMENTS.—Section 48E(h)(4)
8 is amended—

9 (1) in subparagraph (C), by striking “December
10 31 of the applicable year (as defined in section
11 45Y(d)(3))” and inserting “December 31, 2031”,

12 (2) in subparagraph (D), by striking “the third
13 calendar year following the applicable year (as de-
14 fined in section 45Y(d)(3))” and inserting “2031”,
15 and

16 (3) in subparagraph (E)(i), by striking “after
17 the date that is 4 years after the date of the alloca-
18 tion with respect to the facility of which such prop-
19 erty is a part” and inserting “the earlier of—

20 “(I) the date that is 4 years after
21 the date of the allocation with respect
22 to the facility of which such property
23 is a part, or

24 “(II) December 31, 2031.”.

25 (e) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall apply to taxable years beginning after the date
4 of enactment of this Act.

5 (2) OTHER PROVISIONS.—The amendments
6 made by subsection (c) shall apply to facilities and
7 energy storage technology for which construction be-
8 gins after the date that is 2 years after the date of
9 enactment of this Act.

10 **SEC. 112010. REPEAL OF TRANSFERABILITY OF CLEAN**
11 **FUEL PRODUCTION CREDIT.**

12 (a) IN GENERAL.—Section 6418(f)(1)(A), as amend-
13 ed by sections 112008 and 112009, is amended by striking
14 clause (viii).

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to fuel produced after December
17 31, 2027.

18 **SEC. 112011. RESTRICTIONS ON CARBON OXIDE SEQUES-**
19 **TRATION CREDIT.**

20 (a) RESTRICTIONS RELATING TO PROHIBITED FOR-
21 EIGN ENTITIES.—Section 45Q(f) is amended by adding
22 at the end the following new paragraph:

23 “(10) RESTRICTIONS RELATING TO PROHIB-
24 ITED 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 (b) REPEAL OF TRANSFERABILITY.—Section
16 6418(f)(1), as amended by sections 112008, 112009, and
17 112010, is amended—

18 (1) in subparagraph (A), by striking clause (iii),

19 and

20 (2) in subparagraph (B)—

21 (A) in the matter preceding clause (i), by
22 striking “clause (ii), (iii), or (v)” and inserting
23 “clause (ii) or (v)”, and

1 (B) in clause (ii), by striking “(or, in the
2 case” and all that follows through “at such fa-
3 cility)”.

4 (c) EFFECTIVE DATES.—

5 (1) RESTRICTIONS RELATING TO PROHIBITED
6 FOREIGN ENTITIES.—The amendments made by
7 subsection (a) shall apply to taxable years beginning
8 after the date of enactment of this Act.

9 (2) REPEAL OF TRANSFERABILITY.—The
10 amendments made by subsection (b) shall apply to
11 carbon capture equipment the construction of which
12 begins after the date that is 2 years after the date
13 of enactment of this Act.

14 **SEC. 112012. PHASE-OUT AND RESTRICTIONS ON ZERO-**
15 **EMISSION NUCLEAR POWER PRODUCTION**
16 **CREDIT.**

17 (a) PHASE-OUT.—Section 45U(e) is amended to read
18 as follows:

19 “(e) CREDIT PHASE-OUT.—

20 “(1) IN GENERAL.—For any taxable year be-
21 ginning after December 31, 2028, the amount of the
22 zero-emission nuclear power production credit under
23 subsection (a) for such taxable year shall be equal
24 to the product of—

1 “(A) the amount of the credit determined
2 under subsection (a) without regard to this sub-
3 section, multiplied by

4 “(B) the phase-out percentage under para-
5 graph (2).

6 “(2) PHASE-OUT PERCENTAGE.—The phase-out
7 percentage under this paragraph is equal to—

8 “(A) for any taxable year beginning in cal-
9 endar year 2029, 80 percent,

10 “(B) for any taxable year beginning in cal-
11 endar year 2030, 60 percent,

12 “(C) for any taxable year beginning in cal-
13 endar year 2031, 40 percent, and

14 “(D) for any taxable year beginning after
15 December 31, 2031, 0 percent.”.

16 (b) RESTRICTIONS RELATING TO PROHIBITED FOR-
17 EIGN ENTITIES.—Section 45U(c) is amended by adding
18 at the end the following new paragraph:

19 “(3) RESTRICTIONS RELATING TO PROHIBITED
20 FOREIGN ENTITIES.—

21 “(A) IN GENERAL.—No credit determined
22 under subsection (a) shall be allowed under sec-
23 tion 38 for any taxable year beginning after the
24 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 the taxpayer is a foreign-influ-
9 enced entity (as defined in section
10 7701(a)(51)(D)).”.

11 (c) REPEAL OF TRANSFERABILITY.—Section
12 6418(f)(1)(A), as amended by section 112008, 112009,
13 112010, and 112011, is amended by striking clause (iv).

14 (d) EFFECTIVE DATES.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendments made by this section
17 shall apply to taxable years beginning after the date
18 of enactment of this Act.

19 (2) REPEAL OF TRANSFERABILITY.—The
20 amendment made by subsection (c) shall apply to
21 electricity produced and sold after December 31,
22 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 “, or the transportation or stor-
8 age” 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 redes-
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 redes-
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 AD-
7 JUSTED 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 redesign-
5 ating subparagraph (B) as subparagraph (C), and
6 by inserting before subparagraph (C) (as so redesign-
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 crued 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(c))
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(c))
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 muneration, and

1000

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 or any related per-
3 son or governmental entity.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 subsection (a) shall apply to taxable years beginning after
6 December 31, 2025.

7 **SEC. 112021. MODIFICATION OF EXCISE TAX ON INVEST-**
8 **MENT INCOME OF CERTAIN PRIVATE COL-**
9 **LEGES AND UNIVERSITIES.**

10 (a) IN GENERAL.—Section 4968 is amended to read
11 as follows:

12 **“SEC. 4968. EXCISE TAX BASED ON INVESTMENT INCOME**
13 **OF PRIVATE COLLEGES AND UNIVERSITIES.**

14 “(a) TAX IMPOSED.—There is hereby imposed on
15 each applicable educational institution for the taxable year
16 a tax equal to the applicable percentage of the net invest-
17 ment income of such institution for the taxable year.

18 “(b) APPLICABLE PERCENTAGE.—For purposes of
19 this section, the term ‘applicable percentage’ means—

20 “(1) 1.4 percent in the case of an institution
21 with a student adjusted endowment in excess of
22 \$500,000, and not in excess of \$750,000,

23 “(2) 7 percent in the case of an institution with
24 a student adjusted endowment in excess of
25 \$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 redes-
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(c) 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 para-
19 graphs (2) and (3), assets of any related orga-
20 nization with respect to a private foundation
21 shall be treated as assets of the private founda-
22 tion, except that—

23 “(i) no such assets shall be taken into
24 account with respect to more than 1 pri-
25 vate foundation, and

1 “(ii) unless such organization is con-
2 trolled by such private foundation, assets
3 which are not intended or available for the
4 use or benefit of the private foundation
5 shall not be taken into account.

6 “(B) RELATED ORGANIZATION.—For pur-
7 poses of this paragraph, the term ‘related orga-
8 nization’ means, with respect to a private foun-
9 dation, any organization which—

10 “(i) controls, or is controlled by, such
11 private foundation, or

12 “(ii) is controlled by 1 or more per-
13 sons which also control such private foun-
14 dation.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

18 **SEC. 112023. CERTAIN PURCHASES OF EMPLOYEE-OWNED**
19 **STOCK DISREGARDED FOR PURPOSES OF**
20 **FOUNDATION TAX ON EXCESS BUSINESS**
21 **HOLDINGS.**

22 (a) IN GENERAL.—Section 4943(c)(4)(A) is amended
23 by adding at the end the following new clauses:

1 “(v) For purposes of clause (i), subpara-
2 graph (D), and paragraph (2), any voting stock
3 which—

4 “(I) is not readily tradable on an es-
5 tablished securities market,

6 “(II) is purchased by the business en-
7 terprise on or after January 1, 2020, from
8 an employee stock ownership plan (as de-
9 fined in section 4975(e)(7)) in which em-
10 ployees of such business enterprise partici-
11 pate, in connection with a distribution
12 from such plan, and

13 “(III) is held by the business enter-
14 prise as treasury stock, cancelled, or re-
15 tired,

16 shall be treated as outstanding voting stock, but
17 only to the extent so treating such stock would
18 not result in permitted holdings exceeding 49
19 percent (determined without regard to this
20 clause). The preceding sentence shall not apply
21 with respect to the purchase of stock from a
22 plan during the 10-year period beginning on the
23 date the plan is established.

24 “(vi) Section 4943(c)(4)(A)(ii) shall not
25 apply with respect to any decrease in the per-

1 centage of holdings in a business enterprise by
2 reason of the application of clause (v).”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to taxable years ending after the
5 date of the enactment of this Act and to purchases by
6 a business enterprise of voting stock in taxable years be-
7 ginning after December 31, 2019.

8 **SEC. 112024. UNRELATED BUSINESS TAXABLE INCOME IN-**
9 **CREASED BY AMOUNT OF CERTAIN FRINGE**
10 **BENEFIT EXPENSES FOR WHICH DEDUCTION**
11 **IS DISALLOWED.**

12 (a) **IN GENERAL.**—Section 512(a) is amended by
13 adding at the end the following new paragraph:

14 “(7) **INCREASE IN UNRELATED BUSINESS TAX-**
15 **ABLE INCOME BY DISALLOWED FRINGE.**—

16 “(A) **IN GENERAL.**—Unrelated business
17 taxable income of an organization shall be in-
18 creased by any amount—

19 “(i) which is paid or incurred by such
20 organization for any qualified transpor-
21 tation fringe (as defined in section 132(f))
22 or any parking facility used in connection
23 with qualified parking (as defined in sec-
24 tion 132(f)(5)(C)),

1 “(ii) which is not directly connected
2 with an unrelated trade or business which
3 is regularly carried on by the organization,
4 and

5 “(iii) for which a deduction is not al-
6 lowable under this chapter by reason of
7 section 274.

8 “(B) EXCEPTION FOR CHURCH ORGANIZA-
9 TIONS.—Subparagraph (A) shall not apply to—

10 “(i) any organization to which section
11 6033(a)(1) does not apply by reason of
12 clause (i) or (iii) of section 6033(a)(3)(A),
13 and

14 “(ii) any church-affiliated organiza-
15 tion described in section 501(c) which is
16 not required to file an annual return under
17 section 6033(a)(1) by reason of section
18 6033(a)(3)(B).

19 “(C) TREATMENT AS INCOME FROM SEPA-
20 RATE TRADE OR BUSINESS.—For purposes of
21 paragraph (6), any increase under subpara-
22 graph (A) shall be treated as unrelated business
23 taxable income with respect to an unrelated
24 trade or business separate from any other unre-
25 lated trade or business of the organization.

1 “(D) REGULATIONS.— The Secretary shall
2 issue such regulations or other guidance as may
3 be necessary or appropriate to carry out the
4 purposes of this paragraph, including regula-
5 tions or other guidance providing for the appro-
6 priate allocation of costs with respect to facili-
7 ties used for parking.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to amounts paid or incurred after
10 December 31, 2025.

11 **SEC. 112025. NAME AND LOGO ROYALTIES TREATED AS UN-**
12 **RELATED BUSINESS TAXABLE INCOME.**

13 (a) IN GENERAL.—Section 513 is amended by adding
14 at the end the following new subsection:

15 “(k) NAME AND LOGO ROYALTIES.—Any sale or li-
16 censing by an organization of any name or logo of the
17 organization (including any trademark or copyright relat-
18 ing to such name or logo) shall be treated as an unrelated
19 trade or business regularly carried on by such organiza-
20 tion.”.

21 (b) CALCULATION OF UNRELATED BUSINESS TAX-
22 ABLE INCOME.—Section 512(b) is amended by adding at
23 the end the following new paragraph:

24 “(20) SPECIAL RULE FOR NAME AND LOGO
25 ROYALTIES.—Notwithstanding any other paragraph

1 of this subsection, any income derived from any sale
2 or licensing described in section 513(k) shall be in-
3 cluded as an item of gross income derived from an
4 unrelated trade or business.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2025.

8 **SEC. 112026. EXCLUSION OF RESEARCH INCOME LIMITED**
9 **TO PUBLICLY AVAILABLE RESEARCH.**

10 (a) IN GENERAL.—Section 512(b)(9) is amended by
11 striking “from research” and inserting “from such re-
12 search”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to amounts received or accrued
15 after December 31, 2025.

16 **SEC. 112027. LIMITATION ON EXCESS BUSINESS LOSSES OF**
17 **NONCORPORATE TAXPAYERS.**

18 (a) RULE MADE PERMANENT.—Section 461(l)(1) is
19 amended by striking “and before January 1, 2029,” each
20 place it appears.

21 (b) CERTAIN NET OPERATING LOSS CARRYOVER
22 TAKEN INTO ACCOUNT.—Section 461(l)(3) is amended—
23 (1) by inserting “(except as provided in sub-
24 paragraph (B))” after “section 172”,

1 (2) by redesignating subparagraphs (B) and
2 (C) as subparagraphs (C) and (D), respectively, and
3 (3) by inserting after subparagraph (A) the fol-
4 lowing new subparagraph:

5 “(B) CERTAIN NET OPERATING LOSS CAR-
6 RYOVER TAKEN INTO ACCOUNT.—

7 “(i) IN GENERAL.—For purposes of
8 subparagraph (A)(i), the aggregate deduc-
9 tions of the taxpayer shall be increased by
10 so much of the net operating loss carried
11 to the taxable year as is attributable to the
12 treatment of a specified loss as a net oper-
13 ating loss under paragraph (2).

14 “(ii) SPECIFIED LOSS.—For purposes
15 of this subparagraph, the term ‘specified
16 loss’ means a loss which is disallowed
17 under paragraph (1) for a taxable year be-
18 ginning after December 31, 2024.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

1 **SEC. 112028. 1-PERCENT FLOOR ON DEDUCTION OF CHARI-**
2 **TABLE CONTRIBUTIONS MADE BY CORPORA-**
3 **TIONS.**

4 (a) IN GENERAL.—Section 170(b)(2)(A) is amended
5 to read as follows:

6 “(A) IN GENERAL.—Any charitable con-
7 tribution (other than any contribution to which
8 subparagraph (B) or subparagraph (C) applies
9 or any contribution for which a deduction is not
10 allowable under this section without regard to
11 this paragraph) shall be allowed as a deduction
12 under this subsection (a) only to the extent that
13 the aggregate of such contributions—

14 “(i) exceeds 1 percent of the tax-
15 payer’s taxable income, and

16 “(ii) does not exceed 10 percent of the
17 taxpayer’s taxable income.”.

18 (b) APPLICATION OF CARRYFORWARD.—Section
19 170(d)(2) is amended to read as follows:

20 “(2) CORPORATIONS.—

21 “(A) IN GENERAL.—Any charitable con-
22 tribution taken into account under subsection
23 (b)(2)(A) for any taxable year which is not al-
24 lowed as a deduction by reason of clause (ii)
25 thereof shall be taken into account as a chari-
26 table contribution for the succeeding taxable

1 year, except that, for purposes of determining
2 under this subparagraph whether such contribu-
3 tion is allowed in such succeeding taxable year,
4 contributions in such succeeding taxable year
5 (determined without regard to this paragraph)
6 shall be taken into account under subsection
7 (b)(2)(A) before any contribution taken into ac-
8 count by reason of this paragraph.

9 “(B) 5-YEAR CARRYFORWARD.—No chari-
10 table contribution may be carried forward under
11 subparagraph (A) to any taxable year following
12 the fifth taxable year after the taxable year in
13 which the charitable contribution was first
14 taken into account. For purposes of the pre-
15 ceding sentence, contributions shall be treated
16 as allowed on a first-in first-out basis.

17 “(C) CONTRIBUTIONS DISALLOWED BY 1-
18 PERCENT FLOOR CARRIED FORWARD ONLY
19 FROM YEARS IN WHICH 10 PERCENT LIMITA-
20 TION IS EXCEEDED.—In the case of any taxable
21 year from which a charitable contribution is
22 carried forward under subparagraph (A) (deter-
23 mined without regard this subparagraph), sub-
24 paragraph (A) shall be applied by substituting
25 ‘clause (i) or (ii)’ for ‘clause (ii)’.

1 “(D) SPECIAL RULE FOR NET OPERATING
2 LOSS CARRYOVERS.—The amount of charitable
3 contributions carried forward under subpara-
4 graph (A) shall be reduced to the extent that
5 such carryforward would (but for this subpara-
6 graph) reduce taxable income (as computed for
7 purposes of the second sentence of section
8 172(b)(2)) and increase a net operating loss
9 carryover under section 172 to a succeeding
10 taxable year.”.

11 (c) CONFORMING AMENDMENTS.—Subparagraph
12 (B)(ii) and (C)(ii) of section 170(b)(2) are each amended
13 by inserting “other than subparagraph (C) thereof” after
14 “subsection (d)(2)”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2025.

18 **SEC. 112029. ENFORCEMENT OF REMEDIES AGAINST UN-**
19 **FAIR FOREIGN TAXES.**

20 (a) IN GENERAL.—Subpart D of part II of sub-
21 chapter N of chapter 1 is amended by adding at the end
22 the following new section:

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(c)) 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
2 RELATED TO UNITED STATES REAL
3 PROPERTY INTERESTS.—In the case of any dis-
4 position or distribution described in any para-
5 graph of section 1445(e), each rate of tax in
6 such paragraph (or any rate of tax applicable in
7 lieu of such statutory rate) shall be increased
8 by the applicable number of percentage points
9 if—

10 “(i) in the case of section 1445(e)(1),
11 the foreign person referred to in subpara-
12 graph (A) or (B) of such section is an ap-
13 plicable person,

14 “(ii) in the case of section 1445(e)(2),
15 the foreign corporation referred to in such
16 section is an applicable person,

17 “(iii) in the case of section
18 1445(e)(3), the foreign shareholder re-
19 ferred to in such section is an applicable
20 person,

21 “(iv) in the case of section 1445(e)(4),
22 the foreign person referred to in such sec-
23 tion is an applicable person,

1 “(v) in the case of section 1445(e)(5),
2 the Secretary issues regulations or other
3 guidance providing for such increase, and

4 “(vi) in the case of section 1445(e)(6),
5 the nonresident alien individual or foreign
6 corporation referred to in such section is
7 an applicable person.

8 “(4) APPLICABLE NUMBER OF PERCENTAGE
9 POINTS.—For purposes of this paragraph—

10 “(A) IN GENERAL.—The term ‘applicable
11 number of percentage points’ means, with re-
12 spect to any discriminatory foreign country—

13 “(i) with respect to the 1-year period
14 beginning on the applicable date with re-
15 spect to such foreign country, 5 percentage
16 points, and

17 “(ii) with respect to any period after
18 the 1-year period to which clause (i) ap-
19 plies, the sum of —

20 “(I) 5 percentage points, plus

21 “(II) an additional 5 percentage
22 points for each annual anniversary of
23 such applicable date which has oc-
24 curred before the beginning of such
25 period.

1 “(B) CAP ON INCREASE.—Notwithstanding
2 subparagraph (A), the increase in any rate
3 under paragraph (1) or (3) shall not result in
4 such rate exceeding the amount of the statutory
5 rate (determined without regard to any rate ap-
6 plicable in lieu of such statutory rate) increased
7 by 20 percentage points.

8 “(C) APPLICABLE DATE.—For purposes of
9 this section, the term ‘applicable date’ means,
10 with respect to any discriminatory foreign coun-
11 try, the first day of the first calendar year be-
12 ginning on or after the latest of—

13 “(i) 90 days after the date of enact-
14 ment of this section,

15 “(ii) 180 days after the date of enact-
16 ment of the unfair foreign tax that causes
17 such country to be treated as a discrimina-
18 tory foreign country, or

19 “(iii) the first date that an unfair for-
20 eign tax of such country begins to apply.

21 “(D) APPLICATION TO TAXABLE YEARS.—
22 For purposes of paragraph (1), the applicable
23 number of percentage points is the applicable
24 number of percentage points in effect for the
25 discriminatory foreign country during the tax-

1 payer’s taxable year. If more than one applica-
2 ble number of percentage points is in effect for
3 the discriminatory foreign country during the
4 taxpayer’s taxable year, the applicable number
5 of percentage points shall be determined by
6 using a weighted average rate based on each
7 applicable number of percentage points in effect
8 during such taxable year and the number of
9 days during which it was in effect. For pur-
10 poses of the prior sentence, the applicable num-
11 ber of percentage points in effect for the dis-
12 criminatory foreign country for the period be-
13 fore the applicable date is treated as zero, and,
14 if the taxpayer ceases to be an applicable per-
15 son during its taxable year, the applicable num-
16 ber of percentage points in effect for the dis-
17 criminatory foreign country for the period after
18 the taxpayer ceased to be an applicable person
19 is treated as zero.

20 “(E) APPLICATION TO WITHHOLDING
21 TAXES.—For purposes of paragraph (3), the
22 applicable number of percentage points shall be
23 determined with respect to the date of the pay-
24 ment or disposition, as the case may be.

1 “(F) MULTIPLE DISCRIMINATORY FOREIGN
2 COUNTRIES.—For purposes of paragraphs (1)
3 and (3), if, on any day, the taxpayer is an ap-
4 plicable person with respect to more than one
5 discriminatory foreign country, the highest ap-
6 plicable number of percentage points in effect
7 shall apply.

8 “(G) INCREASE NOT APPLICABLE TO NON-
9 DISCRIMINATORY FOREIGN COUNTRIES.—In the
10 case of any foreign country which is not a dis-
11 criminatory foreign country, the applicable
12 number of percentage points is zero.

13 “(5) YEARS TO WHICH APPLICABLE.—

14 “(A) TAXABLE YEAR.—In the case of any
15 person, paragraphs (1) and (2) shall apply to
16 each taxable year beginning—

17 “(i) after the later of—

18 “(I) 90 days after the date of en-
19 actment of this section,

20 “(II) 180 days after the date of
21 enactment of the unfair foreign tax
22 that causes such country to be treated
23 as a discriminatory foreign country,
24 or

1 “(III) the first date that an un-
2 fair foreign tax of such country begins
3 to apply, and

4 “(ii) before the last date on which the
5 discriminatory foreign country imposes an
6 unfair foreign tax.

7 “(B) WITHHOLDING.—In the case of any
8 person, paragraph (3) shall apply to each cal-
9 endar year beginning during the period that
10 such person is an applicable person.

11 “(C) SAFE HARBOR FOR WITHHOLDING.—
12 Paragraph (3) shall not apply—

13 “(i) in the case of any applicable per-
14 son to which clause (ii) does not apply, if
15 the discriminatory foreign country with re-
16 spect to which such person is an applicable
17 person is not listed by the Secretary as a
18 discriminatory foreign country, and

19 “(ii) in the case of any applicable per-
20 son described in subparagraph (E) or (F)
21 of subsection (b)(1), if the discriminatory
22 foreign country with respect to which such
23 person is an applicable person (and such
24 country’s applicable date) has been listed
25 in such guidance for less than 90 days.

1 “(D) TEMPORARY SAFE HARBOR FOR
2 WITHHOLDING AGENTS.—No penalties or inter-
3 est shall be imposed with respect to failures, be-
4 fore January 1, 2027, to deduct or withhold
5 any amounts by reason of paragraph (3) if the
6 person required to deduct or withhold such
7 amounts demonstrates to the satisfaction of the
8 Secretary that such person made best efforts to
9 comply with paragraph (3) in a timely manner.

10 “(b) APPLICABLE PERSON.—For purposes of this
11 section—

12 “(1) IN GENERAL.—Except as otherwise pro-
13 vided by the Secretary, the term ‘applicable person’
14 means—

15 “(A) any government (within the meaning
16 of section 892) of any discriminatory foreign
17 country,

18 “(B) any individual (other than a citizen
19 or resident of the United States) who is tax
20 resident of a discriminatory foreign country,

21 “(C) any foreign corporation (other than a
22 United States-owned foreign corporation, as de-
23 fined in section 904(h)(6)) which is a tax resi-
24 dent of a discriminatory foreign country,

1 “(D) any private foundation (within the
2 meaning of section 4948) created or organized
3 in a discriminatory foreign country,

4 “(E) any foreign corporation (other than a
5 publicly held corporation) if more than 50 per-
6 cent of—

7 “(i) the total combined voting power
8 of all classes of stock of such corporation
9 entitled to vote, or

10 “(ii) the total value of the stock of
11 such corporation,
12 is owned (within the meaning of section 958(a))
13 by persons described in this paragraph,

14 “(F) any trust the majority of the bene-
15 ficial interests of which are held (directly or in-
16 directly) by persons described in this para-
17 graph, and

18 “(G) foreign partnerships, branches, and
19 any other entity identified with respect to a dis-
20 criminatory foreign country by the Secretary
21 for purposes of this subsection.

22 “(2) CONTINUATION OF TREATMENT DURING
23 CERTAIN PERIODS.—For purposes of this section, if
24 a person would cease to be an applicable person for
25 a period of less than one year, such person shall con-

1 tinue to be treated as an applicable person during
2 such period.

3 “(c) UNFAIR FOREIGN TAX.—For purposes of this
4 section—

5 “(1) IN GENERAL.—The term ‘unfair foreign
6 tax’ means an undertaxed profits rule (UTPR), dig-
7 ital services tax, diverted profits tax, and, to the ex-
8 tent provided by the Secretary, an extraterritorial
9 tax, discriminatory tax, or any other tax enacted
10 with a public or stated purpose indicating the tax
11 will be economically borne, directly or indirectly, dis-
12 proportionately by United States persons. Such term
13 shall not include any tax which neither applies to—

14 “(A) any United States person (including
15 a trade or business of a United States person),
16 nor

17 “(B) any foreign corporation (including a
18 trade or business of such foreign corporation) if
19 the foreign corporation is a controlled foreign
20 corporation and more than 50 percent of the
21 total combined voting power of all classes of
22 stock of such corporation entitled to vote, or the
23 total value of the stock of such corporation) is
24 owned (within the meaning of section 958(a))
25 by United States persons.

1 “(2) EXTRATERRITORIAL TAX.—The term
2 ‘extraterritorial tax’ means any tax imposed by a
3 foreign country on a corporation (including any
4 trade or business of such corporation) which is de-
5 termined by reference to any income or profits re-
6 ceived by any person (including any trade or busi-
7 ness of any person) by reason of such person being
8 connected to such corporation through any chain of
9 ownership, determined without regard to the owner-
10 ship interests of any individual, and other than by
11 reason of such corporation having a direct or indi-
12 rect ownership interest in such person.

13 “(3) DISCRIMINATORY TAX.—The term ‘dis-
14 criminatory tax’ means any tax imposed by a foreign
15 country if—

16 “(A) such tax applies more than inciden-
17 tally to items of income that would not be con-
18 sidered to be from sources, or effectively con-
19 nected to a trade or business, within the foreign
20 country under the rules of part I of this sub-
21 chapter if such part were applied by treating
22 such foreign country as though it were the
23 United States,

1 “(B) such tax is imposed on a base other
2 than net income and is not computed by per-
3 mitting recovery of costs and expenses,

4 “(C) such tax is exclusively or predomi-
5 nantly applicable, in practice or by its terms, to
6 nonresident individuals and foreign corporations
7 or partnerships (as determined under rules
8 similar to paragraphs (4) and (5) of section
9 7701(a) by treating the foreign country as
10 though it were the United States) because of
11 the application of revenue thresholds, exemp-
12 tions or exclusions for taxpayers subject to such
13 foreign country’s corporate income tax, or re-
14 strictions of scope that ensure that substantially
15 all residents (other than foreign corporations
16 and partnerships (as so determined)) supplying
17 comparable goods or services are excluded from
18 the application of such tax, or

19 “(D) such tax is not treated as an income
20 tax under the laws of such foreign country or
21 is otherwise treated by such foreign country as
22 outside the scope of any agreements that are in
23 force between such foreign country and one or
24 more other jurisdictions for the avoidance of
25 double taxation with respect to taxes on income.

1 “(4) EXCEPTIONS.—Except as otherwise pro-
2 vided by the Secretary, the terms ‘extraterritorial
3 tax’ and ‘discriminatory tax’ shall not include any
4 generally applicable tax which constitutes—

5 “(A) an income tax generally imposed on
6 the income of citizens or residents of the for-
7 eign country, even if the computation of income
8 includes payments that would be foreign source
9 income under part I of this subchapter,

10 “(B) an income tax which would be an un-
11 fair foreign tax (determined without regard to
12 this subparagraph) solely because it is imposed
13 on the income of nonresidents attributable to a
14 trade or business in such foreign country,

15 “(C) an income tax which would be an un-
16 fair foreign tax (determined without regard to
17 this subparagraph) solely because it is imposed
18 on citizens or residents of such foreign country
19 by reference to the income of a corporate sub-
20 sidiary of such person,

21 “(D) a withholding tax, or other gross
22 basis tax, on any amount described in section
23 871(a)(1) or 881(a), other than any with-
24 holding tax, or other gross basis tax, imposed

1 with respect to services performed by persons
2 other than individuals,

3 “(E) a value added tax, goods and services
4 tax, sales tax, or other similar tax on consump-
5 tion,

6 “(F) a tax imposed with respect to trans-
7 actions on a per-unit or per-transaction basis
8 rather than on an ad valorem basis,

9 “(G) a tax on real or personal property, an
10 estate tax, a gift tax, other similar tax,

11 “(H) a tax which would not be an
12 extraterritorial tax or discriminatory tax (deter-
13 mined without regard to this subparagraph) ex-
14 cept by reason of consolidation or loss sharing
15 rules that generally apply only with respect to
16 income of tax residents of the foreign country,
17 or

18 “(I) any other tax identified by the Sec-
19 retary for purposes of this paragraph.

20 “(d) OTHER DEFINITIONS.—For purposes of this
21 section—

22 “(1) DISCRIMINATORY FOREIGN COUNTRY.—
23 The term ‘discriminatory foreign country’ means any
24 foreign country which has one or more unfair for-
25 eign taxes.

1 “(2) FOREIGN COUNTRY.—The term ‘foreign
2 country’ means a foreign country (or political sub-
3 division thereof) or a dependent territory or posses-
4 sion of a foreign country. Such term does not in-
5 clude any possession of the United States.

6 “(3) TAX.—The term ‘tax’ includes any in-
7 crease in tax whether effectuated by an increase in
8 the rate or base of a tax, by a denial of deductions
9 or credits, or otherwise.

10 “(e) REGULATIONS AND OTHER GUIDANCE.—The
11 Secretary shall issue such regulations or other guidance
12 as may be necessary or appropriate to carry out the pur-
13 poses of this section, including regulations or other guid-
14 ance which—

15 “(1) provide for such adjustments to the appli-
16 cation of this section as are necessary to prevent the
17 avoidance of the purposes of this section, including
18 the application of this section (including subsections
19 (b)(1)(E) and (c)(2)(A)(ii)) with respect to
20 branches, partnerships, and other entities (whether
21 or not otherwise disregarded for purposes of this
22 chapter),

23 “(2) list the discriminatory foreign countries
24 (and each such country’s applicable date) in guid-
25 ance, and update such guidance on a quarterly basis,

1 “(3) provide notice to Congress with respect to
2 changes to the list under paragraph (2),

3 “(4) exercise the authority to provide exceptions
4 under subsections (b)(1), (c)(4), and

5 “(5) prevent the application of subsection
6 (a)(2)(D) from resulting in double counting of
7 amounts for purposes of section 59A(c)(4)(A)(ii).”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for subpart D of part II of subchapter N of chapter 1
10 is amended by adding at the end the following new item:

“Sec. 899. Enforcement of remedies against unfair foreign taxes.”.

11 **SEC. 112030. 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. 112031. 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. 112032. 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. CERTAIN ALIENS TREATED AS INELIGIBLE**
4 **FOR PREMIUM TAX CREDIT.**

5 (a) IN GENERAL.—Section 36B(e)(2), as amended by
6 the preceding provisions of this Act, is amended by adding
7 at the end the following new subparagraph:

8 “(C) ELIGIBLE ALIENS.—Notwithstanding
9 subparagraph (B), an individual who is an alien
10 and lawfully present shall be treated as an eligi-
11 ble alien if and only if such individual is not,
12 and is reasonably expected not to be for the en-
13 tire period of enrollment for which the credit
14 under this section is being claimed—

15 “(i) an alien granted, or with a pend-
16 ing application for, asylum under section
17 208 of the Immigration and Nationality
18 Act,

19 “(ii) an alien granted parole under
20 section 212(d)(5) or 236(a)(2)(B) of the
21 Immigration and Nationality Act,

22 “(iii) an alien granted temporary pro-
23 tected status under section 244 of the Im-
24 migration and Nationality Act,

1 “(iv) an alien granted deferred action
2 or deferred enforced departure, or

3 “(v) an alien granted withholding of
4 removal under section 241(b)(3) of the Im-
5 migration and Nationality Act.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years beginning after
8 December 31, 2026.

9 **SEC. 112103. DISALLOWING PREMIUM TAX CREDIT DURING**
10 **PERIODS OF MEDICAID INELIGIBILITY DUE**
11 **TO ALIEN STATUS.**

12 (a) IN GENERAL.—Section 36B(c)(1) is amended by
13 striking subparagraph (B) and by redesignating subpara-
14 graphs (C), (D), and (E) as subparagraphs (B), (C), and
15 (D), respectively.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 36B(g)(4)(A) is amended by strik-
18 ing “subsection (c)(1)(C)” and inserting “subsection
19 (c)(1)(B)”.

20 (2) Section 1331(e)(1)(B) of the Patient Pro-
21 tection and Affordable Care Act (42 U.S.C.
22 18051(e)(1)(B)) is amended by striking “, or, in the
23 case of” and all that follows through “such alien
24 status”.

1 (3) Section 1402(b) of such Act (42 U.S.C.
2 18071(b)) is amended by striking the second sen-
3 tence.

4 (c) REGULATIONS.—The Secretary of the Treasury
5 and the Secretary of Health and Human Services may
6 each prescribe such rules and other guidance as may be
7 necessary or appropriate to carry out the amendments
8 made by this section.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2025.

12 **SEC. 112104. LIMITING MEDICARE COVERAGE OF CERTAIN**
13 **INDIVIDUALS.**

14 Title XVIII of the Social Security Act (42 U.S.C.
15 1395 et seq.) is amended by adding at the end the fol-
16 lowing new section:

17 **“SEC. 1899C. LIMITING MEDICARE COVERAGE OF CERTAIN**
18 **INDIVIDUALS.**

19 “(a) IN GENERAL.—Notwithstanding section 226,
20 section 226A, section 401 of the Personal Responsibility
21 and Work Opportunity Reconciliation Act of 1996, or any
22 other provision of this title, but subject to subsection (b),
23 an individual may be entitled to, or enrolled for, benefits
24 under this title only if the individual is—

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

1 “(2) an alien who is lawfully admitted for per-
2 manent residence under the Immigration and Na-
3 tionality Act;

4 “(3) an alien who—

5 “(A) is a citizen or national of the Repub-
6 lic of Cuba;

7 “(B) is the beneficiary of an approved peti-
8 tion under section 203(a) of the Immigration
9 and Nationality Act;

10 “(C) meets all eligibility requirements for
11 an immigrant visa but for whom such a visa is
12 not immediately available;

13 “(D) is not otherwise inadmissible under
14 section 212(a) of such Act; and

15 “(E) is physically present in the United
16 States pursuant to a grant of parole in further-
17 ance of the commitment of the United States to
18 the minimum level of annual legal migration of
19 Cuban nationals to the United States specified
20 in the U.S.-Cuba Joint Communiqué on Migra-
21 tion, done at New York September 9, 1994, and
22 reaffirmed in the Cuba-United States: Joint
23 Statement on Normalization of Migration,
24 Building on the Agreement of September 9,
25 1994, done at New York May 2, 1995; or

1 “(4) an individual who lawfully resides in the
2 United States in accordance with a Compact of Free
3 Association referred to in section 402(b)(2)(G) of
4 the Personal Responsibility and Work Opportunity
5 Reconciliation Act of 1996.

6 “(b) APPLICATION TO INDIVIDUALS CURRENTLY EN-
7 TITLED TO OR ENROLLED FOR BENEFITS.—

8 “(1) IN GENERAL.—In the case of an individual
9 who is entitled to, or enrolled for, benefits under this
10 title as of the date of the enactment of this section,
11 subsection (a) shall apply beginning on the date that
12 is 1 year after such date of enactment.

13 “(2) REVIEW BY COMMISSIONER OF SOCIAL SE-
14 CURITY.—

15 “(A) IN GENERAL.—Not later than 6
16 months after the date of the enactment of this
17 section, the Commissioner of Social Security
18 shall complete a review of individuals entitled
19 to, or enrolled for, benefits under this title as
20 of such date of enactment for purposes of iden-
21 tifying individuals not described in any of para-
22 graphs (1) through (4) of subsection (a).

23 “(B) NOTICE.—The Commissioner of So-
24 cial Security shall notify each individual identi-
25 fied under the review conducted under subpara-

1 graph (A) that such individual’s entitlement to,
2 or enrollment for, benefits under this title will
3 be terminated as of the date that is 1 year after
4 the date of the enactment of this section. Such
5 notification shall be made as soon as practicable
6 after such identification and in a manner de-
7 signed to ensure such individual’s comprehen-
8 sion of such notification.”.

9 **SEC. 112105. EXCISE TAX ON REMITTANCE TRANSFERS.**

10 (a) IN GENERAL.—Chapter 36 is amended by insert-
11 ing after subchapter B the following new subchapter:

12 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

13 **“SEC. 4475. IMPOSITION OF TAX.**

14 “(a) IN GENERAL.—There is hereby imposed on any
15 remittance transfer a tax equal to 5 percent of the amount
16 of such transfer.

17 “(b) PAYMENT OF TAX.—

18 “(1) IN GENERAL.—The tax imposed by this
19 section with respect to any remittance transfer shall
20 be paid by the sender with respect to such transfer.

21 “(2) COLLECTION.—The remittance transfer
22 provider with respect to any remittance transfer
23 shall collect the amount of the tax imposed under
24 subsection (a) with respect to such transfer from the

1 sender and remit such tax quarterly to the Secretary
2 at such time and in such manner as provided by the
3 Secretary.

4 “(3) SECONDARY LIABILITY.—Where any tax
5 imposed by subsection (a) is not paid at the time the
6 transfer is made, then to the extent that such tax
7 is not collected, such tax shall be paid by the remit-
8 tance transfer provider.

9 “(c) EXCEPTION FOR REMITTANCE TRANSFERS
10 SENT BY CITIZENS AND NATIONALS OF THE UNITED
11 STATES THROUGH CERTAIN PROVIDERS.—

12 “(1) IN GENERAL.—Subsection (a) shall not
13 apply to any remittance transfer with respect to
14 which the remittance transfer provider is a qualified
15 remittance transfer provider and the sender is a
16 verified United States sender.

17 “(2) QUALIFIED REMITTANCE TRANSFER PRO-
18 VIDER.—For purposes of this subsection, the term
19 ‘qualified remittance transfer provider’ means any
20 remittance transfer provider which enters into a
21 written agreement with the Secretary pursuant to
22 which such provider agrees to verify the status of
23 senders as citizens or nationals of the United States
24 in such manner, and in accordance with such proce-
25 dures, as the Secretary may specify.

1 “(3) VERIFIED UNITED STATES SENDER.—For
2 purposes of this subsection, the term ‘verified United
3 States sender’ means any sender who is verified by
4 a qualified remittance transfer provider as being a
5 citizen or national of the United States pursuant to
6 an agreement described in paragraph (2).

7 “(d) DEFINITIONS.—For purposes of this section, the
8 terms ‘remittance transfer’, ‘remittance transfer provider’,
9 ‘designated recipient’, and ‘sender’ shall each have the re-
10 spective meanings given such terms by section 920(g) of
11 the Electronic Fund Transfer Act (15 U.S.C. 1693o-1; re-
12 lating to “Remittance Transfers”).

13 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For
14 purposes of section 7701(l) with respect to any multiple-
15 party arrangements involving the sender, a remittance
16 transfer shall be treated as a financing transaction.”.

17 (b) REFUNDABLE INCOME TAX CREDIT ALLOWED
18 TO CITIZENS AND NATIONALS OF THE UNITED STATES
19 FOR EXCISE TAX ON REMITTANCE TRANSFERS.—Subpart
20 C of part IV of subchapter A of chapter 1 is amended
21 by inserting after section 36B the following new section:

1 **“SEC. 36C. CREDIT FOR EXCISE TAX ON REMITTANCE**
2 **TRANSFERS OF CITIZENS AND NATIONALS OF**
3 **THE UNITED STATES.**

4 “(a) IN GENERAL.—In the case of any individual,
5 there shall be allowed as a credit against the tax imposed
6 by this subtitle for any taxable year an amount equal to
7 the aggregate amount of taxes paid by such individual
8 under section 4475 during such taxable year.

9 “(b) SOCIAL SECURITY NUMBER REQUIREMENT.—

10 “(1) IN GENERAL.—No credit shall be allowed
11 under this section unless the taxpayer includes on
12 the return of tax for the taxable year—

13 “(A) the individual’s social security num-
14 ber, and

15 “(B) if the individual is married, the social
16 security number of such individuals’s spouse.

17 “(2) SOCIAL SECURITY NUMBER.—For pur-
18 poses of this subsection, the term ‘social security
19 number’ has the meaning given such term in section
20 24(h)(7).

21 “(3) MARRIED INDIVIDUALS.—Rules similar to
22 the rules of section 32(d) shall apply to this section.

23 “(c) SUBSTANTIATION REQUIREMENTS.—No credit
24 shall be allowed under this section unless the taxpayer
25 demonstrates to the satisfaction of the Secretary that the

1 tax under section 4475 with respect to which such credit
2 is determined—

3 “(1) was paid by the taxpayer, and

4 “(2) is with respect to a remittance transfer
5 with respect to which the taxpayer provided to the
6 remittance transfer provider the certification and in-
7 formation referred to in section 6050AA(a)(2).

8 “(d) DEFINITIONS.—Any term used in this section
9 which is also used in section 4475 shall have the meaning
10 given such term in section 4475.

11 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For
12 rules providing for the application of the anti-conduit rules
13 of section 7701(l) to remittance transfers, see section
14 4475(e).”.

15 (c) REPORTING BY REMITTANCE TRANSFER PRO-
16 VIDERS.—

17 (1) IN GENERAL.—Subpart B of part III of
18 subchapter A of chapter 61 is amended by adding at
19 the end the following new section:

20 **“SEC. 6050AA. RETURNS RELATING TO REMITTANCE**
21 **TRANSFERS.**

22 “(a) IN GENERAL.—Each remittance transfer pro-
23 vider shall make a return at such time as the Secretary
24 may provide setting forth—

1 “(1) in the case of a qualified remittance trans-
2 fer provider with respect to remittance transfers to
3 which section 4475(a) does not apply by reason of
4 section 4475(c), the aggregate number and value of
5 such transfers,

6 “(2) in the case of any remittance transfer not
7 described in paragraph (1) and with respect to
8 which the sender certifies to the remittance transfer
9 provider an intent to claim the credit under section
10 36C and provides the information described in para-
11 graph (1)—

12 “(A) the name, address, and social security
13 number of the sender,

14 “(B) the amount of tax paid by the sender
15 under section 4475(b)(1), and

16 “(C) the amount of tax remitted by the re-
17 mittance transfer provider under section
18 4475(b)(2), and

19 “(3) in the case of any remittance transfer not
20 included under paragraph (1) or (2)—

21 “(A) the aggregate amount of tax paid
22 under section 4475(b)(1) with respect to such
23 transfers, and

1 “(B) the aggregate amount of tax remitted
2 under section 4475(b)(2) with respect to such
3 transfers.

4 “(b) STATEMENT TO BE FURNISHED TO NAMED
5 PERSONS.—Every person required to make a return under
6 subsection (a) shall furnish, at such time as the Secretary
7 may provide, to each person whose name is required to
8 be set forth in such return a written statement showing—

9 “(1) the name and address of the information
10 contact of the required reporting person, and

11 “(2) the information described in subsection
12 (a)(2) which relates to such person.

13 “(c) DEFINITIONS.—Any term used in this section
14 which is also used in section 4475 shall have the meaning
15 given such term in such section.”.

16 (2) PENALTIES.—Section 6724(d), as amended
17 by the preceding provisions of this Act, is amend-
18 ed—

19 (A) in paragraph (1)(B), by striking “or”
20 at the end of clause (xxvii), by striking “and”
21 at the end of clause (xxviii) and inserting “or”,
22 and by adding at the end the following new
23 clause:

1 “(xxix) section 6050AA(a) (relating to
2 returns relating to remittance transfers),
3 and”, and

4 (B) in paragraph (2), by striking “or” at
5 the end of subparagraph (MM), by striking the
6 period at the end of subparagraph (NN) and in-
7 serting “, or”, and by inserting after subpara-
8 graph (NN) the following new subparagraph:

9 “(OO) section 6050AA(b) (relating to
10 statements relating to remittance transfers).”.

11 (d) CONFORMING AMENDMENTS.—

12 (1) Section 6211(b)(4)(A) is amended by insert-
13 ing “36C,” after “36B,”.

14 (2) Section 6213(g)(2), as amended by the pre-
15 ceding provisions of this Act, is amended by striking
16 “and” at the end of subparagraph (Z), by the strik-
17 ing the period at the end of subparagraph (AA) and
18 inserting “, and”, and by inserting after subpara-
19 graph (AA) the following new subparagraph:

20 “(BB) an omission of a correct social secu-
21 rity number under section 36C(b) to be in-
22 cluded on a return.”.

23 (3) Section 1324(b)(2) of title 31, United
24 States Code, is amended by inserting “36C,” after
25 “36B,”.

1 (4) The table of sections for subpart C of part
2 IV of subchapter A of chapter 1 is amended by in-
3 serting after the item relating to section 36B the fol-
4 lowing new item:

“Sec. 36C. Credit for excise tax on remittance transfers of citizens and nation-
als of the United States.”.

5 (5) The table of sections for subpart B of part
6 III of subchapter A of chapter 61 is amended by
7 adding at the end the following new item:

“Sec. 6050AA. Returns relating to remittance transfers.”.

8 (6) The table of subchapters for chapter 36 is
9 amended by inserting after the item relating to sub-
10 chapter B the following new item:

“SUBCHAPTER C—REMITTANCE TRANSFERS”.

11 (e) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as otherwise pro-
13 vided in this subsection, the amendments made by
14 this section shall apply to transfers made after De-
15 cember 31, 2025.

16 (2) TAX CREDIT.—The amendments made by
17 subsection (b), and paragraphs (1) through (4) of
18 subsection (d), shall apply to taxable years ending
19 after December 31, 2025.

1 **SEC. 112106. SOCIAL SECURITY NUMBER REQUIREMENT**
2 **FOR AMERICAN OPPORTUNITY AND LIFE-**
3 **TIME LEARNING CREDITS.**

4 (a) SOCIAL SECURITY NUMBER OF TAXPAYER RE-
5 QUIRED.—Section 25A(g)(1) is amended to read as fol-
6 lows:

7 “(1) IDENTIFICATION REQUIREMENT.—

8 “(A) SOCIAL SECURITY NUMBER REQUIRE-
9 MENT.—No credit shall be allowed under sub-
10 section (a) to a taxpayer unless the taxpayer in-
11 cludes on the return of tax for the taxable
12 year—

13 “(i) such individual’s social security
14 number,

15 “(ii) if the individual is married, the
16 social security number of such individual’s
17 spouse, and

18 “(iii) in the case of a credit with re-
19 spect to the qualified tuition and related
20 expenses of an individual other than the
21 taxpayer or the taxpayer’s spouse, the
22 name and social security number of such
23 individual.

24 “(B) INSTITUTION.—No American Oppor-
25 tunity Tax Credit shall be allowed under this
26 section unless the taxpayer includes the em-

1 ployer identification number of any institution
2 to which the taxpayer paid qualified tuition and
3 related expenses taken into account under this
4 section on the return of tax for the taxable
5 year.

6 “(C) SOCIAL SECURITY NUMBER DE-
7 FINED.—For purposes of this paragraph, the
8 term ‘social security number’ shall have the
9 meaning given such term in section 24(h)(7).”.

10 (b) RULES RELATED TO MARRIED INDIVIDUALS.—

11 Section 25A(g)(6) is amended to read as follows:

12 “(6) RULES RELATED TO MARRIED INDIVID-
13 UALS.—Rules similar to the rules of section 32(d)
14 shall apply to this section.”.

15 (c) OMISSION TREATED AS MATHEMATICAL OR
16 CLERICAL ERROR.—Section 6213(g)(2)(J) is amended by
17 striking “TIN” and inserting “social security number or
18 employer identification number”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

1 **PART 3—PREVENTING FRAUD, WASTE, AND**
2 **ABUSE**

3 **SEC. 112201. REQUIRING EXCHANGE VERIFICATION OF ELI-**
4 **GIBILITY FOR HEALTH PLAN.**

5 (a) IN GENERAL.—Section 36B(c) is amended by
6 adding at the end the following new paragraphs:

7 “(5) EXCHANGE ENROLLMENT VERIFICATION
8 REQUIREMENT.—

9 “(A) IN GENERAL.—The term ‘coverage
10 month’ shall not include, with respect to any in-
11 dividual covered by a qualified health plan en-
12 rolled in through an Exchange, any month be-
13 ginning before the Exchange verifies, using ap-
14 plicable enrollment information that shall be
15 provided or verified by the applicant, such indi-
16 vidual’s eligibility—

17 “(i) to enroll in the plan through the
18 Exchange,

19 “(ii) for any advance payment under
20 section 1412 of the Patient Protection and
21 Affordable Care Act of the credit allowed
22 under this section, and

23 “(iii) for any reduced cost-sharing
24 under section 1402 of such Act.

25 “(B) APPLICABLE ENROLLMENT INFORMA-
26 TION.—For purposes of subparagraph (A), ap-

1 applicable enrollment information shall at least in-
2 clude affirmation of the following information
3 (to the extent relevant in determining eligibility
4 described in subparagraph (A)):

5 “(i) Income.

6 “(ii) Any immigration status.

7 “(iii) Any health coverage status or
8 eligibility for coverage.

9 “(iv) Place of residence.

10 “(v) Family size.

11 “(vi) Such other information as may
12 be determined by the Secretary (in con-
13 sultation with the Secretary of Health and
14 Human Services) as necessary to the
15 verification prescribed under subparagraph
16 (A).

17 “(C) VERIFICATION OF PAST MONTHS.—In
18 the case of a month that begins before
19 verification prescribed by subparagraph (A),
20 such month shall be treated as a coverage
21 month if, and only if, the Exchange verifies for
22 such month (using applicable enrollment infor-
23 mation that shall be provided or verified by the
24 applicant) such individual’s eligibility to have so

1 enrolled, for any such advance payment, and for
2 any such reduced cost-sharing.

3 “(D) EXCHANGE PARTICIPATION; COORDI-
4 NATION WITH OTHER PROCEDURES FOR DETER-
5 MINING ELIGIBILITY.—An individual shall not,
6 solely by reason of failing to meet the require-
7 ments of this paragraph with respect to a
8 month, be treated for such month as ineligible
9 to enroll in a qualified health plan through an
10 Exchange.

11 “(6) EXCHANGE COMPLIANCE WITH FILING RE-
12 QUIREMENTS.—The term ‘coverage month’ shall not
13 include, with respect to any individual covered by a
14 qualified health plan enrolled in through an Ex-
15 change, any month for which the Exchange does not
16 meet the requirements of section 155.305(f)(4) of
17 title 45, Code of Federal Regulations (as published
18 in the Federal Register on March 19, 2025 (90 FR
19 12942)), with respect to the individual.”.

20 (b) PRE-ENROLLMENT VERIFICATION PROCESS RE-
21 QUIRED.—Section 36B(c)(3)(A) is amended—

22 (1) by striking “HEALTH PLAN.—The term”
23 and inserting the following: “HEALTH PLAN.—

24 “(i) IN GENERAL.—The term”, and

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

3 “(ii) PRE-ENROLLMENT VERIFICATION
4 PROCESS REQUIRED.—Such term shall not
5 include any plan enrolled in through an
6 Exchange, unless such Exchange provides
7 a process for pre-enrollment verification
8 through which any applicant may, begin-
9 ning not later than August 1, verify with
10 the Exchange the applicant’s eligibility for
11 enrollment in such plan for plan years be-
12 ginning in the subsequent year, for any ad-
13 vance payment of the credit allowed under
14 this section, and for reduced cost-sharing
15 under section 1402 of the Patient Protec-
16 tion and Affordable Care Act.”.

17 (c) REGULATIONS.—The Secretary of the Treasury
18 and the Secretary of Health and Human Services may
19 each prescribe such rules and other guidance as may be
20 necessary or appropriate to carry out the amendments
21 made by this section.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2027.

1 **SEC. 112202. DISALLOWING PREMIUM TAX CREDIT IN CASE**
2 **OF CERTAIN COVERAGE ENROLLED IN DUR-**
3 **ING SPECIAL ENROLLMENT PERIOD.**

4 (a) IN GENERAL.—Section 36B(c)(3)(A), as amend-
5 ed by the preceding provisions of this Act, is amended by
6 adding at the end the following new clause:

7 “(iii) EXCEPTION IN CASE OF CER-
8 TAIN SPECIAL ENROLLMENT PERIODS.—
9 Such term shall not include any plan en-
10 rolled in during a special enrollment period
11 provided for by an Exchange—

12 “(I) on the basis of the relation-
13 ship of the individual’s expected
14 household income to such a percent-
15 age of the poverty line (or such other
16 amount) as is prescribed by the Sec-
17 retary of Health and Human Services
18 for purposes of such period, and

19 “(II) not in connection with the
20 occurrence of an event or change in
21 circumstances specified by the Sec-
22 retary of Health and Human Services
23 for such purposes.”.

24 (b) REGULATIONS.—The Secretary of Treasury and
25 the Secretary of Health and Human Services shall pre-
26 scribe such rules (including interim final and temporary

1 regulations) and other guidance as may be necessary to
2 carry out the purposes of the amendments made by this
3 section.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply with respect to plans enrolled in
6 during calendar months beginning after the third calendar
7 month ending after the date of the enactment of this Act.

8 **SEC. 112203. ELIMINATING LIMITATION ON RECAPTURE OF**
9 **ADVANCE PAYMENT OF PREMIUM TAX CRED-**
10 **IT.**

11 (a) IN GENERAL.—Section 36B(f)(2) is amended by
12 striking subparagraph (B).

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 36B(f)(2) is amended by striking
15 “ADVANCE PAYMENTS.—” and all that follows
16 through “If the advance payments” and inserting
17 the following: “ADVANCE PAYMENTS.—If the ad-
18 vance payments”.

19 (2) Section 35(g)(12)(B)(ii) is amended by
20 striking “then section 36B(f)(2)(B) shall be applied
21 by substituting the amount determined under clause
22 (i) for the amount determined under section
23 36B(f)(2)(A)” and inserting “then the amount de-
24 termined under clause (i) shall be substituted for the
25 amount determined under section 36B(f)(2)”.

1 (c) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2025.

4 **SEC. 112204. IMPLEMENTING ARTIFICIAL INTELLIGENCE**
5 **TOOLS FOR PURPOSES OF REDUCING AND**
6 **RECOUPING IMPROPER PAYMENTS UNDER**
7 **MEDICARE.**

8 (a) IN GENERAL.—Part E of title XVIII of the Social
9 Security Act (42 U.S.C. 1395x et seq.), as amended by
10 the preceding provisions of this Act, is amended by adding
11 at the end the following new section:

12 **“SEC. 1899D. IMPLEMENTING ARTIFICIAL INTELLIGENCE**
13 **TOOLS FOR PURPOSES OF REDUCING AND**
14 **RECOUPING IMPROPER PAYMENTS.**

15 “(a) IN GENERAL.—Not later than January 1, 2027,
16 the Secretary shall implement such artificial intelligence
17 tools determined appropriate by the Secretary for pur-
18 poses of—

19 “(1) reducing improper payments made under
20 parts A and B; and

21 “(2) identifying any such improper payments so
22 made.

23 “(b) CONTRACTS.—The Secretary shall seek to con-
24 tract with a vendor of artificial intelligence tools and with

1 data scientists for purposes of implementing the artificial
2 intelligence tools required under subsection (a).

3 “(c) RECOUPMENT.—The Secretary shall, to the ex-
4 tent practicable, recoup payments identified using the arti-
5 ficial intelligence tools implemented under subsection (a).

6 “(d) REPORT.—Not later than January 1, 2029, and
7 not less frequently than annually thereafter, the Secretary
8 shall report to Congress on the implementation of artificial
9 intelligence tools under subsection (a) and the recoupment
10 of improper payments under subsection (c). Such report
11 shall include—

12 “(1) a description of any opportunities for fur-
13 ther reducing rates of improper payments described
14 in subsection (a)(1) or further increasing rates of
15 recoupment of such payments;

16 “(2) the total dollar amount of improper pay-
17 ments recouped in the most recent year for which
18 data is available; and

19 “(3) in the case that the Secretary fails to re-
20 duce the rate of improper payments by 50 percent
21 in such most recent year as compared to the year
22 prior to such most recent year, a description of the
23 reasons for such failure.”.

24 (b) IMPLEMENTATION FUNDING.—

1 (1) FEDERAL HOSPITAL INSURANCE TRUST
2 FUND.—The Secretary of Health and Human Serv-
3 ices shall provide for the transfer from the Federal
4 Hospital Insurance Trust Fund established under
5 section 1817 of the Social Security Act (42 U.S.C.
6 1395i) to the Centers for Medicare & Medicaid Serv-
7 ices Program Management Account of \$12,500,000
8 for fiscal year 2025 for purposes of carrying out the
9 amendment made by this section, to remain available
10 until expended.

11 (2) FEDERAL SUPPLEMENTARY MEDICAL IN-
12 SURANCE TRUST FUND.—The Secretary of Health
13 and Human Services shall provide for the transfer,
14 from the Federal Supplementary Medical Insurance
15 Trust Fund established under section 1841 of the
16 Social Security Act (42 U.S.C. 1395t) to the Cen-
17 ters for Medicare & Medicaid Services Program
18 Management Account of \$12,500,000 for fiscal year
19 2025 for purposes of carrying out the amendment
20 made by this section, to remain available until ex-
21 pended.

1 **SEC. 112205. ENFORCEMENT PROVISIONS WITH RESPECT**
2 **TO COVID-RELATED EMPLOYEE RETENTION**
3 **CREDITS.**

4 (a) INCREASE IN ASSESSABLE PENALTY ON COVID–
5 ERTC PROMOTERS FOR AIDING AND ABETTING UNDER–
6 STATEMENTS OF TAX LIABILITY.—

7 (1) IN GENERAL.—If any COVID–ERTC pro-
8 moter is subject to penalty under section 6701(a) of
9 the Internal Revenue Code of 1986 with respect to
10 any COVID–ERTC document, notwithstanding
11 paragraphs (1) and (2) of section 6701(b) of such
12 Code, the amount of the penalty imposed under such
13 section 6701(a) shall be the greater of—

14 (A) \$200,000 (\$10,000, in the case of a
15 natural person), or

16 (B) 75 percent of the gross income derived
17 (or to be derived) by such promoter with re-
18 spect to the aid, assistance, or advice referred
19 to in section 6701(a)(1) of such Code with re-
20 spect to such document.

21 (2) NO INFERENCE.—Paragraph (1) shall not
22 be construed to create any inference with respect to
23 the proper application of the knowledge requirement
24 of section 6701(a)(3) of the Internal Revenue Code
25 of 1986.

1 (b) FAILURE TO COMPLY WITH DUE DILIGENCE RE-
2 QUIREMENTS TREATED AS KNOWLEDGE FOR PURPOSES
3 OF ASSESSABLE PENALTY FOR AIDING AND ABETTING
4 UNDERSTATEMENT OF TAX LIABILITY.—In the case of
5 any COVID–ERTC promoter, the knowledge requirement
6 of section 6701(a)(3) of the Internal Revenue Code of
7 1986 shall be treated as satisfied with respect to any
8 COVID–ERTC document with respect to which such pro-
9 moter provided aid, assistance, or advice, if such promoter
10 fails to comply with the due diligence requirements re-
11 ferred to in subsection (c)(1).

12 (c) ASSESSABLE PENALTY FOR FAILURE TO COMPLY
13 WITH DUE DILIGENCE REQUIREMENTS.—

14 (1) IN GENERAL.—Any COVID–ERTC pro-
15 moter which provides aid, assistance, or advice with
16 respect to any COVID–ERTC document and which
17 fails to comply with due diligence requirements im-
18 posed by the Secretary with respect to determining
19 eligibility for, or the amount of, any COVID-related
20 employee retention tax credit, shall pay a penalty of
21 \$1,000 for each such failure.

22 (2) DUE DILIGENCE REQUIREMENTS.—Except
23 as otherwise provided by the Secretary, the due dili-
24 gence requirements referred to in paragraph (1)
25 shall be similar to the due diligence requirements

1 imposed under section 6695(g) of the Internal Rev-
2 enue Code of 1986.

3 (3) RESTRICTION TO DOCUMENTS USED IN
4 CONNECTION WITH RETURNS OR CLAIMS FOR RE-
5 FUND.—Paragraph (1) shall not apply with respect
6 to any COVID–ERTC document unless such docu-
7 ment constitutes, or relates to, a return or claim for
8 refund.

9 (4) TREATMENT AS ASSESSABLE PENALTY,
10 ETC.—For purposes of the Internal Revenue Code of
11 1986, the penalty imposed under paragraph (1) shall
12 be treated in the same manner as a penalty imposed
13 under section 6695(g) of such Code.

14 (5) SECRETARY.—For purposes of this sub-
15 section, the term “Secretary” means the Secretary
16 of the Treasury or the Secretary’s delegate.

17 (d) ASSESSABLE PENALTIES FOR FAILURE TO DIS-
18 CLOSE INFORMATION, MAINTAIN CLIENT LISTS, ETC.—
19 For purposes of sections 6111, 6112, 6707 and 6708 of
20 the Internal Revenue Code of 1986—

21 (1) any COVID-related employee retention tax
22 credit (whether or not the taxpayer claims such
23 COVID-related employee retention tax credit) shall
24 be treated as a listed transaction (and as a report-
25 able transaction) with respect to any COVID–ERTC

1 promoter if such promoter provides any aid, assist-
2 ance, or advice with respect to any COVID-ERTC
3 document relating to such COVID-related employee
4 retention tax credit, and

5 (2) such COVID-ERTC promoter shall be
6 treated as a material advisor with respect to such
7 transaction.

8 (e) COVID-ERTC PROMOTER.—For purposes of
9 this section—

10 (1) IN GENERAL.—The term “COVID-ERTC
11 promoter” means, with respect to any COVID-
12 ERTC document, any person which provides aid, as-
13 sistance, or advice with respect to such document
14 if—

15 (A) such person charges or receives a fee
16 for such aid, assistance, or advice which is
17 based on the amount of the refund or credit
18 with respect to such document and, with respect
19 to such person’s taxable year in which such per-
20 son provided such assistance or the preceding
21 taxable year, the aggregate gross receipts of
22 such person for aid, assistance, and advice with
23 respect to all COVID-ERTC documents exceeds
24 20 percent of the gross receipts of such person
25 for such taxable year, or

1 (B) with respect to such person's taxable
2 year in which such person provided such assist-
3 ance or the preceding taxable year—

4 (i) the aggregate gross receipts of
5 such person for aid, assistance, and advice
6 with respect to all COVID-ERTC docu-
7 ments exceeds 50 percent of the gross re-
8 cepts of such person for such taxable year,
9 or

10 (ii) both—

11 (I) such aggregate gross receipts
12 exceeds 20 percent of the gross re-
13 cepts of such person for such taxable
14 year, and

15 (II) the aggregate gross receipts
16 of such person for aid, assistance, and
17 advice with respect to all COVID-
18 ERTC documents (determined after
19 application of paragraph (3)) exceeds
20 \$500,000.

21 (2) EXCEPTION FOR CERTIFIED PROFESSIONAL
22 EMPLOYER ORGANIZATIONS.—The term “COVID-
23 ERTC promoter” shall not include a certified profes-
24 sional employer organization (as defined in section
25 7705 of the Internal Revenue Code of 1986).

1 (3) AGGREGATION RULE.—For purposes of
2 paragraph (1)(B)(ii)(II), all persons treated as a
3 single employer under subsection (a) or (b) of sec-
4 tion 52 of the Internal Revenue Code of 1986, or
5 subsection (m) or (o) of section 414 of such Code,
6 shall be treated as 1 person.

7 (4) SHORT TAXABLE YEARS.—In the case of
8 any taxable year of less than 12 months, paragraph
9 (1) shall be applied with respect to the calendar year
10 in which such taxable year begins (in addition to ap-
11 plying to such taxable year).

12 (f) COVID-ERTC DOCUMENT.—For purposes of
13 this section, the term “COVID-ERTC document” means
14 any return, affidavit, claim, or other document related to
15 any COVID-related employee retention tax credit, includ-
16 ing any document related to eligibility for, or the calcula-
17 tion or determination of any amount directly related to
18 any COVID-related employee retention tax credit.

19 (g) COVID-RELATED EMPLOYEE RETENTION TAX
20 CREDIT.—For purposes of this section, the term
21 “COVID-related employee retention tax credit” means—

22 (1) any credit, or advance payment, under sec-
23 tion 3134 of the Internal Revenue Code of 1986,
24 and

1 (2) any credit, or advance payment, under sec-
2 tion 2301 of the CARES Act.

3 (h) LIMITATION ON CREDIT AND REFUND OF
4 COVID-RELATED EMPLOYEE RETENTION TAX CRED-
5 ITS.—Notwithstanding section 6511 of the Internal Rev-
6 enue Code of 1986 or any other provision of law, no credit
7 or refund of any COVID-related employee retention tax
8 credit shall be allowed or made after the date of the enact-
9 ment of this Act, unless a claim for such credit or refund
10 is filed by the taxpayer on or before January 31, 2024.

11 (i) AMENDMENTS TO EXTEND LIMITATION ON AS-
12 SESSMENT.—

13 (1) IN GENERAL.—Section 3134(l) is amended
14 to read as follows:

15 “(l) EXTENSION OF LIMITATION ON ASSESSMENT.—

16 “(1) IN GENERAL.—Notwithstanding section
17 6501, the limitation on the time period for the as-
18 sessment of any amount attributable to a credit
19 claimed under this section shall not expire before the
20 date that is 6 years after the latest of—

21 “(A) the date on which the original return
22 which includes the calendar quarter with re-
23 spect to which such credit is determined is filed,

24 “(B) the date on which such return is
25 treated as filed under section 6501(b)(2), or

1 “(C) the date on which the claim for credit
2 or refund with respect to such credit is made.

3 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-
4 COUNT IN DETERMINING IMPROPERLY CLAIMED
5 CREDIT.—

6 “(A) IN GENERAL.—Notwithstanding sec-
7 tion 6511, in the case of an assessment attrib-
8 utable to a credit claimed under this section,
9 the limitation on the time period for credit or
10 refund of any amount attributable to a deduc-
11 tion for improperly claimed ERTC wages shall
12 not expire before the time period for such as-
13 sessment expires under paragraph (1).

14 “(B) IMPROPERLY CLAIMED ERTC
15 WAGES.—For purposes of this paragraph, the
16 term ‘improperly claimed ERTC wages’ means,
17 with respect to an assessment attributable to a
18 credit claimed under this section, the wages
19 with respect to which a deduction would not
20 have been allowed if the portion of the credit to
21 which such assessment relates had been prop-
22 erly claimed.”.

23 “(2) APPLICATION TO CARES ACT CREDIT.—Sec-
24 tion 2301 of the CARES Act is amended by adding
25 at the end the following new subsection:

1 “(o) EXTENSION OF LIMITATION ON ASSESSMENT.—

2 “(1) IN GENERAL.—Notwithstanding section
3 6501 of the Internal Revenue Code of 1986, the lim-
4 itation on the time period for the assessment of any
5 amount attributable to a credit claimed under this
6 section shall not expire before the date that is 6
7 years after the latest of—

8 “(A) the date on which the original return
9 which includes the calendar quarter with re-
10 spect to which such credit is determined is filed,

11 “(B) the date on which such return is
12 treated as filed under section 6501(b)(2) of
13 such Code, or

14 “(C) the date on which the claim for credit
15 or refund with respect to such credit is made.

16 “(2) DEDUCTION FOR WAGES TAKEN INTO AC-
17 COUNT IN DETERMINING IMPROPERLY CLAIMED
18 CREDIT.—

19 “(A) IN GENERAL.—Notwithstanding sec-
20 tion 6511 of such Code, in the case of an as-
21 sessment attributable to a credit claimed under
22 this section, the limitation on the time period
23 for credit or refund of any amount attributable
24 to a deduction for improperly claimed ERTC
25 wages shall not expire before the time period

1 for such assessment expires under paragraph
2 (1).

3 “(B) IMPROPERLY CLAIMED ERTC
4 WAGES.—For purposes of this paragraph, the
5 term ‘improperly claimed ERTC wages’ means,
6 with respect to an assessment attributable to a
7 credit claimed under this section, the wages
8 with respect to which a deduction would not
9 have been allowed if the portion of the credit to
10 which such assessment relates had been prop-
11 erly claimed.”.

12 (j) EFFECTIVE DATES.—

13 (1) IN GENERAL.—Except as otherwise pro-
14 vided in this subsection, the provisions of this sec-
15 tion shall apply to aid, assistance, and advice pro-
16 vided after March 12, 2020.

17 (2) DUE DILIGENCE REQUIREMENTS.—Sub-
18 sections (b) and (c) shall apply to aid, assistance,
19 and advice provided after the date of the enactment
20 of this Act.

21 (3) LIMITATION ON CREDIT AND REFUND OF
22 COVID-RELATED EMPLOYEE RETENTION TAX CRED-
23 ITS.—Subsection (h) shall apply to credits and re-
24 funds allowed or made after the date of the enact-
25 ment of this Act.

1 (4) AMENDMENTS TO EXTEND LIMITATION ON
2 ASSESSMENT.—The amendments made by subsection
3 (i) shall apply to assessments made after the date of
4 the enactment of this Act.

5 (k) TRANSITION RULE WITH RESPECT TO REQUIRE-
6 MENTS TO DISCLOSE INFORMATION, MAINTAIN CLIENT
7 LISTS, ETC.—Any return under section 6111 of the Inter-
8 nal Revenue Code of 1986, or list under section 6112 of
9 such Code, required by reason of subsection (d) of this
10 section to be filed or maintained, respectively, with respect
11 to any aid, assistance, or advice provided by a COVID-
12 ERTC promoter with respect to a COVID-ERTC docu-
13 ment before the date of the enactment of this Act, shall
14 not be required to be so filed or maintained (with respect
15 to such aid, assistance or advice) before the date which
16 is 90 days after the date of the enactment of this Act.

17 (l) PROVISIONS NOT TO BE CONSTRUED TO CREATE
18 NEGATIVE INFERENCES.—

19 (1) NO INFERENCE WITH RESPECT TO APPLICA-
20 TION OF KNOWLEDGE REQUIREMENT TO PRE-EN-
21 ACTMENT CONDUCT OF COVID-ERTC PROMOTERS,
22 ETC.—Subsection (b) shall not be construed to cre-
23 ate any inference with respect to the proper applica-
24 tion of section 6701(a)(3) of the Internal Revenue
25 Code of 1986 with respect to any aid, assistance, or

1 advice provided by any COVID-ERTC promoter on
2 or before the date of the enactment of this Act (or
3 with respect to any other aid, assistance, or advice
4 to which such subsection does not apply).

5 (2) REQUIREMENTS TO DISCLOSE INFORMA-
6 TION, MAINTAIN CLIENT LISTS, ETC.—Subsections
7 (d) and (k) shall not be construed to create any in-
8 ference with respect to whether any COVID-related
9 employee retention tax credit is (without regard to
10 subsection (d)) a listed transaction (or reportable
11 transaction) with respect to any COVID–ERTC pro-
12 moter; and, for purposes of subsection (k), a return
13 or list shall not be treated as required (with respect
14 to such aid, assistance, or advice) by reason of sub-
15 section (d) if such return or list would be so re-
16 quired without regard to subsection (d).

17 (m) REGULATIONS.—The Secretary (as defined in
18 subsection (c)(5)) shall issue such regulations or other
19 guidance as may be necessary or appropriate to carry out
20 the purposes of this section (and the amendments made
21 by this section).

22 **SEC. 112206. EARNED INCOME TAX CREDIT REFORMS.**

23 (a) EARNED INCOME TAX CREDIT CERTIFICATION
24 PROGRAM.—

25 (1) ESTABLISHMENT OF PROGRAM.—

1 (A) IN GENERAL.—Chapter 77 is amended
2 by adding at the end the following new section:

3 **“SEC. 7531. EARNED INCOME TAX CREDIT CERTIFICATION**
4 **PROGRAM.**

5 “(a) IN GENERAL.—To avoid duplicative and other
6 erroneous claims under section 32 with respect to a child
7 of the taxpayer, for taxable years beginning after Decem-
8 ber 31, 2027, the Secretary shall establish a program
9 under which, on the taxpayer’s application with respect
10 to the child, the Secretary shall issue an EITC certificate
11 for purposes of section 32 establishing such child’s status
12 as a qualifying child only of the taxpayer for a taxable
13 year.

14 “(b) APPLICATION REQUIREMENTS.—

15 “(1) IN GENERAL.—The Secretary shall not
16 issue to a taxpayer an EITC certificate with respect
17 to a child for a taxable year unless the taxpayer ap-
18 plies under the program with respect to the child
19 and provides such information and supporting docu-
20 mentation as the Secretary shall by regulation pre-
21 scribe as necessary to establish such child as a quali-
22 fying child only of the taxpayer for the taxable year.

23 “(2) TIME AND MANNER OF APPLICATION.—

24 Such application shall be made, and such informa-

1 tion and supporting documentation shall be pro-
2 vided—

3 “(A) in such manner as may be provided
4 by the Secretary for purposes of this section
5 (including establishing an on-line portal), and

6 “(B) not later than the due date for the
7 return of tax for the taxable year or (if later)
8 when the return is filed.

9 “(3) COMPETING CLAIMS.—In the case of more
10 than 1 taxpayer making an application with respect
11 to a child under the program for a taxable year be-
12 ginning during a calendar year, the Secretary shall
13 not issue an EITC certificate to any such taxpayer
14 with respect to such child for such a taxable year
15 unless the Secretary can establish such child, based
16 on information and supporting documentation pro-
17 vided under paragraph (1), as the qualifying child
18 only of one such taxpayer for such a taxable year.

19 “(c) TREATMENT OF CREDIT WITHOUT CERTIFI-
20 CATION UNDER PROGRAM.—For taxable years beginning
21 after December 31, 2027—

22 “(1) IN GENERAL.—In the case of a taxpayer
23 who takes into account as a qualifying child under
24 section 32 a child for whom an EITC certificate has

1 not been issued for the taxable year to the tax-
2 payer—

3 “(A) the Secretary shall not credit the por-
4 tion of any overpayment for such taxable year
5 that is attributable to the taxpayer taking into
6 account such child as a qualifying child, unless
7 the taxpayer obtains, not later than the due
8 date for the return for the taxable year, an
9 EITC certificate with respect to such child for
10 such taxable year, and

11 “(B) if the taxpayer fails to so obtain an
12 EITC certificate, such failure shall be treated—

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 “(2) TERMINATION OF CERTIFICATION.—In the
20 case of a taxpayer who for a taxable year takes into
21 account as a qualifying child under section 32 a
22 child for whom an EITC certificate is terminated for
23 such taxable year, such termination shall be treated
24 in the same manner as a failure to obtain an EITC
25 certificate under paragraph (1)(B).

1 “(d) TRANSITION RULES FOR TAXABLE YEARS BE-
2 GINNING BEFORE 2028.—

3 “(1) IN GENERAL.—If for any taxable year be-
4 ginning after December 31, 2023, and before Janu-
5 ary 1, 2027, more than 1 taxpayer makes a claim
6 for credit under section 32 taking into account the
7 same child as a qualifying child, then the Secretary
8 shall send notice to each such taxpayer (by certified
9 or registered mail to the last known address of the
10 taxpayer) detailing the resultant treatment of such
11 taxpayers under paragraph (2) with respect to such
12 child for any subsequent taxable years beginning be-
13 fore 2028.

14 “(2) SUBSEQUENT TAXABLE YEARS BEGINNING
15 BEFORE 2028.—In the case of a child with respect
16 to whom paragraph (1) applied by reason of claims
17 for credit for a taxable year, for any subsequent tax-
18 able years beginning before January 1, 2028—

19 “(A) subject to subparagraph (B), the Sec-
20 retary shall not credit the portion of any over-
21 payment for the taxable year that is attrib-
22 utable to a taxpayer taking into account such
23 child as a qualifying child under section 32
24 until the 15th day of October following the end
25 of the taxable year, and

1 “(B) if more than one taxpayer makes a
2 claim for such credit for the taxable year taking
3 into account such child as a qualifying child, so
4 taking such child into account shall be treat-
5 ed—

6 “(i) as an omission of information re-
7 quired by section 32 with respect to such
8 child, and

9 “(ii) as arising out of a mathematical
10 or clerical error and assessed according to
11 section 6213(b)(1).

12 “(e) QUALIFYING CHILD.—For purposes of this sec-
13 tion, the term ‘qualifying child’ has the meaning given
14 such term under section 32(c)(3).

15 “(f) REBUTTAL OF TREATMENT.—Treatment under
16 subsection (c) or (d)(2)(B) as having omitted information
17 required by section 32 may be rebutted by providing such
18 information and supporting documentation as satisfac-
19 torily demonstrates the child is a qualifying child of the
20 taxpayer for the taxable year.

21 “(g) RESTRICTIONS ON TAXPAYERS WHO IMPROP-
22 ERLY USE PROGRAM.—

23 “(1) IN GENERAL.—A taxpayer shall not be
24 permitted to apply for an EITC certificate under the

1 program for any taxable year in the disallowance pe-
2 riod.

3 “(2) DISALLOWANCE PERIOD.—For purposes of
4 paragraph (1), the disallowance period is—

5 “(A) the period of 10 taxable years after
6 the most recent taxable year for which there
7 was a penalty imposed under 6720D on the tax-
8 payer (but only if such penalty has been im-
9 posed on such taxpayer more than once, at least
10 one instance of which was due to fraud under
11 section 6720D(b)),

12 “(B) the period of 2 taxable years after
13 the most recent taxable year for which there
14 was a penalty imposed under 6720D on the tax-
15 payer (but only if such penalty has been im-
16 posed on such taxpayer more than once due to
17 reckless or intentional disregard of rules and
18 regulations (but not imposed due to fraud)),
19 and

20 “(C) any disallowance period with respect
21 to the taxpayer under section 32(k)(1).

22 “(h) REGULATIONS.—The Secretary shall prescribe
23 such rules as may be necessary or appropriate to carry
24 out the program and purposes of this section, including—

1 “(1) a process for establishing alternating tax-
2 able year treatment of a child as a qualifying child
3 under a custodial arrangement,

4 “(2) notwithstanding subsection (d)(2), a proc-
5 ess for—

6 “(A) establishing the status of a child as
7 a qualifying child of the taxpayer under section
8 32 for taxable years to which such subsection
9 applies, and

10 “(B) allowing credit or refunds attrib-
11 utable to such status,

12 “(3) a simplified process for re-certifying a
13 child as a qualifying child only of the taxpayer for
14 a taxable year, and

15 “(4) a process for terminating EITC certifi-
16 cates in the case of competing claims with respect to
17 a child or in cases in which issuance of the certifi-
18 cate is determined by the Secretary to be erro-
19 neous.”.

20 (B) CONFORMING AMENDMENT.—Section
21 32 amended by adding at the end the following
22 new subsection:

23 “(o) EITC CERTIFICATE WITH RESPECT TO QUALI-
24 FYING CHILDREN.—For rules relating to EITC certifi-
25 cates with respect to qualifying children and duplicate

1 claims for the credit allowed under this section, see section
2 7531.”.

3 (C) CLERICAL AMENDMENT.—The table of
4 sections for chapter 77 is amended by adding at
5 the end the following new item:

“Sec. 7531. Earned income tax credit certification program.”.

6 (2) PENALTIES FOR IMPROPER USE OF EITC
7 CERTIFICATE PROGRAM.—

8 (A) IN GENERAL.—Part I of subchapter B
9 of chapter 68 is amended by adding at the end
10 the following new section:

11 **“SEC. 6720D. PENALTIES WITH RESPECT TO EITC CERTIFI-**
12 **CATE PROGRAM.**

13 “(a) RECKLESS OR INTENTIONAL DISREGARD.—If—

14 “(1) any person makes a material misstatement
15 or inaccurate representation in an application under
16 section 7531 for an EITC certificate, and

17 “(2) such misstatement or representation was
18 due to reckless or intentional disregard of rules and
19 regulations (but not due to fraud),

20 such person shall pay a penalty of \$100 for each EITC
21 certificate with respect to which such misstatement or rep-
22 resentation was made.

23 “(b) FRAUD.—If a misstatement or representation
24 described in subsection (a)(1) is due to fraud on the part
25 of the person making such misstatement or representa-

1 tion, in addition to any criminal penalty, such person shall
2 pay a penalty of \$500 for each EITC certificate with re-
3 spect to which such a misstatement or representation was
4 made.”.

5 (B) CLERICAL AMENDMENT.—The table of
6 sections for part I of subchapter B of chapter
7 68 is amended by adding at the end the fol-
8 lowing new item:

“Sec. 6720D. Penalties with respect to EITC certificate program.”.

9 (3) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to taxable years begin-
11 ning after December 31, 2024.

12 (b) TASK FORCE TO DESIGN A PRIVATE DATA
13 BOUNCING SYSTEM FOR IMPROVEMENTS TO THE EARNED
14 INCOME TAX CREDIT.—Out of any money in the Treasury
15 not otherwise appropriated, there is hereby appropriated
16 \$10,000,000 for the fiscal year ending on September 30,
17 2026, for necessary expenses of the Department of the
18 Treasury, to establish, within 90 days following the date
19 of the enactment of this Act, a task force to provide to
20 the Secretary of the Treasury a report on the following
21 with respect to the administration of the earned income
22 tax credit:

23 (1) Recommendations for improvement of the
24 integrity of such administration.

1 (2) The potential use of third-party payroll and
2 consumption datasets to verify income.

3 (3) The integration of automated databases to
4 allow horizontal verification to reduce improper pay-
5 ments, fraud, and abuse.

6 (c) INCREASED EARNED INCOME TAX CREDIT FOR
7 PURPLE HEART RECIPIENTS WHOSE SOCIAL SECURITY
8 DISABILITY BENEFITS ARE TERMINATED BY REASON OF
9 WORK ACTIVITY.—

10 (1) IN GENERAL.—Section 32, as amended by
11 the preceding provisions of this Act, is amended by
12 adding at the end the following new subsection:

13 “(p) INCREASE IN CREDIT FOR PURPLE HEART RE-
14 CIPIENTS WHOSE SOCIAL SECURITY DISABILITY BENE-
15 FITS ARE TERMINATED BY REASON OF WORK ACTIV-
16 ITY.—

17 “(1) IN GENERAL.—In the case of a specified
18 Purple Heart recipient, the credit otherwise deter-
19 mined under subsection (a) for the taxable year shall
20 be increased (whether or not such specified Purple
21 Heart recipient is an eligible individual) by the sum
22 of the SSDI benefit substitution amounts with re-
23 spect to qualified benefit termination months during
24 such taxable year.

1 “(2) SPECIFIED PURPLE HEART RECIPIENT.—

2 For purposes of this subsection, the term ‘specified

3 Purple Heart recipient’ means any individual—

4 “(A) who received the Purple Heart,

5 “(B) who received disability insurance ben-

6 efit payments under section 223(a) of the So-

7 cial Security Act, and

8 “(C) with respect to whom such disability

9 insurance benefit payments ceased to be pay-

10 able by reason of section 223(e)(1) of such Act.

11 “(3) QUALIFIED BENEFIT TERMINATION

12 MONTH.—For purposes of this subsection—

13 “(A) IN GENERAL.—The term ‘qualified

14 benefit termination month’ means, with respect

15 to any specified Purple Heart recipient, each

16 month during the 12-month period beginning

17 with the first month with respect to which dis-

18 ability insurance benefit payments described in

19 paragraph (2)(B) ceased to be payable as de-

20 scribed in paragraph (2)(C).

21 “(B) EXCEPTION FOR MONTHS FOR WHICH

22 BENEFITS ARE REINSTATED, ETC.—Such term

23 shall not include any month if the specified

24 Purple Heart recipient receives any benefit pay-

1 ment under section 223(a) of the Social Secu-
2 rity Act with respect to such month.

3 “(4) SSDI BENEFIT SUBSTITUTION AMOUNT.—

4 For purposes of this subsection, the term ‘SSDI
5 benefit substitution amount’ means, with respect to
6 specified Purple Heart recipient for any qualified
7 benefit termination month, an amount equal to the
8 disability insurance benefit payment received by such
9 recipient under section 223(a) of the Social Security
10 Act for the month immediately preceding the 12-
11 month period described in paragraph (3)(A).

12 “(5) CERTAIN EITC LIMITATIONS NOT APPLICA-
13 BLE.—Subsections (a)(2), (d), (e), (f), and (i) shall
14 not apply with respect to the increase under para-
15 graph (1).”.

16 (2) EFFECTIVE DATE.—The amendment made
17 by this subsection shall apply to taxable years end-
18 ing after the date of the enactment of this Act.

19 **SEC. 112207. TASK FORCE ON THE TERMINATION OF DI-**
20 **RECT FILE.**

21 (a) TERMINATION OF DIRECT FILE.—As soon as
22 practicable, and not later than 30 days after the date of
23 the enactment of this Act, the Secretary of the Treasury
24 shall ensure that the Internal Revenue Service Direct File
25 program has been terminated.

1 (b) APPROPRIATION FOR TASK FORCE TO DESIGN A
2 BETTER PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE
3 IRS AND PRIVATE SECTOR TAX PREPARATION SERVICES
4 TO PROVIDE FOR FREE TAX FILING TO REPLACE THE
5 EXISTING “FREE FILE” PROGRAM AND ANY “DIRECT
6 EFILE” TAX RETURN SYSTEM.—Out of any money in the
7 Treasury not otherwise appropriated, there is hereby ap-
8 propriated for the fiscal year ending September 30, 2026,
9 for necessary expenses of the Department of the Treasury
10 to deliver to Congress, within 90 days following the date
11 of the enactment of this Act, a report on (1) the cost of
12 a new public-private partnership to provide for free tax
13 filing for up to 70 percent of all taxpayers calculated by
14 adjusted gross income to replace free file and any IRS-
15 run direct file programs; (2) taxpayer opinions and pref-
16 erences regarding a taxpayer-funded, government-run
17 service or a free service provided by the private sector;
18 and (3) assessment of the feasibility of a new approach,
19 how to make the options consistent and simple for tax-
20 payers across all participating providers, how to provide
21 features to address taxpayer needs, and how much money
22 should be appropriated to advertise the new option,
23 \$15,000,000, to remain available until September 30,
24 2026.

1 **SEC. 112208. POSTPONEMENT OF TAX DEADLINES FOR HOS-**
2 **TAGES AND INDIVIDUALS WRONGFULLY DE-**
3 **TAINED ABROAD.**

4 (a) PROSPECTIVE RELIEF.—

5 (1) IN GENERAL.—Chapter 77 is amended by
6 inserting after section 7510 the following new sec-
7 tion:

8 **“SEC. 7511. TIME FOR PERFORMING CERTAIN ACTS POST-**
9 **PONED FOR HOSTAGES AND INDIVIDUALS**
10 **WRONGFULLY DETAINED ABROAD.**

11 “(a) TIME TO BE DISREGARDED.—

12 “(1) IN GENERAL.—The period during which
13 an applicable individual was unlawfully or wrongfully
14 detained abroad, or held hostage abroad, shall be
15 disregarded in determining, under the internal rev-
16 enue laws, in respect of any tax liability of such indi-
17 vidual—

18 “(A) whether any of the acts described in
19 section 7508(a)(1) were performed within the
20 time prescribed thereof (determined without re-
21 gard to extension under any other provision of
22 this subtitle for periods after the initial date (as
23 determined by the Secretary) on which such in-
24 dividual was unlawfully or wrongfully detained
25 abroad or held hostage abroad),

1 “(B) the amount of any interest, penalty,
2 additional amount, or addition to the tax for
3 periods after such date, and

4 “(C) the amount of any credit or refund.

5 “(2) APPLICATION TO SPOUSE.—The provisions
6 of paragraph (1) shall apply to the spouse of any in-
7 dividual entitled to the benefits of such paragraph.

8 “(b) APPLICABLE INDIVIDUAL.—

9 “(1) IN GENERAL.—For purposes of this sec-
10 tion, the term ‘applicable individual’ means any indi-
11 vidual who is—

12 “(A) a United States national unlawfully
13 or wrongfully detained abroad, as determined
14 under section 302 of the Robert Levinson Hos-
15 tage Recovery and Hostage-Taking Account-
16 ability Act (22 U.S.C. 1741), or

17 “(B) a United States national taken hos-
18 tage abroad, as determined pursuant to the
19 findings of the Hostage Recovery Fusion Cell
20 (as described in section 304 of the Robert
21 Levinson Hostage Recovery and Hostage-Tak-
22 ing Accountability Act (22 U.S.C. 1741b)).

23 “(2) INFORMATION PROVIDED TO TREASURY.—
24 For purposes of identifying individuals described in

1 paragraph (1), not later than January 1, 2026, and
2 annually thereafter—

3 “(A) the Secretary of State shall provide
4 the Secretary with a list of the individuals de-
5 scribed in paragraph (1)(A), as well as any
6 other information necessary to identify such in-
7 dividuals, and

8 “(B) the Attorney General, acting through
9 the Hostage Recovery Fusion Cell, shall provide
10 the Secretary with a list of the individuals de-
11 scribed in paragraph (1)(B), as well as any
12 other information necessary to identify such in-
13 dividuals.

14 “(c) SPECIAL RULE FOR OVERPAYMENTS.—

15 “(1) IN GENERAL.—Subsection (a) shall not
16 apply for purposes of determining the amount of in-
17 terest on any overpayment of tax.

18 “(2) SPECIAL RULES.—If an individual is enti-
19 tled to the benefits of subsection (a) with respect to
20 any return and such return is timely filed (deter-
21 mined after the application of such subsection), sub-
22 sections (b)(3) and (e) of section 6611 shall not
23 apply.

24 “(d) MODIFICATION OF TREASURY DATABASES AND
25 INFORMATION SYSTEMS.—The Secretary shall ensure that

1 databases and information systems of the Department of
2 the Treasury are updated as necessary to ensure that stat-
3 ute expiration dates, interest and penalty accrual, and col-
4 lection activities are suspended consistent with the appli-
5 cation of subsection (a).

6 “(e) REFUND AND ABATEMENT OF PENALTIES AND
7 FINES IMPOSED PRIOR TO IDENTIFICATION AS APPLICA-
8 BLE INDIVIDUAL.—In the case of any applicable indi-
9 vidual—

10 “(1) for whom any interest, penalty, additional
11 amount, or addition to the tax in respect to any tax
12 liability for any taxable year ending during the pe-
13 riod described in subsection (a)(1) was assessed or
14 collected, and

15 “(2) who was, subsequent to such assessment
16 or collection, determined to be an individual de-
17 scribed in subparagraph (A) or (B) of subsection
18 (b)(1),

19 the Secretary shall abate any such assessment and refund
20 any amount collected to such applicable individual in the
21 same manner as any refund of an overpayment of tax
22 under section 6402.”.

23 (2) CLERICAL AMENDMENT.—The table of sec-
24 tions for chapter 77 is amended by inserting after

1 the item relating to section 7510 the following new
2 item:

“Sec. 7511. Time for performing certain acts postponed for hostages and individuals wrongfully detained abroad.”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to taxable years ending
5 after the date of enactment of this Act.

6 (b) REFUND AND ABATEMENT OF PENALTIES AND
7 FINES PAID BY ELIGIBLE INDIVIDUALS.—

8 (1) IN GENERAL.—Section 7511, as added by
9 subsection (a), is amended by adding at the end the
10 following new subsection:

11 “(f) REFUND AND ABATEMENT OF PENALTIES AND
12 FINES PAID BY ELIGIBLE INDIVIDUALS WITH RESPECT
13 TO PERIODS PRIOR TO DATE OF ENACTMENT OF THIS
14 SECTION.—

15 “(1) IN GENERAL.—

16 “(A) ESTABLISHMENT.—Not later than
17 January 1, 2026, the Secretary (in consultation
18 with the Secretary of State and the Attorney
19 General) shall establish a program to allow any
20 eligible individual (or the spouse or any dependent
21 (as defined in section 152) of such individual)
22 to apply for a refund or an abatement
23 of any amount described in paragraph (2) (in-

1 cluding interest) to the extent such amount was
2 attributable to the applicable period.

3 “(B) IDENTIFICATION OF INDIVIDUALS.—
4 Not later than January 1, 2026, the Secretary
5 of State and the Attorney General, acting
6 through the Hostage Recovery Fusion Cell (as
7 described in section 304 of the Robert Levinson
8 Hostage Recovery and Hostage-Taking Ac-
9 countability Act (22 U.S.C. 1741b)), shall—

10 “(i) compile a list, based on such in-
11 formation as is available, of individuals
12 who were applicable individuals during the
13 applicable period, and

14 “(ii) provide the list described in
15 clause (i) to the Secretary.

16 “(C) NOTICE.—For purposes of carrying
17 out the program described in subparagraph (A),
18 the Secretary (in consultation with the Sec-
19 retary of State and the Attorney General) shall,
20 with respect to any individual identified under
21 subparagraph (B), provide notice to such indi-
22 vidual—

23 “(i) in the case of an individual who
24 has been released on or before the date of
25 enactment of this subsection, not later

1 than 90 days after the date of enactment
2 of this subsection, or

3 “(ii) in the case of an individual who
4 is released after the date of enactment of
5 this subsection, not later than 90 days
6 after the date on which such individual is
7 released,

8 that such individual may be eligible for a refund
9 or an abatement of any amount described in
10 paragraph (2) pursuant to the program de-
11 scribed in subparagraph (A).

12 “(D) AUTHORIZATION.—

13 “(i) IN GENERAL.—Subject to clause
14 (ii), in the case of any refund described in
15 subparagraph (A), the Secretary shall
16 issue such refund to the eligible individual
17 in the same manner as any refund of an
18 overpayment of tax.

19 “(ii) EXTENSION OF LIMITATION ON
20 TIME FOR REFUND.—With respect to any
21 refund under subparagraph (A)—

22 “(I) the 3-year period of limita-
23 tion prescribed by section 6511(a)
24 shall be extended until the end of the
25 1-year period beginning on the date

1 that the notice described in subpara-
2 graph (C) is provided to the eligible
3 individual, and

4 “(II) any limitation under section
5 6511(b)(2) shall not apply.

6 “(2) ELIGIBLE INDIVIDUAL.—For purposes of
7 this subsection, the term ‘eligible individual’ means
8 any applicable individual who, for any taxable year
9 ending during the applicable period, paid or incurred
10 any interest, penalty, additional amount, or addition
11 to the tax in respect to any tax liability for such
12 year of such individual based on a determination
13 that an act described in section 7508(a)(1) which
14 was not performed by the time prescribed therefor
15 (without regard to any extensions).

16 “(3) APPLICABLE PERIOD.—For purposes of
17 this subsection, the term ‘applicable period’ means
18 the period—

19 “(A) beginning on January 1, 2021, and

20 “(B) ending on the date of enactment of
21 this subsection.”.

22 (2) EFFECTIVE DATE.—The amendment made
23 by this section shall apply to taxable years ending on
24 or before the date of enactment of this Act.

1 **SEC. 112209. TERMINATION OF TAX-EXEMPT STATUS OF**
2 **TERRORIST SUPPORTING ORGANIZATIONS.**

3 (a) IN GENERAL.—Section 501(p) is amended by
4 adding at the end the following new paragraph:

5 “(8) APPLICATION TO TERRORIST SUPPORTING
6 ORGANIZATIONS.—

7 “(A) IN GENERAL.—For purposes of this
8 subsection, in the case of any terrorist sup-
9 porting organization—

10 “(i) such organization (and the des-
11 ignation of such organization under sub-
12 paragraph (B)) shall be treated as de-
13 scribed in paragraph (2), and

14 “(ii) the period of suspension de-
15 scribed in paragraph (3) with respect to
16 such organization shall be treated as begin-
17 ning on the date that the Secretary des-
18 ignates such organization under subpara-
19 graph (B) and ending on the date that the
20 Secretary rescinds such designation under
21 subparagraph (D).

22 “(B) TERRORIST SUPPORTING ORGANIZA-
23 TION.—For purposes of this paragraph—

24 “(i) IN GENERAL.—the term ‘terrorist
25 supporting organization’ means any orga-
26 nization which is designated by the Sec-

1 retary as having provided, during the 3-
2 year period ending on the date of such des-
3 ignation, material support or resources to
4 an organization described in paragraph (2)
5 (determined after the application of this
6 paragraph to such organization) in excess
7 of a de minimis amount.

8 “(ii) MATERIAL SUPPORT OR RE-
9 SOURCES.—The term ‘material support or
10 resources’ has the meaning given such
11 term in subsection (g)(4) of section 2339B
12 of title 18, United States Code, except that
13 such term shall not include—

14 “(I) support or resources that
15 were approved by the Secretary of
16 State with the concurrence of the At-
17 torney General for purposes of sub-
18 section (j) of such section, or

19 “(II) humanitarian aid provided
20 with the approval of the Office of For-
21 eign Assets Control.

22 “(C) DESIGNATION PROCEDURE.—

23 “(i) NOTICE REQUIREMENT.—Prior to
24 designating any organization as a terrorist
25 supporting organization under subpara-

1 graph (B), the Secretary shall mail to the
2 most recent mailing address provided by
3 such organization on the organization's an-
4 nual return or notice under section 6033
5 (or subsequent form indicating a change of
6 address) a written notice which includes—

7 “(I) a statement that the Sec-
8 retary will designate such organization
9 as a terrorist supporting organization
10 unless the organization satisfies the
11 requirements of subclause (I) or (II)
12 of clause (ii),

13 “(II) the name of the organiza-
14 tion or organizations with respect to
15 which the Secretary has determined
16 such organization provided material
17 support or sources as described in
18 subparagraph (B),

19 “(III) a description of such mate-
20 rial support or resources except to the
21 extent that the Secretary determines
22 that disclosure of such description
23 would be inconsistent with national
24 security or law enforcement interests,
25 and

1 “(IV) if the Secretary makes the
2 determination described in subclause
3 (III), a statement that the Secretary
4 has made such determination and that
5 all or part of the description of such
6 material support or resources is not
7 included in such notice by reason of
8 such determination.

9 “(ii) OPPORTUNITY TO CURE.—In the
10 case of any notice provided to an organiza-
11 tion under clause (i), the Secretary shall,
12 at the close of the 90-day period beginning
13 on the date that such notice was sent, des-
14 ignate such organization as a terrorist sup-
15 porting organization under subparagraph
16 (B) if (and only if) such organization has
17 not (during such period)—

18 “(I) demonstrated to the satisfac-
19 tion of the Secretary that such organi-
20 zation did not provide the material
21 support or resources referred to in
22 subparagraph (B),

23 “(II) made reasonable efforts to
24 have such support or resources re-
25 turned to such organization and cer-

1 tified in writing to the Secretary that
2 such organization will not provide any
3 further support or resources to orga-
4 nizations described in paragraph (2),
5 or

6 “(III) if such notice included a
7 statement described in clause (i)(IV),
8 filed a complaint with a United States
9 district court of competent jurisdiction
10 alleging that Secretary’s determina-
11 tion under clause (i)(III) is erroneous.

12 A certification under subclause (II) shall
13 not be treated as valid if the organization
14 making such certification has provided any
15 other such certification during the pre-
16 ceding 5 years.

17 “(iii) APPLICATION OF OPPORTUNITY
18 TO CURE FOLLOWING COMPLAINT REGARD-
19 ING DETERMINATION TO WITHHOLD DE-
20 SCRIPTION OF MATERIAL SUPPORT OR RE-
21 SOURCES.—In the case of a final judgment
22 of a court of competent jurisdiction that
23 the Secretary’s determination under clause
24 (i)(III) was not erroneous, clause (ii) shall
25 be applied without regard to subclause

1 (III) thereof and as though the notice re-
2 ferred to in such clause was sent on the
3 first date that all rights of appeal with re-
4 spect to such final judgement have con-
5 cluded.

6 “(D) RESCISSION.—The Secretary shall re-
7 scind a designation under subparagraph (B) if
8 (and only if)—

9 “(i) the Secretary determines that
10 such designation was erroneous,

11 “(ii) after the Secretary receives a
12 written certification from an organization
13 that such organization did not receive the
14 notice described in subparagraph (C)(i)—

15 “(I) the Secretary determines
16 that it is reasonable to believe that
17 such organization did not receive such
18 notice, and

19 “(II) such organization satisfies
20 the requirements of subclause (I) or
21 (II) of subparagraph (C)(ii) (deter-
22 mined after taking into account the
23 last sentence thereof), or

24 “(iii) the Secretary determines, with
25 respect to all organizations to which the

1 material support or resources referred to
2 in subparagraph (B) were provided, the pe-
3 riods of suspension under paragraph (3)
4 have ended.

5 A certification described in the matter pre-
6 ceding subclause (I) of clause (ii) shall not be
7 treated as valid if the organization making such
8 certification has provided any other such certifi-
9 cation during the preceding 5 years.

10 “(E) ADMINISTRATIVE REVIEW BY INTER-
11 NAL REVENUE SERVICE INDEPENDENT OFFICE
12 OF APPEALS.—In the case of the designation of
13 an organization by the Secretary as a terrorist
14 supporting organization under subparagraph
15 (B), a dispute regarding such designation shall
16 be subject to resolution by the Internal Revenue
17 Service Independent Office of Appeals under
18 section 7803(e) in the same manner as if such
19 designation were made by the Internal Revenue
20 Service and paragraph (5) of this subsection
21 did not apply.

22 “(F) JURISDICTION OF UNITED STATES
23 COURTS.—Notwithstanding paragraph (5), the
24 United States district courts shall have exclu-
25 sive jurisdiction to review any determination of

1 the Secretary under subparagraph (C)(i)(III)
2 and any final determination with respect to an
3 organization's designation as a terrorist sup-
4 porting organization under subparagraph (B).
5 In the case of any such determination which
6 was based on classified information (as defined
7 in section 1(a) of the Classified Information
8 Procedures Act), such information may be sub-
9 mitted to the reviewing court ex parte and in
10 camera. For purposes of this subparagraph, a
11 determination with respect to an organization's
12 designation as a terrorist supporting organiza-
13 tion shall not fail to be treated as a final deter-
14 mination merely because such organization fails
15 to utilize the dispute resolution process of the
16 Internal Revenue Service Independent Office of
17 Appeals provided under subparagraph (E).

18 “(G) CLASSIFIED INFORMATION.—The
19 Secretary shall establish policies and procedures
20 for purposes of this paragraph that ensure that
21 employees of the Department of the Treasury
22 comply with all laws regarding the handling and
23 review of classified information (as defined in
24 section 1(a) of the Classified Information Pro-
25 cedures Act).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to designations made after the date
3 of the enactment of this Act in taxable years ending after
4 such date.

5 **SEC. 112210. INCREASE IN PENALTIES FOR UNAUTHORIZED**
6 **DISCLOSURES OF TAXPAYER INFORMATION.**

7 (a) IN GENERAL.—Paragraphs (1), (2), (3), (4), and
8 (5) of section 7213(a) are each amended by striking
9 “\$5,000, or imprisonment of not more than 5 years” and
10 inserting “\$250,000, or imprisonment of not more than
11 10 years”.

12 (b) DISCLOSURES OF RETURN INFORMATION OF
13 MULTIPLE TAXPAYERS TREATED AS MULTIPLE VIOLA-
14 TIONS.—Section 7213(a) is amended by adding at the end
15 the following new paragraph:

16 “(6) DISCLOSURES OF RETURN INFORMATION
17 OF MULTIPLE TAXPAYERS TREATED AS MULTIPLE
18 VIOLATIONS.—For purposes of this subsection, a
19 separate violation occurs with respect to each tax-
20 payer whose return or return information is dis-
21 closed in violation of this subsection.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to disclosures made after the date
24 of the enactment of this Act.

1 **SEC. 112211. RESTRICTION ON REGULATION OF CONTIN-**
2 **AGENCY FEES WITH RESPECT TO TAX RE-**
3 **TURNS, ETC.**

4 The Secretary of the Treasury may not regulate, pro-
5 hibit, or restrict the use of a contingent fee in connection
6 with tax returns, claims for refund, or documents in con-
7 nection with tax returns or claims for refund prepared on
8 behalf of a taxpayer.

9 **Subtitle D—Increase in Debt Limit**

10 **SEC. 113001. MODIFICATION OF LIMITATION ON THE PUB-**
11 **LIC DEBT.**

12 The limitation under section 3101(b) of title 31,
13 United States Code, as most recently increased by section
14 401(b) of Public Law 118–5 (31 U.S.C. 3101 note), is
15 increased by \$4,000,000,000,000.